

**TOWN OF PITTSFORD, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2017**

TOWN OF PITTSFORD, VERMONT  
TABLE OF CONTENTS  
JUNE 30, 2017

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

TOWN OF PITTSFORD, VERMONT  
TABLE OF CONTENTS  
JUNE 30, 2017

	<u>Page #</u>
Fiduciary Funds:	
Statement of Fiduciary Net Position	Exhibit L      33
Statement of Changes in Fiduciary Net Position	Exhibit M      34
Notes to the Financial Statements	35-62
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability - VMERS Defined Benefit Plan	Schedule 1      63
Schedule of Contributions - VMERS Defined Benefit Plan	Schedule 2      64
Other Information:	
Combining Balance Sheet - Non-Major Governmental Funds	Schedule 3      65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	Schedule 4      66
Combining Balance Sheet - Non-Major Special Revenue Funds	Schedule 5      67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds	Schedule 6      68
Combining Balance Sheet - Non-Major Capital Projects Funds	Schedule 7      69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Capital Projects Funds	Schedule 8      70
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards	71-72

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

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

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

Independent Auditor's Report

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

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Pittsford, Vermont as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Pittsford, Vermont's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont as of June 30, 2017 and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Highway Fund and the Village Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1 and the Schedule of Contributions on Schedule 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

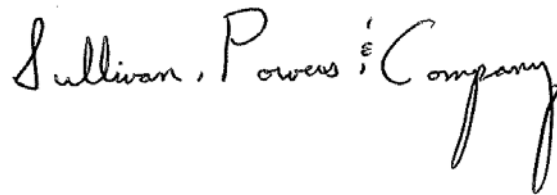
***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pittsford, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by “Government Auditing Standards”***

In accordance with “Government Auditing Standards”, we have also issued our report dated February 9, 2018 on our consideration of the Town of Pittsford, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Pittsford, Vermont’s internal control over financial reporting and compliance.

February 9, 2018  
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.

TOWN OF PITTSFORD, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2017.

***Financial Highlights***

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2017 by \$13,559,770 (*net position*). Of this amount, \$770,049 (*unrestricted net position*) may be used by the various funds of the Town to meet the Town's ongoing obligations.
- The Town's total net position increased by \$362,615. Of this amount, net position attributable to governmental activities increased by \$405,478. Net position attributable to business-type activities decreased by \$42,863.
- The General Fund had a current year deficit of \$40,297 reducing its fund balance to \$21,504.
- The Highway Fund had a current year deficit of \$63,367 reducing its fund balance to \$80,192.

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

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

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

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

The *statement of activities* presents information showing how the Town's net position changed during the past fiscal year. The *statement of activities* is on the full accrual basis (i.e. all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows) whereas the *statement of revenues, expenditures and changes in fund balance governmental funds* is on the modified accrual basis (i.e. revenue is recognized when it becomes measurable and available as net current position and expenditures are recognized when the related liability is incurred). Thus in the *statement of activities* revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements combine information from governmental funds (which are supported primarily by tax dollars) with information from enterprise funds which are supported by user fees and charges (*business-type activities*). The governmental activities of the Town of Pittsford include general government, highways and streets, public safety, sanitation and culture and recreation. The business-type activities of the Town include water operations and sewer/wastewater treatment operations. The government-wide financial statements can be found in Exhibits A and B of this report.

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

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

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

### Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
Current and Other Assets	\$ 1,745,609	\$ 1,698,730	\$ 415,922	\$ 444,531	\$ 2,161,531	\$ 2,143,261
Capital Assets	6,952,006	6,709,565	9,362,332	9,462,567	16,314,338	16,172,132
Total Assets	<u>8,697,615</u>	<u>8,408,295</u>	<u>9,778,254</u>	<u>9,907,098</u>	<u>18,475,869</u>	<u>18,315,393</u>
Deferred Outflows of Resources	<u>115,427</u>	<u>69,043</u>	<u>21,026</u>	<u>14,327</u>	<u>136,453</u>	<u>83,370</u>
Current Liabilities	96,433	163,444	58,399	23,454	154,832	186,898
Long-term Liabilities	<u>600,710</u>	<u>612,475</u>	<u>4,282,883</u>	<u>4,397,488</u>	<u>4,883,593</u>	<u>5,009,963</u>
Total Liabilities	<u>697,143</u>	<u>775,919</u>	<u>4,341,282</u>	<u>4,420,942</u>	<u>5,038,425</u>	<u>5,196,861</u>
Deferred Inflows of Resources	<u>13,663</u>	<u>4,661</u>	<u>464</u>	<u>86</u>	<u>14,127</u>	<u>4,747</u>
Net Position						
Net Investment in Capital Assets	6,681,696	6,369,565	5,126,521	5,101,381	11,808,217	11,470,946
Restricted	981,504	925,548	0	0	981,504	925,548
Unrestricted	<u>439,036</u>	<u>401,645</u>	<u>331,013</u>	<u>399,016</u>	<u>770,049</u>	<u>800,661</u>
Total Net Position	<u>\$ 8,102,236</u>	<u>\$ 7,696,758</u>	<u>\$ 5,457,534</u>	<u>\$ 5,500,397</u>	<u>\$ 13,559,770</u>	<u>\$ 13,197,155</u>

As stated above, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$13,559,770 and \$13,197,155 as of June 30, 2017 and 2016, respectively.

The largest portion of the Town's net position (\$11,808,217) are in its investment in capital assets (87%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, infrastructure). Therefore, these assets are not available for future spending. A portion (7%, or \$981,504) of the Town's assets are subject to restrictions on how they may be used (e.g. highway maintenance, highway and fire vehicle replacement, building maintenance). The remaining balance of unrestricted net position (6%, or \$770,049) may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in unrestricted net position have been assigned by management for particular purposes (e.g. capital projects).



Statement of Activities (Change in Net Position)

	Governmental Activities		Business-type Activities		Total	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
Revenues						
Program Revenues						
Charges for services	\$ 192,156	\$ 193,203	\$ 659,256	\$ 672,383	851,412	865,586
Operating grants and contributions	151,090	163,395	20,000	0	171,090	163,395
Capital grants and contributions	394,016	371,206	2,000	0	396,016	371,206
General Revenues						
Property taxes	1,980,497	1,822,375	0	0	1,980,497	1,822,375
Interest & Penalties on Delinquent Taxes	32,667	39,252	0	0	32,667	39,252
General State Grants	78,196	74,417	0	0	78,196	74,417
Unrestricted investment earnings	16,880	14,006	3,177	2,962	20,057	16,968
Other revenues	1,235	787	0	0	1,235	787
Total Revenues	<u>2,846,737</u>	<u>2,678,641</u>	<u>684,433</u>	<u>675,345</u>	<u>3,531,170</u>	<u>3,353,986</u>
Expenses						
Governmental activities						
General Government	789,202	842,105	0	0	789,202	842,105
Highways & Streets	971,376	912,798	0	0	971,376	912,798
Public Safety	400,204	393,718	0	0	400,204	393,718
Sanitation	80,211	86,659	0	0	80,211	86,659
Culture and Recreation	191,279	189,528	0	0	191,279	189,528
Community Development	6,000	0	0	0	6,000	0
Interest on Long-term Debt	2,987	11,207	0	0	2,987	11,207
Business-type activities						
Water	0	0	387,408	359,159	387,408	359,159
Sewer	0	0	339,888	317,196	339,888	317,196
Total Expenses	<u>2,441,259</u>	<u>2,436,015</u>	<u>727,296</u>	<u>676,355</u>	<u>3,168,555</u>	<u>3,112,370</u>
Change in net position	405,478	242,626	(42,863)	(1,010)	362,615	241,616
Net position - Beginning of Year	<u>7,696,758</u>	<u>7,454,132</u>	<u>5,500,397</u>	<u>5,501,407</u>	<u>13,197,155</u>	<u>12,955,539</u>
Net position - End of Year	<u>\$8,102,236</u>	<u>\$7,696,758</u>	<u>\$ 5,457,534</u>	<u>\$5,500,397</u>	<u>\$ 13,559,770</u>	<u>\$ 13,197,155</u>

**Governmental activities.** Governmental activities increased the Town’s net position by \$405,478 in FY17. The primary reasons are due to having invested more in capital outlays than the amount of depreciation in this period and increasing reserves.

**Business-type activities.** Business-type activities decreased the Town’s net position by \$42,863. Specifically, the Water Fund had a current year deficit of \$12,896, whereas the Sewer Fund had a current year deficit of \$29,967. The sewer deficit was due to rates being inadequate to support both operational costs and debt service obligations.

The Pittsford Water Fund had a GAAP basis net position decrease of \$12,896 in FY17. This deficit was derived primarily from non-operating expenses of \$91,229 edging out the operating surplus of \$73,583. The Agency of Transportation is planning to upgrade U.S. Route 7, in segments, through the Town of Pittsford. The impact on the Pittsford Water System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were \$483,955 on June 30, 2017.

The Sewer Fund had a GAAP basis net position decrease of \$29,967. This decrease was primarily the result of non-operating interest expenses of \$49,641 overtaking an operating surplus of \$24,424. User rates have increased twice in recent years and the Water & Sewer Commission is considering several ways in which to address a persistent structural deficit. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Sewer System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were a negative balance of (\$152,942) on June 30, 2017.

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

### **The General Fund**

The General Fund balance decreased \$40,297 from \$61,801 at the end of fiscal year 2016 to \$21,504 at the end of fiscal year 2017.

On the revenue side, the Town received a one-time solar farm payment in the amount of \$10,000 and State PILOT revenues exceeded expectations by \$7,816. The Town's Police Department also collected \$8,700 more than budgeted in traffic fines and \$11,720 more than budgeted from the Omya truck detail. On the other hand, property tax revenues came in \$22,705 lower than expected and investment interest was 9,423 below budget.

On the expense side, the Town spent \$10,281 less than expected on computer contracts, \$6,318 less than expected for Solid Waste Management, \$8,871 less than budgeted on Municipal Plant and Equipment, \$4,022 less than budgeted for elections, \$2,427 and \$2,388 less than expected on Zoning Department labor and zoning legal fees respectively, \$3,554 less than budgeted on Planning Commission expenses and \$7,821 less on Fire Department expenses. On the other hand, the Town spent \$14,434 more than budgeted on the Town Manager's position, owing to two unused vacation day pay-outs. The Town also spent \$5,607 more than budgeted for the Bookkeeper position, due to the hiring of a new bookkeeper at a market rate. Overall, the Recreation Department spent \$11,421 more than budgeted. The Town spent \$3,582 in unbudgeted legal fees. Mosquito control costs exceeded the budget by \$5,000. Between regular patrols, the Omya truck detail and unbudgeted equipment purchases, Police Department expenses came in at \$48,862 over budget.

### **The Highway Fund**

The Highway Fund balance decreased \$63,367 from \$143,559 the end of fiscal year 2016 to \$80,192 at the end of fiscal year 2017.

Overall, both revenues and expenses were substantially greater than budgeted, due to the timing of the completion and payment for grant-funded projects (Arch Street sidewalk, e.g.).

On the expense side, the Town spent \$14,013 less on paving than expected and a total of \$12,744 less than expected on Class II and Class III Supplies. On the other hand, the Town spent \$15,782 more on labor in Maintenance than budgeted and \$4,145 more than expected in Equipment Rentals. The Town spent \$16,685 more than budgeted for Sodium Chloride and \$4,685 more than budgeted for Calcium Chloride. The Town also spent an unbudgeted \$5,092 in Contract Services (crack sealing pilot project).

**Other Funds**

The Town has the following other reserve funds at June 30, 2017:

Committed for Village Fund – Sidewalks	\$ 17,720
Assigned for Reappraisal Expenses	109,585
Restricted for State Planning Grants	7,895
Restricted for Land Records Preservation	47,387
Restricted for Veterans Memorial	328
Restricted for William Dennison Fund – Fire	97,840
Restricted for Well Drilling Fund	17,008
Restricted for Bridge Replacement	394,195
Assigned for Municipal Office Capital Improvements	166
Committed for Fire Department Capital	212,533
Assigned for Patrol Car Fund	(10,842)
Committed for Mower Replacement	22,028
Committed for Cemetery Development	41,975
Restricted for Highway Capital Fund	351,648
Restricted for Belcher Miracle Fund – Recreation	<u>2019</u>
 Total Other Funds	 <u>\$1,311,485</u>

**Restricted Net Position and Restricted Fund Balances**

The restricted net position was \$981,504 on June 30, 2017. These funds are reserved for specific future expenses, such as highway maintenance and other purposes determined by trust agreements.

The unassigned fund balance of the Governmental Funds was \$130 on June 30, 2017. The General Fund has an unassigned amount of \$10,972, however, the Patrol Car Fund had an unassigned deficit of \$10,842.

## **Capital Assets**

Governmental Capital Assets increased \$242,441 in FY17, net of depreciation. Major capital additions for the year were as follows:

- (a) Purchase of a pick-up truck for Fire Department (\$35,000)
- (b) Purchase of a Bobcat for the Highway Department (\$50,000)
- (c) Paving of Corn Hill Road (\$160,000); Fire Hill Road (\$17,000)
- (d) Installation of Box Culverts on Fire Hill Road (\$105,000) and Chittenden Road (\$78,000)
- (e) Completion of Sidewalk on Arch/Pleasant Streets (\$344,000)

Business-Type Capital Assets decreased \$100,235 in FY17, net of depreciation. Major capital additions for the year were as follows:

- (a) Purchase of a Tractor for Water Department (\$40,000)
- (b) Replacement of Water Min at Intersection of Route 7 and 3 (\$30,000)

## ***Long Term Debt***

All of the long term debt identified below is a general obligation of the Town of Pittsford. However, it has been the practice to fund repayment of the various obligations from their respective funds.

As of June 30, 2017, the Town's Highway Fund had a bond balance of \$255,000, the proceeds of which were used for highway improvements.

The Town's debt to the State of Vermont Environmental Revolving Loan Fund, for the issuance of loans to Pittsford homeowners to drill water wells, fell to \$99,232.

The Town received proceeds from a capital lease of \$15,310 to purchase a police cruiser. The lease was paid off subsequent to year end.

The combined Pittsford/Florence Water System and Sewer System had a bond balance (current plus noncurrent balance) of \$4,235,811 that was used for system improvements. The Water System had a bond balance of \$2,537,498 and the Sewer System had a bond balance totaling \$1,698,313.

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

- The national economy continues its relatively slow economic expansion, with repercussions at the State and local levels of government. The outlook for 2018 is one of increased economic activity and modestly increasing inflation.

The following factors were considered in the development of budgets for FY18:

- **General Fund:** The voters approved a General Fund budget of \$1,471,178 of which \$1,152,868 was to be raised by taxes. The budget is a \$86,513 (6.2%) increase over the prior year. The General Fund restored the annual \$35,000 payment to the Water Fund for hydrant maintenance, increased the annual appropriation to the Fire Truck Replacement Fund by \$7,500, increased Mosquito control by \$5,000, increased bookkeeping salary by \$6,000 and increased the police budget by \$20,000.
- **Highway Fund:** The Voters approved a 2018 Highway Fund budget of \$1,220,585 of which \$910,935 was to be gained by taxes. The budget is a \$219,945 (22%) increase over the prior year. Only 5.7% of this increase was funded with property taxes and the rest was from outside sources. The major increase are \$80,000 additional to paving and \$169,000 for the Fire Hill Box Culvert. This was offset by reduced budgets for fuel costs.

The following factors will influence budgets in future fiscal years:

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

### ***Requests for Information***

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,445,781	\$ 0	\$ 1,445,781
Investments	99,859	0	99,859
Deposits with Insurance Company	1,700	0	1,700
Receivables (Net of Allowance for Uncollectibles)	179,609	296,160	475,769
Loans Receivable	72,035	7,225	79,260
Internal Balances	(103,681)	103,681	0
Prepaid Expenses	6,181	232	6,413
Inventories	44,125	8,624	52,749
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	6,700	70,125	76,825
Other Capital Assets, (Net of Accumulated Depreciation)	6,841,607	9,223,852	16,065,459
 Total Assets	 <u>8,697,615</u>	 <u>9,778,254</u>	 <u>18,475,869</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>115,427</u>	<u>21,026</u>	<u>136,453</u>
 Total Deferred Outflows of Resources	 <u>115,427</u>	 <u>21,026</u>	 <u>136,453</u>
<u>LIABILITIES</u>			
Accounts Payable	39,905	38,070	77,975
Accrued Payroll and Benefits Payable	21,806	3,289	25,095
Due to Others	298	0	298
Unearned Revenue	8,329	0	8,329
Accrued Interest Payable	1,687	17,040	18,727
Due to First Response Capital Fiduciary Fund	24,408	0	24,408
Noncurrent Liabilities:			
Due within One Year	114,486	133,637	248,123
Due in More than One Year	486,224	4,149,246	4,635,470
 Total Liabilities	 <u>697,143</u>	 <u>4,341,282</u>	 <u>5,038,425</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	11,117	0	11,117
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>2,546</u>	<u>464</u>	<u>3,010</u>
 Total Deferred Inflows of Resources	 <u>13,663</u>	 <u>464</u>	 <u>14,127</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	6,681,696	5,126,521	11,808,217
Restricted For:			
Highways and Streets	826,035	0	826,035
Public Safety	97,840	0	97,840
Records Preservation	47,387	0	47,387
Other	10,242	0	10,242
Unrestricted	<u>439,036</u>	<u>331,013</u>	<u>770,049</u>
 Total Net Position	 <u>\$ 8,102,236</u>	 <u>\$ 5,457,534</u>	 <u>\$ 13,559,770</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, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 789,202	\$ 49,504	\$ 10,780	\$ 13,483	\$ (715,435)	\$ 0	\$ (715,435)
Public Safety	400,204	40,223	360	15,000	(344,621)	0	(344,621)
Highways and Streets	971,376	11,285	139,950	365,533	(454,608)	0	(454,608)
Culture and Recreation	191,279	48,343	0	0	(142,936)	0	(142,936)
Sanitation	80,211	42,801	0	0	(37,410)	0	(37,410)
Community Development	6,000	0	0	0	(6,000)	0	(6,000)
Interest on Long-term Debt	2,987	0	0	0	(2,987)	0	(2,987)
Total Governmental Activities	<u>2,441,259</u>	<u>192,156</u>	<u>151,090</u>	<u>394,016</u>	<u>(1,703,997)</u>	<u>0</u>	<u>(1,703,997)</u>
Business-type Activities:							
Water	387,408	344,585	20,000	2,000	0	(20,823)	(20,823)
Sewer	339,888	314,671	0	0	0	(25,217)	(25,217)
Total Business-type Activities	<u>727,296</u>	<u>659,256</u>	<u>20,000</u>	<u>2,000</u>	<u>0</u>	<u>(46,040)</u>	<u>(46,040)</u>
Total	<u>\$ 3,168,555</u>	<u>\$ 851,412</u>	<u>\$ 171,090</u>	<u>\$ 396,016</u>	<u>(1,703,997)</u>	<u>(46,040)</u>	<u>(1,750,037)</u>
General Revenues:							
Property Taxes					1,980,497	0	1,980,497
Penalties and Interest on Delinquent Taxes					32,667	0	32,667
General State Grants					78,196	0	78,196
Unrestricted Investment Earnings					16,880	3,177	20,057
Other Revenues					1,235	0	1,235
Total General Revenues					<u>2,109,475</u>	<u>3,177</u>	<u>2,112,652</u>
Change in Net Position					405,478	(42,863)	362,615
Net Position - July 1, 2016					<u>7,696,758</u>	<u>5,500,397</u>	<u>13,197,155</u>
Net Position - June 30, 2017					<u>\$ 8,102,236</u>	<u>\$ 5,457,534</u>	<u>\$ 13,559,770</u>

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

TOWN OF PITTSFORD, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,445,781	\$ 0	\$ 0	\$ 1,445,781
Investments	0	0	99,859	99,859
Due from Other Funds	0	45,508	1,223,605	1,269,113
Receivables (Net of Allowance for Uncollectibles)	173,579	6,030	0	179,609
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	72,035	72,035
Deposits with Insurance Company	1,700	0	0	1,700
Prepaid Expenses	6,181	0	0	6,181
Inventory	906	43,219	0	44,125
	<u>\$ 1,628,147</u>	<u>\$ 94,757</u>	<u>\$ 1,395,499</u>	<u>\$ 3,118,403</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 34,101	\$ 4,667	\$ 1,137	\$ 39,905
Accrued Payroll and Benefits Payable	17,938	3,868	0	21,806
Due to Other Funds	1,386,360	0	10,842	1,397,202
Due to Others	298	0	0	298
Unearned Revenue	8,329	0	0	8,329
	<u>1,447,026</u>	<u>8,535</u>	<u>11,979</u>	<u>1,467,540</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	11,117	0	0	11,117
Unavailable Property Taxes, Penalties and Interest	148,500	0	0	148,500
Unavailable Grant Income	0	6,030	0	6,030
Unavailable Loans Receivable	0	0	72,035	72,035
	<u>159,617</u>	<u>6,030</u>	<u>72,035</u>	<u>237,682</u>
<u>FUND BALANCES</u>				
Nonspendable	7,087	43,219	1,250	51,556
Restricted	0	36,973	917,070	954,043
Committed	0	0	294,422	294,422
Assigned	3,445	0	109,585	113,030
Unassigned/(Deficit)	10,972	0	(10,842)	130
	<u>21,504</u>	<u>80,192</u>	<u>1,311,485</u>	<u>1,413,181</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,628,147</u>	<u>\$ 94,757</u>	<u>\$ 1,395,499</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:				
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.				6,952,006
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.				226,565
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.				(602,397)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.				112,881
Net Position of Governmental Activities				<u>\$ 8,102,236</u>

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



TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 1,065,415	\$ 861,550	\$ 20,007	\$ 1,946,972
Penalties and Interest on Delinquent Taxes	32,667	0	0	32,667
Intergovernmental	101,882	473,366	23,965	599,213
Charges for Services	127,923	7,715	0	135,638
Permits, Licenses and Fees	35,084	555	4,880	40,519
Fines and Forfeits	18,700	0	0	18,700
Loan Repayments	0	0	11,565	11,565
Investment Income	5,577	2,857	8,446	16,880
Donations	10,860	0	18,483	29,343
Other	1,235	5,990	0	7,225
<b>Total Revenues</b>	<b>1,399,343</b>	<b>1,352,033</b>	<b>87,346</b>	<b>2,838,722</b>
<b>Expenditures:</b>				
General Government	746,849	0	27,977	774,826
Public Safety	324,593	0	0	324,593
Highways and Streets	0	570,077	0	570,077
Culture and Recreation	181,806	0	0	181,806
Sanitation	78,933	0	0	78,933
Capital Outlay:				
General Government	4,112	0	0	4,112
Public Safety	20,870	0	64,522	85,392
Highways and Streets	0	601,779	43,320	645,099
Debt Service:				
Principal	0	85,000	14,176	99,176
Interest	0	3,544	0	3,544
<b>Total Expenditures</b>	<b>1,357,163</b>	<b>1,260,400</b>	<b>149,995</b>	<b>2,767,558</b>
Excess/(Deficiency) of Revenues Over Expenditures	42,180	91,633	(62,649)	71,164
<b>Other Financing Sources/(Uses):</b>				
Proceeds of Long-Term Debt	0	0	15,310	15,310
Transfers In	23	0	237,500	237,523
Transfers Out	(82,500)	(155,000)	(23)	(237,523)
<b>Total Other Financing Sources/(Uses)</b>	<b>(82,477)</b>	<b>(155,000)</b>	<b>252,787</b>	<b>15,310</b>
<b>Net Change in Fund Balances</b>	<b>(40,297)</b>	<b>(63,367)</b>	<b>190,138</b>	<b>86,474</b>
Fund Balances - July 1, 2016	61,801	143,559	1,121,347	1,326,707
Fund Balances - June 30, 2017	\$ 21,504	\$ 80,192	\$ 1,311,485	\$ 1,413,181

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, 2017

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

Net change in fund balances - total governmental funds (Exhibit D)	\$	86,474
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$734,603) is allocated over their estimated useful lives and reported as depreciation expense (\$489,162). This is the amount by which capital outlays exceeded depreciation in the current period.		245,441
The net effect of various transactions involving capital assets (i.e., sales, loss on disposal of assets, capital grants and donations) is to decrease net position.		(3,000)
The issuance of long-term debt (\$15,310) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$99,176) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		83,866
The issuance of loans receivable (\$0) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$11,565) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of loans receivable.		(11,565)
Governmental funds report employer pension contributions as expenditures (\$22,724). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$49,203) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(26,479)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the decrease in deferred revenue over last year.		37,555
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(6,814)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>405,478</u></u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 1,088,120	\$ 1,065,415	\$ (22,705)
Interest on Delinquent Taxes	16,700	19,596	2,896
Penalty on Delinquent Taxes	16,500	13,071	(3,429)
Other Revenue	0	930	930
Total Property Taxes	1,121,320	1,099,012	(22,308)
Fees and Permits:			
First Class Liquor Licenses	500	575	75
Second Class Liquor Licenses	250	350	100
Junk Yard Licenses	50	0	(50)
Marriage Licenses	800	1,380	580
Burial Permits	50	65	15
Town Computer Purchases	50	120	70
Certified Copy Fees	1,400	1,315	(85)
Recording Fees	16,000	18,413	2,413
Photocopy Fees	2,500	3,358	858
DMV Fees	300	217	(83)
Posting Permits	100	70	(30)
Site Plan Review/Zoning Fees	3,000	2,761	(239)
Fire Wardens Permit Fees	200	0	(200)
Miscellaneous Fees	200	213	13
Total Fees and Permits	25,400	28,837	3,437
Intergovernmental Revenues:			
State PILOT	40,000	47,816	7,816
Current Use Reimbursement	30,000	30,327	327
School Billing Fee - Act 68	9,000	9,284	284
Vermont Railroad Tax	200	53	(147)
Health and Safety Grant Revenue	0	2,280	2,280
Total Intergovernmental Revenues	79,200	89,760	10,560
Research Revenues:	400	328	(72)
Solid Waste:			
Annual User Permits	12,000	11,946	(54)
Garbage Bag Charges	34,000	30,855	(3,145)
Total Solid Waste	46,000	42,801	(3,199)
Miscellaneous Receipts:			
School Share of Election Costs	600	0	(600)
Listers Education	400	0	(400)
Maclure Library Phone Reimbursement	500	849	349
Donations	0	500	500

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous Receipts/(Cont'd):			
Investment Interest	\$ 15,000	\$ 5,577	\$ (9,423)
Water Administration Fee	8,000	8,000	0
Sewer Administration Fee	7,000	7,000	0
Green Mountain Passport	0	132	132
Solar Farm Donation	0	10,000	10,000
Total Miscellaneous Receipts	31,500	32,058	558
Recreation:			
Annual Family Permits	2,500	1,430	(1,070)
Daily Gate Passes	2,000	3,076	1,076
Tennis Court Permits	500	41	(459)
Group Picnic Charges	3,500	1,840	(1,660)
School Programs	2,500	2,100	(400)
Ice Out Charges	600	0	(600)
CVPS Pole Rent	10	0	(10)
Trail Run Revenue	0	4,694	4,694
Belcher-Mericle Interest	35	23	(12)
Disk Golf Donations	0	50	50
Miscellaneous Donations	1,000	210	(790)
Pittsford Day Revenues	2,500	2,718	218
5K Race Revenue	0	411	411
Youth League Registration	3,500	2,310	(1,190)
Girls Softball Registration	500	560	60
Youth League Donations	3,000	1,855	(1,145)
Shoot Out Donations	0	220	220
Day Camp Registrations	10,500	10,557	57
Summer Programs	4,000	2,402	(1,598)
Fall Programs	5,000	8,071	3,071
Winter Programs	5,000	3,469	(1,531)
Spring Programs	3,450	1,561	(1,889)
Misc. Revenue	0	768	768
Total Recreation	50,095	48,366	(1,729)
Animal Management Fees:			
Dog Licenses	6,000	5,194	(806)
Other Animal Revenue	100	0	(100)
Total Animal Management Fees	6,100	5,194	(906)
Police:			
Traffic Fines	10,000	18,700	8,700
Insurance Reports	150	60	(90)
Parking Ticket Revenue	0	150	150
Miscellaneous Revenue	500	305	(195)
Grant Revenue	5,000	12,122	7,122
OMYA Truck Detail Revenue	9,000	20,720	11,720
Total Police	24,650	52,057	27,407

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Donations	\$ 0	\$ 360	\$ 360
Knox Lock Box	0	593	593
Total Fire Department	0	953	953
Total Revenues	1,384,665	1,399,366	14,701
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,000	0
Public Officials Insurance	3,500	3,617	(117)
Selectmen Expenses	600	250	350
Secretary/Clerk	2,000	1,863	137
Recording Secretary	2,700	3,250	(550)
FICA/Medicare	1,200	927	273
Total Legislation	16,000	15,907	93
Management:			
Town Manager	85,000	99,434	(14,434)
Secretary	39,750	37,323	2,427
Overtime	0	30	(30)
FICA/Medicare	11,000	10,789	211
Retirement Insurance	8,000	8,342	(342)
Medical Insurance	19,000	22,821	(3,821)
Dental Insurance	1,400	1,187	213
Life Insurance	1,200	1,237	(37)
Workers Compensation Insurance	550	554	(4)
Property Insurance	2,800	2,870	(70)
General Liability Insurance	1,300	1,106	194
Employment Practices	4,000	4,560	(560)
Unemployment Insurance	500	333	167
Mileage Reimbursement	1,600	1,611	(11)
Training	1,500	1,288	212
Health and Safety Expense	2,000	4,356	(2,356)
Car Allowance	5,000	5,096	(96)
Total Management	184,600	202,937	(18,337)
Elections:			
Ballot Clerks	2,500	1,799	701
FICA/Medicare	150	184	(34)
Notices, Warnings, Ads	200	0	200
Ballots and Supplies	2,200	1,381	819
Ballot Machine Setup	4,000	1,664	2,336
Total Elections	9,050	5,028	4,022
Finance:			
Clerk and Treasurer	60,000	60,707	(707)
Overtime	500	273	227
Assistant Clerk and Treasurer	34,000	35,947	(1,947)
Bookkeeper	13,500	19,107	(5,607)

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Finance/(Cont'd):</b>			
FICA/Medicare	\$ 7,500	\$ 8,705	\$ (1,205)
Retirement Insurance	4,200	4,530	(330)
Medical Insurance	14,500	16,381	(1,881)
Dental Insurance	900	824	76
Life Insurance	1,300	1,192	108
Workers Compensation Insurance	550	554	(4)
Unemployment Insurance	300	252	48
Mileage Reimbursement	1,700	296	1,404
State Dues - Clerks Association	100	55	45
Training Fees	1,000	3,418	(2,418)
Bank Fees	0	134	(134)
<b>Total Finance</b>	<b>140,050</b>	<b>152,375</b>	<b>(12,325)</b>
<b>Administration:</b>			
Office Supplies	14,500	16,351	(1,851)
Computer Supplies	9,000	6,012	2,988
Computer Contracts	20,000	9,719	10,281
Website Maintenance/Expenses	1,100	2,394	(1,294)
Newsletter Printing and Postage	5,000	4,550	450
Postage - General	7,000	5,253	1,747
Tax Bills and Postage	1,000	0	1,000
Town Report Coordinator	1,400	1,400	0
Town Report Printing	3,800	4,095	(295)
Town Report Postage	1,200	785	415
Tax Collector Expense	200	0	200
CPA Audit	27,000	28,513	(1,513)
Legal Fees and Tax Collection	2,500	3,991	(1,491)
<b>Total Administration</b>	<b>93,700</b>	<b>83,063</b>	<b>10,637</b>
<b>Agencies:</b>			
VLCT Dues	4,240	4,240	0
Rutland Economic Development Corporation	300	874	(574)
Rutland Regional Planning Commission	900	925	(25)
<b>Total Agencies</b>	<b>5,440</b>	<b>6,039</b>	<b>(599)</b>
<b>Zoning:</b>			
Zoning Administrator	12,360	9,933	2,427
Zoning Clerical	400	250	150
FICA/Medicare	1,030	779	251
Mileage Reimbursement	200	13	187
Zoning Hearings	750	696	54
Zoning Expense	1,000	582	418
Legal Fees - Zoning	2,500	112	2,388
<b>Total Zoning</b>	<b>18,240</b>	<b>12,365</b>	<b>5,875</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Planning Commission:</b>			
Planning Commission Stipends	\$ 3,500	\$ 2,750	\$ 750
Planning Commission Clerical	1,400	1,780	(380)
FICA/Medicare	300	375	(75)
Mileage Reimbursement	300	36	264
Planning Grant Expense	400	0	400
Town Plan	2,000	283	1,717
Legal Fees	1,000	122	878
<b>Total Planning Commission</b>	<b>8,900</b>	<b>5,346</b>	<b>3,554</b>
<b>Board of Civil Authority:</b>			
Board of Civil Authority	2,500	1,938	562
Clerical	700	250	450
FICA/Medicare	150	122	28
Supplies	100	0	100
Legal Fees	500	0	500
Miscellaneous	150	0	150
<b>Total Board of Civil Authority</b>	<b>4,100</b>	<b>2,310</b>	<b>1,790</b>
<b>Municipal Plant and Equipment:</b>			
FICA/Medicare - Custodians	200	251	(51)
Building Maintenance Supplies	2,500	1,404	1,096
Heating Fuel	2,400	1,801	599
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	7,500	5,150	2,350
Copier Maintenance	5,200	5,591	(391)
Fire/Security Alarm Maintenance	700	984	(284)
Communications	100	0	100
Telephones	4,500	3,695	805
Maclure Library Phones	600	1,180	(580)
Modem Online Telephone	200	0	200
Labor and Equipment Use by Highway	1,100	910	190
New Equipment for Building	500	0	500
Building Repairs/Maintenance	5,000	1,221	3,779
Utilities	5,500	4,942	558
<b>Total Municipal Plant and Equipment</b>	<b>45,000</b>	<b>36,129</b>	<b>8,871</b>
<b>Fire Warden:</b>			
Fire Warden Fees	50	48	2
Burn Permit Expense	200	30	170
FICA/Medicare	50	3	47
Mileage Expenses	1,000	818	182
<b>Total Fire Warden</b>	<b>1,300</b>	<b>899</b>	<b>401</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Miscellaneous:</b>			
Marriage License Fees	\$ 600	\$ 1,850	\$ (1,250)
Memorial Day Flags	500	828	(328)
Tax Abatement Costs	0	44	(44)
Ads/Special Meetings	0	461	(461)
Contracted Services	2,000	3,824	(1,824)
Legal Fees - Not Budgeted	0	3,582	(3,582)
<b>Total Miscellaneous</b>	<b>3,100</b>	<b>10,589</b>	<b>(7,489)</b>
<b>Listers:</b>			
Lister's Services	21,600	21,960	(360)
Lister's Secretary	14,000	13,331	669
FICA/Medicare	2,500	2,700	(200)
Worker's Compensation Insurance	300	277	23
Unemployment Insurance	100	109	(9)
Lister's Mileage Reimbursement	1,000	274	726
Training Fees	500	135	365
Lister's Expenses	3,000	2,145	855
Property Map Changes	2,400	2,220	180
<b>Total Listers</b>	<b>45,400</b>	<b>43,151</b>	<b>2,249</b>
<b>Special Appropriations:</b>			
Rutland Community Services	3,020	3,020	0
Tax Transfer - First Response	20,000	20,000	0
Rutland National Resource Conservation	250	250	0
Visiting Nurse/Hospice	4,931	4,931	0
R.C. Humane Society	1,000	1,000	0
Vermont Green-Up Day Expenses	250	250	0
Benn-Rut Opport. Council	925	925	0
American Red Cross	1,000	1,000	0
Pittsford Cemetery Association	900	900	0
VT Rural Fire Protection	100	100	0
SWVT Council on Aging	1,100	1,100	0
Transportation	5,000	5,000	0
Pittsford Historical Society	4,052	4,052	0
Rutland Senior Volunteer Program	427	427	0
Rutland Regional Ambulance Service	11,964	11,964	0
VT Center for Independent Living	314	314	0
Rutland County Adult Ed.	1,305	1,305	0
Association for Retarded Citizens	400	400	0
Rutland County Women's Network	200	200	0
VT Association of Conservation	100	100	0
Child First Advocacy	1,500	1,500	0
Maclure Library	83,500	83,500	0
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Bowen Walker Appropriation	1,500	1,500	0
Rutland Parent Child Center	400	400	0
Boy & Girls Club	3,000	3,000	0
<b>Total Special Appropriations</b>	<b>151,738</b>	<b>151,738</b>	<b>0</b>

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



TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Health Officer:</b>			
Health Officer Labor	\$ 500	\$ 995	\$ (495)
FICA/Medicare	50	64	(14)
Mileage	50	0	50
Mosquito Control	10,000	15,000	(5,000)
<b>Total Health Officer</b>	<b>10,600</b>	<b>16,059</b>	<b>(5,459)</b>
<b>Solid Waste Management:</b>			
Labor - Facility	21,500	19,435	2,065
Labor - Highway	1,000	0	1,000
FICA/Medicare	1,750	1,531	219
Insurance Workman's Comp.	2,700	3,015	(315)
Labor-Contract	1,200	1,845	(645)
New Equipment	300	120	180
Supplies	1,000	880	120
Telephone	300	447	(147)
Insurance - Property and Liability	200	206	(6)
Unemployment Insurance	100	135	(35)
Portalet Contract	1,500	1,450	50
Waste Removal Fees	37,000	35,512	1,488
RCSWD Surcharge	5,500	5,319	181
Tire Disposal Fees	0	84	(84)
State Franchise Tax	1,900	1,684	216
Container Rental/Purchase	4,500	4,405	95
Labor and Equipment Use by Highway	1,400	1,097	303
Utilities	2,900	1,697	1,203
Equipment Maintenance	500	0	500
Miscellaneous	0	70	(70)
<b>Total Solid Waste Management</b>	<b>85,250</b>	<b>78,932</b>	<b>6,318</b>
<b>Constables:</b>			
Wages - Local Services	90,000	108,194	(18,194)
Wages - OMYA Truck Detail	0	10,826	(10,826)
Wages - Overtime	0	138	(138)
Wages - Utility Services	0	50	(50)
Clerical	3,000	1,882	1,118
FICA/Medicare	7,500	9,019	(1,519)
Retirement Insurance	2,000	2,766	(766)
Medical Insurance	14,000	15,516	(1,516)
Dental Insurance	850	775	75
Life Insurance	600	559	41
New Equipment	3,000	16,160	(13,160)
Contracted Services	1,500	1,599	(99)
Supplies	2,000	1,833	167
Uniforms	0	1,383	(1,383)
Telephone	500	986	(486)

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Constables/(Cont'd):			
Insurance - Property/Liability	\$ 5,800	\$ 4,908	\$ 892
Insurance - Worker's Compensation	5,800	8,370	(2,570)
Insurance - Car	1,000	1,050	(50)
Unemployment Insurance	300	346	(46)
Mileage Reimbursement	300	883	(583)
Legal and Administration	300	237	63
Patrol Car - Fuel and Maintenance	8,500	10,471	(1,971)
Patrol Car Replace Fund	8,000	8,000	0
Equipment Maintenance	400	234	166
Communications	4,000	3,405	595
Safety Equipment Grant	4,000	4,348	(348)
Training Fees	1,000	1,042	(42)
Miscellaneous	300	45	255
	<u>164,650</u>	<u>215,025</u>	<u>(50,375)</u>
Total Constables			
Fire Department:			
Firemen Expenses	35,000	33,008	1,992
FICA/Medicare	2,500	2,524	(24)
Building Fuel	9,000	5,479	3,521
Vehicle Fuel	4,500	1,762	2,738
Small Tools	1,500	904	596
Hose & Fittings	1,500	328	1,172
Protective Equipment	7,000	17,666	(10,666)
Supplies	1,200	2,375	(1,175)
Knox Box Lock Expense	0	586	(586)
Ins. - Worker's Comp	23,000	19,654	3,346
Ins. - Vehicles	3,700	4,313	(613)
Ins. - General Liability	600	573	27
Ins. - Accident	900	1,317	(417)
Ins. - Property	1,600	1,692	(92)
Telephone	800	959	(159)
Communications	2,500	4,318	(1,818)
Fire Alarm System	500	292	208
Dispatching Service	1,500	373	1,127
Building Maintenance	10,000	1,788	8,212
Truck Maintenance	12,000	12,157	(157)
Equipment Maintenance	1,500	463	1,037
Ladder Truck Certificate	500	0	500
New Equipment	2,000	2,950	(950)
Utilities	3,500	2,299	1,201
Training Fees	1,500	2,305	(805)
Mutual Aid Assoc. Fees	1,000	1,200	(200)
FEMA	0	194	(194)
Vehicle Replacement Fund	62,500	62,500	0
	<u>191,800</u>	<u>183,979</u>	<u>7,821</u>
Total Fire Department			

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation Programs:			
Lifeguards	\$ 19,000	\$ 23,190	\$ (4,190)
Management	43,000	44,713	(1,713)
Overtime	4,600	3,130	1,470
Grounds Management	10,500	10,482	18
Day Camp Labor	8,000	8,008	(8)
FICA/Medicare	6,400	6,970	(570)
Retirement Insurance	2,000	1,906	94
Medical Insurance	19,000	20,833	(1,833)
Dental Insurance	1,500	1,371	129
Life Insurance	550	562	(12)
Insurance - Workman's Comp.	4,700	5,905	(1,205)
Insurance - Property / Liability	800	826	(26)
Vehicle Insurance	250	224	26
Insurance - General Liability	500	0	500
Insurance - Unemployment	350	349	1
Mileage Reimbursement	50	0	50
Supplies - Recreation Area General	2,000	2,311	(311)
Supplies - Day Camp	2,500	2,258	242
Spring Programs	4,000	2,062	1,938
Summer Programs	2,000	2,627	(627)
Mower Maintenance & Fuel	1,500	4,300	(2,800)
Fall Programs	2,500	8,090	(5,590)
Winter Programs	3,000	2,157	843
Mower Replacement Fund	3,000	3,000	0
Training	250	185	65
Signup Refunds	0	465	(465)
League Fees/Coaches, Umpires	2,000	820	1,180
Supplies - Youth League	2,000	1,611	389
Trail Run Expenses	0	2,774	(2,774)
Summer Softball Expense	500	1,111	(611)
Pittsford Day Celebration	13,000	10,845	2,155
State League Membership	165	0	165
Telephone	400	455	(55)
Communications	720	738	(18)
Donation Expenses	1,000	743	257
Rubbish Removal Contract	800	780	20
Other Contract Services	250	108	142
Advertising	200	426	(226)
Portalet Contract	500	400	100
Ballfield Maintenance	1,000	720	280
Signs Replacement	100	0	100
Equipment Rentals	1,000	0	1,000
Labor and Equipment Use by Highway	1,000	2,570	(1,570)
Labor and Equipment Use by Water	700	606	94
Utilities	850	1,028	(178)
Pool Water Tests	300	120	180
Trails and Bridging Maintenance	750	990	(240)
Green up Day Expense	200	0	200
Capital Improvements	4,000	2,037	1,963
Total Recreation Programs	<u>173,385</u>	<u>184,806</u>	<u>(11,421)</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Animal Management:			
Animal Control	\$ 1,092	\$ 1,173	\$ (81)
FICA/Medicare	200	90	110
Mileage Reimbursement	500	337	163
Supplies	500	436	64
Contract Services	300	107	193
Ins.- Property/Liability	20	18	2
Ins.- Workman's Comp.	900	541	359
Legal - Animal Control	200	0	200
Animal Census	1,200	0	1,200
Vet/Humane Shelter Fees	200	0	200
Rabies Fees To State	2,300	2,250	50
Postage	50	0	50
Total Animal Management	7,462	4,952	2,510
Debt Service and Fixed Charges:			
Rutland County Tax	24,900	28,034	(3,134)
Total Debt Service and Fixed Charges	24,900	28,034	(3,134)
Total Expenditures	1,384,665	1,439,663	(54,998)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(40,297)	\$ (40,297)
Fund Balance - July 1, 2016		61,801	
Fund Balance - June 30, 2017		\$ 21,504	

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$ 861,550	\$ 861,550	\$ 0
State Aid	126,400	125,985	(415)
Grant Revenue	0	347,381	347,381
Overload Permits	590	555	(35)
Investment Income	1,000	2,857	1,857
Interfund Charges for Services	5,100	2,975	(2,125)
Interfund Sale of Fuel	6,000	4,740	(1,260)
Insurance Proceeds	0	2,200	2,200
Clean-Up Fees	0	3,308	3,308
Miscellaneous Revenue	0	482	482
<b>Total Revenues</b>	<b>1,000,640</b>	<b>1,352,033</b>	<b>351,393</b>
<b>Expenditures:</b>			
<b>General:</b>			
Labor - Vacation and Services	32,000	25,174	6,826
Labor - Overtime	10,000	9,733	267
Labor - Maintenance	41,500	57,282	(15,782)
Mileage Reimbursement	140	266	(126)
Social Security Contribution	14,700	14,718	(18)
Insurance - Retirement	8,300	7,884	416
Insurance - Medical	43,000	45,477	(2,477)
Insurance - Dental	3,850	3,334	516
Insurance - Life	3,100	3,305	(205)
Workman's Comp	18,000	19,423	(1,423)
Insurance - General Liability	1,500	1,403	97
Insurance - Property	2,400	2,453	(53)
Insurance - Vehicle	5,100	5,534	(434)
Unemployment	500	395	105
Bridges Insurance	2,100	2,286	(186)
Legal and Administrative	200	500	(300)
Small Tool Purchases	2,000	952	1,048
Communications	800	466	334
Telephone	1,600	1,855	(255)
Heating Fuel	2,000	2,707	(707)
Equipment Rentals	1,000	5,145	(4,145)
Uniform Rentals	4,200	3,375	825
Highway Capital Reserve	105,000	105,000	0
Advertising/Postage	1,900	488	1,412
Utilities	5,000	4,774	226
Supplies	1,100	2,671	(1,571)
New Equipment Purchases	2,000	5,615	(3,615)
Contracted Services	0	4,700	(4,700)
Cold Patch and Hot Mix	0	404	(404)
Building Expenses	3,000	1,556	1,444
<b>Total General</b>	<b>315,990</b>	<b>338,875</b>	<b>(22,885)</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Class II Maintenance:</b>			
Labor	\$ 15,000	\$ 16,895	\$ (1,895)
Cold Patch/Hot Mix	1,000	3,165	(2,165)
Signs and Posts	1,000	4,646	(3,646)
Gravel/Stone	2,000	6,508	(4,508)
Culverts and Bands	10,000	200	9,800
Contracted Services	0	2,721	(2,721)
Paving	175,000	160,987	14,013
Supplies/Miscellaneous	10,000	17	9,983
<b>Total Class II Maintenance</b>	<b>214,000</b>	<b>195,139</b>	<b>18,861</b>
<b>Class III Maintenance:</b>			
Labor	51,000	43,625	7,375
Overtime	2,000	544	1,456
Cold Patch and Hot Mix	1,000	983	17
Signs and Posts	1,500	3,850	(2,350)
Calcium Chloride	9,000	13,685	(4,685)
Gravel and Stone	20,000	18,287	1,713
Culverts and Bands	3,000	3,436	(436)
Contract Services	0	5,092	(5,092)
Paving	22,500	17,785	4,715
Equipment Rentals	6,000	0	6,000
Supplies/Miscellaneous	3,000	239	2,761
<b>Total Class III Maintenance</b>	<b>119,000</b>	<b>107,526</b>	<b>11,474</b>
<b>Winter Maintenance:</b>			
Labor	32,500	31,212	1,288
Overtime	2,000	8,413	(6,413)
Sodium Chloride	79,000	95,685	(16,685)
Sand	15,000	14,462	538
Gravel/Stone	2,000	1,867	133
Equipment Rentals	0	1,324	(1,324)
Cold Patch	500	0	500
Town Equipment Drawing Sand	1,500	0	1,500
Supplies/Miscellaneous	500	301	199
<b>Total Winter Maintenance</b>	<b>133,000</b>	<b>153,264</b>	<b>(20,264)</b>
<b>Highway Vehicles:</b>			
Supplies	4,000	5,748	(1,748)
Vehicle Fuel	38,600	25,165	13,435
Contract Services	0	293	(293)
In-Shop Repairs and Maintenance	15,000	14,008	992
Outside Maintenance and Repairs	12,000	15,301	(3,301)
Miscellaneous	0	9	(9)
<b>Total Highway Vehicles</b>	<b>69,600</b>	<b>60,524</b>	<b>9,076</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Bridges:			
Labor	\$ 3,500	\$ 5,260	\$ (1,760)
Supplies	3,000	40	2,960
Bridge Replacement Reserve Fund	50,000	50,000	0
Contracted services	0	805	(805)
Guardrails	4,000	0	4,000
Total Bridges	60,500	56,105	4,395
Special Projects:			
Sidewalks	0	936	(936)
Firehill Road Culvert Project	0	69,727	(69,727)
Arch Street Sidewalk Project	0	344,760	(344,760)
Total Special Projects	0	415,423	(415,423)
Debt Service:			
Principal	85,000	85,000	0
Interest	3,550	3,544	6
Total Debt Service	88,550	88,544	6
Total Expenditures	1,000,640	1,415,400	(414,760)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(63,367)	\$ (63,367)
Fund Balance - July 1, 2016		143,559	
Fund Balance - June 30, 2017		\$ 80,192	

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

TOWN OF PITTSFORD, VERMONT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 VILLAGE FUND  
 FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 20,000	\$ 20,007	\$ 7
Interest Income	<u>0</u>	<u>186</u>	<u>186</u>
Total Revenues	<u>20,000</u>	<u>20,193</u>	<u>193</u>
Expenditures:			
Village Street Lights	<u>20,000</u>	<u>14,335</u>	<u>5,665</u>
Total Expenditures	<u>20,000</u>	<u>14,335</u>	<u>5,665</u>
Excess of Revenues Over Expenditures	\$ <u>0</u>	5,858	\$ <u>5,858</u>
Fund Balance - July 1, 2016		<u>11,862</u>	
Fund Balance - June 30, 2017		<u>\$ 17,720</u>	

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



TOWN OF PITTSFORD, VERMONT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

<u>ASSETS</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Current Assets:			
Receivables	\$ 153,325	\$ 142,835	\$ 296,160
Loan Receivable - Current Portion	0	1,700	1,700
Due from Other Funds	374,688	0	374,688
Inventory	7,298	1,326	8,624
Prepaid Expenses	232	0	232
 Total Current Assets	 <u>535,543</u>	 <u>145,861</u>	 <u>681,404</u>
Noncurrent Assets:			
Loan Receivable - Non-current Portion	0	5,525	5,525
Capital Assets:			
Land	66,855	1,500	68,355
Construction in Progress	58,025	12,100	70,125
Vehicles	94,435	0	94,435
Buildings and Building Improvements	46,991	2,614,321	2,661,312
Distribution and Collection Systems	7,030,551	1,811,768	8,842,319
Less: Accumulated Depreciation	<u>(1,482,087)</u>	<u>(892,127)</u>	<u>(2,374,214)</u>
 Total Noncurrent Assets	 <u>5,814,770</u>	 <u>3,553,087</u>	 <u>9,367,857</u>
 Total Assets	 <u>6,350,313</u>	 <u>3,698,948</u>	 <u>10,049,261</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>13,911</u>	<u>7,115</u>	<u>21,026</u>
 Total Deferred Outflows of Resources	 <u>13,911</u>	 <u>7,115</u>	 <u>21,026</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	30,304	7,766	38,070
Accrued Payroll and Benefits Payable	2,231	1,058	3,289
Due to Other Funds	0	271,007	271,007
Accrued Interest Payable	2,418	14,622	17,040
General Obligation Bonds Payable - Current Portion	<u>62,492</u>	<u>71,145</u>	<u>133,637</u>
 Total Current Liabilities	 <u>97,445</u>	 <u>365,598</u>	 <u>463,043</u>
Noncurrent Liabilities:			
Compensated Absences Payable	8,153	5,574	13,727
Net Pension Liability	22,086	11,259	33,345
General Obligation Bonds Payable - Noncurrent Portion	<u>2,475,007</u>	<u>1,627,167</u>	<u>4,102,174</u>
 Total Noncurrent Liabilities	 <u>2,505,246</u>	 <u>1,644,000</u>	 <u>4,149,246</u>
 Total Liabilities	 <u>2,602,691</u>	 <u>2,009,598</u>	 <u>4,612,289</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>307</u>	<u>157</u>	<u>464</u>
 Total Deferred Inflows of Resources	 <u>307</u>	 <u>157</u>	 <u>464</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	3,277,271	1,849,250	5,126,521
Unrestricted/(Deficit)	<u>483,955</u>	<u>(152,942)</u>	<u>331,013</u>
 Total Net Position	 <u>\$ 3,761,226</u>	 <u>\$ 1,696,308</u>	 <u>\$ 5,457,534</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 331,825	\$ 275,313	\$ 607,138
Penalties & Interest	3,995	5,622	9,617
Interfund Charges	5,688	0	5,688
Contract - Otter Valley	0	31,796	31,796
Reserve Flow Fees/Permits	800	1,000	1,800
Other Income	2,277	940	3,217
<b>Total Operating Revenues</b>	<b>344,585</b>	<b>314,671</b>	<b>659,256</b>
Operating Expenses:			
Labor and Stipends	81,429	66,899	148,328
Social Security	6,588	4,721	11,309
Insurances - Medical, Dental & Life	20,494	11,445	31,939
Retirement	2,817	1,417	4,234
Workmen's Comp/Unemployment	5,426	4,963	10,389
Insurance - General Liability/Property	2,344	2,293	4,637
Supplies	2,623	16,405	19,028
Postage/Billing Program	1,000	550	1,550
Advertising/Dues and Subscriptions	764	0	764
Telephone/Communications	2,142	4,329	6,471
Training	224	292	516
Property Tax	1,134	0	1,134
Contracts	1,854	15,512	17,366
Vermont Permit Renewals	3,426	255	3,681
Administration	8,000	7,000	15,000
Interfund Services Expenses	881	804	1,685
Utilities	6,898	22,230	29,128
Testing	1,183	3,218	4,401
Sludge/Refuse Removal	0	27,837	27,837
Maintenance	6,075	9,963	16,038
Mileage Reimbursement	4	2,093	2,097
Vehicle Fuel and Maintenance	5,954	0	5,954
Small Equipment Purchases	392	0	392
Depreciation	109,300	87,146	196,446
Other	50	875	925
<b>Total Operating Expenses</b>	<b>271,002</b>	<b>290,247</b>	<b>561,249</b>
<b>Operating Income</b>	<b>73,583</b>	<b>24,424</b>	<b>98,007</b>
Non-Operating Revenues/(Expenses):			
Grant Revenue	20,000	0	20,000
Capital Contribution	2,000	0	2,000
Grant Expenses	(31,445)	0	(31,445)
Investment Income	3,177	0	3,177
Interest Expense	(84,961)	(49,641)	(134,602)
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>(91,229)</b>	<b>(49,641)</b>	<b>(140,870)</b>
<b>Net Income Before Transfers</b>	<b>(17,646)</b>	<b>(25,217)</b>	<b>(42,863)</b>
Transfers:			
Transfers In	4,750	0	4,750
Transfers Out	0	(4,750)	(4,750)
<b>Total Transfers</b>	<b>4,750</b>	<b>(4,750)</b>	<b>0</b>
<b>Change in Net Position</b>	<b>(12,896)</b>	<b>(29,967)</b>	<b>(42,863)</b>
<b>Net Position - July 1, 2016</b>	<b>3,774,122</b>	<b>1,726,275</b>	<b>5,500,397</b>
<b>Net Position - June 30, 2017</b>	<b>\$ 3,761,226</b>	<b>\$ 1,696,308</b>	<b>\$ 5,457,534</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 354,619	\$ 321,672	\$ 676,291
Receipts from Interfund Services	5,688	0	5,688
Payments for Goods and Services	(38,243)	(100,153)	(138,396)
Payment for Interfund Services	(8,881)	(7,804)	(16,685)
Payments for Wages and Benefits	(112,608)	(88,115)	(200,723)
Net Cash Provided by Operating Activities	<u>200,575</u>	<u>125,600</u>	<u>326,175</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	535	0	535
Increase/(Decrease) in Due to Other Funds	0	15,081	15,081
Non-Operating Grant Receipts	20,000	0	20,000
Non-Operating Grant Expenses	(31,445)	0	(31,445)
Issuance of Loans Receivable	0	(8,500)	(8,500)
Repayment of Loans Receivable	0	1,275	1,275
Transfers Received/(Paid) from/(to) Other Funds	4,750	(4,750)	0
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(6,160)</u>	<u>3,106</u>	<u>(3,054)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(52,719)	(12,100)	(64,819)
Principal Paid on General Obligation Bonds Payable	(59,676)	(65,699)	(125,375)
Interest Paid on General Obligation Bonds Payable	(85,197)	(50,907)	(136,104)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(197,592)</u>	<u>(128,706)</u>	<u>(326,298)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	3,177	0	3,177
Net Cash Provided by Investing Activities	<u>3,177</u>	<u>0</u>	<u>3,177</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2016	<u>0</u>	<u>0</u>	<u>0</u>
Cash - June 30, 2017	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	73,583	24,424	98,007
Depreciation	109,300	87,146	196,446
(Increase)/Decrease in Receivables	15,747	7,001	22,748
(Increase)/Decrease in Inventory	(2,344)	46	(2,298)
(Increase)/Decrease in Prepaid Expenses	(232)	0	(232)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	(4,577)	(2,122)	(6,699)
Increase/(Decrease) in Accounts Payable	400	5,653	6,053
Increase/(Decrease) in Accrued Payroll and Benefits Payable	788	239	1,027
Increase/(Decrease) in Unearned Revenue	(25)	0	(25)
Increase/(Decrease) in Compensated Absences Payable	809	(24)	785
Increase/(Decrease) in Net Pension Liability	6,875	3,110	9,985
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	251	127	378
Net Cash Provided by Operating Activities	<u>\$ 200,575</u>	<u>\$ 125,600</u>	<u>\$ 326,175</u>

\$29,392 of capital assets are included in accounts payable as of June 30, 2017 and \$2,000 of capital assets were acquired from capital contributions.

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

	Private-Purpose Trust Fund Bowen Walker Fund	Agency Fund First Response Capital Fund
<u>ASSETS</u>		
Investments	\$ 28,628	\$ 0
Due from Other Funds	0	24,408
Total Assets	28,628	24,408
<u>LIABILITIES</u>		
Due to Others	0	24,408
Total Liabilities	0	24,408
<u>NET POSITION</u>		
Net Position:		
Restricted	28,628	0
Total Net Position	\$ 28,628	\$ 0

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Private-Purpose Trust Fund
	Bowen Walker Fund
Additions:	
Investment Income	\$ <u>327</u>
Total Additions	<u>327</u>
Deductions:	
Miscellaneous	<u>327</u>
Total Deductions	<u>327</u>
Change in Net Position	0
Net Position - June 30, 2016	<u>28,628</u>
Net Position - June 30, 2017	<u><u>\$ 28,628</u></u>

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

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

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

### **B. Basis of Presentation**

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

The Town reports on the following major governmental funds:

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

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

The Town reports on the following major enterprise funds:

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

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

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Additionally, the Town reports the following fund types:

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

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

### **C. Measurement Focus**

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

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

### **D. Basis of Accounting**

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

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



TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

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

#### **E. Use of Estimates**

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

#### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity**

##### **1. Cash**

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

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**2. Investments**

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

**3. Receivables**

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables. Unbilled revenues consist of revenues earned as of June 30, but not yet billed as of that date.

**4. Internal Balances**

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

**5. Inventories and Prepaid Expenses**

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

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

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

**6. Pensions**

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

TOWN OF PITTSFORD, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources” represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

**8. Capital Assets**

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

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

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

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**9. Compensated Absences**

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

**10. Long-term Liabilities**

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

**11. Fund Equity**

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

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

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

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

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

#### B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2017, expenditures in the General Fund and Highway Fund exceeded appropriations by \$54,998 and \$414,760, respectively. These over-expenditures were funded by excess revenues and available fund balance.

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Investments

The Town's cash and investments as of June 30, 2017 consisted of the following:

Cash:	
Deposits with Financial Institutions	\$1,445,456
Cash on Hand	<u>325</u>
Total Cash	<u>1,445,781</u>
Investments:	
Certificates of Deposit	<u>128,487</u>
Total Cash and Investments	<u>\$1,574,268</u>

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

The Town has three (3) certificates of deposit at Lake Sunapee Bank ranging from \$2,019 to \$97,840 with interest rates ranging from .3% to 1.14%. All of the certificates of deposit mature by fiscal year 2021.

**Custodial Credit Risk**

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

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 378,487	\$ 378,786
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>1,195,456</u>	<u>1,217,662</u>
Total	<u>\$1,573,943</u>	<u>\$1,596,448</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,445,456
Investments – Certificates of Deposit	<u>128,487</u>
Total	<u>\$1,573,943</u>

**Interest Rate Risk**

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

**Credit Risk**

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**Concentration of Credit Risk**

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

**B. Receivables**

Receivables as of June 30, 2017, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Delinquent Taxes Receivable	\$ 136,477	\$ 0	\$ 136,477
Penalties and Interest Receivable	26,986	1,755	28,741
Grants Receivable	17,706	0	17,706
Accounts Receivable	640	914	1,554
Billed Services	1,800	293,491	295,291
Allowance for Doubtful Accounts - Taxes	<u>(4,000)</u>	<u>0</u>	<u>(4,000)</u>
 Total	 <u>\$ 179,609</u>	 <u>\$ 296,160</u>	 <u>\$ 475,769</u>

**C. Loans Receivable**

Loans receivable as of June 30, 2017 are as follows:

Governmental Activities:

Well Drilling Fund:

Loans Receivable, Twenty-One (21) Loans to Residents for Well Drilling Principal Due Quarterly Over Ten (10) Years, Interest at 0%, Maximum Loan Amount is \$6,000, Secured by Liens on Properties. Repayment of the Income from the Loans will be Used to Pay the Well Drilling Loan Program Bond Described in Note IV.I. \$78,035

Less: Allowance for Doubtful Accounts (6,000)

Total Governmental Loans Receivable 72,035

Business-Type Activities:

Sewer Fund:

Loan Receivable, One (1) Loan to a Local Business for the Installation of a Grease Trap, Original Loan of \$8,500, \$425 Due Quarterly for Five Years, Interest at 0%, Due September, 2021, Secured by Lien on Property. 7,225

Total Loans Receivable \$79,260

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2017</u>
\$ <u>89,600</u>	\$ <u>0</u>	\$ <u>11,565</u>	\$ <u>78,035</u>

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

<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2017</u>
\$ <u>0</u>	\$ <u>8,500</u>	\$ <u>1,275</u>	\$ <u>7,225</u>

### D. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	250,055	414,488	657,843	6,700
Total Capital Assets, Not Being Depreciated	353,754	414,488	657,843	110,399
Capital Assets, Being Depreciated:				
Vehicles	2,147,623	115,825	102,050	2,161,398
Computers	29,194	4,112	3,296	30,010
Equipment	423,089	36,712	0	459,801
Buildings and Building Improvements	1,002,015	0	0	1,002,015
Infrastructure	6,620,886	836,580	131,157	7,326,309
Totals	10,222,807	993,229	236,503	10,979,533
Less Accumulated Depreciation for:				
Vehicles	886,360	109,842	83,779	912,423
Computers	12,698	5,596	3,296	14,998
Equipment	258,244	24,373	0	282,617
Buildings and Building Improvements	371,812	20,608	0	392,420
Infrastructure	2,337,882	328,743	131,157	2,535,468
Totals	3,866,996	489,162	218,232	4,137,926
Total Capital Assets, Being Depreciated	6,355,811	504,067	18,271	6,841,607
Governmental Activities Capital Assets, Net	\$ 6,709,565	\$ 918,555	\$ 676,114	\$ 6,952,006
	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	43,180	26,945	0	70,125
Total Capital Assets, Not Being Depreciated	111,535	26,945	0	138,480
Capital Assets, Being Depreciated:				
Vehicles	54,562	39,873	0	94,435
Buildings and Building Improvements	2,661,312	0	0	2,661,312
Distribution and Collection Systems	8,812,926	29,393	0	8,842,319
Totals	11,528,800	69,266	0	11,598,066
Less Accumulated Depreciation for:				
Vehicles	12,326	7,601	0	19,927
Buildings and Building Improvements	542,558	57,088	0	599,646
Distribution and Collection Systems	1,622,884	131,757	0	1,754,641
Totals	2,177,768	196,446	0	2,374,214
Total Capital Assets, Being Depreciated	9,351,032	(127,180)	0	9,223,852
Business-type Activities Capital Assets, Net	\$ 9,462,567	\$ (100,235)	\$ 0	\$ 9,362,332



TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:					
General Government	\$	16,924	Water	\$	109,300		
Public Safety		74,576	Sewer		<u>87,146</u>		
Highways and Streets		388,895					
Culture and Recreation		7,489					
Sanitation		<u>1,278</u>					
Total Depreciation Expense - Governmental Activities		\$	<u>489,162</u>	Total Depreciation Expense - Business-type Activities		\$	<u>196,446</u>

**E. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2017 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,386,360
Highway Fund	45,508	0
Non-Major Governmental Funds	1,223,605	10,842
Water Fund	374,688	0
Sewer Fund	0	271,007
Agency Fund	<u>24,408</u>	<u>0</u>
Total	\$ <u>1,668,209</u>	\$ <u>1,668,209</u>

Interfund transfers during the year ended June 30, 2017 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Municipal Office Fund	\$ 7,000	Appropriation
General Fund	Fire Department Fund	62,500	Appropriation
General Fund	Patrol Car Fund	8,000	Appropriation
General Fund	Mower Replacement Fund	3,000	Appropriation
General Fund	Cemetery Development Fund	2,000	Appropriation
Highway Fund	Bridge Reserve Fund	50,000	Appropriation
Highway Fund	Highway Capital Fund	105,000	Appropriation
Belcher Mericle Fund	General Fund	<u>23</u>	Transfer Interest Earnings
Total		\$ <u>237,523</u>	

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**F. Deferred Outflows of Resources**

Deferred outflows of resources in the Governmental Activities consists of \$3,763 from the difference between the expected and actual experience, \$29,419 from changes in assumptions, \$59,396 from the difference between the projected and actual investment earnings, \$125 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$22,724 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Governmental Activities is \$115,427.

Deferred outflows of resources in the Business-type Activities consists of \$685 from the difference between the expected and actual experience, \$5,355 from changes in assumptions, \$10,812 from the difference between the projected and actual investment earnings, \$23 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$4,151 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Business-type Activities is \$21,026.

Deferred outflows of resources in the Water Fund consists of \$454 from the difference between the expected and actual experience, \$3,547 from changes in assumptions, \$7,161 from the difference between the projected and actual investment earnings, \$15 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$2,734 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Water Fund is \$13,911.

Deferred outflows of resources in the Sewer Fund consists of \$231 from the difference between the expected and actual experience, \$1,808 from changes in assumptions, \$3,651 from the difference between the projected and actual investment earnings, \$8 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$1,417 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Sewer Fund is \$7,115.

**G. Unearned Revenue**

Unearned revenue in the General Fund consists of \$8,329 of recreation fees received in advance.

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the Governmental Activities consists of \$11,117 of prepaid property taxes and \$2,546 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Governmental Activities is \$13,663.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Deferred inflows of resources in the Business-type Activities consists of \$464 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.

Deferred inflows of resources in the General Fund consists of \$148,500 of delinquent property taxes, penalties and interest on those taxes not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$11,117 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$159,617.

Deferred inflows of resources in the Highway Fund consists of \$6,030 of grant receivable not collected within sixty (60) days after year end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$72,035 of loans receivable.

Deferred inflows of resources in the Water Fund consists of \$307 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.

Deferred inflows of resources in the Sewer Fund consists of \$157 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.

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

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even through 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.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

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

Long-term liabilities outstanding as of June 30, 2017 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Highway Improvements, Principal Payments of \$85,000 Payable on December 1 Annually, Interest at 5.02% Payable on June 1 and December 1, Due December, 2019	\$340,000	\$ 0	\$85,000	\$255,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, Principal Payments of \$14,176 Payable on December 1 Annually, 0% Interest, Due December, 2023	113,408	0	14,176	99,232
Capital Lease Payable – Ally Financial, Police Vehicle, Principal and Interest Payments of \$5,769 Due on December 1 Annually, Interest at 6.39%, Due December 1, 2019, However Paid Off in October, 2017	<u>0</u>	<u>15,310</u>	<u>0</u>	<u>15,310</u>
Total Governmental Activities	<u>\$453,408</u>	<u>\$ 15,310</u>	<u>\$99,176</u>	<u>\$369,542</u>

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Pittsford Water System Improvements, Principal Payments Ranging from \$2,667 to \$17,426 Payable on December 1 Annually, Interest Ranging from 5.7% to 7.7% Payable on June 1 and December 1, Due December, 2018	\$ 48,459	\$ 0	\$ 14,913	\$ 33,546
Bond Payable, Vermont Municipal Bond Bank, Florence Water System Improvements, Principal Payments Ranging from \$584 to \$3,673 Payable on December 1 Annually, Interest Ranging from 5.7% to 7.7% Payable on June 1 and December 1, Due December, 2018	10,226	0	3,150	7,076
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$58,318 Payable on June 23 and December 23, Interest at 3.25%, Due June, 2050	2,388,999	0	39,308	2,349,691
Bond Payable, USDA Rural Development, System Improvements, Principal and Interest Payments of \$3,187 Payable on May 15 and November 15, Interest at 2.75%, Due November, 2053	148,486	0	2,306	146,180
Bond Payable, Vermont Municipal Bond Bank, Water Supply Improvements Authorized to \$10,000, Principal Payments of \$2,000 Payable on December 1 Annually Beginning December, 2019, Due December, 2023	1,005	0	0	1,005
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pollution Control Loan, Sewer Line Upgrades, Principal Payments of \$8,943 Payable on October 1 Annually, 0% Interest, Due October, 2019	35,774	0	8,943	26,831

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$17,647 to \$36,707 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	\$ 446,831	\$ 0	\$ 20,589	\$ 426,242
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$5,430 to \$11,294 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	137,486	0	6,335	131,151
Bond Payable, USDA Rural Development, Sewer System Improvements, Principal and Interest Payments of \$30,541 Payable on February 1 and August 1, Interest at 2.75%, Due August, 2042	<u>1,143,920</u>	<u>0</u>	<u>29,831</u>	<u>1,114,089</u>
Total Business-type Activities	<u>\$4,361,186</u>	<u>\$ 0</u>	<u>\$ 125,375</u>	<u>\$4,235,811</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds Payable	\$ 453,408	\$ 0	\$ 99,176	\$ 354,232	\$ 99,176
Capital Lease Payable	0	15,310	0	15,310	15,310
Compensated Absences Payable	46,615	1,371	0	47,986	0
Net Pension Liability	<u>112,452</u>	<u>70,730</u>	<u>0</u>	<u>183,182</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 612,475</u>	<u>\$ 87,411</u>	<u>\$ 99,176</u>	<u>\$ 600,710</u>	<u>\$ 114,486</u>
<b>Business-type Activities</b>					
General Obligation Bonds Payable	\$ 4,361,186	\$ 0	\$ 125,375	\$ 4,235,811	\$ 133,637
Compensated Absences Payable	12,942	785	0	13,727	0
Net Pension Liability	<u>23,360</u>	<u>9,985</u>	<u>0</u>	<u>33,345</u>	<u>0</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 4,397,488</u>	<u>\$ 10,770</u>	<u>\$ 125,375</u>	<u>\$ 4,282,883</u>	<u>\$ 133,637</u>

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

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Capital Lease	Business-type Activities	
	Principal	Interest		Principal	Interest
2018	\$ 99,176	\$ (127)	\$ 15,551	\$ 133,637	\$ 133,387
2019	99,176	3,876	0	138,558	129,357
2020	99,176	2,301	0	111,222	124,980
2021	14,176	0	0	111,977	121,385
2022	14,176	0	0	115,669	117,669
2023-2027	28,352	0	0	638,220	528,071
2028-2032	0	0	0	751,047	414,478
2033-2037	0	0	0	614,409	306,051
2038-2042	0	0	0	714,359	206,101
2043-2047	0	0	0	539,820	105,424
2048-2052	0	0	0	357,744	22,368
2053-2057	0	0	0	9,149	251
Imputed Interest	0	0	(241)	0	0
Total	\$ <u>354,232</u>	\$ <u>6,050</u>	\$ <u>15,310</u>	\$ <u>4,235,811</u>	\$ <u>2,209,522</u>

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

**J. Fund Balances**

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

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

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

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

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

Major Funds

General Fund:	
Nonspendable Prepaid Expenses	\$ 6,181
Nonspendable Inventory	<u>    906</u>
Total General Fund	<u>    7,087</u>

Highway Fund:	
Nonspendable Inventory	<u>43,219</u>

Non-Major Funds

Permanent Fund:	
Nonspendable Belcher Mericle Fund Principal	<u>    1,250</u>
Total Nonspendable Fund Balances	<u>\$51,556</u>

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

Major Funds

Highway Fund:	
Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes and State Highway Aid)	<u>\$ 36,973</u>



TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Non-Major Funds

Special Revenue Funds:

Restricted for Planning Expenses by Grant Agreement (Source of Revenue is Grant Revenue)	\$ 7,895
Restricted for Records Preservation Expenses by Statute (Source of Revenue is Restoration Fees)	47,387
Restricted for Veterans Memorial Expenses by Donations (Source of Revenue is Donations)	328
Restricted for William Dennison Expenses by Trust Agreement (Source of Revenue is Donations)	97,840
Restricted for Well Drilling Debt Service by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>17,008</u>
Total Special Revenue Funds	<u>170,458</u>

Capital Projects Funds:

Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Bridge Expenditures	394,195
Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Highway Capital Expenditures	<u>351,648</u>
Total Capital Projects Funds	<u>745,843</u>

Permanent Fund:

Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>769</u>
Total Non-Major Funds	<u>917,070</u>

Total Restricted Fund Balances \$954,043

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

Non-Major Funds

Special Revenue Funds:

Committed for Village Expenses by the Voters	\$ <u>17,720</u>
--	------------------

Capital Projects Funds:

Committed for Municipal Office Expenses by the Voters	166
Committed for Fire Department Expenses by the Voters	212,533
Committed for Mower Replacement Expenses by the Voters	22,028
Committed for Cemetery Development Expenses by the Voters	<u>41,975</u>

Total Capital Projects Funds 276,702

Total Committed Fund Balances \$294,422

TOWN OF PITTSFORD, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017

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

General Fund

Assigned for Trail Expenses	\$ <u>3,445</u>
-----------------------------	-----------------

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	109,585
-----------------------------------	---------

Total Assigned Fund Balances	\$ <u>113,030</u>
------------------------------	-------------------

The unassigned deficit of \$10,842 in the Patrol Car Fund will be funded with future transfers from the General Fund.

**K. Restricted and Designated Net Position**

The restricted net position of the Town as of June 30, 2017 consisted of the following:

Governmental Activities:

Inventories Restricted for Highway Use by Statute	\$ 43,219
Restricted for Highway Expenditures by Statute	782,816
Restricted for Planning Expenses by Grant Agreement	7,895
Restricted for Records Preservation Expenses by Statute	47,387
Restricted for Veterans Memorial Expenses by Donations	328
Restricted for William Dennison Expenses by Trust Agreement	97,840
Restricted for Belcher Mericle Expenses by Trust Agreement – Non-Expendable Portion	1,250
Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>769</u>

Total Governmental Activities	\$ <u>981,504</u>
-------------------------------	-------------------

The designated net position of the Town as of June 30, 2017 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Operations	\$ 219,365
Designated for Water Capital – Improvements	<u>264,590</u>
Total Water Fund	<u>483,955</u>

Sewer Fund:

Designated for Sewer Capital – Improvements	98,299
Designated in Excess of Unrestricted Net Position	<u>(98,299)</u>
Total Sewer Fund	<u>0</u>

Total Business-type Activities	\$ <u>483,955</u>
--------------------------------	-------------------

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

The unrestricted deficit in the Sewer Fund of \$152,942 will be funded in future years with additional revenues.

## **V. OTHER INFORMATION**

### **A. PENSION PLANS**

#### **Defined Benefit Plan**

##### **Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2017, the retirement system consisted of 441 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

As of June 30, 2016, the measurement date selected by the State of Vermont, VMERS was funded at 80.95% and had a plan fiduciary net position of \$547,015,114 and a total pension liability of \$675,711,281 resulting in a net pension liability of \$128,696,167. As of June 30, 2017, the Town's proportionate share of this was 0.1683% resulting in a liability of \$216,527. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2016, the Town's proportion of 0.1683% was a decrease of 0.0079% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Governmental Activities, the Water Fund and the Sewer Fund recognized pension expense of \$49,203, \$5,283, and \$2,532, respectively.

As of June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,448	\$ 0
Changes in assumptions	34,774	0
Difference between projected and actual investment earnings	70,208	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	148	3,010
Town's required employer contributions made subsequent to the measurement date	<u>26,875</u>	<u>0</u>
	<u>\$ 136,453</u>	<u>\$ 3,010</u>

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$26,875 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2018	\$ 27,564
2019	27,564
2020	39,327
2021	<u>12,113</u>
Total	\$ <u>106,568</u>

**Summary of System Provisions**

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

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

Maximum benefit is 60% of AFC for Group A. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Group A.

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

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Group A, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement – For Group A, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A.

Member Contributions – Group A – 2.5%.

Employer Contributions – Group A – 4.0%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

**Significant Actuarial Assumptions and Methods**

The actuarial assumptions regarding the incidence of mortality, terminations, retirements and disabilities were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2014.

Interest Rate: 7.95% per annum.

Salary increases: 5% per year.

Deaths: Group A – RP-2000 Tables for Employees and Healthy Annuitants projected 10 years from the valuation date with Scale BB with a 60% Blue collar and 40% White collar adjustment.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

The post-retirement mortality assumption was chosen to recognize improved longevity experience after the valuation date.

Spouse's Age: Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants: Assumed to occur at the rate of 1.5% per annum for members of Group A.

Actuarial Cost Method: Projected benefit cost method. The unfunded accrued liability is amortized in installments increasing 5% per year.

Asset Valuation Method: Invested assets are reported at fair value.

Note – For funding purposes – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

Inflation: The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% per year.

Long-term Expected Rate of Return:

The long-term expected rate of return on investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	8.54%
Fixed Income	2.36%
Alternatives	8.35%
Multi-strategy	4.90%

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

Discount Rate – The discount rate used to measure the total pension liability was 7.95%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.95 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%):

<u>1% Decrease (6.95%)</u>	<u>Discount Rate (7.95%)</u>	<u>1% Increase (8.95%)</u>
\$359,457	\$216,527	\$96,853

**Additional Information**

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

**Deferred Compensation Plan**

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

The Town also makes matching contributions to two (2) employee’s IRA accounts provided by an insurance company. The Town’s expense for the year ended June 30, 2017 was \$2,380.

**B. RISK MANAGEMENT**

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



TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

**C. PROPERTY TAXES**

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are collected three (3) times per year. During the tax year ended June 30, 2017, taxes were due and payable on August 10, 2016, September 10, 2016 and November 13, 2016. The Town assesses a 2% penalty on delinquent taxes when the account is delinquent for 10 days and then another 6% for accounts greater than 10 days delinquent and interest is charged at one percent (1%) per month after the taxes become delinquent on November 11, 2016. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2017 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	.3035	.3035
Highway	.2403	.2403
Village	.0467	.0467
Local Agreement	.0024	.0024
Education	<u>1.5149</u>	<u>1.4970</u>
Total	<u>2.1078</u>	<u>2.0899</u>

**D. OTHER COMMITMENTS**

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

The Town of Pittsford voters have approved borrowing up to \$200,000 from the State of Vermont Special Environmental Loan Fund to be used to issue no interest (0%) well drilling loans for residents who can no longer get water from the Town of Proctor. The terms of the loans are for ten (10) years with a maximum loan amount of \$6,000. As of June 30, 2017, the Town has drawn \$141,760 of this amount and repaid \$42,528 leaving a balance owed of \$99,232.

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

**E. CONCENTRATION OF REVENUE**

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2017, the Town received 22.5% of its total property taxes and 19.7% of total water sales from OMYA, Inc.

TOWN OF PITTSFORD, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 VMERS DEFINED BENEFIT PLAN  
 JUNE 30, 2017

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

**Notes to Schedule**

Benefit Changes: None.

Changes in Assumptions: The actuarial assumptions regarding the incidence of mortality, terminations, retirements, and disabilities were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2014.

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

TOWN OF PITTSFORD, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2017

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

**Notes to Schedule**

Valuation Date: June 30, 2016

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

TOWN OF PITTSFORD, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Investments	\$ 97,840	\$ 0	\$ 2,019	\$ 99,859
Loans Receivable	72,035	0	0	72,035
Due from Other Funds	<u>201,060</u>	<u>1,022,545</u>	<u>0</u>	<u>1,223,605</u>
Total Assets	<u>\$ 370,935</u>	<u>\$ 1,022,545</u>	<u>\$ 2,019</u>	<u>\$ 1,395,499</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,137	\$ 0	\$ 0	\$ 1,137
Due to Other Funds	<u>0</u>	<u>10,842</u>	<u>0</u>	<u>10,842</u>
Total Liabilities	<u>1,137</u>	<u>10,842</u>	<u>0</u>	<u>11,979</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	<u>72,035</u>	<u>0</u>	<u>0</u>	<u>72,035</u>
Total Deferred Inflows of Resources	<u>72,035</u>	<u>0</u>	<u>0</u>	<u>72,035</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	170,458	745,843	769	917,070
Committed	17,720	276,702	0	294,422
Assigned	109,585	0	0	109,585
Unassigned/(Deficit)	<u>0</u>	<u>(10,842)</u>	<u>0</u>	<u>(10,842)</u>
Total Fund Balances	<u>297,763</u>	<u>1,011,703</u>	<u>2,019</u>	<u>1,311,485</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 370,935</u>	<u>\$ 1,022,545</u>	<u>\$ 2,019</u>	<u>\$ 1,395,499</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<b>Revenues:</b>				
Property Taxes	\$ 20,007	\$ 0	\$ 0	\$ 20,007
Intergovernmental	23,965	0	0	23,965
Permits, Licenses and Fees	4,880	0	0	4,880
Loan Repayments	11,565	0	0	11,565
Investment Income	1,454	6,969	23	8,446
Donations	3,483	15,000	0	18,483
<b>Total Revenues</b>	<b>65,354</b>	<b>21,969</b>	<b>23</b>	<b>87,346</b>
<b>Expenditures:</b>				
General Government	27,977	0	0	27,977
Capital Outlay:				
Highways and Streets	0	43,320	0	43,320
Public Safety	0	64,522	0	64,522
Debt Service:		0		
Principal	14,176	0	0	14,176
<b>Total Expenditures</b>	<b>42,153</b>	<b>107,842</b>	<b>0</b>	<b>149,995</b>
Excess/(Deficiency) of Revenues Over Expenditures	23,201	(85,873)	23	(62,649)
<b>Other Financing Sources/(Uses):</b>				
Proceeds of Long-Term Debt	0	15,310	0	15,310
Transfers In	0	237,500	0	237,500
Transfer Out	0	0	(23)	(23)
<b>Total Other Financing Sources/(Uses)</b>	<b>0</b>	<b>252,810</b>	<b>(23)</b>	<b>252,787</b>
<b>Net Change in Fund Balances</b>	<b>23,201</b>	<b>166,937</b>	<b>0</b>	<b>190,138</b>
Fund Balances - July 1, 2016	274,562	844,766	2,019	1,121,347
Fund Balances - June 30, 2017	\$ 297,763	\$ 1,011,703	\$ 2,019	\$ 1,311,485

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Village Fund	Reappraisal Fund	State Planning Grants Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
<b><u>ASSETS</u></b>								
Investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 97,840	\$ 0	\$ 97,840
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0	0	0	0	72,035	72,035
Due from Other Funds	<u>18,857</u>	<u>109,585</u>	<u>7,895</u>	<u>47,387</u>	<u>328</u>	<u>0</u>	<u>17,008</u>	<u>201,060</u>
Total Assets	<u>\$ 18,857</u>	<u>\$ 109,585</u>	<u>\$ 7,895</u>	<u>\$ 47,387</u>	<u>\$ 328</u>	<u>\$ 97,840</u>	<u>\$ 89,043</u>	<u>\$ 370,935</u>
<b><u>LIABILITIES</u></b>								
Accounts Payable	<u>\$ 1,137</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,137</u>
Total Liabilities	<u>1,137</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,137</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>								
Unavailable Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,035</u>	<u>72,035</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,035</u>	<u>72,035</u>
<b><u>FUND BALANCES</u></b>								
Restricted	0	0	7,895	47,387	328	97,840	17,008	170,458
Committed	17,720	0	0	0	0	0	0	17,720
Assigned	<u>0</u>	<u>109,585</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>109,585</u>
Total Fund Balances	<u>17,720</u>	<u>109,585</u>	<u>7,895</u>	<u>47,387</u>	<u>328</u>	<u>97,840</u>	<u>17,008</u>	<u>297,763</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,857</u>	<u>\$ 109,585</u>	<u>\$ 7,895</u>	<u>\$ 47,387</u>	<u>\$ 328</u>	<u>\$ 97,840</u>	<u>\$ 89,043</u>	<u>\$ 370,935</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Village Fund	Reappraisal Fund	State Planning Grants Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenues:								
Property Taxes	\$ 20,007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,007
Intergovernmental	0	13,965	0	0	10,000	0	0	23,965
Permits, Licenses and Fees	0	0	0	4,880	0	0	0	4,880
Loan Repayments	0	0	0	0	0	0	11,565	11,565
Investment Income/(Loss)	186	740	58	332	(17)	49	106	1,454
Donations	0	0	0	0	3,483	0	0	3,483
<b>Total Revenues</b>	<u>20,193</u>	<u>14,705</u>	<u>58</u>	<u>5,212</u>	<u>13,466</u>	<u>49</u>	<u>11,671</u>	<u>65,354</u>
Expenditures:								
General Government	14,335	0	0	0	13,642	0	0	27,977
Debt Service:								
Principal	0	0	0	0	0	0	14,176	14,176
<b>Total Expenditures</b>	<u>14,335</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,642</u>	<u>0</u>	<u>14,176</u>	<u>42,153</u>
Net Change in Fund Balances	5,858	14,705	58	5,212	(176)	49	(2,505)	23,201
Fund Balances - July 1, 2016	<u>11,862</u>	<u>94,880</u>	<u>7,837</u>	<u>42,175</u>	<u>504</u>	<u>97,791</u>	<u>19,513</u>	<u>274,562</u>
Fund Balances - June 30, 2017	<u>\$ 17,720</u>	<u>\$ 109,585</u>	<u>\$ 7,895</u>	<u>\$ 47,387</u>	<u>\$ 328</u>	<u>\$ 97,840</u>	<u>\$ 17,008</u>	<u>\$ 297,763</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2017

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
<u>ASSETS</u>								
Due from Other Funds	\$ 394,195	\$ 166	\$ 212,533	\$ 0	\$ 22,028	\$ 41,975	\$ 351,648	\$ 1,022,545
Total Assets	<u>\$ 394,195</u>	<u>\$ 166</u>	<u>\$ 212,533</u>	<u>\$ 0</u>	<u>\$ 22,028</u>	<u>\$ 41,975</u>	<u>\$ 351,648</u>	<u>\$ 1,022,545</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 10,842	\$ 0	\$ 0	\$ 0	\$ 10,842
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,842</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,842</u>
Fund Balances/(Deficit):								
Restricted	394,195	0	0	0	0	0	351,648	745,843
Committed	0	166	212,533	0	22,028	41,975	0	276,702
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,842)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,842)</u>
Total Fund Balances/(Deficit)	<u>394,195</u>	<u>166</u>	<u>212,533</u>	<u>(10,842)</u>	<u>22,028</u>	<u>41,975</u>	<u>351,648</u>	<u>1,011,703</u>
Total Liabilities and Fund Balances	<u>\$ 394,195</u>	<u>\$ 166</u>	<u>\$ 212,533</u>	<u>\$ 0</u>	<u>\$ 22,028</u>	<u>\$ 41,975</u>	<u>\$ 351,648</u>	<u>\$ 1,022,545</u>

See Disclaimer in Accompanying Independent Auditor's Report.



TOWN OF PITTSFORD, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
Revenues:								
Investment Income/(Loss)	\$ 2,718	\$ (22)	\$ 1,453	\$ (37)	\$ 151	\$ 300	\$ 2,406	\$ 6,969
Donations	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,000</u>
Total Revenues	<u>2,718</u>	<u>(22)</u>	<u>16,453</u>	<u>(37)</u>	<u>151</u>	<u>300</u>	<u>2,406</u>	<u>21,969</u>
Expenditures:								
Capital Outlay:								
Public Safety	0	0	34,690	29,832	0	0	0	64,522
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,320</u>	<u>43,320</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>34,690</u>	<u>29,832</u>	<u>0</u>	<u>0</u>	<u>43,320</u>	<u>107,842</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>2,718</u>	<u>(22)</u>	<u>(18,237)</u>	<u>(29,869)</u>	<u>151</u>	<u>300</u>	<u>(40,914)</u>	<u>(85,873)</u>
Other Financing Sources:								
Proceeds from Long-Term Debt	0	0	0	15,310	0	0	0	15,310
Transfers In	<u>50,000</u>	<u>7,000</u>	<u>62,500</u>	<u>8,000</u>	<u>3,000</u>	<u>2,000</u>	<u>105,000</u>	<u>237,500</u>
Total Other Financing Sources	<u>50,000</u>	<u>7,000</u>	<u>62,500</u>	<u>23,310</u>	<u>3,000</u>	<u>2,000</u>	<u>105,000</u>	<u>252,810</u>
Net Change in Fund Balances	52,718	6,978	44,263	(6,559)	3,151	2,300	64,086	166,937
Fund Balances/(Deficit) - July 1, 2016	<u>341,477</u>	<u>(6,812)</u>	<u>168,270</u>	<u>(4,283)</u>	<u>18,877</u>	<u>39,675</u>	<u>287,562</u>	<u>844,766</u>
Fund Balances/(Deficit) - June 30, 2017	<u>\$ 394,195</u>	<u>\$ 166</u>	<u>\$ 212,533</u>	<u>\$ (10,842)</u>	<u>\$ 22,028</u>	<u>\$ 41,975</u>	<u>\$ 351,648</u>	<u>\$ 1,011,703</u>

See Disclaimer in Accompanying Independent Auditor's Report.

# Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Pittsford, Vermont's basic financial statements, and have issued our report thereon dated February 9, 2018.

### ***Internal Control Over Financial Reporting***

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Pittsford, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weaknesses, yet important enough to merit attention by those charged with governance.

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

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

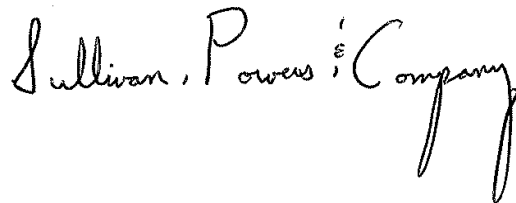
As part of obtaining reasonable assurance about whether the Town of Pittsford, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

However, we have noted certain other matters that we reported in a separate letter to the management of the Town of Pittsford, Vermont dated February 9, 2018.

### ***Purpose of this Report***

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

February 9, 2018  
Montpelier, Vermont  
VT Lic. #92-000180

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