

TOWN OF WILLISTON, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2018

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AUDIT REPORT AND FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Selectboard
Town of Williston, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williston, Vermont, as of and for the year ended June 30, 2018, 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 the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund 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 management's discussion and analysis on pages 3-11, and the pension related schedules on Schedule 7 on page 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town'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 11, 2019 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town's 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's internal control over financial reporting and compliance.

Respectfully submitted,


FOTHERGILL SEGALE & VALLEY, CPAs
Montpelier, Vermont
Vermont Public Accountancy License #110

January 11, 2019

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

Our discussion and analysis of the Town of Williston, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the Town's financial statements that begin with Exhibit A. This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives.

Financial Highlights

- The Town's net position (total assets less total liabilities) increased by \$1,012,682 as a result of this year's operations. Net position of our business-type activities (Water, Sewer, and Stormwater department operations) increased by \$720,614. Net position of our governmental activities increased by \$292,068.
- The cost of all of the Town's programs was \$14,016,144 this year, compared with \$13,876,474 last year.
- The General Fund reported an increase in fund balance this year of \$608,229 which was \$1,426,669 better than the budgeted use of fund balance of \$818,440.
- The fund balance for the General Fund was \$3,716,116 as of June 30, 2018, compared with a fund balance of \$3,107,887 as of June 30, 2017.
- The Water Fund's net position increased by \$80,036, or 0.91%, to \$8,895,616. The Sewer Fund's net position increased by \$249,380, or 1.69%, to \$14,983,161. The Meadowridge Sewer Fund decreased its net position by \$16,804, to \$485,660. The Stormwater Fund increased its net position by \$408,002 to \$1,424,963.

Using This Annual Report

This annual report consists of a series of financial statements. The first group includes the **Statement of Net Position and the Statement of Activities** (Exhibits A and B), which provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. The second group includes the **Fund financial statements**, which start on Exhibit C. For governmental activities, the Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole — Statement of Net Position and the Statement of Activities

The financial statements of the Town as a whole are reflected on Exhibit A and B. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off economically as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets (net of accumulated depreciation) and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads and water/sewer system infrastructure to assess the overall health of the Town.

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- Governmental activities – Most of the Town's basic services are reported here, including the police, fire, public works, parks/recreation and general administration. Property taxes, fees, and state and federal grants finance most of these activities.
- Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer system operations are reported here.

Reporting the Town's Most Significant Funds — Fund Financial Statements

The fund financial statements begin with Exhibit C and provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The two major governmental funds for the Town are the General Fund, which contains most of the town operations (excluding water/sewer) and Community Development Fund. Both of the proprietary funds (water and sewer) are also major funds. The Town's governmental and proprietary funds use different accounting approaches.

- Governmental funds – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using a measurement focus based on *current financial resources*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between **governmental activities** (reported in the Statement of Net Position and the Statement of Activities) and **governmental funds** on the bottom of Exhibit D and Exhibit E.
- Proprietary funds – The Town's Water, Meadowridge Sewer, Sewer Fund, and Stormwater Fund are all treated as enterprise funds (i.e. business-type activities), within the proprietary fund category. When the Town charges customers for the services it provides (whether to outside customers or to other funds of the Town) these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Since they use the same accounting basis, the Town's enterprise fund statements in Exhibits G-I are the same as the business-type activities we report in the government-wide statements. Exhibits G-I provide more detail and additional information, such as cash flows.

The Town as Agent

The Town is the trustee, or fiduciary, for various activities (engineering, escrow and funds of private groups). All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on Exhibit J. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

The Town as a Whole

The Town's financial statements for 2017 have been restated in order to reflect the prior period adjustments made during 2018. The government-wide net assets have been increased due to the previously unrecorded Library Trustee Fund.

The Town's combined net position for the governmental and business-type activities increased by \$1,012,682 from a year ago – increasing from a restated balance of \$55,941,114 to \$56,953,796. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities. Recall that "net position" is equal to the difference between total assets (after accumulated depreciation) plus deferred outflows and total liabilities.

Table 1
Net Position

	(Restated)			
	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017
Current and other assets	\$ 10,480,285	\$ 9,895,074	\$ 9,026,056	\$ 7,965,388
Capital assets, net	30,362,323	31,127,662	18,758,392	19,129,785
Total assets	<u>40,842,608</u>	<u>41,022,736</u>	<u>27,784,448</u>	<u>27,095,173</u>
Deferred outflows, pension	706,613	927,161	89,122	135,900
Long term liabilities	9,383,618	9,961,256	1,954,236	2,106,804
Other liabilities	947,249	1,116,313	123,128	55,483
Total liabilities	<u>10,330,867</u>	<u>11,077,569</u>	<u>2,077,364</u>	<u>2,162,287</u>
Deferred inflows, pension	53,958	0	6,806	0
Net position:				
Invested in capital assets, net of debt	22,826,440	22,857,539	16,974,814	17,235,815
Restricted	4,044,967	3,861,037	2,596,285	2,032,491
Unrestricted	4,292,989	4,153,752	6,218,301	5,800,480
Total net position	<u>\$ 31,164,396</u>	<u>\$ 30,872,328</u>	<u>\$ 25,789,400</u>	<u>\$ 25,068,786</u>
		(Restated)		
	Total Primary Government 2018	Total Primary Government 2017		
Current and other assets	\$ 19,506,341	\$ 17,860,462		
Capital assets, net	49,120,715	50,257,447		
Total assets	<u>68,627,056</u>	<u>68,117,909</u>		
Deferred outflows, pension	795,735	1,063,061		
Long term liabilities	11,337,854	12,068,060		
Other liabilities	1,070,377	1,171,796		
Total liabilities	<u>12,408,231</u>	<u>13,239,856</u>		
Deferred inflows, pension	60,764	0		
Net position:				
Invested in capital assets, net of debt	39,801,254	40,093,354		
Restricted	6,641,252	5,893,528		
Unrestricted	10,511,290	9,954,232		
Total net position	<u>\$ 56,953,796</u>	<u>\$ 55,941,114</u>		

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

Net position of the Town's governmental activities increased by \$292,068, or approximately 0.95%, (\$31,164,396 compared to \$30,872,328) in fiscal year 2018. The amount invested in capital assets, net of related debt decreased by \$31,099 due debt reduction. Restricted net position increased by \$183,930 and unrestricted net position increased by \$139,237. See our explanation later in this report of differences in actual compared to budget.

The net position of our business-type activities (the Water, Meadowridge Sewer, Sewer, and Stormwater departments) increased by \$720,614, (\$25,789,400 compared to \$25,068,786) in fiscal year 2018. The Town can only use this net position to finance the continuing operations of the Water, Sewer, Meadowridge Sewer, and Stormwater departments.

Table 2 - Change in Net Position

	Governmental Activities 2018	Business-type Activities 2018	Total Primary Government 2018	(Restated)	Business-type Activities 2017	(Restated)
				Governmental Activities 2017		Total Primary Government 2017
REVENUES						
Program revenues:						
Charges for services	\$ 1,569,370	\$ 3,898,637	\$ 5,468,007	\$ 1,466,196	\$ 3,678,409	\$ 5,144,605
Operating grants and contributions	457,659	73,857	531,516	1,178,313	83,800	1,262,113
Capital grants and contributions	39,150	0	39,150	84,600	225,000	309,600
General revenues:						
Property taxes	5,400,868	0	5,400,868	5,244,077	0	5,244,077
Sales and meals tax	3,132,196	0	3,132,196	2,988,137	0	2,988,137
Investment earnings	54,339	81,815	136,154	26,669	13,249	39,918
Gain (loss) on sale/trade of assets	(19,592)	14,971	(4,621)	52,720	52,010	104,730
Host fees and other general revenue	325,556	0	325,556	305,969	0	305,969
Total revenues	10,959,546	4,069,280	15,028,826	11,346,681	4,052,468	15,399,149
PROGRAM EXPENSES						
General government	1,719,915	0	1,719,915	1,715,684	0	1,715,684
Public safety	4,427,988	0	4,427,988	4,278,966	0	4,278,966
Public works	2,817,744	0	2,817,744	2,912,509	0	2,912,509
Cemetery	40,400	0	40,400	43,093	0	43,093
Culture and recreation	1,371,249	0	1,371,249	1,343,991	0	1,343,991
Interest on long-term debt	290,182	0	290,182	326,924	0	326,924
Water	0	1,165,828	1,165,828	0	1,163,511	1,163,511
Meadowridge sewer	0	16,874	16,874	0	17,231	17,231
Sewer	0	1,780,369	1,780,369	0	1,642,143	1,642,143
Stormwater	0	385,595	385,595	0	432,422	432,422
Total program expenses	10,667,478	3,348,666	14,016,144	10,621,167	3,255,307	13,876,474
Increase in Net Position	\$ 292,068	\$ 720,614	\$ 1,012,682	\$ 725,514	\$ 797,161	\$ 1,522,675

The 2017 numbers for the Governmental Activities have been restated due to an error in not reporting \$509,210 in operating grants and contributions and general government expenses.

The decrease in the public works expenses from 2017 to 2018 was mainly due to emergency expenses for bridge repair on Shunpike Road/Marshall Avenue that were incurred in fiscal year 2017.

Table 3 presents the cost of each of the Town's largest programs – general government, public safety, public works, culture and recreation, cemetery, and interest on long term debt – as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

Table 3 - Governmental Activities

	Total Cost	Net Cost	(Restated)	Net Cost
	of Services	of Services	Total Cost	of Services
	2018	2018	2017	2017
General government	\$ 1,719,915	\$ 1,232,220	\$ 1,715,684	\$ 704,883
Public safety	4,427,988	3,876,106	4,278,966	3,741,139
Public works	2,817,744	2,244,101	2,912,509	2,141,549
Culture and recreation	1,371,249	931,415	1,343,991	942,926
Cemetery	40,400	27,275	43,093	34,637
Interest on long term-debt	290,182	290,182	326,924	326,924
Totals	<u>\$ 10,667,478</u>	<u>\$ 8,601,299</u>	<u>\$ 10,621,167</u>	<u>\$ 7,892,058</u>

Reporting on the Town's Individual Funds – Fund Financial Statements

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$7,779,362, which is \$678,927 above last year's restated total of \$7,100,435. The General Fund increased by \$608,229 and the other governmental funds increased by \$70,698. The major reasons for the increases and decrease in other governmental funds are:

- The Host Town fund balance decreased by \$75,822. Host Town revenues have decreased over recent years.
- The Recreation fund balance increased by \$101,405 due to higher than usual fee revenue from new housing projects.
- The Road Improvement Taft Corners fund balance increased by \$51,679 due to higher than usual fee revenue from commercial and housing projects.
- The Equipment Replacement fund balance decreased by \$78,453 due to increased capital outlays.

General Fund Budgetary Highlights

During the year the Town Selectboard members review actual to budget monthly comparisons in order to monitor financial activity.

Exhibit F compares actual results for fiscal year 2018 to the approved budget for the General Fund. Revenues were more than expenditures and transfers by \$608,229 which was \$1,426,669 better than the budgeted deficit of \$818,440. The most significant variances were as follows:

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

			Variance Favorable/ <u>(Unfavorable)</u>
REVENUES:			
Sales and meals taxes	\$	290,196	
Planning and zoning		101,747	
Highway revenue		104,485	
EXPENDITURES:			
Police department		254,443	
General administration		110,971	
Planning and zoning		34,643	
OTHER FINANCING SOURCES:			
Bond proceeds		274,115	

Sales and meals taxes continue to exceed budget due to the strength of the current restaurant business and retail establishments. Planning and zoning revenue exceeded budget due to commercial and residential development. Highway revenue exceeded budget due mainly to the stormwater project revenue which was not budgeted. Police department had a favorable variance because there were savings in police patrol wages and benefits due to continued staff vacancies. General administration expenses were down due to timing of hiring for new manager's office staff. Planning and zoning expenses were less than budget due to staff turnover and limited building maintenance expenses. Bond proceeds were more than budgeted due to the Town issuing a bond through the Vermont Municipal Bond Bank for a new fire truck. The new fire truck will be purchased in fiscal year 2019.

Water, Sewer, Meadowridge Sewer, and Stormwater Highlights

Exhibit H shows actual results for the Water, Meadowridge Sewer, Sewer Fund, and Stormwater Fund for fiscal year 2018. Operating expenses exceeded operating revenues (not including depreciation) by \$168,549 in the Water Fund, revenues exceeded expenses (not including depreciation and amortization) by \$59,407 in the Sewer Fund, and revenues exceeded expenses (not including depreciation) by \$406,651 in the Stormwater Fund. Please note that the Sewer Fund includes the Sewer Capital Fund, Sewer Capacity Fund, and Sewer Construction Fund. The Water Fund includes the Water Capital Fund. When the expense for depreciation is included, the Water Fund had an operating loss of \$45,132, the Meadowridge Sewer Fund had an operating loss of \$10,212, the Sewer Fund had an operating loss of \$293,289, and the Stormwater Fund had an operating profit of \$401,940.

In the Water Fund, Hook on fees and other revenue were \$89,608 over budget due to new housing and commercial construction. Water line maintenance costs were over budget by \$5,450 due to hydrant maintenance. In addition to regular revenues and expenses, \$213,681 was charged to the fund for depreciation of existing lines and equipment.

In FY12, the Town started a new utility, the Meadowridge Sewer Fund, which was begun to provide sewer service for the Meadowridge development. The Town borrowed money through the State of Vermont Revolving Loan fund to pay for the infrastructure to bring the Meadowridge flow to the Town's sewer lines. The Meadowridge homeowners pay the debt on that loan. This fund saw an increase in fund balance because the entire amount due from the homeowners was recorded as revenue in 2013. In subsequent years this will decrease as the homeowners pay down this receivable. In 2018, these items totaled \$16,804.

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

In the Sewer Fund, user fees were over budget by \$35,116. Hook on fees and allocation revenue exceeded budget by \$381,857 due to new housing and commercial construction. Total regular expenses remained within budget for the fiscal year. In addition to regular revenues and expenses, \$352,696 was charged to the fund for depreciation of existing lines and equipment and amortization of capacity rights.

In FY16, the Stormwater Fund was transferred from the General Fund to a Proprietary Fund. The purpose of the Town's stormwater program is to maintain a system that collects and treats stormwater in order to protect public and private property and improve the water quality of the streams and rivers running through Williston. Intergovernmental revenues were over budget by \$73,857 due to the receipt of grants. Maintenance wages and benefits were under budget by \$74,758 because a large portion were allocated to grant projects. The fund had a net position of \$1,424,963 at the end of the year.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2018, the Town had \$49,120,715 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, and water and sewer lines (See Table 4 below). This amount represents a net decrease (including additions and deductions) of \$1,136,732, compared to last year.

Table 4
Capital Assets at Year-End
(Net of Accumulated Depreciation)

	Governmental Activities <u>2018</u>	Business-type Activities <u>2018</u>	Totals <u>2018</u>	Governmental Activities <u>2017</u>	Business-type Activities <u>2017</u>	Totals <u>2017</u>
Land	\$ 3,545,438	\$ 383,099	\$ 3,928,537	\$ 3,506,288	\$ 383,099	\$ 3,889,387
Construction in progress	101,871	30,663	132,534	96,473	0	96,473
Buildings and improvements	11,176,991	0	11,176,991	11,393,231	0	11,393,231
Vehicles and equipment	3,251,641	521,113	3,772,754	3,143,413	456,665	3,600,078
Infrastructure	12,286,382	365,261	12,651,643	12,988,257	369,972	13,358,229
Water and sewer systems	0	17,458,256	17,458,256	0	17,920,049	17,920,049
Totals	<u>\$ 30,362,323</u>	<u>\$ 18,758,392</u>	<u>\$ 49,120,715</u>	<u>\$31,127,662</u>	<u>\$ 19,129,785</u>	<u>\$ 50,257,447</u>

This year's additions were:

Governmental Activities:	
Donated land	\$ 39,150
Construction in progress	11,273
Building improvements	80,807
Infrastructure	117,741
Vehicles and equipment	803,653
Subtotal	<u>1,052,624</u>
Business-Type Activities:	
Construction in progress	30,663
Equipment and vehicles	121,172
Subtotal	<u>151,835</u>
Total	<u>\$ 1,204,459</u>

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

Capital projects in the Town's FY 2019 budget for Governmental Funds include repairs to the Town Green Gazebo, epoxy flooring in the Fire Station, savings for Allen Brook Park upgrades, Allen Brook Nature Trail improvements, and savings for various vehicles and equipment.

Capital projects planned in FY 2019 within the Business-type activity group include hydrant replacements, sewer pump station upgrades, savings for sewer line upgrades, the purchase of additional capacity, and stormwater loans to neighborhood.

Debt Administration

At June 30, 2018, the Town had \$9,593,576 in bonds, notes, and capital leases outstanding versus \$10,164,093 on June 30, 2017 – a decrease of \$570,517 – as shown in Table 5.

Table 5
Changes in Long-Term Debt

	Governmental Bonds, Notes, and Capital Leases	Business-type Bonds, Notes, and Capital Leases	Total Bonds, Notes, and Capital Leases
Balance - June 30, 2017	\$ 8,270,123	\$ 1,893,970	\$ 10,164,093
Debt proceeds	274,115	0	274,115
Principal payments	(734,240)	(110,392)	(844,632)
Balance - June 30, 2018	<u>\$ 7,809,998</u>	<u>\$ 1,783,578</u>	<u>\$ 9,593,576</u>

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, tax rates and fees that will be charged for the business-type activities. At Town Meeting in March the voters approved a budget of \$11,111,035. During the 2019 budget process, the Selectboard reviewed the 2018 budget performance and the Town's General Fund Balance. The Town's General Fund balance at June 30, 2017 was \$3,107,887. This is above the Town's upper guidelines which call for a fund balance between 10% and 20% of the operating budget. It was determined that a budgeted use of \$889,810 for fiscal year 2019 would be appropriate, thus leaving \$5,128,331 to be raised by municipal taxes. Based on the Grand List value at 7/1/2018, the tax rate approved to raise these tax dollars increased to \$0.2665. The Selectboard also voted to increase the water rate to \$4.84 per thousand gallons and the sewer rate at \$6.68 per thousand gallons for 2019.

TOWN OF WILLISTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at Town of Williston, 7900 Williston Road, Williston, Vermont.

TOWN OF WILLISTON, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2018

EXHIBIT A

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Investments	\$ 7,685,763	\$ 5,333,451	\$ 13,019,214
Cash - Restricted	274,115	0	274,115
Receivables (Net of Allowance for Uncollectibles)	1,517,118	618,491	2,135,609
Loans Receivable - current	0	34,500	34,500
Loans Receivable - long term	1,395,900	409,421	1,805,321
Prepaid Expenses	129,824	0	129,824
Internal Balances	(527,613)	527,613	0
Due from Agency Funds	5,178	32,191	37,369
Prepaid Capacity Rights	0	2,070,389	2,070,389
Capital Assets			
Land	3,545,438	383,099	3,928,537
Construction in Progress	101,871	30,663	132,534
Other Capital Assets, (Net of Accumulated Depreciation)	26,715,014	18,344,630	45,059,644
Total Assets	40,842,608	27,784,448	68,627,056
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Related	706,613	89,122	795,735
Total Assets Plus Deferred Outflows of Resources	41,549,221	27,873,570	69,422,791
<u>LIABILITIES</u>			
Accounts Payable	424,927	616	425,543
Accrued Payroll and Benefits Payable	112,938	0	112,938
Accrued Interest Payable	37,861	21,636	59,497
Unearned Revenue	371,523	100,876	472,399
Noncurrent Liabilities:			
Net Pension Liability	1,302,319	164,257	1,466,576
Accrued Vacation	271,301	6,401	277,702
Bonds, Notes, and Capital Leases			
Due within One Year	735,034	122,751	857,785
Due in more than One Year	7,074,964	1,660,827	8,735,791
Total Liabilities	10,330,867	2,077,364	12,408,231
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Related	53,958	6,806	60,764
Total Liabilities Plus Deferred Inflows of Resources	10,384,825	2,084,170	12,468,995
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	22,826,440	16,974,814	39,801,254
Restricted for:			
Capital projects	2,278,569	2,596,285	4,874,854
Permanent Fund - Non expendable	127,028	0	127,028
Community development	1,395,900	0	1,395,900
Other	243,470	0	243,470
Unrestricted	4,292,989	6,218,301	10,511,290
Total Net Position	\$ 31,164,396	\$ 25,789,400	\$ 56,953,796

See Notes to Financial Statements.

TOWN OF WILLISTON, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT B

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary Government:							
Governmental Activities:							
General Government	\$ 1,719,915	\$ 442,448	\$ 45,247	\$ 0	\$ (1,232,220)	\$ 0	\$ (1,232,220)
Public Safety	4,427,988	391,437	160,445	0	(3,876,106)	0	(3,876,106)
Public Works	2,817,744	310,589	223,904	39,150	(2,244,101)	0	(2,244,101)
Culture and Recreation	1,371,249	416,771	23,063	0	(931,415)	0	(931,415)
Cemetery	40,400	8,125	5,000	0	(27,275)	0	(27,275)
Interest on Long-Term Debt	290,182	0	0	0	(290,182)	0	(290,182)
Total Governmental Activities	10,667,478	1,569,370	457,659	39,150	(8,601,299)	0	(8,601,299)
Business-Type Activities:							
Water	1,165,828	1,233,475	0	0	0	67,647	67,647
Meadowridge Sewer	16,874	0	0	0	0	(16,874)	(16,874)
Sewer	1,780,369	1,951,484	0	0	0	171,115	171,115
Stormwater	385,595	713,678	73,857	0	0	401,940	401,940
Total Business-Type Activities	3,348,666	3,898,637	73,857	0	0	623,828	623,828
Total Primary Government	\$ 14,016,144	\$ 5,468,007	\$ 531,516	\$ 39,150	(8,601,299)	623,828	(7,977,471)
General Revenues:							
Property Taxes					5,188,809	0	5,188,809
Payment in Lieu of Taxes					130,681	0	130,681
Interest and Penalties on Delinquent Taxes					81,378	0	81,378
Sales and Meals Tax					3,132,196	0	3,132,196
Unrestricted Investment Earnings					54,339	81,815	136,154
Town Host Fees					318,053	0	318,053
Gain on Trade of Assets					0	14,971	14,971
Loss on Trade of Assets					(19,592)	0	(19,592)
Other Income					7,503	0	7,503
Total General Revenues					8,893,367	96,786	8,990,153
Change in Net Position					292,068	720,614	1,012,682
Net Position - July 1, 2017 (Restated)					30,872,328	25,068,786	55,941,114
Net Position - June 30, 2018					\$ 31,164,396	\$ 25,789,400	\$ 56,953,796

TOWN OF WILLISTON, VERMONT
 BALANCE SHEET - GOVERNMENTAL FUNDS
 AND RECONCILIATION TO STATEMENT OF NET POSITION
 JUNE 30, 2018

EXHIBIT C

	General Fund	Community Development Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Assets:				
Cash and Investments	\$ 4,476,057	\$ 0	\$ 3,209,706	\$ 7,685,763
Cash - Restricted	274,115	0	0	274,115
Receivables	1,443,405	0	73,713	1,517,118
Loans Receivable	0	1,395,900	0	1,395,900
Prepaid Expenses	98,324	0	0	98,324
Due From Agency Funds	5,178	0	0	5,178
Due From Other Funds	0	0	931,895	931,895
	<u>\$ 6,297,079</u>	<u>\$ 1,395,900</u>	<u>\$ 4,215,314</u>	<u>\$ 11,908,293</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 424,927	\$ 0	\$ 0	\$ 424,927
Accrued Payroll and Benefits Payable	112,938	0	0	112,938
Unearned Revenue	280,211	0	91,312	371,523
Due to Other Funds	1,398,752	0	60,756	1,459,508
	<u>2,216,828</u>	<u>0</u>	<u>152,068</u>	<u>2,368,896</u>
Deferred Inflows of Resources:				
Unavailable revenue - community development	0	1,395,900	0	1,395,900
Unavailable revenue - taxes	364,135	0	0	364,135
	<u>364,135</u>	<u>1,395,900</u>	<u>0</u>	<u>1,760,035</u>
Fund Balances:				
Nonspendable - prepaids	98,324	0	0	98,324
Nonspendable, restricted - Cemetery	0	0	127,028	127,028
Restricted	274,115	0	2,522,039	2,796,154
Committed	0	0	654,377	654,377
Assigned	889,810	0	759,802	1,649,612
Unassigned				
General Fund	2,453,867	0	0	2,453,867
	<u>3,716,116</u>	<u>0</u>	<u>4,063,246</u>	<u>7,779,362</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 6,297,079</u>	<u>\$ 1,395,900</u>	<u>\$ 4,215,314</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				30,362,323
Net pension liability and deferred outflows related to the pension plan are not due and payable in the current period and therefore are not reported as liabilities and assets in the funds.				(649,664)
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				1,760,035
Long-term and accrued liabilities are not due or payable in the current period and, therefore, are not reported in the funds.				(8,119,160)
Prepaid expense recorded for governmental activities due to trade in of capital asset not yet purchased.				31,500
Net position of governmental activities				<u>\$ 31,164,396</u>

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT D

	General Fund	Community Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 5,145,078	\$ 0	\$ 0	\$ 5,145,078
PILOT	130,681	0	0	130,681
Interest and Penalties on Property Taxes	81,378	0	0	81,378
Sales and Meals Taxes	3,132,196	0	0	3,132,196
Investment Interest	39,112	0	15,227	54,339
Licenses, Permits and Fees	462,280	0	549,479	1,011,759
Intergovernmental Revenues	161,480	4,344	241,465	407,289
Charges for Services	863,195	0	8,125	871,320
Donations	0	0	34,445	34,445
Other Revenues	7,503	0	35,859	43,362
	<u>10,022,903</u>	<u>4,344</u>	<u>884,600</u>	<u>10,911,847</u>
Expenditures:				
Current:				
General Government	1,626,477	4,344	19,563	1,650,384
Public Safety	3,675,393	0	171,600	3,846,993
Public Works	1,694,195	0	29,769	1,723,964
Culture and Recreation	1,239,714	0	28,442	1,268,156
Cemetery	0	0	40,400	40,400
Debt Service:				
Principal	734,240	0	0	734,240
Interest	274,589	0	15,710	290,299
Capital Outlay	132,851	0	819,748	952,599
	<u>9,377,459</u>	<u>4,344</u>	<u>1,125,232</u>	<u>10,507,035</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>645,444</u>	<u>0</u>	<u>(240,632)</u>	<u>404,812</u>
Other Financing Sources/(Uses):				
Bond Proceeds	274,115	0	0	274,115
Transfers In	0	0	686,330	686,330
Transfers Out	(311,330)	0	(375,000)	(686,330)
	<u>(37,215)</u>	<u>0</u>	<u>311,330</u>	<u>274,115</u>
Net Change in Fund Balances	608,229	0	70,698	678,927
Fund Balances - July 1, 2017 (Restated)	<u>3,107,887</u>	<u>0</u>	<u>3,992,548</u>	<u>7,100,435</u>
Fund Balances - June 30, 2018	<u>\$ 3,716,116</u>	<u>\$ 0</u>	<u>\$ 4,063,246</u>	<u>\$ 7,779,362</u>

TOWN OF WILLISTON, VERMONT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT E

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 678,927
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$952,599) exceeds depreciation expense (\$1,690,406) in the period.	(737,807)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, donations).	3,968
Tax revenues reported in the funds from prior year deferred outflows are not reported as revenues in the statement of activities.	43,731
Repayment of bonds, notes, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	734,240
Proceeds from bonds, notes, and capital leases is an other financing source in the governmental funds, but the proceeds increases long-term liabilities in the statement of net position.	(274,115)
Governmental funds report pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	(164,056)
In the statement of activities, accrued compensated absences are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences earned exceeded the amounts used by \$7,063.	7,063
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decreased interest reported in the statement of activities is because accrued interest on bonds and notes payable decreased by \$117.	117
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 292,068</u>

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Property Taxes:	\$ 5,125,831	\$ 0	\$ 5,125,831	\$ 5,145,078	\$ 19,247
Interest and Penalties:	55,000	0	55,000	81,378	26,378
Payment in Lieu of Taxes:	119,000	0	119,000	130,681	11,681
Sales and Meals Taxes:	2,842,000	0	2,842,000	3,132,196	290,196
Town Clerk Fees:					
Recording Legal Documents	93,000	0	93,000	76,053	(16,947)
Copies of Vital Certificates	2,500	0	2,500	1,955	(545)
Issuing Licenses - Municipal Portion	45,000	0	45,000	68,763	23,763
Use of Town Copier	13,000	0	13,000	12,105	(895)
Listers' Office Copies	0	0	0	494	494
Vault Time	3,000	0	3,000	2,177	(823)
Miscellaneous	1,500	0	1,500	1,271	(229)
Alcoholic Beverage Licenses	3,500	0	3,500	4,140	640
Dog Licenses & Fines	6,000	0	6,000	5,989	(11)
Total Town Clerk Fees	167,500	0	167,500	172,947	5,447
Planning and Zoning:					
Planning Fees	25,000	0	25,000	29,605	4,605
Permits	90,000	0	90,000	187,142	97,142
Total Planning and Zoning	115,000	0	115,000	216,747	101,747
Public Safety:					
Insurance Reports	5,000	0	5,000	5,690	690
Court Fines	35,000	0	35,000	22,190	(12,810)
False Alarm Fees	20,000	0	20,000	14,250	(5,750)
Ambulance Fees	315,000	0	315,000	333,831	18,831
Fire & Police Fees	6,500	0	6,500	15,476	8,976
Total Public Safety	381,500	0	381,500	391,437	9,937
Cultural and Recreational:					
Day Camps	125,000	0	125,000	112,387	(12,613)
Contracted Camps	42,000	0	42,000	45,606	3,606
Youth and Adult Programs	42,000	0	42,000	42,876	876
Special Events	1,000	0	1,000	610	(390)
Field Use	7,000	0	7,000	9,188	2,188
Contracted Programs	42,000	0	42,000	54,936	12,936
Senior & Misc.	3,500	0	3,500	3,610	110
Total Cultural and Recreational	262,500	0	262,500	269,213	6,713

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Highway:					
State Aid	160,720	0	160,720	161,480	760
Rental of Highway Property	93,550	0	93,550	94,560	1,010
Right of Way Use Fees	14,920	0	14,920	20,670	5,750
Consulting Engineers	0	0	0	7,486	7,486
Stormwater Project	0	0	0	72,359	72,359
Miscellaneous	33,500	0	33,500	50,620	17,120
Total Highway	302,690	0	302,690	407,175	104,485
Miscellaneous:					
Rental of Town Buildings	4,000	0	4,000	3,036	(964)
Miscellaneous	1,000	0	1,000	6,839	5,839
Reimbursement for Town Services	26,400	0	26,400	26,400	0
Transfers In	100	0	100	664	564
Investment Interest	18,000	0	18,000	39,112	21,112
Total Miscellaneous	49,500	0	49,500	76,051	26,551
TOTAL REVENUES	9,420,521	0	9,420,521	10,022,903	602,382
EXPENDITURES:					
Public Safety:					
Police Department:					
Police Patrol Services					
Patrol Salary	749,550	0	749,550	755,266	(5,716)
Overtime	144,500	0	144,500	171,381	(26,881)
Part-time Officers' Salaries	5,000	0	5,000	0	5,000
Benefits	334,873	0	334,873	360,894	(26,021)
Vehicle Expense	17,000	0	17,000	12,770	4,230
Vehicle Fuel	52,000	0	52,000	34,404	17,596
Mileage	400	0	400	62	338
Training and Conferences	15,000	0	15,000	19,744	(4,744)
Equipment and Uniforms	20,000	0	20,000	20,327	(327)
Total Police Patrol Services	1,338,323	0	1,338,323	1,374,848	(36,525)
Police Investigation Services					
Investigative Salary	112,000	0	112,000	0	112,000
Overtime	7,000	0	7,000	0	7,000
Benefits	56,519	0	56,519	10,940	45,579
Chittenden Unit for Special Investigations	16,900	0	16,900	16,924	(24)
Investigation Expenses	5,000	0	5,000	3,331	1,669
Total Police Investigation Services	197,419	0	197,419	31,195	166,224
Police Communications					
Dispatch Salary	119,800	0	119,800	107,045	12,755
Benefits	53,465	0	53,465	49,347	4,118
Computer, Communications	37,420	0	37,420	29,703	7,717
Radio Repair	2,000	0	2,000	1,617	383
Total Police Communications	212,685	0	212,685	187,712	24,973

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Police Administration					
Administration Salary	183,800	0	183,800	129,217	54,583
Benefits	82,044	0	82,044	49,102	32,942
Office Supplies	14,500	0	14,500	7,649	6,851
Telephone & Postage	11,500	0	11,500	10,963	537
Total Police Administration	291,844	0	291,844	196,931	94,913
Police Special Programs					
Dog Control & Damage	2,700	0	2,700	1,625	1,075
Awards Program	750	0	750	368	382
Community Outreach Program	0	0	0	7,380	(7,380)
Public Service Programs	1,000	0	1,000	1,167	(167)
Total Police Special Programs	4,450	0	4,450	10,540	(6,090)
Police Building Maintenance					
Office Cleaning	15,250	0	15,250	13,818	1,432
Heating Fuel	5,800	0	5,800	4,072	1,728
Utilities	16,900	0	16,900	16,984	(84)
Property & Casualty Insurance	60,500	0	60,500	52,859	7,641
Outside Maintenance	14,000	0	14,000	13,769	231
Total Police Building Maintenance	112,450	0	112,450	101,502	10,948
Total Police Department	2,157,171	0	2,157,171	1,902,728	254,443
Fire & Rescue Department:					
Administration					
Administration Salary	127,610	2,552	130,162	131,545	(1,383)
Benefits	71,811	0	71,811	70,000	1,811
Subscriptions and Dues	1,300	0	1,300	1,020	280
Office Supplies	18,680	0	18,680	17,053	1,627
Office Equipment	11,900	0	11,900	11,541	359
Telephone and Postage	11,000	0	11,000	9,154	1,846
Recruiting	9,000	0	9,000	8,000	1,000
Personnel Recognition	1,500	0	1,500	1,013	487
Total Fire & Rescue Administration	252,801	2,552	255,353	249,326	6,027
Firefighting					
On Call Firefighter Wages	100,000	0	100,000	109,938	(9,938)
Career Firefighter Wages	318,570	6,371	324,941	322,481	2,460
Benefits	172,330	0	172,330	183,924	(11,594)
Training & Conferences	6,550	0	6,550	6,489	61
Communications	7,860	0	7,860	4,637	3,223
Dispatch	53,990	0	53,990	51,888	2,102
Firefighting Equipment	47,400	0	47,400	34,294	13,106
Fire Prevention	2,500	0	2,500	2,426	74
Total Firefighting	709,200	6,371	715,571	716,077	(506)
Fire & Rescue Maintenance					
Vehicle Fuel	21,780	0	21,780	17,531	4,249
Equipment Maintenance	57,000	0	57,000	77,804	(20,804)
Total Fire & Rescue Maintenance	78,780	0	78,780	95,335	(16,555)

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Emergency Medical Services					
On Call Rescue Wages	95,000	0	95,000	0	95,000
Career Rescue Wages	318,570	6,371	324,941	360,357	(35,416)
Benefits	171,050	0	171,050	166,897	4,153
Training	11,600	0	11,600	8,548	3,052
Ambulance Billing Fees	24,500	0	24,500	26,948	(2,448)
Rescue Medical Supplies	17,340	0	17,340	25,055	(7,715)
Rescue Equipment	14,000	0	14,000	16,681	(2,681)
Ambulance Agency Assessments	0	0	0	11,203	(11,203)
Total Emergency Medical Services	652,060	6,371	658,431	615,689	42,742
Facilities					
Heating Fuel	13,680	0	13,680	11,397	2,283
Utilities	19,110	0	19,110	19,828	(718)
Property & Casualty Insurance	30,500	0	30,500	27,704	2,796
Station Maintenance	44,650	0	44,650	34,267	10,383
Total Facilities	107,940	0	107,940	93,196	14,744
Total Fire & Rescue Department	1,800,781	15,294	1,816,075	1,769,623	46,452
Emergency Preparedness:					
Training	1,000	0	1,000	2,864	(1,864)
Supplies and Operation	3,000	0	3,000	178	2,822
Total Emergency Preparedness	4,000	0	4,000	3,042	958
TOTAL PUBLIC SAFETY	3,961,952	15,294	3,977,246	3,675,393	301,853
Public Works:					
Wages and Benefits					
Summer Maintenance Salary	143,250	2,865	146,115	184,466	(38,351)
Winter Maintenance Salary	143,250	2,865	146,115	142,982	3,133
Overtime	41,280	826	42,106	40,733	1,373
Salaries - Administrative	73,950	1,479	75,429	76,148	(719)
Salary Discretionary	14,000	(8,035)	5,965	0	5,965
Retirement, Summer	8,040	0	8,040	10,327	(2,287)
Retirement, Winter	10,485	0	10,485	9,846	639
Retirement, Administrative	4,280	0	4,280	4,614	(334)
FICA, Summer	10,840	0	10,840	14,885	(4,045)
FICA, Winter	14,355	0	14,355	14,501	(146)
FICA, Administrative	5,770	0	5,770	5,605	165
Health, Dental, Summer	47,130	0	47,130	50,754	(3,624)
Health, Dental, Winter	47,130	0	47,130	49,048	(1,918)
Health, Dental, Administrative	24,890	0	24,890	20,513	4,377
Uniforms	10,860	0	10,860	5,599	5,261
Training	2,500	0	2,500	2,278	222
Total Wages and Benefits	602,010	0	602,010	632,299	(30,289)
Outside Services					
Consulting Engineers	2,500	0	2,500	3,444	(944)
Equipment Rental	54,700	0	54,700	62,102	(7,402)
Property & Casualty Insurance	27,060	0	27,060	23,360	3,700
Workers Compensation, Summer	8,680	0	8,680	8,355	325
Workers Compensation, Winter	11,640	0	11,640	10,847	793
Workers Compensation, Administrative	3,800	0	3,800	1,015	2,785
Total Outside Services	108,380	0	108,380	109,123	(743)

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Operations					
Heating Fuel, Admin Building	1,332	0	1,332	1,195	137
Utilities, Admin Building	3,375	0	3,375	1,677	1,698
Building Maintenance, Admin	12,760	0	12,760	11,500	1,260
Garage Operations	10,240	0	10,240	20,299	(10,059)
Total Operations	27,707	0	27,707	34,671	(6,964)
Materials					
Gravel and Other Materials	4,500	0	4,500	4,529	(29)
Chloride	10,880	0	10,880	7,547	3,333
Patch	2,500	0	2,500	3,804	(1,304)
Salt	145,000	0	145,000	134,866	10,134
Sand	11,470	0	11,470	12,854	(1,384)
Total Materials	174,350	0	174,350	163,600	10,750
Maintenance					
Maintenance	38,000	0	38,000	35,068	2,932
Equipment Operation & Repair	19,800	0	19,800	31,828	(12,028)
Vehicle Fuel	33,870	0	33,870	36,689	(2,819)
Retreatment	420,500	0	420,500	414,648	5,852
Highway Line Striping	21,000	0	21,000	23,376	(2,376)
Sidewalks	5,000	0	5,000	3,236	1,764
Misc. & Tools	7,000	0	7,000	10,161	(3,161)
Street Signs	5,500	0	5,500	5,642	(142)
Street Lights	42,010	0	42,010	35,850	6,160
Stormwater Fees	132,000	0	132,000	132,376	(376)
New Equipment Purchase	2,000	0	2,000	1,724	276
Total Maintenance	726,680	0	726,680	730,598	(3,918)
Highway Landscaping	26,000	0	26,000	23,904	2,096
TOTAL PUBLIC WORKS	1,665,127	0	1,665,127	1,694,195	(29,068)
General Administration:					
Selectboard:					
Salaries & Benefits	6,130	0	6,130	6,104	26
Expenses	12,000	0	12,000	13,259	(1,259)
Discretionary Fund	2,500	0	2,500	2,500	0
Total Selectboard	20,630	0	20,630	21,863	(1,233)

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Town Manager:					
Salary	77,740	0	77,740	79,368	(1,628)
Office Staff Salary	76,420	428	76,848	57,001	19,847
Benefits	63,174	0	63,174	38,571	24,603
Mileage	650	0	650	700	(50)
Training & Conferences	5,300	0	5,300	5,136	164
Office Supplies & Equipment	5,000	0	5,000	4,555	445
Telephone & Postage	2,860	0	2,860	2,271	589
Property & Casualty Insurance	0	0	0	3,972	(3,972)
Building Maintenance & Utilities	56,150	0	56,150	32,192	23,958
Town Report	2,400	0	2,400	1,436	964
Accrued Sick & Vacation	5,000	0	5,000	0	5,000
Salary Discretionary	51,750	(26,764)	24,986	8,600	16,386
Other Expenses	4,660	0	4,660	6,121	(1,461)
Total Town Manager	351,104	(26,336)	324,768	239,923	84,845
Finance					
Wages	79,290	1,586	80,876	77,709	3,167
Benefits	37,828	0	37,828	38,290	(462)
Audit Fees	19,000	0	19,000	17,657	1,343
Total Finance	136,118	1,586	137,704	133,656	4,048
Board of Listers:					
Salaries	1,100	0	1,100	795	305
Assistant Assessor	28,180	564	28,744	28,500	244
Clerical Salary	16,000	0	16,000	13,987	2,013
Benefits	4,100	0	4,100	3,589	511
Mileage	260	0	260	0	260
Professional Services	1,050	0	1,050	70	980
Contracted Assessor	19,000	0	19,000	23,400	(4,400)
Service Contracts	5,000	0	5,000	4,159	841
Office Supplies	1,000	0	1,000	685	315
Office Equipment	200	0	200	277	(77)
Telephone and Postage	350	0	350	275	75
Tax Maps	3,500	0	3,500	0	3,500
Total Board of Listers	79,740	564	80,304	75,737	4,567
Technology					
Computer Equipment	3,500	0	3,500	2,675	825
Computer Applications	18,000	0	18,000	19,347	(1,347)
Total Technology	21,500	0	21,500	22,022	(522)
Legal					
Legal Services	35,000	0	35,000	15,734	19,266
Total Legal	35,000	0	35,000	15,734	19,266
TOTAL GENERAL ADMINISTRATION	644,092	(24,186)	619,906	508,935	110,971

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Planning and Zoning:					
Department Salary	232,790	0	232,790	222,001	10,789
Benefits	95,347	0	95,347	91,954	3,393
Building Maintenance	20,830	0	20,830	16,024	4,806
Property & Casualty Insurance	3,430	0	3,430	3,361	69
Mileage	600	0	600	812	(212)
Training and Conferences	1,800	0	1,800	1,076	724
Subscriptions and Dues	1,300	0	1,300	1,272	28
Professional Services	9,000	0	9,000	1,795	7,205
Miscellaneous Planning Studies	5,000	0	5,000	3,503	1,497
Advertising	4,500	0	4,500	3,350	1,150
Office Supplies	4,000	0	4,000	1,736	2,264
Equipment	1,000	0	1,000	1,909	(909)
Printing	2,600	0	2,600	1,570	1,030
Telephone and Postage	1,800	0	1,800	1,845	(45)
GIS Data Management	4,200	0	4,200	3,814	386
Total Planning and Zoning	388,197	0	388,197	356,022	32,175
Conservation:					
Salary	21,200	0	21,200	20,308	892
Benefits	8,120	0	8,120	5,600	2,520
Training, Conferences, Dues	700	0	700	690	10
Match for Grants	1,000	0	1,000	1,257	(257)
Office Supplies, Mailing, Ads	400	0	400	525	(125)
Mileage	400	0	400	448	(48)
Intern	3,500	0	3,500	3,119	381
Trail Maintenance and Repair	12,000	0	12,000	12,905	(905)
Total Conservation	47,320	0	47,320	44,852	2,468
TOTAL PLANNING AND ZONING	435,517	0	435,517	400,874	34,643
Clerk /Treasurer					
Records, Permits, Licenses, Cash Management					
Salary	53,250	1,065	54,315	53,223	1,092
Office Staff	94,955	1,899	96,854	101,006	(4,152)
Benefits	58,446	0	58,446	58,311	135
Mileage	500	0	500	102	398
Training and Conferences	2,200	0	2,200	627	1,573
Equipment Rental and Service Contracts	0	0	0	2,757	(2,757)
Property & Casualty Insurance	4,660	0	4,660	3,972	688
Building Maintenance & Utilities	14,650	0	14,650	12,835	1,815
Office Supplies	10,000	0	10,000	7,690	2,310
Office Equipment	7,500	0	7,500	5,075	2,425
Telephone and Postage	7,000	0	7,000	7,481	(481)
Total Town Clerk	253,161	2,964	256,125	253,079	3,046
Elections:					
Town Meeting Salary	1,000	0	1,000	899	101
Ballot Printing	3,000	0	3,000	1,398	1,602
Postage	170	0	170	77	93
General Election Expenses	100	0	100	0	100
Town Meeting Expenses	650	0	650	0	650
Abatements	0	0	0	566	(566)
Total Elections	4,920	0	4,920	2,940	1,980
TOTAL CLERK/TREASURER	258,081	2,964	261,045	256,019	5,026

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Outside Services:					
Regional Services					
Chittenden County Regional Planning	21,670	0	21,670	21,667	3
Winooski Valley Park District	31,970	0	31,970	31,972	(2)
Greater Burlington Industrial Corporation	2,000	0	2,000	2,000	0
County Tax	82,520	0	82,520	89,728	(7,208)
Vermont League of Cities and Towns	10,900	0	10,900	10,896	4
Lake Iroquois Association	20,000	0	20,000	6,659	13,341
Total Regional Services	<u>169,060</u>	<u>0</u>	<u>169,060</u>	<u>162,922</u>	<u>6,138</u>
Transportation Services					
Bus Service	185,592	0	185,592	185,592	0
SSTA Project & CCTA ADA	42,830	0	42,830	42,200	630
Total Transportation Services	<u>228,422</u>	<u>0</u>	<u>228,422</u>	<u>227,792</u>	<u>630</u>
Social Services					
Social Service Organizations	27,890	0	27,890	27,870	20
Residents Assistance	1,000	0	1,000	805	195
Total Social Services	<u>28,890</u>	<u>0</u>	<u>28,890</u>	<u>28,675</u>	<u>215</u>
Health:					
Department Salary and Mileage	600	0	600	600	0
Visiting Nurse Association	30,766	0	30,766	30,766	0
Employee Health and Safety Programs	1,000	0	1,000	216	784
Total Health	<u>32,366</u>	<u>0</u>	<u>32,366</u>	<u>31,582</u>	<u>784</u>
TOTAL OUTSIDE SERVICES	<u>458,738</u>	<u>0</u>	<u>458,738</u>	<u>450,971</u>	<u>7,767</u>
Parks and Recreation:					
Recreation Services					
Director's Salary	57,770	1,455	59,225	59,324	(99)
Summer Program Salaries	84,000	0	84,000	72,607	11,393
Seasonal Program Wages	7,500	0	7,500	4,057	3,443
Benefits	31,475	0	31,475	31,871	(396)
Training and Conferences	2,500	0	2,500	1,967	533
Property & Casualty Insurance	2,500	0	2,500	2,661	(161)
Marketing	9,560	0	9,560	9,192	368
Office Supplies and Equipment	2,000	0	2,000	707	1,293
Telephone and Postage	1,400	0	1,400	990	410
Summer Camp Supplies	36,000	0	36,000	35,838	162
Contracted Camps	34,000	0	34,000	36,129	(2,129)
Youth Program Supplies	30,000	0	30,000	23,831	6,169
Contracted Program Expenses	35,000	0	35,000	46,513	(11,513)
Senior Program Expenses	23,300	0	23,300	9,751	13,549
School Use Fees	124,960	0	124,960	124,960	0
Special Events	12,000	0	12,000	10,370	1,630
Total Recreational Services	<u>493,965</u>	<u>1,455</u>	<u>495,420</u>	<u>470,768</u>	<u>24,652</u>
Community Services					
Program Grants	3,580	0	3,580	3,393	187
Clock Winding	600	0	600	621	(21)
Total Community Services	<u>4,180</u>	<u>0</u>	<u>4,180</u>	<u>4,014</u>	<u>166</u>

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Old Brick Church					
Janitor, Brick Church	3,110	0	3,110	2,663	447
Benefits	620	0	620	107	513
Property & Casualty Insurance	4,300	0	4,300	3,075	1,225
Heating Fuel, Brick Church	1,670	0	1,670	1,657	13
Utilities, Brick Church	1,600	0	1,600	1,921	(321)
Maintenance, Brick Church	11,000	0	11,000	11,021	(21)
Total Brick Church	22,300	0	22,300	20,444	1,856
Park Maintenance					
Maintenance Salary	14,980	0	14,980	15,718	(738)
Park Administrator Salary	13,250	0	13,250	13,258	(8)
Benefits	4,136	0	4,136	5,373	(1,237)
Equipment Rental	3,300	0	3,300	2,389	911
Utilities	5,000	0	5,000	2,210	2,790
Other & New Equipment	3,000	0	3,000	2,999	1
Maintenance & Upgrades	30,000	0	30,000	26,062	3,938
Total Park Maintenance	73,666	0	73,666	68,009	5,657
TOTAL PARKS AND RECREATION	594,111	1,455	595,566	563,235	32,331
Library:					
Library Collections					
Department Salary	300,182	3,002	303,184	303,253	(69)
Benefits	76,900	0	76,900	70,739	6,161
Training and Conferences	3,000	0	3,000	2,847	153
Travel & Fees	2,000	0	2,000	1,331	669
Books	74,500	0	74,500	68,806	5,694
Bookmobile	2,710	0	2,710	2,165	545
Office Supplies and Maintenance	8,100	0	8,100	8,045	55
Telephone	1,100	0	1,100	875	225
Postage	3,000	0	3,000	1,611	1,389
Total Library Collections	471,492	3,002	474,494	459,672	14,822
Building Overhead:					
Janitorial Services	9,300	0	9,300	9,383	(83)
Town Custodial Services	6,740	0	6,740	4,171	2,569
Heating Fuel	4,110	0	4,110	3,308	802
Utilities	8,510	0	8,510	8,460	50
Maintenance & Repairs	14,220	0	14,220	12,962	1,258
Land Rental	29,750	0	29,750	29,750	0
Property & Casualty Insurance	12,000	0	12,000	10,202	1,798
Total Building Overhead	84,630	0	84,630	78,236	6,394
Special Programs:					
Program Wages	46,340	927	47,267	46,179	1,088
Benefits	15,020	0	15,020	15,635	(615)
Program Presenters and Materials	15,000	0	15,000	15,590	(590)
Total Special Programs	76,360	927	77,287	77,404	(117)

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT F

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Computer/Reference Services:					
Wages	27,200	544	27,744	28,418	(674)
Benefits	15,849	0	15,849	13,319	2,530
System & Equipment Maintenance	19,015	0	19,015	19,430	(415)
Total Computer/Reference Services	62,064	544	62,608	61,167	1,441
TOTAL LIBRARY	694,546	4,473	699,019	676,479	22,540
Open Space Preservation					
Tax Stabilization	10,300	0	10,300	9,678	622
TOTAL OPEN SPACE PRESERVATION	10,300	0	10,300	9,678	622
Debt Service:					
Library Bond - Principal	20,000	0	20,000	20,000	0
Library Bond - Interest	2,800	0	2,800	2,812	(12)
PW Facility - Principal	240,000	0	240,000	240,000	0
PW Facility - Interest	149,787	0	149,787	137,820	11,967
Sidewalk Bond - Principal	80,000	0	80,000	80,000	0
Sidewalk Bond - Interest	9,177	0	9,177	9,177	0
Public Safety Bond - Principal	325,000	0	325,000	320,000	5,000
Public Safety Bond - Interest	122,890	0	122,890	118,260	4,630
Ambulance Lease 2014 - Principal	29,240	0	29,240	29,240	0
Ambulance Lease 2014 - Interest	2,430	0	2,430	2,438	(8)
Fire Engine 2003 - Interest	6,553	0	6,553	0	6,553
Fire Truck 2009 - Principal	50,000	0	50,000	45,000	5,000
Fire Truck 2009 - Interest	4,180	0	4,180	4,082	98
TOTAL DEBT SERVICE	1,042,057	0	1,042,057	1,008,829	33,228
Capital Expenditures					
ThermaSafe Cameras	29,500	0	29,500	29,500	0
Fire Station Flooring	10,000	0	10,000	44,567	(34,567)
Tennis Courts	0	0	0	8,040	(8,040)
Picnic Shelter	0	0	0	14,504	(14,504)
Library Carpet	43,000	0	43,000	36,240	6,760
Other	80,610	0	80,610	0	80,610
TOTAL CAPITAL EXPENDITURES	163,110	0	163,110	132,851	30,259
TOAL EXPENDITURES	9,927,631	0	9,927,631	9,377,459	550,172
Excess/(Deficiency) of Revenues Over Expenditures	(507,110)	0	(507,110)	645,444	1,152,554
Other Financing Sources					
Bond Proceeds	0	0	0	274,115	274,115
Transfers Out					
Environmental Reserve Fund	(40,000)	0	(40,000)	(40,000)	0
Cemetery Fund	(28,000)	0	(28,000)	(28,000)	0
Equipment Replacement Fund	(243,330)	0	(243,330)	(243,330)	0
TOTAL TRANSFERS OUT	(311,330)	0	(311,330)	(311,330)	0
Net Change in Fund Balance	\$ (818,440)	\$ 0	\$ (818,440)	608,229	\$ 1,426,669
Fund Balance - July 1, 2017				3,107,887	
Fund Balance - June 30, 2018				\$ 3,716,116	

TOWN OF WILLISTON, VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

EXHIBIT G

	Water Fund	Meadowridge Sewer Fund	Sewer Fund	Stormwater Fund	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,182,873	\$ 26,846	\$ 3,078,700	\$ 1,045,032	\$ 5,333,451
Accounts Receivable	196,841	0	268,589	153,061	618,491
Due From Other Funds	91,212	4,384	383,912	48,105	527,613
Due From Agency Fund	0	0	0	32,191	32,191
Loans Receivable - Current Portion	0	24,000	0	10,500	34,500
Total Current Assets	<u>1,470,926</u>	<u>55,230</u>	<u>3,731,201</u>	<u>1,288,889</u>	<u>6,546,246</u>
Noncurrent Assets:					
Loans Receivable - Noncurrent Portion	0	317,175	0	92,246	409,421
Prepaid Capacity Rights, net of amortization	0	0	2,070,389	0	2,070,389
Land	383,099	0	0	0	383,099
Construction in Progress	0	0	0	30,663	30,663
Equipment and Vehicles	143,435	0	762,088	0	905,523
Infrastructure and Lines	12,359,650	500,746	14,332,950	154,527	27,347,873
Accumulated Depreciation	<u>(5,229,021)</u>	<u>(66,380)</u>	<u>(4,599,099)</u>	<u>(14,266)</u>	<u>(9,908,766)</u>
Total Noncurrent Assets	<u>7,657,163</u>	<u>751,541</u>	<u>12,566,328</u>	<u>263,170</u>	<u>21,238,202</u>
Total Assets	<u>9,128,089</u>	<u>806,771</u>	<u>16,297,529</u>	<u>1,552,059</u>	<u>27,784,448</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	<u>31,829</u>	<u>0</u>	<u>30,238</u>	<u>27,055</u>	<u>89,122</u>
Total Assets Plus Deferred Outflows of Resources	<u>9,159,918</u>	<u>806,771</u>	<u>16,327,767</u>	<u>1,579,114</u>	<u>27,873,570</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	0	0	0	616	616
Unearned revenue	0	0	0	100,876	100,876
Accrued interest	372	1,597	19,667	0	21,636
Long Term Debt, Current	<u>40,000</u>	<u>18,476</u>	<u>64,275</u>	<u>0</u>	<u>122,751</u>
Total Current Liabilities	<u>40,372</u>	<u>20,073</u>	<u>83,942</u>	<u>101,492</u>	<u>245,879</u>
Noncurrent Liabilities:					
Long Term Debt, Noncurrent	160,000	301,038	1,199,789	0	1,660,827
Net Pension Liability	58,663	0	55,730	49,864	164,257
Accrued Vacation	<u>2,836</u>	<u>0</u>	<u>2,836</u>	<u>729</u>	<u>6,401</u>
Total Noncurrent liabilities	<u>221,499</u>	<u>301,038</u>	<u>1,258,355</u>	<u>50,593</u>	<u>1,831,485</u>
Total Liabilities	<u>261,871</u>	<u>321,111</u>	<u>1,342,297</u>	<u>152,085</u>	<u>2,077,364</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	<u>2,431</u>	<u>0</u>	<u>2,309</u>	<u>2,066</u>	<u>6,806</u>
Total Liabilities Plus Deferred Inflows of Resources	<u>264,302</u>	<u>321,111</u>	<u>1,344,606</u>	<u>154,151</u>	<u>2,084,170</u>
NET POSITION					
Investment in Capital Assets, Net of Related Debt	7,457,163	114,852	9,231,875	170,924	16,974,814
Restricted	0	0	2,070,389	525,896	2,596,285
Unrestricted	<u>1,438,453</u>	<u>370,808</u>	<u>3,680,897</u>	<u>728,143</u>	<u>6,218,301</u>
Total Net Position	<u>\$ 8,895,616</u>	<u>\$ 485,660</u>	<u>\$ 14,983,161</u>	<u>\$ 1,424,963</u>	<u>\$ 25,789,400</u>

TOWN OF WILLISTON, VERMONT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE
IN NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

EXHIBIT H

	Water Fund	Meadowridge Sewer Fund	Sewer Fund	Stormwater Fund	Total
Operating Revenues:					
User Fees	\$ 1,085,718	\$ 0	\$ 1,355,623	\$ 713,678	\$ 3,155,019
Sale of Meters	15,040	0	0	0	15,040
Intergovernmental	0	0	0	73,857	73,857
Miscellaneous	16,385	0	110,284	0	126,669
Total Operating Revenues	1,117,143	0	1,465,907	787,535	3,370,585
Operating Expenses:					
Wages and Benefits	225,747	0	220,317	198,616	644,680
Repairs and Supplies	7,971	0	42,197	71,812	121,980
Building and Equipment	46,097	0	42,724	45,376	134,197
Insurance	9,918	0	16,509	12,380	38,807
Purchased Water	534,801	0	0	0	534,801
Sewer Treatment	0	0	704,175	0	704,175
Stormwater	0	0	0	24,102	24,102
Purchase of Meters	34,301	0	0	0	34,301
Plant repairs	65,070	0	367,666	0	432,736
Depreciation	213,681	10,212	290,594	4,711	519,198
Amortization of Capacity Rights	0	0	62,102	0	62,102
Other Expenses	24,689	0	12,912	28,598	66,199
Total Operating Expenses	1,162,275	10,212	1,759,196	385,595	3,317,278
Operating Income/(Loss)	(45,132)	(10,212)	(293,289)	401,940	53,307
Nonoperating Revenues/(Expenses)					
Investment Income	4,725	70	70,958	6,062	81,815
Gain on sale of asset	7,664	0	7,307	0	14,971
Loan interest expense	(3,553)	(6,662)	(21,173)	0	(31,388)
Hook On Fees and Allocation Charges	116,332	0	485,577	0	601,909
Total Nonoperating Revenues/(Expenses)	125,168	(6,592)	542,669	6,062	667,307
Change in net position	80,036	(16,804)	249,380	408,002	720,614
Net Position - July 1, 2017	8,815,580	502,464	14,733,781	1,016,961	25,068,786
Net Position - June 30, 2018	\$ 8,895,616	\$ 485,660	\$ 14,983,161	\$ 1,424,963	\$ 25,789,400

TOWN OF WILLISTON, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT I

	Water Fund	Meadowridge Sewer Fund	Sewer Fund	Stormwater Fund	Total
Cash Flows From (To) Operating Activities:					
Receipts from Customers and Users	\$ 1,072,100	\$ 0	\$ 1,443,532	\$ 733,331	\$ 3,248,963
Payments to Suppliers	(722,847)	0	(1,212,691)	(181,652)	(2,117,190)
Payments for Wages and Benefits	(217,782)	0	(214,982)	(200,508)	(633,272)
Net Cash From Operating Activities	<u>131,471</u>	<u>0</u>	<u>15,859</u>	<u>351,171</u>	<u>498,501</u>
Cash Flows From (To) Noncapital Financing Activities:					
Decrease (Increase) in Due To Other Funds	(54,338)	602	(374,156)	(3,359)	(431,251)
Net Cash From (To) Noncapital Financing Activities	<u>(54,338)</u>	<u>602</u>	<u>(374,156)</u>	<u>(3,359)</u>	<u>(431,251)</u>
Cash Flows From (To) Capital and Related Financing Activities:					
Acquisition of Capital Assets	(46,744)	0	(55,428)	(30,663)	(132,835)
Acquisition of Capacity Rights	0	0	(100,000)	0	(100,000)
Interest Paid on Long Term Debt	(3,636)	(6,752)	(21,006)	0	(31,394)
Principal Paid on Long Term Debt	(40,000)	(18,114)	(52,278)	0	(110,392)
Hook on Fees and Allocation Charges	116,332	0	485,577	0	601,909
Net Cash From (To) Capital and Related Financing Activities	<u>25,952</u>	<u>(24,866)</u>	<u>256,865</u>	<u>(30,663)</u>	<u>227,288</u>
Cash Flows From Investing Activities:					
Receipt of Loan Receivable Principal	0	22,380	1,854	0	24,234
Receipt of Investment Income	4,725	70	70,958	6,062	81,815
Net Cash From Investing Activities	<u>4,725</u>	<u>22,450</u>	<u>72,812</u>	<u>6,062</u>	<u>106,049</u>
Net Increase (Decrease) in Cash and Cash Equivalents	107,810	(1,814)	(28,620)	323,211	400,587
Cash and Cash Equivalents - July 1, 2017	<u>1,075,063</u>	<u>28,660</u>	<u>3,107,320</u>	<u>721,821</u>	<u>4,932,864</u>
Cash and Cash Equivalents - June 30, 2018	<u>\$ 1,182,873</u>	<u>\$ 26,846</u>	<u>\$ 3,078,700</u>	<u>\$ 1,045,032</u>	<u>\$ 5,333,451</u>
Adjustments to Reconcile Operating Income to Net Cash From (To) Operating Activities:					
Operating Income (Loss)	\$ (45,132)	\$ (10,212)	\$ (293,289)	\$ 401,940	\$ 53,307
Depreciation	213,681	10,212	290,594	4,711	519,198
Pension expense	7,152	0	4,522	(730)	10,944
Amortization of Capacity Rights	0	0	62,102	0	62,102
Decrease (Increase) in Accounts Receivable	(45,043)	0	(22,375)	(147,748)	(215,166)
Increase (Decrease) in Unearned Revenue	0	0	0	93,544	93,544
Increase (Decrease) in Accounts Payable	813	0	(25,695)	(546)	(25,428)
Net Cash From by Operating Activities	<u>\$ 131,471</u>	<u>\$ 0</u>	<u>\$ 15,859</u>	<u>\$ 351,171</u>	<u>\$ 498,501</u>
NONCASH TRANSACTIONS					
Capital assets acquired through trade	<u>\$ 9,500</u>	<u>\$ 0</u>	<u>\$ 9,500</u>	<u>\$ 0</u>	<u>\$ 19,000</u>

TOWN OF WILLISTON, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

EXHIBIT J

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 129,173
Due from Other Organizations	<u>134</u>
Total Assets	<u>\$ 129,307</u>
<u>LIABILITIES</u>	
Due to General Fund	\$ 5,178
Due to Proprietary Fund	32,191
Deposits Payable	<u>91,938</u>
Total Liabilities	<u>\$ 129,307</u>

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

The Town of Williston, Vermont (the Town) was incorporated in 1763. The Town operates under a Selectboard-Manager form of government and provides the following services as authorized by its charter: general government, public safety, public works, culture and recreation, cemetery and community/economic development. In addition, the Town owns and operates a water and sewer system.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). Business-type activities and proprietary funds of governments are also required to follow the Statements and Interpretations of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The Town has elected to apply FASB Statements and Interpretations issued after that date to its business-type activities and enterprise funds. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity are set forth in GASB 14 as amended by GASB 39 and Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. Based on the criteria, the Town has no component units.

Basic Financial Statements – Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). The government-wide financial statements categorize primary activities as either governmental or business-type. The Town's police and fire protection, parks, library and recreation, public works, and general administrative services are classified as governmental activities. The Town's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenue (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, including operating and capital grants. Program revenue must be directly associated with the governmental function (police, public works, community and youth services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The net costs (by governmental function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenue, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures. The various funds are reported by major fund within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental category or enterprise type. GASB No. 34 and No. 37 set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category/type or the governmental and enterprise funds combined) for the determination of major funds. The General Fund and the Community Development Fund are shown as major governmental funds. The Sewer and Water Funds are major proprietary funds. All other funds are nonmajor and are combined in a single column in each of the respective fund financial statements. The following funds are used by the Town:

Governmental Funds

The Town reports on the following major governmental funds:

General Fund is the main operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Community Development Fund is used to account for the Community Development grant and loan programs throughout the Town.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expense. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The following is a description of the major enterprise funds of the Town:

Sewer Fund is used to account for the operations of the Sewer Department.

Meadowridge Sewer Fund is used to account for the operation of the sewer utilities at Meadowridge development.

Water Fund is used to account for the operations of the Water Department.

Stormwater Fund is used to account for the operations of the program that collects and treats Stormwater through Williston.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Measurement Focus

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

Basis of Accounting

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

Accrual

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

Modified Accrual

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or within 60 days after year end for property taxes and 120 days for other revenue. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences, claims and judgments, and certain prepaids which are recognized when due/paid.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Accounting Standards Codification concerning Fair Value of Financial Instruments requires disclosures of the fair value of certain financial instruments. Recorded amounts for cash, accounts receivable, accounts payable, and investments approximate fair value.

Use of Estimates

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

Cash and Cash Equivalents

The Town considers all short-term investments of ninety (90) days or less to be cash and cash equivalents for the proprietary funds.

Receivables

The Town utilizes the allowance method for uncollectible accounts. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

Internal Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses. Reported prepaid expenses of governmental funds in the fund financial statements are offset by nonspendable fund balance which indicates that they do not constitute "available expendable resources" even though they are a component of fund balance.

Prepaid Capacity Rights

Prepaid capacity rights are being amortized over the straight line method over the life of the improvements at the treatment plant which is estimated to be 50 years.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10 – 99 years
Vehicles and equipment	3 – 20 years
Distribution lines	50 – 99 years
Infrastructure	10 – 50 years

GASB No. 34 requires the Town to report and depreciate new general infrastructure assets effective with the beginning of fiscal year 2004 and is not required to report these assets retroactively. General infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

The Town does not capitalize its library books because they are considered a collection.

Compensated Absences

It is the policy of the Town of Williston to permit employees to accumulate earned but unused vacation benefits. Town employees hired after June 30, 1992 do not accumulate unused sick benefits because they are not vested. Town employees hired before July 1, 1992 are reimbursed for up to 20 days of accrued sick leave, if available, upon termination. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund type financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities in the statement of net position. Net position is divided into three components:

Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – consist of assets that are restricted by the Town’s creditors, enabling legislation, by grantors, and by other contributors.

Unrestricted net position – all other net position is reported in this category.

Fund Equity

GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions” provides fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balances - Indicates the portion of fund equity that cannot be spent due to their form (e.g. inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balances - Indicates the portion of fund equity that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation (e.g. federal and state grants, bondholders, and trust and trustee accounts).

Committed fund balances - Indicates the portion of fund equity that is set aside for a specific purpose by the Selectboard. Formal action must be taken prior to the end of the fiscal year (e.g. capital projects, compensated absences). The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balances - Indicates the portion of fund equity that is set aside with the intent to be used for a specific purpose by the Selectboard or official that has been given the authority to assign funds (e.g. encumbrances, subsequent budgets). Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balances - Indicates the portion of fund equity that has not been classified in the previous four categories. All funds in this category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The Selectboard establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Selectboard through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service or other purposes).

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When an expenditure is incurred that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds. When an expenditure is incurred that qualifies for payment from either of the three unrestricted fund balance categories, it will be applied first to committed, then assigned, then unassigned.

Long-term Liabilities

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

Pensions

In July of 2014, the Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) and additions to/deductions from VMERS's fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

The Town reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. The deferred outflows of resources reported in this year's statement of net position are a deferred outflow of resources for contributions made to the Town's defined benefit pension plans subsequent to the measurement date, differences between expected and actual experience in the pension fund, changes of assumptions, difference between projected and actual investment earnings, changes in proportion and differences between the Town's contributions and proportionate share of contributions. No deferred outflows of resources affect the governmental funds financial statements in the current year.

The Town's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Deferred inflows of resources are reported in the Town's statement of net position for changes in proportion and differences between the Town's contributions and proportionate share of contributions and for the difference between expected and actual experience. These deferred inflows of resources are attributed to pension expense over a total of 5 years, including the current year. No deferred inflows of resources affect the governmental funds financial statements in the current year.

TOWN OF WILLISTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In its governmental funds, the deferred inflow of resources are for revenues that are not considered available. The Town will not recognize the related property tax revenues until they are available (collected not later than sixty days after the end of the Town's fiscal year) under the modified accrual basis of accounting, nor will they recognize the related community development notes receivable, until available.

Budgetary Information

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. Budget changes between departments, which do not change the total expenditures, require Selectboard approval. The budget amendments for fiscal year 2018 are reflected in Exhibit F. The Town is not legally required to pass a budget for the Community Development Fund, therefore, it is not presented.

Budgeted Deficit

The Town budgeted a current year deficit of \$818,440 in the General Fund in order to utilize a portion of the previous year's surplus. This amount is reflected as a budgeted deficiency of revenue over expenditures in Exhibit F.

NOTE 2 – DEPOSITS

The Treasurer invests excess cash according to policies established by the Selectboard.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The table below shows the custodial credit risk of the Town's deposits.

Insured by FDIC	\$	1,500,000
Insured by Letter of Credit		4,250,000
Uninsured - collateralized		7,433,145
Total	\$	13,183,145

NOTE 3 - RECEIVABLES

Receivables at June 30, 2018, as reported in the Statement of Net Position, are as follows:

	Governmental Activities	Business-Type Activities	Total
Delinquent Taxes	\$ 383,456	\$ 0	\$ 383,456
Penalties and Interest	82,498	0	82,498
Sales and Rooms Tax	847,267	0	847,267
Host Town Fees	38,073	0	38,073
Accounts Receivable	51,518	0	51,518
Grants	107,879	0	107,879
Billed Services	6,427	618,491	624,918
	\$ 1,517,118	\$ 618,491	\$ 2,135,609

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – RECEIVABLES (Continued)

Management believes that all receivables are collectible, and therefore, no allowance for doubtful accounts has been recorded.

NOTE 4 – LOANS RECEIVABLE

Loans Receivable are as follows:

Governmental Activities:

Note Receivable, Maple Tree Housing Limited Partnership, Payable on Demand on or after September, 2031, 0% Interest, Secured by Mortgage.	\$730,900
Note Receivable, Gisele Fontaine Family Trust, Due Upon Sale of or Other Conveyance of Property to Other Than a Lineal Descendent of Raymond or Gisele Fontaine, 0% Interest, Secured by Lien on Property.	40,000
Note Receivable, 95 North Avenue Limited Partnership, Due Upon Sale of or Other Conveyance of Property, 0% Interest, Secured by Lien on Property.	<u>625,000</u>
Total Governmental Activities	<u>\$1,395,900</u>

Business-Type Activities:

Note Receivable, Meadowridge Sewer Project, 55 Sewer Connection Loans, Quarterly Principal Payments of \$103.61 per Loan Are Required. Final Payments are all due June, 2023.	\$341,175
Note Receivable, Southridge Stormwater Project, Semi-Annual Principal Payment and Interest Payments Required, 1.50% Interest Rate. Final Payment is due July, 2027.	<u>102,746</u>
Total Business-Type Activities	443,921
Less: Current Portion	<u>34,500</u>
Long-Term Portion	<u>\$409,421</u>

NOTE 5 - PREPAID CAPACITY RIGHTS

The Town has paid the Village of Essex Junction, Vermont \$2,980,140 so that the Village could upgrade its Sewage Treatment Facility and provide additional sewage capacity to the Town. These payments were recorded as prepaid capacity rights and are being amortized over the life of the improvements at the Village treatment plant which is estimated to be 50 years. The Town does not have any ownership of the treatment plant but does receive guaranteed capacity indefinitely. Prepaid capacity rights activity for the year ended June 30, 2018 was as follows:

Prepaid Capacity Rights, Net of \$847,650	
Accumulated Amortization, July 1, 2017	\$ 2,032,491
Plus: Additional Capacity Rights purchased	100,000
Less: Current Year Amortization of Capacity Rights	<u>(62,102)</u>
Prepaid Capacity Rights, Net, June 30, 2018	<u>\$ 2,070,389</u>

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 was as follows:

Governmental Activities	Beginning Balance	Increases	Reclassifications/ Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 3,506,288	\$ 39,150	\$ 0	\$ 3,545,438
Construction in Progress	96,473	11,273	(5,875)	101,871
Total Capital Assets, Not Being Depreciated	<u>3,602,761</u>	<u>50,423</u>	<u>(5,875)</u>	<u>3,647,309</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	14,209,381	80,807	0	14,290,188
Vehicles and Equipment	6,463,232	803,653	(733,073)	6,533,812
Infrastructure	19,898,936	111,866	5,875	20,016,677
Totals	<u>40,571,549</u>	<u>996,326</u>	<u>(727,198)</u>	<u>40,840,677</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	2,816,150	297,047	0	3,113,197
Vehicles and Equipment	3,319,819	573,743	(611,391)	3,282,171
Infrastructure	6,910,679	819,616	0	7,730,295
Totals	<u>13,046,648</u>	<u>1,690,406</u>	<u>(611,391)</u>	<u>14,125,663</u>
Total Capital Assets, Being Depreciated	<u>27,524,901</u>	<u>(694,080)</u>	<u>(115,807)</u>	<u>26,715,014</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,127,662</u>	<u>\$ (643,657)</u>	<u>\$ (121,682)</u>	<u>\$ 30,362,323</u>

Depreciation was charged as follows:

Governmental Activities:

General Government	\$ 42,790
Public Safety	489,329
Public Works	1,073,831
Culture and Recreation	84,456
Total	<u>\$ 1,690,406</u>

Business-Type Activities	Beginning Balance	Increases	Reclassifications/ Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 383,099	\$ 0	\$ 0	\$ 383,099
Construction in Progress	0	30,663	0	30,663
Total Capital Assets, Not Being Depreciated	<u>383,099</u>	<u>30,663</u>	<u>0</u>	<u>413,762</u>
Capital Assets, Being Depreciated:				
Equipment and Vehicles	872,600	121,172	(88,250)	905,522
Infrastructure	379,527	0	0	379,527
Distribution Lines	26,968,346	0	0	26,968,346
Totals	<u>28,220,473</u>	<u>121,172</u>	<u>(88,250)</u>	<u>28,253,395</u>
Less Accumulated Depreciation for:				
Equipment and Vehicles	415,935	52,694	(84,220)	384,409
Infrastructure	9,555	4,711	0	14,266
Distribution Lines	9,048,297	461,793	0	9,510,090
Totals	<u>9,473,787</u>	<u>519,198</u>	<u>(84,220)</u>	<u>9,908,765</u>
Total Capital Assets, Being Depreciated	<u>18,746,686</u>	<u>(398,026)</u>	<u>(4,030)</u>	<u>18,344,630</u>
Business-Type Activities Capital Assets, Net	<u>\$ 19,129,785</u>	<u>\$ (367,363)</u>	<u>\$ (4,030)</u>	<u>\$ 18,758,392</u>

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Town has combined some of the cash resources of its governmental and proprietary fund types for accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2018 are as follows:

Due To/From Other Funds:	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 5,178	\$ 1,398,752
Host Town Fund	89,078	0
Cemetery Fund - Special Revenue	0	770
Records Restoration Fund	2,142	0
Grant Fund	118,186	0
Recreation Fund	68,761	0
Road Improvement Taft Corners Fund	0	3,434
Sidewalk Project Fund	0	1,513
Public Works Building Fund	653,728	0
Equipment Replacement Fund	0	24,134
Trustees of Public Funds	0	30,905
Water Fund	91,212	0
Meadowridge Sewer Fund	4,384	0
Sewer Fund	383,912	0
Stormwater Fund	80,296	0
Agency Funds	<u>0</u>	<u>37,369</u>
 Total Due To/From Other Funds	 \$ <u><u>1,496,877</u></u>	 \$ <u><u>1,496,877</u></u>

Interfund transfers for the year ended June 30, 2018, were as follows:

<u>Transfer From</u>	<u>Amount</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 40,000	Conservation Fund	\$ 40,000	Town Appropriation
General Fund	28,000	Cemetery Fund	28,000	Town Appropriation
General Fund	243,330	Equipment Replacement Fund	243,330	Town Appropriation
Host Town Fund	<u>375,000</u>	Equipment Replacement Fund	<u>375,000</u>	Town Appropriation
Total	<u>\$ 686,330</u>		<u>\$ 686,330</u>	

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – UNAVAILABLE REVENUE / UNEARNED REVENUE

Unavailable revenue consists of delinquent taxes not collected within sixty (60) days after the fiscal year end as these would not be available to liquidate current liabilities. Additionally, it includes community development loan receivables which will not be repaid within six months of year end.

Unearned revenue consists of other receivables not collected by October 31 of the following year as these would not be available to liquidate current liabilities, as well as prepaid taxes and fees and grants have been received but are not yet spent.

NOTE 9 – LONG-TERM LIABILITIES

Long-term liabilities outstanding as of June 30, 2018 were as follows:

Governmental Activities

Library Roof Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$20,000 through November, 2022. Interest Rate at 2.4%, Interest Paid Semi-Annually at May 15 and November 15.	\$ 100,000
Public Safety Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$165,000 on December 1 through 2025, Various Interest Rates Ranging from 3.00% to 4.58%, Interest Paid Semi-Annually at June 1 and December 1.	1,320,000
Highway Improvements (Sidewalks) Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$80,000 on December 1 through 2025, Various Interest Rates Ranging from 3.0% to 4.58%, Interest Paid Semi-Annually at June 1 and December 1.	640,000
Public Safety Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$70,000 on December 1 through 2026, Various Interest Rates Ranging from 3.835% to 4.665%, Interest Paid Semi-Annually at June 1 and December 1.	585,000
Public Safety Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$90,000 on December 1 through 2027, Various Interest Rates Ranging from 3.865% to 4.665%, Interest Paid Semi-annually at June 1 and December 1.	900,000
Fire Truck Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$50,000 through December, 2017, then \$45,000 Due through December, 2020, Various Interest Rates Averaging 3.07%, Interest Paid Semi-Annually at June 1 and December 1.	90,000

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – LONG-TERM LIABILITIES (Continued)

Public Works Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$240,000 through November, 2033, Various Interest Rates Ranging from 0.44% to 4.644%, Interest Paid Semi-Annually at May 15 and November 15.	3,840,000
Ambulance Lease Payable, TD Equipment Finance, Annual Principal and Interest combined payments of \$31,677, from June, 2014 through June, 2020, Interest Rate of 2.7%.	60,883
Fire Truck Bond Payable, Vermont Municipal Bond Bank, Annual Principal Payments of \$39,159 through November, 2028, Various Interest Rates Ranging from 2.19% to 3.39%, Interest Paid Semi-Annually at May 1 and November 1.	<u>274,115</u>
Total Governmental Activities	<u>\$ 7,809,998</u>
 <i>Business-type Activities</i>	
State Revolving Loan Fund, Sewer Pumps, Annual Principal and Interest combined payments of \$16,179, from May 2014 through May 2033, Interest Rate of 0%, Administrative Rate of 2%.	\$ 207,885
State Revolving Loan Fund, Industrial Ave., Total Available \$832,000, Annual Principal and Interest combined payments of \$46,677, from July, 2015 through July, 2034, Interest Rate of 0%, Admin Rate of 2%.	633,764
State Revolving Loan Fund, Meadowridge, Annual Principal and Interest combined payments of \$24,866, from April, 2014, through April, 2033, Interest Rate of 0%, Admin Rate of 2%.	319,514
State Revolving Loan Fund, Gallop Hill Pump Station, Annual Principal and Interest combined payments of \$10,826, from November, 2016, through November, 2035, Interest Rate of 0%, Admin Rate of 2%.	156,306
State Revolving Loan Fund, Pump Station, Annual Principal and Interest combined payments of \$16,274, from November, 2018, through November, 2035, Interest Rate of 0%, Admin Rate of 2%.	266,109
Vermont Municipal Bond Bank, Water Tower Land, Annual Principal Payments of \$40,000 on November 15 through November 2022, Interest Rate at 2.4%, Interest due November 15 and May 15 Annually.	<u>200,000</u>
Total Business-type Activities	<u>\$ 1,783,578</u>

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – LONG-TERM LIABILITIES (Continued)

Total interest paid during the year was \$290,299 in the governmental activities, and \$31,394 in the business-type activities. Changes in all long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds and Leases	\$ 8,270,123	\$ 274,115	\$ (734,240)	\$ 7,809,998	\$ 735,034
Accrued Compensated Absences	278,364	0	(7,063)	271,301	0
Total Governmental Activities	<u>\$ 8,548,487</u>	<u>\$ 274,115</u>	<u>\$ (741,303)</u>	<u>\$ 8,081,299</u>	<u>\$ 735,034</u>
Business-type Activities					
General Obligation Bond and Notes	\$ 1,893,970	\$ 0	\$ (110,392)	\$ 1,783,578	\$ 122,751
Accrued Compensated Absences	5,937	464	0	6,401	0
Total Business-type Activities	<u>\$ 1,899,907</u>	<u>\$ 464</u>	<u>\$ (110,392)</u>	<u>\$ 1,789,979</u>	<u>\$ 122,751</u>

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

Debt service requirements to maturity are as follows:

June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 735,034	\$305,734	\$ 1,040,768	\$ 122,751	\$ 34,646	\$ 157,397
2020	735,844	276,285	1,012,129	124,406	32,330	156,736
2021	660,000	251,250	911,250	126,094	29,981	156,075
2022	660,000	225,680	885,680	127,816	27,598	155,414
2023	699,159	198,742	897,901	129,572	25,181	154,753
2027-2028	2,840,795	591,926	3,432,721	475,460	96,654	572,114
2029-2033	1,239,159	192,967	1,432,126	524,945	47,165	572,110
2034-2038	240,007	5,573	245,580	152,534	6,789	159,323
Total	<u>\$ 7,809,998</u>	<u>\$ 2,048,157</u>	<u>\$ 9,858,155</u>	<u>\$ 1,783,578</u>	<u>\$ 300,344</u>	<u>\$ 2,083,922</u>

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – COMMITTED AND ASSIGNED FUND BALANCES AND DESIGNATED NET POSITION

The committed and assigned fund balances in the Governmental Funds of the Town as of June 30, 2018 consisted of the following:

<u>Committed</u>	
Committed by Selectboard for future projects	\$ 654,377
<u>Assigned</u>	
General Fund - Assigned to Reduce Property Taxes in Fiscal year 2019	\$ 889,810
Assigned for Conservation Expenditures	343,470
Assigned for Future Projects	397,829
Assigned for Library Use	18,503
Total Assigned Fund Balance	<u>\$ 1,649,612</u>

The designated net position in the Proprietary Funds of the Town as of June 30, 2018 consisted of the following:

<u>Water Fund</u>	
Designated for Water Capital Projects	\$ 290,358
Designated for Water Fund Expenditures	1,148,095
Total Water Fund	<u>1,438,453</u>
<u>Sewer Fund</u>	
Designated for Sewer Capital Projects	704,091
Designated for Sewer Fund Expenditures	2,976,806
Total Sewer Fund	<u>3,680,897</u>
<u>Meadowridge Fund</u>	
Designated for Meadowridge Fund Expenditures	<u>370,808</u>
<u>Stormwater Fund</u>	
Designated for Stormwater Expenditures	<u>728,143</u>
Total Designated Net Position	<u>\$ 6,218,301</u>

TOWN OF WILLISTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 11 – RESTRICTED FUND BALANCES AND NET POSITION

The restricted fund balances and net position of the Town as of June 30, 2018 consisted of the following:

<i>Governmental Activities:</i>	<u>Fund Balance</u>	<u>Net Position</u>
Restricted by State Statute - Impact Fees	\$ 1,101,333	\$ 1,101,333
Restricted by State Statute - Records Restoration	96,380	96,380
Restricted by State – Reappraisal	258,326	258,326
Restricted by Bond Agreement	1,158,306	884,191
Restricted by Grant Agreements	97,255	97,255
Restricted by Donors and Bequests	21,233	21,233
Restricted by Developer Fee Agreements	61,756	61,756
Restricted by Trust Agreements	128,593	128,593
Restricted by Community Development Loan/Grant Agreement	0	1,395,900
Total Governmental Activities	<u>\$ 2,923,182</u>	<u>\$ 4,044,967</u>
 <i>Business-Type Activities:</i>		
Restricted by Agreement with Village of Essex Junction, Vermont – Capacity Rights	\$ 2,070,389	\$ 2,070,389
Restricted in Escrow for Stormwater	32,191	32,191
Restricted by Stormwater Activity	493,705	493,705
Total Business-Type Activities	<u>\$ 2,596,285</u>	<u>\$ 2,596,285</u>

NOTE 12 - PENSION PLANS

All eligible employees of the Town are enrolled for coverage by the Vermont Municipal Employees' Retirement System (VMERS) immediately upon employment. VMERS has a defined benefit plan and a defined contribution plan that the Town participates in as follows:

VMERS Defined Contribution Plan

The State of Vermont authorized VMERS to establish a new defined contribution (DC) plan available to members on July 1, 2000. The DC plan is a tax-sheltered money purchase plan under IRC 401(a). The plan includes a 5% employee contribution and a 5.125% employer contribution. 100% vesting occurs after one year of municipal service.

Of the Town's total payroll of \$4,427,212, \$489,937 was covered under the VMERS defined contribution plan. The total contributions to this plan by the employer were \$25,109 and by the employees were \$24,497.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - PENSION PLANS (Continued)

VMERS Defined Benefit Plan

Plan description. The Town contributes to the Vermont Municipal Employees' Retirement System (VMERS) which is a cost sharing multiple employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2017, the retirement system consisted of 423 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A Chapter 125.

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, consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives – one elected by the governing bodies of participating employers of the system and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Summary of System Provisions

Membership is open to all full time employees of participating municipalities. The municipality elects coverage under Groups A, B, C, or D. The Town has Group B and Group C members.

Creditable service is service as a member plus purchased service.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - PENSION PLANS (Continued)

Benefits provided and contributions

	Group A	Group B	Group C	Group D
Avg Final Compensation (AFC)	Average annual compensation during highest 5 consecutive years	Average annual compensation during highest 3 consecutive years	Average annual compensation during highest 3 consecutive years	Average annual compensation during highest 2 consecutive years
Service Retirement Allowance				
Eligibility	Earlier of age 65 with 5 years of service or age 55 with 35 years of service	Earlier of age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Amount	1.4% of AFC times service	1.7% of AFC times service as Group B member plus percentage earned as a Group A member times AFC	2.5% of AFC times service as Group C member plus percentage earned as a Group A or B member times AFC	2.5% of AFC times service as Group D member plus percentage earned as a Group A, B, or C member times AFC
Maximum Benefit	60% of AFC, including portion of allowance provided by member contributions		50% of AFC, including portion of allowance provided by member contributions	
Early Retirement Allowance				
Eligibility	Age 55 with 5 years of service		n/a	Age 50 with 20 years of service
Amount	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age		n/a	Normal allowance based on service and AFC at early retirement, without reduction
Vested Retirement Allowance				
Eligibility	5 years of service	5 years of service	5 years of service	5 years of service
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the CPI, subject to the limits on "Post-Retirement Adjustments" described below.			
Disability Retirement Allowance				
Eligibility	5 years of service and disability as determined by Retirement Board			
Amount	Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.			
Death Benefit				
Eligibility	After 5 years of service	After 5 years of service	After 5 years of service	After 5 years of service
Amount	Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as of the date of death.			70% of the unreduced accrued benefit plus children's benefit
Optional Benefit and Death after Retirement				
	Lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contributions guarantee.			Lifetime allowance or 70% contingent annuitant option with no reduction
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.			
Post-Retirement Adjustments				
	Allowance in payment for at least one year, increased on each January 1 by one-half of the percentage increase in CPI but not more than the following percentage:			
	2%	3%	3%	3%
Member Contributions	2.5% effective 1/1/00	4.875% effective 7/1/16	10% eff. 1/1/16	11.35% eff. 7/1/16
Employer Contributions	4%	5.5% effective 7/1/16	7.25% effective 1/1/16	9.85% effective 7/1/16
Retirement Stipend	\$25 per month payable at the option of the Board of Retirees			

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - PENSION PLANS (Continued)

For the year ended June 30, 2018, the Town's contributions to the Plan were \$204,983.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the Town reported a liability of \$1,466,576 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Town's proportion was 1.2105 percent, which was a decrease of 0.048 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$364,585. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,335	\$ 36,305
Changes of assumptions	307,025	0
Net difference between projected and actual earnings on Plan investments	244,266	0
Changes in proportion and differences between Town contributions and proportionate share of contributions	18,126	24,459
Member contributions subsequent to the measurement date	204,983	0
Total	\$ 795,735	\$ 60,764

The \$204,983 of deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as the net pension expense in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	Amount
2018	\$ 200,681
2019	277,381
2020	69,540
2021	(17,614)
2022	0
Thereafter	0

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return – 7.5%, net of pension plan investment expenses, including inflation.

Salary increase – 5% per year.

Mortality:

Death in Active Service:

Groups A, B, C – 98% of RP-2014 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017

Group D – RP-2014 Blue Collar Annuitant Table with generational projection using Scale SSA-2017

Healthy Post-retirement:

Groups A, B, C – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using Scale SSA-2017

Group D – 100% of RP-2014 Healthy Annuitant Table with generational projection using Scale SSA-2017

Disabled Post-retirement:

All groups - RP-2014 Disabled Mortality Table with generational projection using Scale SSA-2017

Spouse's age – females three years younger than males.

Cost of Living Adjustments – Assumed to occur on January 1 following one year of retirement at the rate of 1.15% per annum for Group A members and 1.3% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B, and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2018 COLA is assumed to be .75% for all age groups.

Actuarial Cost Method – Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Actuarial Value of Assets – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation – 2.5%

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - PENSION PLANS (Continued)

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	16.00%	6.07%
Non-US Equity	16.00%	7.42%
Global Equity	9.00%	6.85%
Real Estate	8.00%	4.62%
Private Markets	15.00%	7.80%
Hedge Funds	8.00%	3.95%
Risk Parity	4.00%	4.84%

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.5%) or one percent higher (8.5%) than the current rate:

<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
\$ 2,618,473	\$ 1,466,575	\$ 511,261

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State's Department of Finance and Management website.

TOWN OF WILLISTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 13 – PROPERTY TAXES

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Board based on the voter approved budget, the estimated Grand List and the State education property tax liability. Taxes are due in three equal installments by the tenth of August, November and February. All late payments are subject to a 1% interest charge per month for the first 3 months and 1.5% per month thereafter. All unpaid taxes after February 15th are subject to a 1% penalty. The tax rate for fiscal year 2018 was:

	<u>Residential</u>	<u>Non-Residential</u>
Town	\$ 0.2650	\$ 0.2650
Education	<u>1.4266</u>	<u>1.5468</u>
	<u>\$ 1.6916</u>	<u>\$ 1.8118</u>

NOTE 14 – CURRENT USE

The State of Vermont operates a Current Use Program and enters into tax abatement agreements directly with landowners. Enrolled landowners are required to manage their land in accordance with an approved plan, and the land is subject to a lien to recover taxes abated if the land is ever developed. In exchange, the landowners receive a reduction in assessed value on their property tax bills, which results in a reduction of property tax revenue to the Town. For fiscal year 2018, the amount of Town property taxes foregone as a result of the Current Use Program was approximately \$30,000. In accordance with 32 V.S.A § 3760, the State of Vermont limits the total loss of revenue to zero by providing the Town with a Hold Harmless payment in the following year that is equivalent to the taxes previously foregone.

NOTE 15 - SALES AND MEALS TAX REVENUE

The Town levies a local option sales tax of 1% on goods and meals purchased in the Town of Williston. Of the local tax reported to the State of Vermont, 70% of the tax reported is paid to the Town on a quarterly basis. The State also charges an administration and collection fee.

During fiscal year 2018, \$4,566,618 of the local option sales and meals taxes were reported to the State of Vermont. \$1,434,422 is the State of Vermont’s share and \$3,132,196 was paid to the Town.

NOTE 16 – LIBRARY ENDOWMENT FUND

On August 31, 1994, the Dorothy Alling Memorial Library created an endowment at the Vermont Community Foundation. In doing so, the ownership of the funds passed to the Vermont Community Foundation with the stipulation that the Foundation pay to the Library an amount, determined on an annual basis, to be not less than 5% of the value of the funds as of the end of the previous year. Payments are made at least semiannually. The endowment is not reflected on the balance sheet of the Town. The balance of the Endowment Fund at June 30, 2018 is \$84,903.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 – RISK MANAGEMENT

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

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

NOTE 18 – SUPERFUND SITE

The Commerce Street plume, within the Town of Williston, has been identified by the Environmental Protection Agency (EPA) as a Superfund site. The EPA is in the process of identifying potential responsible parties. It is unknown if the Town will be considered a responsible party. However, any related liability has been determined to be immaterial.

NOTE 19 – CONCENTRATION OF EXPENSES

The Town purchased a major portion of its water from the Champlain Water District (CWD) for the year ended June 30, 2018. The Town incurred \$534,801 in expenses to CWD.

The Town purchased all of its sewage treatment from the Village of Essex Junction, Vermont for the year ended June 30, 2018. The Town incurred \$693,745 in treatment expenses to the Village of Essex Junction, Vermont.

NOTE 20 – CONTINGENT LIABILITIES

The Town is a participating member in the Chittenden Solid Waste District (CSWD) and Champlain Water District (CWD). The Town could be subject to a portion of the two District's debt if either District experiences financial problems.

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2018 have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

TOWN OF WILLISTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 21 – COMMITMENTS

The Town is involved in many projects which have contracts in place that will affect the financial statements of future periods. The contracts are as follows:

Project name	Funding Source	Estimated Total Cost	% Completed at 6/30/18
Blair Park Recreation Path	Grant/Sidewalk Bond	\$ 282,200	4%
Sewer Capacity Purchase	Sewer Revenue	500,000	40%
Meadowridge HOA Loan	Stormwater Fund	338,705	2%
Golf Links HOA Loan	Stormwater Fund	40,000	0%
Lamplite Acres Project	Stormwater Fund	375,000	8%

NOTE 22 – PRIOR PERIOD ADJUSTMENTS

The government-wide and other governmental funds net positions for July 1, 2017 were restated below as follows:

	Governmental Activities	Other Governmental Funds
July 1, 2017, as previously reported	\$ 30,853,502	\$ 3,973,722
Omitted Library Trustee Fund	18,826	18,826
July 1, 2017, restated	<u>\$ 30,872,328</u>	<u>\$ 3,992,548</u>

NOTE 23 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 11, 2019, the date which the financial statements were available for issue. Management is not aware of anything which needs to be disclosed.

TOWN OF WILLISTON, VERMONT
 COMBINING AND INDIVIDUAL BALANCE SHEETS - ALL NONMAJOR FUNDS
 JUNE 30, 2018

SCHEDULE 1

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Trustees of Public Funds Fund	Total
ASSETS				
Cash	\$ 1,084,785	\$ 1,965,423	\$ 159,498	\$ 3,209,706
Receivables	73,713	0	0	73,713
Due from Other Funds	209,406	722,489	0	931,895
Total Assets	\$ 1,367,904	\$ 2,687,912	\$ 159,498	\$ 4,215,314
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Unearned Revenue	\$ 91,312	\$ 0	\$ 0	\$ 91,312
Due to Other Funds	770	29,081	30,905	60,756
Total Liabilities	92,082	29,081	30,905	152,068
Fund Balances:				
Nonspendable - Cemetery	0	0	127,028	127,028
Restricted	516,020	2,004,454	1,565	2,522,039
Committed	0	654,377	0	654,377
Assigned	759,802	0	0	759,802
Total Fund Balances	1,275,822	2,658,831	128,593	4,063,246
Total Liabilities and Fund Balances	\$ 1,367,904	\$ 2,687,912	\$ 159,498	\$ 4,215,314

TOWN OF WILLISTON, VERMONT
 COMBINING AND INDIVIDUAL SCHEDULES OF REVENUES, EXPENDITURES, AND
 CHANGE IN FUND BALANCES - ALL NONMAJOR FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE 2

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Trustees of Public Funds Fund	Total
Revenues:				
Investment Interest	\$ 4,462	\$ 10,351	\$ 414	\$ 15,227
Licenses, Permits and Fees	341,371	208,108	0	549,479
Intergovernmental Revenues	241,465	0	0	241,465
Charge for Services	8,125	0	0	8,125
Other Revenue	20,269	15,590	0	35,859
Donations	<u>34,445</u>	<u>0</u>	<u>0</u>	<u>34,445</u>
Total Revenues	<u>650,137</u>	<u>234,049</u>	<u>414</u>	<u>884,600</u>
Expenditures:				
Current Expenditures				
General Government	19,563	0	0	19,563
Public Safety	171,600	0	0	171,600
Public Works	0	29,769	0	29,769
Culture and Recreation	28,442	0	0	28,442
Cemetery	40,400	0	0	40,400
Debt Service Interest	0	15,710	0	15,710
Capital Outlay	<u>86,976</u>	<u>732,772</u>	<u>0</u>	<u>819,748</u>
Total Expenditures	<u>346,981</u>	<u>778,251</u>	<u>0</u>	<u>1,125,232</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>303,156</u>	<u>(544,202)</u>	<u>414</u>	<u>(240,632)</u>
Other Financing Sources/(Uses):				
Transfers in	68,000	618,330	0	686,330
Transfers out	<u>(375,000)</u>	<u>0</u>	<u>0</u>	<u>(375,000)</u>
Total Other Financing Sources (Uses)	<u>(307,000)</u>	<u>618,330</u>	<u>0</u>	<u>311,330</u>
Net Change in Fund Balances	(3,844)	74,128	414	70,698
Fund Balances - July 1, 2017 (Restated)	<u>1,279,666</u>	<u>2,584,703</u>	<u>128,179</u>	<u>3,992,548</u>
Fund Balances - June 30, 2018	<u>\$ 1,275,822</u>	<u>\$ 2,658,831</u>	<u>\$ 128,593</u>	<u>\$ 4,063,246</u>

TOWN OF WILLISTON, VERMONT
 COMBINING AND INDIVIDUAL BALANCE SHEETS - SPECIAL REVENUE FUNDS
 JUNE 30, 2018

SCHEDULE 3

	Conservation Fund	Host Town Fund	Cemetery Fund	Reappraisal Fund	Recreation Path Fund	Agriculture Mitigation Fund	Records Restoration Fund	Grant Fund	Library Trustees Fund	Total
<u>ASSETS</u>										
Cash	\$ 343,470	\$ 302,885	\$ 24,537	\$ 258,326	\$ 40,944	\$ 1,882	\$ 94,238	\$ 0	\$ 18,503	\$ 1,084,785
Receivables	0	5,866	0	0	0	0	0	67,847	0	73,713
Due From Other Funds	0	89,078	0	0	0	0	2,142	118,186	0	209,406
TOTAL ASSETS	<u>\$ 343,470</u>	<u>\$ 397,829</u>	<u>\$ 24,537</u>	<u>\$ 258,326</u>	<u>\$ 40,944</u>	<u>\$ 1,882</u>	<u>\$ 96,380</u>	<u>\$ 186,033</u>	<u>\$ 18,503</u>	<u>\$ 1,367,904</u>
<u>LIABILITIES AND FUND BALANCES</u>										
Liabilities:										
Unearned Revenue	\$ 0	\$ 0	\$ 2,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 88,778	\$ 0	\$ 91,312
Due To Other Funds	0	0	770	0	0	0	0	0	0	770
Total Liabilities	<u>0</u>	<u>0</u>	<u>3,304</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,778</u>	<u>0</u>	<u>92,082</u>
Fund Balances:										
Restricted	0	0	21,233	258,326	40,944	1,882	96,380	97,255	0	516,020
Assigned	343,470	397,829	0	0	0	0	0	0	18,503	759,802
Total Fund Balances	<u>343,470</u>	<u>397,829</u>	<u>21,233</u>	<u>258,326</u>	<u>40,944</u>	<u>1,882</u>	<u>96,380</u>	<u>97,255</u>	<u>18,503</u>	<u>1,275,822</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 343,470</u>	<u>\$ 397,829</u>	<u>\$ 24,537</u>	<u>\$ 258,326</u>	<u>\$ 40,944</u>	<u>\$ 1,882</u>	<u>\$ 96,380</u>	<u>\$ 186,033</u>	<u>\$ 18,503</u>	<u>\$ 1,367,904</u>

TOWN OF WILLISTON, VERMONT
 COMBINING AND INDIVIDUAL SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES -
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE 4

	Conservation Fund	Host Town Fund	Cemetery Fund	Reappraisal Fund	Recreation Path Fund	Agriculture Mitigation Fund	Records Restoration Fund	Grant Fund	Library Trustees Fund	Total
Revenues:										
Investment Interest	\$ 1,323	\$ 1,074	\$ 4	\$ 1,599	\$ 141	\$ 7	\$ 313	\$ 0	\$ 1	\$ 4,462
Licenses, Permits and Fees	0	318,053	0	0	0	0	23,318	0	0	341,371
Intergovernmental Revenues	0	0	0	35,692	0	0	0	205,773	0	241,465
Charge for Services	0	0	8,125	0	0	0	0	0	0	8,125
Other Revenue	0	0	0	0	0	0	0	20,269	0	20,269
Donations	0	0	5,000	0	0	0	0	29,445	0	34,445
Total Revenues	1,323	319,127	13,129	37,291	141	7	23,631	255,487	1	650,137
Expenditures:										
Current										
General Government	0	0	0	6,470	0	0	12,020	1,073	0	19,563
Public Safety	0	0	0	0	0	0	0	171,600	0	171,600
Culture and Recreation	0	0	0	0	0	0	0	28,118	324	28,442
Cemetery	0	0	40,400	0	0	0	0	0	0	40,400
Capital Outlay	0	19,949	0	0	0	0	0	67,027	0	86,976
Total Expenditures	0	19,949	40,400	6,470	0	0	12,020	267,818	324	346,981
Excess/(Deficiency) of Revenue Over Expenditures	1,323	299,178	(27,271)	30,821	141	7	11,611	(12,331)	(323)	303,156
Other Financing Sources/(Uses):										
Transfers In	40,000	0	28,000	0	0	0	0	0	0	68,000
Transfers Out	0	(375,000)	0	0	0	0	0	0	0	(375,000)
Total Other Financing Sources/(Uses)	40,000	(375,000)	28,000	0	0	0	0	0	0	(307,000)
Net Change in Fund Balance	41,323	(75,822)	729	30,821	141	7	11,611	(12,331)	(323)	(3,844)
Fund Balances - July 1, 2017 (Restated)	302,147	473,651	20,504	227,505	40,803	1,875	84,769	109,586	18,826	1,279,666
Fund Balances - June 30, 2018	\$ 343,470	\$ 397,829	\$ 21,233	\$ 258,326	\$ 40,944	\$ 1,882	\$ 96,380	\$ 97,255	\$ 18,503	\$ 1,275,822

TOWN OF WILLISTON, VERMONT
 COMBINING AND INDIVIDUAL BALANCE SHEETS - CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

SCHEDULE 5

	Bridge Fund	Recreation Fund	Road Improvement Fund	Road Improvement Taft Corners Fund	Sidewalk Project Fund	Public Works Building Fund	Equipment Replacement Fund	Total
<u>ASSETS</u>								
Cash	\$ 12,449	\$ 335,513	\$ 18,930	\$ 700,493	\$ 231,976	\$ 0	\$ 666,062	\$ 1,965,423
Due From Other Funds	<u>0</u>	<u>68,761</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>653,728</u>	<u>0</u>	<u>722,489</u>
TOTAL ASSETS	<u>\$ 12,449</u>	<u>\$ 404,274</u>	<u>\$ 18,930</u>	<u>\$ 700,493</u>	<u>\$ 231,976</u>	<u>\$ 653,728</u>	<u>\$ 666,062</u>	<u>\$ 2,687,912</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due To Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ 3,434	\$ 1,513	\$ <u>0</u>	\$ 24,134	\$ 29,081
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,434</u>	<u>1,513</u>	<u>0</u>	<u>24,134</u>	<u>29,081</u>
Fund Balances:								
Restricted	0	404,274	18,930	697,059	230,463	653,728	0	2,004,454
Committed	<u>12,449</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>641,928</u>	<u>654,377</u>
Total Fund Balances	<u>12,449</u>	<u>404,274</u>	<u>18,930</u>	<u>697,059</u>	<u>230,463</u>	<u>653,728</u>	<u>641,928</u>	<u>2,658,831</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,449</u>	<u>\$ 404,274</u>	<u>\$ 18,930</u>	<u>\$ 700,493</u>	<u>\$ 231,976</u>	<u>\$ 653,728</u>	<u>\$ 666,062</u>	<u>\$ 2,687,912</u>

TOWN OF WILLISTON, VERMONT
 COMBINING AND INDIVIDUAL SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE 6

	Bridge Fund	Recreation Fund	Road Improvement Fund	Road Improvement Taft Corners Fund	Sidewalk Project Fund	Public Works Building Fund	Equipment Replacement Fund	Total
Revenues:								
Investment Interest	\$ 43	\$ 1,305	\$ 47	\$ 1,725	\$ 920	\$ 0	\$ 6,311	\$ 10,351
Licenses, Permits and Fees	0	147,558	0	60,550	0	0	0	208,108
Other Revenue	0	0	0	0	0	0	15,590	15,590
Total Revenues	<u>43</u>	<u>148,863</u>	<u>47</u>	<u>62,275</u>	<u>920</u>	<u>0</u>	<u>21,901</u>	<u>234,049</u>
Expenditures:								
Current								
Public Works	0	151	0	10,596	1,513	0	17,509	29,769
Debt Service Interest	0	15,710	0	0	0	0	0	15,710
Capital Outlay	0	31,597	0	0	0	0	701,175	732,772
Total Expenditures	<u>0</u>	<u>47,458</u>	<u>0</u>	<u>10,596</u>	<u>1,513</u>	<u>0</u>	<u>718,684</u>	<u>778,251</u>
Excess/(Deficiency) of Revenue Over Expenditures	43	101,405	47	51,679	(593)	0	(696,783)	(544,202)
Other Financing Sources(Uses)								
Transfers In	0	0	0	0	0	0	618,330	618,330
Net Change in Fund Balance	43	101,405	47	51,679	(593)	0	(78,453)	74,128
Fund Balances - July 1, 2017	<u>12,406</u>	<u>302,869</u>	<u>18,883</u>	<u>645,380</u>	<u>231,056</u>	<u>653,728</u>	<u>720,381</u>	<u>2,584,703</u>
Fund Balances - June 30, 2018	<u>\$ 12,449</u>	<u>\$ 404,274</u>	<u>\$ 18,930</u>	<u>\$ 697,059</u>	<u>\$ 230,463</u>	<u>\$ 653,728</u>	<u>\$ 641,928</u>	<u>\$ 2,658,831</u>

TOWN OF WILLISTON, VERMONT
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY
 VERMONT EMPLOYEES MUNICIPAL RETIREMENT PLAN
 As of Measurement Date June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	1.2105%	1.2585%	1.2490%
Town's proportionate share of the net pension liability (asset)	\$1,466,576	\$1,619,667	\$ 962,948
Town's covered-employee payroll	\$3,421,694	\$3,330,264	\$3,139,805
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.86%	48.63%	30.67%
Plan fiduciary net position as a percentage of the total pension liability	83.64%	80.95%	87.42%

TOWN OF WILLISTON, VERMONT
 SCHEDULE OF TOWN CONTRIBUTIONS
 VERMONT EMPLOYEES MUNICIPAL RETIREMENT PLAN
 Years Ended June 30, .

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 204,983	\$ 197,683	\$ 191,276	\$ 174,595	\$ 154,583
Contributions in relation to the contractually required contribution	<u>(204,983)</u>	<u>(197,683)</u>	<u>(191,276)</u>	<u>(174,595)</u>	<u>(154,583)</u>
Contribution deficiency (excess)	<u>\$ 0</u>				
Town's covered-employee payroll	\$3,548,935	\$3,421,694	\$3,330,264	\$3,139,805	\$2,910,148
Contributions as a percentage of covered-employee payroll	5.776%	5.777%	5.744%	5.561%	5.312%

FOTHERGILL SEGALE & VALLEY

Certified Public Accountants



John E. (Jeff) Fothergill, CPA
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Sheila R. Valley, CPA
Teresa H. Kajenski, CPA
Donald J. Murray, CPA

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*

To the Selectboard
Town of Williston, Vermont

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Town of Williston, Vermont, as of and for the year ended June 30, 2018, 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, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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*.

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.

Respectfully submitted,


FOTHERGILL SEGALE & VALLEY, CPAs
Montpelier, Vermont
Vermont Public Accountancy License #110

January 11, 2019