

**TOWN OF GREENSBORO, VERMONT**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2014

**TOWN OF GREENSBORO, VERMONT**

**JUNE 30, 2014**

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**INDEPENDENT AUDITOR'S REPORT**

The Select Board  
Town of Greensboro, Vermont

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, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**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, Vermont, as of June 30, 2014, 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 18 – 22 and 23 – 24 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, Vermont

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, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 21, 2015, on our consideration of the Town of Greensboro, Vermont'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, Vermont's internal control over financial reporting and compliance.

*Pace & Hawley, LLC*

Montpelier, Vermont  
January 21, 2015

**TOWN OF GREENSBORO, VERMONT**  
**Statement of Net Position**  
**June 30, 2014**

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash	\$ 689,147
Accounts receivable	24,921
Prepaid expense	3,998
Total current assets	718,066
Noncurrent assets:	
Capital assets	2,681,379
(Accumulated depreciation)	(989,706)
Total noncurrent assets	1,691,673
Total assets	2,409,739
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	15,686
Payroll liabilities	1,582
Note payable, current portion	43,350
Total current liabilities	60,618
Noncurrent liabilities:	
Accrued vacation	11,035
Note payable, less current portion	771,650
Total noncurrent liabilities	782,685
Total liabilities	843,303
<b>Deferred inflows of resources</b>	
Prepaid property taxes	8,150
<b>Net position</b>	
Net investment in capital assets	876,673
Restricted	108,959
Unrestricted	572,654
Total net position	\$ 1,558,286

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

**TOWN OF GREENSBORO, VERMONT**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities</b>				
General government	\$ 466,424	\$ 21,667	\$ 103,126	\$ (341,631)
Highway	889,967	-	220,041	(669,926)
Public safety	257,904	7,332	7,288	(243,284)
Public works	2,498	512	-	(1,986)
Interest expense	763	-	-	(763)
Total governmental activities	\$ <u>1,617,556</u>	\$ <u>29,511</u>	\$ <u>330,455</u>	<u>(1,257,590)</u>
<b>General revenues</b>				
				1,370,984
				11,492
				46,078
				<u>1,428,554</u>
				170,964
				<u>1,387,322</u>
				\$ <u>1,558,286</u>

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

**TOWN OF GREENSBORO, VERMONT**  
**Balance Sheet - Governmental Funds**  
**June 30, 2014**

	General Fund	Highway Fund	Capital Budget Fund	Fire Station Fund	Highway Equipment Reserve Fund	Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash	\$ 59,699	\$ -	\$ 350,151	\$ -	\$ 180,202	\$ -	\$ 99,095	\$ 689,147
Accounts receivable	24,921	-	-	-	-	-	-	24,921
Prepaid expenditures	3,998	-	-	-	-	-	-	3,998
Due from other funds	<u>56,759</u>	<u>-</u>	<u>16,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,636</u>	<u>99,726</u>
Total assets	<u>\$ 145,377</u>	<u>\$ -</u>	<u>\$ 366,482</u>	<u>\$ -</u>	<u>\$ 180,202</u>	<u>\$ -</u>	<u>\$ 125,731</u>	<u>\$ 817,792</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>								
Liabilities:								
Accounts payable	\$ 9,140	\$ 6,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,686
Payroll liabilities	1,582	-	-	-	-	-	-	1,582
Due to other funds	<u>-</u>	<u>75,549</u>	<u>-</u>	<u>24,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,726</u>
Total liabilities	<u>10,722</u>	<u>82,095</u>	<u>-</u>	<u>24,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,994</u>
Deferred inflows of resources:								
Prepaid property taxes	<u>8,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,150</u>
Fund balance:								
Nonspendable	3,998	-	-	-	-	-	-	3,998
Restricted	-	-	-	-	-	-	108,959	108,959
Committed	-	-	366,482	-	180,202	-	17,067	563,751
Assigned	37,137	-	-	-	-	-	-	37,137
Unassigned	<u>85,370</u>	<u>(82,095)</u>	<u>-</u>	<u>(24,177)</u>	<u>-</u>	<u>-</u>	<u>(295)</u>	<u>(21,197)</u>
Total fund balance	<u>126,505</u>	<u>(82,095)</u>	<u>366,482</u>	<u>(24,177)</u>	<u>180,202</u>	<u>-</u>	<u>125,731</u>	<u>692,648</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 145,377</u>	<u>\$ -</u>	<u>\$ 366,482</u>	<u>\$ -</u>	<u>\$ 180,202</u>	<u>\$ -</u>	<u>\$ 125,731</u>	<u>\$ 817,792</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, 2014**

Total fund balances - governmental funds	\$ 692,648
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Amounts reported for governmental activities in the government-wide statement of net position are different because:

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

Capital assets	2,681,379
Accumulated depreciation	(989,706)

Liabilities not due and payable in the year are not reported in the governmental funds:

Accrued vacation	(11,035)
Note payable	<u>(815,000)</u>

Net position - governmental activities	\$ <u>1,558,286</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, 2014**

(Page 1 of 2)

	General Fund	Highway Fund	Capital Budget Fund	Fire Station Fund	Highway Equipment Reserve Fund	Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Property taxes	\$ 960,864	\$ 403,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,364,381
Interest on delinquent taxes	6,603	-	-	-	-	-	-	6,603
Licenses and permits	4,948	-	-	-	-	-	-	4,948
Intergovernmental	100,026	220,041	-	-	-	-	10,387	330,454
Charges for services	21,882	-	-	-	-	-	-	21,882
Fines	2,681	-	-	-	-	-	-	2,681
Interest on investments	10,709	-	428	-	279	-	76	11,492
Miscellaneous	33,758	6,086	-	-	546	-	5,688	46,078
Total revenues	<u>1,141,471</u>	<u>629,644</u>	<u>428</u>	<u>-</u>	<u>825</u>	<u>-</u>	<u>16,151</u>	<u>1,788,519</u>
<b>Expenditures</b>								
General government	324,674	-	-	-	-	-	6,151	330,825
Highways, streets and bridges	110,500	731,194	-	-	-	-	-	841,694
Public safety	240,920	-	-	-	-	-	-	240,920
Public works	2,498	-	-	-	-	-	-	2,498
Culture and recreation	-	-	-	-	-	-	2,400	2,400
Appropriations	94,329	-	-	-	-	-	-	94,329
Capital outlay	-	-	-	839,177	-	-	-	839,177
Grants and miscellaneous	-	-	-	-	-	-	31,615	31,615
Debt service - principal	-	-	19,548	-	-	-	-	19,548
Debt service - interest	-	-	763	-	-	-	-	763
Total expenditures	<u>772,921</u>	<u>731,194</u>	<u>20,311</u>	<u>839,177</u>	<u>-</u>	<u>-</u>	<u>40,166</u>	<u>2,403,769</u>
Excess of revenues or (expenditures) (continued)	368,550	(101,550)	(19,883)	(839,177)	825	-	(24,015)	(615,250)

*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, 2014**  
(Page 2 of 2)

	General Fund	Highway Fund	Capital Budget Fund	Fire Station Fund	Highway Equipment Reserve Fund	Reserve Fund	Other Governmental Funds	Total Governmental Funds
<i>(continued)</i>								
<b>Other financing sources (uses)</b>								
Loan proceeds	-	-	-	815,000	-	-	-	815,000
Transfers in (out)	<u>(411,169)</u>	<u>19,455</u>	<u>386,365</u>	<u>-</u>	<u>179,377</u>	<u>(323,774)</u>	<u>149,746</u>	<u>-</u>
Total other financing sources (uses)	<u>(411,169)</u>	<u>19,455</u>	<u>386,365</u>	<u>815,000</u>	<u>179,377</u>	<u>(323,774)</u>	<u>149,746</u>	<u>815,000</u>
Net change in fund balances	(42,619)	(82,095)	366,482	(24,177)	180,202	(323,774)	125,731	199,750
Fund balances, July 1, 2013	<u>169,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,774</u>	<u>-</u>	<u>492,898</u>
Fund balances, June 30, 2014	<u>\$ 126,505</u>	<u>\$ (82,095)</u>	<u>\$ 366,482</u>	<u>\$ (24,177)</u>	<u>\$ 180,202</u>	<u>\$ -</u>	<u>\$ 125,731</u>	<u>\$ 692,648</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, 2014**

Net change in fund balances - governmental funds \$ 199,750

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	839,177
Less: depreciation	(71,646)

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	(865)
Principal payments on note payable	19,548
Issuance of long-term debt	<u>(815,000)</u>

Change in net position - governmental activities \$ 170,964

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

**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**1. Summary of significant accounting policies**

The Town of Greensboro, Vermont (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.

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.

Fire Station Fund – This capital project fund is used to track revenues and expenditures related to the construction of the Town's new fire station.

**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**1. Summary of significant accounting policies (continued)**

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.

Reserve Fund – This capital project fund was previously used for all Town reserve funds. During the year ended June 30, 2014, the Town eliminated this fund and transferred all its assets to the Capital Budget Fund and the Highway Equipment Reserve Fund.

- 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.

**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**1. Summary of significant accounting policies (continued)**

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.

- 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 transactions are in the form of receipts of revenues, payments of expenses, and operating transfers to and from other funds. These accounts are expected to be eliminated in the normal course of operations.
- I. Property tax calendar - Property taxes attach as an enforceable lien on property as of April 1<sup>st</sup>. Property taxes for fiscal year 2014 were payable in one installment due on October 17, 2013. Taxes not paid by the installment due date were declared delinquent and turned over to the Delinquent Tax Collector.
- J. Capital Assets- Capital assets, which include property, plant, equipment, and infrastructure are reported in the government-wide statement. 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	5 - 12 years
Infrastructure	25 - 50 years

**2. Cash**

As of June 30, 2014, the carrying amount of all Town deposits was \$689,147.

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, 2014, the Town’s bank balance was \$803,257. Of this amount, \$633,367 was covered by the Federal Deposit Insurance Cooperation (FDIC), the remaining amount, \$169,890, was uninsured and uncollateralized.

**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**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, 2014 were as follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Tax anticipation notes	\$ <u>365,199</u>	\$ <u>-</u>	\$ <u>365,199</u>	\$ <u>-</u>

**4. Long-term liabilities**

Long-term - Long-term liabilities consisted of the following at June 30, 2014:

Community National Bank, fire station note payable, interest at 3.15%, principal and interest of \$69,023 due annually until October 2028	\$ 815,000
Accrued vacation	<u>11,035</u>
	<u>\$ 826,035</u>

Changes in long-term liabilities for the year ended June 30, 2014 were as follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Fire station note	\$ -	\$ 815,000	\$ -	\$ 815,000	\$ 43,350
Gravel pit note	19,548	-	19,548	-	-
Accrued vacation	<u>10,170</u>	<u>865</u>	<u>-</u>	<u>11,035</u>	<u>-</u>
	<u>\$ 29,718</u>	<u>\$ 815,865</u>	<u>\$ 19,548</u>	<u>\$ 826,035</u>	<u>\$ 43,350</u>

Annual maturities of long-term debt at June 30, 2014 were as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30,		
2015	\$ 43,350	\$ 25,673
2016	44,716	24,307
2017	46,124	22,898
2018	47,577	21,445
2019	49,075	19,947
2020-2024	269,564	75,549
2025-2029	<u>314,594</u>	<u>30,332</u>
	<u>\$ 815,000</u>	<u>\$ 220,151</u>

**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**5. Interfund balances**

Interfund receivable and payable balances at June 30, 2014 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 56,759	\$ -
Highway Fund	-	75,549
Capital Budget Fund	16,331	-
Fire Station Fund	-	24,177
Other Governmental Funds	<u>26,636</u>	<u>-</u>
	<u>\$ 99,726</u>	<u>\$ 99,726</u>

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

**6. Interfund transfers**

Interfund transfers for the year ended June 30, 2014 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 411,169
Capital Budget Fund	386,365	-
Highway Fund	19,455	-
Highway Equipment Reserve Fund	179,377	-
Reserve Fund	-	323,774
Other Governmental Funds	<u>149,746</u>	<u>-</u>
	<u>\$ 734,943</u>	<u>\$ 734,943</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. Transfers out of the Reserve Fund to the Highway Equipment Reserve Fund and the Other Governmental Funds were due to the Town's decision to split the Reserve Fund into more specific fund designations.

**7. Retirement plan**

Vermont Municipal Employees Retirement System: The Town contributes to the Vermont Municipal Retirement System (VMERS) a cost-sharing multiple-employer public employee retirement system with defined benefit and defined contributions plans, administered by the State of Vermont. VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The State statutory provisions, found in Title 24, V.S.A., Chapter 125, govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the operation of VMERS is vested in the Board of Trustees. VMERS issues annual financial information which is available at the VMERS' office, 133 State Street, Montpelier, Vermont 05602.

Employees meeting certain eligibility requirements are covered under the VMERS defined benefit plan. Town employees participating in this plan (Group C) are required to contribute 9.50% of gross wages and the Town contributes 6.75% of the employees' gross wages to the plan. These contribution rates went into effect on January 1, 2014. Prior to January 1, 2014, employees were required to contribute 9.375% of gross wages and the Town contributed 6.625% of employees' gross wages to the plan. Total payroll for the year ending June 30, 2014 was \$261,633, while covered payroll was \$199,517. The Town's contributions to VMERS for the years ended June 30, 2014, 2013, and 2012 were \$13,347, \$10,799, and \$10,745, respectively.



**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**8. Capital Assets**

Changes in governmental activities capital assets consisted of the following:

	Balance July 1, <u>2013</u>	<u>Increase</u>	<u>Decrease</u>	Balance June 30, <u>2014</u>
Capital assets, not depreciated				
Land	\$ 305,346	\$ -	\$ -	\$ 305,346
Capital assets, depreciated				
Buildings & improvements	388,167	839,177	-	1,227,344
Equipment, machinery and vehicles	<u>1,006,689</u>	<u>-</u>	<u>-</u>	<u>1,006,689</u>
	<u>1,394,856</u>	<u>839,177</u>	<u>-</u>	<u>2,234,033</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	219,134	23,373	-	242,507
Equipment, machinery and vehicles	675,259	47,090	-	722,349
Gravel pit	<u>23,667</u>	<u>1,183</u>	<u>-</u>	<u>24,850</u>
	<u>918,060</u>	<u>71,646</u>	<u>-</u>	<u>989,706</u>
Total capital assets depreciated and depleted, net	<u>618,796</u>	<u>767,531</u>	<u>-</u>	<u>1,386,327</u>
Capital assets, net, governmental activities	\$ <u>924,142</u>	\$ <u>767,531</u>	\$ <u>-</u>	\$ <u>1,691,673</u>

Depreciation expense in the governmental activities totaling \$71,646 was allocated to the following functions: general government \$5,789, public safety \$16,984, highways and streets \$48,273 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, 2014, the Town collected and distributed \$3,235,552 in educational property taxes as instructed by the State of Vermont.

**TOWN OF GREENSBORO, VERMONT**  
**Notes to Financial Statements**  
**June 30, 2014**

**11. Governmental fund equity**

As of June 30, 2014 governmental fund balances consisted of the following:

	General Fund	Highway Fund	Capital Budget Fund	Fire Station Fund	Hwy Equip Reserve Fund	Other Governmental Funds	Total Funds
Nonspendable for:							
Prepaid expenditures	\$ 3,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,998
Restricted for:							
Lake Eligo milfoil	\$ -	-	-	-	-	19,569	\$ 19,569
Greensboro grange	-	-	-	-	-	515	515
Energy committee	-	-	-	-	-	6,320	6,320
Our community park	-	-	-	-	-	2,941	2,941
Reappraisal	-	-	-	-	-	44,900	44,900
Restoration	-	-	-	-	-	34,714	34,714
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,959</u>	<u>108,959</u>
Committed for:							
Capital assets	-	-	366,482	-	-	-	366,482
Findlay forest	-	-	-	-	-	309	309
Community projects	-	-	-	-	-	364	364
Highway capital assets	-	-	-	-	180,202	-	180,202
Recreation	-	-	-	-	-	3,997	3,997
Conservation commission	-	-	-	-	-	12,397	12,397
	<u>-</u>	<u>-</u>	<u>366,482</u>	<u>-</u>	<u>180,202</u>	<u>17,067</u>	<u>563,751</u>
Assigned to:							
Fiscal Year 2015	37,137	-	-	-	-	-	37,137
Unassigned	85,370	(82,095)	-	(24,177)	-	(295)	(21,197)
	<u>\$ 126,505</u>	<u>\$ (82,095)</u>	<u>\$ 366,482</u>	<u>\$ (24,177)</u>	<u>\$ 180,202</u>	<u>\$ 125,731</u>	<u>\$ 692,648</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, 2014, with an option to extend the contract for one additional year. 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. The additional one year option provides for payments not to exceed \$188,370 for the year ending June 30, 2015. In compensation for providing police services, the Town has paid the Town of Hardwick \$178,000 for the year ending June 30, 2014.

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, 2014, the town paid Brian Perry & Sons \$107,000, as per the contract. For the fiscal years ending June 30, 2015 and June 30, 2016, the contract calls for payments of \$110,000 and \$112,500, respectively. In addition to these amounts, the contract also includes \$3,500 annually for plowing of Overlook Road.

**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, 2014**

**13. Contingencies (*continued*)**

Legal matters - The Town is involved in litigation which has arisen through the normal course of operations. Based upon currently known facts and damages claimed, management does not expect any potential liabilities to the Town to be material to the financial statements.

**14. Prior period adjustment**

The Town has restated the beginning balance of the previously reported governmental activities net position from \$463,180 to \$1,387,322 in order to report the Town's capital assets, which had previously not been reported by the Town.

**15. Subsequent events**

On July 10, 2014, the Town obtained a tax anticipation note in the amount of \$202,635, 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, 2014.

**16. Deficit fund balances**

The Town anticipates eliminating the June 30, 2014 fund deficit in the Highway Fund of \$82,095 through receipt of future revenues. The Town anticipates eliminating the June 30, 2014 fund deficit in the Fire Station Fund of \$24,177 through a budgeted transfer from the General Fund. The Town anticipates eliminating the June 30, 2014 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, 2014, General Fund expenditures exceeded appropriations by \$36,111. This is primarily due to an increase in miscellaneous expenditures and an increase in driveway plowing. For the year ending June 30, 2014, Highway Fund expenditures exceeded appropriations by \$97,935. This is primarily due to an increase in expenditures for paving projects.

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

Schedule 1  
(Page 1 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 837,885	\$ 837,885	\$ 960,864	\$ 122,979
Interest on delinquent taxes	-	-	6,603	6,603
Licenses and permits	3,400	3,400	3,939	539
Intergovernmental	95,087	95,087	100,026	4,939
Charges for services	5,200	5,200	21,882	16,682
Fines	2,500	2,500	3,690	1,190
Interest on investments	2,600	2,600	10,709	8,109
Miscellaneous	-	-	33,757	33,757
Total revenues	<u>946,672</u>	<u>946,672</u>	<u>1,141,470</u>	<u>194,798</u>
<b>Expenditures</b>				
Town Clerk's office				
Payroll	75,965	75,965	79,773	(3,808)
FICA/MEDI	5,812	5,812	6,314	(502)
Retirement	4,656	4,656	4,768	(112)
Health Insurance	11,758	11,758	12,135	(377)
Health reimbursement account	5,000	5,000	4,549	451
Unemployment	200	200	100	100
Worker's compensation	808	808	837	(29)
Office training	500	500	520	(20)
Total town clerk's office	<u>104,699</u>	<u>104,699</u>	<u>108,996</u>	<u>(4,297)</u>
Select Board				
Stipend	5,000	5,000	5,000	-
Payroll	2,100	2,100	1,470	630
FICA/MEDI	161	161	112	49
Training	500	500	35	465
Total Select Board	<u>7,761</u>	<u>7,761</u>	<u>6,617</u>	<u>1,144</u>
General				
Technology / IT	6,300	6,300	6,938	(638)
Office supplies	5,900	5,900	3,838	2,062
Telephone	3,200	3,200	2,638	562
Postage	3,500	3,500	2,776	724
Interest	1,383	1,383	6,014	(4,631)
Miscellaneous	1,000	1,000	21,173	(20,173)
Copiers	2,500	2,500	3,679	(1,179)
Mileage reimbursement	1,200	1,200	705	495
NEMRC software support	1,000	1,000	1,672	(672)
NEMRC annual support	1,733	1,733	1,732	1
County tax	34,000	34,000	34,690	(690)
Dues - VT League of Cities & Towns	1,552	1,552	1,552	-
Notices	1,200	1,200	747	453
4th of July	4,000	4,000	4,000	-
Town Report	1,200	1,200	973	227
Bank fees	100	100	47	53
<i>continued</i>				

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

Schedule 1  
(Page 2 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
911 signs	1,000	1,000	-	1,000
Total general	<u>70,768</u>	<u>70,768</u>	<u>93,174</u>	<u>(22,406)</u>
Elections				
Town Meeting	225	225	273	(48)
Elections	1,000	1,000	31	969
Total elections	<u>1,225</u>	<u>1,225</u>	<u>304</u>	<u>921</u>
Planning and zoning				
Payroll	8,936	8,936	6,614	2,322
FICA/MEDI	684	684	487	197
Training	500	500	75	425
Notices	800	800	834	(34)
Members	4,140	4,140	2,365	1,775
Total planning and zoning	<u>15,060</u>	<u>15,060</u>	<u>10,375</u>	<u>4,685</u>
Listers				
Payroll	2,275	2,275	2,275	-
FICA/MEDI	174	174	2	172
Training	200	200	-	200
Reappraisal	6,000	6,000	6,000	-
Total listers	<u>8,649</u>	<u>8,649</u>	<u>8,277</u>	<u>372</u>
Delinquent Tax Collector				
FICA/MEDI	1,224	1,224	823	401
Total delinquent tax collector	<u>1,224</u>	<u>1,224</u>	<u>823</u>	<u>401</u>
Elected auditors				
Payroll	2,865	2,865	1,981	884
FICA/MEDI	220	220	14	206
Total elected auditors	<u>3,085</u>	<u>3,085</u>	<u>1,995</u>	<u>1,090</u>
Dog Warden				
Stipend	600	600	600	-
Total Dog Warden	<u>600</u>	<u>600</u>	<u>600</u>	<u>-</u>
Town Hall and properties				
Custodian	1,600	1,600	1,082	518
FICA/MEDI	-	-	5	(5)
Repairs and maintenance	15,000	15,000	16,312	(1,312)
Office supplies	1,000	1,000	853	147
Heating fuel	9,000	9,000	8,096	904
Electric - Town Hall	4,500	4,500	4,150	350
Electric - playground	400	400	448	(48)
Street lights	4,900	4,900	5,253	(353)
Traffic light	300	300	250	50
Electric - Grange	-	-	62	(62)
<i>continued</i>				

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

Schedule 1  
(Page 3 of 5)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Generator	1,000	1,000	904	96
Grounds	5,000	5,000	5,197	(197)
Insurance - Town Hall	12,183	12,183	12,094	89
Insurance - Historical Society	1,125	1,125	1,315	(190)
Insurance - Library	5,134	5,134	5,543	(409)
Rubbish removal	2,000	2,000	1,508	492
Total Town Hall and properties	<u>63,142</u>	<u>63,142</u>	<u>63,072</u>	<u>70</u>
Police				
Insurance - Constables	485	485	515	(30)
Police services	178,000	178,000	178,000	-
Dispatch	12,180	12,180	12,030	150
Total police	<u>190,665</u>	<u>190,665</u>	<u>190,545</u>	<u>120</u>
Services				
Driveway plowing	89,304	89,304	107,000	(17,696)
Plowing Lake Road	3,588	3,588	3,500	88
Total services	<u>92,892</u>	<u>92,892</u>	<u>110,500</u>	<u>(17,608)</u>
Professional fees				
Assessor	7,000	7,000	11,105	(4,105)
Audit	9,000	9,000	8,200	800
Legal	17,000	17,000	10,610	6,390
Mapping	500	500	525	(25)
Total professional fees	<u>33,500</u>	<u>33,500</u>	<u>30,440</u>	<u>3,060</u>
Fire department				
Payroll	8,000	8,000	9,150	(1,150)
FICA/MEDI	612	612	613	(1)
Workers' compensation	1,020	1,020	2,138	(1,118)
Dues/education	1,200	1,200	961	239
Office supplies	500	500	686	(186)
Telephone	500	500	574	(74)
Heating fuel	2,500	2,500	4,267	(1,767)
Electricity	650	650	675	(25)
Property and casualty insurance	3,903	3,903	7,046	(3,143)
Dispatch	12,180	12,180	12,030	150
Equipment fuel	1,500	1,500	123	1,377
Equipment repairs	2,800	2,800	949	1,851
New equipment	7,010	7,010	10,683	(3,673)
Pagers	400	400	441	(41)
Custodial supplies	500	500	39	461
Truck repair	3,000	3,000	-	3,000
Transfer - vehicle replacement	20,000	20,000	20,000	-
Total fire department	<u>66,275</u>	<u>66,275</u>	<u>70,375</u>	<u>(4,100)</u>
<i>continued</i>				

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

Schedule 1  
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	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Grant expenditures				
Caspian milfoil - FICA	383	383	-	383
Total grant expenditures	383	383	-	383
Solid waste				
Payroll	1,920	1,920	1,480	440
FICA/MEDI	147	147	113	34
Workers' compensation	381	381	220	161
Recycling	-	-	685	(685)
Total solid waste	2,448	2,448	2,498	(50)
Appropriations				
Area Agency on Aging	1,000	1,000	1,000	-
AWARE	1,500	1,500	1,500	-
Ball field	800	800	696	104
Beach	2,100	2,100	2,100	-
Caledonia Home Health	1,400	1,400	1,400	-
Caspian Milfoil	5,000	5,000	5,000	-
Cemetery	10,250	10,250	10,250	-
Clarina Howards Nichols	200	200	200	-
Conservation Commission	2,000	2,000	2,000	-
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 Free Library	20,000	20,000	20,000	-
Greensboro Historical Society	1,000	1,000	1,000	-
Greensboro Nursing Home	20,848	20,848	20,848	-
Greensboro Recreation	3,000	3,000	3,000	-
Hardwick Area Coalition	500	500	500	-
Hardwick Area Food Shelf	500	500	500	-
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	-
NVRCDC	100	100	100	-
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	4,425	4,425	4,425	-
Rural Community Transportation	900	900	900	-
Vermont Center for Independent Living	210	210	210	-
Wonder and Wisdom	3,500	3,500	3,500	-
<i>continued</i>				

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

Schedule 1  
(Page 5 of 5)

	<u>Original Budget</u>	<u>Original Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<i>continued</i>				
Total appropriations	<u>104,433</u>	<u>104,433</u>	<u>104,329</u>	<u>104</u>
Total expenditures	<u>766,809</u>	<u>766,809</u>	<u>802,920</u>	<u>(36,111)</u>
Excess of revenues or (expenditures)	<u>179,863</u>	<u>179,863</u>	<u>338,550</u>	<u>158,687</u>
<b>Other financing sources (uses)</b>				
Transfers in (out)	<u>(201,000)</u>	<u>(201,000)</u>	<u>(381,169)</u>	<u>(180,169)</u>
Total other financing sources (uses)	<u>(201,000)</u>	<u>(201,000)</u>	<u>(381,169)</u>	<u>(180,169)</u>
Net change in fund balances	\$ <u><u>(21,137)</u></u>	\$ <u><u>(21,137)</u></u>	\$ <u><u>(42,619)</u></u>	\$ <u><u>(21,482)</u></u>



**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - Highway Fund**  
**For the Year Ended June 30, 2014**

Schedule 2  
(Page 1 of 2)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 418,659	\$ 418,659	\$ 403,517	\$ (15,142)
Intergovernmental	214,600	214,600	220,041	5,441
Miscellaneous	-	-	6,086	6,086
Total revenues	633,259	633,259	629,644	(3,615)
<b>Expenditures</b>				
Highway materials				
Gravel pit - electric	240	240	196	44
Gravel pit - taxes	4,500	4,500	4,291	209
Chloride	23,000	23,000	25,882	(2,882)
Sand	20,000	20,000	16,236	3,764
Salt	40,000	40,000	44,887	(4,887)
Gravel	35,000	35,000	38,506	(3,506)
Culverts	3,000	3,000	-	3,000
Signs	1,500	1,500	151	1,349
Road projects	-	-	343	(343)
Total highway materials	127,240	127,240	130,492	(3,252)
Highway contract services				
Mowing/brush	14,000	14,000	16,100	(2,100)
Grant match	5,000	5,000	-	5,000
Guard rails	1,000	1,000	34,272	(33,272)
Sidewalks	1,000	1,000	1,000	-
Total highway contracted services	21,000	21,000	51,372	(30,372)
Equipment operation and maintenance				
Small equipment	10,000	10,000	2,264	7,736
Equipment repairs / maintenance	45,000	45,000	54,164	(9,164)
Fuel / diesel	55,000	55,000	69,691	(14,691)
Fuel / gas	3,500	3,500	2,865	635
Equipment rental	700	700	989	(289)
Total equipment operation and maint.	114,200	114,200	129,973	(15,773)
Payroll and benefits				
Payroll	149,845	149,845	141,871	7,974
FICA/MEDI	11,464	11,464	10,853	611
Retirement	10,168	10,168	8,977	1,191
Health insurance	44,613	44,613	32,042	12,571
Health reimbursement account	15,000	15,000	10,456	4,544
Unemployment	11,067	11,067	5,938	5,129
Workers' comp insurance	9,480	9,480	16,866	(7,386)
<i>continued</i>				

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - Highway Fund**  
**For the Year Ended June 30, 2014**

Schedule 2  
(Page 2 of 2)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Training	200	200	327	(127)
Uniforms	3,800	3,800	4,521	(721)
Total payroll and benefits	255,637	255,637	231,851	23,786
<b>Garage</b>				
Garage maintenance	1,200	1,200	1,312	(112)
Custodial	300	300	134	166
Telephone	400	400	370	30
Pagers	430	430	189	241
Heating fuel	4,200	4,200	4,421	(221)
Electricity	2,500	2,500	2,667	(167)
Property and casualty insurance	5,652	5,652	6,013	(361)
Mileage	100	100	55	45
Notices	100	100	412	(312)
Miscellaneous	300	300	52	248
Total garage	15,182	15,182	15,625	(443)
<b>Highway projects</b>				
Paving projects	100,000	100,000	171,881	(71,881)
Total highway projects	100,000	100,000	171,881	(71,881)
Total expenditures	633,259	633,259	731,194	(97,935)
Excess of revenues or (expenditures)	-	-	(101,550)	(101,550)
<b>Other financing sources (uses)</b>				
Transfers in (out)	-	-	19,455	19,455
Total other financing sources (uses)	-	-	19,455	19,455
Net change in fund balances	\$ -	\$ -	\$ (82,095)	\$ (82,095)

**TOWN OF GREENSBORO, VERMONT**  
**Balance Sheet - Other Governmental Funds**  
**June 30, 2014**

Schedule 3  
 (Page 1 of 2)

	Findlay Forest Fund	Greensboro Grange Fund	Community Project Fund	Conservation Fund	Reappraisal Reserve Fund	Recreation Committee Fund
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ 12,397	\$ 33,115	\$ -
Due from other funds	<u>309</u>	<u>515</u>	<u>364</u>	<u>-</u>	<u>11,785</u>	<u>3,997</u>
Total assets	<u>\$ 309</u>	<u>\$ 515</u>	<u>\$ 364</u>	<u>\$ 12,397</u>	<u>\$ 44,900</u>	<u>\$ 3,997</u>
<b>Liabilities and fund balance</b>						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:						
Restricted	-	515	-	-	44,900	-
Committed	309	-	364	12,397	-	3,997
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>309</u>	<u>515</u>	<u>364</u>	<u>12,397</u>	<u>44,900</u>	<u>3,997</u>
Total liabilities and fund balance	<u>\$ 309</u>	<u>\$ 515</u>	<u>\$ 364</u>	<u>\$ 12,397</u>	<u>\$ 44,900</u>	<u>\$ 3,997</u>

**TOWN OF GREENSBORO, VERMONT**  
**Balance Sheet - Other Governmental Funds**  
**June 30, 2014**

Schedule 3  
(Page 2 of 2)

	Records Preservation Fund	Grants Fund	Caspian Milfoil Grant Fund	Energy Committee Grant Fund	Eligo Milfoil Grant Fund	Community Park Fund	Total Other Governmental Funds
<b>Assets</b>							
Cash	\$ 24,866	\$ -	\$ 2,328	\$ 6,320	\$ 20,069	\$ -	\$ 99,095
Due from other funds	<u>9,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,941</u>	<u>29,759</u>
Total assets	<u>\$ 34,714</u>	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ 6,320</u>	<u>\$ 20,069</u>	<u>\$ 2,941</u>	<u>\$ 128,854</u>
<b>Liabilities and fund balance</b>							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ 2,623	\$ -	\$ 500	\$ -	\$ 3,123
Total liabilities	<u>-</u>	<u>-</u>	<u>2,623</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>3,123</u>
Fund balance:							
Restricted	34,714	-	-	6,320	19,569	2,941	108,959
Committed	-	-	-	-	-	-	17,067
Unassigned	<u>-</u>	<u>-</u>	<u>(295)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(295)</u>
Total fund balance	<u>34,714</u>	<u>-</u>	<u>(295)</u>	<u>6,320</u>	<u>19,569</u>	<u>2,941</u>	<u>125,731</u>
Total liabilities and fund balance	<u>\$ 34,714</u>	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ 6,320</u>	<u>\$ 20,069</u>	<u>\$ 2,941</u>	<u>\$ 128,854</u>

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Other Governmental Funds**  
**For the Year Ended June 30, 2014**

Schedule 4  
(Page 1 of 2)

	Findlay Forest Fund	Greensboro Grange Fund	Community Project Fund	Conservation Fund	Reappraisal Reserve Fund	Recreation Committee Fund
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	-	-	16	21	1
Miscellaneous	-	4,226	-	-	-	1,000
Total revenues	<u>-</u>	<u>4,226</u>	<u>-</u>	<u>16</u>	<u>21</u>	<u>1,001</u>
<b>Expenditures</b>						
General government	-	-	-	-	6,151	-
Culture and recreation	-	-	-	-	-	2,182
Grants and miscellaneous	-	3,711	-	-	-	-
Total expenditures	<u>-</u>	<u>3,711</u>	<u>-</u>	<u>-</u>	<u>6,151</u>	<u>2,182</u>
Excess of revenues or (expenditures)	-	515	-	16	(6,130)	(1,181)
<b>Other financing sources (uses)</b>						
Transfers in (out)	<u>309</u>	<u>-</u>	<u>364</u>	<u>12,381</u>	<u>51,030</u>	<u>5,178</u>
Total other financing sources (uses)	<u>309</u>	<u>-</u>	<u>364</u>	<u>12,381</u>	<u>51,030</u>	<u>5,178</u>
Net change in fund balances	309	515	364	12,397	44,900	3,997
Fund balances, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2014	<u>\$ 309</u>	<u>\$ 515</u>	<u>\$ 364</u>	<u>\$ 12,397</u>	<u>\$ 44,900</u>	<u>\$ 3,997</u>

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Other Governmental Funds**  
**For the Year Ended June 30, 2014**

Schedule 4  
(Page 2 of 2)

	Records Preservation Fund	Grants Fund	Caspian Milfoil Grant Fund	Energy Committee Grant Fund	Eligo Milfoil Grant Fund	Community Park Fund	Total Other Governmental Funds
<b>Revenues</b>							
Intergovernmental	\$ -	\$ 7,288	\$ 3,099	\$ -	\$ -	\$ -	\$ 10,387
Interest on investments	23	-	-	-	15	-	76
Miscellaneous	263	-	-	-	-	199	5,688
Total revenues	<u>286</u>	<u>7,288</u>	<u>3,099</u>	<u>-</u>	<u>15</u>	<u>199</u>	<u>16,151</u>
<b>Expenditures</b>							
General government	-	-	-	-	-	-	6,151
Culture and recreation	-	-	-	-	-	218	2,400
Grants and miscellaneous	-	7,288	10,722	-	9,894	-	31,615
Total expenditures	<u>-</u>	<u>7,288</u>	<u>10,722</u>	<u>-</u>	<u>9,894</u>	<u>218</u>	<u>40,166</u>
Excess of revenues or (expenditures)	286	-	(7,623)	-	(9,879)	(19)	(24,015)
<b>Other financing sources (uses)</b>							
Transfers in (out)	34,428	-	7,328	6,320	29,448	2,960	149,746
Total other financing sources (uses)	<u>34,428</u>	<u>-</u>	<u>7,328</u>	<u>6,320</u>	<u>29,448</u>	<u>2,960</u>	<u>149,746</u>
Net change in fund balances	34,714	-	(295)	6,320	19,569	2,941	125,731
Fund balances, July 1, 2013	-	-	-	-	-	-	-
Fund balances, June 30, 2014	<u>\$ 34,714</u>	<u>\$ -</u>	<u>\$ (295)</u>	<u>\$ 6,320</u>	<u>\$ 19,569</u>	<u>2,941</u>	<u>\$ 125,731</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, Vermont

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, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 21, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Greensboro, Vermont'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, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Greensboro, Vermont'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 preceding paragraph 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies: 2014-001 to 2014-004.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Greensboro, Vermont'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, Vermont

### **Response to Findings**

The Town of Greensboro, Vermont'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, Vermont  
January 21, 2015



**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Findings**  
**For the Year Ended June 30, 2014**

**2014-001 Bank Reconciliations**

Condition: The Town is not completing manual bank reconciliations agreeing the bank balance to the general ledger on the date of the bank statement. Instead, they are relying on the NEMRC reconciliation, which reconciles the bank balance to the NEMRC activity report on the date of the reconciliation.

Criteria: Reconciling the bank balance to the general ledger on the statement date is a necessary and vital process in determining that the bank funds and the general ledger are in agreement, as well as in determining which items have cleared the bank and which remain outstanding as of the date of the bank statement.

Cause: The NEMRC bank reconciliation performs all steps of the normal bank reconciliation except the addition and subtraction of outstanding items as of the bank statement date. It appears to be a proper reconciliation in all other respects. However, it does not provide the appropriate assurance that the bank balance is in agreement to the general ledger as of the statement date.

Effect: Without properly reconciling the bank statement, it is possible that manipulation of the general ledger could occur without detection through the use of outstanding items.

Recommendation: We recommend continuing to use the NEMRC reconciliation while taking the extra step of reducing the bank statement balance for outstanding checks and disbursements and increasing the balance for outstanding deposits as of the date of the bank statement. The resulting balance should agree to the general ledger balance, and any variances should be investigated and explained.

Management's response: Management will revise its procedure and reconcile the bank statement to the general ledger balance beginning July 1, 2014.

**2014-002 General Journal Entries**

Condition: The Town uses numerous journal entries for the purpose 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 only be made in extremely rare instances. These adjustments circumvent existing controls of the accounting system, obscure transparency and, when posted to accounts such as cash, constitute a vulnerability to misappropriation as well as the possibility of 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.

Recommendation: We recommend that adjustments to balance sheet accounts should be made only when absolutely necessary, and in both cases, the Town should retain enough supporting documentation to properly explain and provide evidence for the respective adjustment.

Management's response: This was our first full year of using NEMRC accounting software and in the beginning a number of entries were made incorrectly. As errors were discovered, they were corrected through General Journal Entries. I will start adding notes to the documentation that is kept for each adjustment in order to have a more complete explanation. I am pleased to report that we now have a better understanding of the various funds and accounts. As a result, the number of GJE has reduced greatly in FY15.

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Findings**  
**For the Year Ended June 30, 2014**

**2014-003 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 presentation, as well as financial statement disclosures in accordance with GAAP, will rely on estimates and incomplete data, and 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 also formalize a policy on how long different types of assets are to be depreciated, as well as a system for identifying capital assets from normal expenses in the general ledger.

Management's response: The Treasurer will work with the Selectboard to establish a Capital Asset Policy. We now have a base to work with and will strive to establish guidelines in order to keep our Capital Assets current.

**2014-004: Segregation of duties:**

Condition: The Town Treasurer has primary responsibility for creating property bills, receiving payments, applying payments to accounts receivable, processing vendor invoices, signing checks and maintaining the general ledger accounting system. These are considered incompatible functions and ideally would be performed by several staff people.

Criteria: In general, authorization, accounting and treasury functions should be performed by separate individuals. Absent such segregation of duties, extensive mitigating controls are necessary to prevent and detect misstatements or misappropriation of assets.

Cause: Limited number of accounting personnel.

Effect: Without proper mitigating controls, the Town is at risk for misappropriation of Town assets.

Recommendation: While the Town has some mitigating controls, we recommend the Town review its internal controls and consider modifying current procedures and implementing additional controls. For example, while performing the bank reconciliation the internal auditors could review images of cleared checks and agree them to NEMRC. Additionally, all cash and checks paid to the Town for fees, services and property taxes should be processed and controlled with sequentially pre-numbered cash receipts in a consistent manner.

Management's response: We are a small office, and major duties are shared between at least two and in some cases three people. Property tax money is collected and processed by the Treasurer as well as two other office personnel.

A Financial Assistant has been hired to do the bank reconciliations and the Treasurer will work with her on developing criteria for completing bank reconciliations.

**TOWN OF GREENSBORO, VERMONT**  
**Schedule of Findings**  
**For the Year Ended June 30, 2014**

As part of the cash receipts module, a sequentially numbered receipt can be generated. Instead of printing, we have been saving to a PDF file for everything that comes through petty cash since April 18, 2013. We have not been issuing individual receipts for tax payments. Property tax payments are processed first through Tax Administration and then transferred to General Ledger. Tax payments are generally done in bulk (20 or so payments on one deposit). The transfer from Tax Administration is checked to make sure it matches what is received in General Ledger, and then that amount is checked to make sure it matches what has been transmitted to the bank. Once we have processed the deposit through, the bank receipt, general ledger receipt, the tax administration receipt and tax payment stub are kept together to serve as documentation for the amount of money that is deposited. I feel that even though there is not an individual receipt for each and every payment, we do have a sufficient amount of documentation supporting the bulk deposits that are made.