

TOWN OF GREENSBORO, VERMONT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2015

TOWN OF GREENSBORO, VERMONT

JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Select Board
Town of Greensboro, VT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Greensboro, VT, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Greensboro, VT, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20 - 24 and 25 - 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

The Select Board
Town of Greensboro, VT

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greensboro, VT's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 25, 2016, on our consideration of the Town of Greensboro, VT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Greensboro, VT's internal control over financial reporting and compliance.

Pace & Hawley, LLC

Montpelier, VT
January 25, 2016

TOWN OF GREENSBORO, VERMONT
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Current assets:	
Cash	\$ 700,760
Accounts receivable	5,846
Total current assets	706,606
Noncurrent assets:	
Capital assets	2,862,548
(Accumulated depreciation)	(935,526)
Total noncurrent assets	1,927,022
Total assets	2,633,628
Deferred outflows of resources	
Pension related - VMERS	17,504
Liabilities	
Current liabilities:	
Accounts payable	123,647
Payroll liabilities	3,239
Note payable, current portion	44,700
Total current liabilities	171,586
Noncurrent liabilities:	
Accrued vacation	13,390
Note payable, less current portion	726,950
Net pension liability - VMERS	9,443
Total noncurrent liabilities	749,783
Total liabilities	921,369
Deferred inflows of resources	
Prepaid property taxes	6,881
Pension related - VMERS	29,120
	36,001
Net position	
Net investment in capital assets	1,155,372
Restricted	150,686
Unrestricted	387,704
Total net position	\$ 1,693,762

The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, VERMONT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
General government	\$ 419,220	\$ 36,981	\$ 127,461	\$ (254,778)
Highway	830,969	-	114,518	(716,451)
Public safety	283,630	7,332	-	(276,298)
Cemetery	11,870	1,485	-	(10,385)
Interest expense	25,673	-	-	(25,673)
Total governmental activities	\$ 1,571,362	\$ 45,798	\$ 241,979	(1,283,585)
General revenues				
				1,331,343
				5,389
				45,000
				15,857
				1,397,589
				114,004
				1,579,758
				\$ 1,693,762

The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, VERMONT
Balance Sheet - Governmental Funds
June 30, 2015

	General Fund	Highway Fund	Capital Budget Fund	Highway Equipment Reserve Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 175,096	\$ -	\$ 203,080	\$ 180,213	\$ 142,371	\$ 700,760
Accounts receivable	-	-	-	-	5,846	5,846
Due from other funds	<u>7,691</u>	<u>-</u>	<u>16,330</u>	<u>-</u>	<u>-</u>	<u>24,021</u>
Total assets	<u>\$ 182,787</u>	<u>\$ -</u>	<u>\$ 219,410</u>	<u>\$ 180,213</u>	<u>\$ 148,217</u>	<u>\$ 730,627</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities:						
Accounts payable	\$ 123,647	\$ -	\$ -	\$ -	\$ -	\$ 123,647
Payroll liabilities	3,239	-	-	-	-	3,239
Due to other funds	<u>-</u>	<u>15,670</u>	<u>-</u>	<u>-</u>	<u>8,351</u>	<u>24,021</u>
Total liabilities	<u>126,886</u>	<u>15,670</u>	<u>-</u>	<u>-</u>	<u>8,351</u>	<u>150,907</u>
Deferred inflows of resources:						
Prepaid property taxes	<u>6,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,881</u>
Fund balance:						
Restricted	-	-	-	-	150,686	150,686
Committed	-	-	219,410	180,213	15,027	414,650
Unassigned	<u>49,020</u>	<u>(15,670)</u>	<u>-</u>	<u>-</u>	<u>(25,847)</u>	<u>7,503</u>
Total fund balance	<u>49,020</u>	<u>(15,670)</u>	<u>219,410</u>	<u>180,213</u>	<u>139,866</u>	<u>572,839</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 182,787</u>	<u>\$ -</u>	<u>\$ 219,410</u>	<u>\$ 180,213</u>	<u>\$ 148,217</u>	<u>\$ 730,627</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, VERMONT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances - governmental funds	\$	572,839
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Amounts reported for governmental activities in the government-wide statement of net position are different because:

Capital assets used in governmental funds are not current financial resources and therefore are not reported in the governmental funds balance sheet:

Capital assets		2,862,548
Accumulated depreciation		(935,526)

Deferred outflows of resources, deferred inflows of resources and the net pension liability related to the Town's proportionate share of the VMERS pension plan are not reported in the governmental funds balance sheet		(21,059)
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Liabilities not due and payable in the year are not reported in the governmental funds:		
Accrued vacation		(13,390)
Note payable		<u>(771,650)</u>

Net position - governmental activities	\$	<u>1,693,762</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, VERMONT
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2015

(Page 1 of 2)

	General Fund	Highway Fund	Capital Budget Fund	Highway Equipment Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 817,795	\$ 511,704	\$ -	\$ -	\$ -	\$ 1,329,499
Interest on delinquent taxes	1,844	-	-	-	-	1,844
Licenses and permits	21,348	-	-	-	-	21,348
Intergovernmental	111,673	116,781	-	-	13,526	241,980
Charges for services	20,543	-	-	-	3,906	24,449
Interest on investments	4,342	-	450	530	67	5,389
Miscellaneous	9,214	-	-	-	6,643	15,857
Total revenues	<u>986,759</u>	<u>628,485</u>	<u>450</u>	<u>530</u>	<u>24,142</u>	<u>1,640,366</u>
Expenditures						
General government	360,933	-	14,824	-	24,187	399,944
Highways, streets and bridges	115,575	662,060	-	-	-	777,635
Public safety	252,859	-	-	-	1,375	254,234
Solid waste	2,179	-	-	-	-	2,179
Culture and recreation	1,550	-	-	-	5,150	6,700
Cemetery	11,870	-	-	-	-	11,870
Capital outlay	-	-	148,950	130,519	-	279,469
Debt service - principal	-	-	43,350	-	-	43,350
Debt service - interest	-	-	25,673	-	-	25,673
Total expenditures	<u>744,966</u>	<u>662,060</u>	<u>232,797</u>	<u>130,519</u>	<u>30,712</u>	<u>1,801,054</u>
Excess of revenues or (expenditures)	241,793	(33,575)	(232,347)	(129,989)	(6,570)	(160,688)
(continued)						

The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, VERMONT
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2015

(Page 2 of 2)

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Capital Budget Fund</u>	<u>Highway Equipment Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>(continued)</i>						
Other financing sources (uses)						
Transfers in (out)	<u>(319,278)</u>	<u>100,000</u>	<u>85,275</u>	<u>130,000</u>	<u>4,003</u>	<u>-</u>
Net change in fund balances	(77,485)	66,425	(147,072)	11	(2,567)	(160,688)
Fund balances, beginning of year (as restated)	<u>126,505</u>	<u>(82,095)</u>	<u>366,482</u>	<u>180,202</u>	<u>142,433</u>	<u>733,527</u>
Fund balances, end of year	\$ <u>49,020</u>	\$ <u>(15,670)</u>	\$ <u>219,410</u>	\$ <u>180,213</u>	\$ <u>139,866</u>	\$ <u>572,839</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, 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, 2015

Net change in fund balances - governmental funds	\$ (160,688)
Amounts reported for governmental activities in the government-wide statement of activities are different because:	
Governmental funds report capital outlays as expenditures however, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives:	
Expenditures for capital assets	279,469
Less: depreciation	(89,120)
Gain on disposal of capital assets	45,000
The Town's contribution to VMERS is recorded as an expenditure in the governmental funds. However, in the statement of activities pension expense is actuarially determined.	
	(1,652)
The issuance of long-term debt 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:	
Changes in accrued vacation	(2,355)
Principal payments on note payable	<u>43,350</u>
Change in net position - governmental activities	\$ <u>114,004</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

1. Summary of significant accounting policies

The Town of Greensboro, VT (the Town) was chartered in 1781 under the provisions of the State of Vermont. The Town operates under a Board of Selectmen form of government, and provides the following services as authorized by its charter: public safety, streets and highways, public improvements, planning and zoning, and general administrative services.

The Government Accounting and Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The following is a summary of the Town's more significant accounting policies:

A. Reporting entity - The Town is a primary unit of government under reporting criteria established by the GASB. Those criteria include separate legal standing, separate elected governing body, and fiscal independence from other governmental entities. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units and evaluated them against the criteria established by the GASB. Based on these criteria, there are no other entities that are considered to be component units of the Town that should be included in these financial statements.

B. Basis of presentation

Fund accounting: The accounts of the Town are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Government-wide statements: The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. The effect of interfund activity has been removed from these statements.

Fund financial statements: Fund financial statements are presented according to each fund category; governmental, proprietary and fiduciary. The Town does not report any proprietary or fiduciary funds. Major governmental funds are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as non-major funds.

The Town reports the following major funds:

Governmental funds:

General Fund - This fund is used to account for the primary activity of the Town. Property tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

Highway Fund - This special revenue fund is used to account for assets and related revenues of the Town's highway department.

Capital Budget Fund - This capital project fund is used to account for assets and related revenues and expenditures that have been committed for capital equipment purchases through voter approval.

Highway Equipment Reserve Fund - This capital project fund is used to account for assets and related revenues and expenditures that have been committed for highway capital equipment and projects through voter approval.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

1. Summary of significant accounting policies (continued)

- C. Measurement focus and basis of accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus refers to what items are reported on the financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this model, revenues are recognized when both measurable and available for use. Expenditures are recorded when the liability has occurred, if measurable. Measurable means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the fiscal year and other revenues to be available if they are collected within 6 months of the end of the fiscal year. Expenditures related to principal and interest on general long-term debt that has not matured, compensated absences, and claims and judgments are recorded only when payment is due.

- D. Governmental fund equity - In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – Resources which cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. For the purposes of defining the committed fund balance category, the Town considers the taxpayers, through voted Town Articles, its highest level of decision making authority.

Assigned – Resources neither restricted nor committed for which a government has a stated intended use as established by the Select Board or a body or official to which the Select Board has delegated the authority to assign amounts for specific purposes.

Unassigned – Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include any negative residual balance resulting from expenditures exceeded amounts restricted, committed or assigned for a specific purpose.

For the classification of governmental fund balances, the Town does not have a formal policy regarding which classification should be reduced first when more than one classification is available. However, the Town has generally considered an expenditure to be made from the most restrictive first when more than one classification is available.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

1. Summary of significant accounting policies (continued)

- E. Estimates - The preparation of the financial statements require 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, expenditures, or expenses, during the reported period. Actual results could differ from those estimates.
- F. Cash and cash equivalents - Cash and cash equivalents consists of cash and short-term investments with an original maturity of three months or less.
- G. Receivables - The Town has not recorded an allowance for doubtful accounts. Management estimates that all receivables are collectible.
- H. Interfund balances and transfers - Interfund receivables and payables represent transactions incurred within the fund for other funds. These accounts are expected to be eliminated in the normal course of operations. Interfund transfers represent the flow of cash or goods from one fund to another without a requirement for repayment.
- I. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources, if applicable, are reported as separate sections in the Government-wide Statement of Net Position and the Balance Sheet - Governmental Funds. Deferred outflows of resources represent a consumption of net position that applies to a future period. Deferred inflows of resources represent the current acquisition of net position that is applicable to a future reporting.
- J. Property tax calendar - Property taxes attach as an enforceable lien on property as of April 1st. Property taxes for fiscal year 2015 were payable in one installment due on October 16, 2014. Taxes not paid by the installment due date were declared delinquent and turned over to the Delinquent Tax Collector.
- K. Capital Assets- Capital assets, which include property, plant, equipment, and infrastructure are reported in the government-wide statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The Town does not have a formal policy establishing criteria above which assets are capitalized. However, major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town began reporting capital assets for the year ending June 30, 2014. The Town did not retroactively report infrastructure assets for prior years. Capital assets of the Town are depreciated using the straight-line method over the following useful lives:

Building and improvements	50 years
Equipment, machinery and vehicles	10 - 12 years

- L. New accounting standards implemented - The Town has implemented GASB No. 68, *Accounting and Financial Reporting for Pensions*, for the year ending June 30, 2015. The impact on these financial statements is to include the Town's proportionate share of the Vermont Municipal Employees' Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense on government-wide net position and activities. Fund financial statements have not been affected by this change.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

2. Cash

As of June 30, 2015, the carrying amount of all Town deposits was \$700,760.

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits might not be recovered. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, the Town’s bank balance was \$759,869. Of this amount, \$709,063 was covered by the Federal Deposit Insurance Cooperation (FDIC), \$13,006 was collateralized, and the remaining amount, \$37,800, was uninsured and uncollateralized.

3. Short-term debt

The Town utilizes promissory notes in order to coordinate its cash flow needs. Changes in short-term notes for the year ended June 30, 2015 were as follows:

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2015</u>
Tax anticipation notes	\$ -	\$ 202,635	\$ 202,635	\$ -

4. Long-term liabilities

Long-term - Long-term liabilities consisted of the following at June 30, 2015:

Community National Bank, fire station note payable, interest at 3.15%, principal and interest of \$69,023 due annually until October 2028	\$ 771,650
Net pension liability - VMERS	9,443
Accrued vacation	<u>13,390</u>
	<u>\$ 794,483</u>

Changes in long-term liabilities for the year ended June 30, 2015 were as follows:

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2015</u>	Due Within <u>One Year</u>
Governmental activities:					
Fire station note	\$ 815,000	\$ -	\$ 43,350	\$ 771,650	\$ 44,700
Net pension liability - VMERS	32,754	-	23,311	9,443	-
Accrued vacation	<u>11,035</u>	<u>2,355</u>	<u>-</u>	<u>13,390</u>	<u>-</u>
	<u>\$ 858,789</u>	<u>\$ 2,355</u>	<u>\$ 66,661</u>	<u>\$ 794,483</u>	<u>\$ 44,700</u>

Annual maturities of long-term notes payable at June 30, 2015 were as follows:

Year ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 44,700	\$ 24,323
2017	46,109	22,914
2018	47,562	21,460
2019	49,061	19,961
2020	50,607	1,815
2021-2025	277,994	67,118
2026-2030	<u>255,617</u>	<u>20,456</u>
	<u>\$ 771,650</u>	<u>\$ 178,047</u>

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

5. Interfund balances

Interfund receivable and payable balances at June 30, 2015 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 7,691	\$ -
Highway Fund	-	15,670
Capital Budget Fund	16,330	-
Other Governmental Funds	<u>-</u>	<u>8,351</u>
	<u>\$ 24,021</u>	<u>\$ 24,021</u>

The interfund payables from the Highway Fund and Other Governmental Funds to the General Fund and Capital Budget Fund represent amounts paid by the Fund that have not yet been reimbursed.

6. Interfund transfers

Interfund transfers for the year ended June 30, 2015 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 319,278
Highway Fund	100,000	-
Capital Budget Fund	85,275	-
Highway Equipment Reserve Fund	130,000	-
Other Governmental Funds	<u>4,003</u>	<u>-</u>
	<u>\$ 319,278</u>	<u>\$ 319,278</u>

Transfers out of the General Fund to the Capital Budget Fund and the Highway Fund were due to voter approved articles and budget appropriations which committed amounts for acquisition or construction of capital facilities and other capital assets. The transfer out of the General Fund to the Highway Fund was to allocate the fiscal year 2014 paving grant to the Highway Fund.

7. Pension plan – Vermont Municipal Employees’ Retirement System

Plan description – The Vermont Municipal Employees’ Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the Vermont State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975. The State statutory provisions, found in Title 24, V.S.A. Chapter 125, govern eligibility for benefits, service requirements, contribution requirements and benefit provisions. The general administration and responsibility for formulating administrative policy and procedures of the retirement System for its members and their beneficiaries is vested in the Board of Trustees. All assets are held in a single trust and are available to pay retirement benefits to all members. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont’s Comprehensive Annual Report (CAFR). The CAFR can be viewed on the State of Vermont’s Department of Finance and Management’s website.

Benefits – Full-time employees of participating municipalities are covered under VMERS. Municipalities elect coverage under Groups A, B, C or D provisions. VMERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on average final compensation, years of creditable service, age upon retirement, and on the benefit structure of the Group. Vesting occurs upon the attainment of five years of creditable service.

Contributions – Municipal employees participating in the plan are required to contribute 2.5%, 4.75%, 9.625% (9.75% effective January 1, 2015), and 11.25% of gross wages for Groups A, B, C and D, respectively. The municipal employer contributes 4.0%, 5.375%, 6.875% (7.0% effective January 1, 2015), and 9.75% of gross wages for Groups A, B, C and D, respectively.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

7. Pension plan – Vermont Municipal Employees’ Retirement System (continued)

Employees of the Town are covered under Group C. Town employees’ contributed \$18,949 to VMERS for the year ended June 30, 2015. The Town contributed \$13,570 to VMERS for the year ended June 30, 2015.

The State of Vermont has provided the following information to all employers participating in VMERS. The information specific to the Town is based on its’ proportionate share of VMERS relative to all participating employers. Actuarial reports and schedules of employer allocations can be obtained by visiting the office of the Vermont State Treasurer at www.vermonttreasurer.gov/retirement/muni-financial-reports.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2015, the Town reported a liability of \$9,443 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2014, the Town’s proportion was 0.1035%, which was an increase of .0135% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$15,222, related to VMERS. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to VMERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 29,120
Changes in proportional share of contributions	3,934	-
Town contributions subsequent to the measurement date	<u>13,570</u>	<u>-</u>
	<u>\$ 17,504</u>	<u>\$ 29,120</u>

\$13,570 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2016	\$ (5,345)
2017	(5,345)
2018	<u>(5,345)</u>
	<u>\$ (16,035)</u>

Actuarial assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement; inflation 3.00% to 3.25% per year, salary increases 5.0%, interest rate of 6.25% to 9.0%. Mortality rates were based on the 1995 Buck Mortality Tables for males or females, as appropriate, and RP-2000 Disabled Life Tables for disabled retirees. The actuarial assumptions used on the June 30, 2014 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2010.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

7. Pension plan – Vermont Municipal Employees’ Retirement System (continued)

The long-term expected rate of return of pension plan investments was determined using best-estimate ranges of future real rates of return for each major asset class using an economic model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equity	31.50%	6.70%
Fixed income	33.00%	2.94%
Alternatives	15.50%	6.26%
Multi-strategy	20.00%	5.98%

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

Discount rate – The discount rate used to measure the total pension liability was 8.23%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 8.23%, as well as what the Town’s proportionate share would be if it were calculated using a discount rate that is one percent lower (7.23%) or one percent higher (9.23%) than the current rate:

	<u>1 % Decrease</u> <u>(7.23%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(8.23%)</u>	<u>1 % Increase</u> <u>(9.23%)</u>
Town’s proportionate share of the net pension liability	\$ 79,555	\$ 9,443	(49,378)

Required supplemental information – Implementation of GASB Statement No. 68 requires reporting of ten years of historical pension information by employers. This information will be built up by year for the next ten years in schedules of the *Town’s Proportionate Share of Net Pension Liability of VMERS* and *Town Contributions to VMERS*. The required information for the year ended June 30, 2015 is as follows

Town’s proportion of the net pension liability (asset)	0.1035%
Town’s proportionate share of the net pension liability (asset)	\$ 9,443
Town’s covered-employee payroll	\$ 199,517
Town’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	4.73%
Plan fiduciary net position as a percentage of the total pension liability	98.32%
Contractually required contribution	\$ 13,347
Contributions in relation to the contractually required contribution	<u>(13,347)</u>
Contribution deficiency (excess)	\$ <u>-</u>
Contributions as a percentage of covered employee payroll	6.690%

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

8. Capital Assets

Changes in governmental activities capital assets consisted of the following:

	Balance July 1, <u>2014</u>	<u>Increase</u>	<u>Decrease</u>	Balance June 30, <u>2015</u>
Capital assets, not depreciated				
Land	\$ <u>305,346</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>305,346</u>
Capital assets, depreciated				
Buildings & improvements	1,227,344	-	-	1,227,344
Equipment, machinery and vehicles	<u>1,006,689</u>	<u>324,469</u>	<u>143,300</u>	<u>1,187,858</u>
	<u>2,234,033</u>	<u>324,469</u>	<u>143,300</u>	<u>2,415,202</u>
Capital assets, depleted				
Gravel pit	<u>142,000</u>	<u>-</u>	<u>-</u>	<u>142,000</u>
Less: accumulated depreciation and depletion				
Buildings & improvements	242,507	23,373	-	265,880
Equipment, machinery and vehicles	722,349	63,854	143,300	642,903
Gravel pit	<u>24,850</u>	<u>1,893</u>	<u>-</u>	<u>26,743</u>
	<u>989,706</u>	<u>89,120</u>	<u>143,300</u>	<u>935,526</u>
Total capital assets depreciated and depleted, net	<u>1,386,327</u>	<u>235,349</u>	<u>-</u>	<u>1,621,676</u>
Capital assets, net, governmental activities	\$ <u>1,691,673</u>	\$ <u>235,349</u>	\$ <u>-</u>	\$ <u>1,927,022</u>

Depreciation expense in the governmental activities totaling \$89,120 was allocated to the following functions: general government \$5,790, public safety \$29,396, highways and streets \$53,334 and library \$600.

9. Risk management

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town manages these risks through commercial insurance packages and participation in public entity risk pools covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured loss to the Town.

10. Agency funds

The Town acts in an agency capacity for the State of Vermont for the purpose of collecting and distributing property taxes which are used to pay for public education. During the year ended June 30, 2015, the Town collected and distributed \$3,253,641 in educational property taxes as instructed by the State of Vermont.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

11. Governmental fund equity

As of June 30, 2015 governmental fund balances consisted of the following:

	<u>General</u> <u>Fund</u>	<u>Highway</u> <u>Fund</u>	<u>Capital</u> <u>Budget</u> <u>Fund</u>	<u>Hwy Equip</u> <u>Reserve</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>
Restricted for:						
Lake Eligo milfoil	\$ -	\$ -	\$ -	\$ -	\$ 19,702	\$ 19,702
Greensboro Grange	-	-	-	-	1,193	1,193
Energy committee	-	-	-	-	6,324	6,324
Our community park	-	-	-	-	2,720	2,720
Reappraisal	-	-	-	-	41,222	41,222
Restoration	-	-	-	-	38,646	38,646
Cemetery	-	-	-	-	40,879	40,879
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,686</u>	<u>150,686</u>
Committed for:						
Capital assets	-	-	219,410	-	-	219,410
Findlay forest	-	-	-	-	309	309
Community projects	-	-	-	-	364	364
Highway capital assets	-	-	-	180,213	-	180,213
Conservation Comm.	-	-	-	-	14,354	14,354
	<u>-</u>	<u>-</u>	<u>219,410</u>	<u>180,213</u>	<u>15,027</u>	<u>414,650</u>
Unassigned	<u>49,020</u>	<u>(15,670)</u>	<u>-</u>	<u>-</u>	<u>(25,847)</u>	<u>7,503</u>
	<u>\$ 49,020</u>	<u>\$ (15,670)</u>	<u>\$ 219,410</u>	<u>\$ 180,213</u>	<u>\$ 139,866</u>	<u>\$ 572,839</u>

12. Commitments

Police Services Contract - The Town has a contract with the Town of Hardwick, VT for the Hardwick Police Department to provide police service to Greensboro on a twenty-four hour, seven-day a week basis through June 30, 2017. The contract specifies payments for these services will be \$194,446 and \$204,169 for the fiscal years ending June 30, 2016 and 2017, respectively. The Town of Hardwick provides the equipment necessary for normal police function and provides all required insurance. Operations and scheduling are at the discretion of the Chief of Police of the Town of Hardwick, VT. In compensation for providing police services, the Town has paid the Town of Hardwick \$185,055 for the year ending June 30, 2015.

Plowing Services Contract – The Town has a contract with Brian Perry & Sons Construction, Inc, to plow all driveways for Town residents who request such services through May 1, 2016. For the year ending June 30, 2015, the town paid Brian Perry & Sons \$115,575. For the fiscal year ending June 30, 2016, the contract calls for payments of \$115,917.

13. Contingencies

Grants - The Town receives significant financial assistance from the State of Vermont through grants and other forms of state aid. Entitlement to these resources is generally based on compliance with terms and conditions of grant agreements and applicable state regulations, including the expenditure of the resources for eligible purposes. These funds are subject to audit by the granting authority in order to ensure compliance. Any disallowance as a result of these audits becomes a liability of the Town. Management believes that there are no significant contingent liabilities relating to compliance with grant agreements and applicable state regulations.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2015

14. Prior period restatement

The Town has increased the beginning fund balance of Other Governmental Funds by \$40,879 to record the beginning balance of the Cemetery Fund which was donated to the Town in the fiscal year ending June 30, 2014, but was previously unrecorded.

The Town has restated the beginning net position of the governmental activities of the government-wide financial statements from \$1,558,286 to \$1,579,758, an increase of \$21,472, to record the change in accounting for the Town's proportionate share of the VMERS pension plan and the restatement of Other Governmental Funds, for reporting the Cemetery Fund.

15. Subsequent events

On July 9, 2015, the Town obtained a tax anticipation note in the amount of \$233,002, at an interest rate of 2.85% for the purpose of paying general Town expenses during the period before property taxes are received. The note becomes due in full on December 16, 2015.

16. Deficit fund balances

The Town anticipates eliminating the June 30, 2015 fund deficit in the Highway Fund of \$15,670 through receipt of future revenues. The Town anticipates eliminating the June 30, 2015 fund deficit in the Fire Station Fund of \$25,552 through a budgeted transfer from the General Fund. The Town anticipates eliminating the June 30, 2015 fund deficit in the Caspian Milfoil Fund of \$295 through a budgeted transfer from the General Fund.

17. Excess expenditures over budget

For the year ending June 30, 2015, Highway Fund expenditures exceeded appropriations by \$37,793. This is primarily due to an increase in paving expenditures.

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2015

Schedule 1
(Page 1 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 825,517	\$ 825,517	\$ 817,795	\$ (7,722)
Interest on delinquent taxes	-	-	1,844	1,844
Licenses and permits	19,800	19,800	21,348	1,548
Intergovernmental	95,887	95,887	111,673	15,786
Charges for services	18,217	18,217	20,543	2,326
Interest on investments	3,200	3,200	4,342	1,142
Miscellaneous	3,711	3,711	9,214	5,503
Total revenues	966,332	966,332	986,759	20,427
Expenditures				
Town Clerk's office				
Payroll	77,265	77,265	77,316	(51)
FICA/MEDI	5,911	5,911	6,156	(245)
Retirement	5,361	5,361	5,064	297
Health Insurance	13,750	13,750	14,823	(1,073)
Health reimbursement account	5,000	5,000	4,198	802
Unemployment	200	200	200	-
Worker's compensation	400	400	51	349
Office training	500	500	365	135
Total Town Clerk's office	108,387	108,387	108,173	214
Select Board				
Stipend	5,000	5,000	5,000	-
Payroll	2,025	2,025	1,856	169
FICA/MEDI	155	155	142	13
Training	500	500	54	446
Miscellaneous	-	-	61	(61)
Total Select Board	7,680	7,680	7,113	567
General				
Technology / IT	3,000	3,000	2,180	820
Office supplies	6,000	6,000	2,982	3,018
Telephone	4,020	4,020	2,898	1,122
Postage	3,000	3,000	2,086	914
Interest	5,400	5,400	2,109	3,291
Miscellaneous	1,000	1,000	589	411
Copiers	3,000	3,000	2,669	331
Mileage reimbursement	1,200	1,200	360	840
NEMRC software support	1,000	1,000	1,047	(47)
NEMRC annual support	1,900	1,900	2,399	(499)
County tax	34,691	34,691	35,623	(932)
Dues - VT League of Cities & Towns	1,707	1,707	1,707	-
Notices	1,200	1,200	293	907
4th of July	4,000	4,000	3,776	224
Town Report	1,200	1,200	792	408

continued

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2015

Schedule 1
(Page 2 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Bank fees	100	100	54	46
911 signs	1,000	1,000	679	321
Total general	73,418	73,418	62,243	11,175
Elections				
Town Meeting	225	225	183	42
Elections	2,000	2,000	2,646	(646)
Total elections	2,225	2,225	2,829	(604)
Planning and zoning				
Payroll	7,800	7,800	7,689	111
FICA/MEDI	597	597	615	(18)
Training	500	500	80	420
Mileage	-	-	101	(101)
Notices	800	800	1,059	(259)
Members	2,980	2,980	2,015	965
Total planning and zoning	12,677	12,677	11,559	1,118
Listers				
Assistant Assessor	1,500	1,500	38	1,462
Assistant Assessor - FICA	115	115	-	115
Assessor	7,000	7,000	7,290	(290)
Total listers	8,615	8,615	7,328	1,287
Delinquent Tax Collector				
FICA/MEDI	1,071	1,071	1,316	(245)
Elected auditors				
Payroll	2,900	2,900	604	2,296
FICA/MEDI	222	222	41	181
Total elected auditors	3,122	3,122	645	2,477
Dog Warden				
Stipend	600	600	600	-
Town Hall and properties				
Custodian	1,400	1,400	2,014	(614)
Assistant custodian	1,000	1,000	1,036	(36)
FICA/MEDI	77	77	79	(2)
Repairs and maintenance	10,000	10,000	8,448	1,552
Office supplies	800	800	623	177
Heating fuel	9,000	9,000	6,497	2,503
Electric - Town Hall	3,500	3,500	4,022	(522)
Electric - playground	400	400	317	83
Street lights	4,500	4,500	4,809	(309)
Village Green	300	300	477	(177)
Electric - Grange	240	240	156	84
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2015

Schedule 1
(Page 3 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Electric - old fire station	240	240	163	77
Generator	1,000	1,000	183	817
Grounds	5,500	5,500	4,266	1,234
Insurance - Town Hall	12,500	12,500	10,223	2,277
Insurance - Historical Society	1,400	1,400	1,724	(324)
Insurance - Library	5,600	5,600	4,675	925
Insurance - Greensboro Grange	500	500	392	108
Insurance - old fire station	500	500	-	500
Rubbish removal	1,700	1,700	1,053	647
Trash - Village Green	-	-	138	(138)
Trash - ballfield	-	-	53	(53)
Trash - Greensboro Bend park	-	-	4	(4)
Total Town Hall and properties	<u>60,157</u>	<u>60,157</u>	<u>51,352</u>	<u>8,805</u>
Recreation				
General	-	-	950	(950)
Facilities	-	-	600	(600)
Total recreation	<u>-</u>	<u>-</u>	<u>1,550</u>	<u>(1,550)</u>
Police				
Insurance - Constables	520	520	592	(72)
Police services	185,055	185,055	185,055	-
Dispatch	12,590	12,590	12,590	-
Total police	<u>198,165</u>	<u>198,165</u>	<u>198,237</u>	<u>(72)</u>
Services				
Driveway plowing	107,000	107,000	112,075	(5,075)
Plowing Lake Road	3,500	3,500	3,500	-
Total services	<u>110,500</u>	<u>110,500</u>	<u>115,575</u>	<u>(5,075)</u>
Professional fees				
Audit	8,450	8,450	8,700	(250)
Legal	10,000	10,000	5,688	4,312
Mapping	500	500	-	500
Total professional fees	<u>18,950</u>	<u>18,950</u>	<u>14,388</u>	<u>4,562</u>
Fire department				
Payroll	9,200	9,200	7,912	1,288
FICA/MEDI	704	704	536	168
Workers' compensation	1,700	1,700	1,906	(206)
Dues/education	1,200	1,200	741	459
Office supplies	2,000	2,000	1,441	559
Telephone	1,270	1,270	2,348	(1,078)
Firehouse - maintenance	-	-	1,280	(1,280)
Firehouse - garbage	-	-	150	(150)
Heating fuel	2,500	2,500	2,626	(126)
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2015

Schedule 1
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	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Electricity	1,000	1,000	1,042	(42)
Property and casualty insurance	7,100	7,100	6,804	296
Dispatch	12,590	12,590	12,680	(90)
Equipment fuel	1,000	1,000	609	391
Equipment repairs	1,000	1,000	4,535	(3,535)
New equipment	2,000	2,000	5,673	(3,673)
Pagers	470	470	116	354
Custodial supplies	300	300	382	(82)
Truck repair	2,000	2,000	3,842	(1,842)
Total fire department	<u>46,034</u>	<u>46,034</u>	<u>54,623</u>	<u>(8,589)</u>
Cemetery				
Administration payroll	500	500	350	150
Cemetery maintenance	14,000	14,000	10,770	3,230
Cemetery projects	500	500	500	
Flags/miscellaneous	250	250	250	-
Total cemetery	<u>15,250</u>	<u>15,250</u>	<u>11,870</u>	<u>3,380</u>
Caspian milfoil				
Payroll	6,000	6,000	2,909	3,091
FICA	468	468	2,470	(2,002)
Workers compensation	420	420	200	220
Electric	-	-	51	(51)
Water bill	-	-	400	(400)
Miscellaneous	60	60	95	(35)
Total Caspian milfoil	<u>6,948</u>	<u>6,948</u>	<u>6,125</u>	<u>823</u>
Eligo milfoil	-	-	125	(125)
Solid waste				
Payroll	1,920	1,920	1,153	767
FICA/MEDI	147	147	80	67
Unemployment	-	-	70	(70)
Workers' compensation	381	381	100	281
Recycling supplies	300	300	22	278
Recycling trailer garbage	-	-	754	(754)
Total solid waste	<u>2,748</u>	<u>2,748</u>	<u>2,179</u>	<u>569</u>
Appropriations				
Area Agency on Aging	1,000	1,000	1,000	-
AWARE	1,500	1,500	1,500	-
Caledonia Home Health	1,400	1,400	1,400	-
Clarina Howards Nichols	200	200	200	-
Craftsbury Community Care	10,000	10,000	10,000	-
4 Seasons of Early Learning	9,500	9,500	9,500	-
Green Up	50	50	50	-
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2015

Schedule 1
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	Original Budget	Original Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Greensboro Nursing Home	22,693	22,693	22,693	-
Hardwick Area Coalition	500	500	500	-
Hardwick Area Food Shelf	2,000	2,000	2,000	-
Hardwick/Greensboro Restorative	1,500	1,500	1,500	-
Lamoille Family	500	500	500	-
NEK Human Services	800	800	800	-
NEK Learning Services	250	250	250	-
North Country Animal League	600	600	600	-
NVDA	450	450	450	-
Orleans County Historical Society	400	400	400	-
Orleans County Citizens Advocacy	800	800	-	800
Orleans County Court Diversion	100	100	100	-
Red Cross	250	250	250	-
Rescue squad	4,883	4,883	4,883	-
Rural Community Transportation	900	900	900	-
Vermont Center for Independent Living	210	210	210	-
Beach	2,450	2,450	2,450	-
Greensboro Free Library	20,000	20,000	20,000	-
Greensboro Historical Society	1,500	1,500	1,500	-
Greensboro Recreation	2,000	2,000	-	2,000
W & W seniors program	3,500	3,500	3,500	-
Total appropriations	89,936	89,936	87,136	2,800
Total expenditures	766,483	766,483	744,966	21,517
Excess of revenues or (expenditures)	199,849	199,849	241,793	41,944
Other financing sources (uses)				
Transfers in (out)	(223,275)	(223,275)	(319,278)	(96,003)
Net change in fund balances	\$ (23,426)	\$ (23,426)	\$ (77,485)	\$ (54,059)

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - Highway Fund
For the Year Ended June 30, 2015

Schedule 2
(Page 1 of 2)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 511,704	\$ 511,704	\$ 511,704	\$ -
Intergovernmental	112,563	112,563	116,781	4,218
Total revenues	<u>624,267</u>	<u>624,267</u>	<u>628,485</u>	<u>4,218</u>
Expenditures				
Highway materials				
Gravel pit - electric	240	240	127	113
Gravel pit - taxes	4,500	4,500	4,270	230
Chloride	23,500	23,500	21,043	2,457
Sand	18,000	18,000	21,309	(3,309)
Salt	48,000	48,000	38,248	9,752
Gravel	36,000	36,000	31,986	4,014
Culverts	2,500	2,500	3,264	(764)
Signs	1,500	1,500	731	769
Road projects	5,000	5,000	805	4,195
Total highway materials	<u>139,240</u>	<u>139,240</u>	<u>121,783</u>	<u>17,457</u>
Highway contract services				
Mowing/brush	14,000	14,000	9,900	4,100
Road projects	3,000	3,000	-	3,000
Guard rails	9,000	9,000	2,125	6,875
Sidewalks	4,000	4,000	-	4,000
Total highway contracted services	<u>30,000</u>	<u>30,000</u>	<u>12,025</u>	<u>17,975</u>
Equipment operation and maintenance				
Small equipment	3,000	3,000	2,375	625
Equipment repairs/maintenance	40,000	40,000	41,746	(1,746)
Fuel/diesel	57,000	57,000	48,471	8,529
Fuel/gas	3,500	3,500	1,774	1,726
Equipment rental	1,000	1,000	839	161
Total equipment operation and maint.	<u>104,500</u>	<u>104,500</u>	<u>95,205</u>	<u>9,295</u>
Payroll and benefits				
Payroll	136,000	136,000	134,445	1,555
FICA/MEDI	10,400	10,400	10,377	23
Retirement	9,435	9,435	8,506	929
Health insurance	35,090	35,090	36,626	(1,536)
Health reimbursement account	12,500	12,500	3,913	8,587
Unemployment	9,860	9,860	4,487	5,373
Workers' comp insurance	12,089	12,089	11,089	1,000
Training	500	500	585	(85)
Uniforms	3,800	3,800	4,507	(707)
Total payroll and benefits	<u>229,674</u>	<u>229,674</u>	<u>214,535</u>	<u>15,139</u>
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - Highway Fund
For the Year Ended June 30, 2015

Schedule 2
(Page 2 of 2)

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<i>continued</i>				
Garage				
Garage maintenance	1,000	1,000	3,218	(2,218)
Supplies	300	300	230	70
Telephone	640	640	499	141
Communications	400	400	50	350
Heating fuel	4,000	4,000	3,320	680
Electricity	2,000	2,000	2,708	(708)
Property and casualty insurance	6,013	6,013	10,263	(4,250)
Garbage	-	-	650	(650)
Mileage	200	200	-	200
Notices	1,000	1,000	527	473
Miscellaneous	300	300	35	265
Total garage	<u>15,853</u>	<u>15,853</u>	<u>21,500</u>	<u>(5,647)</u>
Highway projects				
Paving projects	<u>105,000</u>	<u>105,000</u>	<u>197,012</u>	<u>(92,012)</u>
Total expenditures	<u>624,267</u>	<u>624,267</u>	<u>662,060</u>	<u>(37,793)</u>
Excess of revenues or (expenditures)	<u>-</u>	<u>-</u>	<u>(33,575)</u>	<u>(33,575)</u>
Other financing sources (uses)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>66,425</u>	\$ <u>66,425</u>

TOWN OF GREENSBORO, VERMONT
Balance Sheet - Other Governmental Funds
June 30, 2015

Schedule 3
 (Page 1 of 2)

	Findlay Forest Fund	Greensboro Grange Fund	Community Project Fund	Conservation Fund	Fire Station Fund	Cemetery Fund	Reappraisal Reserve Fund
Assets							
Cash	\$ -	\$ -	\$ -	\$ 14,404	\$ -	\$ 40,879	\$ 29,437
Accounts receivable	-	5,846	-	-	-	-	-
Due from other funds	309	-	364	-	-	-	11,785
Total assets	\$ 309	\$ 5,846	\$ 364	\$ 14,404	\$ -	\$ 40,879	\$ 41,222
Liabilities and fund balance							
Liabilities:							
Due to other funds	\$ -	\$ 4,653	\$ -	\$ 50	\$ 25,552	\$ -	\$ -
Fund balance:							
Restricted	-	1,193	-	-	-	40,879	41,222
Committed	309	-	364	14,354	-	-	-
Unassigned	-	-	-	-	(25,552)	-	-
Total fund balance	309	1,193	364	14,354	(25,552)	40,879	41,222
Total liabilities and fund balance	\$ 309	\$ 5,846	\$ 364	\$ 14,404	\$ -	\$ 40,879	\$ 41,222

TOWN OF GREENSBORO, VERMONT
Balance Sheet - Other Governmental Funds
June 30, 2015

Schedule 3
 (Page 2 of 2)

	<u>Recreation Committee Fund</u>	<u>Records Preservation Fund</u>	<u>Caspian Milfoil Grant Fund</u>	<u>Energy Committee Grant Fund</u>	<u>Eligo Milfoil Grant Fund</u>	<u>Community Park Fund</u>	<u>Total Other Governmental Funds</u>
Assets							
Cash	\$ -	\$ 28,798	\$ 2,327	\$ 6,324	\$ 20,202	\$ -	\$ 142,371
Accounts receivable	-	-	-	-	-	-	5,846
Due from other funds	-	9,848	-	-	-	2,720	25,026
Total assets	<u>\$ -</u>	<u>\$ 38,646</u>	<u>\$ 2,327</u>	<u>\$ 6,324</u>	<u>\$ 20,202</u>	<u>\$ 2,720</u>	<u>\$ 173,243</u>
Liabilities and fund balance							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ 2,622	\$ -	\$ 500	\$ -	\$ 33,377
Fund balance:							
Restricted	-	38,646	-	6,324	19,702	2,720	150,686
Committed	-	-	-	-	-	-	15,027
Unassigned	-	-	(295)	-	-	-	(25,847)
Total fund balance	<u>-</u>	<u>38,646</u>	<u>(295)</u>	<u>6,324</u>	<u>19,702</u>	<u>2,720</u>	<u>139,866</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 38,646</u>	<u>\$ 2,327</u>	<u>\$ 6,324</u>	<u>\$ 20,202</u>	<u>\$ 2,720</u>	<u>\$ 173,243</u>

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Other Governmental Funds
For the Year Ended June 30, 2015

Schedule 4
(Page 1 of 2)

	Findlay Forest Fund	Greensboro Grange Fund	Community Project Fund	Conservation Fund	Fire Station Fund	Cemetery Fund	Reappraisal Reserve Fund
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,376
Charges for services	-	-	-	-	-	-	-
Interest on investments	-	-	-	7	-	-	16
Miscellaneous	-	6,524	-	-	-	-	-
Total revenues	<u>-</u>	<u>6,524</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>8,392</u>
Expenditures							
General government	-	5,846	-	50	-	-	18,070
Public safety	-	-	-	-	1,375	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>5,846</u>	<u>-</u>	<u>50</u>	<u>1,375</u>	<u>-</u>	<u>18,070</u>
Excess of revenues or (expenditures)	-	678	-	(43)	(1,375)	-	(9,678)
Other financing sources (uses)							
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Net change in fund balances	-	678	-	1,957	(1,375)	-	(3,678)
Fund balances beginning of year (as restated)	<u>309</u>	<u>515</u>	<u>364</u>	<u>12,397</u>	<u>(24,177)</u>	<u>40,879</u>	<u>44,900</u>
Fund balances, end of year	\$ <u>309</u>	\$ <u>1,193</u>	\$ <u>364</u>	\$ <u>14,354</u>	\$ <u>(25,552)</u>	\$ <u>40,879</u>	\$ <u>41,222</u>

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Other Governmental Funds
For the Year Ended June 30, 2015

Schedule 4
(Page 2 of 2)

	Recreation Committee Fund	Records Preservation Fund	Caspian Milfoil Grant Fund	Energy Committee Grant Fund	Eligo Milfoil Grant Fund	Community Park Fund	Total Other Governmental Funds
Revenues							
Intergovernmental	\$ -	\$ -	\$ 5,150	\$ -	\$ -	\$ -	\$ 13,526
Charges for services	-	3,906	-	-	-	-	3,906
Interest on investments	-	26	-	4	14	-	67
Miscellaneous	-	-	-	-	119	-	6,643
Total revenues	<u>-</u>	<u>3,932</u>	<u>5,150</u>	<u>4</u>	<u>133</u>	<u>-</u>	<u>24,142</u>
Expenditures							
General government	-	-	-	-	-	221	24,187
Public safety	-	-	-	-	-	-	1,375
Culture and recreation	-	-	5,150	-	-	-	5,150
Total expenditures	<u>-</u>	<u>-</u>	<u>5,150</u>	<u>-</u>	<u>-</u>	<u>221</u>	<u>30,712</u>
Excess of revenues or (expenditures)	-	3,932	-	4	133	(221)	(6,570)
Other financing sources (uses)							
Transfers in (out)	<u>(3,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,003</u>
Net change in fund balances	(3,997)	3,932	-	4	133	(221)	(2,567)
Fund balances beginning of year (as restated)	<u>3,997</u>	<u>34,714</u>	<u>(295)</u>	<u>6,320</u>	<u>19,569</u>	<u>2,941</u>	<u>142,433</u>
Fund balances, end of year	\$ <u>-</u>	\$ <u>38,646</u>	\$ <u>(295)</u>	\$ <u>6,324</u>	\$ <u>19,702</u>	<u>2,720</u>	\$ <u>139,866</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Select Board
Town of Greensboro, VT

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Greensboro, VT, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 25, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies: 2015-001 to 2015-002.

Compliance and Other Matters

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

The Select Board
Town of Greensboro, VT

Response to Findings

The Town of Greensboro, VT's responses to the findings identified in our audit are described in the accompanying schedule of findings. The Town's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Pace & Hawley, LLC

Montpelier, VT
January 25, 2016

TOWN OF GREENSBORO, VERMONT
Schedule of Findings
For the Year Ended June 30, 2015

2015-001 General Journal Entries

Condition: The Town uses numerous journal entries for the purposes of adjustment, often posting them to sensitive accounts such as cash and fund balance.

Criteria: Best practice internal control stipulates that general journal entry adjustments to accounts like fund balance, cash, and other balance sheet accounts should be made only in rare instances. These adjustments circumvent existing controls of the accounting system and, when posted to accounts such as cash, constitute a vulnerability to material misstatement of account balances whether due to fraud or error.

Cause: The adjustments were most commonly used to correct account balances and account for non-routine transactions and circumstances.

Effect: Balance sheet accounts could be improperly reported.

Recommendation: We recommend that adjustments to balance sheet accounts should be made only when absolutely necessary. The Town should retain sufficient supporting documentation to properly explain and provide evidence for the reason and amount of any general journal entries. Someone other than the person making the adjustment should review, approval and initial the supporting documentation.

Management's response The Treasurer will speak with NEMRC support staff and will request additional help to gain an understanding of how to move funds. Some notes are kept by the Treasurer, but she will make an effort to write a more complete explanation for each non-typical posting. In terms of someone else reviewing and approving the adjustments, at this point, that is not possible, the office isn't large enough to accommodate this suggestion.

2015-002 Capital Assets

Condition: The Town's system for properly identifying and recording activity related to capital assets is not adequate to accumulate and account for all necessary data pertaining to capital assets.

Criteria: As required by GASB 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, properly identifying and recording capital assets is a fundamental requirement of governmental financial reporting.

Cause: The Town has only recently assembled the data for reporting capital assets in its financial statements.

Effect: Capital asset presented in the financial statements may be misstated.

Criteria: We recommend that the Town establish a capital asset policy by formally identifying a dollar threshold which can be used to identify those assets which the Town deems necessary to capitalize. The Town should maintain a list of those assets capitalized including the following data; description, cost, date acquired, current depreciation and accumulated depreciation.

Management's response: The Treasurer will work with the Select Board on establishing a capital assets policy.