

Audited Financial Statements and
Other Supplemental Information

Town of Ferrisburgh, Vermont

June 30, 2013



Proven Expertise and Integrity

TOWN OF FERRISBURGH, VERMONT

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JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Ferrisburgh
Ferrisburgh, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Ferrisburgh, Vermont, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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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 above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Ferrisburgh, Vermont as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity 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 and budgetary comparison information on page 35 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 Ferrisburgh, Vermont's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Company

Buxton, Maine
Vermont Registration # 092.0000697
October 31, 2013

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

(UNAUDITED)

The following management's discussion and analysis of Town of Ferrisburgh, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Ferrisburgh's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have one column for the town's activities. The type of activity presented for the Town of Ferrisburgh is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, highway, education, and other unclassified.

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 of Ferrisburgh, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Ferrisburgh are classified as governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Ferrisburgh presents three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the highway facility fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental and business-type activities. The Town's total net position for governmental activities increased by \$137,095 from \$3,583,431 to \$3,720,526.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased for governmental activities to a balance of \$748,042 at the end of this year.

Table 1
Town of Ferrisburgh, Vermont
Net Position
June 30,

	2013	2012
Assets:		
Current and Other Assets	\$ 883,641	\$ 806,085
Capital Assets	3,397,294	3,544,887
Total Assets	4,280,935	4,350,972
Liabilities:		
Current Liabilities	182,367	276,391
Long-term Debt Outstanding	370,765	491,150
Total Liabilities	553,132	767,541
Deferred Inflows of Resources:		
Prepaid Taxes	7,277	-
Total Deferred Inflows of Resources	7,277	-
Net Position:		
Invested in Capital Assets, Net of Related Debt	2,908,019	2,935,173
Restricted: General fund	42,854	-
Special Revenue funds	8,232	6,103
Permanent funds	13,379	13,329
Unrestricted	748,042	628,826
Total Net Position	\$ 3,720,526	\$ 3,583,431

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 5.21%, while total expenses decreased by 6.62%.

Table 2
Town of Ferrisburgh, Vermont
Changes in Net Position
For the Years Ended June 30,

	<u>2013</u>	<u>2012</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 95,642	\$ 75,263
Operating grants and contributions	-	388,064
<i>General Revenues:</i>		
Property taxes	6,779,448	6,951,986
Grants and contributions not restricted to specific programs	470,797	279,685
Miscellaneous	66,213	124,148
Total revenues	<u>7,412,100</u>	<u>7,819,146</u>
Expenses		
General government	393,134	728,740
Public safety	139,107	137,710
Highway	944,683	826,887
Employee benefits	105,814	108,618
Education	5,504,494	5,803,139
Tax assessments	67,997	35,198
Town meeting - voted authorizations	29,583	63,755
Contingency	4,302	6,460
Interest on long-term debt	13,424	7,880
Unallocated depreciation (Note 4)	72,467	72,466
Total expenses	<u>7,275,005</u>	<u>7,790,853</u>
Change in Net Position	137,095	28,293
Net Position - July 1	<u>3,583,431</u>	<u>3,555,138</u>
Net Position - June 30	<u>\$ 3,720,526</u>	<u>\$ 3,583,431</u>

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Ferrisburgh, Vermont
Fund Balances - Governmental Funds
June 30,

	<u>2013</u>	<u>2012</u>
General Fund:		
Restricted	\$ 42,854	\$ -
Committed	50,000	30,000
Assigned	-	59,017
Unassigned	230,029	122,783
Total General Fund	<u>\$ 322,883</u>	<u>\$ 211,800</u>
Highway Facility Fund:		
Committed	<u>\$ 208,197</u>	<u>\$ 216,498</u>
Total Highway Facility Fund	<u>\$ 208,197</u>	<u>\$ 216,498</u>
Nonmajor Funds:		
Special revenues funds:		
Restricted	\$ 8,232	\$ 6,103
Assigned	58,597	42,957
Capital project funds:		
Committed	50,000	-
Assigned	28,285	25,693
Permanent funds:		
Restricted	13,379	13,329
Total Nonmajor Funds	<u>\$ 158,493</u>	<u>\$ 88,082</u>

The general fund total fund balance increased by \$111,083 over the prior fiscal year. The highway facility fund decreased by \$8,301 and the non-major fund balances increased by \$70,411 from the prior fiscal year.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budget by \$43,895. This was due to all categories being receipted in excess of budget.

The general fund actual expenditures were under budget by \$97,188. All expenditure categories were under budget with the exception of debt service interest.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2013, the net book value of capital assets recorded by the Town decreased by \$147,593 over the prior year. This increase is the result of current year depreciation of \$171,593 less capital additions of \$24,000.

Table 4
Town of Ferrisburgh, Vermont
Capital Assets (Net of Depreciation)
June 30,

	<u>2013</u>	<u>2012</u>
Land	\$ 210,000	\$ 210,000
Buildings and Improvements	2,664,848	2,744,448
Machinery and Equipment	44,710	67,180
Vehicles	422,486	466,384
Infrastructure	<u>55,250</u>	<u>56,875</u>
Total	<u>\$ 3,397,294</u>	<u>\$ 3,544,887</u>

Debt

At June 30, 2013, the Town had \$410,000 in bonds outstanding versus \$552,500 last year. Other obligations include a capital lease and accrued vacation pay and sick leave. For additional comparative information on the Town's outstanding debt, refer to Note 5 of Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance has fallen to a level insufficient to sustain government operations for a period of approximately two months. However, the Town is working towards building a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at P.O. Box 6, Ferrisburgh, Vermont 05456.

TOWN OF FERRISBURGH, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 534,037
Investments	4,000
Taxes receivable	170,604
Due from other governments	175,000
Total current assets	<u>883,641</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	210,000
Buildings and equipment, net of accumulated depreciation	3,187,294
Total noncurrent assets	<u>3,397,294</u>
TOTAL ASSETS	<u><u>\$ 4,280,935</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 60,874
Accrued expenses	664
Current portion of long-term obligations	120,829
Total current liabilities	<u>182,367</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	297,500
Capital leases payable	70,946
Accrued compensated absences	2,319
Total noncurrent liabilities	<u>370,765</u>
TOTAL LIABILITIES	<u>553,132</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	7,277
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,277</u>
NET POSITION	
Invested in capital assets, net of related debt	2,908,019
Restricted:	
General fund	42,854
Special Revenue funds	8,232
Permanent funds	13,379
Unrestricted	748,042
TOTAL NET POSITION	<u>3,720,526</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 4,280,935</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 393,134	\$ 82,167	\$ -	\$ -	\$ (310,967)
Public safety	139,107	8,978	-	-	(130,129)
Highway	944,683	4,497	-	-	(940,186)
Employee benefits	105,814	-	-	-	(105,814)
Education	5,504,494	-	-	-	(5,504,494)
Tax assessments	67,997	-	-	-	(67,997)
Town meeting - voted authorizations	29,583	-	-	-	(29,583)
Contingency	4,302	-	-	-	(4,302)
Interest on long term debt	13,424	-	-	-	(13,424)
Unallocated depreciation (Note 4)	72,467	-	-	-	(72,467)
Total government	<u>\$ 7,275,005</u>	<u>\$ 95,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(7,179,363)</u>

STATEMENT B (CONTINUED)
TOWN OF FERRISBURGH, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(7,179,363)</u>
General revenues:	
Property taxes, levied for general purposes	6,779,448
Grants and contributions not restricted to specific programs	470,797
Miscellaneous	<u>66,213</u>
Total general revenues	<u>7,316,458</u>
Change in net position	137,095
NET POSITION - JULY 1	<u>3,583,431</u>
NET POSITION - JUNE 30	<u><u>\$ 3,720,526</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2013

	General Fund	Highway Facility Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 529,527	\$ -	\$ 4,510	\$ 534,037
Investments	-	-	4,000	4,000
Taxes receivable	170,604	-	-	170,604
Due from other governments	175,000	-	-	175,000
Due from other funds	-	208,197	149,983	358,180
TOTAL ASSETS	\$ 875,131	\$ 208,197	\$ 158,493	\$ 1,241,821
LIABILITIES				
Accounts payable	\$ 60,874	\$ -	\$ -	\$ 60,874
Accrued expenses	664	-	-	664
Due to other funds	358,180	-	-	358,180
TOTAL LIABILITIES	419,718	-	-	419,718
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	7,277	-	-	7,277
Deferred property tax	125,253	-	-	125,253
TOTAL DEFERRED INFLOWS OF RESOURCES	132,530	-	-	132,530
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	42,854	-	21,611	64,465
Committed	50,000	208,197	50,000	308,197
Assigned	-	-	86,882	86,882
Unassigned	230,029	-	-	230,029
TOTAL FUND BALANCES	322,883	208,197	158,493	689,573
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 875,131	\$ 208,197	\$ 158,493	\$ 1,241,821

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 689,573
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, net of accumulated depreciation	3,397,294
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	125,253
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(410,000)
Capital leases payable	(79,275)
Accrued compensated absences	<u>(2,319)</u>
Net position of governmental activities	<u><u>\$ 3,720,526</u></u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Highway Facility Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 6,787,948	\$ -	\$ -	\$ 6,787,948
Intergovernmental	459,113	-	11,684	470,797
Interest income	42,979	486	50	43,515
Charges for services	82,046	-	13,596	95,642
Miscellaneous	20,057	-	2,641	22,698
TOTAL REVENUES	7,392,143	486	27,971	7,420,600
EXPENDITURES				
Current:				
General government	373,069	-	27,560	400,629
Public safety	131,510	-	-	131,510
Highway	868,367	8,787	-	877,154
Employee benefits	105,814	-	-	105,814
Education	5,504,494	-	-	5,504,494
Tax assessments	67,997	-	-	67,997
Town meeting - voted authorizations	29,583	-	-	29,583
Contingency	4,302	-	-	4,302
Debt service:				
Principal	112,500	-	-	112,500
Interest	13,424	-	-	13,424
TOTAL EXPENDITURES	7,211,060	8,787	27,560	7,247,407
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	181,083	(8,301)	411	173,193
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	70,000	70,000
Operating transfers (out)	(70,000)	-	-	(70,000)
TOTAL OTHER FINANCING SOURCES (USES)	(70,000)	-	70,000	-
NET CHANGE IN FUND BALANCES	111,083	(8,301)	70,411	173,193
FUND BALANCES - JULY 1	211,800	216,498	88,082	516,380
FUND BALANCES - JUNE 30	\$ 322,883	\$ 208,197	\$ 158,493	\$ 689,573

See accompanying independent auditors report and notes to financial statements.

TOWN OF FERRISBURGH, 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, 2013

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 173,193</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental	
Capital asset purchases capitalized	24,000
Depreciation expense	<u>(171,593)</u>
	<u>(147,593)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	
	<u>-</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>(8,500)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Net Position	
	<u>120,439</u>
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:	
Accrued compensated absences	<u>(444)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 137,095</u></u>

See accompanying independent auditor' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Ferrisburgh was incorporated under the laws of the State of Vermont. The Town operates under the selectmen-treasurer form of government and provides the following services: general government services, public safety, highway, and education.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

In the government-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the entity as governmental.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in the governmental activity category. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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.

1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the first half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Ferrisburgh has no formal investment policy but instead follows the State of Vermont Statutes.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2013.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable, capital leases and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation within each year. Any unused vacation time not used by the end of a year is lost. Employees are reimbursed for unused vacation days when terminating employment with the Town.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF. Town funds that may exceed insurance limits are fully collateralized with securities held by the financial institution in the Town's name.

At June 30, 2013, the Town's cash balances of \$534,037 were comprised of bank balances of \$515,594, of which \$250,000 were insured by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining bank balances of \$265,594 were collateralized with securities held by the financial institution in the Town's name.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 515,594
	<u>\$ 515,594</u>

At June 30, 2013, all of the Town's investments amounting to \$4,000 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>	<u>Over 5 Years</u>
Certificates of deposit	\$ 4,000	\$ 4,000	\$ -	\$ -
	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk – Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions, repurchase agreements, and money market mutual funds. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various insured certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2013 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ -	\$ 358,180
Highway Facility Fund	208,197	-
Special Revenue funds	62,319	-
Capital Project funds	78,285	-
Permanent funds	9,379	-
	<u>\$ 358,180</u>	<u>\$ 358,180</u>

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2013:

	Balance 7/1/12	Additions	Disposals	Balance 6/30/13
Non-depreciated assets:				
Land	\$ 210,000	\$ -	\$ -	\$ 210,000
	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
Depreciated assets:				
Buildings and improvements	3,183,991	-	-	3,183,991
Vehicles	796,131	20,000	-	816,131
Machinery & equipment	335,020	4,000	-	339,020
Infrastructure	65,000	-	-	65,000
	<u>4,380,142</u>	<u>24,000</u>	<u>-</u>	<u>4,404,142</u>
Less: accumulated depreciation	<u>(1,045,255)</u>	<u>(171,593)</u>	<u>-</u>	<u>(1,216,848)</u>
	<u>3,334,887</u>	<u>(147,593)</u>	<u>-</u>	<u>3,187,294</u>
Net capital assets	<u>\$ 3,544,887</u>	<u>\$ (147,593)</u>	<u>\$ -</u>	<u>\$ 3,397,294</u>
Current year depreciation:				
Public safety				\$ 7,597
Highway				91,529
Town-wide				72,467
Total depreciation				<u>\$ 171,593</u>

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	Balance 7/1/12	Additions	Reductions	Balance 6/30/13	Current Year Portion
Bonds payable	\$ 522,500	\$ -	\$ (112,500)	\$ 410,000	\$ 112,500
Capital lease payable	87,214	-	(7,939)	79,275	8,329
Accrued compensated absences	1,875	444	-	2,319	-
Totals	<u>\$ 611,589</u>	<u>\$ 444</u>	<u>\$ (120,439)</u>	<u>\$ 491,594</u>	<u>\$ 120,829</u>

The following is a summary of outstanding bonds payable:

\$490,000 bond payable to Vermont Municipal Bond Bank, annual principal payments of \$35,000 to \$65,000. Interest is charged at a rate varying from 1.87% to 4.30%.	\$ 70,000
\$160,000 bond payable to Vermont Municipal Bond Bank, annual principal payments of \$30,000 to \$35,000. Interest is charged at a rate varying from 1.391% to 2.651%.	60,000
\$185,000 bond payable to Vermont Municipal Bond Bank, annual principal payments of \$35,000 to \$40,000. Interest is charged at a rate varying from 0.904% to 1.984%.	145,000
\$150,000 bond payable to National Bank of Middlebury, five principal payments of \$7,500 are due annually with a final principal payment of \$112,500 due December 31, 2016. Interest is charged at a rate of 3.95% per annum.	<u>135,000</u>
Total Bonds Payable	<u>\$ 410,000</u>

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Principal and interest requirements on the bonds payable to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 112,500	\$ 10,623	\$ 123,123
2015	107,500	7,681	115,181
2016	42,500	5,719	48,219
2017	147,500	4,791	152,291
2018	-	-	-
	<u>\$ 410,000</u>	<u>\$ 28,814</u>	<u>\$ 438,814</u>

The following is a summary of the lease outstanding as of June 30, 2013:

\$95,150, 2012 capital lease for John Deere excavator under a non-cancellable lease agreement. The lease is for nine years with annual payments of \$12,267 through June of 2021. The effective interest rate is 4.80% per annum.

The following is a summary of outstanding capital lease requirements for the following fiscal years ending June 30:

<u>Year Ending June 30:</u>	
2014	\$ 12,267
2015	12,267
2016	12,267
2017	12,267
2018	12,267
2019-2023	<u>36,800</u>
Total minimum lease payment	98,135
Less amount representing interest	<u>(18,860)</u>
Present value of future minimum lease payments	<u>\$ 79,275</u>

All bonds and capital leases are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for special assessment debt. All bonds and capital leases are payable from taxes levied on all taxable property located within the Town. The General Fund is used to liquidate the liability for the bonds and capital leases.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – RESTRICTED FUND BALANCES

At June 30, 2013, the Town had the following restricted fund balances:

General fund:	
Highway department	\$ 42,854
Nonmajor special revenue funds (Schedule D)	8,232
Nonmajor permanent funds (Schedule H)	13,379
	<u>\$ 64,465</u>

NOTE 7 – COMMITTED FUND BALANCES

At June 30, 2013, the Town had the following committed fund balances:

General fund:	
Utilization of unassigned FB	\$ 50,000
Highway facility fund	208,197
Nonmajor capital project funds (Schedule F)	50,000
	<u>\$ 308,197</u>

NOTE 8 – ASSIGNED FUND BALANCES

At June 30, 2013, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 58,597
Nonmajor capital project funds (Schedule F)	28,285
	<u>\$ 86,882</u>

NOTE 9 - PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

A. Plan Description

The Town participates in the Vermont Municipal Employees' Retirement System (VMERS), a cost sharing multi-employer public employee retirement system with defined benefit and defined contribution pension plans administered by the State of Vermont. VMERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The State statutory provisions, found in Section 5062 of Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. . VMERS issues annual financial

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - PENSION PLAN (CONTINUED)

information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-8901 or by calling (802) 828-2305.

Employees are eligible to participate in the Vermont Municipal Employees' Retirement System (VMERS). All full-time employees of participating employers are eligible to participate in the plan on the first day of the month following the completion of one year of service. There are four levels of contributions and benefits in the System called Group A, Group B, Group C and Group D. The Town participates in Groups A, B, and C. Normal retirement for Group A members is age 65 or the completion of five years of service, whichever is later. Normal retirement for Group B members is age 62 and the completion of five years of creditable service. Normal retirement for Group C and D members is age 55 and the completion of five years of creditable service. A member may receive reduced benefits at age 55 if they have five years of service and have made contributions for at least two and a half years.

B. Funding Plan

The System is an actuarial reserve, joint-contributory program. Both the members and the Town make contributions to the fund according to the following schedule:

	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Group D</u>
Employees' contributions (% of gross wages)	2.5%	4.5%	9.25%	11.0%
Town contributions (% of gross wages)	4.0%	5.0%	6.5%	9.0%

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings totaled \$12,984, 12,117 and 11,469 for the years ended June 30, 2013, 2012 and 2011, respectively. The Town contributed \$14,427, \$13,464 and \$12,743 for the years ended June 30, 2013, 2012 and 2011, respectively. The Town's payroll for all employees covered by the Vermont Municipal Employees' Retirement System during the year totaled \$288,528.

NOTE 10 – 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; and natural disasters for which the Town carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Vermont League of Cities and Towns.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 – RISK MANAGEMENT (CONTINUED)

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2013. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage; and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance, and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 12 – OVERPSENT APPROPRIATIONS

At June 30, 2013, the Town had the following overspent appropriations:

	<u>Excess</u>
Town Clerk's Office	\$ 11,433
Town Garage/Yard	47,096
Debt service - interest	<u>19</u>
	<u>\$ 58,548</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Budgetary Basis - Budget and Actual - General Fund

TOWN OF FERRISBURGH, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance - July 1	\$ 211,800	\$ 211,800	\$ 211,800	\$ -
Resources (Inflows):				
Property Taxes	6,787,948	6,787,948	6,787,948	-
Intergovernmental revenues	277,000	452,000	459,113	7,113
Charges for services	61,700	61,700	82,046	20,346
Interest income	32,600	32,600	42,979	10,379
Other revenue	14,000	14,000	20,057	6,057
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>7,385,048</u>	<u>7,560,048</u>	<u>7,603,943</u>	<u>43,895</u>
Charges to Appropriations (Outflows):				
General government	375,959	375,959	373,069	2,890
Public safety	138,925	138,925	131,510	7,415
Highway	760,619	935,619	868,367	67,252
Employee benefits	136,130	116,130	105,814	10,316
Education	5,504,530	5,504,530	5,504,494	36
Tax assessments	75,397	75,397	67,997	7,400
Town meeting - voted authorizations	79,783	29,783	29,583	200
Contingency	6,000	6,000	4,302	1,698
Debt service				
Principal	112,500	112,500	112,500	-
Interest	13,405	13,405	13,424	(19)
Transfers to other funds	-	70,000	70,000	-
Total Charges to Appropriations	<u>7,203,248</u>	<u>7,378,248</u>	<u>7,281,060</u>	<u>97,188</u>
Budgetary Fund Balance, June 30	<u>\$ 181,800</u>	<u>\$ 181,800</u>	<u>\$ 322,883</u>	<u>\$ 141,083</u>
Utilization of unassigned fund balance	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ (30,000)</u>

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule – Budgetary Basis - Budget and Actual – General Fund Revenues
- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets By Function
- Schedule of Changes in General Capital Assets By Function

TOWN OF FERRISBURGH, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes	\$ 6,787,948	\$ 6,787,948	\$ 6,787,948	\$ -
Intergovernmental revenues:				
Vermont State Mileage Aid	155,000	155,000	162,128	7,128
Railroad Tax/State Land Tax	48,000	48,000	50,443	2,443
State School Tax Coll. Reimb.	14,000	14,000	15,245	1,245
Current Land Use	60,000	60,000	55,405	(4,595)
Other	-	175,000	175,892	892
Charges for services:				-
Liquor License Fee	550	550	700	150
Highway Department Sales	1,250	1,250	4,497	3,247
Zoning Fees	12,000	12,000	9,590	(2,410)
Land Recording, Filing and Other	29,500	29,500	37,331	7,831
Clerk Fees	-	-	13,900	13,900
Police Fines	10,000	10,000	8,978	(1,022)
Rent	8,400	8,400	7,050	(1,350)
Interest income:				-
Tax interest and penalties	32,000	32,000	42,878	10,878
Interest income	600	600	101	(499)
Miscellaneous revenues	14,000	14,000	20,057	6,057
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>\$ 7,173,248</u>	<u>\$ 7,348,248</u>	<u>\$ 7,392,143</u>	<u>\$ 43,895</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General Government:					
Administration	\$ 11,600	\$ -	\$ 11,600	\$ 10,467	\$ 1,133
Union Meeting Hall	10,000	-	10,000	8,181	1,819
Town Clerk's Office	318,481	-	318,481	329,914	(11,433)
Town Offices/Community Center	28,028	-	28,028	17,992	10,036
Center School Building	700	-	700	-	700
Miscellaneous General Government	7,150	-	7,150	6,515	635
	<u>375,959</u>	<u>-</u>	<u>375,959</u>	<u>373,069</u>	<u>2,890</u>
Public Safety:					
Ferrisburgh Volunteer Fire Department	62,600	-	62,600	62,600	-
Vergennes Fire Department - Contract	48,750	-	48,750	44,304	4,446
Fire Services - Extra	2,000	-	2,000	456	1,544
Addison County Sheriff's Office	10,500	-	10,500	9,632	868
Fire Station - Maintenance	1,200	-	1,200	713	487
Vermont Area Rescue Squad	13,875	-	13,875	13,805	70
	<u>138,925</u>	<u>-</u>	<u>138,925</u>	<u>131,510</u>	<u>7,415</u>
Highway:					
Payroll	193,024	-	193,024	192,595	429
Maintenance	406,867	175,000	581,867	515,999	65,868
Town Garage/Yard	26,728	-	26,728	73,824	(47,096)
Vehicles/Equipment	134,000	-	134,000	85,949	48,051
	<u>760,619</u>	<u>175,000</u>	<u>935,619</u>	<u>868,367</u>	<u>67,252</u>

TOWN OF FERRISBURGH, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Employee Benefits	136,130	(20,000)	116,130	105,814	10,316
Education	5,504,530	-	5,504,530	5,504,494	36
Tax Assessments:					
County Tax	31,000	-	31,000	23,600	7,400
Vermont League of Cities & Towns	3,497	-	3,497	3,497	-
Addison County Regional Planning Comm.	2,993	-	2,993	2,993	-
Bixby Library	37,907	-	37,907	37,907	-
	<u>75,397</u>	<u>-</u>	<u>75,397</u>	<u>67,997</u>	<u>7,400</u>
Debt Service:					
Principal	112,500	-	112,500	112,500	-
Interest	13,405	-	13,405	13,424	(19)
	<u>125,905</u>	<u>-</u>	<u>125,905</u>	<u>125,924</u>	<u>(19)</u>
Town Meeting - Voted Authorizations	79,783	(50,000)	29,783	29,583	200
Contingency	6,000	-	6,000	4,302	1,698
Transfers to other funds:					
Special revenue funds	-	20,000	20,000	20,000	-
Capital project funds	-	50,000	50,000	50,000	-
	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total Expenditures	<u>\$ 7,203,248</u>	<u>\$ 175,000</u>	<u>\$ 7,378,248</u>	<u>\$ 7,281,060</u>	<u>\$ 97,188</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,510	\$ -	\$ -	\$ 4,510
Investments	-	-	4,000	4,000
Due from other funds	62,319	78,285	9,379	149,983
TOTAL ASSETS	\$ 66,829	\$ 78,285	\$ 13,379	\$ 158,493
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	8,232	-	13,379	21,611
Committed	-	50,000	-	50,000
Assigned	58,597	28,285	-	86,882
Unassigned	-	-	-	-
TOTAL FUND BALANCES	66,829	78,285	13,379	158,493
TOTAL LIABILITIES AND FUND BALANCES	\$ 66,829	\$ 78,285	\$ 13,379	\$ 158,493

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 9,092	\$ 2,592	\$ -	\$ 11,684
Interest income	-	-	50	50
Charges for services	13,596	-	-	13,596
Other income	2,641	-	-	2,641
TOTAL REVENUES	<u>25,329</u>	<u>2,592</u>	<u>50</u>	<u>27,971</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	27,560	-	-	27,560
TOTAL EXPENDITURES	<u>27,560</u>	<u>-</u>	<u>-</u>	<u>27,560</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,231)</u>	<u>2,592</u>	<u>50</u>	<u>411</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	20,000	50,000	-	70,000
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,000</u>	<u>50,000</u>	<u>-</u>	<u>70,000</u>
NET CHANGE IN FUND BALANCES	17,769	52,592	50	70,411
FUND BALANCES - JULY 1	<u>49,060</u>	<u>25,693</u>	<u>13,329</u>	<u>88,082</u>
FUND BALANCES - JUNE 30	<u>\$ 66,829</u>	<u>\$ 78,285</u>	<u>\$ 13,379</u>	<u>\$ 158,493</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

	PTO Grant Fund	Town Hall Advertising Fund	Recreation Fund	U. M. Steeple Fund	Planning Grant	Town Hall Bond Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -		\$ -	\$ -	\$ -
Due from other funds	5,038	-	10,920	2,075	3,194	14,135
TOTAL ASSETS	<u>\$ 5,038</u>	<u>\$ -</u>	<u>\$ 10,920</u>	<u>\$ 2,075</u>	<u>\$ 3,194</u>	<u>\$ 14,135</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	5,038	-	-	-	3,194	-
Committed	-	-	-	-	-	-
Assigned	-	-	10,920	2,075	-	14,135
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>5,038</u>	<u>-</u>	<u>10,920</u>	<u>2,075</u>	<u>3,194</u>	<u>14,135</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,038</u>	<u>\$ -</u>	<u>\$ 10,920</u>	<u>\$ 2,075</u>	<u>\$ 3,194</u>	<u>\$ 14,135</u>

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

	Listers Education Fund	Energy Committee Fund	Insurance Deductible Fund	Records Restoration Fund	Town Hall Maintenance	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 4,510	\$ -	\$ -	\$ 4,510
Due from other funds	2,108	18	-	18,881	5,950	62,319
TOTAL ASSETS	<u>\$ 2,108</u>	<u>\$ 18</u>	<u>\$ 4,510</u>	<u>\$ 18,881</u>	<u>\$ 5,950</u>	<u>\$ 66,829</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	8,232
Committed	-	-	-	-	-	-
Assigned	2,108	18	4,510	18,881	5,950	58,597
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,108</u>	<u>18</u>	<u>4,510</u>	<u>18,881</u>	<u>5,950</u>	<u>66,829</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,108</u>	<u>\$ 18</u>	<u>\$ 4,510</u>	<u>\$ 18,881</u>	<u>\$ 5,950</u>	<u>\$ 66,829</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	PTO Grant Fund	Town Hall Advertising Fund	Recreation Fund	U. M. Steeple Fund	Planning Grant	Town Hall Bond Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,194	\$ 5,500
Charges for services	-	-	7,198	-	-	-
Other income	-	-	-	-	-	100
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>7,198</u>	<u>-</u>	<u>3,194</u>	<u>5,600</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	1,065	555	3,361	-	-	450
TOTAL EXPENDITURES	<u>1,065</u>	<u>555</u>	<u>3,361</u>	<u>-</u>	<u>-</u>	<u>450</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,065)</u>	<u>(555)</u>	<u>3,837</u>	<u>-</u>	<u>3,194</u>	<u>5,150</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,065)	(555)	3,837	-	3,194	5,150
FUND BALANCES - JULY 1	<u>6,103</u>	<u>555</u>	<u>7,083</u>	<u>2,075</u>	<u>-</u>	<u>8,985</u>
FUND BALANCES - JUNE 30	<u>\$ 5,038</u>	<u>\$ -</u>	<u>\$ 10,920</u>	<u>\$ 2,075</u>	<u>\$ 3,194</u>	<u>\$ 14,135</u>

TOWN OF FERRISBURGH, VERMONT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Listers Education Fund	Energy Committee Fund	Insurance Deductible Fund	Records Restoration Fund	Town Hall Maintenance	Totals
REVENUES						
Intergovernmental	\$ 398	\$ -	\$ -	\$ -	\$ -	\$ 9,092
Charges for services	-	-	-	3,848	2,550	13,596
Other income	-	-	2,541	-	-	2,641
TOTAL REVENUES	<u>398</u>	<u>-</u>	<u>2,541</u>	<u>3,848</u>	<u>2,550</u>	<u>25,329</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	22,129	-	-	27,560
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>22,129</u>	<u>-</u>	<u>-</u>	<u>27,560</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>398</u>	<u>-</u>	<u>(19,588)</u>	<u>3,848</u>	<u>2,550</u>	<u>(2,231)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	20,000	-	-	20,000
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCES	398	-	412	3,848	2,550	17,769
FUND BALANCES - JULY 1	<u>1,710</u>	<u>18</u>	<u>4,098</u>	<u>15,033</u>	<u>3,400</u>	<u>49,060</u>
FUND BALANCES - JUNE 30	<u>\$ 2,108</u>	<u>\$ 18</u>	<u>\$ 4,510</u>	<u>\$ 18,881</u>	<u>\$ 5,950</u>	<u>\$ 66,829</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF FERRISBURGH, VERMONT

BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2013

	Reappraisal Fund	Fire Truck Reserve	Highway Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	28,285	30,000	20,000	78,285
TOTAL ASSETS	<u>\$ 28,285</u>	<u>\$ 30,000</u>	<u>\$ 20,000</u>	<u>\$ 78,285</u>
LIABILITIES				
Due to others funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	30,000	20,000	50,000
Assigned	28,285	-	-	28,285
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>28,285</u>	<u>30,000</u>	<u>20,000</u>	<u>78,285</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28,285</u>	<u>\$ 30,000</u>	<u>\$ 20,000</u>	<u>\$ 78,285</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NON MAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Reappraisal Fund	Fire Truck Reserve	Highway Reserve	Totals
REVENUES				
Intergovernmental	\$ 2,592	\$ -	\$ -	\$ 2,592
Other income	-	-	-	-
TOTAL REVENUES	<u>2,592</u>	<u>-</u>	<u>-</u>	<u>2,592</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,592</u>	<u>-</u>	<u>-</u>	<u>2,592</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	30,000	20,000	50,000
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>30,000</u>	<u>20,000</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	2,592	30,000	20,000	52,592
FUND BALANCES - JULY 1	<u>25,693</u>	<u>-</u>	<u>-</u>	<u>25,693</u>
FUND BALANCES - JUNE 30	<u>\$ 28,285</u>	<u>\$ 30,000</u>	<u>\$ 20,000</u>	<u>\$ 78,285</u>

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

To account for assets held by the Town of Ferrisburgh in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2013

	<u>Cemetery</u>	<u>Totals</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Investments	4,000	4,000
Due from other funds	9,379	9,379
TOTAL ASSETS	<u>\$ 13,379</u>	<u>\$ 13,379</u>
LIABILITIES		
Due to others funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	13,379	13,379
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>13,379</u>	<u>13,379</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,379</u>	<u>\$ 13,379</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Cemetery</u>	<u>Total</u>
REVENUES		
Interest income	\$ 50	\$ 50
Other income	-	-
TOTAL REVENUES	<u>50</u>	<u>50</u>
EXPENDITURES		
Capital outlay	-	-
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>50</u>	<u>50</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	-
Operating transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	50	50
FUND BALANCES - JULY 1	<u>13,329</u>	<u>13,329</u>
FUND BALANCES - JUNE 30	<u>\$ 13,379</u>	<u>\$ 13,379</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF FERRISBURGH, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2013

	Land and Non-depreciable Assets	Buildings and Improvements	Machinery, Equipment & Vehicles	Infrastructure	Totals
Public safety	\$ -	\$ 295,000	\$ 8,870	\$ -	\$ 303,870
Highway	-	55,332	1,146,281	-	1,201,613
Town Wide	210,000	2,833,659	-	65,000	3,108,659
Total General Capital Assets	210,000	3,183,991	1,155,151	65,000	4,614,142
Less: Accumulated Depreciation	-	(519,143)	(687,955)	(9,750)	(1,216,848)
Net General Capital Assets	<u>\$ 210,000</u>	<u>\$ 2,664,848</u>	<u>\$ 467,196</u>	<u>\$ 55,250</u>	<u>\$ 3,397,294</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FERRISBURGH, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2013

	General Capital Assets 7/1/12	Additions	Deletions	General Capital Assets 6/30/13
Public Safety	303,870	-	-	303,870
Highway	1,177,613	24,000	-	1,201,613
Town Wide	3,108,659	-	-	3,108,659
Total General Capital Assets	4,590,142	24,000	-	4,614,142
Less: Accumulated Depreciation	(1,045,255)	(171,593)	-	(1,216,848)
Net General Capital Assets	<u>\$ 3,544,887</u>	<u>\$ (147,593)</u>	<u>\$ -</u>	<u>\$ 3,397,294</u>

See accompanying independent auditors' report and notes to financial statements.