

TOWN OF GREENSBORO, VERMONT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2016

TOWN OF GREENSBORO, VERMONT

JUNE 30, 2016

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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, 2016, 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, 2016, 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 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 11, 2017, 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 11, 2017

TOWN OF GREENSBORO, VERMONT
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 780,577
Grants receivable	105,846
Total current assets	886,423
Noncurrent assets:	
Capital assets	2,985,365
(Accumulated depreciation)	(845,043)
Total noncurrent assets	2,140,322
Total assets	3,026,745
Deferred outflows of resources	
Pension related - VMERS	48,471
Liabilities	
Current liabilities:	
Accounts payable	260,598
Payroll taxes and benefits	5,520
Prepaid property taxes	5,811
Other liabilities	132
Note payable, current portion	46,109
Total current liabilities	318,170
Noncurrent liabilities:	
Accrued vacation	12,475
Note payable, less current portion	680,796
Net pension liability - VMERS	74,843
Total noncurrent liabilities	768,114
Total liabilities	1,086,284
Deferred inflows of resources	
Pension related - VMERS	1,906
Net position	
Net investment in capital assets	1,413,417
Restricted	184,342
Unrestricted	389,267
Total net position	\$ 1,987,026

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

TOWN OF GREENSBORO, VERMONT
Statement of Activities
For the Year Ended June 30, 2016

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	\$ 436,506	\$ 22,853	\$ 137,117	\$ (276,536)
Highway	924,226	-	214,455	(709,771)
Public safety	297,284	6,952	-	(290,332)
Cemetery	13,525	-	-	(13,525)
Interest expense	24,277	-	-	(24,277)
Total governmental activities	\$ 1,695,818	\$ 29,805	\$ 351,572	(1,314,441)
General revenues				
				1,468,817
				4,787
				118,700
				15,401
				1,607,705
				293,264
				1,693,762
				\$ 1,987,026

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

TOWN OF GREENSBORO, VERMONT
Balance Sheet - Governmental Funds
June 30, 2016

	General Fund	Highway Fund	Capital Budget Fund	Highway Equipment Reserve Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 289,612	\$ -	\$ 185,426	\$ 145,789	\$ 159,750	\$ 780,577
Grants receivable	-	100,000	-	-	5,846	105,846
Due from other funds	-	154,179	16,331	-	-	170,510
	<u>-</u>	<u>154,179</u>	<u>16,331</u>	<u>-</u>	<u>-</u>	<u>170,510</u>
Total assets	\$ <u>289,612</u>	\$ <u>254,179</u>	\$ <u>201,757</u>	\$ <u>145,789</u>	\$ <u>165,596</u>	\$ <u>1,056,933</u>
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 18,390	\$ 242,208	\$ -	\$ -	\$ -	\$ 260,598
Payroll taxes and benefits	5,520	-	-	-	-	5,520
Prepaid property taxes	5,811	-	-	-	-	5,811
Other liabilities	132	-	-	-	-	132
Due to other funds	95,530	-	-	70,895	4,085	170,510
	<u>95,530</u>	<u>-</u>	<u>-</u>	<u>70,895</u>	<u>4,085</u>	<u>170,510</u>
Total liabilities	125,383	242,208	-	70,895	4,085	442,571
	<u>125,383</u>	<u>242,208</u>	<u>-</u>	<u>70,895</u>	<u>4,085</u>	<u>442,571</u>
Fund balance:						
Restricted	-	11,971	-	-	172,371	184,342
Committed	-	-	201,757	74,894	14,985	291,636
Assigned	13,550	-	-	-	-	13,550
Unassigned	150,679	-	-	-	(25,845)	124,834
	<u>150,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,845)</u>	<u>124,834</u>
Total fund balance	164,229	11,971	201,757	74,894	161,511	614,362
	<u>164,229</u>	<u>11,971</u>	<u>201,757</u>	<u>74,894</u>	<u>161,511</u>	<u>614,362</u>
Total liabilities and fund balances	\$ <u>289,612</u>	\$ <u>254,179</u>	\$ <u>201,757</u>	\$ <u>145,789</u>	\$ <u>165,596</u>	\$ <u>1,056,933</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, 2016

Total fund balances - governmental funds	\$	614,362
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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		2,985,365
Accumulated depreciation		(845,043)

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		(28,278)
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Liabilities not due and payable in the year are not reported in the governmental funds:		
Accrued vacation		(12,475)
Note payable		<u>(726,905)</u>

Net position - governmental activities	\$	<u>1,987,026</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, 2016

(Page 1 of 2)

	General Fund	Highway Fund	Capital Budget Fund	Highway Equipment Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 942,753	\$ 523,753	\$ -	\$ -	\$ -	\$ 1,466,506
Interest on delinquent taxes	2,311	-	-	-	-	2,311
Licenses and permits	8,139	-	-	-	-	8,139
Intergovernmental	126,086	216,718	-	-	8,769	351,573
Charges for services	17,087	-	-	-	4,578	21,665
Interest on investments	4,113	-	107	498	69	4,787
Miscellaneous	4,912	7,947	-	-	2,542	15,401
Total revenues	<u>1,105,401</u>	<u>748,418</u>	<u>107</u>	<u>498</u>	<u>15,958</u>	<u>1,870,382</u>
Expenditures						
General government	403,223	-	14,013	-	2,313	419,549
Highways, streets and bridges	121,917	720,777	-	-	-	842,694
Public safety	266,888	-	-	-	-	266,888
Solid waste	3,266	-	-	-	-	3,266
Culture and recreation	998	-	-	-	-	998
Cemetery	13,525	-	-	-	-	13,525
Capital outlay	-	-	10,000	235,817	-	245,817
Debt service - principal	-	-	44,745	-	-	44,745
Debt service - interest	-	-	24,277	-	-	24,277
Total expenditures	<u>809,817</u>	<u>720,777</u>	<u>93,035</u>	<u>235,817</u>	<u>2,313</u>	<u>1,861,759</u>
Excess of revenues or (expenditures) (continued)	295,584	27,641	(92,928)	(235,319)	13,645	8,623

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, 2016
(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)						
Sale of capital assets	32,900	-	-	-	-	32,900
Transfers in (out)	<u>(213,275)</u>	<u>-</u>	<u>75,275</u>	<u>130,000</u>	<u>8,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(180,375)</u>	<u>-</u>	<u>75,275</u>	<u>130,000</u>	<u>8,000</u>	<u>32,900</u>
Net change in fund balances	115,209	27,641	(17,653)	(105,319)	21,645	41,523
Fund balances, beginning 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>
Fund balances, end of year	\$ <u>164,229</u>	\$ <u>11,971</u>	\$ <u>201,757</u>	\$ <u>74,894</u>	\$ <u>161,511</u>	\$ <u>614,362</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, 2016

Net change in fund balances - governmental funds	\$	41,523
<p>Amounts reported for governmental activities in the government-wide statement of activities are different because:</p>		
<p>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:</p>		
Expenditures for capital assets		245,817
Less: depreciation		(118,317)
Gain on disposal of capital assets		85,800
<p>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.</p>		
		(7,219)
<p>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:</p>		
Changes in accrued vacation		915
Principal payments on note payable		<u>44,745</u>
Change in net position - governmental activities	\$	<u>293,264</u>

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

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

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, 2016

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, 2016

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 assets that is applicable to a future reporting period. Deferred inflows of resources represent the current acquisition of net assets that is applicable to a future reporting period.
- J. Property tax calendar - Property taxes attach as an enforceable lien on property as of April 1st. Property taxes for fiscal year 2016 were payable in one installment due on October 29, 2015. 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 acquisition 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 - 15 years

- L. New accounting standards implemented - The Town has implemented GASB No. 72, *Fair Value Measurement and Application*, for the year ending June 30, 2016. The impact on these financial statements is to report investments at fair value and donated capital assets at acquisition value and present additional disclosures about fair value measurements, the level of fair value hierarchy, and valuation techniques.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

2. Cash

As of June 30, 2016, the carrying amount of all Town deposits was \$780,577.

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, 2016, the Town’s bank balance was \$788,289. Of this amount, \$648,113 was covered by the Federal Deposit Insurance Corporation (FDIC), \$76,053 was collateralized, and the remaining amount, \$64,123, 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, 2016 were as follows:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Tax anticipation notes	\$ -	\$ 233,002	\$ 233,002	\$ -

4. Long-term liabilities

Long-term - Long-term liabilities consisted of the following at June 30, 2016:

Community National Bank, fire station note payable, interest at 3.15%, principal and interest of \$69,023 due annually until October 2028	\$ 726,905
Net pension liability - VMERS	74,843
Accrued vacation	12,475
	\$ 814,223

Changes in long-term liabilities for the year ended June 30, 2016 were as follows:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Governmental activities:					
Fire station note	\$ 771,650	\$ -	\$ 44,745	\$ 726,905	\$ 46,109
Net pension liability - VMERS	9,443	65,400	-	74,843	-
Accrued vacation	13,390	-	915	12,475	-
	\$ 794,483	\$ 65,400	\$ 45,660	\$ 814,223	\$ 46,109

Annual maturities of long-term notes payable at June 30, 2016 were as follows:

Year ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 46,109	\$ 22,914
2018	47,562	21,461
2019	49,061	19,961
2020	50,607	18,415
2021	52,203	16,820
2022-2026	286,756	58,356
2027-2029	194,607	12,399
	\$ 726,905	\$ 170,326

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

5. Interfund balances

Interfund receivable and payable balances at June 30, 2016 were as follows:

		<u>Interfund Receivables</u>		<u>Interfund Payables</u>
General Fund	\$	-	\$	95,530
Highway Fund		154,179		-
Capital Budget Fund		16,331		-
Highway Equipment Reserve Fund		-		70,895
Other Governmental Funds		-		4,085
	\$	<u>170,510</u>	\$	<u>170,510</u>

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

6. Interfund transfers

Interfund transfers for the year ended June 30, 2016 were as follows:

		<u>Transfers In</u>		<u>Transfers Out</u>
General Fund	\$	-	\$	213,275
Capital Budget Fund		75,275		-
Highway Equipment Reserve Fund		130,000		-
Other Governmental Funds		8,000		-
	\$	<u>213,275</u>	\$	<u>213,275</u>

Transfers out of the General Fund to the Capital Budget Fund, Highway Equipment Reserve Fund and Other Governmental Funds were due to voter approved articles and budget appropriations which committed amounts for acquisition or construction of capital facilities and other capital assets.

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%, 4.875%, 9.875% (10.00% effective January 1, 2016), and 11.35% of gross wages for Groups A, B, C and D, respectively. The municipal employer contributes 4.0%, 5.5%, 7.125% (7.25% effective January 1, 2016), and 9.85% of gross wages for Groups A, B, C and D, respectively.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

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

Employees of the Town are covered under Group C. Town employees contributed \$19,064 to VMERS for the year ended June 30, 2016. The Town contributed \$13,790 to VMERS for the year ended June 30, 2016.

The State of Vermont has provided the following information to all employers participating in VMERS; net pension liability, each Town’s proportionate share of the net pension liability, expected rate of return on investments and discount rates. 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 the following internet address: 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, 2016, the Town reported a liability of \$74,843 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability as of July 1, 2014, to June 30, 2015. 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, 2015, the Town’s proportion was 0.09708%, which was a decrease of 0.00639% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Town recognized pension expense of \$21,009, related to VMERS. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to VMERS from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Net difference between expected and actual experience	\$ 2,366	\$ -
Changes in assumptions	14,905	-
Net difference between projected and actual earnings on pension plan investments	14,459	-
Changes in proportional share of contributions	2,951	1,906
Town contributions subsequent to the measurement date	<u>13,790</u>	<u>-</u>
	<u>\$ 48,471</u>	<u>\$ 1,906</u>

\$13,790 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 amortized and recognized in pension expense over a period of 5 years.

Actuarial assumptions – The total pension liability in the June 30, 2015 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, 2015 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, 2016

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, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Equity	8.61%
Fixed income	1.91%
Alternatives	6.93%
Multi-strategy	4.88%

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 7.95%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy.

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.95%, as well as what the Town’s proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%) than the current rate:

	<u>1 % Decrease (6.95%)</u>	<u>Current Discount Rate (7.95%)</u>	<u>1 % Increase (8.95%)</u>
Town’s proportionate share of the net pension liability	\$ 149,494	\$ 74,843	12,264

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. The required information for the two most recent fiscal years is as follows:

Schedule of Town’s Proportionate Share of the Net Pension Liability
(Data determined based on the measurement date for each fiscal year presented)

	<u>2016</u>	<u>2015</u>
Town’s proportion of the net pension liability	0.09708%	0.10347%
Town’s proportionate share of the net pension liability	\$ 74,843	\$ 9,443
Town’s covered-employee payroll	\$ 195,611	\$ 199,517
Town’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.26%	4.73%
Plan fiduciary net position as a percentage of the total pension liability	87.42%	98.32%

There were no benefit changes since June 30, 2014. The discount rate used to measure the net pension liability was lowered from 8.23% to 7.95% due to the adoption by the Board of Trustees of a 7.95% expected future rate of return on assets for funding purposes.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

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

Schedule of Town Contributions

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 13,790	\$ 13,570
Contributions in relation to the contractually required contribution	<u>(13,790)</u>	<u>(13,570)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Town’s covered employee payroll	<u>191,827</u>	<u>195,611</u>
Contributions as a percentage of covered employee payroll	7.189%	6.937%

8. Capital Assets

Changes in governmental activities capital assets consisted of the following:

	<u>Balance July 1, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2016</u>
Capital assets, not depreciated				
Land	\$ 305,346	\$ -	\$ 5,000	\$ 300,346
Capital assets, depreciated				
Buildings & improvements	1,227,344	-	10,000	1,217,344
Equipment, machinery and vehicles	<u>1,187,858</u>	<u>339,817</u>	<u>202,000</u>	<u>1,325,675</u>
	<u>2,415,202</u>	<u>339,817</u>	<u>212,000</u>	<u>2,543,019</u>
Capital assets, depleted				
Gravel pit	<u>142,000</u>	-	-	<u>142,000</u>
Less: accumulated depreciation and depletion				
Buildings & improvements	265,880	23,373	6,800	282,453
Equipment, machinery and vehicles	642,903	93,051	202,000	533,954
Gravel pit	<u>26,743</u>	<u>1,893</u>	-	<u>28,636</u>
	<u>935,526</u>	<u>118,317</u>	<u>208,800</u>	<u>845,043</u>
Total capital assets depreciated and depleted, net	<u>1,621,676</u>	<u>221,500</u>	<u>3,200</u>	<u>1,839,976</u>
Capital assets, net, governmental activities	\$ <u>1,927,022</u>	\$ <u>221,500</u>	\$ <u>8,200</u>	\$ <u>2,140,322</u>

Depreciation expense in the governmental activities totaling \$118,317 was allocated to the following functions: general government \$5,789, public safety \$30,396, highways and streets \$81,532 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, 2016, the Town collected and distributed \$3,605,252 in educational property taxes as instructed by the State of Vermont.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

11. Governmental fund equity

As of June 30, 2016, governmental fund balances consisted of the following:

	General <u>Fund</u>	Highway <u>Fund</u>	Capital Budget <u>Fund</u>	Hwy Equip Reserve <u>Fund</u>	Other Governmental <u>Funds</u>	Total <u>Funds</u>
Restricted for:						
Lake Eligo milfoil	\$ -	\$ -	\$ -	\$ -	\$ 22,130	\$ 22,130
Greensboro Grange	-	-	-	-	1,193	1,193
Energy committee	-	-	-	-	6,327	6,327
Our community park	-	-	-	-	2,720	2,720
Reappraisal	-	-	-	-	56,007	56,007
Restoration of records	-	-	-	-	43,115	43,115
Highway	-	11,971	-	-	-	11,971
Cemetery	-	-	-	-	40,879	40,879
	<u>-</u>	<u>11,971</u>	<u>-</u>	<u>-</u>	<u>172,371</u>	<u>184,342</u>
Committed for:						
Capital assets	-	-	201,757	-	-	201,757
Findlay Forest	-	-	-	-	309	309
Community projects	-	-	-	-	364	364
Highway capital assets	-	-	-	74,894	-	74,894
Conservation Comm.	-	-	-	-	14,312	14,312
	<u>-</u>	<u>-</u>	<u>201,757</u>	<u>74,894</u>	<u>14,985</u>	<u>291,636</u>
Assigned to:						
Fiscal year 2017	<u>13,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,550</u>
Unassigned	<u>150,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,845)</u>	<u>124,834</u>
	<u>\$ 164,229</u>	<u>\$ 11,971</u>	<u>\$ 201,757</u>	<u>\$ 74,894</u>	<u>\$ 161,511</u>	<u>\$ 614,362</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, 2018. The contract specifies payments for these services will be \$204,169 and \$214,377 for the fiscal years ending June 30, 2017 and 2018, 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 \$194,446 for the year ending June 30, 2016.

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, 2019. For the year ending June 30, 2016, the town paid Brian Perry & Sons \$118,417. For the fiscal years ending June 30, 2017, 2018, and 2019 the contract calls for payments of \$123,917, \$126,926 and \$130,013, respectively.

TOWN OF GREENSBORO, VERMONT
Notes to Financial Statements
June 30, 2016

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.

14. Subsequent events

On July 14, 2016, 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, 2016.

15. Deficit fund balances

The Town anticipates eliminating the June 30, 2016 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, 2016 fund deficit in the Caspian Milfoil Fund of \$293 through a budgeted transfer from the General Fund.

16. Excess expenditures over budget

For the year ending June 30, 2016, Highway Fund expenditures exceeded appropriations by \$80,205. This is primarily due to an increase in paving expenditures and was partially offset by an unbudgeted paving grant.

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2016

Schedule 1
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	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 871,378	\$ 871,378	\$ 942,753	\$ 71,375
Interest on delinquent taxes	8,500	8,500	2,311	(6,189)
Licenses and permits	8,600	8,600	8,139	(461)
Intergovernmental	117,350	117,350	126,086	8,736
Charges for services	17,051	17,051	17,087	36
Interest on investments	-	-	4,113	4,113
Miscellaneous	5,845	5,845	4,912	(933)
Total revenues	1,028,724	1,028,724	1,105,401	76,677
Expenditures				
Town Clerk's office				
Payroll	81,336	81,336	80,547	789
FICA/MEDI	6,222	6,222	6,307	(85)
Retirement	5,290	5,290	5,389	(99)
Health insurance	15,445	15,445	16,956	(1,511)
Health reimbursement account	5,000	5,000	1,348	3,652
Unemployment	500	500	500	-
Worker's compensation	300	300	577	(277)
Office training	400	400	455	(55)
Total Town Clerk's office	114,493	114,493	112,079	2,414
Select Board				
Stipend	5,000	5,000	5,000	-
Payroll	1,811	1,811	2,784	(973)
FICA/MEDI	139	139	519	(380)
Training	250	250	106	144
Miscellaneous	500	500	122	378
Total Select Board	7,700	7,700	8,531	(831)
General				
Technology / IT	2,000	2,000	1,583	417
Office supplies	5,500	5,500	4,937	563
Telephone	3,920	3,920	3,446	474
Postage	3,100	3,100	2,255	845
Interest	3,000	3,000	2,954	46
Miscellaneous	500	500	130	370
Copiers	3,000	3,000	2,512	488
Mileage reimbursement	900	900	465	435
NEMRC software support	1,000	1,000	1,291	(291)
NEMRC annual support	1,900	1,900	546	1,354
County tax	35,700	35,700	36,377	(677)
Dues - VT League of Cities & Towns	1,790	1,790	1,790	-
Notices	700	700	1,435	(735)
4th of July	4,000	4,000	3,460	540
Town Report	1,000	1,000	719	281

continued

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2016

Schedule 1
(Page 2 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Bank fees	100	100	57	43
911 signs	1,000	1,000	1,136	(136)
Election payroll	-	-	509	(509)
FICA/MEDI	-	-	39	(39)
Total general	<u>69,110</u>	<u>69,110</u>	<u>65,641</u>	<u>3,469</u>
Elections				
Town Meeting	275	275	190	85
Elections	<u>500</u>	<u>500</u>	<u>37</u>	<u>463</u>
Total elections	<u>775</u>	<u>775</u>	<u>227</u>	<u>548</u>
Planning and zoning				
Payroll	8,188	8,188	10,056	(1,868)
FICA/MEDI	626	626	732	(106)
Training	250	250	285	(35)
Postage	-	-	83	(83)
Mapping	500	500	500	-
Mileage	-	-	39	(39)
Notices	1,000	1,000	617	383
Members	<u>3,000</u>	<u>3,000</u>	<u>1,575</u>	<u>1,425</u>
Total planning and zoning	<u>13,564</u>	<u>13,564</u>	<u>13,887</u>	<u>(323)</u>
Listers				
Assistant Assessor	500	500	1,084	(584)
Assistant Assessor - FICA	39	39	83	(44)
Training	-	-	125	(125)
Assessor	<u>8,000</u>	<u>8,000</u>	<u>18,250</u>	<u>(10,250)</u>
Total listers	<u>8,539</u>	<u>8,539</u>	<u>19,542</u>	<u>(11,003)</u>
Delinquent Tax Collector				
FICA/MEDI	<u>1,071</u>	<u>1,071</u>	<u>652</u>	<u>419</u>
Elected auditors				
Payroll	600	600	509	91
FICA/MEDI	<u>46</u>	<u>46</u>	<u>10</u>	<u>36</u>
Total elected auditors	<u>646</u>	<u>646</u>	<u>519</u>	<u>127</u>
Dog Warden				
Stipend	<u>601</u>	<u>601</u>	<u>600</u>	<u>1</u>
Town Hall and properties				
Custodian	3,250	3,250	2,900	350
Assistant custodian	1,089	1,089	1,021	68
FICA/MEDI	83	83	78	5
Repairs and maintenance	13,900	13,900	5,838	8,062
Office supplies	1,000	1,000	378	622
Heating fuel	9,000	9,000	3,399	5,601
Contracted services	<u>1,100</u>	<u>1,100</u>	<u>1,924</u>	<u>(824)</u>
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2016

Schedule 1
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	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Electric - Town Hall	4,200	4,200	3,692	508
Electric - playground	400	400	378	22
Street lights	5,000	5,000	4,821	179
Village Green	200	200	75	125
Electric - Grange	200	200	187	13
Electric - old fire station	200	200	171	29
Water bill	800	800	800	-
Generator	1,000	1,000	575	425
Grounds	6,000	6,000	3,262	2,738
Insurance - Town Hall	11,000	11,000	11,016	(16)
Insurance - Historical Society	1,850	1,850	1,382	468
Insurance - library	6,000	6,000	4,222	1,778
Insurance - Greensboro Grange	450	450	114	336
Insurance - old fire station	450	450	-	450
Rubbish removal	600	600	711	(111)
Trash - Village Green	150	150	10	140
Trash - ballfield	75	75	5	70
Trash - Greensboro Bend park	50	50	10	40
Trash - Willey Beach park	50	50	-	50
Total Town Hall and properties	<u>68,097</u>	<u>68,097</u>	<u>46,969</u>	<u>21,128</u>
Recreation				
General	400	400	397	3
Facilities	600	600	600	-
Total recreation	<u>1,000</u>	<u>1,000</u>	<u>997</u>	<u>3</u>
Police				
Insurance - Constables	600	600	468	132
Police services	194,446	194,446	194,446	-
Dispatch	12,929	12,929	12,882	47
Total police	<u>207,975</u>	<u>207,975</u>	<u>207,796</u>	<u>179</u>
Services				
Driveway plowing	115,417	115,417	118,417	(3,000)
Plowing Lake Road	3,500	3,500	3,500	-
Total services	<u>118,917</u>	<u>118,917</u>	<u>121,917</u>	<u>(3,000)</u>
Professional fees				
Audit	8,450	8,450	8,450	-
Legal	5,000	5,000	8,053	(3,053)
Mapping	500	500	500	-
Total professional fees	<u>13,950</u>	<u>13,950</u>	<u>17,003</u>	<u>(3,053)</u>
Fire department				
Payroll	8,000	8,000	8,558	(558)
FICA/MEDI	612	612	574	38
Workers' compensation	1,800	1,800	2,397	(597)
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2016

Schedule 1
(Page 4 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Dues/education	500	500	737	(237)
Federal mandates	600	600	-	600
Office supplies	500	500	2,560	(2,060)
IT and software	1,380	1,380	2,013	(633)
Telephone	2,300	2,300	2,051	249
Firehouse - maintenance	1,000	1,000	1,044	(44)
Firehouse - garbage	100	100	-	100
Heating fuel	2,000	2,000	2,431	(431)
Electricity	1,000	1,000	1,042	(42)
Property and casualty insurance	7,000	7,000	5,819	1,181
Dispatch	12,929	12,929	12,927	2
Equipment fuel	800	800	597	203
Equipment repairs	1,020	1,020	7,924	(6,904)
New equipment	2,000	2,000	2,402	(402)
Radio replacement/repairs	800	800	639	161
Custodial supplies	100	100	-	100
Truck repair	4,500	4,500	5,378	(878)
Total fire department	<u>48,941</u>	<u>48,941</u>	<u>59,093</u>	<u>(10,152)</u>
Cemetery				
FICA/MEDI	-	-	3,600	(3,600)
Cemetery maintenance	-	-	6,900	(6,900)
Cemetery projects	-	-	2,775	(2,775)
Flags/miscellaneous	-	-	250	(250)
Total cemetery	<u>-</u>	<u>-</u>	<u>13,525</u>	<u>(13,525)</u>
Caspian milfoil				
Payroll	6,000	6,000	9,706	(3,706)
FICA	766	766	2,928	(2,162)
Workers compensation	200	200	389	(189)
Electric	100	100	25	75
Water bill	400	400	400	-
Miscellaneous	60	60	107	(47)
Total Caspian milfoil	<u>7,526</u>	<u>7,526</u>	<u>13,555</u>	<u>(6,029)</u>
Eligo milfoil	<u>-</u>	<u>-</u>	<u>100</u>	<u>(100)</u>
Solid waste				
Payroll	2,477	2,477	1,590	887
FICA/MEDI	189	189	122	67
Unemployment	150	150	63	87
Workers' compensation	100	100	256	(156)
Recycling supplies	200	200	207	(7)
Recycling trailer garbage	500	500	1,028	(528)
Total solid waste	<u>3,616</u>	<u>3,616</u>	<u>3,266</u>	<u>350</u>
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2016

Schedule 1
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	Original Budget	Original Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
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	-
Greensboro Nursing Home	18,704	18,704	18,704	-
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	572	572	572	-
Orleans County Historical Society	425	425	425	-
Orleans County Citizens Advocacy	800	800	800	-
Orleans County Court Diversion	100	100	100	-
Red Cross	250	250	250	-
Rescue squad	6,467	6,467	6,467	-
Rural Community Transportation	900	900	900	-
Vermont Center for Independent Living	210	210	210	-
Beach	2,450	2,450	2,450	-
Cemetery	15,250	15,250	-	15,250
Greensboro Free Library	25,000	25,000	25,000	-
Greensboro Grange	10,000	10,000	10,300	(300)
Greensboro Historical Society	1,500	1,500	1,500	-
Willey Beach Park	3,000	3,000	2,940	60
W & W seniors program	3,500	3,500	3,500	-
Total appropriations	118,928	118,928	103,918	15,010
Total expenditures	805,449	805,449	809,817	(4,368)
Excess of revenues or (expenditures)	223,275	223,275	295,584	72,309
Other financing sources (uses)				
Sale of capital assets	-	-	32,900	32,900
Transfers in (out)	(223,275)	(223,275)	(213,275)	10,000
Total other financing sources (uses)	(223,275)	(223,275)	(180,375)	42,900
Net change in fund balances	\$ -	\$ -	\$ 115,209	\$ 115,209

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - Highway Fund
For the Year Ended June 30, 2016

Schedule 2
(Page 1 of 2)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 523,790	\$ 523,790	\$ 523,753	\$ (37)
Intergovernmental	116,782	116,782	216,718	99,936
Miscellaneous	-	-	7,947	7,947
Total revenues	<u>640,572</u>	<u>640,572</u>	<u>748,418</u>	<u>107,846</u>
Expenditures				
Highway materials				
Gravel pit - taxes	4,500	4,500	4,281	219
Chloride	24,000	24,000	33,681	(9,681)
Sand	25,000	25,000	19,893	5,107
Salt	48,000	48,000	40,542	7,458
Gravel	36,000	36,000	62,943	(26,943)
Culverts	3,500	3,500	5,153	(1,653)
Signs	750	750	2,718	(1,968)
Road projects	1,000	1,000	5,830	(4,830)
Total highway materials	<u>142,750</u>	<u>142,750</u>	<u>175,041</u>	<u>(32,291)</u>
Highway contract services				
Mowing/brush	11,000	11,000	-	11,000
Road projects	6,500	6,500	6,900	(400)
Guard rails	9,000	9,000	-	9,000
Sidewalks	10,000	10,000	8,650	1,350
Total highway contracted services	<u>36,500</u>	<u>36,500</u>	<u>15,550</u>	<u>20,950</u>
Equipment operation and maintenance				
Small equipment	1,500	1,500	2,471	(971)
Equipment repairs/maintenance	40,000	40,000	50,402	(10,402)
Fuel/diesel	59,000	59,000	27,466	31,534
Fuel/gas	3,000	3,000	2,250	750
Equipment rental	1,100	1,100	2,833	(1,733)
Total equipment operation and maint.	<u>104,600</u>	<u>104,600</u>	<u>85,422</u>	<u>19,178</u>
Payroll and benefits				
Payroll	143,515	143,515	131,977	11,538
FICA/MEDI	10,979	10,979	9,976	1,003
Retirement	10,046	10,046	8,431	1,615
Health insurance	38,775	38,775	42,188	(3,413)
Health reimbursement account	12,500	12,500	3,759	8,741
Unemployment	5,000	5,000	7,827	(2,827)
Workers' comp insurance	12,000	12,000	16,637	(4,637)
Training	250	250	425	(175)
Uniforms	2,157	2,157	2,580	(423)
Total payroll and benefits	<u>235,222</u>	<u>235,222</u>	<u>223,800</u>	<u>11,422</u>
<i>continued</i>				

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues and Expenditures
Budget and Actual - Highway Fund
For the Year Ended June 30, 2016

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	600	600	742	(142)
Supplies	300	300	790	(490)
Telephone	500	500	513	(13)
Heating fuel	4,500	4,500	1,425	3,075
Electricity	2,700	2,700	1,985	715
Water	400	400	400	-
Property and casualty insurance	11,000	11,000	10,033	967
Garbage	600	600	600	-
Mileage	100	100	36	64
Notices	500	500	720	(220)
Miscellaneous	300	300	16	284
Total garage	<u>21,500</u>	<u>21,500</u>	<u>17,260</u>	<u>4,240</u>
Highway projects				
Paving projects	<u>100,000</u>	<u>100,000</u>	<u>203,704</u>	<u>(103,704)</u>
Total expenditures	<u>640,572</u>	<u>640,572</u>	<u>720,777</u>	<u>(80,205)</u>
Net change in fund balances	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>27,641</u></u>	\$ <u><u>27,641</u></u>

TOWN OF GREENSBORO, VERMONT
Balance Sheet - Other Governmental Funds
June 30, 2016

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 and cash equivalents	\$ -	\$ -	\$ -	\$ 14,412	\$ -	\$ 40,879	\$ 44,222
Grants receivable	-	5,846	-	-	-	-	-
Due from other funds	309	-	364	-	-	-	11,785
Total assets	\$ 309	\$ 5,846	\$ 364	\$ 14,412	\$ -	\$ 40,879	\$ 56,007
Liabilities and fund balance							
Liabilities:							
Due to other funds	\$ -	\$ 4,653	\$ -	\$ 100	\$ 25,552	\$ -	\$ -
Fund balance:							
Restricted	-	1,193	-	-	-	40,879	56,007
Committed	309	-	364	14,312	-	-	-
Unassigned	-	-	-	-	(25,552)	-	-
Total fund balance	309	1,193	364	14,312	(25,552)	40,879	56,007
Total liabilities and fund balance	\$ 309	\$ 5,846	\$ 364	\$ 14,412	\$ -	\$ 40,879	\$ 56,007

TOWN OF GREENSBORO, VERMONT
Balance Sheet - Other Governmental Funds
June 30, 2016

Schedule 3
 (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
Assets							
Cash and cash equivalents	\$ -	\$ 28,827	\$ 2,328	\$ 6,327	\$ 22,755	\$ -	\$ 159,750
Grants receivable	-	-	-	-	-	-	5,846
Due from other funds	-	14,288	-	-	-	2,720	29,466
Total assets	\$ -	\$ 43,115	\$ 2,328	\$ 6,327	\$ 22,755	\$ 2,720	\$ 195,062
Liabilities and fund balance							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ 2,621	\$ -	\$ 625	\$ -	\$ 33,551
Fund balance:							
Restricted	-	43,115	-	6,327	22,130	2,720	172,371
Committed	-	-	-	-	-	-	14,985
Unassigned	-	-	(293)	-	-	-	(25,845)
Total fund balance	-	43,115	(293)	6,327	22,130	2,720	161,511
Total liabilities and fund balance	\$ -	\$ 43,115	\$ 2,328	\$ 6,327	\$ 22,755	\$ 2,720	\$ 195,062

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Other Governmental Funds
For the Year Ended June 30, 2016

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,769
Charges for services	-	-	-	-	-	-	-
Interest on investments	-	-	-	8	-	-	16
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>8,785</u>
Expenditures							
General government	-	-	-	2,050	-	-	-
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues or (expenditures)	-	-	-	(2,042)	-	-	8,785
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	-	-	-	(42)	-	-	14,785
Fund balances, beginning 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>
Fund balances, end of year	\$ <u>309</u>	\$ <u>1,193</u>	\$ <u>364</u>	\$ <u>14,312</u>	\$ <u>(25,552)</u>	\$ <u>40,879</u>	\$ <u>56,007</u>

TOWN OF GREENSBORO, VERMONT
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Other Governmental Funds
For the Year Ended June 30, 2016

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,769
Charges for services	-	4,578	-	-	-	-	4,578
Interest on investments	-	29	2	3	11	-	69
Miscellaneous	-	-	-	-	2,542	-	2,542
Total revenues	<u>-</u>	<u>4,607</u>	<u>2</u>	<u>3</u>	<u>2,553</u>	<u>-</u>	<u>15,958</u>
Expenditures							
General government	-	138	-	-	125	-	2,313
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>2,313</u>
Excess of revenues or (expenditures)	-	4,469	2	3	2,428	-	13,645
Other financing sources (uses)							
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Net change in fund balances	-	4,469	2	3	2,428	-	21,645
Fund balances, beginning 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>
Fund balances, end of year	\$ <u>-</u>	\$ <u>43,115</u>	\$ <u>(293)</u>	\$ <u>6,327</u>	\$ <u>22,130</u>	<u>2,720</u>	\$ <u>161,511</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, 2016, 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 11, 2017.

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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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: 2016-001 to 2016-002.

Compliance and Other Matters

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

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 11, 2017

TOWN OF GREENSBORO, VERMONT
Schedule of Findings
For the Year Ended June 30, 2016

2016-001 Accounts payable

Condition: Prior to the proposed audit adjustments, the Town did not identify and record expenditures that were incurred during the fiscal year ending June 30, 2016, but paid in the subsequent year.

Criteria: Generally accepted accounting principles require that expenditures be recognized in the accounting period in which the liability is incurred.

Cause: Town personnel did not have enough time to devote attention to this matter.

Effect: Without correction, the Town's financial statements would not have reported the proper amount of expenditures for the year ending June 30, 2016.

Recommendation: We recommend that the Town work with NEMRC to develop a procedure to identify and properly report expenditures incurred in a fiscal year but are paid in a subsequent year.

Management's response: We will follow the recommendation suggested, and work with NEMRC on identifying and properly reporting expenditures incurred in one fiscal year, but paid in another. The outgoing Treasurer will work with the incoming Treasurer to make sure they are aware of this recommendation. As the incoming Treasurer will not also be the Town Clerk, we feel certain this will help streamline the workflow.

2016-002 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: Without correction, capital assets 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: We will encourage the Select Board to establish a capital asset policy, and establish a dollar threshold, which can be used to identify those assets, which the Town deems necessary to capitalize. The Treasurer will seek guidance on establishing current and accumulated depreciation for each asset, as well as work with NEMRC in using their fixed asset module. The outgoing Treasurer will work with the incoming Treasurer to make sure they are aware of this issue and coordinate establishing utilization of the fixed asset module.