

Audited Financial Statements and
Other Supplemental Information

Town of Ferrisburgh, Vermont

June 30, 2014



Proven Expertise and Integrity

TOWN OF FERRISBURGH, VERMONT

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JUNE 30, 2014

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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, 2014, 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.

Auditors' 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 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 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 evaluating the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof 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 and budgetary comparison information on pages 4 through 10 and 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. Such 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 as a whole.

RHR Smith & Company

Buxton, Maine
Vermont Registration # 092.0000697
September 19, 2014

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

(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, 2014. 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 decreased by \$16,408 from \$3,720,526 to \$3,704,118.

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 \$821,309 at the end of this year.

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

	<u>2014</u>	<u>2013</u>
Assets:		
Current and Other Assets	\$ 926,296	\$ 883,641
Capital Assets	3,232,783	3,397,294
Total Assets	<u>4,159,079</u>	<u>4,280,935</u>
Liabilities:		
Current Liabilities	201,990	182,367
Long-term Debt Outstanding	251,113	370,765
Total Liabilities	<u>453,103</u>	<u>553,132</u>
Deferred Inflows of Resources:		
Prepaid Taxes	1,858	7,277
Total Deferred Inflows of Resources	<u>1,858</u>	<u>7,277</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	2,864,337	2,908,019
Restricted: General fund	-	42,854
Special Revenue funds	5,038	8,232
Permanent funds	13,434	13,379
Unrestricted	821,309	748,042
Total Net Position	<u>\$ 3,704,118</u>	<u>\$ 3,720,526</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 2.59%, while total expenses increased by 4.75%.

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

	<u>2014</u>	<u>2013</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 110,607	\$ 95,642
<i>General Revenues:</i>		
Property taxes	7,120,940	6,779,448
Grants and contributions not restricted to specific programs	310,875	470,797
Miscellaneous	61,349	66,213
Total revenues	<u>7,603,771</u>	<u>7,412,100</u>
Expenses		
General government	440,056	393,134
Public safety	155,747	139,107
Highway	836,449	944,683
Employee benefits	123,777	105,814
Grant funds	42,818	-
Education	5,833,180	5,504,494
Tax assessments	79,712	67,997
Town meeting - voted authorizations	30,340	29,583
Contingency	3,841	4,302
Interest on long-term debt	1,792	13,424
Unallocated depreciation (Note 4)	72,467	72,467
Total expenses	<u>7,620,179</u>	<u>7,275,005</u>
Change in Net Position	(16,408)	137,095
Net Position - July 1	<u>3,720,526</u>	<u>3,583,431</u>
Net Position - June 30	<u><u>\$ 3,704,118</u></u>	<u><u>\$ 3,720,526</u></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>2014</u>	<u>2013</u>
General Fund:		
Restricted	\$ -	\$ 42,854
Committed	100,000	50,000
Unassigned	207,981	230,029
Total General Fund	<u>\$ 307,981</u>	<u>\$ 322,883</u>
Highway Facility Fund:		
Committed	<u>\$ 156,390</u>	<u>\$ 208,197</u>
Total Highway Facility Fund	<u>\$ 156,390</u>	<u>\$ 208,197</u>
Nonmajor Funds:		
Special revenues funds:		
Restricted	\$ 5,038	\$ 8,232
Assigned	103,938	58,597
Capital project funds:		
Committed	100,000	50,000
Assigned	14,334	28,285
Permanent funds:		
Restricted	13,434	13,379
Total Nonmajor Funds	<u>\$ 236,744</u>	<u>\$ 158,493</u>

The general fund total fund balance decreased by \$14,902 from the prior fiscal year. The highway facility fund decreased by \$51,807 and the non-major fund balances increased by \$78,251 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 \$3,445. This was due to all categories being receipted in excess of budget with the exception of property taxes.

The general fund actual expenditures were under budget by \$24,507. All expenditure categories were under budget with the exception of general government, and public safety.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2014, the net book value of capital assets recorded by the Town decreased by \$164,511 from the prior year. This decrease is the result of current year depreciation of \$164,511.

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

	<u>2014</u>	<u>2013</u>
Land	\$ 210,000	\$ 210,000
Buildings and Improvements	2,585,248	2,664,848
Machinery and Equipment	19,672	44,710
Vehicles	364,238	422,486
Infrastructure	<u>53,625</u>	<u>55,250</u>
Total	<u>\$ 3,232,783</u>	<u>\$ 3,397,294</u>

Debt

At June 30, 2014, the Town had \$297,500 in bonds outstanding versus \$410,000 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, 2014

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 685,811
Investments	4,000
Taxes receivable	221,471
Other receivable	2,426
Prepaid expenses	12,588
Total current assets	<u>926,296</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	210,000
Buildings and equipment, net of accumulated depreciation	3,022,783
Total noncurrent assets	<u>3,232,783</u>
TOTAL ASSETS	<u><u>\$ 4,159,079</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 79,388
Accrued expenses	2,835
Current portion of long-term obligations	119,767
Total current liabilities	<u>201,990</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	190,000
Capital leases payable	58,679
Accrued compensated absences	2,434
Total noncurrent liabilities	<u>251,113</u>
TOTAL LIABILITIES	<u>453,103</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	1,858
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,858</u>
NET POSITION	
Invested in capital assets, net of related debt	2,864,337
Restricted: Special Revenue funds	5,038
Permanent funds	13,434
Unrestricted	821,309
TOTAL NET POSITION	<u>3,704,118</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 4,159,079</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, 2014

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	\$ 440,056	\$ 95,095	\$ -	\$ -	\$ (344,961)
Public safety	155,747	11,770	-	-	(143,977)
Highway	836,449	3,742	-	-	(832,707)
Employee benefits	123,777	-	-	-	(123,777)
Grant funds	42,818	-	-	-	(42,818)
Education	5,833,180	-	-	-	(5,833,180)
Tax assessments	79,712	-	-	-	(79,712)
Town meeting - voted authorizations	30,340	-	-	-	(30,340)
Contingency	3,841	-	-	-	(3,841)
Interest on long term debt	1,792	-	-	-	(1,792)
Unallocated depreciation (Note 4)	72,467	-	-	-	(72,467)
Total government	<u>\$ 7,620,179</u>	<u>\$ 110,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(7,509,572)</u>

STATEMENT B (CONTINUED)
TOWN OF FERRISBURGH, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(7,509,572)
General revenues:	
Property taxes, levied for general purposes	7,120,940
Grants and contributions not restricted to specific programs	310,875
Miscellaneous	61,349
Total general revenues	7,493,164
Change in net position	(16,408)
NET POSITION - JULY 1	3,720,526
NET POSITION - JUNE 30	\$ 3,704,118

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

TOWN OF FERRISBURGH, VERMONT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Highway Facility Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 672,610	\$ -	\$ 13,201	\$ 685,811
Investments	-	-	4,000	4,000
Taxes receivable	221,471	-	-	221,471
Other receivable	2,426	-	-	2,426
Prepaid expenses	12,588	-	-	12,588
Due from other funds	-	156,390	219,543	375,933
TOTAL ASSETS	<u>\$ 909,095</u>	<u>\$ 156,390</u>	<u>\$ 236,744</u>	<u>\$ 1,302,229</u>
LIABILITIES				
Accounts payable	\$ 79,388	\$ -	\$ -	\$ 79,388
Accrued expenses	2,835	-	-	2,835
Due to other funds	375,933	-	-	375,933
TOTAL LIABILITIES	<u>458,156</u>	<u>-</u>	<u>-</u>	<u>458,156</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	1,858	-	-	1,858
Deferred property tax	141,100	-	-	141,100
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>142,958</u>	<u>-</u>	<u>-</u>	<u>142,958</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	18,472	18,472
Committed	100,000	156,390	100,000	356,390
Assigned	-	-	118,272	118,272
Unassigned	207,981	-	-	207,981
TOTAL FUND BALANCES	<u>307,981</u>	<u>156,390</u>	<u>236,744</u>	<u>701,115</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 909,095</u>	<u>\$ 156,390</u>	<u>\$ 236,744</u>	<u>\$ 1,302,229</u>

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, 2014

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 701,115
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	3,232,783
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	141,100
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(297,500)
Capital leases payable	(70,946)
Accrued compensated absences	<u>(2,434)</u>
Net position of governmental activities	<u>\$ 3,704,118</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, 2014

	General Fund	Highway Facility Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 7,105,093	\$ -	\$ -	\$ 7,105,093
Intergovernmental	288,647	-	22,228	310,875
Interest income	35,421	-	55	35,476
Charges for services	74,737	-	35,870	110,607
Miscellaneous	3,104	-	22,769	25,873
TOTAL REVENUES	<u>7,507,002</u>	<u>-</u>	<u>80,922</u>	<u>7,587,924</u>
EXPENDITURES				
Current:				
General government	387,270	-	52,671	439,941
Public safety	148,150	-	-	148,150
Highway	700,195	51,807	-	752,002
Employee benefits	123,777	-	-	123,777
Grant funds	42,818	-	-	42,818
Education	5,833,180	-	-	5,833,180
Tax assessments	79,712	-	-	79,712
Town meeting - voted authorizations	30,340	-	-	30,340
Contingency	3,841	-	-	3,841
Debt service:				
Principal	120,829	-	-	120,829
Interest	1,792	-	-	1,792
TOTAL EXPENDITURES	<u>7,471,904</u>	<u>51,807</u>	<u>52,671</u>	<u>7,576,382</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>35,098</u>	<u>(51,807)</u>	<u>28,251</u>	<u>11,542</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	50,000	50,000
Operating transfers (out)	(50,000)	-	-	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(14,902)	(51,807)	78,251	11,542
FUND BALANCES - JULY 1	<u>322,883</u>	<u>208,197</u>	<u>158,493</u>	<u>689,573</u>
FUND BALANCES - JUNE 30	<u>\$ 307,981</u>	<u>\$ 156,390</u>	<u>\$ 236,744</u>	<u>\$ 701,115</u>

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, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 11,542</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 Depreciation expense	<u>(164,511)</u> <u>(164,511)</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>15,847</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>120,829</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>(115)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (16,408)</u></u>

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

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014

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. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these 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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the Town that are legally restricted and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2014.

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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

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

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 above 40 hours 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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At June 30, 2014, the Town's cash balances of \$685,811 were comprised of bank balances of \$692,063, of which \$250,000 were insured by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining bank balances of \$442,063 were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 692,063
	<u>\$ 692,063</u>

At June 30, 2014, 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	<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 formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2014 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General fund	\$ -	\$ 375,933
Highway Facility Fund	156,390	-
Special Revenue funds	95,775	-
Capital Project funds	114,334	-
Permanent funds	9,434	-
	<u>\$ 375,933</u>	<u>\$ 375,933</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2014:

	Balance 7/1/13	Additions	Disposals	Balance 6/30/14
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	816,131	-	-	816,131
Machinery & equipment	339,020	-	-	339,020
Infrastructure	65,000	-	-	65,000
	<u>4,404,142</u>	<u>-</u>	<u>-</u>	<u>4,404,142</u>
Less: accumulated depreciation	<u>(1,216,848)</u>	<u>(164,511)</u>	<u>-</u>	<u>(1,381,359)</u>
	<u>3,187,294</u>	<u>(164,511)</u>	<u>-</u>	<u>3,022,783</u>
Net capital assets	<u>\$ 3,397,294</u>	<u>\$ (164,511)</u>	<u>\$ -</u>	<u>\$ 3,232,783</u>
<u>Current year depreciation</u>				
Public safety				\$ 7,597
Highway				84,447
Town-wide				72,467
Total depreciation				<u>\$ 164,511</u>

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	Balance 7/1/13	Additions	Reductions	Balance 6/30/14	Current Year Portion
Bonds payable	\$ 410,000	\$ -	\$ (112,500)	\$ 297,500	\$ 107,500
Capital lease payable	79,275	-	(8,329)	70,946	12,267
Accrued compensated absences	2,319	115	-	2,434	-
Totals	<u>\$ 491,594</u>	<u>\$ 115</u>	<u>\$ (120,829)</u>	<u>\$ 370,880</u>	<u>\$ 119,767</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%. Maturity in November of 2014.	\$ 35,000
\$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%. Maturity in November of 2014.	30,000
\$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%. Maturity in December of 2016.	105,000
\$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>127,500</u>
Total Bonds Payable	<u>\$ 297,500</u>

TOWN OF FERRISBURGH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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>
2015	\$ 107,500	\$ 7,681	\$ 115,181
2016	42,500	5,719	48,219
2017	147,500	4,791	152,291
2018	-	-	-
2019	-	-	-
	<u>\$ 297,500</u>	<u>\$ 18,191</u>	<u>\$ 315,691</u>

The following is a summary of the lease outstanding as of June 30, 2014:

\$95,150, 2013 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>	
2015	\$ 12,267
2016	12,267
2017	12,267
2018	12,267
2019	12,267
2019-2023	<u>24,534</u>
Total minimum lease payment	85,869
Less amount representing interest	<u>(14,923)</u>
Present value of future minimum lease payments	<u>\$ 70,946</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, 2014

NOTE 6 – RESTRICTED FUND BALANCES

At June 30, 2014, the Town had the following restricted fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 5,038
Nonmajor permanent funds (Schedule H)	13,434
	<u>\$ 18,472</u>

NOTE 7 – COMMITTED FUND BALANCES

At June 30, 2014, the Town had the following committed fund balances:

General fund:	
Utilization of unassigned FB	\$ 100,000
Highway facility fund	156,390
Nonmajor capital project funds (Schedule F)	100,000
	<u>\$ 356,390</u>

NOTE 8 – ASSIGNED FUND BALANCES

At June 30, 2014, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 103,938
Nonmajor capital project funds (Schedule F)	14,334
	<u>\$ 118,272</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, 2014

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 \$14,950, 12,984 and 12,117 for the years ended June 30, 2014, 2013 and 2012, respectively. The Town contributed \$16,566, \$14,427 and \$13,464 for the years ended June 30, 2014, 2013 and 2012, respectively. The Town's payroll for all employees covered by the Vermont Municipal Employees' Retirement System during the year totaled \$323,240.

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, 2014

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, 2014. 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, 2014

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, 2014, the Town had the following overspent appropriations:

	<u>Excess</u>
General government	\$ 25,665
Public Safety	<u>8,275</u>
	<u>\$ 33,940</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance - July 1	\$ 322,883	\$ 322,883	\$ 322,883	\$ -
Resources (Inflows):				
Property Taxes	7,122,007	7,122,007	7,105,093	(16,914)
Intergovernmental revenues	273,500	273,500	288,647	15,147
Charges for services	72,700	72,700	74,737	2,037
Interest income	33,350	33,350	35,421	2,071
Other revenue	2,000	2,000	3,104	1,104
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>7,826,440</u>	<u>7,826,440</u>	<u>7,829,885</u>	<u>3,445</u>
Charges to Appropriations (Outflows):				
General government	361,605	361,605	387,270	(25,665)
Public safety	139,875	139,875	148,150	(8,275)
Highway	742,049	742,049	700,195	41,854
Employee benefits	130,480	130,480	123,777	6,703
Grant funds	-	42,854	42,818	36
Education	5,833,180	5,833,180	5,833,180	-
Tax assessments	86,442	86,442	79,712	6,730
Town meeting - voted authorizations	30,340	30,340	30,340	-
Contingency	6,000	6,000	3,841	2,159
Debt service				
Principal	118,294	118,294	120,829	(2,535)
Interest	5,292	5,292	1,792	3,500
Transfers to other funds	50,000	50,000	50,000	-
Total Charges to Appropriations	<u>7,503,557</u>	<u>7,546,411</u>	<u>7,521,904</u>	<u>24,507</u>
Budgetary Fund Balance, June 30	<u>\$ 322,883</u>	<u>\$ 280,029</u>	<u>\$ 307,981</u>	<u>\$ 27,952</u>
Utilization of unassigned fund balance	<u>\$ -</u>	<u>\$ 42,854</u>	<u>\$ -</u>	<u>\$ (42,854)</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, 2014

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes	\$ 7,122,007	\$ 7,122,007	\$ 7,105,093	\$ (16,914)
Intergovernmental revenues:				
Vermont State Mileage Aid	156,000	156,000	161,906	5,906
Railroad Tax/State Land Tax	50,000	50,000	50,534	534
State School Tax Coll. Reimb.	12,500	12,500	16,793	4,293
Current Land Use	55,000	55,000	59,414	4,414
Charges for services:				
Liquor License Fee	650	650	2,400	1,750
Highway Department Sales	2,250	2,250	3,742	1,492
Zoning Fees	13,000	13,000	11,952	(1,048)
Land Recording, Filing and Other	32,000	32,000	25,157	(6,843)
Clerk Fees	9,800	9,800	13,716	3,916
Police Fines	9,000	9,000	11,770	2,770
Rent	6,000	6,000	6,000	-
Interest income:				
Tax interest and penalties	33,000	33,000	35,309	2,309
Interest income	350	350	112	(238)
Miscellaneous revenues	2,000	2,000	3,104	1,104
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>\$ 7,503,557</u>	<u>\$ 7,503,557</u>	<u>\$ 7,507,002</u>	<u>\$ 3,445</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, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General Government:					
Administration	\$ 11,100	\$ -	\$ 11,100	\$ 9,404	\$ 1,696
Union Meeting Hall	11,128	-	11,128	8,550	2,578
Town Clerk's Office	287,799	-	287,799	313,094	(25,295)
Town Offices/Community Center	38,028	-	38,028	40,231	(2,203)
Miscellaneous General Government	13,550	-	13,550	15,991	(2,441)
	<u>361,605</u>	<u>-</u>	<u>361,605</u>	<u>387,270</u>	<u>(25,665)</u>
Public Safety:					
Ferrisburgh Volunteer Fire Department	64,400	-	64,400	64,400	-
Vergennes Fire Department - Contract	47,600	-	47,600	44,416	3,184
Fire Services - Extra	2,500	-	2,500	1,136	1,364
Addison County Sheriff's Office	11,500	-	11,500	24,323	(12,823)
Vermont Area Rescue Squad	13,875	-	13,875	13,875	-
	<u>139,875</u>	<u>-</u>	<u>139,875</u>	<u>148,150</u>	<u>(8,275)</u>
Highway:					
Payroll	199,054	-	199,054	209,875	(10,821)
Maintenance	411,767	-	411,767	367,141	44,626
Town Garage/Yard	23,228	-	23,228	16,815	6,413
Vehicles/Equipment	108,000	-	108,000	106,364	1,636
	<u>742,049</u>	<u>-</u>	<u>742,049</u>	<u>700,195</u>	<u>41,854</u>

TOWN OF FERRISBURGH, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Employee Benefits	130,480	-	130,480	123,777	6,703
Grant Funds	-	42,854	42,854	42,818	36
Education	5,833,180	-	5,833,180	5,833,180	-
Tax Assessments:					
County Tax	27,200	-	27,200	20,470	6,730
Vermont League of Cities & Towns	3,606	-	3,606	3,606	-
Addison County Regional Planning Comm.	3,077	-	3,077	3,077	-
Bixby Library	52,559	-	52,559	52,559	-
	86,442	-	86,442	79,712	6,730
Debt Service:					
Principal	118,294	-	118,294	120,829	(2,535)
Interest	5,292	-	5,292	1,792	3,500
	123,586	-	123,586	122,621	965
Town Meeting - Voted Authorizations	30,340	-	30,340	30,340	-
Contingency	6,000	-	6,000	3,841	2,159
Transfers to other funds:					
Special revenue funds	20,000	-	20,000	20,000	-
Capital project funds	30,000	-	30,000	30,000	-
	50,000	-	50,000	50,000	-
Total Expenditures	\$ 7,503,557	\$ 42,854	\$ 7,546,411	\$ 7,521,904	\$ 24,507

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

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,201	\$ -	\$ -	\$ 13,201
Investments	-	-	4,000	4,000
Due from other funds	95,775	114,334	9,434	219,543
TOTAL ASSETS	\$ 108,976	\$ 114,334	\$ 13,434	\$ 236,744
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	5,038	-	13,434	18,472
Committed	-	100,000	-	100,000
Assigned	103,938	14,334	-	118,272
Unassigned	-	-	-	-
TOTAL FUND BALANCES	108,976	114,334	13,434	236,744
TOTAL LIABILITIES AND FUND BALANCES	\$ 108,976	\$ 114,334	\$ 13,434	\$ 236,744

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, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 7,646	\$ 14,582	\$ -	\$ 22,228
Interest income	-	-	55	55
Charges for services	35,870	-	-	35,870
Other income	22,769	-	-	22,769
TOTAL REVENUES	66,285	14,582	55	80,922
EXPENDITURES				
Capital outlay	-	-	-	-
Other	24,138	28,533	-	52,671
TOTAL EXPENDITURES	24,138	28,533	-	52,671
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	42,147	(13,951)	55	28,251
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	50,000	-	50,000
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	50,000	-	50,000
NET CHANGE IN FUND BALANCES	42,147	36,049	55	78,251
FUND BALANCES - JULY 1	66,829	78,285	13,379	158,493
FUND BALANCES - JUNE 30	\$ 108,976	\$ 114,334	\$ 13,434	\$ 236,744

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, 2014

	PTO Grant Fund	Recreation Fund	U. M. Steeple Fund	Planning Grant	Town Hall Bond Fund
ASSETS					
Cash and cash equivalents	\$ -		\$ -	\$ -	\$ -
Due from other funds	5,038	41,776	2,075	-	13,582
TOTAL ASSETS	<u>\$ 5,038</u>	<u>\$ 41,776</u>	<u>\$ 2,075</u>	<u>\$ -</u>	<u>\$ 13,582</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	5,038	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	41,776	2,075	-	13,582
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>5,038</u>	<u>41,776</u>	<u>2,075</u>	<u>-</u>	<u>13,582</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,038</u>	<u>\$ 41,776</u>	<u>\$ 2,075</u>	<u>\$ -</u>	<u>\$ 13,582</u>

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Listers Education Fund	Energy Committee Fund	Insurance Deductible Fund	Records Restoration Fund	Town Hall Maintenance	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 13,201	\$ -	\$ -	\$ 13,201
Due from other funds	2,381	98	-	21,675	9,150	95,775
TOTAL ASSETS	<u>\$ 2,381</u>	<u>\$ 98</u>	<u>\$ 13,201</u>	<u>\$ 21,675</u>	<u>\$ 9,150</u>	<u>\$ 108,976</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
Committed	-	-	-	-	-	-
Assigned	2,381	98	13,201	21,675	9,150	103,938
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,381</u>	<u>98</u>	<u>13,201</u>	<u>21,675</u>	<u>9,150</u>	<u>108,976</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,381</u>	<u>\$ 98</u>	<u>\$ 13,201</u>	<u>\$ 21,675</u>	<u>\$ 9,150</u>	<u>\$ 108,976</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, 2014

	PTO Grant Fund	Recreation Fund	U. M. Steeple Fund	Planning Grant	Town Hall Bond Fund
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,852	\$ -
Charges for services	-	35,870	-	-	-
Other income	-	-	-	-	277
TOTAL REVENUES	<u>-</u>	<u>35,870</u>	<u>-</u>	<u>4,852</u>	<u>277</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	5,014	-	8,046	830
TOTAL EXPENDITURES	<u>-</u>	<u>5,014</u>	<u>-</u>	<u>8,046</u>	<u>830</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>30,856</u>	<u>-</u>	<u>(3,194)</u>	<u>(553)</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>
NET CHANGE IN FUND BALANCES	-	30,856	-	(3,194)	(553)
FUND BALANCES - JULY 1	<u>5,038</u>	<u>10,920</u>	<u>2,075</u>	<u>3,194</u>	<u>14,135</u>
FUND BALANCES - JUNE 30	<u>\$ 5,038</u>	<u>\$ 41,776</u>	<u>\$ 2,075</u>	<u>\$ -</u>	<u>\$ 13,582</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, 2014

	Listers Education Fund	Energy Committee Fund	Insurance Deductible Fund	Records Restoration Fund	Town Hall Maintenance	Totals
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,794	\$ -	\$ 7,646
Charges for services	-	-	-	-	-	35,870
Other income	398	80	18,814	-	3,200	22,769
TOTAL REVENUES	398	80	18,814	2,794	3,200	66,285
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	125	-	10,123	-	-	24,138
TOTAL EXPENDITURES	125	-	10,123	-	-	24,138
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	273	80	8,691	2,794	3,200	42,147
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	273	80	8,691	2,794	3,200	42,147
FUND BALANCES - JULY 1	2,108	18	4,510	18,881	5,950	66,829
FUND BALANCES - JUNE 30	\$ 2,381	\$ 98	\$ 13,201	\$ 21,675	\$ 9,150	\$ 108,976

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, 2014

	Reappraisal Fund	Fire Truck Reserve	Highway Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	14,334	60,000	40,000	114,334
TOTAL ASSETS	<u>\$ 14,334</u>	<u>\$ 60,000</u>	<u>\$ 40,000</u>	<u>\$ 114,334</u>
LIABILITIES				
Due to others funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	60,000	40,000	100,000
Assigned	14,334	-	-	14,334
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>14,334</u>	<u>60,000</u>	<u>40,000</u>	<u>114,334</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,334</u>	<u>\$ 60,000</u>	<u>\$ 40,000</u>	<u>\$ 114,334</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, 2014

	Reappraisal Fund	Fire Truck Reserve	Highway Reserve	Totals
REVENUES				
Intergovernmental	\$ 14,582	\$ -	\$ -	\$ 14,582
Other income	-	-	-	-
TOTAL REVENUES	<u>14,582</u>	<u>-</u>	<u>-</u>	<u>14,582</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	28,533	-	-	28,533
TOTAL EXPENDITURES	<u>28,533</u>	<u>-</u>	<u>-</u>	<u>28,533</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,951)</u>	<u>-</u>	<u>-</u>	<u>(13,951)</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	(13,951)	30,000	20,000	36,049
FUND BALANCES - JULY 1	<u>28,285</u>	<u>30,000</u>	<u>20,000</u>	<u>78,285</u>
FUND BALANCES - JUNE 30	<u>\$ 14,334</u>	<u>\$ 60,000</u>	<u>\$ 40,000</u>	<u>\$ 114,334</u>

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

Permanent Funds

Permanent funds are used to account for assets held by the Town of Ferrisburgh, Vermont that are legally restricted and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including provision for the maintenance of cemeteries in the Town of Ferrisburgh.

TOWN OF FERRISBURGH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2014

	<u>Cemetery</u>	<u>Totals</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Investments	4,000	4,000
Due from other funds	9,434	9,434
TOTAL ASSETS	<u>\$ 13,434</u>	<u>\$ 13,434</u>
LIABILITIES		
Due to others funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	13,434	13,434
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>13,434</u>	<u>13,434</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,434</u>	<u>\$ 13,434</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, 2014

	<u>Cemetery</u>	<u>Total</u>
REVENUES		
Interest income	\$ 55	\$ 55
Other income	-	-
TOTAL REVENUES	<u>55</u>	<u>55</u>
EXPENDITURES		
Capital outlay	-	-
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>55</u>	<u>55</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	55	55
FUND BALANCES - JULY 1	<u>13,379</u>	<u>13,379</u>
FUND BALANCES - JUNE 30	<u><u>\$ 13,434</u></u>	<u><u>\$ 13,434</u></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, 2014

	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	-	(598,743)	(771,241)	(11,375)	(1,381,359)
Net General Capital Assets	<u>\$ 210,000</u>	<u>\$ 2,585,248</u>	<u>\$ 383,910</u>	<u>\$ 53,625</u>	<u>\$ 3,232,783</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, 2014

	General Capital Assets 7/1/13	Additions	Deletions	General Capital Assets 6/30/14
Public Safety	303,870	-	-	303,870
Highway	1,201,613	-	-	1,201,613
Town Wide	3,108,659	-	-	3,108,659
Total General Capital Assets	4,614,142	-	-	4,614,142
Less: Accumulated Depreciation	(1,216,848)	(164,511)	-	(1,381,359)
Net General Capital Assets	<u>\$ 3,397,294</u>	<u>\$ (164,511)</u>	<u>\$ -</u>	<u>\$ 3,232,783</u>

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