

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2021

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Independent Auditor's Report

Board of Selectmen
Town of Pittsford, Vermont
P.O. Box 10, Plains Road
Pittsford, Vermont 05763-0010

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 Pittsford, Vermont as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Pittsford, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Pittsford, Vermont'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 Town of Pittsford, Vermont'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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont as of June 30, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Highway Fund and the Village Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2021, the Town implemented GASB Statement No. 84, "Fiduciary Activities".

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1 and the Schedule of Contributions on Schedule 2 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.

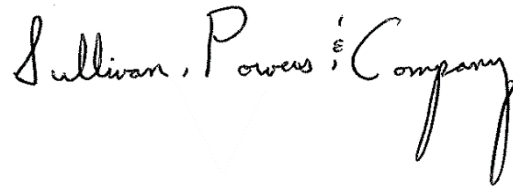
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pittsford, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated February 25, 2022 on our consideration of the Town of Pittsford, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Pittsford, Vermont’s internal control over financial reporting and compliance.

February 25, 2022
Montpelier, Vermont
VT Lic. #92-000180

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

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2021.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2021 by \$14,882,180 (*net position*). Of this amount, \$438,632 (*unrestricted net position*) may be used by the various funds of the Town to meet the Town's ongoing obligations.
- The Town's total net position increased by \$844,491. Of this amount, net position attributable to governmental activities increased by \$966,031. Net position attributable to business-type activities decreased by \$121,540.
- The General Fund had a current year surplus of \$85,747, increasing its fund balance to \$249,914.
- The Highway Fund had a current year surplus of \$183,545, resulting in a fund balance of \$149,547.

Overview of the Town's Financial Statements:

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

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

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

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

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

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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

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

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

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Current and Other Assets	\$ 2,049,010	\$ 1,947,531	\$ (153,795)	\$ 311,995	\$ 1,895,215	\$ 2,259,526
Capital Assets	8,362,295	7,140,160	9,439,887	8,976,277	17,802,182	16,116,437
Total Assets	10,411,305	9,087,691	9,286,092	9,288,272	19,697,397	18,375,963
Deferred Outflows of Resources	133,115	74,477	25,714	16,963	158,829	91,440
Current Liabilities	61,370	80,768	27,159	30,244	88,529	111,012
Long-term Liabilities	736,024	299,825	4,119,632	3,987,384	4,855,656	4,287,209
Total Liabilities	797,394	380,593	4,146,791	4,017,628	4,944,185	4,398,221
Deferred Inflows of Resources	28,285	28,865	1,576	2,628	29,861	31,493
Net Investment in Capital Assets	8,018,295	7,140,160	5,392,152	5,045,014	13,410,447	12,185,174
Restricted	1,033,101	808,848	0	0	1,033,101	808,848
Unrestricted	667,345	803,702	(228,713)	239,965	438,632	1,043,667
Total Net Position	\$ 9,718,741	\$ 8,752,710	\$ 5,163,439	\$ 5,284,979	\$ 14,882,180	\$ 14,037,689

As stated above, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,882,180 and \$14,037,689 as of June 30, 2021 and 2020, respectively.

The largest portion of the Town's net position (\$13,410,447) are in its investment in capital assets (90.1%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, infrastructure). Therefore, these assets are not available for future spending. A portion (6.9%, or \$1,033,101) of the Town's assets are subject to restrictions on how they may be used (e.g. highway maintenance, highway and fire vehicle replacement, building maintenance). The remaining balance of unrestricted net position (3%, or \$438,632) may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in unrestricted net position have been assigned by management for particular purposes (e.g. capital projects).

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Statement of Activities (Change in Net Position)

	Governmental Activities		Business-type Activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenues						
Program Revenues						
Charges for services	\$ 229,049	\$ 210,804	\$ 611,112	\$ 609,762	\$ 840,161	\$ 820,566
Operating grants and contributions	243,274	161,866	0	0	243,274	161,866
Capital grants and contributions	575,327	209,008	0	0	575,327	209,008
General Revenues						
Property taxes	2,328,342	2,279,684	0	0	2,328,342	2,279,684
Interest & Penalties on Delinquent Taxes	32,048	42,646	0	0	32,048	42,646
General State Grants	108,538	98,986	0	0	108,538	98,986
Unrestricted investment earnings	8,077	41,415	1,003	6,532	9,080	47,947
Other revenues	718	511	0	0	718	511
Total Revenues	<u>3,525,373</u>	<u>3,044,920</u>	<u>612,115</u>	<u>616,294</u>	<u>4,137,488</u>	<u>3,661,214</u>
Expenses						
Governmental activities						
General Government	820,005	702,839	0	0	820,005	702,839
Public Safety	497,912	477,065	0	0	497,912	477,065
Highways & Streets	1,094,617	1,140,167	0	0	1,094,617	1,140,167
Culture and Recreation	200,935	271,444	0	0	200,935	271,444
Sanitation	84,254	89,164	0	0	84,254	89,164
Interest on Long-term Debt	47	2,091	0	0	47	2,091
Business-type activities						
Water	0	0	445,050	413,631	445,050	413,631
Sewer	0	0	313,605	329,036	313,605	329,036
Total Expenses	<u>2,697,770</u>	<u>2,682,770</u>	<u>758,655</u>	<u>742,667</u>	<u>3,456,425</u>	<u>3,425,437</u>
Increase (Decrease) in Net Position						
Before Transfers	827,603	362,150	(146,540)	(126,373)	681,063	235,777
Transfers	(25,000)	(25,000)	25,000	25,000	0	0
Special Items	163,428	0	0	0	163,428	0
Change in Net Position	<u>966,031</u>	<u>337,150</u>	<u>(121,540)</u>	<u>(101,373)</u>	<u>844,491</u>	<u>235,777</u>
Net Position - Beginning of Year	<u>8,752,710</u>	<u>8,415,560</u>	<u>5,284,979</u>	<u>5,386,352</u>	<u>14,037,689</u>	<u>13,801,912</u>
Net Position - End of Year	<u>\$ 9,718,741</u>	<u>\$ 8,752,710</u>	<u>\$ 5,163,439</u>	<u>\$ 5,284,979</u>	<u>\$ 14,882,180</u>	<u>\$ 14,037,689</u>

Governmental activities. Governmental activities increased the Town's net position by \$966,031 in FY21. The primary reasons are due to increased revenues, underspending budgets and increasing reserves as well as a donation of cash and capital assets from the Pittsford First Response, Inc.

Business-type activities. Business-type activities decreased the Town's net position by \$121,540. Specifically, the Water Fund had a current year deficit of \$105,497, whereas the Sewer Fund had a current year deficit of \$16,043. The water deficit was due to spending \$53,500 from the Capital Fund on reservoir maintenance and tree removal as well as lots of line maintenance. The sewer deficit was due to rates being inadequate to support both operational costs and debt service obligations.

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The Pittsford Water Fund had a GAAP basis net position decrease of \$105,497 in FY21. This reduction was derived primarily of non-operating interest expenses of \$75,692 in addition to an operating loss of \$47,850. The Agency of Transportation is planning to upgrade U.S. Route 7, in segments, through the Town of Pittsford. The impact on the Pittsford Water System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) was \$377,304 on June 30, 2021.

The Sewer Fund had a GAAP basis net position decrease of \$16,043. This deficit was primarily the result of non-operating interest expenses of \$45,095 overtaking operating income of \$21,094. User rates will increase, effective July 1, 2022, in order to put an end to deficit spending and to address the debt related to the Depot Hill pump station replacement project. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Sewer System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were a negative balance of (\$606,017) on June 30, 2021.

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance increased \$85,747 from \$164,167 at the end of fiscal year 2020 to \$249,914 at the end of fiscal year 2021. Town collected \$4,651 more than expected and it spent \$84,096 less than it planned.

On the revenue side, Fee and Permit revenues exceeded the budgeted figure by \$11,221 due primarily to a hot real estate market. Intergovernmental revenues were \$51,423 higher than anticipated due to excess receipts in State PILOT (\$10,649), Current Use Reimbursement (\$10,152) Covid-19 related grants (\$25,776) and Health and Safety Revenue (\$4,387).

On the other hand, Property Tax and related revenues came in \$9,329 lower than expected due to timing of collections. Recreation Department revenues fell short of expectations by \$37,265, due primarily to the impact of COVID-19. Finally, police revenues fell \$11,485 short of the budget target, presumably due to significant reduced economic activity (e.g. trucking) during the worst of the pandemic.

On the expense side, the Town spent \$8,748 less than expected on Administration, \$2,838 less than budgeted in Zoning, \$4,141 less than planned in the Planning Commission, \$7,351 less than anticipated in Solid Waste Management, \$3,489 less than expected in First Response, \$6,047 less than budgeted in the Fire Department and \$84,751 less than budgeted in the Recreation Department (because there was not much programming offered due to the COVID-19 pandemic).

Expenditures exceeded budgeted amounts in the areas of Elections (\$10,389), Board of Civil Authority (\$2,111), Municipal Plant and Equipment (\$10,598), Miscellaneous (\$4,743) and in the Lister's Office (\$3,032). Many of these overages, were funded with the Covid-19 grants noted above.

The Highway Fund

The Highway Fund balance increased \$183,545 from a deficit of \$33,998 at the end of fiscal year 2020 to a fund balance of \$149,547 at the end of fiscal year 2021. The Town budgeted a \$67,695 surplus to erase a prior years' deficit The Town collected \$202,114 more than expected and it spent \$86,264 more than was expected.

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

On the revenue side of the ledger, the Highway Fund received larger than expected amounts by way of grant income (\$144,536), State Aid (\$39,201), FEMA funding (\$10,563), Reimbursement for Labor and Equipment used by Other Departments (\$7,103) and Miscellaneous receipts (\$2,426).

On the expense side, the Town spent less than expected on Equipment Rentals (\$3,977), Contracted Services (\$7,838), Guardrails (\$6,000), Sand (\$7,309), Salt (\$24,657), and Vehicle Supplies, Fuel and Maintenance (\$23,049). The majority of the savings was due to mild winter season.

On the other hand, the Highway Department spent more than budgeted in the areas of Labor (\$26,803), due to a budgetary miscalculation, Supplies (\$3,600), New Equipment Purchases (\$7,535), Liquid Magnesium (\$5,091) and Special Projects (\$123,538). The majority of the special projects was funded with unbudgeted grant revenues.¹

Other Funds

The Town has the following other reserve funds at June 30, 2021:

Committed for Village Fund – Sidewalks	\$ 24,058
Assigned for Reappraisal Expenses	159,154
Restricted for Land Records Preservation	78,681
Veterans Memorial Fund – Deficit	(3,053)
Restricted for William Dennison Fund – Fire	99,056
Restricted for Well Drilling Fund	13,094
Restricted and Committed for Bridge Replacement	210,562
Committed for Municipal Office Capital Improvements	10,026
Committed for Fire Department Capital	190,483
Patrol Car Fund – Deficit	(9,670)
Committed for Recreation Capital Expenses	13,627
Committed for Cemetery Development	51,317
Restricted for Highway Capital Fund	489,224
Committed for Pittsford First Response Capital	43,312
Restricted for Belcher Miracle Fund – Recreation	<u>2,689</u>
 Total Other Funds	 <u>\$1,372,560</u>

The Town also reports on six (6) Private Purpose Trust Funds in their custody.

Restricted for Burditt Trust Fund	\$3,545,826
Restricted for Bowen Walker Trust Fund	28,628
Restricted for Booth Trust Fund	47,636
Restricted for Pittsford Trust Fund	20,429
Restricted for Kelley Trust Fund	12,858
Restricted for Pinney Trust Fund	<u>14,431</u>
 Total Private Purpose Trust Funds	 <u>\$3,669,808</u>

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Restricted Net Position and Restricted Fund Balances

The restricted net position was \$1,033,101 on June 30, 2021. These funds are restricted for specific future expenses, such as highway maintenance and other purposes determined by trust agreements.

Capital Assets

Governmental Capital Assets increased \$1,222,135 in FY21, net of depreciation. Major capital additions for the year were as follows:

- (a) Purchase of a Ladder Truck for the Fire Department (\$783,060)
- (b) Acquisition of Two (2) vehicles from the Pittsford First Response, Inc.
- (c) Completion of the Salt Shed (\$551,037)
- (d) Purchase the box culvert for the Fire Hill Bridge (\$114,642)
- (e) Paving of Hollister Quarry Road, West Creek Road and Whipple Hollow Road (\$326,738)
- (f) Acquisition of Pittsford First Response building (\$114,700)
- (g) Land purchased from Omya for Fire Dept substation (\$21,562)

Business-Type Capital Assets increased \$463,610 in FY21, net of depreciation. Major capital additions for the year were as follows:

- (a) Completion of Two (2) Depot Hill Pump Station Replacements(\$624,381)
- (b) Deposit on a Generator for the WWTP (\$20,000)
- (c) Completion of Randall Park Waterline Replacement (\$54,306)
- (d) Purchase of a new hand held Meter reader (\$9,000)

Long Term Debt

All of the long term debt identified below is a general obligation of the Town of Pittsford. However, it has been the practice to fund repayment of the various obligations from their respective funds.

The Town obtained a Capital Lease for \$344,000 to assist in the purchase of the new Fire ladder truck. Payments begin in FY 22 for a period of ten years.

The Town's debt to the State of Vermont Environmental Revolving Loan Fund, for the issuance of loans to Pittsford homeowners to drill water wells, fell to \$42,528.

The combined Pittsford/Florence Water System and Sewer System had a bond balance (current plus noncurrent balance) of \$4,047,735 that was used for system improvements. The Water System had a bond balance of \$2,355,663 and the Sewer System had a bond balance totaling \$1,692,072.

Economic Factors and Next Year's Budgets and Rates

- The national economy has been hit hard by the impact of the COVID-19 pandemic, with repercussions at the State and local levels of government. The outlook for 2022 is one of increased economic activity and a hopefully brief bout of moderate inflation as several federal relief laws have continued impact and as increasing vaccination rates and increasingly available therapeutics diminish the threat posed by the pandemic.

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The following factors were considered in the development of budgets for FY22:

- **General Fund:** The voters approved a “Level Funded” 2022 General Fund budget of \$1,669,369, which represents a \$14,930 (0.9%) increase over the prior year. Of the 2022 General Fund budget, \$1,286,329 was to be raised by taxes—no increase in taxation from the prior year.
- **Highway Fund:** The Voters approved a “Level Funded” 2022 Highway Fund budget of \$1,154,770. The budget represents a \$70,985 increase from the prior year however, will not result in a tax increase. The FY22 budget features a \$15,000 increase in the Labor line item, a \$25,000 increase in the paving budget and a \$25,000 increase in the annual appropriation to the Bridge Replacement Reserve.

The following factors will influence budgets in future fiscal years:

The Agency of Transportation’s plans to upgrade U.S. Route 7 in segments as it passes through Pittsford will have to be addressed in this decade. The Town will have to contribute approximately \$700,000 toward utility improvements when work is done on Segment 3 of Route 7, which runs north from Plains Road. The utility work that will be required in Segment 2 of Route 7 (the Village), now scheduled to occur no sooner than 2028, has been estimated to cost approximately \$4,000,000. The Town plans to explore with the State the possibility of converting Segment 2 to a Class 1 Municipal Highway in exchange for State funding of water and sewer infrastructure relocation and upgrading.

Requests for Information

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,102,054	\$ 0	\$ 1,102,054
Investments	95,784	0	95,784
Receivables (Net of Allowance for Uncollectibles)	314,187	309,818	624,005
Loans Receivable (Net of Allowance for Uncollectibles)	19,650	1,800	21,450
Internal Balances	474,936	(474,936)	0
Prepaid Expenses	9,332	2,709	12,041
Inventory	33,067	6,814	39,881
Capital Assets:			
Land	189,461	76,222	265,683
Construction in Progress	147,351	194,723	342,074
Other Capital Assets, (Net of Accumulated Depreciation)	8,025,483	9,168,942	17,194,425
Total Assets	<u>10,411,305</u>	<u>9,286,092</u>	<u>19,697,397</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>133,115</u>	<u>25,714</u>	<u>158,829</u>
Total Deferred Outflows of Resources	<u>133,115</u>	<u>25,714</u>	<u>158,829</u>
<u>LIABILITIES</u>			
Accounts Payable	41,115	8,209	49,324
Accrued Payroll and Benefits Payable	11,855	2,952	14,807
Due to Others	100	0	100
Unearned Revenue	8,300	72	8,372
Accrued Interest Payable	0	15,926	15,926
Noncurrent Liabilities:			
Due within One Year	44,046	131,900	175,946
Due in More than One Year	691,978	3,987,732	4,679,710
Total Liabilities	<u>797,394</u>	<u>4,146,791</u>	<u>4,944,185</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	20,127	0	20,127
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>8,158</u>	<u>1,576</u>	<u>9,734</u>
Total Deferred Inflows of Resources	<u>28,285</u>	<u>1,576</u>	<u>29,861</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,018,295	5,392,152	13,410,447
Restricted For:			
Highways and Streets	852,675	0	852,675
Public Safety	99,056	0	99,056
Records Preservation	78,681	0	78,681
Other	2,689	0	2,689
Unrestricted	<u>667,345</u>	<u>(228,713)</u>	<u>438,632</u>
Total Net Position	<u>\$ 9,718,741</u>	<u>\$ 5,163,439</u>	<u>\$ 14,882,180</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 820,005	\$ 91,045	\$ 64,621	\$ 0	\$ (664,339)	\$ 0	\$ (664,339)
Public Safety	497,912	63,920	1,859	0	(432,133)	0	(432,133)
Highways and Streets	1,094,617	17,686	176,794	575,327	(324,810)	0	(324,810)
Culture and Recreation	200,935	11,482	0	0	(189,453)	0	(189,453)
Sanitation	84,254	44,916	0	0	(39,338)	0	(39,338)
Interest on Long-term Debt	47	0	0	0	(47)	0	(47)
Total Governmental Activities	2,697,770	229,049	243,274	575,327	(1,650,120)	0	(1,650,120)
Business-type Activities:							
Water	445,050	326,258	0	0	0	(118,792)	(118,792)
Sewer	313,605	284,854	0	0	0	(28,751)	(28,751)
Total Business-type Activities	758,655	611,112	0	0	0	(147,543)	(147,543)
Total Primary Government	\$ 3,456,425	\$ 840,161	\$ 243,274	\$ 575,327	(1,650,120)	(147,543)	(1,797,663)
General Revenues:							
Property Taxes					2,328,342	0	2,328,342
Penalties and Interest on Delinquent Taxes					32,048	0	32,048
General State Grants					108,538	0	108,538
Unrestricted Investment Earnings					8,077	1,003	9,080
Other Revenues					718	0	718
Transfers:					(25,000)	25,000	0
Total General Revenues and Transfers					2,452,723	26,003	2,478,726
Special Item:							
Transfer from Pittsford First Response, Inc.					163,428	0	163,428
Change in Net Position					966,031	(121,540)	844,491
Net Position - July 1, 2020					8,752,710	5,284,979	14,037,689
Net Position - June 30, 2021					\$ 9,718,741	\$ 5,163,439	\$ 14,882,180

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

TOWN OF PITTSFORD, VERMONT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,096,093	\$ 0	\$ 5,961	\$ 1,102,054
Investments	0	0	95,784	95,784
Receivables (Net of Allowance for Uncollectibles)	199,635	114,552	0	314,187
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	19,650	19,650
Due from Other Funds	0	13,892	1,284,901	1,298,793
Prepaid Items	9,332	0	0	9,332
Inventory	0	33,067	0	33,067
 Total Assets	 <u>\$ 1,305,060</u>	 <u>\$ 161,511</u>	 <u>\$ 1,406,296</u>	 <u>\$ 2,872,867</u>
<u>LIABILITIES</u>				
Accounts Payable	33,727	6,025	\$ 1,363	\$ 41,115
Accrued Payroll and Benefits Payable	9,358	2,497	0	11,855
Due to Others	0	100	0	100
Due to Other Funds	811,134	0	12,723	823,857
Unearned Revenue	8,300	0	0	8,300
 Total Liabilities	 <u>862,519</u>	 <u>8,622</u>	 <u>14,086</u>	 <u>885,227</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	20,127	0	0	20,127
Unavailable Property Taxes, Penalties and Interest	172,500	0	0	172,500
Unavailable Grants	0	3,342	0	3,342
Unavailable Loans Receivable	0	0	19,650	19,650
 Total Deferred Inflows of Resources	 <u>192,627</u>	 <u>3,342</u>	 <u>19,650</u>	 <u>215,619</u>
<u>FUND BALANCES</u>				
Nonspendable	9,332	33,067	1,250	43,649
Restricted	0	116,480	892,056	1,008,536
Committed	0	0	332,823	332,823
Assigned	6,887	0	159,154	166,041
Unassigned/(Deficit)	233,695	0	(12,723)	220,972
 Total Fund Balances	 <u>249,914</u>	 <u>149,547</u>	 <u>1,372,560</u>	 <u>1,772,021</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 1,305,060</u>	 <u>\$ 161,511</u>	 <u>\$ 1,406,296</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.				8,362,295
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.				195,492
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.				(736,024)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.				<u>124,957</u>
Net Position of Governmental Activities				<u>\$ 9,718,741</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 1,279,234	\$ 1,015,296	\$ 16,012	\$ 2,310,542
Penalties and Interest on Delinquent Taxes	32,048	0	0	32,048
Intergovernmental	139,196	320,300	451,930	911,426
Charges for Services	120,309	14,021	0	134,330
Permits, Licenses and Fees	56,538	830	12,344	69,712
Fines and Forfeits	22,172	0	0	22,172
Loan Repayments	0	0	12,500	12,500
Investment Income	4,443	312	3,322	8,077
Donations	540	0	30,850	31,390
Other	1,582	2,835	1,030	5,447
Total Revenues	1,656,062	1,353,594	527,988	3,537,644
Expenditures:				
General Government	747,737	0	36,894	784,631
Public Safety	346,979	0	0	346,979
Highways and Streets	0	597,029	3,719	600,748
Culture and Recreation	197,808	0	0	197,808
Sanitation	83,459	0	0	83,459
Capital Outlay:				
General Government	12,755	0	10,000	22,755
Public Safety	38,875	0	760,999	799,874
Highways and Streets	0	448,020	524,861	972,881
Culture and Recreation	730	0	9,939	10,669
Debt Service:				
Principal	0	0	14,176	14,176
Interest	0	0	47	47
Total Expenditures	1,428,343	1,045,049	1,360,635	3,834,027
Excess/(Deficiency) of Revenues Over Expenditures	227,719	308,545	(832,647)	(296,383)
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	0	75,000	75,000
Issuance of Long-Term Debt	0	0	344,000	344,000
Transfers In	28	0	352,000	352,028
Transfers Out	(142,000)	(125,000)	(110,028)	(377,028)
Total Other Financing Sources/(Uses)	(141,972)	(125,000)	660,972	394,000
Special Item:				
Transfer from Pittsford First Response, Inc.	0	0	32,728	32,728
Net Change in Fund Balances	85,747	183,545	(138,947)	130,345
Fund Balances/(Deficit) - July 1, 2020	164,167	(33,998)	1,511,507	1,641,676
Fund Balances - June 30, 2021	\$ 249,914	\$ 149,547	\$ 1,372,560	\$ 1,772,021

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

TOWN OF PITTSFORD, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

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)	\$	130,345
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,806,179) is allocated over their estimated useful lives and reported as depreciation expense (\$608,360). This is the amount by which capital outlays exceeded depreciation in the current period.		1,197,819
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets, capital donations) is to reduce net position		(106,384)
The Town combined the Pittsford First Response, Inc. operations with the General Fund As a result, the Pittsford First Response, Inc transferred it's capital assets to the Town This amount is the net effect on the net position		130,700
The issuance of long-term debt (\$344,000) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$14,176) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(329,824)
The issuance of loans receivable (\$-0-) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$12,500) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of loans receivable.		(12,500)
Governmental funds report employer pension contributions as expenditures (\$27,135). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$77,049) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(49,914)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		229
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>5,560</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>966,031</u></u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 1,286,329	\$ 1,279,234	\$ (7,095)
Interest on Delinquent Taxes	20,000	14,147	(5,853)
Penalty on Delinquent Taxes	15,000	17,901	2,901
Tax Sale Properties/Land	0	700	700
Delinquent Other Revenue	0	18	18
Total Property Taxes	<u>1,321,329</u>	<u>1,312,000</u>	<u>(9,329)</u>
Fees and Permits:			
First Class Liquor Licenses	460	460	0
Second Class Liquor Licenses	350	280	(70)
Junk Yard Licenses	25	0	(25)
Marriage Licenses	1,200	840	(360)
Burial Permits	50	10	(40)
Certified Copy Fees	1,000	630	(370)
Recording Fees	20,000	31,444	11,444
Photocopy Fees	2,700	2,430	(270)
DMV Fees	200	171	(29)
Posting Permits	100	95	(5)
Site Plan Review/Zoning Fees	3,800	4,980	1,180
Fireworks Permit Fees	150	225	75
Fire Wardens Permit Fees	200	5	(195)
Miscellaneous Fees	200	86	(114)
Total Fees and Permits	<u>30,435</u>	<u>41,656</u>	<u>11,221</u>
Intergovernmental Revenues:			
State PILOT	47,000	57,649	10,649
Current Use Reimbursement	40,000	50,152	10,152
School Billing Fee - Act 68	9,800	10,222	422
Vermont Railroad Tax	700	737	37
Health and Safety Revenue	0	4,387	4,387
Grants - Covid 19	0	25,776	25,776
Total Intergovernmental Revenues	<u>97,500</u>	<u>148,923</u>	<u>51,423</u>
Research Revenues:	<u>250</u>	<u>635</u>	<u>385</u>
Solid Waste:			
Annual User Permits	11,000	11,690	690
Garbage Bag Charges	32,000	33,226	1,226
Total Solid Waste	<u>43,000</u>	<u>44,916</u>	<u>1,916</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous Receipts:			
Donations	\$ 0	\$ 540	\$ 540
Maclure Library Phone Reimbursement	1,000	1,111	111
Investment Interest	7,200	4,443	(2,757)
Water Administration Fee	14,000	14,000	0
Sewer Administration Fee	7,000	7,000	0
Green Mountain Passport	50	52	2
	<u>29,250</u>	<u>27,146</u>	<u>(2,104)</u>
Total Miscellaneous Receipts			
Recreation:			
Annual Family Permits	2,000	990	(1,010)
Daily Gate Passes	4,000	214	(3,786)
Tennis Court Permits	400	335	(65)
Group Picnic Charges	2,500	700	(1,800)
Trail Run Revenue	5,000	0	(5,000)
Belcher-Mericle Interest	25	28	3
Disc Golf Donations	350	642	292
Donations	1,000	1,785	785
Youth League Registration	2,500	2,790	290
Girls Softball Registration	500	490	(10)
Youth League Donations	2,000	1,255	(745)
Day Camp Registrations	13,000	1,950	(11,050)
Summer Programs	3,000	331	(2,669)
5K Race	500	0	(500)
Fall Programs	6,000	0	(6,000)
Winter Programs	3,000	0	(3,000)
Spring Programs	3,000	0	(3,000)
	<u>48,775</u>	<u>11,510</u>	<u>(37,265)</u>
Total Recreation			
Animal Management Fees:			
Dog Licenses	5,000	3,925	(1,075)
Other Fee	0	100	100
	<u>5,000</u>	<u>4,025</u>	<u>(975)</u>
Total Animal Management Fees			
Police:			
Traffic Fines	30,000	21,922	(8,078)
Serving Court Papers	500	50	(450)
Insurance Reports	200	205	5
Parking Ticket Revenue	100	100	0
Miscellaneous Revenue	100	150	50
Grant Revenue	5,000	495	(4,505)
Chittenden Patrol	20,000	17,293	(2,707)
OMYA Truck Detail Revenue	20,000	24,200	4,200
	<u>75,900</u>	<u>64,415</u>	<u>(11,485)</u>
Total Police			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Nickwackett Hose Co.	\$ 0	\$ 864	\$ 864
Total Fire Department	0	864	864
First Response:	3,000	0	(3,000)
Total Revenues	1,654,439	1,656,090	1,651
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,000	0
Public Officials Insurance	3,300	3,565	(265)
Selectmen Expenses	1,000	631	369
Secretary/Clerk	2,000	1,547	453
Recording Secretary	3,300	3,000	300
FICA/Medicare	1,100	702	398
Communications Officer	0	1,438	(1,438)
Total Legislation	16,700	16,883	(183)
Economic Development:			
Economic Development Director	0	1,785	(1,785)
FICA/MEDI	0	133	(133)
Total Economic Development	0	1,918	(1,918)
Management:			
Town Manager	89,250	90,317	(1,067)
Secretary	39,000	37,664	1,336
FICA/Medicare	10,500	10,176	324
Retirement Insurance	8,500	9,075	(575)
Medical Insurance	26,700	25,563	1,137
Dental Insurance	1,500	1,076	424
Life Insurance	1,350	1,085	265
Workers' Compensation Insurance	800	641	159
Property Insurance	1,350	1,212	138
General Liability Insurance	2,400	2,476	(76)
Employment Practices	6,200	5,185	1,015
Unemployment Insurance	56	119	(63)
Mileage Reimbursement	1,500	359	1,141
Training	1,200	128	1,072
Health and Safety Expense	4,500	4,500	0
COVID19 Expense	0	7,578	(7,578)
Car Allowance	5,000	5,000	0
Total Management	199,806	202,154	(2,348)

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Elections:			
Ballot Clerks	\$ 2,000	\$ 2,464	\$ (464)
FICA/Medicare	200	189	11
Notices, Warnings, Ads	200	28	172
Ballots and Supplies	1,400	2,214	(814)
Ballot Machine Setup	2,300	1,377	923
COVID Election Expense	0	10,217	(10,217)
Total Elections	6,100	16,489	(10,389)
Finance:			
Clerk and Treasurer	65,790	66,317	(527)
Overtime	500	727	(227)
Assistant Clerk and Treasurer	39,525	41,041	(1,516)
Bookkeeper	28,560	29,799	(1,239)
FICA/Medicare	11,240	10,390	850
Retirement Insurance	5,500	6,437	(937)
Medical Insurance	17,800	17,824	(24)
Dental Insurance	900	783	117
Life Insurance	1,300	1,132	168
Workers' Compensation Insurance	580	531	49
Unemployment Insurance	60	132	(72)
Mileage Reimbursement	500	155	345
State Dues - Clerks Association	100	55	45
Training Fees	1,000	0	1,000
Bank Fees/Cashout	0	34	(34)
Total Finance	173,355	175,357	(2,002)
Administration:			
Office Supplies	15,000	13,256	1,744
Computer Supplies	7,000	5,902	1,098
Computer Contracts	11,400	15,252	(3,852)
Website Maintenance/Expenses	2,500	1,908	592
Newsletter Printing and Postage	5,000	4,591	409
Postage - General	4,000	2,451	1,549
Tax Bills and Postage	2,500	1,310	1,190
Town Report Coordinator	1,400	1,400	0
Town Report Printing	4,000	2,882	1,118
Town Report Postage	1,000	601	399
Tax Collector Expense	200	0	200
CPA Audit	29,000	28,199	801
Legal Fees and Tax Collection	3,500	0	3,500
Total Administration	86,500	77,752	8,748
Agencies:			
VLCT Dues	4,800	4,799	1
Rutland Economic Development Corporation	600	500	100
Rutland Regional Planning Commission	1,000	975	25
Total Agencies	6,400	6,274	126

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Zoning:			
Zoning Administrator	\$ 11,500	\$ 12,499	\$ (999)
Zoning Clerical	500	425	75
FICA/Medicare	1,000	988	12
Unemployment Ins	30	67	(37)
Mileage Reimbursement	100	0	100
Zoning Hearings	1,000	598	402
Misc.	800	565	235
Legal Fees - Zoning	4,000	950	3,050
Total Zoning	18,930	16,092	2,838
Planning Commission:			
Planning Commission Stipends	3,500	1,000	2,500
Planning Commission Clerical	1,450	1,000	450
FICA/Medicare	300	153	147
Mileage Reimbursement	100	0	100
Training	0	56	(56)
Legal Fees	1,000	0	1,000
Total Planning Commission	6,350	2,209	4,141
Board of Civil Authority:			
Board of Civil Authority - Labor	2,000	5,994	(3,994)
Clerical	700	0	700
FICA/Medicare	150	459	(309)
Supplies	1,000	0	1,000
Legal Fees	500	0	500
Miscellaneous	150	158	(8)
Total Board of Civil Authority	4,500	6,611	(2,111)
Municipal Plant and Equipment:			
Labor - Custodians	3,000	3,480	(480)
FICA/Medicare - Custodians	300	254	46
Building Maintenance Supplies	2,000	1,954	46
Heating Fuel	2,800	1,783	1,017
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	4,000	4,713	(713)
Copier Maintenance	7,000	8,034	(1,034)
Fire/Security Alarm Maintenance	500	523	(23)
Telephones	4,700	7,840	(3,140)
Maclure Library Phones	1,200	1,112	88
Labor and Equipment Use by Highway	300	980	(680)
New Equipment for Building	500	734	(234)
Building Repairs/Maintenance	3,000	6,197	(3,197)
Utilities	3,000	5,294	(2,294)
Total Municipal Plant and Equipment	41,300	51,898	(10,598)

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Warden:			
Fire Warden Fees	\$ 100	\$ 0	\$ 100
Burn Permit Expense	200	0	200
FICA/Medicare	25	0	25
Mileage Expenses	400	0	400
	<u>725</u>	<u>0</u>	<u>725</u>
Total Fire Warden			
	<u>725</u>	<u>0</u>	<u>725</u>
Miscellaneous:			
Marriage License/State Fee	1,000	700	300
Ads/Special Meetings	500	1,155	(655)
Contracted Services	4,000	8,799	(4,799)
Legal Fees	3,000	2,711	289
Emergency Management Expense	300	665	(365)
Memorial Day Flags	1,100	854	246
Pittsford Pride	2,000	0	2,000
Tax Abatement Costs	1,000	2,759	(1,759)
	<u>12,900</u>	<u>17,643</u>	<u>(4,743)</u>
Total Miscellaneous			
	<u>12,900</u>	<u>17,643</u>	<u>(4,743)</u>
Listers:			
Listers' Services	21,600	0	21,600
Listers' Secretary	14,000	12,019	1,981
FICA/Medicare	2,800	920	1,880
Insurance - Workers' Compensation	25	56	(31)
Unemployment Insurance	100	63	37
Listers' Mileage Reimbursement	500	121	379
Training Fees	750	0	750
Miscellaneous	2,000	1,725	275
Computer Contracts	4,600	6,392	(1,792)
Property Map Changes	2,700	2,490	210
Contracted Services	0	28,321	(28,321)
	<u>49,075</u>	<u>52,107</u>	<u>(3,032)</u>
Total Listers			
	<u>49,075</u>	<u>52,107</u>	<u>(3,032)</u>
Special Appropriations:			
Rutland Community Services	3,020	3,020	0
Rutland National Resource Conservation	250	250	0
Habitat for Humanity	500	500	0
Visiting Nurse/Hospice	4,931	4,931	0
Rutland County Humane Society	1,000	1,000	0
Vermont Green-Up Day Expenses	200	200	0
Benn-Rut Opport. Council	925	925	0
American Red Cross	1,000	1,000	0
Pittsford Cemetery Association	900	900	0
VT Rural Fire Protection	100	100	0
SWVT Council on Aging	1,100	1,100	0
Transportation	5,000	5,000	0
Pittsford Historical Society	4,052	4,052	0
Rutland Senior Volunteer Program	427	427	0

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations/(Cont'd):			
Rutland Regional Ambulance Service	\$ 11,964	\$ 11,964	\$ 0
Wonderfeet Kids' Museum	2,500	2,500	0
VT Center for Independent Living	314	314	0
Rutland County Adult Education	1,305	1,305	0
Rutland ARC	1,400	1,400	0
New Story Center	200	200	0
Child First Advocacy	1,500	1,500	0
Rutland Regional Chamber / Killington	3,000	3,000	0
Maclure Library	93,500	93,504	(4)
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Bowen Walker Appropriation	1,500	1,500	0
Rutland Parent Child Center	400	400	0
NeighborWorks of West Vermont	500	500	0
VT Family Network	500	500	0
	<u>146,588</u>	<u>146,592</u>	<u>(4)</u>
Total Special Appropriations			
Health Officer:			
Health Officer Labor	1,000	0	1,000
FICA/Medicare	100	0	100
Mileage	50	0	50
Mosquito Annual Operation	36,080	36,080	0
Mosquito Dist Buy In	17,500	17,750	(250)
	<u>54,730</u>	<u>53,830</u>	<u>900</u>
Total Health Officer			
Solid Waste Management:			
Labor - Facility	21,500	20,575	925
Labor - Highway	500	0	500
FICA/Medicare	1,700	1,583	117
Insurance - Workers' Compensation	3,300	2,051	1,249
Labor - Contract	1,200	1,533	(333)
New Equipment	300	85	215
Supplies	1,300	974	326
Telephone	475	507	(32)
Insurance - Property and Liability	200	189	11
Unemployment Insurance	35	83	(48)
Portalet Contract	1,700	1,320	380
Waste Removal Fees	42,000	41,019	981
RCSWD Surcharge	6,000	4,903	1,097
Tire Disposal Fees	0	97	(97)
State Franchise Tax	1,900	1,473	427
Container Rental/Purchase	5,200	4,598	602
Labor and Equipment Use by Highway	500	499	1
Utilities	2,000	1,770	230
Equipment Maintenance	1,000	0	1,000
Miscellaneous	0	200	(200)
	<u>90,810</u>	<u>83,459</u>	<u>7,351</u>
Total Solid Waste Management			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Utility Transfers:			
Transfer to Sewer Department	\$ 12,500	\$ 12,500	\$ 0
Transfer to Water Department	12,500	12,500	0
Total Utility Transfers	<u>25,000</u>	<u>25,000</u>	<u>0</u>
First Response:			
Insurance - Workers Compensation	280	441	(161)
Insurance - Property	235	306	(71)
Insurance - Vehicle	1,250	1,229	21
Insurance - Liability	540	471	69
Miscellaneous	6,800	0	6,800
Building Fuel	4,000	3,774	226
Vehicle Fuel	0	429	(429)
Supplies	2,500	1,044	1,456
Oxygen	0	2,226	(2,226)
Postage	120	0	120
Telephone	950	1,058	(108)
Building Maintenance	0	902	(902)
Vehicle Maintenance	1,000	1,726	(726)
Equipment Maintenance	0	540	(540)
Lawn Care	0	100	(100)
Utilities	1,500	1,440	60
Vehicle Replacement Fund	5,000	5,000	0
Building Improvement Fund	5,000	5,000	0
Total First Response	<u>29,175</u>	<u>25,686</u>	<u>3,489</u>
Police Department:			
Wages - Local Services	115,000	113,695	1,305
Wages - OMYA Truck Detail	10,000	12,734	(2,734)
Clerical	3,000	2,669	331
FICA/Medicare	10,000	10,304	(304)
Retirement Insurance	3,000	3,393	(393)
Medical Insurance	17,800	17,825	(25)
Dental Insurance	850	752	98
Life Insurance	600	609	(9)
New Equipment	2,300	6,772	(4,472)
Contracted Services	2,000	1,480	520
Supplies	1,000	1,627	(627)
Chittenden Patrol Exp	9,500	7,811	1,689
Uniforms	500	1,402	(902)
Telephone	1,000	973	27
Insurance - Property/Liability	3,900	3,550	350
Insurance - Workers' Compensation	13,000	8,426	4,574
Insurance - Car	700	943	(243)
Unemployment Insurance	100	261	(161)
Mileage Reimbursement	700	633	67
Legal and Administration	200	0	200
Patrol Car - Fuel and Maintenance	12,000	13,773	(1,773)

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Police Department/(Cont'd):			
Patrol Car Replace Fund	\$ 15,000	\$ 15,000	\$ 0
Equipment Maintenance	200	747	(547)
Communications	2,500	3,419	(919)
Safety Equipment Grant	5,000	0	5,000
Training Fees	1,200	1,710	(510)
Miscellaneous	<u>100</u>	<u>0</u>	<u>100</u>
Total Police Department	<u>231,150</u>	<u>230,508</u>	<u>642</u>
Fire Department:			
Firemen Expenses	40,000	41,858	(1,858)
FICA/Medicare	3,100	3,202	(102)
Building Fuel	7,000	3,270	3,730
Vehicle Fuel	2,750	1,766	984
Small Tools	1,000	3,191	(2,191)
Hose & Fittings	2,000	4,073	(2,073)
Protective Equipment	20,000	2,799	17,201
Supplies	2,000	2,467	(467)
Insurance - Workers' Compensation	6,700	3,847	2,853
Insurance - Vehicles	6,500	6,177	323
Insurance - General Liability	800	730	70
Insurance - Accident	3,000	2,788	212
Insurance - Property	1,200	1,306	(106)
Telephone	1,300	1,383	(83)
Communications	3,000	10,233	(7,233)
Fire Alarm System	400	204	196
Dispatching Service	1,500	379	1,121
Building Maintenance	5,000	19,524	(14,524)
Truck Maintenance	20,000	10,235	9,765
Equipment Maintenance	1,500	1,201	299
New Equipment	10,000	15,928	(5,928)
Utilities	3,200	3,042	158
Training Fees	2,500	0	2,500
Mutual Aid Association Fees	1,200	0	1,200
Vehicle Replacement Fund	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Total Fire Department	<u>225,650</u>	<u>219,603</u>	<u>6,047</u>
Recreation Programs:			
Lifeguards	23,500	3,860	19,640
Management	47,050	39,807	7,243
Overtime	4,000	0	4,000
Grounds Management	12,000	16,016	(4,016)
Day Camp Labor	9,500	1,771	7,729
FICA/Medicare	7,500	5,644	1,856
Insurance - Retirement	2,400	1,671	729
Insurance - Medical	23,400	7,344	16,056
Insurance - Dental	1,600	347	1,253

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Recreation Programs/(Cont'd):			
Insurance - Life	\$ 600	\$ 602	\$ (2)
Insurance - Workers' Compensation	6,000	2,799	3,201
Insurance - Property / Liability	110	149	(39)
Insurance - Vehicle	330	319	11
Insurance - General Liability	590	553	37
Insurance - Unemployment	85	222	(137)
Mileage Reimbursement	200	49	151
Supplies - Recreation Area General	2,000	2,560	(560)
Supplies - Day Camp	2,500	342	2,158
Spring Programs	3,000	441	2,559
Summer Programs	3,000	1,731	1,269
Mower Maintenance & Fuel	3,000	3,569	(569)
Fall Programs	4,000	213	3,787
Winter Programs	2,000	0	2,000
Mower Replacement Fund	3,000	3,000	0
Training	250	0	250
League Fees/Coaches, Umpires	1,000	2,135	(1,135)
Supplies - Youth League	2,000	3,216	(1,216)
Trail Run Expenses	2,000	0	2,000
Trail Run Surplus Expense	0	496	(496)
Summer Softball Expense	500	554	(54)
Pittsford Day Celebration	12,000	0	12,000
5K Race	500	0	500
State League Membership	270	0	270
Disc Golf	0	97	(97)
Telephone	500	516	(16)
Communications	800	247	553
Donation Expenses	1,000	0	1,000
Rubbish Removal Contract	900	1,194	(294)
Other Contract Services	250	1,201	(951)
Advertising	200	821	(621)
Portalet Contract	700	710	(10)
Ballfield Maintenance	1,000	0	1,000
Signs Replacement	100	0	100
Labor and Equipment Use by Highway	500	43	457
Labor and Equipment Use by Water	650	1,230	(580)
Utilities	1,000	533	467
Pool Water Tests	350	425	(75)
Trails and Bridging Maintenance	750	107	643
Green up Day Expense	200	0	200
Capital Improvements	4,000	1,500	2,500
	<u>192,785</u>	<u>108,034</u>	<u>84,751</u>
Total Recreation Programs	<u>192,785</u>	<u>108,034</u>	<u>84,751</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Animal Management:			
Animal Control	\$ 1,000	\$ 539	\$ 461
Chittenden Animal Control Expense	0	44	(44)
FICA/Medicare	100	45	55
Mileage Reimbursement	100	34	66
Supplies	400	278	122
Contract Services	100	0	100
Insurance - Property/Liability	20	15	5
Insurance - Workers' Compensation	140	103	37
Legal - Animal Control	200	0	200
Animal Census	1,200	0	1,200
Vet/Humane Shelter Fees	200	0	200
Rabies Fees To State	2,400	2,035	365
Postage	50	0	50
Total Animal Management	5,910	3,093	2,817
Debt Service and Fixed Charges:			
Rutland County Tax	30,000	31,151	(1,151)
Total Debt Service and Fixed Charges	30,000	31,151	(1,151)
Total Expenditures	1,654,439	1,570,343	84,096
Excess of Revenues Over Expenditures	\$ 0	85,747	\$ 85,747
Fund Balance - July 1, 2020		164,167	
Fund Balance - June 30, 2021		\$ 249,914	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 1,015,200	\$ 1,015,296	\$ 96
State Aid	126,000	165,201	39,201
Grant Revenue	0	144,536	144,536
FEMA	0	10,563	10,563
Overload Permits	630	630	0
Highway Access Permits	0	200	200
Investment Income	900	312	(588)
Interfund Sale of Fuel	5,650	3,818	(1,832)
Labor/Equipment Use by Other Departments	3,100	10,203	7,103
Sale of Scrap Metal	0	409	409
Miscellaneous	0	2,426	2,426
Total Revenues	1,151,480	1,353,594	202,114
Expenditures:			
General:			
Labor - Vacation and Services	165,000	191,803	(26,803)
Labor - Overtime	15,000	13,284	1,716
FICA/Medicare	14,000	15,127	(1,127)
Insurance - Retirement	8,500	9,460	(960)
Insurance - Medical	59,000	59,072	(72)
Insurance - Dental	3,800	2,876	924
Insurance - Life	3,000	2,206	794
Insurance - Workers' Compensation	17,500	16,526	974
Insurance - Property	1,600	1,748	(148)
Insurance - Vehicle	7,600	7,161	439
Insurance - General Liability	1,100	1,175	(75)
Insurance - Unemployment	85	202	(117)
Insurance - Bridges	2,500	2,430	70
Mileage Reimbursement	200	58	142
Legal and Administrative	1,000	0	1,000
Mun Roads Permit Fee	1,500	1,590	(90)
Small Tool Purchases	1,000	1,606	(606)
Communications	600	869	(269)
Telephone	2,000	1,693	307
Heating Fuel	3,800	2,593	1,207
Training Fees	200	0	200
Equipment Rentals	5,000	1,023	3,977
Uniform Rentals	4,500	3,154	1,346
Highway Capital Reserve	100,000	100,000	0
Bridge Replacement Reserve	25,000	25,000	0
Labor / Equipment Use by Water	4,000	3,447	553
Advertising/Postage	600	0	600
Utilities	4,700	4,554	146
Supplies	4,000	7,600	(3,600)
New Equipment Purchases	3,500	11,035	(7,535)
Contracted Services	15,000	7,162	7,838
Cold Patch and Hot Mix	3,500	4,291	(791)
Building Expenses	2,500	2,158	342
Line Striping	12,000	11,900	100
Signs & Posts	3,500	2,219	1,281
Culverts & Bands	5,000	6,726	(1,726)
Guardrails	6,000	0	6,000
Paving	327,000	327,153	(153)

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
General/(Cont'd):			
Crack Sealing	\$ 9,000	\$ 8,000	\$ 1,000
Gravel/Stone	25,000	24,534	466
Liquid Magnesium	15,000	20,091	(5,091)
Sand	20,000	12,691	7,309
Salt/Sodium Chloride	100,000	75,343	24,657
Total General	1,003,785	989,560	14,225
Highway Vehicles:			
Supplies	5,000	2,369	2,631
Vehicle Fuel	34,000	24,756	9,244
In-Shop Repairs and Maintenance	16,000	8,537	7,463
Outside Maintenance and Repairs	25,000	21,289	3,711
Total Highway Vehicles	80,000	56,951	23,049
Special Projects:			
Sidewalk Scoping Study	0	1,522	(1,522)
Barn/Sh/GOAT	0	7,227	(7,227)
Fire Hill Road Bridge Project	0	113,817	(113,817)
Thill/Mechanic Roads Ditching	0	972	(972)
Total Special Projects	0	123,538	(123,538)
Total Expenditures	1,083,785	1,170,049	(86,264)
Excess of Revenues Over Expenditures	\$ 67,695	183,545	\$ 115,850
Fund Balance/(Deficit) - July 1, 2020		(33,998)	
Fund Balance - June 30, 2021		\$ 149,547	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VILLAGE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 16,000	\$ 16,012	\$ 12
Interest Income	0	67	67
Total Revenues	16,000	16,079	79
Expenditures:			
Village Street Lights	16,000	15,502	498
Total Expenditures	16,000	15,502	498
Excess of Revenues Over Expenditures	\$ 0	577	\$ 577
Fund Balance - July 1, 2020		23,481	
Fund Balance - June 30, 2021		\$ 24,058	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables	\$ 161,411	\$ 148,407	\$ 309,818
Loan Receivable - Current Portion	0	1,800	1,800
Due from Other Funds	242,314	0	242,314
Prepaid Expenses	2,709	0	2,709
Inventory	5,138	1,676	6,814
Total Current Assets	<u>411,572</u>	<u>151,883</u>	<u>563,455</u>
Noncurrent Assets:			
Capital Assets:			
Land	74,722	1,500	76,222
Construction in Progress	140,327	54,396	194,723
Vehicles and Equipment	104,458	0	104,458
Buildings, Distribution and Collection Systems	7,163,706	5,088,451	12,252,157
Less: Accumulated Depreciation	<u>(1,942,055)</u>	<u>(1,245,618)</u>	<u>(3,187,673)</u>
Total Noncurrent Assets	<u>5,541,158</u>	<u>3,898,729</u>	<u>9,439,887</u>
Total Assets	<u>5,952,730</u>	<u>4,050,612</u>	<u>10,003,342</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS			
	<u>16,947</u>	<u>8,767</u>	<u>25,714</u>
Total Deferred Outflows of Resources	<u>16,947</u>	<u>8,767</u>	<u>25,714</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	160	8,049	8,209
Accrued Payroll and Benefits Payable	1,541	1,411	2,952
Due to Other Funds	0	717,250	717,250
Unearned Revenue	72	0	72
Accrued Interest Payable	1,815	14,111	15,926
General Obligation Bonds Payable - Current Portion	<u>50,830</u>	<u>81,070</u>	<u>131,900</u>
Total Current Liabilities	<u>54,418</u>	<u>821,891</u>	<u>876,309</u>
Noncurrent Liabilities:			
Compensated Absences Payable	5,470	4,037	9,507
Net Pension Liability	41,118	21,272	62,390
General Obligation Bonds Payable - Noncurrent Portion	<u>2,304,833</u>	<u>1,611,002</u>	<u>3,915,835</u>
Total Noncurrent Liabilities	<u>2,351,421</u>	<u>1,636,311</u>	<u>3,987,732</u>
Total Liabilities	<u>2,405,839</u>	<u>2,458,202</u>	<u>4,864,041</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS			
	<u>1,039</u>	<u>537</u>	<u>1,576</u>
Total Deferred Inflows of Resources	<u>1,039</u>	<u>537</u>	<u>1,576</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,185,495	2,206,657	5,392,152
Unrestricted/(Deficit)	<u>377,304</u>	<u>(606,017)</u>	<u>(228,713)</u>
Total Net Position	<u>\$ 3,562,799</u>	<u>\$ 1,600,640</u>	<u>\$ 5,163,439</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 303,980	\$ 273,496	\$ 577,476
Penalties & Interest	6,370	7,045	13,415
Interfund Services	3,798	0	3,798
Other Income	<u>7,360</u>	<u>4,313</u>	<u>11,673</u>
Total Operating Revenues	<u>321,508</u>	<u>284,854</u>	<u>606,362</u>
Operating Expenses:			
Labor and Stipends	77,301	57,833	135,134
FICA/Medicare	5,997	4,161	10,158
Insurances - Medical, Dental & Life	18,061	7,958	26,019
Retirement	6,336	3,431	9,767
Insurance - Workers' Compensation / Unemployment	5,205	4,211	9,416
Insurance - General Liability/Property/Vehicle	2,821	2,169	4,990
Supplies	4,476	13,869	18,345
Postage/Billing Program	607	607	1,214
Advertising/Dues and Subscriptions	277	0	277
Telephone/Communications	3,215	4,631	7,846
Uniform Rentals	2,043	1,390	3,433
Training	120	582	702
Lease	50	0	50
Property Tax	1,396	0	1,396
Contracts	4,661	3,020	7,681
Vermont Permit Renewals	2,970	495	3,465
Administration	14,000	7,000	21,000
Interfund Services Expenses	11,087	1,614	12,701
Utilities	6,288	22,841	29,129
Testing	2,650	3,994	6,644
Sludge/Refuse Removal	0	28,825	28,825
Maintenance	16,393	6,083	22,476
Mileage Reimbursement	183	93	276
Vehicle Fuel and Maintenance	3,483	0	3,483
Small Equipment Purchases	1,490	531	2,021
Other	0	1,594	1,594
Depreciation	124,748	86,828	211,576
Capital Fund - Maintenance items	<u>53,500</u>	<u>0</u>	<u>53,500</u>
Total Operating Expenses	<u>369,358</u>	<u>263,760</u>	<u>633,118</u>
Operating Income/(Loss)	<u>(47,850)</u>	<u>21,094</u>	<u>(26,756)</u>
Non-Operating Revenues/(Expenses):			
Investment Income	795	208	1,003
Interest Expense	<u>(75,692)</u>	<u>(45,095)</u>	<u>(120,787)</u>
Total Non-Operating Revenues/(Expenses)	<u>(74,897)</u>	<u>(44,887)</u>	<u>(119,784)</u>
Net Income/(Loss) Before Transfers	<u>(122,747)</u>	<u>(23,793)</u>	<u>(146,540)</u>
Transfers:			
Transfers In	17,250	12,500	29,750
Transfers Out	<u>0</u>	<u>(4,750)</u>	<u>(4,750)</u>
Total Transfers	<u>17,250</u>	<u>7,750</u>	<u>25,000</u>
Change in Net Position	(105,497)	(16,043)	(121,540)
Net Position - July 1, 2020	<u>3,668,296</u>	<u>1,616,683</u>	<u>5,284,979</u>
Net Position - June 30, 2021	<u>\$ 3,562,799</u>	<u>\$ 1,600,640</u>	<u>\$ 5,163,439</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 299,591	\$ 281,704	\$ 581,295
Receipts from Interfund Services	3,798	0	3,798
Payments for Goods and Services	(111,681)	(93,448)	(205,129)
Payment for Interfund Services	(25,087)	(8,614)	(33,701)
Payments for Wages and Benefits	<u>(102,513)</u>	<u>(74,821)</u>	<u>(177,334)</u>
Net Cash Provided by Operating Activities	<u>64,108</u>	<u>104,821</u>	<u>168,929</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	126,963	0	126,963
Increase/(Decrease) in Due to Other Funds	0	358,639	358,639
Interest Expense from Operations	0	(1,335)	(1,335)
Repayment of Loans Receivable	0	900	900
Transfers Received from Other Funds	17,250	12,500	29,750
Transfers Paid to Other funds	<u>0</u>	<u>(4,750)</u>	<u>(4,750)</u>
Net Cash Provided by Noncapital Financing Activities	<u>144,213</u>	<u>365,954</u>	<u>510,167</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(85,973)	(589,213)	(675,186)
Issuance of Long-term Debt	1,867	228,582	230,449
Principal Paid on General Obligation Bonds Payable	(49,290)	(64,687)	(113,977)
Interest Paid on General Obligation Bonds Payable	<u>(75,720)</u>	<u>(45,665)</u>	<u>(121,385)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(209,116)</u>	<u>(470,983)</u>	<u>(680,099)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	<u>795</u>	<u>208</u>	<u>1,003</u>
Net Cash Provided by Investing Activities	<u>795</u>	<u>208</u>	<u>1,003</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2020	<u>0</u>	<u>0</u>	<u>0</u>
Cash - June 30, 2021	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ (47,850)	\$ 21,094	\$ (26,756)
Depreciation	124,748	86,828	211,576
(Increase)/Decrease in Receivables	(17,616)	(3,150)	(20,766)
(Increase)/Decrease in Inventory	476	(361)	115
(Increase)/Decrease in Prepaid Expenses	(61)	0	(61)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	(5,718)	(3,033)	(8,751)
Increase/(Decrease) in Accounts Payable	(268)	1,848	1,580
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(1,498)	(731)	(2,229)
Increase/(Decrease) in Unearned Revenue	(503)	0	(503)
Increase/(Decrease) in Compensated Absences Payable	3,799	(2,349)	1,450
Increase/(Decrease) in Net Pension Liability	9,300	5,026	14,326
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>(701)</u>	<u>(351)</u>	<u>(1,052)</u>
Net Cash Provided by Operating Activities	<u>\$ 64,108</u>	<u>\$ 104,821</u>	<u>\$ 168,929</u>

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

TOWN OF PITTSFORD, VERMONT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 177,607	\$ 0
Investments	3,492,201	0
Total Assets	3,669,808	0
<u>LIABILITIES</u>		
Total Liabilities	0	0
<u>NET POSITION</u>		
Net Position:		
Restricted	3,669,808	0
Total Net Position	\$ 3,669,808	\$ 0

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
	<u> </u>	<u> </u>
Additions:		
Education Taxes Collected for Other Governments	\$ 0	\$ 4,432,811
Investment Income	<u>817,310</u>	<u>0</u>
Total Additions	<u>817,310</u>	<u>4,432,811</u>
Deductions:		
Education Taxes Distributed to Other Governments	0	4,432,811
Otter Valley Union School District	79,126	0
Management Fees	38,174	0
Miscellaneous	<u>321</u>	<u>0</u>
Total Deductions	<u>117,621</u>	<u>4,432,811</u>
Change in Net Position	699,689	0
Net Position - July 1, 2020	<u>2,970,119</u>	<u>0</u>
Net Position - June 30, 2021	<u>\$ 3,669,808</u>	<u>\$ 0</u>

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

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

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

Highway Fund – This fund accounts for the maintenance and operation of the Town highways.

The Town reports on the following major enterprise funds:

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

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Additionally, the Town reports the following fund types:

Private-Purpose Trust Funds – These funds are used to report trust arrangements under which resources are to be used for the benefit of individuals and organizations. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

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.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

E. Use of Estimates

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

F. New Pronouncement – Fiduciary Activities

Effective June 30, 2021, the Town implemented GASB Statement No. 84, “Fiduciary Activities”. GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This required moving certain items previously recorded through a General Fund liability account to the newly established custodial fund that reports additions and deductions for these activities. No restatement of beginning net position/fund balance was required in either fund. As a result, the collection and remittance of education taxes on behalf of other governments are now presented in a Custodial Fund.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash

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

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

2. Investments

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

3. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables. Unbilled revenues consist of revenues earned as of June 30, but not yet billed as of that date.

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances from/to other funds”. All other outstanding balances between funds are reported as “due from/to 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”.

5. Inventories and Prepaid Expenses/Items

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the Governmental Funds consists of sand, gravel and stone, sodium chloride and culverts. Inventories in the Proprietary Funds consists of fuel and materials.

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

Inventories and prepaid items of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

6. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) plan and additions to/deductions from the VMERS' 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.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources" represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

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

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 1,000	Not Depreciated
Vehicles	5,000	5-20 Years
Computers	1,000	4-6 Years
Equipment	1,000	5-20 Years
Buildings and Building Improvements	5,000	40-100 Years
Infrastructure	5,000	30-50 Years
Water and Wastewater Distribution and and Collection Systems	5,000	30-100 Years

9. Compensated Absences

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

10. Long-term Liabilities

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

11. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and proprietary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

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

Loans receivable differences arise because governmental funds report the issuance of loans receivable as expenditures and repayments of loans receivable as revenues, whereas government-wide statements report those transactions as increases and decreases in assets, respectively.

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

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

Pension-related differences arise because governmental funds report the current year’s required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town’s proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

B. Budgeted Surplus

The Town budgeted a current year’s excess of revenues over expenditures in the Highway Fund in the amount of \$67,695. This is reflected as a budgeted excess of revenues over expenditures on Exhibit G.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, expenditures in the Highway Fund exceeded appropriations by \$86,264. These over-expenditures were funded by excess revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2021 consisted of the following:

Cash and Cash Equivalents:

Deposits with Financial Institutions	\$1,129,054
Money Market Mutual Funds	150,282
Cash on Hand	<u>325</u>
Total Cash and Cash Equivalents	<u>1,279,661</u>

Investments:

Certificates of Deposit	31,317
U.S. Government Agency Bonds	316,408
Common Stock	1,559,883
Exchange-Traded Funds	35,961
Mutual Funds – Mixed Holdings	<u>1,644,416</u>
Total Investments	<u>3,587,985</u>

Total Cash, Cash Equivalents and Investments	<u>\$4,867,646</u>
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The Town has two (2) certificates of deposit at Bar Harbor Bank in the amount of \$2,689 and \$28,628 with interest rates of 0.05% and 1.144%, respectively. Both certificates of deposit mature in year 2022.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit its exposure to custodial credit risk. The money market mutual funds, U.S. Government Agency bonds, common stock, exchange-traded funds and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town's cash and certificates of deposit.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 320,547	\$ 320,547
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>839,824</u>	<u>1,006,808</u>
Total	<u>\$1,160,371</u>	<u>\$1,327,355</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,129,054
Investments – Certificates of Deposit	<u>31,317</u>
Total	<u>\$1,160,371</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town’s money market mutual funds, common stock, exchange-traded funds and certificates of deposit are not subject to interest rate risk disclosure. The mutual funds, are open-ended and, therefore, are also exempt from interest rate risk disclosure.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town’s investments by maturity. The U.S. Government Agency bonds are shown at their actual maturity.

Investment Type	Remaining Maturity			Total
	Less Than 1 Year	1 to 5 Years	5 to 10 Years	
U.S. Government Agency Bonds	\$ 101,298	\$ 215,110	\$ 0	\$ 316,408

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town's money market mutual funds, U.S. Government Agency bonds, common stock, exchange-traded funds and certificates of deposit are not subject to credit risk disclosure. The mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town's money market mutual funds, mutual funds, U.S. Government Agency bonds and certificates of deposit are exempt from concentration of credit risk analysis. There are no other investments in any one issuer that represent more than 5% of total investments.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Town's money market mutual funds and certificates of deposit are not subject to fair value disclosures.

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

TOWN OF PITTSFORD, VERMONT
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The Town has the following fair value measurements as of June 30, 2021:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Government Agency Bonds	\$ 316,408	\$ 316,408	\$ 0	\$ 0
Common Stock	1,559,883	1,559,883	0	0
Exchange-Traded Funds	35,961	35,961	0	0
Mutual Funds - Mixed Holdings	1,644,416	1,644,416	0	0
Total	\$ 3,556,668	\$ 3,556,668	\$ 0	\$ 0

B. Receivables

Receivables as of June 30, 2021, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes Receivable	\$ 161,885	\$ 0	\$ 161,885
Penalties and Interest Receivable	32,725	3,170	35,895
Grants Receivable	119,552	0	119,552
Accounts Receivable	7,625	796	8,421
Billed Services	0	301,752	301,752
Unbilled Services	0	4,100	4,100
Allowance for Doubtful Accounts - Taxes	(7,600)	0	(7,600)
Total	\$ 314,187	\$ 309,818	\$ 624,005

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
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C. Loans Receivable

Loans receivable as of June 30, 2021, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

Well Drilling Fund:

Loans Receivable, Twenty (20) Loans to Residents for Well Drilling, Principal Due Quarterly Over Ten (10) Years, Interest at 0%, Maximum Loan Amount is \$6,000, Secured by Liens on Properties. Repayment of the Income from the Loans will be Used to Pay the Well Drilling Loan Program Bond Described in Note IV.I.	\$25,650
Less: Allowance for Doubtful Accounts	<u>(6,000)</u>
Total Governmental Loans Receivable	<u>19,650</u>

Business-Type Activities:

Sewer Fund:

Loan Receivable, One (1) Loan to a Local Business for the Installation of a Grease Trap, Original Loan of \$8,500, \$425 Due Quarterly for Five Years, Interest at 0%, Due September, 2021, Secured by Lien on Property.	<u>1,800</u>
Total Loans Receivable	<u>\$21,450</u>

An analysis of the change in Governmental Activities/Well Drilling Fund loans receivable is as follows:

<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2021</u>
\$ <u>38,150</u>	\$ <u>0</u>	\$ <u>12,500</u>	\$ <u>25,650</u>

An analysis of the change in Business-type Activities/Sewer Fund loans receivable is as follows:

<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2021</u>
\$ <u>2,700</u>	\$ <u>0</u>	\$ <u>900</u>	\$ <u>1,800</u>

TOWN OF PITTSFORD, VERMONT
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D. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 85,762	\$ 0	\$ 189,461
Construction in Progress	58,155	640,233	551,037	147,351
Total Capital Assets, Not Being Depreciated	<u>161,854</u>	<u>725,995</u>	<u>551,037</u>	<u>336,812</u>
Capital Assets, Being Depreciated:				
Vehicles	2,323,152	783,060	160,640	2,945,572
Computers	24,490	22,176	0	46,666
Equipment	551,044	12,913	0	563,957
Buildings and Building Improvements	1,021,707	608,355	0	1,630,062
Infrastructure	8,085,540	335,417	0	8,420,957
Totals	<u>12,005,933</u>	<u>1,761,921</u>	<u>160,640</u>	<u>13,607,214</u>
Less Accumulated Depreciation for:				
Vehicles	1,127,350	142,187	54,256	1,215,281
Computers	12,031	6,107	0	18,138
Equipment	325,773	30,640	0	356,413
Buildings and Building Improvements	454,909	23,886	0	478,795
Infrastructure	3,107,564	405,540	0	3,513,104
Totals	<u>5,027,627</u>	<u>608,360</u>	<u>54,256</u>	<u>5,581,731</u>
Total Capital Assets, Being Depreciated	<u>6,978,306</u>	<u>1,153,561</u>	<u>106,384</u>	<u>8,025,483</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,140,160</u>	<u>\$ 1,879,556</u>	<u>\$ 657,421</u>	<u>\$ 8,362,295</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 76,222	\$ 0	\$ 0	\$ 76,222
Construction in Progress	212,606	660,804	678,687	194,723
Total Capital Assets, Not Being Depreciated	<u>288,828</u>	<u>660,804</u>	<u>678,687</u>	<u>270,945</u>
Capital Assets, Being Depreciated:				
Vehicles and Equipment	95,458	9,000	0	104,458
Buildings, Distribution and Collection Systems	11,568,088	684,069	0	12,252,157
Totals	<u>11,663,546</u>	<u>693,069</u>	<u>0</u>	<u>12,356,615</u>
Less Accumulated Depreciation for:				
Vehicles and Equipment	45,833	9,394	0	55,227
Buildings, Distribution and Collection Systems	2,930,264	202,182	0	3,132,446
Totals	<u>2,976,097</u>	<u>211,576</u>	<u>0</u>	<u>3,187,673</u>
Total Capital Assets, Being Depreciated	<u>8,687,449</u>	<u>481,493</u>	<u>0</u>	<u>9,168,942</u>
Business-type Activities Capital Assets, Net	<u>\$ 8,976,277</u>	<u>\$ 1,142,297</u>	<u>\$ 678,687</u>	<u>\$ 9,439,887</u>

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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 16,205	Water	\$ 124,748
Public Safety	113,274	Sewer	<u>86,828</u>
Highways and Streets	473,268		
Culture and Recreation	4,696		
Sanitation	<u>917</u>		
 Total Depreciation Expense - Governmental Activities	 <u>\$ 608,360</u>	 Total Depreciation Expense - Business-type Activities	 <u>\$ 211,576</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2021 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 811,134
Highway Fund	13,892	0
Non-Major Governmental Funds	1,284,901	12,723
Water Fund	242,314	0
Sewer Fund	<u>0</u>	<u>717,250</u>
 Total	 <u>\$ 1,541,107</u>	 <u>\$ 1,541,107</u>

Interfund transfers during the year ended June 30, 2021 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Municipal Office Fund	\$ 7,000	Appropriation
General Fund	Fire Department Fund	80,000	Appropriation
General Fund	Patrol Car Fund	15,000	Appropriation
General Fund	Recreation Capital Fund	3,000	Appropriation
General Fund	Cemetery Development Fund	2,000	Appropriation
General Fund	Pittsford First Response Capital Fund	10,000	Appropriation
General Fund	Water Fund	12,500	Appropriation
General Fund	Sewer Fund	12,500	Appropriation
Highway Fund	Bridge Reserve Fund	25,000	Appropriation
Highway Fund	Highway Capital Fund	100,000	Appropriation
Bridge Reserve Fund	Highway Capital Fund	110,000	Fund Local Match on Capital
Belcher Mericle Fund	General Fund	<u>28</u>	Transfer Earnings
 Total		 <u>\$ 377,028</u>	

TOWN OF PITTSFORD, VERMONT
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In addition, the Sewer Fund transferred \$4,750 to the Water Fund for its annual use of its utility truck.

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$29,087 from the difference between the expected and actual experience, \$30,890 from the difference between the projected and actual investment earnings, \$43,301 from changes in assumptions and \$2,702 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$27,135 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the governmental activities is \$133,115.

Deferred outflows of resources in the business-type activities consists of \$5,619 from the difference between the expected and actual experience, \$5,967 from the difference between the projected and actual investment earnings, \$8,364 from changes in assumptions and \$522 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$5,242 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the business-type activities is \$25,714.

Deferred outflows of resources in the Water Fund consists of \$3,703 from the difference between the expected and actual experience, \$3,933 from the difference between the projected and actual investment earnings, \$5,512 from changes in assumptions and \$344 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$3,455 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Water Fund is \$16,947.

Deferred outflows of resources in the Sewer Fund consists of \$1,916 from the difference between the expected and actual experience, \$2,034 from the difference between the projected and actual investment earnings, \$2,852 from changes in assumptions and \$178 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$1,787 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Sewer Fund is \$8,767.

G. Unearned Revenue

Unearned revenue in the governmental activities and General Fund consists of \$8,300 of recreation fees received in advance.

Unearned revenue in the business-type activities and Water Fund consists of \$72 of user fees received in advance.

TOWN OF PITTSFORD, VERMONT
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H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$20,127 of prepaid property taxes, \$957 from the difference between the expected and actual experience and \$7,201 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the governmental activities is \$28,285.

Deferred inflows of resources in the Business-type Activities consists of \$185 from the difference between the expected and actual experience and \$1,391 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Business-type Activities is \$1,576.

Deferred inflows of resources in the General Fund consists of \$172,500 of delinquent property taxes, penalties and interest on those taxes not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$20,127 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$192,627.

Deferred inflows of resources in the Highway Fund consists of \$3,342 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$19,650 of loans receivable.

Deferred inflows of resources in the Water Fund consists of \$122 from the difference between the expected and actual experience and \$917 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Water Fund is \$1,039.

Deferred inflows of resources in the Sewer Fund consists of \$63 from the difference between the expected and actual experience and \$474 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Sewer Fund is \$537.

I. Long-term Liabilities

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

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General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

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

The United States Department of Agriculture (USDA) offers a number of low interest loan programs for various purposes. The Town has borrowed money from the USDA, in the form of bonds, for capital projects.

The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the State of Vermont Special Environmental Revolving Fund for sewer projects and to fund water drilling loan programs.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town's share of the net pension liability is recorded in the government-wide financial statements and proprietary fund financial statements.

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

Long-term liabilities outstanding as of June 30, 2021 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, Principal Payments of \$14,176 Payable on December 1 Annually, 0% Interest, Due December, 2023	\$ 56,704	\$ 0	\$14,176	\$ 42,528

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Lease Payable, Municipal Leasing Credit Corporation, Fire Truck Purchase, Principal and Interest Payments of \$40,533 Payable on December 15, Interest at 3.10% Due December 15, 2030	\$ <u>0</u>	\$ <u>344,000</u>	\$ <u>0</u>	\$ <u>344,000</u>
Total Governmental Activities	\$ <u>56,704</u>	\$ <u>344,000</u>	\$ <u>14,176</u>	\$ <u>386,528</u>
Business-type Activities:				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$58,318 Payable on June 23 and December 23, Interest at 3.25%, Due June, 2050	\$2,223,871	\$ 0	\$ 44,718	\$2,179,153
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$3,187 Payable on May 15 and November 15, Interest at 2.75%, Due November, 2053	138,872	0	2,572	136,300
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Supply Improvements, Principal Payments of \$2,000 Payable on December 1 Annually, 0% Interest, Due December, 2023	8,000	0	2,000	6,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Supply Improvements, Authorized to \$66,285, Principal Payments of \$13,257 Payable on March 1 Annually Beginning on March 1, 2025, 0% Interest, Due March, 2029	32,343	1,867	0	34,210

TOWN OF PITTSFORD, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$29,082 to \$48,002 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	\$ 470,104	\$ 0	\$ 31,412	\$ 438,692
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pump Station and Other Sewer System Improvements, Authorized to \$970,000 but Eligible for 40% Subsidy, Principal and a 2% Administration Fee Payment of \$25,778 Payable on April 30 Annually Beginning on April 30, 2022, 0% Interest, Due April, 2051	6,184	226,715	0	232,899
Bond Payable, USDA Rural Development, Sewer System Improvements, Principal and Interest Payments of \$30,541 Payable on February 1 and August 1, Interest at 2.75%, Due August, 2042	1,019,546	0	33,275	986,271
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Improvements, Authorized to \$66,285 but Eligible for \$33,143 Subsidy, Principal Payments of \$6,629 Payable on March 1 Annually Beginning on March 1, 2025, 0% Interest, Due March, 2029	<u>32,343</u>	<u>1,867</u>	<u>0</u>	<u>34,210</u>
Total Business-type Activities	<u>\$3,931,263</u>	<u>\$230,449</u>	<u>\$113,977</u>	<u>\$4,047,735</u>

TOWN OF PITTSFORD, VERMONT
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Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 56,704	\$ 0	\$ 14,176	\$ 42,528	\$ 14,176
Capital Lease Payable	0	344,000	0	344,000	29,870
Compensated Absences Payable	32,081	0	5,560	26,521	0
Net Pension Liability	211,040	111,935	0	322,975	0
Total Governmental Activities Long-term Liabilities	<u>\$ 299,825</u>	<u>\$ 455,935</u>	<u>\$ 19,736</u>	<u>\$ 736,024</u>	<u>\$ 44,046</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 3,931,263	\$ 230,449	\$ 113,977	\$ 4,047,735	\$ 131,900
Compensated Absences Payable	8,057	1,450	0	9,507	0
Net Pension Liability	48,064	14,326	0	62,390	0
Total Business-type Activities Long-term Liabilities	<u>\$ 3,987,384</u>	<u>\$ 246,225</u>	<u>\$ 113,977</u>	<u>\$ 4,119,632</u>	<u>\$ 131,900</u>

Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The change in the net pension liability is allocated to the function where the employee is charged.

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Capital Leases	Principal	Interest
2022	\$ 14,176	\$ 40,533	\$ 131,900	\$ 129,216
2023	14,176	40,533	136,002	125,090
2024	14,176	40,533	140,236	120,528
2025	0	40,533	155,547	116,428
2026	0	40,533	160,063	111,885
2027-2031	0	202,665	851,273	485,852
2032-2036	0	0	721,246	359,339
2037-2041	0	0	693,138	227,322
2042-2046	0	0	582,783	123,527
2047-2051	0	0	460,399	36,364
2052-2055	0	0	15,148	627
Less: Imputed Interest	<u>0</u>	<u>(61,330)</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 42,528</u>	<u>\$ 344,000</u>	<u>\$ 4,047,735</u>	<u>\$ 1,836,178</u>

J. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Major Funds

General Fund:	
Nonspendable Prepaid Items	\$ 9,332
Highway Fund:	
Nonspendable Inventory	33,067

Non-Major Funds

Permanent Fund:	
Nonspendable Belcher Mericle Fund Principal	<u>1,250</u>
Total Nonspendable Fund Balances	<u>\$43,649</u>

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The fund balances in the following funds are restricted as follows:

Major Fund

Restricted for Highway Expenditures by Statute (Source of Revenue in Highway Property Taxes)	\$ <u>116,480</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Records Preservation Expenses by Statute (Source of Revenue is Restoration Fees)	78,681
Restricted for William Dennison Expenses by Trust Agreement (Source of Revenue is Donations)	99,056
Restricted for Well Drilling Debt Service by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>13,094</u>
Total Special Revenue Funds	<u>190,831</u>

Capital Projects Funds:

Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Bridge Expenditures	210,562
Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Highway Capital Expenditures	<u>489,224</u>
Total Capital Projects Funds	<u>699,786</u>

Permanent Fund:

Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>1,439</u>
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Total Non-Major Funds	<u>892,056</u>
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Total Restricted Fund Balances	<u>\$1,008,536</u>
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The fund balances in the following funds are committed as follows:

Non-Major Funds

Special Revenue Funds:

Committed for Village Expenses by the Voters	\$ <u>24,058</u>
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TOWN OF PITTSFORD, VERMONT
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Capital Projects Funds:	
Committed for Municipal Office Expenditures by the Voters	\$ 10,026
Committed for Fire Department Expenditures by the Voters	190,483
Committed for Recreation Expenditures by the Voters	13,627
Committed for Cemetery Development Expenditures by the Voters	51,317
Committed for Pittsford First Response Capital by the Voters	<u>43,312</u>
 Total Capital Projects Funds	 <u>308,765</u>
 Total Committed Fund Balances	 <u>\$332,823</u>

The fund balance in the following funds are assigned as follows:

Major Funds

General Fund:	
Assigned for Trail Expenses	\$ <u>6,887</u>

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	<u>159,154</u>
 Total Assigned Fund Balances	 <u>\$166,041</u>

The unassigned deficit of \$3,053 in the Veterans Memorial Fund will be funded with future donations.

The unassigned deficit of \$9,670 in the Patrol Car Fund will be funded with future transfers from the General Fund.

K. Restricted and Designated Net Position

The restricted net position of the Town as of June 30, 2021 consisted of the following:

Governmental Activities:	
Inventories Restricted for Highway Use by Statute	\$ 33,067
Restricted for Highway Expenditures by Statute	819,608
Restricted for Records Preservation Expenses by Statute	78,681
Restricted for William Dennison Expenses by Trust Agreement	99,056
Restricted for Belcher Mericle Expenses by Trust Agreement	
– Non-Expendable Portion	1,250
Restricted for Belcher Mericle Expenses by Trust Agreement	
– Expendable Portion	<u>1,439</u>
 Total Governmental Activities	 <u>\$1,033,101</u>

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

The designated net position of the Town as of June 30, 2021 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Capital – Improvements	\$220,538
Designated for Water Capital – Vehicle	40,168
Designated for Water Operations	<u>116,598</u>
Total Water Fund	<u>377,304</u>

Sewer Fund:

Designated for Sewer Capital – Improvements	84,476
Designated in Excess of Unrestricted Net Position	<u>(84,476)</u>
Total Sewer Fund	<u>0</u>

Total Business-type Activities	<u>\$377,304</u>
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The Town has increased Sewer rates effective July 1, 2022 to begin the process of funding the deficit.

The net position held in trust for various purposes in the Town’s Private-Purpose Trust Funds as of June 30, 2021 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Bowen Walker Fund	\$ 28,628
Restricted for Burditt Trust Fund	3,545,826
Restricted for Booth Fund	47,636
Restricted for Pittsford Trust Fund	20,429
Restricted for Kelley Trust Fund	12,858
Restricted for Pinney Fund	<u>14,431</u>

Total Private-Purpose Trust Funds Net Position	<u>\$3,669,808</u>
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TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) 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 municipal and school district 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. As of June 30, 2020, the measurement date selected by the State of Vermont, the retirement system consisted of 353 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2020, the measurement date selected by the State of Vermont, VMERS was funded at 74.52% and had a plan fiduciary net position of \$740,052,895 and a total pension liability of \$993,026,959 resulting in a net position liability of \$252,974,064. As of June 30, 2021, the Town's proportionate share of this was 0.1523% resulting in a net pension liability of \$385,365. The net pension liability was measured as of June 30, 2020, 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 municipalities, actuarially determined. The Town's proportion

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

of 0.1523% was an increase of 0.003 from its proportion measured as of the prior year.

For the year ended June 30, 2021, the Town recognized pension expense of \$86,813.

As of June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 34,706	\$ 1,142
Net difference between projected and actual investment earnings on pension assets	36,857	0
Changes in assumptions	51,665	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,224	8,592
Town's required employer contributions made subsequent to the measurement date	32,377	0
	\$ 158,829	\$ 9,734

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$32,377 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2022	\$ 31,684
2023	33,599
2024	28,932
2025	22,503
Total	\$116,718

Summary of System Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group A.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (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 Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, 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 Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 3.00%. Group B – 5.375%. Group C – 10.50%. Group D – 11.85%.

Employer Contributions – Group A – 4.50%. Group B – 6.00%. Group C – 7.75%. Group D – 10.35%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation, a decrease from 7.50% in the prior year.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Disabled Post-retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.

Spouse’s Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all 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.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Inflation: 2.30%

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, 2020 are summarized in the following table:

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29%	7.07%
US Equity – Large Cap	4%	6.19%
US Equity – Small/Mid Cap	3%	6.93%
Non-US Equity – Large Cap	5%	7.01%
Non-US Equity – Small Cap	2%	7.66%
Emerging Markets Debt	4%	3.66%
Core Bond	20%	0.39%
Private & Alternate Credit	10%	6.03%
US TIPS	3%	(0.20)%
Core Real Estate	5%	4.06%
Non-Core Real Estate	3%	6.43%
Private Equity	10%	11.27%
Infrastructure/Farmland	2%	5.44%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%, a decrease from 7.50% in the prior year. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. 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 Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$588,760	\$385,365	\$218,014

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Deferred Compensation Plan

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

B. Risk Management

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

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

C. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are collected three (3) times per year. During the tax year ended June 30, 2021, taxes were due and payable on August 15, 2020, September 16, 2020 and November 15, 2020. The Town assesses a 2% penalty on delinquent taxes when the account is delinquent for 10 days and then another 6% for accounts greater than 10 days delinquent and interest is charged at one percent (1%) per month after the taxes become delinquent on November 15, 2020. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2021 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.3545	.3545
Highway	.2798	.2798
Local Agreement	.0023	.0023
Education	<u>1.4313</u>	<u>1.6739</u>
Total	<u>2.0679</u>	<u>2.3105</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

A separate tax rate of .0359 was billed to taxpayers who lived within the Village limits.

D. Other Commitments

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. 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.

The voters have approved borrowing up to \$200,000 from the State of Vermont Special Environmental Loan Fund to be used to issue no interest (0%) well drilling loans for residents who can no longer get water from the Town of Proctor. The terms of the loans are for ten (10) years with a maximum loan amount of \$6,000. As of June 30, 2021, the Town has drawn \$141,760 of this amount and repaid \$99,232 leaving a balance owed of \$42,528.

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

At the March, 2019 Town meeting, the voters approved borrowing up to \$970,000 from the State of Vermont Special Environmental Loan Fund to finance sewer system improvements. \$232,899 was borrowed as of June 30, 2021.

E. Concentration of Revenue

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2021, the Town received 23.2% of its total property taxes and 14.6% of total water sales from OMYA, Inc.

F. Transfer of Operations

During the year, the Pittsford First Response, Inc. transferred its assets to the Town. As a result of the transfer, the Town recognized the following:

	<u>Carrying Values</u>
Transferred Assets:	
Cash	\$ 32,728
Capital Assets	<u>130,700</u>
Total	<u>\$163,428</u>

TOWN OF PITTSFORD, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.1523%	0.1493%	0.1614%	0.1646%	0.1683%	0.1762%	0.1778%
Town's Proportionate Share of the Net Pension Liability	\$ 385,365	\$ 259,104	\$ 227,063	\$ 199,381	\$ 216,527	\$ 135,812	\$ 16,229
Town's Covered Employee Payroll	\$ 719,503	\$ 742,870	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	53.5600%	34.8788%	32.6414%	28.2094%	32.2270%	21.2450%	2.6363%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: The following changes were effective for the June 30, 2020 valuation date:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
- The mortality assumptions were updated as follows:
 - Pre-Retirement:
 - Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.
 - Group D - PubG-2010 General Employee above-median, with generational projection using scale MP-2019.
 - Healthy Post-Retirement - Retirees:
 - Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.
 - Group D - PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.
 - Healthy Post-Retirement - Beneficiaries:
 - Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.
 - Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.
 - Disabled Retirees:
 - All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%.
- The active retirement rates were updated as follows:
 - Group A: Decreased the rates throughout all ages.
 - Group B: For females, slightly decreased the rates at younger ages and then increased the rates at later ages. For males, slightly decreased the rates at most ages.
 - Group C: Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
 - Group D: For members with less than 20 years of service, increased the rates for ages 55-59.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability loan of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive Members who are vested immediately become Deferred Members, and the liabilities for all Deferred Members are based on the accrued benefit.
- The termination rates were updated as follows:
 - Simplified female rates to one set of slightly reduced rates for all females.

Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 32,377	\$ 31,572	\$ 28,695	\$ 28,272	\$ 26,875	\$ 25,571	\$ 24,624
Contributions in Relation to the Actuarially Determined Contributions	<u>32,377</u>	<u>31,572</u>	<u>28,695</u>	<u>28,272</u>	<u>26,875</u>	<u>25,571</u>	<u>24,624</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 719,503	\$ 742,870	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Contributions as a Percentage of Town's Covered Employee Payroll	4.500%	4.250%	4.125%	4.000%	4.000%	4.000%	4.000%

Notes to Schedule

Valuation Date: June 30, 2020

Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown.

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 5,961	\$ 0	\$ 0	\$ 5,961
Investments	93,095	0	2,689	95,784
Loans Receivable (Net of Allowance for Uncollectibles)	19,650	0	0	19,650
Due from Other Funds	<u>276,350</u>	<u>1,008,551</u>	<u>0</u>	<u>1,284,901</u>
Total Assets	<u>\$ 395,056</u>	<u>\$ 1,008,551</u>	<u>\$ 2,689</u>	<u>\$ 1,406,296</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,363	\$ 0	\$ 0	\$ 1,363
Due to Other Funds	<u>3,053</u>	<u>9,670</u>	<u>0</u>	<u>12,723</u>
Total Liabilities	<u>4,416</u>	<u>9,670</u>	<u>0</u>	<u>14,086</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	<u>19,650</u>	<u>0</u>	<u>0</u>	<u>19,650</u>
Total Deferred Inflows of Resources	<u>19,650</u>	<u>0</u>	<u>0</u>	<u>19,650</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	190,831	699,786	1,439	892,056
Committed	24,058	308,765	0	332,823
Assigned	159,154	0	0	159,154
Unassigned/(Deficit)	<u>(3,053)</u>	<u>(9,670)</u>	<u>0</u>	<u>(12,723)</u>
Total Fund Balances	<u>370,990</u>	<u>998,881</u>	<u>2,689</u>	<u>1,372,560</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 395,056</u>	<u>\$ 1,008,551</u>	<u>\$ 2,689</u>	<u>\$ 1,406,296</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 16,012	\$ 0	\$ 0	\$ 16,012
Intergovernmental	33,568	418,362	0	451,930
Permits, Licenses and Fees	12,344	0	0	12,344
Loan Repayments	12,500	0	0	12,500
Investment Income	854	2,440	28	3,322
Donations	350	30,500	0	30,850
Other	0	1,030	0	1,030
	<u>75,628</u>	<u>452,332</u>	<u>28</u>	<u>527,988</u>
Total Revenues				
Expenditures:				
General Government	36,894	0	0	36,894
Highways and Streets	0	3,719	0	3,719
Capital Outlay:				
General Government	10,000	0	0	10,000
Public Safety	0	760,999	0	760,999
Highways and Streets	0	524,861	0	524,861
Culture and Recreation	0	9,939	0	9,939
Debt Service:				
Principal	14,176	0	0	14,176
Interest	8	39	0	47
	<u>61,078</u>	<u>1,299,557</u>	<u>0</u>	<u>1,360,635</u>
Total Expenditures				
Excess/(Deficiency) of Revenues Over Expenditures	<u>14,550</u>	<u>(847,225)</u>	<u>28</u>	<u>(832,647)</u>
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	75,000	0	75,000
Issuance of Long Term Debt	0	344,000	0	344,000
Transfers In	0	352,000	0	352,000
Transfers Out	0	(110,000)	(28)	(110,028)
	<u>0</u>	<u>661,000</u>	<u>(28)</u>	<u>660,972</u>
Total Other Financing Sources/(Uses)				
Special Item:				
Transfer from Pittsford First Response, Inc.	0	32,728	0	32,728
	<u>0</u>	<u>32,728</u>	<u>0</u>	<u>32,728</u>
Net Change in Fund Balances				
	14,550	(153,497)	0	(138,947)
Fund Balances - July 1, 2020	<u>356,440</u>	<u>1,152,378</u>	<u>2,689</u>	<u>1,511,507</u>
Fund Balances - June 30, 2021	<u>\$ 370,990</u>	<u>\$ 998,881</u>	<u>\$ 2,689</u>	<u>\$ 1,372,560</u>

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TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,961	\$ 0	\$ 5,961
Investments	0	0	0	0	93,095	0	93,095
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0	0	0	19,650	19,650
Due from Other Funds	<u>25,421</u>	<u>159,154</u>	<u>78,681</u>	<u>0</u>	<u>0</u>	<u>13,094</u>	<u>276,350</u>
Total Assets	<u>\$ 25,421</u>	<u>\$ 159,154</u>	<u>\$ 78,681</u>	<u>\$ 0</u>	<u>\$ 99,056</u>	<u>\$ 32,744</u>	<u>\$ 395,056</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 1,363	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,363
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,053</u>	<u>0</u>	<u>0</u>	<u>3,053</u>
Total Liabilities	<u>1,363</u>	<u>0</u>	<u>0</u>	<u>3,053</u>	<u>0</u>	<u>0</u>	<u>4,416</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,650</u>	<u>19,650</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,650</u>	<u>19,650</u>
<u>FUND BALANCES/(DEFICIT)</u>							
Restricted	0	0	78,681	0	99,056	13,094	190,831
Committed	24,058	0	0	0	0	0	24,058
Assigned	0	159,154	0	0	0	0	159,154
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,053)</u>	<u>0</u>	<u>0</u>	<u>(3,053)</u>
Total Fund Balances/(Deficit)	<u>24,058</u>	<u>159,154</u>	<u>78,681</u>	<u>(3,053)</u>	<u>99,056</u>	<u>13,094</u>	<u>370,990</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,421</u>	<u>\$ 159,154</u>	<u>\$ 78,681</u>	<u>\$ 0</u>	<u>\$ 99,056</u>	<u>\$ 32,744</u>	<u>\$ 395,056</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenues:							
Property Taxes	\$ 16,012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,012
Intergovernmental	0	13,918	19,650	0	0	0	33,568
Permits, Licenses and Fees	0	0	12,344	0	0	0	12,344
Loan Repayments	0	0	0	0	0	12,500	12,500
Investment Income	67	358	172	0	228	29	854
Donations	0	0	0	350	0	0	350
	<u>16,079</u>	<u>14,276</u>	<u>32,166</u>	<u>350</u>	<u>228</u>	<u>12,529</u>	<u>75,628</u>
Total Revenues							
Expenditures:							
General Government	15,502	0	21,392	0	0	0	36,894
Capital Outlay:							
General Government	0	10,000	0	0	0	0	10,000
Debt Service:							
Principal	0	0	0	0	0	14,176	14,176
Interest	0	0	0	8	0	0	8
	<u>15,502</u>	<u>10,000</u>	<u>21,392</u>	<u>8</u>	<u>0</u>	<u>14,176</u>	<u>61,078</u>
Total Expenditures							
Net Change in Fund Balances	577	4,276	10,774	342	228	(1,647)	14,550
Fund Balances/(Deficit) - July 1, 2020	<u>23,481</u>	<u>154,878</u>	<u>67,907</u>	<u>(3,395)</u>	<u>98,828</u>	<u>14,741</u>	<u>356,440</u>
Fund Balances/(Deficit) - June 30, 2021	<u>\$ 24,058</u>	<u>\$ 159,154</u>	<u>\$ 78,681</u>	<u>\$ (3,053)</u>	<u>\$ 99,056</u>	<u>\$ 13,094</u>	<u>\$ 370,990</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2021

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Recreation Capital Fund	Cemetery Development Fund	Highway Capital Fund	Pittsford First Response Capital Fund	Total
<u>ASSETS</u>									
Due from Other Funds	\$ 210,562	\$ 10,026	\$ 190,483	\$ 0	\$ 13,627	\$ 51,317	\$ 489,224	\$ 43,312	\$ 1,008,551
Total Assets	<u>\$ 210,562</u>	<u>\$ 10,026</u>	<u>\$ 190,483</u>	<u>\$ 0</u>	<u>\$ 13,627</u>	<u>\$ 51,317</u>	<u>\$ 489,224</u>	<u>\$ 43,312</u>	<u>\$ 1,008,551</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 9,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,670
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,670</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,670</u>
Fund Balances/(Deficit):									
Restricted	210,562	0	0	0	0	0	489,224	0	699,786
Committed	0	10,026	190,483	0	13,627	51,317	0	43,312	308,765
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,670)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,670)</u>
Total Fund Balances/(Deficit)	<u>210,562</u>	<u>10,026</u>	<u>190,483</u>	<u>(9,670)</u>	<u>13,627</u>	<u>51,317</u>	<u>489,224</u>	<u>43,312</u>	<u>998,881</u>
Total Liabilities and Fund Balances	<u>\$ 210,562</u>	<u>\$ 10,026</u>	<u>\$ 190,483</u>	<u>\$ 0</u>	<u>\$ 13,627</u>	<u>\$ 51,317</u>	<u>\$ 489,224</u>	<u>\$ 43,312</u>	<u>\$ 1,008,551</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Recreation Capital Fund	Cemetery Development Fund	Highway Capital Fund	Pittsford First Response Capital Fund	Total
Revenues:									
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 418,362	\$ 0	\$ 418,362
Investment Income	720	16	714	0	42	119	745	84	2,440
Donations	30,000	0	0	0	0	0	0	500	30,500
Other	0	0	0	0	0	0	1,030	0	1,030
Total Revenues	30,720	16	714	0	42	119	420,137	584	452,332
Expenditures:									
Highways and Streets	3,719	0	0	0	0	0	0	0	3,719
Capital Outlay:									
Public Safety	0	0	760,999	0	0	0	0	0	760,999
Highways and Streets	0	0	0	0	0	0	524,861	0	524,861
Culture and Recreation	0	0	0	0	9,939	0	0	0	9,939
Debt Service:									
Interest	0	0	0	39	0	0	0	0	39
Total Expenditures	3,719	0	760,999	39	9,939	0	524,861	0	1,299,557
Excess/(Deficiency) of Revenues Over Expenditures	27,001	16	(760,285)	(39)	(9,897)	119	(104,724)	584	(847,225)
Other Financing Sources/(Uses):									
Proceeds from Sale of Equipment	0	0	75,000	0	0	0	0	0	75,000
Issuance of Long Term Debt	0	0	344,000	0	0	0	0	0	344,000
Transfers In	25,000	7,000	80,000	15,000	3,000	2,000	210,000	10,000	352,000
Transfers Out	(110,000)	0	0	0	0	0	0	0	(110,000)
Total Other Financing Sources/(Uses)	(85,000)	7,000	499,000	15,000	3,000	2,000	210,000	10,000	661,000
Special Item:									
Transfer from Pittsford First Response, Inc.	0	0	0	0	0	0	0	32,728	32,728
Net Change in Fund Balances	(57,999)	7,016	(261,285)	14,961	(6,897)	2,119	105,276	43,312	(153,497)
Fund Balances/(Deficit) - July 1, 2020	268,561	3,010	451,768	(24,631)	20,524	49,198	383,948	0	1,152,378
Fund Balances/(Deficit) - June 30, 2021	\$ 210,562	\$ 10,026	\$ 190,483	\$ (9,670)	\$ 13,627	\$ 51,317	\$ 489,224	\$ 43,312	\$ 998,881

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TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2021

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 0	\$ 133,545	\$ 10,051	\$ 20,429	\$ 12,858	\$ 724	\$ 177,607
Investments	<u>28,628</u>	<u>3,412,281</u>	<u>37,585</u>	<u>0</u>	<u>0</u>	<u>13,707</u>	<u>3,492,201</u>
Total Assets	<u>28,628</u>	<u>3,545,826</u>	<u>47,636</u>	<u>20,429</u>	<u>12,858</u>	<u>14,431</u>	<u>3,669,808</u>
<u>LIABILITIES</u>							
Liabilities:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET POSITION</u>							
Restricted:							
Held in Trust for:							
Other Purposes	<u>28,628</u>	<u>3,545,826</u>	<u>47,636</u>	<u>20,429</u>	<u>12,858</u>	<u>14,431</u>	<u>3,669,808</u>
Total Net Position	<u>\$ 28,628</u>	<u>\$ 3,545,826</u>	<u>\$ 47,636</u>	<u>\$ 20,429</u>	<u>\$ 12,858</u>	<u>\$ 14,431</u>	<u>\$ 3,669,808</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
Additions:							
Investment Income	\$ 221	\$ 806,771	\$ 7,936	\$ 10	\$ 3	\$ 2,369	\$ 817,310
Total Additions	<u>221</u>	<u>806,771</u>	<u>7,936</u>	<u>10</u>	<u>3</u>	<u>2,369</u>	<u>817,310</u>
Deductions:							
Otter Valley Union School District	0	79,126	0	0	0	0	79,126
Management Fees	0	37,762	312	5	0	95	38,174
Miscellaneous	<u>221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>0</u>	<u>321</u>
Total Deductions	<u>221</u>	<u>116,888</u>	<u>312</u>	<u>5</u>	<u>100</u>	<u>95</u>	<u>117,621</u>
Change in Net Position	0	689,883	7,624	5	(97)	2,274	699,689
Net Position - July 1, 2020	<u>28,628</u>	<u>2,855,943</u>	<u>40,012</u>	<u>20,424</u>	<u>12,955</u>	<u>12,157</u>	<u>2,970,119</u>
Net Position - June 30, 2021	<u>\$ 28,628</u>	<u>\$ 3,545,826</u>	<u>\$ 47,636</u>	<u>\$ 20,429</u>	<u>\$ 12,858</u>	<u>\$ 14,431</u>	<u>\$ 3,669,808</u>

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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"

Board of Selectmen
Town of Pittsford, Vermont
P.O. Box 10, Plains Road
Pittsford, Vermont 05763-0010

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Pittsford, Vermont's basic financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control Over Financial Reporting

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

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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying schedule of Findings and Deficiencies in Internal Controls, we identified a certain deficiency that we consider to be a material weakness.

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 Town of Pittsford, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2021-01 to be a material weakness.

Compliance and Other Matters

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

However, we have noted certain other matters that we reported in a separate letter to the management of the Town of Pittsford, Vermont dated February 25, 2022.

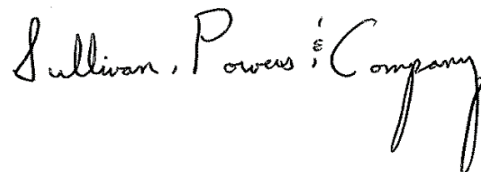
Town of Pittsford, Vermont's Response to Findings

The Town of Pittsford, Vermont has not responded to the deficiencies in internal control identified in our audit.

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 Town of Pittsford, Vermont'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 Town of Pittsford, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 25, 2022
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF PITTSFORD, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES
IN INTERNAL CONTROL
JUNE 30, 2021

Deficiencies in Internal Control:

Material Weaknesses:

2021-01 Grants Receivable/Deferred Inflows of Resources

Criteria:

Internal controls should be in place to ensure that the grants receivable and related deferred inflows of resources balances are recorded properly at year end.

Condition:

The grants receivable and related deferred inflows of resources accounts were not reconciled to the actual balances at year end which resulted in various adjustments to revenue.

Cause:

Unknown.

Effect:

The Town's grants receivable and related deferred inflows of resources balances were incorrect.

Recommendation:

We recommend that the Town reconcile the grants receivable and related deferred inflows of resources balances to supporting documentation annually in order to detect and correct errors.