

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2008

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Pittsford, Vermont as of and for the year ended June 30, 2008, which collectively comprise the Town of Pittsford, Vermont's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Pittsford, Vermont's management. Our responsibility is to express opinions on these financial statements based on our audit.

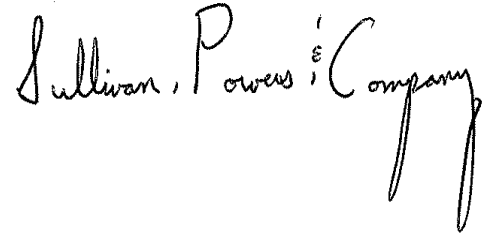
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining,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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Highway Fund and Village Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the Town of Pittsford, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

December 30, 2008
Montpelier, Vermont
Vt Lic. #92-000180

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2008.

Financial Highlights

- Assets exceeded liabilities on June 30, 2008 by \$7,818,655 (*net assets*). Of this amount, \$1,270,211 (*unrestricted net assets*) may be used by the various funds of the Town to meet the Town's ongoing obligations.
- The Town's total net assets increased by \$363,373. Of this amount, net assets attributable to governmental activities increased by \$337,066. Net assets attributable to business-type activities increased by \$26,307.

Overview of the Town's Financial Statements:

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
Current and Other Assets	\$ 1,704,452	\$ 1,596,173	\$ 123,166	\$ 90,969	\$ 1,827,618	\$ 1,687,142
Capital Assets	4,674,083	4,688,561	3,463,155	3,496,221	8,137,238	8,184,782
Total Assets	<u>6,378,535</u>	<u>6,284,734</u>	<u>3,586,321</u>	<u>3,587,190</u>	<u>9,964,856</u>	<u>9,871,924</u>
Current Liabilities	89,967	230,991	30,035	16,575	120,002	247,566
Long-term Liabilities	1,093,461	1,195,702	932,738	973,374	2,026,199	2,169,076
Total Liabilities	<u>1,183,428</u>	<u>1,426,693</u>	<u>962,773</u>	<u>989,949</u>	<u>2,146,201</u>	<u>2,416,642</u>
Net Assets						
Invested in capital assets, net of						
Related Debt	3,593,685	3,509,768	2,538,024	2,529,437	6,131,709	6,039,205
Restricted	416,735	379,972	0	0	416,735	379,972
Unrestricted	1,184,687	968,301	85,524	67,804	1,270,211	1,036,105
Total Net Assets	<u>\$ 5,195,107</u>	<u>\$ 4,858,041</u>	<u>\$ 2,623,548</u>	<u>\$ 2,597,241</u>	<u>\$ 7,818,655</u>	<u>\$ 7,455,282</u>

As stated above, net assets exceeded liabilities by \$7,818,655 at the end of fiscal year 2008. Net assets at the end of fiscal year 2007 exceeded liabilities by \$7,455,282.

The largest portion of the Town's net assets are in its investment in capital assets (78.4%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, infrastructure). Therefore these assets are not available for future spending. A portion (5.3%) of the Town's assets are subject to restrictions on how they may be used (e.g. highway maintenance, highway and fire vehicle replacement, building maintenance). The remaining balance of unrestricted net assets (16.3%, or \$1,270,211) may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in unrestricted net assets have been designated by management for particular purposes (e.g. capital projects).

Statement of Activites (Change in Net Assets)

	Governmental		Business-type		Total	
	Activities		Activities			
	FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
Revenues						
Program Revenues						
Charges for services	\$ 164,060	\$ 177,250	\$ 356,438	\$ 365,481	\$ 520,498	\$ 542,731
Operating grants and contributions	145,021	183,008	0	0	145,021	183,008
Capital grants and contributions	8,101	19,500	0	0	8,101	19,500
General Revenues						
Property taxes	1,629,682	1,601,912	0	0	1,629,682	1,601,912
Interest & Penalties on Delinquent Taxes	24,778	28,191	0	0	24,778	28,191
Unrestricted investment earnings	34,340	65,173	4,737	3,792	39,077	68,965
General State Grants	37,393	31,987	0	0	37,393	31,987
Other revenues	1,804	416	140,000	0	141,804	416
Total Revenues	<u>2,045,179</u>	<u>2,107,437</u>	<u>501,175</u>	<u>369,273</u>	<u>2,546,354</u>	<u>2,476,710</u>
Expenses						
Governmental activities						
General Government	523,909	576,171	0	0	523,909	576,171
Highways & Streets	638,938	645,610	0	0	638,938	645,610
Public Safety	229,553	167,970	0	0	229,553	167,970
Sanitation	109,281	111,517	0	0	109,281	111,517
Culture and Recreation	148,336	118,605	0	0	148,336	118,605
Interest on Long-term Debt	58,096	62,732	0	0	58,096	62,732
Business-type activities						
Pittsford Water	0	0	105,601	0	105,601	0
Florence Water	0	0	43,671	148,166	43,671	148,166
Sewer	0	0	325,596	252,280	325,596	252,280
Total Expenses	<u>1,708,113</u>	<u>1,682,605</u>	<u>474,868</u>	<u>400,446</u>	<u>2,182,981</u>	<u>2,083,051</u>
Change in net assets before transfers	337,066	424,832	26,307	(31,173)	363,373	393,659
Transfers	0	0	0	0	0	0
Change in net assets	<u>337,066</u>	<u>424,832</u>	<u>26,307</u>	<u>(31,173)</u>	<u>363,373</u>	<u>393,659</u>
Net assets - Beginning of Year	<u>4,858,041</u>	<u>4,433,209</u>	<u>2,597,241</u>	<u>2,628,414</u>	<u>7,455,282</u>	<u>7,061,623</u>
Net assets - End of Year	<u>\$ 5,195,107</u>	<u>\$ 4,858,041</u>	<u>\$ 2,623,548</u>	<u>\$ 2,597,241</u>	<u>\$ 7,818,655</u>	<u>\$ 7,455,282</u>

Comparative information is provided for Fiscal Year 2007.

Governmental activities. Governmental activities increased the Town's net assets by \$337,066 in FY08. Major factors included an increase in property tax revenues and an increase in State grant income coupled with a decrease in expenses for general government, highways and streets, sanitation and interest on long-term debt. Major capital assets added in FY08 included the purchase of a Ford tractor mower; the purchase of a LaFrance ladder fire truck; the sale of a Maxim ladder fire truck; the sale of an International dump truck; the construction of sidewalks along Arch Street; re-surfacing .7 miles of Parker Road from Parker farm to Creed Hill; re-surfacing .5 miles of Creed Hill; re-surfacing all 1.4 miles of Adams Road; re-surfacing .2 miles of Mountain View Road; laying gravel on .6 miles of Ager Road; laying gravel on .6 miles of Humphrey Road and installing 900 feet of guardrail on Kendall Hill Road.

Business-type activities. Business-type activities increased the Town's net assets by \$26,307. This figure is due primarily to the collection of a \$140,000 settlement of a dispute with an engineering firm.

The Pittsford Water Fund had a GAAP basis asset net gain of \$10,006 in FY08. Significant additional improvements have been required by the Water Supply Division; those improvements are presently being evaluated and funding sources researched. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Water System's infrastructure will be financially significant; the impact of those improvements is currently being evaluated. Unrestricted net assets (resources available to meet future obligations) were \$169,576 on June 30, 2008.

The Florence Water Fund had a GAAP basis net asset loss of \$14,083. This loss was a result of unbudgeted depreciation. The Agency of Natural Resources, Water Supply Division has required the Florence System to address inadequate fire flows on that system. Two alternatives have been investigated: building an additional storage tank in Florence; and connecting the Pittsford and Florence systems. Interconnecting the two systems is being studied and funding sources researched. Unrestricted net assets (resources available to meet future obligations) were \$20,353 on June 30, 2008.

The Sewer Fund had a GAAP basis net asset gain of \$30,384. This gain was a result of the \$140,000 settlement with the engineering firm working on the wastewater treatment facility less unbudgeted legal fees, depreciation and engineering costs. The Agency of Natural Resources, Wastewater Division has required the system correct several problems at the treatment plant and to reduce ground water infiltration of the collection system. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Sewer System's infrastructure will be financially significant; the impact of those improvements is currently being evaluated. Unrestricted net assets (resources available to meet future obligations) were a minus balance of \$104,405 on June 30, 2008.

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance increased from \$ 263,411 at the end of fiscal year 2007 to \$365,077 at the end of fiscal year 2008. This can be attributed to the following:

- Revenues were \$78,453 more than budgeted. Major contributors to this amount were: property tax collections were \$12,772 more than budgeted; State PILOT was \$6,425 more than budgeted; "current use" reimbursement was \$6,968 more than budgeted; investment interest was \$16,898 more than budgeted; recreation donations were \$2,319 more than budgeted and there was an unbudgeted \$16,345 reimbursement to the Fire Department. These more-than-budgeted revenues were offset by: \$4,188 less than budgeted in Constable traffic fines.

- Expenditures were \$23,213 less than budgeted. Major contributions to this amount were:
 - A. In the finance section of the budget, the lister's salaries and expenses were \$15,585 under budget.
 - B. In the boards and agencies section of the budget, Planning Commission expenses were \$2,156 under budget and labor/zoning administration was under budget by \$4,732. Legal fees/zoning was under budget by \$3,463 and BCA expenses were under budget by \$2,636.
 - C. In the municipal plant and equipment section of the budget, telephone expenses were under budget by \$1,581 and building repairs/maintenance was under budget by \$2,129.
 - D. In the State fees and unbudgeted expenses section of the budget, none of the \$3,000 in legal fees were expended.
 - E. The solid waste management expenses for waste removal was \$10,027 under budget.
 - F. The expense for employee medical coverage was \$2,410 less than anticipated and expenses for FICA/Medicare were \$6,926 less than budgeted.
 - G. The Rutland County tax was \$4,785 less than anticipated.

These under budget expenditures were partially offset by the over expenditure of \$4,156 in bookkeeper services; \$3,327 in Contracts/facilities costs; \$3,661 in Fire Department communications costs; \$2,455 in rabies fees paid to the State; \$4,741 for insurance/public officials; and \$12,076 for Fire Department FEMA expenses.

The Highway Fund

The Highway Fund balance increased from \$249,562 at the end of fiscal year 2007 to \$306,794 at the end of fiscal year 2008. This can be attributed to unspent funds tied to projects which will be completed in FY09.

- FY08, revenues were higher than budgeted by \$29,397. This revenue surplus consists primarily of higher than anticipated State Highway Aid (\$12,245); grant revenue (\$4,712); and investment interest (\$12,855).
- Expenditures were \$27,835 less than budgeted. Major contributions to this amount were:

Several line items had significant positive variances thereby reducing the net over budget expenditure. Some of those items were: lower than anticipated Class II maintenance costs (\$7,853) and Class III maintenance costs(\$111,426).

Restricted Net Assets and Reserved Fund Balances

The restricted net assets was \$416,735 on June 30, 2008. These funds are reserved for specific future expenses such as highway maintenance and other purposes determined by trust agreements.

The unrestricted fund balance was \$840,053 on June 30, 2008. These funds are available to address planned or unexpected expenses in the General Fund and other non-major governmental funds.

Capital Assets

Capital Assets increased in FY08 as the result of several purchases of equipment including a Ford tractor and a LaFrance ladder fire truck and the sale of an International dump truck and a Maxim 1960 ladder fire truck. A new entryway in the chlorine pumping station and a new Bilco door and stairs were installed at the wastewater treatment facility. In addition, the following activities added to the Town's assets during FY08: re-surfacing .7 miles of Parker Road; re-surfacing .5 miles of Creed Hill; re-surfacing all 1.4 miles of Adams Road; re-surfacing .2 miles of Mountain View Road; laying gravel on .6 miles of Ager Road; laying gravel on .6 miles of Humphrey Road and installing 900 feet of guardrail on Kendall Hill Road.

Long Term Debt

All of the long term debt identified below is a general obligation of the Town of Pittsford, however it has been the practice to fund repayment of the various obligations from their respective funds. As of June 30, 2008, the Town General Fund as of June 30, 2008 had a capital/financing lease balance of \$60,398 for a fire truck. The Highway Fund has a bond balance of \$1,020,000 the proceeds of which having been used for highway improvements. The Pittsford Water System has a bond balance of \$133,840 that was used for system improvements; the Florence Water System has a bond balance of \$28,348 again used for system improvements; and the Sewer System has three bonds totaling \$762,943 with almost all of the proceeds used to upgrade the sewer treatment plant.

Economic Factors and Next Year's Budgets and Rates

- The rate of inflation from December 2007 to December 2008 for Northeast urban communities was 4.0%. Increased costs for Health Care premiums, other insurances and all forms of energy are well above the inflation rate.
- The national economy has fallen into recession, with repercussions at the State and local levels of government. The outlook is bleak for 2009, with a massive federal stimulus bill being prepared for the signature of incoming President Obama which may bring need revenues to the State and municipalities of Vermont.

The following factors were considered in the development of budgets for FY10.

- **General Fund:** Given the volatility of oil prices in 2008, the Town has budgeted for a 20% rise in fuel prices. The budget for FY also factors in large increases in health and dental insurance coverage for Town employees. In addition, the Town is budgeting funds for renovations to the Town Offices.
- **Highway Fund/Bridge Repair:** Phase I of work on Kendall Hill Road Bridge was completed in the autumn of 2008 at a higher-than-expected cost. Phase I called for repairs to the concrete deck and other major structural elements. This has achieved a short to mid term (10-15 years) extension of the service life of the bridge. Phase II calls for complete deck replacement and repair or replacement of other major structural elements. The engineer's opinion of probable construction cost for this phase is \$1,665,000. This would achieve an extension of service life of 50 years or more. Time frame for replacement would be one to two construction seasons. In anticipation of the need for funding for the Phase II repair of the Kendall Hill Road Bridge and other bridge repair/replacement projects, the Select Board has increased the amount budgeted annually for road/bridge repairs from \$25,000 to \$50,000 in the Highway budget for FY10.

- **Water Funds:** The Pittsford and Florence water funds (along with the sewer fund) have budgeted for the hiring of a full-time employee who will work for both the water systems and sewer system. Preliminary engineering is under way in support of upgrades recommended by Otter Creek Engineering, to be funded by low interest loans. The actual construction will proceed if/when grant funds become available from the State or federal governments.
- **Sewer Fund:** Improvements to contact chlorine and sludge handling facilities are planned for FY10. Grant funding for these improvements is currently being sought. Meanwhile, \$37,500 has been budgeted for FY10 to cover the costs of improved ventilation in the chemical room and the construction of a shelter to protect the blowers and strainer at the plant.

The following factors will influence budgets in future fiscal years:

- The Water & Sewer Commission will have television camera imaging and possibly smoke testing done during the spring of 2009 to ascertain the location and magnitude of stormwater inflow and groundwater infiltration in the Pittsford wastewater collection system. This study will allow the Town to focus its efforts to alleviate extraneous wastewater collections system flows in the most cost effective manner.
- The water system Study recently completed by Otter Creek Engineering has resulted in approximately \$4,430,000 of recommended upgrades. Preliminary engineering in support of such upgrades is under way and funding sources are being studied.
- The requirements of the Agency of Natural Resources and the Agency of Transportation's plans to upgrade U.S. Route 7 will have to be addressed in the next decade. While no definitive costs have been established at this time, the improvements that will have to be made to the Water and Sewer systems will be significant.
- The Town envisions building a 3-bay garage/storage/office facility to accommodate the Constable and Water & Sewer Superintendent's needs. Costs will doubtless far exceed the \$26,000 already set aside for the project.

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,343,556	\$ 0	\$ 1,343,556
Investments	134,982	40,219	175,201
Receivables (Net of Allowance for Uncollectibles)	83,210	170,381	253,591
Internal Balances	87,434	(87,434)	0
Inventories	55,270	0	55,270
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	32,570	29,868	62,438
Other Capital Assets, (Net of Accumulated Depreciation)	4,537,814	3,364,932	7,902,746
 Total Assets	 <u>6,378,535</u>	 <u>3,586,321</u>	 <u>9,964,856</u>
<u>LIABILITIES</u>			
Accounts Payable	60,106	22,069	82,175
Accrued Payroll and Benefits Payable	12,901	2,597	15,498
Deferred Revenue	8,789	0	8,789
Accrued Interest Payable	8,171	5,369	13,540
Noncurrent Liabilities:			
Due within One Year	99,614	43,171	142,785
Due in More than One Year	993,847	889,567	1,883,414
 Total Liabilities	 <u>1,183,428</u>	 <u>962,773</u>	 <u>2,146,201</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	3,593,685	2,538,024	6,131,709
Restricted	416,735	0	416,735
Unrestricted	1,184,687	85,524	1,270,211
 Total Net Assets	 <u>\$ 5,195,107</u>	 <u>\$ 2,623,548</u>	 <u>\$ 7,818,655</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 523,909	\$ 46,446	\$ 14,803	\$ 0	\$ (462,660)	\$ 0	\$ (462,660)
Highways & Streets	638,938	535	112,535	0	(525,868)	0	(525,868)
Public Safety	229,553	16,670	17,683	8,101	(187,099)	0	(187,099)
Sanitation	109,281	60,933	0	0	(48,348)	0	(48,348)
Culture and Recreation	148,336	39,476	0	0	(108,860)	0	(108,860)
Interest on Long-term Debt	58,096	0	0	0	(58,096)	0	(58,096)
Total Governmental Activities	1,708,113	164,060	145,021	8,101	(1,390,931)	0	(1,390,931)
Business-Type Activities:							
Pittsford Water	105,601	111,232	0	0	0	5,631	5,631
Florence Water	43,671	29,226	0	0	0	(14,445)	(14,445)
Sewer	325,596	215,980	0	0	0	(109,616)	(109,616)
Total Business-Type Activities	474,868	356,438	0	0	0	(118,430)	(118,430)
Total	\$ 2,182,981	\$ 520,498	\$ 145,021	\$ 8,101	(1,390,931)	(118,430)	(1,509,361)
General Revenues:							
Property Taxes					1,629,682	0	1,629,682
Interest and Penalties on Delinquent Taxes					24,778	0	24,778
Unrestricted Investment Earnings					34,340	4,737	39,077
General State Grants					37,393	0	37,393
Gain on Sale of Equipment					1,488	0	1,488
Other Revenues					316	140,000	140,316
Total General Revenues					1,727,997	144,737	1,872,734
Change in Net Assets					337,066	26,307	363,373
Net Assets - July 1, 2007					4,858,041	2,597,241	7,455,282
Net Assets - June 30, 2008					\$ 5,195,107	\$ 2,623,548	\$ 7,818,655

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

TOWN OF PITTSFORD, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,198,646	\$ 144,910	\$ 0	\$ 1,343,556
Investments	0	0	134,982	134,982
Receivables (Net of Allowance for Uncollectibles)	83,210	0	0	83,210
Due from Other Funds	0	175,726	494,996	670,722
Inventory	3,164	32,910	0	36,074
Total Assets	\$ 1,285,020	\$ 353,546	\$ 629,978	\$ 2,268,544
<u>LIABILITIES</u>				
Liabilities:				
Accounts Payable	\$ 13,060	\$ 44,062	\$ 1,292	\$ 58,414
Due to Other Funds	825,883	0	170	826,053
Interfund Loans Payable	0	0	7,525	7,525
Accrued Payroll and Benefits Payable	10,211	2,690	0	12,901
Deferred Revenue	70,789	0	0	70,789
Total Liabilities	919,943	46,752	8,987	975,682
Fund Balances:				
Reserved for				
Inventory	3,164	32,910	0	36,074
Other Purposes	0	273,884	142,851	416,735
Unreserved, Reported In				
General Fund	361,913	0	0	361,913
Special Revenue Funds	0	0	175,765	175,765
Capital Project Funds	0	0	302,375	302,375
Total Fund Balances	365,077	306,794	620,991	1,292,862
Total Liabilities and Fund Balances	\$ 1,285,020	\$ 353,546	\$ 629,978	
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:				
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.				4,220,026
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.				62,000
The Equipment Rental Fund is used by Management to Charge the Costs of the Fleet to Individual Funds. The Assets and Liabilities of the Equipment Rental Fund is Included in Governmental Activities in the Statement of Net Assets				721,851
Long-Term and Accrued Liabilities are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.				(1,101,632)
Net Assets of Governmental Activities				\$ 5,195,107

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 876,099	\$ 745,478	\$ 19,105	\$ 1,640,682
Interest and Penalties on Delinquents	24,778	0	0	24,778
Intergovernmental Revenue	54,245	126,957	14,296	195,498
Investment Income/(Loss)	24,898	12,855	(9,080)	28,673
Permits, Fees and Fines	76,755	535	2,674	79,964
Charges for Services	80,590	0	0	80,590
Other	16,260	0	2,500	18,760
Total Revenues	1,153,625	885,825	29,495	2,068,945
Expenditures:				
Current:				
General Government	510,230	0	17,535	527,765
Highways and Streets	0	528,914	0	528,914
Public Safety	174,506	0	0	174,506
Sanitation	108,177	0	0	108,177
Culture and Recreation	145,842	0	0	145,842
Capital Outlay	12,749	160,035	27,500	200,284
Debt Service:				
Principal	13,395	85,000	0	98,395
Interest	4,590	54,644	0	59,234
Total Expenditures	969,489	828,593	45,035	1,843,117
Excess/(Deficiency) of Revenues Over Expenditures	184,136	57,232	(15,540)	225,828
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	0	5,000	5,000
Transfers In	30	0	82,500	82,530
Transfers Out	(82,500)	0	(30)	(82,530)
Total Other Financing Sources/ (Uses)	(82,470)	0	87,470	5,000
Net Change in Fund Balances	101,666	57,232	71,930	230,828
Fund Balances - July 1, 2007	263,411	249,562	549,061	1,062,034
Fund Balances - June 30, 2008	<u>\$ 365,077</u>	<u>\$ 306,794</u>	<u>\$ 620,991</u>	<u>\$ 1,292,862</u>

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

TOWN OF PITTSFORD, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2008

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

Net change in fund balances - total government funds (Exhibit D)	\$	230,828
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		12,824
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		98,395
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(25,422)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		4,984
The Internal Service Fund Change in Net Assets is included with Governmental Activities		<u>15,457</u>
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>337,066</u></u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes:			
Taxes	\$ 863,327	\$ 876,099	\$ 12,772
Interest on Delinquent Taxes	10,000	12,509	2,509
Penalty on Delinquent Taxes	12,000	12,269	269
Other Revenue	0	6,387	6,387
Total Property Taxes	885,327	907,264	21,937
Fees and Permits:			
First Class Liquor Licenses	300	400	100
Second Class Liquor Licenses	150	300	150
Marriage Licenses	250	480	230
Town Computer Purchases	500	0	(500)
Certified Copy Fees	1,000	817	(183)
Recording Fees	18,000	18,647	647
Photocopy Fees	600	2,173	1,573
DMV Fees	300	540	240
Site Plan Review	3,000	0	(3,000)
Zoning Fees	0	3,740	3,740
Fire Wardens Permit Fees	0	448	448
Miscellaneous Fees	0	2,855	2,855
Total Fees and Permits	24,100	30,400	6,300
Intergovernmental Revenues:			
State PILOT	12,000	18,425	6,425
Current Use Reimbursement	12,000	18,968	6,968
Act 60 State Payments	1,400	0	(1,400)
Vermont Railroad Tax	400	507	107
Total Intergovernmental Revenues	25,800	37,900	12,100
Charges for Services:			
Sales of Ordinances	0	30	30
Total Charges for Services	0	30	30

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Solid Waste:			
Annual User Permits	\$ 9,500	\$ 10,676	\$ 1,176
Garbage Bag Charges	48,000	47,668	(332)
Recycling Income	350	2,589	2,239
Total Solid Waste	57,850	60,933	3,083
Miscellaneous Receipts:			
School Share of Election Costs	500	1,000	500
Property Sales	0	350	350
Maclure Library Phone Reimbursement	1,000	1,008	8
Investment Interest	8,000	24,898	16,898
Pittsford Water Administration Fee	5,000	5,000	0
Florence Water Administration Fee	2,600	2,600	0
Sewer Administration Fee	6,000	6,000	0
Miscellaneous Receipts	0	316	316
Total Miscellaneous Receipts	23,100	41,172	18,072
Recreation:			
Annual Family Permits	2,000	1,970	(30)
Daily Gate Passes	2,000	1,269	(731)
Tennis Court Permits	150	115	(35)
Group Picnic Charges	2,000	2,375	375
Food Vending Funds	200	0	(200)
School Programs	1,500	1,980	480
CVPS Line Rent	25	0	(25)
Belcher-Mericle Interest	25	30	5
Recreation Area Donations	1,000	3,319	2,319
Youth League Registration	3,225	2,500	(725)
Girls Softball Registration	500	400	(100)
Baseball Program Donations	3,000	2,500	(500)
Day Camp Revenue	11,000	11,385	385
Summer Programs	2,500	1,956	(544)
Fall Programs	2,500	2,498	(2)
Winter Programs	2,500	2,608	108
Spring Programs	2,500	4,601	2,101
Total Recreation	36,625	39,506	2,881
Animal Management Fees:			
Dog Licenses	4,300	4,514	214
Poundkeeper Fees	0	83	83
Total Animal Management Fees	4,300	4,597	297

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Police:			
Traffic Fines	\$ 18,000	\$ 13,812	\$ (4,188)
Insurance Reports	0	10	10
Miscellaneous Revenue	<u>100</u>	<u>1,686</u>	<u>1,586</u>
Total Police	<u>18,100</u>	<u>15,508</u>	<u>(2,592)</u>
Fire Department:			
Fire Department Reimbursements	<u>0</u>	<u>16,345</u>	<u>16,345</u>
Total Fire Department	<u>0</u>	<u>16,345</u>	<u>16,345</u>
Total Revenue	<u>1,075,202</u>	<u>1,153,655</u>	<u>78,453</u>
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,000	0
Selectmen Expenses	500	254	246
Secretary/Clerk	2,120	620	1,500
Recording Secretary	<u>1,380</u>	<u>1,229</u>	<u>151</u>
Total Legislation	<u>10,000</u>	<u>8,103</u>	<u>1,897</u>
Management:			
Town Manager	54,810	57,005	(2,195)
Secretary	27,949	28,561	(612)
Bookkeeper	9,602	13,758	(4,156)
Auto and Management Expenses	2,000	580	1,420
Town Manager Search	0	1,012	(1,012)
Intern	<u>0</u>	<u>1,103</u>	<u>(1,103)</u>
Total Management	<u>94,361</u>	<u>102,019</u>	<u>(7,658)</u>
Elections:			
Ballot Clerks	1,000	1,800	(800)
Notices, Warnings, Ads	400	0	400
Ballots and Supplies	1,000	1,000	0
Ballot Machine Setup	<u>1,500</u>	<u>917</u>	<u>583</u>
Total Elections	<u>3,900</u>	<u>3,717</u>	<u>183</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Finance:			
Treasurer	\$ 22,950	\$ 20,521	\$ 2,429
Assistant Treasurer	8,162	8,162	0
Tax Bills and Postage	1,100	1,004	96
CPA Audit	17,000	17,124	(124)
Town Auditor's Services	1,950	0	1,950
Auditors Clerical	1,500	1,080	420
Town Report Printing	4,000	3,625	375
Town Report Postage	600	633	(33)
Auditors Expenses	150	0	150
Lister's Services	21,600	10,540	11,060
Lister's Secretary	9,200	11,537	(2,337)
Lister's Expenses	12,500	5,638	6,862
Property Map Changes	2,600	2,600	0
Tax Collector Expenses	1,000	86	914
Tax Collection/Legal Fees	500	953	(453)
Training Fees	250	405	(155)
Total Finance	105,062	83,908	21,154
Administration:			
Town Clerk	30,238	27,538	2,700
Assistant Town Clerk	16,324	16,324	0
Office Supplies	13,500	11,126	2,374
Computer Supplies	12,000	8,608	3,392
Computer Contracts	6,000	9,451	(3,451)
Website Maintenance/Expenses	750	900	(150)
Newsletter Printing and Postage	4,500	4,340	160
Postage - General	5,000	4,725	275
VLCT Dues	3,070	3,070	0
Legal Fees - General	4,000	6,863	(2,863)
State Dues - Clerk Association	30	70	(40)
Training Fees	500	744	(244)
Total Administration	95,912	93,759	2,153
Boards and Agencies:			
Rutland Economic Development Corporator	500	500	0
Rutland Regional Planning Commission	750	750	0
Planning Commission Town Plan	3,000	844	2,156
Planning Commission - Clerical	1,200	1,416	(216)
Transportation	5,000	5,000	0
Labor-Zoning Administration	10,080	5,348	4,732

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Boards and Agencies/(Cont'd):			
Labor-Zoning Board	\$ 1,060	\$ 0	\$ 1,060
Zoning Hearings	1,000	520	480
Zoning Expenses	500	1,070	(570)
Legal Fees - Zoning	6,000	2,537	3,463
Planning Grant Expense	500	500	0
Board of Civil Authority	4,000	1,364	2,636
Clerical - BCA	1,000	728	272
Legal - BCA	0	781	(781)
Miscellaneous/Training	0	240	(240)
Total Boards and Agencies	34,590	21,598	12,992
Municipal Plant and Equipment:			
Building Maintenance Supplies	2,000	1,163	837
Heating Fuel	5,761	4,494	1,267
Transfer Municipal Building Fund	5,000	5,000	0
New Equipment	0	2,750	(2,750)
Cemetery Development Fund	2,000	2,000	0
Contracts - Facilities	4,000	7,327	(3,327)
Copier Maintenance	3,400	3,694	(294)
Fire/Security Alarm Maintenance	1,000	288	712
Communications	500	105	395
Telephones	4,500	2,919	1,581
Maclure Library Phones	1,100	1,006	94
Modem Online Telephone	700	295	405
Rental Equipment/ Vehicles	100	0	100
Building Repairs/Maint.	2,500	371	2,129
Utilities	5,000	6,258	(1,258)
Total Municipal Plant and Equipment	37,561	37,670	(109)
State Fees and Unbudgeted Expenses:			
Marriage License Fees	400	297	103
Emergency Management Fees	500	137	363
E-911 Contract Services	200	50	150
E-911 Mileage/ Supplies	100	19	81
Contracted Services - Accounting	0	1,900	(1,900)
Warnings - Meetings/Ordinance	300	213	87
Tax Abatement Costs	2,000	564	1,436
Ads/Special Meetings	100	355	(255)
Legal Fees - Not Budgeted	3,000	0	3,000
Miscellaneous	0	3,516	(3,516)
Total State Fees and Unbudgeted Expenses	6,600	7,051	(451)

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Pittsford First Response:			
Tax Transfer - First Response	\$ 10,750	\$ 10,750	\$ 0
Total Pittsford First Response	10,750	10,750	0
Conservation:			
Fire Warden's Expenses	1,250	952	298
Aiken Resource Conservation	50	0	50
Rutland National Resource Conservation	50	0	50
Green Up Day Expenses	200	72	128
FICA/Medicare Expense	96	0	96
Total Conservation	1,646	1,024	622
Special Appropriations:			
Health Officer Labor	1,590	1,008	582
FICA/Medicare Expense	125	123	2
Rutland Community Services	3,020	3,020	0
Visiting Nurse/Hospice	4,931	4,931	0
R.C. Humane Society	1,000	1,000	0
Benn-Rut Opport. Council	832	832	0
Rutland West Neighborhood	900	900	0
Old Cemeteries Maintenance	900	900	0
SWVT Council on Aging	990	1,100	(110)
Health Officer Expenses	100	0	100
Pittsford Historical Society	4,052	4,052	0
Rutland Senior Volunteer Program	427	427	0
Rutland Regional Ambulance Service	13,345	13,283	62
VT Center for Independent Living	282	282	0
Rutland County Adult Ed.	1,305	1,305	0
Association for Retarded Citizens	360	360	0
Rutland County Women's Network	180	180	0
Maclure Library	45,000	45,000	0
Memorial Day Flags	700	500	200
Town Service Fund	300	0	300
P.A.L.S. Program	450	450	0
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Equipment Rental Expense	600	240	360
Total Special Appropriations	85,989	84,493	1,496

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Solid Waste Management:			
Labor - Facility	\$ 22,430	\$ 25,349	\$ (2,919)
Labor - Highway	2,120	3,806	(1,686)
FICA/Medicare	1,716	2,286	(570)
Ins.- Workman's Comp.	140	1,051	(911)
Labor-Contract	500	336	164
New Equipment	0	4,118	(4,118)
Supplies	1,000	1,468	(468)
Telephone	330	300	30
Insurance - Property and Liability	200	277	(77)
Portalet Contract	1,300	1,710	(410)
Contract/Material	0	275	(275)
Waste Removal Fees	59,400	49,373	10,027
RCSWD Surcharge	12,000	9,497	2,503
Tire Disposal Fees	200	435	(235)
State Franchise Tax	3,750	3,365	385
Equipment Rental/Maintenance	2,000	3,405	(1,405)
Container Rental/Purchase	2,300	1,500	800
Utilities	3,000	3,396	(396)
	<u>112,386</u>	<u>111,947</u>	<u>439</u>
Total Solid Waste Management			
Police:			
Local Services	45,684	45,793	(109)
Clerical	2,449	1,979	470
FICA/Medicare	2,584	3,495	(911)
New Equipment	2,000	901	1,099
Supplies	2,000	818	1,182
Insurance - Property/Liability/Auto	1,409	2,440	(1,031)
Insurance - Worker's Compensation	2,133	2,256	(123)
Insurance-Car	391	826	(435)
Legal and Administration	1,000	0	1,000
Patrol Car - Fuel and Maintenance	6,000	5,562	438
Patrol Car Replace Fund	7,000	7,000	0
Equipment Maintenance	500	371	129
Communications	800	1,644	(844)
Training Fees	500	247	253
Reimbursement for Expenses	250	10	240
	<u>74,700</u>	<u>73,342</u>	<u>1,358</u>
Total Police			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Fire Department:			
Firemen Reimbursements	\$ 15,000	\$ 15,000	\$ 0
FEMA Expenses	0	12,076	(12,076)
Building Fuel	6,000	6,847	(847)
Vehicle Fuel	3,000	1,333	1,667
Small Tools	0	1,191	(1,191)
Hose & Fittings	4,000	1,868	2,132
Protective Equipment	2,000	3,083	(1,083)
Supplies	2,000	2,007	(7)
Knox Box Lock Expense	0	1,112	(1,112)
Ins. - Worker's Comp	1,954	2,203	(249)
Ins. - Vehicles	3,124	4,287	(1,163)
Ins. - General Liability	1,261	1,116	145
Ins. - Accident	2,500	2,533	(33)
Ins. - Property	529	1,436	(907)
Telephone	3,800	2,678	1,122
Communications	3,000	6,661	(3,661)
Fire Alarm System	300	402	(102)
Dispatch Service	80	800	(720)
Building Maintenance	5,000	6,850	(1,850)
Truck Maintenance	7,500	5,978	1,522
Equipment Maintenance	1,500	334	1,166
New Equipment	5,000	4,956	44
Utilities	2,800	2,834	(34)
Training Fees	1,500	230	1,270
Mutual Aid Assoc. Fees	900	200	700
Pumper Truck Lease Payment	11,880	13,395	(1,515)
Pumper Truck -Interest	6,500	4,590	1,910
Vehicle Replacement Fund	62,500	62,500	0
Total Fire Department	153,628	168,500	(14,872)
Recreation Programs:			
Lifeguards	18,000	20,716	(2,716)
Management	31,098	35,403	(4,305)
Grounds Management	5,880	5,664	216
Day Camp	7,200	6,522	678
FICA/Medicare	1,928	1,712	216
Supplies - Recreation Area General	1,500	1,912	(412)
Supplies - Day Camp	2,500	2,904	(404)
Spring Programs	2,000	4,540	(2,540)
Summer Programs	2,000	1,967	33

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Recreation Programs/(Cont'd):			
Mower Maintenance & Fuel	\$ 1,500	\$ 1,111	\$ 389
Fall Programs	2,000	2,281	(281)
Winter Programs	2,500	2,499	1
Mower Replacement Fund	6,000	6,000	0
Training	500	30	470
Pavilion Rental Deposit Refund	0	25	(25)
Signup Refunds	0	100	(100)
League Fees/Coaches, Umpires	800	997	(197)
Supplies - Youth League	2,000	2,030	(30)
OV Summer Softball Expense	1,000	1,279	(279)
State League Membership	150	155	(5)
Telephone	400	302	98
Communications	100	98	2
Ins. Property & Liability	603	772	(169)
Ins. Workman's Comp	2,165	2,431	(266)
Donation Expenses	1,000	1,952	(952)
Rubbish Removal Contract	1,000	1,461	(461)
Other Contract Services	250	744	(494)
Advertising	200	215	(15)
Portalet Contract	600	612	(12)
Ballfield Maintenance	650	516	134
Signs Replacement	100	45	55
Equipment Rentals	1,000	720	280
Utilities	900	726	174
Pool Water Tests	500	178	322
Trails & Bridging Maintenance	650	73	577
Capital Improvements	4,000	0	4,000
	<u>102,674</u>	<u>108,692</u>	<u>(6,018)</u>
Total Recreation Programs			
Animal Management:			
Animal Control	3,395	1,747	1,648
FICA/Medicare	260	133	127
Supplies	500	594	(94)
Contract Services	600	98	502
Ins.- Property/Liability	35	47	(12)
Ins.- Workman's Comp.	57	120	(63)
Legal - Animal Control	200	0	200
Animal Census	500	0	500
Vet/Humane Shelter Fees	500	0	500
Rabies Fees To State	800	3,255	(2,455)
Postage	100	0	100
	<u>6,947</u>	<u>5,994</u>	<u>953</u>
Total Animal Management			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Benefits and Town Insurance:			
Medical Claim Payments	\$ 0	\$ 350	\$ (350)
Retirement	13,694	12,863	831
Insurance - Employee Medical	45,122	42,712	2,410
Insurance - Employee Dental	4,021	3,950	71
Insurance - Employee Life	2,410	3,086	(676)
FICA/Medicare	26,798	19,872	6,926
Unemployment Compensation	700	1,121	(421)
Insurance - Bonding	502	668	(166)
Insurance - Workmans Comp	1,222	2,878	(1,656)
Insurance - Property/Liability	3,232	1,171	2,061
Insurance - Public Officials	3,536	8,277	(4,741)
Total Benefits and Town Insurance	<u>101,237</u>	<u>96,948</u>	<u>4,289</u>
Debt Service and Fixed Charges:			
Rutland County Tax	<u>37,259</u>	<u>32,474</u>	<u>4,785</u>
Total Debt Service and Fixed Charges	<u>37,259</u>	<u>32,474</u>	<u>4,785</u>
Total Expenditures	<u>1,075,202</u>	<u>1,051,989</u>	<u>23,213</u>
Excess of Revenue Over Expenditures	<u>\$ 0</u>	101,666	<u>\$ 101,666</u>
Fund Balance - July 1, 2007		<u>263,411</u>	
Fund Balance - June 30, 2008		<u>\$ 365,077</u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 745,478	\$ 745,478	\$ 0
State Aid	110,000	122,245	12,245
Overload Permits	250	510	260
Highway Access Permit	700	25	(675)
Grant Revenue	0	4,712	4,712
Interest	0	12,855	12,855
	<u>856,428</u>	<u>885,825</u>	<u>29,397</u>
Total Revenue			
Expenditures:			
General:			
Labor - Vacation and Services	20,000	18,945	1,055
Labor - Maintenance	26,000	34,062	(8,062)
Social Security Contribution	12,423	10,734	1,689
Insurance - Retirement	10,035	10,329	(294)
Insurance - Medical	41,763	46,321	(4,558)
Insurance - Dental	3,254	2,959	295
Insurance - Life	1,929	2,211	(282)
Workman's Comp/Unemployment	14,349	14,228	121
Insurance - General Liability	2,462	8,715	(6,253)
Equipment Rentals	2,000	11,565	(9,565)
Uniform Rentals	3,000	3,454	(454)
Advertising/Postage	1,000	1,293	(293)
Legal and Administrative	200	0	200
Supplies	1,500	1,935	(435)
Training Fees	1,000	371	629
	<u>140,915</u>	<u>167,122</u>	<u>(26,207)</u>
Total General			
Class II Maintenance:			
Labor	10,000	10,917	(917)
Cold Patch/Hot Mix	500	618	(118)
Gravel/Stone	4,000	354	3,646
Culverts and Bands	2,000	0	2,000
Signs and Posts	1,000	847	153
Equipment Rentals	10,000	8,520	1,480
Contracts and Supplies	4,000	2,777	1,223
Supplies/Miscellaneous	500	114	386
	<u>32,000</u>	<u>24,147</u>	<u>7,853</u>
Total Class II Maintenance			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Class III Maintenance:			
Labor	\$ 70,291	\$ 36,751	\$ 33,540
Cold Patch and Hot Mix	500	714	(214)
Gravel/Stone	33,000	29,993	3,007
Culverts and Bands	10,000	1,991	8,009
Signs and Posts	1,000	1,012	(12)
Calcium Chloride	4,500	0	4,500
Equipment Rentals	60,000	37,538	22,462
Paving	155,000	112,972	42,028
Contracts and Supplies	5,000	8,666	(3,666)
Supplies/Miscellaneous	2,000	228	1,772
	<u>341,291</u>	<u>229,865</u>	<u>111,426</u>
Winter Maintenance:			
Labor	33,250	42,652	(9,402)
Gravel/Stone	5,000	2,515	2,485
Cold Patch	0	874	(874)
Sodium Chloride	62,000	80,181	(18,181)
Sand	20,000	23,355	(3,355)
Equipment Rentals	55,000	67,448	(12,448)
Miscellaneous	500	72	428
	<u>175,750</u>	<u>217,097</u>	<u>(41,347)</u>
Bridges:			
Labor	530	1,139	(609)
Contract Services	5,000	22,294	(17,294)
Covered Bridges Insurance	0	2,696	(2,696)
Guardrails	9,000	0	9,000
	<u>14,530</u>	<u>26,129</u>	<u>(11,599)</u>
Special Projects:			
Sidewalks	12,298	24,589	(12,291)
	<u>12,298</u>	<u>24,589</u>	<u>(12,291)</u>
Debt Service:			
Interest	54,644	54,644	0
Principal	85,000	85,000	0
	<u>139,644</u>	<u>139,644</u>	<u>0</u>
Total Debt Service	<u>139,644</u>	<u>139,644</u>	<u>0</u>
Total Expenditures	<u>856,428</u>	<u>828,593</u>	<u>27,835</u>
Excess of Revenue Over Expenditures	<u>\$ 0</u>	<u>57,232</u>	<u>\$ 57,232</u>
Fund Balance - July 1, 2007		<u>249,562</u>	
Fund Balance - June 30, 2008		<u>\$ 306,794</u>	

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

TOWN OF PITTSFORD, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - VILLAGE FUND
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Property Taxes	\$ 19,000	\$ 19,105	\$ 105
Interest Income	<u>0</u>	<u>820</u>	<u>820</u>
Total Revenue	<u>19,000</u>	<u>19,925</u>	<u>925</u>
Expenditures:			
Village Street Lights	<u>19,000</u>	<u>15,806</u>	<u>3,194</u>
Total Expenditures	<u>19,000</u>	<u>15,806</u>	<u>3,194</u>
Excess of Revenue Over Expenditures	<u>\$ 0</u>	4,119	<u>\$ 4,119</u>
Fund Balance - July 1, 2007		<u>21,159</u>	
Fund Balance - June 30, 2008		<u>\$ 25,278</u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Pittsford Water Fund	Florence Water Fund	Sewer Fund	Total	Equipment Rental Fund
ASSETS					
Current Assets:					
Investments	\$ 40,219	\$ 0	\$ 0	\$ 40,219	\$ 0
Receivables (Net of Allowance for Uncollectible Accounts)	58,482	12,054	99,845	170,381	0
Due from Other Funds	85,465	10,818	0	96,283	242,765
Interfund Loan Receivable	0	0	0	0	7,525
Inventory	0	0	0	0	19,196
Total Current Assets	<u>184,166</u>	<u>22,872</u>	<u>99,845</u>	<u>306,883</u>	<u>269,486</u>
Noncurrent Assets:					
Capital Assets					
Land	34,500	32,355	1,500	68,355	0
Construction in Progress	29,868	0	0	29,868	0
Buildings and Building Improvements	28,960	11,946	1,966,661	2,007,567	0
Vehicles, Machinery and Equipment				0	860,240
Distribution/Collection Systems	1,316,690	674,894	426,690	2,418,274	0
Less Accumulated Depreciation	<u>(481,715)</u>	<u>(267,184)</u>	<u>(312,010)</u>	<u>(1,060,909)</u>	<u>(406,183)</u>
Total Noncurrent Assets	<u>928,303</u>	<u>452,011</u>	<u>2,082,841</u>	<u>3,463,155</u>	<u>454,057</u>
Total Assets	<u>\$ 1,112,469</u>	<u>\$ 474,883</u>	<u>\$ 2,182,686</u>	<u>\$ 3,770,038</u>	<u>\$ 723,543</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 9,774	\$ 1,256	\$ 11,039	\$ 22,069	\$ 1,692
Due to Other Funds	0	0	183,717	183,717	0
Accrued Payroll	1,041	312	1,244	2,597	0
Accrued Interest Payable	853	181	4,335	5,369	0
General Obligation Bonds Payable - Current Portion	<u>8,005</u>	<u>1,708</u>	<u>33,458</u>	<u>43,171</u>	<u>0</u>
Total Current Liabilities	<u>19,673</u>	<u>3,457</u>	<u>233,793</u>	<u>256,923</u>	<u>1,692</u>
Noncurrent Liabilities					
Compensated Absences Payable	2,922	770	3,915	7,607	0
General Obligation Bonds Payable Noncurrent Portion	<u>125,835</u>	<u>26,640</u>	<u>729,485</u>	<u>881,960</u>	<u>0</u>
Total Noncurrent Liabilities	<u>128,757</u>	<u>27,410</u>	<u>733,400</u>	<u>889,567</u>	<u>0</u>
Total Liabilities	<u>148,430</u>	<u>30,867</u>	<u>967,193</u>	<u>1,146,490</u>	<u>1,692</u>
NET ASSETS					
Investment in Capital Assets, Net of Related Debt	794,463	423,663	1,319,898	2,538,024	454,057
Unrestricted	<u>169,576</u>	<u>20,353</u>	<u>(104,405)</u>	<u>85,524</u>	<u>267,794</u>
Total Net Assets	<u>964,039</u>	<u>444,016</u>	<u>1,215,493</u>	<u>2,623,548</u>	<u>721,851</u>
Total Liabilities and Net Assets	<u>\$ 1,112,469</u>	<u>\$ 474,883</u>	<u>\$ 2,182,686</u>	<u>\$ 3,770,038</u>	<u>\$ 723,543</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Pittsford Water Fund	Florence Water Fund	Sewer Fund	Total	Equipment Rental Fund
Operating Revenues:					
Charges for Services	\$ 105,928	\$ 27,959	\$ 174,855	\$ 308,742	\$ 152,611
Penalties & Interest	1,899	1,267	3,476	6,642	0
Permits, Fees, Rent	1,300	0	0	1,300	0
Contract - Otter Valley	0	0	22,714	22,714	0
Reserve Flow Fees	0	0	14,800	14,800	0
Miscellaneous	2,105	0	135	2,240	2,795
Total Operating Revenues	111,232	29,226	215,980	356,438	155,406
Operating Expenses:					
Labor	23,695	11,088	62,366	97,149	0
Social Security Contribution	1,670	687	4,956	7,313	0
Insurances - Medical, Dental & Life	5,579	607	8,718	14,904	0
Retirement	2,324	646	3,702	6,672	0
Workmen's Comp/Unemployment	1,519	892	2,551	4,962	0
Insurance - General Liability/Property	615	209	2,788	3,612	470
Supplies	1,583	569	11,107	13,259	4,600
Depreciation	18,357	10,348	33,684	62,389	57,102
Loss on Disposal of Equipment	0	0	0	0	114
Postage	1,040	158	576	1,774	0
Advertising	193	40	0	233	131
Telephone	294	0	1,854	2,148	821
Communications	63	38	230	331	529
Training	0	0	90	90	0
Property Tax	3,615	0	0	3,615	0
Contracts - Electric	326	698	0	1,024	0
Contracts - Other	2,011	910	22,401	25,322	792
Vermont Permit Renewals	2,868	1,479	159	4,506	0
Legal	800	0	29,135	29,935	0
Administration	5,000	2,600	6,000	13,600	0
Equipment Rental	9,968	4,628	4,710	19,306	2,916
New Equipment Purchases	592	518	0	1,110	0
Utilities	1,552	0	14,972	16,524	3,986
Testing	0	19	2,318	2,337	50
Sludge/Refuse Removal	0	0	21,130	21,130	0
Maintenance	2,668	2,829	6,660	12,157	40,156
Projects	6,187	0	13,936	20,123	0
Engineering Studies	2,356	2,356	28,970	33,682	0
Miscellaneous	257	134	266	657	0
Fuel	0	0	3,971	3,971	33,949
Total Operating Expenses	95,132	41,453	287,250	423,835	145,616
Operating Income/(Loss)	16,100	(12,227)	(71,270)	(67,397)	9,790
Nonoperating Revenues (Expenses):					
Insurance Settlement	0	0	140,000	140,000	0
Investment Income	4,375	362	0	4,737	5,667
Interest Expense	(10,469)	(2,218)	(38,346)	(51,033)	0
Total Nonoperating Revenues (Expenses)	(6,094)	(1,856)	101,654	93,704	5,667
Change in Net Assets	10,006	(14,083)	30,384	26,307	15,457
Net Assets - July 1, 2007	954,033	458,099	1,185,109	2,597,241	706,394
Net Assets - June 30, 2008	\$ 964,039	\$ 444,016	\$ 1,215,493	\$ 2,623,548	\$ 721,851

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Pittsford Water Fund	Florence Water Fund	Sewer Fund	Total	Equipment Rental Fund
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 106,323	\$ 33,369	\$ 225,148	\$ 364,840	\$ 0
Receipts from Interfund Services	0	0	0	0	152,611
Other Receipts	2,105	0	135	2,240	2,795
Payments to Suppliers	(17,855)	(8,391)	(139,001)	(165,247)	(99,433)
Payment for Interfund Services	(14,968)	(7,228)	(10,710)	(32,906)	0
Payments for Wages and Benefits	(32,291)	(14,218)	(82,318)	(128,827)	0
Net Cash Provided/(Used) by Operating Activities	<u>43,314</u>	<u>3,532</u>	<u>(6,746)</u>	<u>40,100</u>	<u>55,973</u>
Cash Flows From Noncapital Financing Activities:					
Interest Expense on Interfund Balances	0	0	(5,434)	(5,434)	0
Decrease in Interfund Loan Receivable	0	0	0	0	7,000
Proceeds of Insurance Settlement	0	0	140,000	140,000	0
(Increase)/Decrease in Due To/From Other Funds	(71,227)	(3,391)	(68,980)	(143,598)	(38,726)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(71,227)</u>	<u>(3,391)</u>	<u>65,586</u>	<u>(9,032)</u>	<u>(31,726)</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(40,198)	0	(1,575)	(41,773)	(36,800)
Proceeds from Sale of Equipment	0	0	0	0	6,886
Principal Paid on:					
General Obligation Bonds	(7,412)	(1,583)	(32,658)	(41,653)	0
Interest Paid on:					
General Obligation Bonds	(10,516)	(2,228)	(35,937)	(48,681)	0
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(58,126)</u>	<u>(3,811)</u>	<u>(70,170)</u>	<u>(132,107)</u>	<u>(29,914)</u>
Cash Flows From Investing Activities:					
Interest Received	4,375	362	0	4,737	5,667
Net Decrease in Investments	43,365	0	0	43,365	0
Net Cash Provided by Investing Activities	<u>47,740</u>	<u>362</u>	<u>0</u>	<u>48,102</u>	<u>5,667</u>
Net Increase/(Decrease) in Cash	(38,299)	(3,308)	(11,330)	(52,937)	0
Cash - July 1, 2007	<u>38,299</u>	<u>3,308</u>	<u>11,330</u>	<u>52,937</u>	<u>0</u>
Cash - June 30, 2008	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	16,100	(12,227)	(71,270)	(67,397)	9,790
Depreciation	18,357	10,348	33,684	62,389	57,102
Loss on Sale/Disposal of Capital Asset	0	0	12,450	12,450	114
(Increase)/Decrease in Receivables	(2,804)	4,143	9,303	10,642	0
(Increase)/Decrease in Inventory	0	0	0	0	(10,413)
(Increase)/Decrease in Prepaid Expenses	943	749	2,765	4,457	186
Increase/(Decrease) in Accounts Payable	8,222	608	6,347	15,177	(806)
Increase/(Decrease) in Accrued Payroll	659	226	480	1,365	0
Increase/(Decrease) in Compensated Absences Payable	1,837	(315)	(505)	1,017	0
Net Cash Provided by Operating Activities	<u>\$ 43,314</u>	<u>\$ 3,532</u>	<u>\$ (6,746)</u>	<u>\$ 40,100</u>	<u>\$ 55,973</u>

Equipment with a Cost of \$65,000 with \$58,000 of Accumulated Depreciation was Sold for \$6,886 in the Equipment Rental Fund.

Construction Work in Progress in the Sewer Fund of \$12,450 was Expensed to Engineering as the Project will not Result in a Capital Asset.

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008

	Private Purpose Trust Fund - Bower Walker Fund <hr style="border: 0.5px solid black;"/>
 <u>ASSETS</u>	
Investments	\$ <u>28,635</u>
Total Assets	<u>28,635</u>
 <u>LIABILITIES</u>	
Liabilities	<u>0</u>
Total Liabilities	<u>0</u>
 <u>NET ASSETS</u>	
Net Assets:	
Reserved	<u>28,635</u>
Total Net Assets	<u><u>\$ 28,635</u></u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Private Purpose Trust Fund - Bower Walker Fund <hr/>
Additions:	
Investment Earnings:	
Interest Earnings	\$ <u>660</u>
Net Investment Earnings	<u>660</u>
Disbursements:	
Other	<u>660</u>
Total Disbursements	<u>660</u>
Change In Net Assets	0
Net Assets - July 1, 2007	<u>28,635</u>
Net Assets - June 30, 2008	<u><u>\$ 28,635</u></u>

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

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

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

The Town reports on the following major governmental funds:

General Fund – This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway Fund – This fund accounts for the Town's Highway Fund.

The Town reports on the following major proprietary funds:

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

Florence Water Fund – This fund accounts for the operation of the Florence Water Department of the Town.

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

Additionally, the Town reports the following fund types:

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

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

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

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

All Proprietary Funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. As permitted by GASB, the Town has elected not to apply Statements of Financial Accounting Standards issued after November 30, 1989.

Statement of Financial Accounting Standards No. 107 "Disclosure about the Fair Value of Financial Instruments," requires disclosures of the fair value of certain financial instruments. Recorded amounts for cash, accounts receivable, accounts payable, and investments approximate fair value.

E. Use of Estimates

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

F. Assets, Liabilities and Equity

1. Cash

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

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

2. Investments

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

3. Receivables

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

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

4. Inventories and Prepaid Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the Proprietary Funds consist of fuel and materials.

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

Inventories and prepaid expenses of governmental funds in the fund financial statements are offset by a fund balance reserve which indicates that they do not constitute “available expendable resources” even through they are a component of net current assets.

5. Capital Assets

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

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 1,000	Not Depreciated
Buildings and building improvements	5,000	40-100 Years
Vehicles	5,000	5-20 Years
Computers	1,000	4-6 Years
Equipment	1,000	5-20 Years
Infrastructure	5,000	30-50 Years
Water and Wastewater distribution and and collection systems	5,000	30-100 Years

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6. Compensated Absences

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

7. Long-term Liabilities

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

8. Fund Equity

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

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

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

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

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

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

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

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

	Balance Sheet	Long-term Revenues/ Expenses	Capital Related/ Long-Term Debt Items	Internal Service Fund Items	Elimination of Interfund Balances	Statement of Net Assets
ASSETS						
Cash	\$ 1,343,556	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,343,556
Investments	134,982	0	0	0	0	134,982
Receivables	83,210	0	0	0	0	83,210
Due from Other Funds	670,722	0	0	242,765	(826,053)	87,434
Interfund Loan Receivable	0	0	0	7,525	(7,525)	0
Inventories	36,074	0	0	19,196	0	55,270
Capital Assets	0	0	4,220,026	454,057	0	4,674,083
Total Assets	2,268,544	0	4,220,026	723,543	(833,578)	6,378,535
LIABILITIES						
Accounts Payable	58,414	0	0	1,692	0	60,106
Due to Other Funds	826,053	0	0	0	(826,053)	0
Accrued Payroll and Benefits Payable	12,901	0	0	0	0	12,901
Interfund Loan Payable	7,525	0	0	0	(7,525)	0
Deferred Revenue	70,789	(62,000)	0	0	0	8,789
Accrued Interest Payable	0	8,171	0	0	0	8,171
Noncurrent Liabilities	0	13,063	1,080,398	0	0	1,093,461
Total Liabilities	975,682	(40,766)	1,080,398	1,692	(833,578)	1,183,428
NET ASSETS						
Invested in Capital Assets	0	0	3,139,628	454,057	0	3,593,685
Other	1,292,862	40,766	0	267,794	0	1,601,422
Total Net Assets	\$ 1,292,862	\$ 40,766	\$ 3,139,628	\$ 721,851	\$ 0	\$ 5,195,107

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

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

	Statement of Revenue, Expenditures and Changes in Fund Balances	Long-term Revenues/ Expenses	Capital Related/ Long-Term Debt Items	Internal Service Fund Items	Reclassifications and Elimination of Interfund Activity	Statement of Activities
REVENUES						
Taxes	\$ 1,640,682	\$ (11,000)	\$ 0	\$ 0	\$ 0	\$ 1,629,682
Penalties and Interest	24,778	0	0	0	0	24,778
Intergovernmental Revenues	195,498	(14,422)	0	0	9,439	190,515
Investment Income	28,673	0	0	5,667	0	34,340
Permits, Fees and Fines	79,964	0	0	0	(79,964)	0
Charges for Services	80,590	0	8,101	155,406	(80,037)	164,060
Other Revenues	18,760	0	0	0	(18,444)	316
Sale of Equipment	5,000	0	(3,512)	0	0	1,488
Transfers from Other Funds	0 82,530	0 0	0 0	0 0	(82,530)	0
Total Revenues	<u>2,156,475</u>	<u>(25,422)</u>	<u>4,589</u>	<u>161,073</u>	<u>(251,536)</u>	<u>2,045,179</u>
EXPENDITURES						
General Government	527,765	(2,642)	12,341	0	(13,555)	523,909
Highways and Streets	528,914	(1,205)	120,729	145,616	(155,116)	638,938
Public Safety	174,506	(192)	55,239	0	0	229,553
Sanitation	108,177	200	1,159	0	(255)	109,281
Culture and Recreation	145,842	(7)	2,581	0	(80)	148,336
Capital Outlay	200,284	0	(200,284)	0	0	0
Debt Service	157,629	0	(99,533)	0	0	58,096
Transfers to Other Funds	82,530	0	0	0	(82,530)	0
Total Expenditures	<u>1,925,647</u>	<u>(3,846)</u>	<u>(107,768)</u>	<u>145,616</u>	<u>(251,536)</u>	<u>1,708,113</u>
Net Change for the Year	<u>\$ 230,828</u>	<u>\$ (21,576)</u>	<u>\$ 112,357</u>	<u>\$ 15,457</u>	<u>\$ 0</u>	<u>\$ 337,066</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments are comprised of the following:

Cash	\$1,343,556
Investments - Certificates of Deposit	71,040
Investments - Mutual Funds – Equities	<u>132,796</u>
 Total	 <u>\$1,547,392</u>

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

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

Custodial Credit Risk

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

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured - (FDIC)	\$ 202,186	\$ 202,186
Uninsured, Collateralized by U.S. Government Securities Held by the Bank in the Town’s Name	1,212,085	1,252,793
Cash on Hand	<u>325</u>	<u>0</u>
 Total	 <u>\$1,414,596</u>	 <u>\$1,454,979</u>

The difference between the book balance and the bank balance is due to reconciling items such as deposits in transit and outstanding checks. Subsequent to year end, the FDIC coverage has increased from \$100,000 to \$250,000.

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Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value of changes in market interest rates. All of the certificates of deposits have maturities within one year.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The equity mutual funds and certificates of deposit are not rated.

Concentration of Credit Risk

Concentration of credit risk is the established limit amount to invest in any one issuer. The Town has no limit on the amount that they may invest with any one issuer, however, the Town tries to diversify to seek the maximum FDIC coverage at each financial institution.

B. Receivables

Receivables at June 30, 2008, as reported in the statement of net assets, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Delinquent Taxes	\$ 67,159	\$ 0	\$ 67,159
Penalties and Interest	12,791	985	13,776
Billed Services	0	14,769	14,769
Unbilled Services	0	152,522	152,522
Miscellaneous	6,260	2,105	8,365
Allowance for Doubtful Accounts	(3,000)	0	(3,000)
	<u>\$ 83,210</u>	<u>\$ 170,381</u>	<u>\$ 253,591</u>

TOWN OF PITTSFORD, VERMONT
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C. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	4,290	28,280	0	32,570
Total Capital Assets, Not Being Depreciated	<u>107,989</u>	<u>28,280</u>	<u>0</u>	<u>136,269</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	714,992	3,883	0	718,875
Vehicles	1,444,010	61,000	78,000	1,427,010
Computers	31,187	3,246	0	34,433
Equipment	268,864	17,021	0	285,885
Infrastructure	3,463,452	131,755	0	3,595,207
Totals	<u>5,922,505</u>	<u>216,905</u>	<u>78,000</u>	<u>6,061,410</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	235,295	12,738	0	248,033
Vehicles	551,502	87,455	67,488	571,469
Computers	14,438	6,981	0	21,419
Equipment	65,369	22,604	0	87,973
Infrastructure	475,329	119,373	0	594,702
Totals	<u>1,341,933</u>	<u>249,151</u>	<u>67,488</u>	<u>1,523,596</u>
Total Capital Assets, Being Depreciated	<u>4,580,572</u>	<u>(32,246)</u>	<u>10,512</u>	<u>4,537,814</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,688,561</u>	<u>\$ (3,966)</u>	<u>\$ 10,512</u>	<u>\$ 4,674,083</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	12,450	29,868	12,450	29,868
Total Capital Assets, Not Being Depreciated	<u>80,805</u>	<u>29,868</u>	<u>12,450</u>	<u>98,223</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	2,007,567	0	0	2,007,567
Distribution and Collection Systems	2,406,369	11,905	0	2,418,274
Totals	<u>4,413,936</u>	<u>11,905</u>	<u>0</u>	<u>4,425,841</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	145,906	27,245	0	173,151
Distribution and Collection Systems	852,614	35,144	0	887,758
Totals	<u>998,520</u>	<u>62,389</u>	<u>0</u>	<u>1,060,909</u>
Total Capital Assets, Being Depreciated	<u>3,415,416</u>	<u>(50,484)</u>	<u>0</u>	<u>3,364,932</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,496,221</u>	<u>\$ (20,616)</u>	<u>\$ 12,450</u>	<u>\$ 3,463,155</u>

TOWN OF PITTSFORD, VERMONT
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Depreciation was charged as follows:

Governmental Activities:		Business - Type Activites:		
General Government	\$ 12,341	Pittsford Water	\$ 18,357	
Public Safety	55,239	Florence Water	10,348	
Highways and Streets	177,831	Sewer	<u>33,684</u>	
Sanitation	1,159			
Culture and Recreation	<u>2,581</u>			
Total Depreciation Expense - Governmental Activites		\$ <u>249,151</u>	Total Depreciation Expense - Business- Type Activites	
		\$ <u>249,151</u>	\$ <u>62,389</u>	

D. Interfund Balances and Activity

The composition of due to/from other funds at June 30, 2008 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 825,883
Highway Fund	175,726	0
Other Governmental Funds	494,996	170
Pittsford Water Fund	85,465	0
Florence Water Fund	10,818	0
Sewer Fund	0	183,717
Equipment Rental Fund	<u>242,765</u>	<u>0</u>
Total	\$ <u>1,009,770</u>	\$ <u>1,009,770</u>

The composition of interfund loan receivables/payable at June 30, 2008 is as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Equipment Rental Fund	\$ 7,525	\$ 0
Mower Replacement Fund	<u>0</u>	<u>7,525</u>
Total	\$ <u>7,525</u>	\$ <u>7,525</u>

The interfund balance is the result of the Mower Replacement Fund borrowing from the Equipment Fund to purchase a new mower. This will be paid off in 2009. Interest will be paid at the end of the note based on average monthly investment rate.

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Interfund transfers for the year ended June 30, 2008 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Municipal Office Fund	\$ 5,000	Annual Funding
General Fund	Cemetery Development Fund	2,000	Annual Funding
General Fund	Fire Department Fund	62,500	Annual Funding
General Fund	Patrol Car Fund	7,000	Annual Funding
General Fund	Mower Replacement Fund	6,000	Annual Funding
Belcher Mericle Fund	General Fund	<u>30</u>	Annual Funding
Total		<u>\$ 82,530</u>	

E. Deferred Revenue

Deferred Revenue in the General Fund consists of \$62,000 of delinquent property taxes, penalty and interest on taxes that are not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Also included are \$4,903 of prepaid property taxes and fees and \$3,886 of recreation fees for fiscal year 2009. Total deferred revenue in the General Fund is \$70,789.

F. Long-term Liabilities

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

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

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

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

Long-Term Liabilities outstanding as of June 30, 2008 were as follows:

	<u>Beginning Balance 07/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/08</u>
Governmental Activities:				
Bond Payable - Vermont Municipal Bond Bank - Highway Improvements, Principal Payments of \$85,000 Due Annually on December 1, Interest at 5.0226% Due Semi-Annually on June 1 and December 1, Due December, 2019	\$1,105,000	\$ 0	\$ 85,000	\$1,020,000
Capital Lease Payable Fire Pumper Truck - Associates Commercial Municipal Financing, Annual Principal and Interest Payments of \$17,985, Interest at 5.32%, Due July, 2012	<u>73,793</u>	<u>0</u>	<u>13,395</u>	<u>60,398</u>
Total Governmental Activities	<u>\$1,178,793</u>	<u>\$ 0</u>	<u>\$ 98,395</u>	<u>\$1,080,398</u>
	<u>Beginning Balance 07/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/08</u>
Business-Type Activities:				
<u>Pittsford Water Fund</u>				
Bond Payable - Vermont Municipal Bond Bank - Pittsford Water System Improvements, Principal Payments Ranging from \$2,667 to \$17,426 Due Annually on December 1, Interest Ranging from 5.7% to 7.65% Due Semi-Annually on June 1 and December 1, Due December, 2018	<u>\$141,252</u>	<u>\$ 0</u>	<u>\$7,412</u>	<u>\$133,840</u>
Total Pittsford Water Fund	<u>141,252</u>	<u>0</u>	<u>7,412</u>	<u>133,840</u>

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	Beginning Balance <u>07/01/07</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>06/30/08</u>
<u>Florence Water Fund</u>				
Bond Payable - Vermont Municipal Bond Bank, Florence Water System Improvements, Principal Payments Ranging from \$584 to \$3,673 Due Annually on December 1, Interest Ranging from 5.8% to 7.654% Due Semi-Annually on June 1 and December 1, Due December, 2018	\$ <u>29,931</u>	\$ <u>0</u>	\$ <u>1,583</u>	\$ <u>28,348</u>
Total Florence Water Fund	<u>29,931</u>	<u>0</u>	<u>1,583</u>	<u>28,348</u>
<u>Sewer Fund</u>				
Bond Payable - Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments of \$20,000 Due Annually on December 1, Until 2006 and 15,000 Thereafter, Various Interest Rates Ranging from 6.74% to 7.45% Due Semi-Annually on June 1 and December 1, Due December 1, 2008	30,000	0	15,000	15,000
Bond Payable - USDA, Rural Development, Semi-Annual Principal and Interest Payments of \$6,108, Interest at 4.5%, Due November 15, 2031	180,141	0	4,158	175,983
Bond Payable - USDA, Rural Development, Semi-Annual Principal and Interest Payments of \$19,851, Interest at 4.5%, Due November 15, 2031	<u>585,460</u>	<u>0</u>	<u>13,500</u>	<u>571,960</u>
Total Sewer Fund	<u>795,601</u>	<u>0</u>	<u>32,658</u>	<u>762,943</u>
Total Business-Type Activities	\$ <u>966,784</u>	\$ <u>0</u>	\$ <u>41,653</u>	\$ <u>925,131</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable	\$ 1,105,000	\$ 0	\$ 85,000	\$ 1,020,000	\$ 85,000
Capital Lease Payable	73,793	0	13,395	60,398	14,614
Compensated Absences	<u>16,909</u>	<u>0</u>	<u>3,846</u>	<u>13,063</u>	<u>0</u>
Total Governmental-type Activities Long-Term Liabilities	<u><u>1,195,702</u></u>	<u><u>0</u></u>	<u><u>102,241</u></u>	<u><u>1,093,461</u></u>	<u><u>\$ 99,614</u></u>
Business-type Activities					
General Obligation Bonds Payable	966,784	0	41,653	925,131	43,171
Compensated Absences	<u>6,590</u>	<u>1,017</u>	<u>0</u>	<u>7,607</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u><u>\$ 973,374</u></u>	<u><u>\$ 1,017</u></u>	<u><u>\$ 41,653</u></u>	<u><u>932,738</u></u>	<u><u>\$ 43,171</u></u>

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

Maturities are estimated as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Capital Lease</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 85,000	\$ 50,628	\$ 17,985	\$ 43,171	\$ 46,057
2010	85,000	46,527	17,985	29,786	43,889
2011	85,000	42,336	17,985	31,509	42,176
2012	85,000	38,065	17,985	33,342	40,356
2013	85,000	33,743	0	35,293	38,420
2014-2018	425,000	102,252	0	210,360	158,473
2019-2023	170,000	9,188	0	178,837	102,519
2024-2028	0	0	0	196,848	62,544
2029-2032	<u>0</u>	<u>0</u>	<u>0</u>	<u>165,985</u>	<u>15,401</u>
Total	1,020,000	322,739	71,940	925,131	549,835
Less: Imputed Interest	<u>0</u>	<u>0</u>	<u>(11,542)</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$ 1,020,000</u></u>	<u><u>\$ 322,739</u></u>	<u><u>\$ 60,398</u></u>	<u><u>\$ 925,131</u></u>	<u><u>\$ 549,835</u></u>

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2008

G. Reserved and Designated Fund Balances/Restricted Net Assets

The reserved and designated fund balances of the Town as of June 30, 2008 consisted of the following:

Reserved:

Major Funds

General Fund

Reserved for Inventory	\$ <u>3,164</u>
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Highway Fund

Reserved for Inventory	32,910
Reserved for Highway Expenses by State Statute	<u>273,884</u>
 Total Highway Fund	 <u>306,794</u>

Nonmajor Funds

Special Revenue Funds

Reserved for Planning by Grant Agreement	7,344
Reserved for Veterans Memorial by Donations	<u>695</u>
 Total Special Revenue Funds	 <u>8,039</u>

Permanent Funds

Reserved for William Dennison Fund by Trust Agreement	132,796
Reserved for Belcher Mercle Fund by Trust Agreement	<u>2,016</u>
 Total Permanent Funds	 <u>134,812</u>
 Total Reserved Fund Balances	 <u>\$452,809</u>

Governmental Funds

The Restricted Net Assets in the Governmental Activities includes the Reserved Fund Balances of \$452,809 less the \$36,074 for inventory for a total of \$416,735.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Designated:

Governmental Funds

Special Revenue Funds

Designated for Village Fund	\$ 25,278
Designated for Reappraisal	89,564
Designated for Cemetery Development	21,732
Designated for First Response Vehicle	12,469
Designated for Land Records Preservation	<u>26,722</u>
 Total Special Revenue Funds	 <u>175,765</u>

Capital Projects Funds

Designated for Municipal Office Building	57,534
Designated for Fire Department	220,118
Designated for Patrol Car	3,993
Designated for Garage Reserve	<u>27,553</u>
 Total Capital Projects Funds	 <u>309,198</u>
 Total Designated Net Assets	 <u>\$484,963</u>

The \$6,823 deficit in the Mower Replacement Fund will be funded in 2009 with an appropriation from the General Fund.

Proprietary Funds

Enterprise Funds

Designated for Pittsford Water	\$169,576
Designated for Florence Water	<u>20,353</u>
 Total Enterprise Funds	 <u>\$189,929</u>

Internal Service Fund

Designated for Equipment	\$ <u>267,794</u>
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The \$104,405 undesignated deficit in the Sewer Fund will be funded with future sewer charges.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

V. OTHER INFORMATION

A. BENEFIT PLANS

All applicable employees of the Town of Pittsford, are covered under the State of Vermont Municipal Employee's Group A Retirement Plan. The plan requires a 2.5% contribution of gross salary by the employee, which the Town pays, and a 4.0% contribution by the Town of Pittsford. The Town of Pittsford pays all costs accrued each year for the plan. The premise of this plan is to provide a retirement plan covering municipal employees at a uniform State-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as the present value of vested and nonvested plan benefits by municipality are not determinable. The Town's total payroll was \$616,985 while its covered payroll for the retirement plan was \$423,301. Pension expense for the year, including the employees share, was \$27,515.

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

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

The Town also makes matching contributions to two (2) employee's annuity accounts provided by an insurance company. The Town's expense for the year ended June 30, 2008 was \$1,020.

B. RISK MANAGEMENT

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

In addition, the Town of Pittsford is a member of Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide health insurance and wellness programs for Vermont municipalities and is owned by the participating members. The agreement does not permit the Health Trust to make additional assessments to its members.

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2008

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

C. PROPERTY TAXES

Property taxes are historically levied in mid July and are due in three installments payable in August, September and November 10, and become delinquent on November 11. The Town of Pittsford bills and collects its own property taxes and also for the State for school taxes. For the fiscal year ended June 30, 2008, the tax rate is as follows:

	<u>Non-Residential</u>	<u>Residential</u>
Education	1.2933	1.2568
Local Agreement	.0019	.0019
General Town	.4300	.4300
Village	<u>.0420</u>	<u>.0420</u>
 Total Tax Rate/per \$100 of Assessed Valuation	 <u>1.7672</u>	 <u>1.7307</u>

D. OTHER COMMITMENTS

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

E. CONCENTRATION OF REVENUE

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2008, the Town received 22.1% of its total property taxes and 66.8% of total Florence water sales from OMYA, Inc.

F. RELATED PARTY TRANSACTIONS

The Town has a Selectboard member that is associated with a construction company that the Town used during the year. The Town paid this construction company approximately \$21,000 during the year ended June 30, 2008.

G. SUBSEQUENT EVENTS

Subsequent to year-end, the Town issued three (3) notes from the State of Vermont Environmental Protection Agency Special Revolving Fund to assist in paying for Water and Sewer engineering projects. These notes are at 0% interest and the two Water notes are due in February, 2017 and the Sewer note is due December, 2017.

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Investments	\$ 0	\$ 0	\$ 134,982	\$ 134,982
Due from Other Funds	<u>185,096</u>	<u>309,900</u>	<u>0</u>	<u>494,996</u>
Total Assets	<u>\$ 185,096</u>	<u>\$ 309,900</u>	<u>\$ 134,982</u>	<u>\$ 629,978</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 1,292	\$ 0	\$ 0	\$ 1,292
Due to Other Funds	0	0	170	170
Interfund Loan Payable	<u>0</u>	<u>7,525</u>	<u>0</u>	<u>7,525</u>
Total Liabilities	<u>1,292</u>	<u>7,525</u>	<u>170</u>	<u>8,987</u>
Fund Balances:				
Reserved for:				
Restricted Purposes	8,039	0	134,812	142,851
Unreserved:				
Designated	175,765	309,198	0	484,963
Undesignated	<u>0</u>	<u>(6,823)</u>	<u>0</u>	<u>(6,823)</u>
Total Fund Balances	<u>183,804</u>	<u>302,375</u>	<u>134,812</u>	<u>620,991</u>
Total Liabilities and Fund Balance:	<u>\$ 185,096</u>	<u>\$ 309,900</u>	<u>\$ 134,982</u>	<u>\$ 629,978</u>

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

TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues:				
Property Taxes	\$ 19,105	\$ 0	\$ 0	\$ 19,105
Intergovernmental	14,296	0	0	14,296
Investment Income/(Loss)	4,310	6,567	(19,957)	(9,080)
Permits and Fees	2,674	0	0	2,674
Other	2,500	0	0	2,500
Total Revenues	<u>42,885</u>	<u>6,567</u>	<u>(19,957)</u>	<u>29,495</u>
Expenditures:				
Current Expenditures				
General Government	17,535	0	0	17,535
Capital Expenditures				
Fire Equipment	0	27,500	0	27,500
Total Expenditures	<u>17,535</u>	<u>27,500</u>	<u>0</u>	<u>45,035</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>25,350</u>	<u>(20,933)</u>	<u>(19,957)</u>	<u>(15,540)</u>
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	5,000	0	5,000
Transfers In	2,000	80,500	0	82,500
Transfers Out	0	0	(30)	(30)
Total Other Financing Sources/(Uses)	<u>2,000</u>	<u>85,500</u>	<u>(30)</u>	<u>87,470</u>
Net Change in Fund Balances	27,350	64,567	(19,987)	71,930
Fund Balances - July 1, 2007	<u>156,454</u>	<u>237,808</u>	<u>154,799</u>	<u>549,061</u>
Fund Balances - June 30, 2008	<u>\$ 183,804</u>	<u>\$ 302,375</u>	<u>\$ 134,812</u>	<u>\$ 620,991</u>

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

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2008

	Village Fund	Reappraisal Fund	State Planning Grants Fund
<u>ASSETS</u>			
Due from Other Funds	\$ <u>26,570</u>	\$ <u>89,564</u>	\$ <u>7,344</u>
TOTAL ASSETS	\$ <u>26,570</u>	\$ <u>89,564</u>	\$ <u>7,344</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ <u>1,292</u>	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	<u>1,292</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved For:			
Restricted Purposes	0	0	7,344
Unreserved:			
Designated	<u>25,278</u>	<u>89,564</u>	<u>0</u>
Total Fund Balances	<u>25,278</u>	<u>89,564</u>	<u>7,344</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>26,570</u>	\$ <u>89,564</u>	\$ <u>7,344</u>

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

Cemetery Development Fund	First Response Vehicle Fund	Land Records Preservation Fund	Veterans Memorial Fund	Total
\$ <u>21,732</u>	\$ <u>12,469</u>	\$ <u>26,722</u>	\$ <u>695</u>	\$ <u>185,096</u>
\$ <u><u>21,732</u></u>	\$ <u><u>12,469</u></u>	\$ <u><u>26,722</u></u>	\$ <u><u>695</u></u>	\$ <u><u>185,096</u></u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,292</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,292</u>
0	0	0	695	8,039
<u>21,732</u>	<u>12,469</u>	<u>26,722</u>	<u>0</u>	<u>175,765</u>
<u>21,732</u>	<u>12,469</u>	<u>26,722</u>	<u>695</u>	<u>183,804</u>
\$ <u><u>21,732</u></u>	\$ <u><u>12,469</u></u>	\$ <u><u>26,722</u></u>	\$ <u><u>695</u></u>	\$ <u><u>185,096</u></u>

TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Village Fund</u>	<u>Reappraisal Fund</u>	<u>State Planning Grants Fund</u>
Revenue:			
Property Taxes	\$ 19,105	\$ 0	\$ 0
Investment Income	820	1,875	200
Intergovernmental	0	14,296	0
Permits and Fees	0	0	0
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>19,925</u>	<u>16,171</u>	<u>200</u>
Expenditures:			
General Government	<u>15,806</u>	<u>812</u>	<u>917</u>
Total Expenditures	<u>15,806</u>	<u>812</u>	<u>917</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>4,119</u>	<u>15,359</u>	<u>(717)</u>
Other Financing Sources:			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	4,119	15,359	(717)
Fund Balance - July 1, 2007	<u>21,159</u>	<u>74,205</u>	<u>8,061</u>
Fund Balance - June 30, 2008	<u>\$ 25,278</u>	<u>\$ 89,564</u>	<u>\$ 7,344</u>

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

Cemetery Development Fund	First Response Vehicle Fund	Land Records Preservation Fund	Veterans Memorial Fund	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,105
504	276	618	17	4,310
0	0	0	0	14,296
0	0	2,674	0	2,674
0	2,500	0	0	2,500
<u>504</u>	<u>2,776</u>	<u>3,292</u>	<u>17</u>	<u>42,885</u>
0	0	0	0	17,535
0	0	0	0	17,535
<u>504</u>	<u>2,776</u>	<u>3,292</u>	<u>17</u>	<u>25,350</u>
<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
2,504	2,776	3,292	17	27,350
<u>19,228</u>	<u>9,693</u>	<u>23,430</u>	<u>678</u>	<u>156,454</u>
\$ <u><u>21,732</u></u>	\$ <u><u>12,469</u></u>	\$ <u><u>26,722</u></u>	\$ <u><u>695</u></u>	\$ <u><u>183,804</u></u>

TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	<u>Municipal Office Fund</u>	<u>Fire Department Fund</u>	<u>Patrol Car Fund</u>	<u>Mower Replacement Fund</u>	<u>Garage Reserve Fund</u>	<u>Total</u>
<u>ASSETS</u>						
Due from Other Funds	\$ 57,534	\$ 220,118	\$ 3,993	\$ 702	\$ 27,553	\$ 309,900
TOTAL ASSETS	<u>\$ 57,534</u>	<u>\$ 220,118</u>	<u>\$ 3,993</u>	<u>\$ 702</u>	<u>\$ 27,553</u>	<u>\$ 309,900</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Interfund Loan Payable	\$ 0	\$ 0	\$ 0	\$ 7,525	\$ 0	\$ 7,525
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,525</u>	<u>0</u>	<u>7,525</u>
Fund Balances/(Deficit):						
Unreserved:						
Designated	57,534	220,118	3,993	0	27,553	309,198
Undesignated	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,823)</u>	<u>0</u>	<u>(6,823)</u>
Total Fund Balances/(Deficit)	<u>57,534</u>	<u>220,118</u>	<u>3,993</u>	<u>(6,823)</u>	<u>27,553</u>	<u>302,375</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57,534</u>	<u>\$ 220,118</u>	<u>\$ 3,993</u>	<u>\$ 702</u>	<u>\$ 27,553</u>	<u>\$ 309,900</u>

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

TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Garage Reserve Fund	Total
Revenue:						
Investment Income	\$ 1,337	\$ 4,414	\$ 96	\$ 53	\$ 667	\$ 6,567
Total Revenue	<u>1,337</u>	<u>4,414</u>	<u>96</u>	<u>53</u>	<u>667</u>	<u>6,567</u>
Expenditures:						
Fire Equipment	<u>0</u>	<u>27,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,500</u>
Total Expenditures	<u>0</u>	<u>27,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,500</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>1,337</u>	<u>(23,086)</u>	<u>96</u>	<u>53</u>	<u>667</u>	<u>(20,933)</u>
Other Financing Sources:						
Proceeds from Sale of Equipment	0	5,000	0	0	0	5,000
Transfers In	<u>5,000</u>	<u>62,500</u>	<u>7,000</u>	<u>6,000</u>	<u>0</u>	<u>80,500</u>
Total Other Financing Sources	<u>5,000</u>	<u>67,500</u>	<u>7,000</u>	<u>6,000</u>	<u>0</u>	<u>85,500</u>
Net Change in Fund Balances	6,337	44,414	7,096	6,053	667	64,567
Fund Balance/(Deficit) - July 1, 2007	<u>51,197</u>	<u>175,704</u>	<u>(3,103)</u>	<u>(12,876)</u>	<u>26,886</u>	<u>237,808</u>
Fund Balance/(Deficit) - June 30, 2008	<u>\$ 57,534</u>	<u>\$ 220,118</u>	<u>\$ 3,993</u>	<u>\$ (6,823)</u>	<u>\$ 27,553</u>	<u>\$ 302,375</u>

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

TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	William Dennison Fund	Belcher Mericle Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue:			
Investment Income/(Loss)	\$ <u>(19,987)</u>	\$ <u>30</u>	\$ <u>(19,957)</u>
Total Revenue	<u>(19,987)</u>	<u>30</u>	<u>(19,957)</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>(19,987)</u>	<u>30</u>	<u>(19,957)</u>
Other Financing Sources/(Uses):			
Transfers Out	<u>0</u>	<u>(30)</u>	<u>(30)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(30)</u>	<u>(30)</u>
Net Change in Fund Balances	(19,987)	0	(19,987)
Fund Balance - July 1, 2007	<u>152,783</u>	<u>2,016</u>	<u>154,799</u>
Fund Balance - June 30, 2008	<u>\$ 132,796</u>	<u>\$ 2,016</u>	<u>\$ 134,812</u>

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