

**TOWN OF PITTSFORD, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2019**

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AUDIT REPORT  
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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, 2019, 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, 2019 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.

***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.

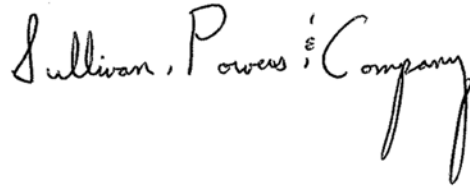
***Other Information***

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 March 25, 2020 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.

March 25, 2020  
Montpelier, Vermont  
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

TOWN OF PITTSFORD, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2019.

***Financial Highlights***

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2019 by \$13,801,912 (*net position*). Of this amount, \$999,083 (*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 \$13,485. Of this amount, net position attributable to governmental activities increased by \$75,741. Net position attributable to business-type activities decreased by \$62,256.
- The General Fund had a current year surplus of \$43,077 Increasing its fund balance to \$112,917.
- The Highway Fund had a current year deficit of \$48,718 reducing its fund balance to \$15,965.

***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, 2019

**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		Business-type		Total	
	Activities		Activities			
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Current and Other Assets	\$ 2,021,263	\$ 1,846,898	\$ 372,458	\$ 408,124	\$ 2,393,721	\$ 2,255,022
Capital Assets	6,800,605	7,004,906	9,075,091	9,220,842	15,875,696	16,225,748
Total Assets	8,821,868	8,851,804	9,447,549	9,628,966	18,269,417	18,480,770
Deferred Outflows of Resources	84,846	89,798	15,032	16,397	99,878	106,195
Current Liabilities	79,222	102,743	41,448	32,665	120,670	135,408
Long-term Liabilities	390,392	461,685	4,033,580	4,162,460	4,423,972	4,624,145
Total Liabilities	469,614	564,428	4,075,028	4,195,125	4,544,642	4,759,553
Deferred Inflows of Resources	21,540	37,355	1,201	1,630	22,741	38,985
Net Position						
Net Investment in Capital Assets	6,715,605	6,834,906	5,089,164	5,107,857	11,804,769	11,942,763
Restricted	998,060	948,354	0	0	998,060	948,354
Unrestricted	701,895	556,559	297,188	340,751	999,083	897,310
Total Net Position	\$ 8,415,560	\$ 8,339,819	\$ 5,386,352	\$ 5,448,608	\$ 13,801,912	\$ 13,788,427

As stated above, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$13,801,912 and \$13,788,427 as of June 30, 2019 and 2018, respectively.

The largest portion of the Town's net position (\$11,804,769) are in its investment in capital assets (86%). 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 (7%, or \$998,060) 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 (7%, or \$999,083) 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, 2019

Statement of Activities (Change in Net Position)

	Governmental Activities		Business-type Activities		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Revenues						
Program Revenues						
Charges for services	\$ 208,886	\$ 200,150	\$ 652,259	\$ 699,309	\$ 861,145	\$ 899,459
Operating grants and contributions	175,747	150,656	0	0	175,747	150,656
Capital grants and contributions	24,854	150,119	0	0	24,854	150,119
General Revenues						
Property taxes	2,218,396	2,082,409	0	0	2,218,396	2,082,409
Interest & Penalties on Delinquent Taxes	35,798	36,771	0	0	35,798	36,771
General State Grants	89,860	92,361	0	0	89,860	92,361
Unrestricted investment earnings	17,996	18,092	3,638	3,597	21,634	21,689
Other revenues	39	1,942	0	0	39	1,942
Total Revenues	<u>2,771,576</u>	<u>2,732,500</u>	<u>655,897</u>	<u>702,906</u>	<u>3,427,473</u>	<u>3,435,406</u>
Expenses						
Governmental activities						
General Government	702,881	645,113	0	0	702,881	645,113
Public Safety	454,074	439,548	0	0	454,074	439,548
Highways & Streets	1,159,404	1,039,393	0	0	1,159,404	1,039,393
Culture and Recreation	288,129	287,678	0	0	288,129	287,678
Sanitation	87,173	83,067	0	0	87,173	83,067
Interest on Long-term Debt	4,174	118	0	0	4,174	118
Business-type activities						
Water	0	0	371,639	372,347	371,639	372,347
Sewer	0	0	346,514	339,485	346,514	339,485
Total Expenses	<u>2,695,835</u>	<u>2,494,917</u>	<u>718,153</u>	<u>711,832</u>	<u>3,413,988</u>	<u>3,206,749</u>
Change in net position	75,741	237,583	(62,256)	(8,926)	13,485	228,657
Net position - Beginning of Year	<u>8,339,819</u>	<u>8,102,236</u>	<u>5,448,608</u>	<u>5,457,534</u>	<u>13,788,427</u>	<u>13,559,770</u>
Net position - End of Year	<u>\$ 8,415,560</u>	<u>\$ 8,339,819</u>	<u>\$ 5,386,352</u>	<u>\$ 5,448,608</u>	<u>\$ 13,801,912</u>	<u>\$ 13,788,427</u>

**Governmental activities.** Governmental activities increased the Town's net position by \$75,741 in FY19. The primary reasons are due to increased revenues and underspending budgets and increasing reserves.

**Business-type activities.** Business-type activities decreased the Town's net position by \$62,256. Specifically, the Water Fund had a current year deficit of \$34,173, whereas the Sewer Fund had a current year deficit of \$28,083. 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, 2019

The Pittsford Water Fund had a GAAP basis net position decrease of \$34,173 in FY19. This reduction was derived primarily of non-operating interest expenses of \$79,086 overtaking operating income of \$37,098. 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 \$509,476 on June 30, 2019.

The Sewer Fund had a GAAP basis net position decrease of \$28,083. This deficit was primarily the result of non-operating interest expenses of \$50,079 overtaking operating income of \$26,173. User rates have increased twice in recent years and the Water & Sewer Commission is considering several ways in which to address a persistent structural deficit while also dealing with new debt which will be related to the Depot Hill pump station 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 (\$212,288) on June 30, 2019.

### ***Financial Analysis of Major Governmental Funds***

#### **The General Fund**

The General Fund balance increased \$43,077 from \$69,840 at the end of fiscal year 2018 to \$112,917 at the end of fiscal year 2019.

On the revenue side, the Town's Police Department collected \$7,123 more than budgeted in traffic fines and \$16,299 in unbudgeted Chittenden patrol revenue. On the other hand, property tax revenues came in \$13,258 lower than expected and Recreation Department revenues were \$9,136 below budget.

On the expense side, the Town spent \$13,990 less than expected on management, \$11,207 less than budgeted on administration, \$7,215 less than budgeted for the Lister's Office, \$2,574 less than expected on Transfer Station operations, \$2,238 less than budgeted on Animal Management. Finally, the Select Board opted not to make the budgeted \$25,000 transfer to the Water Fund for hydrants.

On the other hand, the Town spent \$8,074 more than budgeted on the Finance Department, owing largely to increased wages paid to the Town's book-keeper. The Zoning Department overspent by \$3,805, mainly due to the legal fees associated with complex public hearing proceedings and the need to update the Town Plan. The Town spent \$5,302 more than budgeted on plant and equipment and miscellaneous expenses were \$3,535 more than expected due to legal fees. Police expenses exceeded the budgeted amount by \$13,587 due to the Omya and Chittenden patrol details.

#### **The Highway Fund**

The Highway Fund balance decreased \$48,718 from \$64,683 at the end of fiscal year 2018 to \$15,965 at the end of fiscal year 2019.

Revenues were \$317,817 less than budgeted, due to delays with the planned construction of a salt/sand shed and the bridge installation on Fire Hill Road.

TOWN OF PITTSFORD, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

On the expense side, the Town spent \$19,141 more on general expenses than expected (owing mostly to winter operations costs (overtime, vehicle fuel, salt and sand). The Town underspent on medical insurance, paving and equipment rentals to offset the above overages. The Highway Department also spent \$17,874 more than budgeted on Highway vehicles, mostly on outside repairs. The Town also had unbudgeted highway projects, however most were funded by grants.

**Other Funds**

The Town has the following other reserve funds at June 30, 2019:

Committed for Village Fund – Sidewalks	\$ 23,723
Assigned for Reappraisal Expenses	139,121
Restricted for Land Records Preservation	58,101
Assigned for Veterans Memorial Fund - Deficit	(3,801)
Restricted for William Dennison Fund – Fire	98,629
Restricted for Well Drilling Fund	14,697
Restricted for Bridge Replacement	414,953
Assigned for Municipal Office Capital Improvements - Deficit	(3,988)
Committed for Fire Department Capital	366,578
Assigned for Patrol Car Fund - Deficit	(4,338)
Committed for Mower Replacement	17,284
Committed for Cemetery Development	46,594
Restricted for Highway Capital Fund	388,588
Restricted for Belcher Miracle Fund – Recreation	<u>2,389</u>
 Total Other Funds	 <u>\$1,558,530</u>

**Restricted Net Position and Restricted Fund Balances**

The restricted net position was \$998,060 on June 30, 2019. These funds are restricted for specific future expenses, such as highway maintenance and other purposes determined by trust agreements.

**Capital Assets**

Governmental Capital Assets decreased \$204,301 in FY19, net of depreciation. Major capital additions for the year were as follows:

- (a) Sweeper, completion of fire hill culvert, paving of Parker Hill Road, a portion of Fire Hill Road, East Pittsford Road, a portion of Arch Street, Creed Hill Road, Long Trail, Hudson Terrace and Meadow Lake Drive, fire dept air packs, police department radar units, a computer, half of the cost of a new server and engineering work associated with the salt/sand shed project.

Business-Type Capital Assets decreased \$145,751 in FY19, net of depreciation. Major capital additions for the year were as follows:

- (a) Begin engineering on new pump station for sewage collection system, alarm system for wastewater treatment plant, engineering work on the water and sewer study associated with Segment 2 utilities and engineering work associated with the relocation of the water main attached to the bridge at the Mobil Station.

TOWN OF PITTSFORD, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

### ***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.

As of June 30, 2019, the Town's Highway Fund had a bond balance of \$85,000, the proceeds of which were used for highway improvements. This bond was paid off in December, 2020.

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 \$70,880.

The combined Pittsford/Florence Water System and Sewer System had a bond balance (current plus noncurrent balance) of \$3,985,927 that was used for system improvements. The Water System had a bond balance of \$2,418,545 and the Sewer System had a bond balance totaling \$1,567,382.

### ***Economic Factors and Next Year's Budgets and Rates***

- The national economy continues its economic expansion, with repercussions at the State and local levels of government. The outlook for 2020 is one of increased economic activity and modestly increasing inflation, with uncertain outcomes from international trade conflicts.

The following factors were considered in the development of budgets for FY20:

- **General Fund:** The voters approved a 2020 General Fund budget of \$1,634,823 of which \$1,268,533 was to be raised by taxes. The budget is a \$68,789 (4.4%) increase over the prior year. Only 5.9 of this increase was funded by property taxes and the rest was from outside sources. The General Fund increased by approximately \$10,000 the payment to the BLSG Mosquito District, due to legal fees associated with a lawsuit brought by the Toxic Action network, and the second of four \$17,750 "buy-in" payments. The budget for our book-keeper was increased \$8,000. The line item for Police Labor was increased by \$10,000 and line items were created for the Omya truck detail (\$10,000) and the Chittenden patrols (\$9,500), while \$3,000 was added to the annual appropriation toward the cruiser replacement fund. The Fire Department budget was increased to allow for \$5,000 more for protective equipment, \$2,500 more for communications and \$5,000 more for truck maintenance.
- **Highway Fund:** The Voters approved a 2020 Highway Fund budget of \$2,556,681 of which \$988,641 was to be raised by taxes. The budget is a \$1,062,506 (71%) increase over the prior year which is primarily the result of budgeting a large grant fund project. Only 3.2% of this increase was funded with property taxes and the rest was from outside sources (mostly VTrans grants). A major portion of the increase is the restoration of \$25,000 in the appropriation to the Bridge Replacement Fund.

TOWN OF PITTSFORD, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

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. Preliminary estimates from Stantec Engineering were that the Town will have to contribute approximately \$300,000 toward utility improvements when work is done on Segment 3 of Route 7, which runs north from Plains Road. However, a revised estimate from Otter Creek Engineering sets this figure at approximately \$700,000, due largely to new VTrans engineering featuring additional stormwater mitigation measures. 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.

**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, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,774,737	\$ 0	\$ 1,774,737
Investments	2,019	0	2,019
Receivables (Net of Allowance for Uncollectibles)	220,047	300,648	520,695
Loans Receivable	46,200	5,100	51,300
Internal Balances	(58,492)	58,492	0
Prepaid Expenses	6,358	932	7,290
Inventories	30,394	7,286	37,680
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	40,566	118,343	158,909
Other Capital Assets, (Net of Accumulated Depreciation)	6,656,340	8,888,393	15,544,733
Total Assets	<u>8,821,868</u>	<u>9,447,549</u>	<u>18,269,417</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>84,846</u>	<u>15,032</u>	<u>99,878</u>
Total Deferred Outflows of Resources	<u>84,846</u>	<u>15,032</u>	<u>99,878</u>
<u>LIABILITIES</u>			
Accounts Payable	18,787	20,235	39,022
Accrued Payroll and Benefits Payable	18,958	3,290	22,248
Due to Others	4,653	0	4,653
Unearned Revenue	6,430	777	7,207
Accrued Interest Payable	566	17,146	17,712
Due to First Response Capital Fiduciary Fund	29,828	0	29,828
Noncurrent Liabilities:			
Due within One Year	99,176	119,350	218,526
Due in More than One Year	291,216	3,914,230	4,205,446
Total Liabilities	<u>469,614</u>	<u>4,075,028</u>	<u>4,544,642</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	14,760	0	14,760
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>6,780</u>	<u>1,201</u>	<u>7,981</u>
Total Deferred Inflows of Resources	<u>21,540</u>	<u>1,201</u>	<u>22,741</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	6,715,605	5,089,164	11,804,769
Restricted For:			
Highways and Streets	838,941	0	838,941
Public Safety	98,629	0	98,629
Records Preservation	58,101	0	58,101
Other	2,389	0	2,389
Unrestricted	<u>701,895</u>	<u>297,188</u>	<u>999,083</u>
Total Net Position	<u>\$ 8,415,560</u>	<u>\$ 5,386,352</u>	<u>\$ 13,801,912</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, 2019

	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	\$ 702,881	\$ 43,155	\$ 19,646	\$ 0	\$ (640,080)	\$ 0	\$ (640,080)
Public Safety	454,074	67,412	6,440	0	(380,222)	0	(380,222)
Highways and Streets	1,159,404	10,303	149,661	24,854	(974,586)	0	(974,586)
Culture and Recreation	288,129	45,630	0	0	(242,499)	0	(242,499)
Sanitation	87,173	42,386	0	0	(44,787)	0	(44,787)
Interest on Long-term Debt	4,174	0	0	0	(4,174)	0	(4,174)
Total Governmental Activities	<u>2,695,835</u>	<u>208,886</u>	<u>175,747</u>	<u>24,854</u>	<u>(2,286,348)</u>	<u>0</u>	<u>(2,286,348)</u>
Business-type Activities:							
Water	371,639	329,651	0	0	0	(41,988)	(41,988)
Sewer	346,514	322,608	0	0	0	(23,906)	(23,906)
Total Business-type Activities	<u>718,153</u>	<u>652,259</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(65,894)</u>	<u>(65,894)</u>
Total	<u>\$ 3,413,988</u>	<u>\$ 861,145</u>	<u>\$ 175,747</u>	<u>\$ 24,854</u>	<u>(2,286,348)</u>	<u>(65,894)</u>	<u>(2,352,242)</u>
General Revenues:							
Property Taxes					2,218,396	0	2,218,396
Penalties and Interest on Delinquent Taxes					35,798	0	35,798
General State Grants					89,860	0	89,860
Unrestricted Investment Earnings					17,996	3,638	21,634
Other Revenues					39	0	39
Total General Revenues					<u>2,362,089</u>	<u>3,638</u>	<u>2,365,727</u>
Change in Net Position					75,741	(62,256)	13,485
Net Position - July 1, 2018					<u>8,339,819</u>	<u>5,448,608</u>	<u>13,788,427</u>
Net Position - June 30, 2019					<u>\$ 8,415,560</u>	<u>\$ 5,386,352</u>	<u>\$ 13,801,912</u>

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



TOWN OF PITTSFORD, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,676,108	\$ 0	\$ 98,629	\$ 1,774,737
Investments	0	0	2,019	2,019
Due from Other Funds	0	0	1,471,086	1,471,086
Receivables (Net of Allowance for Uncollectibles)	200,612	19,435	0	220,047
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	46,200	46,200
Prepaid Expenses	6,358	0	0	6,358
Inventory	0	30,394	0	30,394
 Total Assets	 <u>\$ 1,883,078</u>	 <u>\$ 49,829</u>	 <u>\$ 1,617,934</u>	 <u>\$ 3,550,841</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 16,632	\$ 1,078	\$ 1,077	\$ 18,787
Accrued Payroll and Benefits Payable	15,479	3,479	0	18,958
Due to Other Funds	1,539,407	7,872	12,127	1,559,406
Due to Others	2,653	2,000	0	4,653
Unearned Revenue	6,430	0	0	6,430
 Total Liabilities	 <u>1,580,601</u>	 <u>14,429</u>	 <u>13,204</u>	 <u>1,608,234</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	14,760	0	0	14,760
Unavailable Property Taxes, Penalties and Interest	174,800	0	0	174,800
Unavailable Grant Income	0	19,435	0	19,435
Unavailable Loans Receivable	0	0	46,200	46,200
 Total Deferred Inflows of Resources	 <u>189,560</u>	 <u>19,435</u>	 <u>46,200</u>	 <u>255,195</u>
<u>FUND BALANCES</u>				
Nonspendable	6,358	30,394	1,250	38,002
Restricted	0	0	976,107	976,107
Committed	0	0	454,179	454,179
Assigned	6,997	0	139,121	146,118
Unassigned/(Deficit)	99,562	(14,429)	(12,127)	73,006
 Total Fund Balances	 <u>112,917</u>	 <u>15,965</u>	 <u>1,558,530</u>	 1,687,412
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 1,883,078</u>	 <u>\$ 49,829</u>	 <u>\$ 1,617,934</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.				6,800,605
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.				240,435
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.				(390,958)
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.				78,066
 Net Position of Governmental Activities				 <u>\$ 8,415,560</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, 2019

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 1,215,621	\$ 967,475	\$ 17,000	\$ 2,200,096
Penalties and Interest on Delinquent Taxes	35,798	0	0	35,798
Intergovernmental	106,020	149,661	23,632	279,313
Charges for Services	96,853	8,105	0	104,958
Permits, Licenses and Fees	75,463	730	4,702	80,895
Fines and Forfeits	30,623	0	0	30,623
Loan Repayments	0	0	11,400	11,400
Investment Income	7,199	827	9,970	17,996
Donations	600	0	175	775
Other	1,863	1,468	370	3,701
<b>Total Revenues</b>	<b>1,570,040</b>	<b>1,128,266</b>	<b>67,249</b>	<b>2,765,555</b>
<b>Expenditures:</b>				
General Government	669,476	0	19,417	688,893
Public Safety	367,354	0	0	367,354
Highways and Streets	0	664,263	0	664,263
Culture and Recreation	277,497	0	0	277,497
Sanitation	85,816	0	0	85,816
Capital Outlay:				
General Government	1,589	0	0	1,589
Public Safety	21,254	0	0	21,254
Highways and Streets	0	346,937	22,328	369,265
Debt Service:				
Principal	0	85,000	14,176	99,176
Interest	0	3,876	119	3,995
<b>Total Expenditures</b>	<b>1,422,986</b>	<b>1,100,076</b>	<b>56,040</b>	<b>2,579,102</b>
Excess of Revenues Over Expenditures	147,054	28,190	11,209	186,453
<b>Other Financing Sources/(Uses):</b>				
Sale of Equipment	0	0	5,000	5,000
Transfers In	23	48,092	229,000	277,115
Transfers Out	(104,000)	(125,000)	(48,115)	(277,115)
<b>Total Other Financing Sources/(Uses)</b>	<b>(103,977)</b>	<b>(76,908)</b>	<b>185,885</b>	<b>5,000</b>
Net Change in Fund Balances	43,077	(48,718)	197,094	191,453
Fund Balances - July 1, 2018	69,840	64,683	1,361,436	1,495,959
Fund Balances - June 30, 2019	<u>\$ 112,917</u>	<u>\$ 15,965</u>	<u>\$ 1,558,530</u>	<u>\$ 1,687,412</u>

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, 2019

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)	\$	191,453
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$392,108) is allocated over their estimated useful lives and reported as depreciation expense (\$543,837). This is the amount by which capital outlays exceeded depreciation in the current period.		(151,729)
The net effect of various transactions involving capital assets (i.e., sales, loss on disposal of assets, capital grants and donations) is to decrease net position.		(52,572)
The issuance of long-term debt (\$0) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$99,176) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		99,176
The issuance of loans receivable (\$0) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$11,400) 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.		(11,400)
Governmental funds report employer pension contributions as expenditures (\$26,440). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$59,178) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(32,738)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the decrease in deferred revenue over last year.		33,421
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.		130
Change in net position of governmental activities (Exhibit B)	\$	75,741

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 1,228,879	\$ 1,215,621	\$ (13,258)
Interest on Delinquent Taxes	20,000	21,739	1,739
Penalty on Delinquent Taxes	16,000	14,059	(1,941)
Other Revenue	0	11	11
Total Property Taxes	<u>1,264,879</u>	<u>1,251,430</u>	<u>(13,449)</u>
Fees and Permits:			
First Class Liquor Licenses	500	460	(40)
Second Class Liquor Licenses	250	350	100
Junk Yard Licenses	25	0	(25)
Marriage Licenses	1,200	1,140	(60)
Burial Permits	50	50	0
Town Computer Purchases	50	0	(50)
Certified Copy Fees	1,400	1,040	(360)
Recording Fees	18,000	18,000	0
Photocopy Fees	3,000	2,729	(271)
DMV Fees	200	189	(11)
Posting Permits	100	60	(40)
Site Plan Review/Zoning Fees	3,000	3,805	805
Fireworks Permit Fees	0	180	180
Fire Wardens Permit Fees	200	220	20
Miscellaneous Fees	200	97	(103)
Total Fees and Permits	<u>28,175</u>	<u>28,320</u>	<u>145</u>
Intergovernmental Revenues:			
State PILOT	48,000	49,097	1,097
Current Use Reimbursement	40,000	40,036	36
School Billing Fee - Act 68	9,600	9,820	220
Vermont Railroad Tax	50	727	677
Total Intergovernmental Revenues	<u>97,650</u>	<u>99,680</u>	<u>2,030</u>
Research Revenues:	<u>400</u>	<u>258</u>	<u>(142)</u>
Solid Waste:			
Annual User Permits	12,000	10,906	(1,094)
Garbage Bag Charges	32,000	31,480	(520)
Total Solid Waste	<u>44,000</u>	<u>42,386</u>	<u>(1,614)</u>
Miscellaneous Receipts:			
School Share of Election Costs	600	0	(600)
Maclure Library Phone Reimbursement	850	1,059	209
Donations	0	500	500

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, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Miscellaneous Receipts/(Cont'd):			
Investment Interest	\$ 6,000	\$ 7,199	\$ 1,199
Water Administration Fee	9,000	9,000	0
Sewer Administration Fee	7,000	7,000	0
Green Mountain Passport	<u>100</u>	<u>28</u>	<u>(72)</u>
Total Miscellaneous Receipts	<u>23,550</u>	<u>24,786</u>	<u>1,236</u>
Recreation:			
Annual Family Permits	2,000	1,250	(750)
Daily Gate Passes	3,500	3,070	(430)
Tennis Court Permits	100	225	125
Group Picnic Charges	2,000	2,205	205
School Programs	2,500	0	(2,500)
Ice Out Charges	600	0	(600)
Trail Run Revenue	5,000	4,408	(592)
Belcher-Mericle Interest	30	23	(7)
Donations	0	400	400
Miscellaneous Donations	1,000	1,157	157
Pittsford Day Revenues	2,500	0	(2,500)
5K Race Revenue	500	593	93
Youth League Registration	2,500	2,225	(275)
Girls Softball Registration	500	560	60
Youth League Donations	2,000	1,785	(215)
Day Camp Registrations	12,500	13,749	1,249
Summer Programs	3,000	3,248	248
Fall Programs	7,000	4,932	(2,068)
Winter Programs	4,500	1,935	(2,565)
Spring Programs	<u>2,000</u>	<u>2,829</u>	<u>829</u>
Total Recreation	<u>53,730</u>	<u>44,594</u>	<u>(9,136)</u>
Animal Management Fees:			
Dog Licenses	<u>5,200</u>	<u>4,757</u>	<u>(443)</u>
Total Animal Management Fees	<u>5,200</u>	<u>4,757</u>	<u>(443)</u>
Police:			
Traffic Fines	23,000	30,123	7,123
Serving Court Papers	0	400	400
Insurance Reports	150	195	45
Parking Ticket Revenue	200	100	(100)
Miscellaneous Revenue	100	0	(100)
Grant Revenue	5,000	6,340	1,340
Chittenden Patrol	0	16,299	16,299
OMYA Truck Detail Revenue	<u>20,000</u>	<u>19,960</u>	<u>(40)</u>
Total Police	<u>48,450</u>	<u>73,417</u>	<u>24,967</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, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Fire Department:			
Knox Lock Box	\$ 0	\$ 335	\$ 335
Nickwackett Hose Co. Donation	<u>0</u>	<u>100</u>	<u>100</u>
Total Fire Department	<u>0</u>	<u>435</u>	<u>435</u>
Total Revenues	<u>1,566,034</u>	<u>1,570,063</u>	<u>4,029</u>
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,000	0
Public Officials Insurance	3,800	3,932	(132)
Selectmen Expenses	500	429	71
Secretary/Clerk	2,100	1,591	509
Recording Secretary	3,300	2,900	400
FICA/Medicare	<u>3,400</u>	<u>1,051</u>	<u>2,349</u>
Total Legislation	<u>19,100</u>	<u>15,903</u>	<u>3,197</u>
Management:			
Town Manager	87,500	87,550	(50)
Secretary	41,300	31,320	9,980
Overtime	100	0	100
FICA/Medicare	11,300	9,646	1,654
Retirement Insurance	8,500	7,608	892
Medical Insurance	26,000	24,761	1,239
Dental Insurance	1,400	1,248	152
Life Insurance	1,300	1,266	34
Workers' Compensation Insurance	730	885	(155)
Property Insurance	2,000	1,574	426
General Liability Insurance	1,100	2,367	(1,267)
Employment Practices	5,300	5,268	32
Unemployment Insurance	350	136	214
Mileage Reimbursement	1,600	1,215	385
Training	1,500	846	654
Health and Safety Expense	4,000	4,300	(300)
Car Allowance	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Management	<u>198,980</u>	<u>184,990</u>	<u>13,990</u>
Elections:			
Ballot Clerks	2,000	2,171	(171)
FICA/Medicare	200	166	34
Notices, Warnings, Ads	200	81	119
Ballots and Supplies	1,400	1,393	7
Ballot Machine Setup	<u>1,800</u>	<u>2,277</u>	<u>(477)</u>
Total Elections	<u>5,600</u>	<u>6,088</u>	<u>(488)</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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Finance:</b>			
Clerk and Treasurer	\$ 63,000	\$ 63,498	\$ (498)
Overtime	500	1,193	(693)
Assistant Clerk and Treasurer	38,000	37,135	865
Bookkeeper	20,000	27,831	(7,831)
FICA/Medicare	8,000	9,771	(1,771)
Retirement Insurance	4,600	5,476	(876)
Medical Insurance	18,700	17,150	1,550
Dental Insurance	900	866	34
Life Insurance	1,300	1,175	125
Workers' Compensation Insurance	720	847	(127)
Unemployment Insurance	300	130	170
Mileage Reimbursement	500	492	8
State Dues - Clerks Association	100	55	45
Training Fees	1,200	275	925
<b>Total Finance</b>	<b>157,820</b>	<b>165,894</b>	<b>(8,074)</b>
<b>Administration:</b>			
Office Supplies	16,000	11,369	4,631
Computer Supplies	7,000	6,957	43
Computer Contracts	12,000	12,228	(228)
Website Maintenance/Expenses	2,500	1,450	1,050
Newsletter Printing and Postage	5,000	4,575	425
Postage - General	5,500	3,638	1,862
Tax Bills and Postage	1,000	1,758	(758)
Town Report Coordinator	1,400	1,400	0
Town Report Printing	4,200	3,295	905
Town Report Postage	1,000	665	335
Tax Collector Expense	200	0	200
CPA Audit	29,000	28,816	184
Legal Fees and Tax Collection	3,500	942	2,558
<b>Total Administration</b>	<b>88,300</b>	<b>77,093</b>	<b>11,207</b>
<b>Agencies:</b>			
VLCT Dues	4,485	4,485	0
Rutland Economic Development Corporation	900	500	400
Rutland Regional Planning Commission	950	975	(25)
<b>Total Agencies</b>	<b>6,335</b>	<b>5,960</b>	<b>375</b>
<b>Zoning:</b>			
Zoning Administrator	11,000	10,950	50
Zoning Clerical	400	500	(100)
FICA/Medicare	1,050	876	174
Unemployment Ins	0	83	(83)
Mileage Reimbursement	200	20	180
Zoning Hearings	750	643	107
Zoning Expense	600	908	(308)
Legal Fees - Zoning	2,500	6,325	(3,825)
<b>Total Zoning</b>	<b>16,500</b>	<b>20,305</b>	<b>(3,805)</b>

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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>Planning Commission:</b>			
Planning Commission Stipends	\$ 3,500	\$ 2,333	\$ 1,167
Planning Commission Clerical	1,400	1,375	25
FICA/Medicare	300	265	35
Mileage Reimbursement	100	0	100
Planning Grant Expense	400	0	400
Town Plan	100	300	(200)
Legal Fees	<u>1,000</u>	<u>819</u>	<u>181</u>
Total Planning Commission	<u>6,800</u>	<u>5,092</u>	<u>1,708</u>
<b>Board of Civil Authority:</b>			
Board of Civil Authority - Labor	2,500	1,890	610
Clerical	700	0	700
FICA/Medicare	150	145	5
Supplies	1,600	110	1,490
Legal Fees	500	150	350
Miscellaneous	<u>150</u>	<u>0</u>	<u>150</u>
Total Board of Civil Authority	<u>5,600</u>	<u>2,295</u>	<u>3,305</u>
<b>Municipal Plant and Equipment:</b>			
Labor - Custodians	0	2,500	(2,500)
FICA/Medicare - Custodians	280	238	42
Building Maintenance Supplies	1,600	4,180	(2,580)
Heating Fuel	2,000	2,630	(630)
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	6,000	2,049	3,951
Copier Maintenance	6,000	12,058	(6,058)
Fire/Security Alarm Maintenance	1,000	275	725
Telephones	4,000	4,576	(576)
Maclure Library Phones	1,200	1,051	149
Labor and Equipment Use by Highway	1,000	35	965
New Equipment for Building	0	1,355	(1,355)
Building Repairs/Maintenance	3,000	3,507	(507)
Utilities	<u>5,000</u>	<u>1,928</u>	<u>3,072</u>
Total Municipal Plant and Equipment	<u>40,080</u>	<u>45,382</u>	<u>(5,302)</u>
<b>Fire Warden:</b>			
Fire Warden Fees	100	110	(10)
Burn Permit Expense	200	0	200
FICA/Medicare	25	9	16
Mileage Expenses	<u>900</u>	<u>352</u>	<u>548</u>
Total Fire Warden	<u>1,225</u>	<u>471</u>	<u>754</u>
<b>Miscellaneous:</b>			
Marriage License Fees	1,500	950	550
Emergency Management	0	88	(88)
Memorial Day Flags	850	1,040	(190)
Pittsford Pride	0	181	(181)

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous/(Cont'd):			
Tax Abatement Costs	\$ 500	\$ 17	\$ 483
Ads/Special Meetings	500	483	17
Contracted Services	2,000	1,900	100
Legal Fees	400	4,334	(3,934)
IRS Penalties/Interest	0	292	(292)
<b>Total Miscellaneous</b>	<b>5,750</b>	<b>9,285</b>	<b>(3,535)</b>
Listers:			
Listers' Services	21,600	21,600	0
Listers' Secretary	14,000	9,389	4,611
FICA/Medicare	2,800	2,394	406
Insurance - Workers' Compensation	360	97	263
Unemployment Insurance	120	22	98
Listers' Mileage Reimbursement	500	461	39
Training Fees	500	130	370
Listers' Expenses	2,500	1,182	1,318
Property Map Changes	2,500	2,390	110
<b>Total Listers</b>	<b>44,880</b>	<b>37,665</b>	<b>7,215</b>
Special Appropriations:			
Rutland Community Services	3,020	3,020	0
Tax Transfer - First Response	25,000	25,000	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
Rutland Regional Ambulance Service	11,964	11,964	0
VT Center for Independent Living	314	314	0
Rutland County Adult Education	1,305	1,305	0
Association for Retarded Citizens	1,400	1,400	0
Rutland County Women's Network	200	200	0
VT Association of Conservation	100	0	100
Child First Advocacy	1,500	1,500	0
Rutland Regional Chamber / Killington	3,000	3,000	0
Maclure Library	93,500	93,500	0
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
<b>Total Special Appropriations</b>	<b>168,688</b>	<b>168,588</b>	<b>100</b>

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Health Officer:</b>			
Health Officer Labor	\$ 1,000	\$ 459	\$ 541
FICA/Medicare	100	34	66
Mileage	50	0	50
Mosquito Annual Operation	24,639	24,638	1
Mosquito Dist Buy In	17,500	17,750	(250)
Mosquito Adulticide Share	2,477	2,478	(1)
<b>Total Health Officer</b>	<b>45,766</b>	<b>45,359</b>	<b>407</b>
<b>Solid Waste Management:</b>			
Labor - Facility	21,000	19,044	1,956
Labor - Highway	1,000	0	1,000
FICA/Medicare	1,700	1,469	231
Insurance - Workers' Compensation	4,600	4,115	485
Labor - Contract	1,200	833	367
New Equipment	300	0	300
Supplies	1,000	1,026	(26)
Telephone	450	436	14
Insurance - Property and Liability	240	1,167	(927)
Unemployment Insurance	150	72	78
Portalet Contract	1,600	1,470	130
Waste Removal Fees	39,000	40,644	(1,644)
RCSWD Surcharge	5,700	5,324	376
Tire Disposal Fees	50	0	50
State Franchise Tax	1,900	1,600	300
Container Rental/Purchase	5,000	4,495	505
Labor and Equipment Use by Highway	1,000	726	274
Utilities	2,000	1,438	562
Equipment Maintenance	500	1,437	(937)
Miscellaneous	0	520	(520)
<b>Total Solid Waste Management</b>	<b>88,390</b>	<b>85,816</b>	<b>2,574</b>
<b>Fire Hydrant Expense</b>			
Transfer to Water Department	25,000	0	25,000
<b>Total Fire Hydrant Expense</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>
<b>Constables:</b>			
Wages - Local Services	110,000	110,557	(557)
Wages - OMYA Truck Detail	0	9,582	(9,582)
Wages - Overtime	0	417	(417)
Clerical	3,500	2,430	1,070
FICA/Medicare	8,000	9,742	(1,742)
Retirement Insurance	3,000	2,894	106
Medical Insurance	17,750	16,605	1,145
Dental Insurance	800	815	(15)
Life Insurance	600	577	23
New Equipment	2,500	886	1,614
Contracted Services	1,500	1,807	(307)
Supplies	2,000	507	1,493

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Constables/(Cont'd):			
Chittenden Patrol Exp	\$ 0	\$ 6,516	\$ (6,516)
Uniforms	1,000	252	748
Telephone	1,000	990	10
Insurance - Property/Liability	5,000	4,018	982
Insurance - Workers' Compensation	13,800	13,524	276
Insurance - Car	1,150	1,014	136
Unemployment Insurance	350	236	114
Mileage Reimbursement	500	694	(194)
Legal and Administration	300	0	300
Patrol Car - Fuel and Maintenance	10,000	11,709	(1,709)
Patrol Car Replace Fund	12,000	12,000	0
Equipment Maintenance	300	160	140
Communications	3,500	2,602	898
Safety Equipment Grant	5,500	5,840	(340)
Training Fees	1,200	2,538	(1,338)
Miscellaneous	100	25	75
	<u>205,350</u>	<u>218,937</u>	<u>(13,587)</u>
Total Constables			
Fire Department:			
Firemen Expenses	35,000	47,809	(12,809)
FICA/Medicare	2,500	3,634	(1,134)
Building Fuel	6,000	6,875	(875)
Vehicle Fuel	2,500	2,152	348
Small Tools	1,000	98	902
Hose & Fittings	1,500	0	1,500
Protective Equipment	15,000	3,475	11,525
Supplies	2,000	1,139	861
Knox Box Locks	0	906	(906)
Insurance - Workers' Compensation	20,000	13,139	6,861
Insurance - Vehicles	5,500	5,636	(136)
Insurance - General Liability	600	1,224	(624)
Insurance - Accident	1,500	2,313	(813)
Unemployment Ins	0	86	(86)
Insurance - Property	1,600	1,295	305
Telephone	1,000	1,298	(298)
Communications	2,500	945	1,555
Fire Alarm System	400	409	(9)
Dispatching Service	1,500	374	1,126
Building Maintenance	5,000	4,857	143
Truck Maintenance	15,000	9,255	5,745
Equipment Maintenance	1,500	561	939
Ladder Truck Certificate	800	0	800
New Equipment	2,000	17,668	(15,668)
Utilities	2,500	3,261	(761)
Training Fees	2,000	1,550	450
Mutual Aid Association Fees	1,200	1,200	0
Vehicle Replacement Fund	80,000	80,000	0
	<u>210,100</u>	<u>211,159</u>	<u>(1,059)</u>
Total Fire Department			

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation Programs:			
Lifeguards	\$ 21,000	\$ 23,313	\$ (2,313)
Management	45,000	45,092	(92)
Overtime	3,000	8,416	(5,416)
Grounds Management	11,000	11,725	(725)
Day Camp Labor	8,500	9,085	(585)
FICA/Medicare	7,300	7,082	218
Insurance - Retirement	2,200	2,224	(24)
Insurance - Medical	23,800	22,776	1,024
Insurance - Dental	1,600	1,440	160
Insurance - Life	600	572	28
Insurance - Workers' Compensation	8,500	8,106	394
Insurance - Property / Liability	900	115	785
Insurance - Vehicle	240	243	(3)
Insurance - General Liability	500	568	(68)
Insurance - Unemployment	360	199	161
Mileage Reimbursement	50	0	50
Supplies - Recreation Area General	2,000	1,220	780
Supplies - Day Camp	2,500	1,868	632
Spring Programs	2,500	3,284	(784)
Summer Programs	2,500	3,983	(1,483)
Mower Maintenance & Fuel	2,000	2,884	(884)
Fall Programs	5,000	2,997	2,003
Winter Programs	2,500	1,317	1,183
Mower Replacement Fund	3,000	3,000	0
Training	250	0	250
Pavilion Rental Deposit	0	250	(250)
League Fees/Coaches, Umpires	1,000	860	140
Supplies - Youth League	2,000	844	1,156
Trail Run Expenses	2,500	1,533	967
Trail Run Surplus Expense	0	450	(450)
Summer Softball Expense	1,000	1,147	(147)
Pittsford Day Celebration	13,000	13,236	(236)
5K Race	500	759	(259)
State League Membership	250	270	(20)
Telephone	500	485	15
Communications	800	709	91
Donation Expenses	1,000	0	1,000
Rubbish Removal Contract	800	1,048	(248)
Other Contract Services	250	94	156
Advertising	200	614	(414)
Portalet Contract	500	540	(40)
Ballfield Maintenance	1,000	0	1,000
Signs Replacement	100	0	100
Equipment Rentals	1,000	0	1,000
Labor and Equipment Use by Highway	1,000	70	930
Labor and Equipment Use by Water	500	980	(480)
Utilities	1,000	687	313
Pool Water Tests	200	230	(30)
Trails and Bridging Maintenance	750	682	68
Green up Day Expense	200	0	200
Capital Improvements	4,000	0	4,000
	<u>190,850</u>	<u>186,997</u>	<u>3,853</u>
Total Recreation Programs	<u>190,850</u>	<u>186,997</u>	<u>3,853</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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Animal Management:			
Animal Control	\$ 1,200	\$ 245	\$ 955
FICA/Medicare	100	19	81
Mileage Reimbursement	350	87	263
Supplies	450	977	(527)
Contract Services	150	100	50
Insurance - Property/Liability	20	14	6
Insurance - Workers' Compensation	700	873	(173)
Unemployment Insurance	0	2	(2)
Legal - Animal Control	200	0	200
Animal Census	1,200	0	1,200
Vet/Humane Shelter Fees	200	0	200
Rabies Fees To State	2,300	2,365	(65)
Postage	50	0	50
	6,920	4,682	2,238
Total Animal Management			
Debt Service and Fixed Charges:			
Rutland County Tax	28,000	29,025	(1,025)
Total Debt Service and Fixed Charges	28,000	29,025	(1,025)
Total Expenditures	1,566,034	1,526,986	39,048
Excess of Revenues Over Expenditures	\$ 0	43,077	\$ 43,077
Fund Balance - July 1, 2018		69,840	
Fund Balance - June 30, 2019		\$ 112,917	

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$ 967,475	\$ 967,475	\$ 0
State Aid	126,000	125,887	(113)
Grant Revenue	273,300	23,774	(249,526)
Overload Permits	600	630	30
Highway Access Permits	0	100	100
Investment Income	3,000	827	(2,173)
Interfund Charges for Services	5,500	2,520	(2,980)
Interfund Sale of Fuel	6,000	5,585	(415)
Miscellaneous Revenue	0	1,348	1,348
Sale of Scrap Metal	0	120	120
Transfer from Other Funds - Bridge Grant Match	112,300	48,092	(64,208)
<b>Total Revenues</b>	<b>1,494,175</b>	<b>1,176,358</b>	<b>(317,817)</b>
<b>Expenditures:</b>			
<b>General:</b>			
Labor - Vacation and Services	184,800	183,756	1,044
Labor - Overtime	12,000	20,901	(8,901)
FICA/Medicare	15,000	14,963	37
Insurance - Retirement	8,200	8,238	(38)
Insurance - Medical	67,000	57,372	9,628
Insurance - Dental	3,800	2,928	872
Insurance - Life	3,300	2,380	920
Insurance - Workers' Compensation	26,500	24,449	2,051
Insurance - Property	2,300	2,019	281
Insurance - Vehicle	5,800	5,912	(112)
Insurance - General Liability	1,600	2,582	(982)
Insurance - Unemployment	400	187	213
Insurance - Bridges	2,500	2,376	124
Mileage Reimbursement	300	43	257
Legal and Administrative	1,000	0	1,000
Mun Roads Permit Fee	0	1,990	(1,990)
Small Tool Purchases	1,000	874	126
Communications	800	1,001	(201)
Telephone	1,900	1,777	123
Heating Fuel	2,200	4,352	(2,152)
Training Fees	200	30	170
Equipment Rentals	6,000	1,440	4,560
Uniform Rentals	4,000	4,415	(415)
Highway Capital Reserve	100,000	100,000	0
Bridge Replacement Reserve	25,000	25,000	0
Labor / Equipment Use by Water	3,000	5,740	(2,740)
Advertising/Postage	600	1,281	(681)
Utilities	5,100	4,596	504
Supplies	3,000	3,213	(213)
Computer Equipment	0	286	(286)
New Equipment Purchases	3,500	2,452	1,048
Contracted Services	12,000	17,199	(5,199)
Cold Patch and Hot Mix	3,500	3,149	351
Building Expenses	2,000	2,418	(418)
Signs & Posts	3,500	1,144	2,356
Culverts & Bands	4,900	799	4,101
Guardrails	6,000	5,610	390
Paving	302,000	294,843	7,157

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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
General/(Cont.):			
Crack Sealing	\$ 8,000	\$ 8,750	\$ (750)
Gravel / Stone	22,000	19,336	2,664
Liquid Magnesium	15,000	12,282	2,718
Sand	12,000	17,122	(5,122)
Salt/Sodium Chloride	79,000	110,636	(31,636)
Total General	960,700	979,841	(19,141)
Highway Vehicles:			
Supplies	4,000	6,584	(2,584)
Vehicle Fuel	24,000	33,759	(9,759)
In-Shop Repairs and Maintenance	16,000	6,395	9,605
Outside Maintenance and Repairs	15,000	30,136	(15,136)
Total Highway Vehicles	59,000	76,874	(17,874)
Special Projects:			
Box Culverts - Contractors	385,600	48,092	337,508
Better Back Road - Subcontractor	0	6,734	(6,734)
Fire Hill Road Bridge Project	0	4,724	(4,724)
Corn Hill Ditching	0	3,996	(3,996)
Goat Farm Road Ditching	0	3,941	(3,941)
West Creek Road Culverts	0	11,998	(11,998)
Total Special Projects	385,600	79,485	306,115
Debt Service:			
Principal	85,000	85,000	0
Interest	3,875	3,876	(1)
Total Debt Service	88,875	88,876	(1)
Total Expenditures	1,494,175	1,225,076	269,099
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(48,718)	\$ (48,718)
Fund Balance - July 1, 2018		64,683	
Fund Balance - June 30, 2019		\$ 15,965	

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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues:			
Property Taxes	\$ 17,000	\$ 17,000	\$ 0
Interest Income	<u>0</u>	<u>193</u>	<u>193</u>
Total Revenues	<u>17,000</u>	<u>17,193</u>	<u>193</u>
Expenditures:			
Village Street Lights	<u>17,000</u>	<u>14,000</u>	<u>3,000</u>
Total Expenditures	<u>17,000</u>	<u>14,000</u>	<u>3,000</u>
Excess of Revenues Over Expenditures	\$ <u>0</u>	3,193	\$ <u>3,193</u>
Fund Balance - July 1, 2018		<u>20,530</u>	
Fund Balance - June 30, 2019		<u>\$ 23,723</u>	

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



TOWN OF PITTSFORD, VERMONT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables	\$ 154,931	\$ 145,717	\$ 300,648
Loan Receivable - Current Portion	0	1,700	1,700
Due from Other Funds	375,367	0	375,367
Inventory	5,019	2,267	7,286
Prepaid Expenses	932	0	932
Total Current Assets	<u>536,249</u>	<u>149,684</u>	<u>685,933</u>
Noncurrent Assets:			
Loan Receivable - Non-current Portion	0	3,400	3,400
Capital Assets:			
Land	66,855	1,500	68,355
Construction in Progress	82,235	36,108	118,343
Vehicles	94,435	0	94,435
Buildings and Building Improvements	60,374	2,646,920	2,707,294
Distribution and Collection Systems	7,050,049	1,811,768	8,861,817
Less: Accumulated Depreciation	<u>(1,705,085)</u>	<u>(1,070,068)</u>	<u>(2,775,153)</u>
Total Noncurrent Assets	<u>5,648,863</u>	<u>3,429,628</u>	<u>9,078,491</u>
Total Assets	<u>6,185,112</u>	<u>3,579,312</u>	<u>9,764,424</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>10,587</u>	<u>4,445</u>	<u>15,032</u>
Total Deferred Outflows of Resources	<u>10,587</u>	<u>4,445</u>	<u>15,032</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	496	19,739	20,235
Accrued Payroll and Benefits Payable	1,918	1,372	3,290
Due to Other Funds	0	316,875	316,875
Due to Water Customers	777	0	777
Accrued Interest Payable	1,888	15,258	17,146
General Obligation Bonds Payable - Current Portion	<u>45,806</u>	<u>73,544</u>	<u>119,350</u>
Total Current Liabilities	<u>50,885</u>	<u>426,788</u>	<u>477,673</u>
Noncurrent Liabilities:			
Compensated Absences Payable	7,366	6,114	13,480
Net Pension Liability	24,069	10,104	34,173
General Obligation Bonds Payable - Noncurrent Portion	<u>2,372,739</u>	<u>1,493,838</u>	<u>3,866,577</u>
Total Noncurrent Liabilities	<u>2,404,174</u>	<u>1,510,056</u>	<u>3,914,230</u>
Total Liabilities	<u>2,455,059</u>	<u>1,936,844</u>	<u>4,391,903</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>846</u>	<u>355</u>	<u>1,201</u>
Total Deferred Inflows of Resources	<u>846</u>	<u>355</u>	<u>1,201</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,230,318	1,858,846	5,089,164
Unrestricted/(Deficit)	<u>509,476</u>	<u>(212,288)</u>	<u>297,188</u>
Total Net Position	<u>\$ 3,739,794</u>	<u>\$ 1,646,558</u>	<u>\$ 5,386,352</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, 2019

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 316,538	\$ 280,634	\$ 597,172
Penalties & Interest	6,393	5,647	12,040
Contract - Otter Valley	0	35,827	35,827
Other Income	6,720	500	7,220
<b>Total Operating Revenues</b>	<b>329,651</b>	<b>322,608</b>	<b>652,259</b>
Operating Expenses:			
Labor and Stipends	80,991	68,069	149,060
FICA/Medicare	6,771	4,867	11,638
Insurances - Medical, Dental & Life	21,968	13,009	34,977
Retirement	5,735	(624)	5,111
Insurance - Workers' Compensation / Unemployment	7,446	8,278	15,724
Insurance - General Liability/Property/Vehicle	2,733	2,148	4,881
Supplies	3,463	14,796	18,259
Postage/Billing Program	1,089	853	1,942
Advertising/Dues and Subscriptions	479	0	479
Telephone/Communications	2,790	4,055	6,845
Uniform Rentals	1,066	896	1,962
Training	0	160	160
Engineering	3,915	0	3,915
Lease	50	0	50
Property Tax	1,237	0	1,237
Contracts	1,944	3,967	5,911
Vermont Permit Renewals	3,266	255	3,521
Administration	9,000	7,000	16,000
Interfund Services Expenses	2,125	464	2,589
Utilities	6,160	22,698	28,858
Testing	2,380	3,087	5,467
Sludge/Refuse Removal	0	37,310	37,310
Maintenance	6,766	8,845	15,611
Mileage Reimbursement	102	1,771	1,873
Vehicle Fuel and Maintenance	7,476	0	7,476
Small Equipment Purchases	1,381	397	1,778
Depreciation	112,220	89,534	201,754
Otter Valley Contract Expenses	0	4,356	4,356
Other	0	244	244
<b>Total Operating Expenses</b>	<b>292,553</b>	<b>296,435</b>	<b>588,988</b>
Operating Income	37,098	26,173	63,271
Non-Operating Revenues/(Expenses):			
Investment Income	3,065	573	3,638
Interest Expense	(79,086)	(50,079)	(129,165)
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>(76,021)</b>	<b>(49,506)</b>	<b>(125,527)</b>
Net Income Before Transfers	(38,923)	(23,333)	(62,256)
Transfers:			
Transfers In	4,750	0	4,750
Transfers Out	0	(4,750)	(4,750)
<b>Total Transfers</b>	<b>4,750</b>	<b>(4,750)</b>	<b>0</b>
Change in Net Position	(34,173)	(28,083)	(62,256)
Net Position - July 1, 2018	3,773,967	1,674,641	5,448,608
Net Position - June 30, 2019	\$ 3,739,794	\$ 1,646,558	\$ 5,386,352

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, 2019

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 344,546	\$ 325,022	\$ 669,568
Payments for Goods and Services	(50,386)	(101,983)	(152,369)
Payment for Interfund Services	(11,125)	(7,464)	(18,589)
Payments for Wages and Benefits	(121,390)	(95,741)	(217,131)
Net Cash Provided by Operating Activities	161,645	119,834	281,479
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(8,083)	0	(8,083)
Increase/(Decrease) in Due to Other Funds	0	25,616	25,616
Interest Paid on Interfund Balances	0	(2,511)	(2,511)
Repayment of Loans Receivable	0	850	850
Transfers Received/(Paid) from/(to) Other Funds	4,750	(4,750)	0
Net Cash Provided/(Used) by Noncapital Financing Activities	(3,333)	19,205	15,872
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(18,210)	(29,807)	(48,017)
Proceeds of Long-Term Debt	1,750	6,184	7,934
Principal Paid on General Obligation Bonds Payable	(65,461)	(69,531)	(134,992)
Interest Paid on General Obligation Bonds Payable	(79,456)	(46,458)	(125,914)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(161,377)	(139,612)	(300,989)
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	3,065	573	3,638
Net Cash Provided by Investing Activities	3,065	573	3,638
Net Increase in Cash	0	0	0
Cash - July 1, 2018	0	0	0
Cash - June 30, 2019	\$ 0	\$ 0	\$ 0
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	37,098	26,173	63,271
Depreciation	112,220	89,534	201,754
(Increase)/Decrease in Receivables	14,793	2,414	17,207
(Increase)/Decrease in Inventory	1,338	(562)	776
(Increase)/Decrease in Prepaid Expenses	(700)	0	(700)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	1,796	(431)	1,365
Increase/(Decrease) in Accounts Payable	(4,727)	4,417	(310)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	69	196	265
Increase/(Decrease) in Unearned Revenue	102	0	102
Increase/(Decrease) in Compensated Absences Payable	(983)	(329)	(1,312)
Increase/(Decrease) in Net Pension Liability	821	(1,331)	(510)
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	(182)	(247)	(429)
Net Cash Provided by Operating Activities	\$ 161,645	\$ 119,834	\$ 281,479

\$7,986 of capital assets are included in accounts payable as of June 30, 2019.

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019

	Private-Purpose Trust Funds	Agency Fund First Response Capital Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 209,995	\$ 0
Investments	2,729,302	0
Due from Other Funds	0	29,828
Total Assets	2,939,297	29,828
<u>LIABILITIES</u>		
Due to Others	0	29,828
Total Liabilities	0	29,828
<u>NET POSITION</u>		
Net Position:		
Restricted	2,939,297	0
Total Net Position	\$ 2,939,297	\$ 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, 2019

	Private-Purpose Trust Funds
Additions:	
Investment Income	\$ 239,409
Donations	2,806,864
Total Additions	3,046,273
Deductions:	
Otter Valley Union School District	97,712
Management Fees	20,351
Legal Fees	17,063
Miscellaneous	478
Total Deductions	135,604
Change in Net Position	2,910,669
Net Position - June 30, 2018	28,628
Net Position - June 30, 2019	\$ 2,939,297

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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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, 2019

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, 2019

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.

Agency Fund – This fund accounts for 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, 2019

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. 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.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**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**

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.

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

**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.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**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. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. 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.

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:

	Capitalization Threshold	Estimated Service Life
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

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**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.

**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.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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.

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2019 consisted of the following:

Cash and Cash Equivalents:

Deposits with Financial Institutions	\$1,720,414
Money Market Mutual Funds	165,363
Certificate of Deposit	98,630
Cash on Hand	<u>325</u>

Total Cash and Cash Equivalents 1,984,732

Investments:

Certificates of Deposit	30,647
U.S. Government Agency Bonds	358,401
Common Stock	1,023,123
Exchange-Traded Funds	33,284
Mutual Funds – Mixed Holdings	<u>1,285,866</u>

Total Investments 2,731,321

Total Cash, Cash Equivalents and Investments \$4,716,053

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

The Town has three (3) certificates of deposit at Lake Sunapee Bank ranging from \$2,019 to \$98,630 with interest rates ranging from 0.3% to 1.144%. One of the certificates of deposit matures monthly and the other two by fiscal year 2021.

**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.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 423,909	\$ 423,909
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>1,425,782</u>	<u>1,474,665</u>
Total	<u>\$1,849,691</u>	<u>\$1,898,574</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	\$1,720,414
Cash Equivalents – Certificates of Deposit	98,630
Investments – Certificates of Deposit	<u>30,647</u>
Total	<u>\$1,849,691</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.

TOWN OF PITTSFORD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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	\$ 50,759	\$ 201,626	\$ 106,016	\$ 358,401

**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, U.S. Government Agency bonds, common stock, exchange-traded funds and certificates of deposit are exempt from concentration of credit risk analysis. The mutual funds are open-ended and, therefore, are also exempt from concentration of credit risk analysis.

**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  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

The Town has the following fair value measurements as of June 30, 2019:

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	\$ 358,401	\$ 358,401	\$ 0	\$ 0
Common Stock	1,023,123	1,023,123	0	0
Exchange-Traded Funds	33,284	33,284	0	0
Mutual Funds - Mixed Holdings	1,285,866	1,285,866	0	0
<b>Total</b>	<b>\$ 2,700,674</b>	<b>\$ 2,700,674</b>	<b>\$ 0</b>	<b>\$ 0</b>

**B. Receivables**

Receivables as of June 30, 2019, 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	\$ 170,041	\$ 0	\$ 170,041
Penalties and Interest Receivable	30,630	982	31,612
Grants Receivable	19,435	0	19,435
Accounts Receivable	5,741	0	5,741
Billed Services	0	299,666	299,666
Allowance for Doubtful Accounts - Taxes	(5,800)	0	(5,800)
<b>Total</b>	<b>\$ 220,047</b>	<b>\$ 300,648</b>	<b>\$ 520,695</b>

**C. Loans Receivable**

Loans receivable as of June 30, 2019 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.	\$52,200
Less: Allowance for Doubtful Accounts	<u>(6,000)</u>
<b>Total Governmental Loans Receivable</b>	<b><u>46,200</u></b>



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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>\$ 5,100</u>
<b>Total Loans Receivable</b>	<b><u>\$51,300</u></b>

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

<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
\$ <u>63,600</u>	\$ <u>0</u>	\$ <u>11,400</u>	\$ <u>52,200</u>

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

<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
\$ <u>5,950</u>	\$ <u>0</u>	\$ <u>850</u>	\$ <u>5,100</u>

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	141,208	59,590	160,232	40,566
Total Capital Assets, Not Being Depreciated	<u>244,907</u>	<u>59,590</u>	<u>160,232</u>	<u>144,265</u>
Capital Assets, Being Depreciated:				
Vehicles	2,200,785	0	0	2,200,785
Computers	33,226	1,589	6,969	27,846
Equipment	514,371	36,808	32,743	518,436
Buildings and Building Improvements	1,006,990	0	0	1,006,990
Infrastructure	7,389,800	454,353	183,131	7,661,022
Totals	<u>11,145,172</u>	<u>492,750</u>	<u>222,843</u>	<u>11,415,079</u>
Less Accumulated Depreciation for:				
Vehicles	901,076	118,789	0	1,019,865
Computers	19,682	4,917	6,969	17,630
Equipment	307,932	31,136	28,511	310,557
Buildings and Building Improvements	413,233	20,647	0	433,880
Infrastructure	2,743,250	368,348	134,791	2,976,807
Totals	<u>4,385,173</u>	<u>543,837</u>	<u>170,271</u>	<u>4,758,739</u>
Total Capital Assets, Being Depreciated	<u>6,759,999</u>	<u>(51,087)</u>	<u>52,572</u>	<u>6,656,340</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 7,004,906</u>	<u>\$ 8,503</u>	<u>\$ 212,804</u>	<u>\$ 6,800,605</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	65,508	52,835	0	118,343
Total Capital Assets, Not Being Depreciated	133,863	52,835	0	186,698
Capital Assets, Being Depreciated:				
Vehicles	94,435	0	0	94,435
Buildings and Building Improvements	2,704,124	3,168	0	2,707,292
Distribution and Collection Systems	8,861,819	0	0	8,861,819
Totals	11,660,378	3,168	0	11,663,546
Less Accumulated Depreciation for:				
Vehicles	28,388	8,466	0	36,854
Buildings and Building Improvements	658,223	59,740	0	717,963
Distribution and Collection Systems	1,886,788	133,548	0	2,020,336
Totals	2,573,399	201,754	0	2,775,153
Total Capital Assets, Being Depreciated	9,086,979	(198,586)	0	8,888,393
Business-type Activities Capital Assets, Net	\$ 9,220,842	\$ (145,751)	\$ 0	\$ 9,075,091

Depreciation was charged as follows:

<b>Governmental Activities:</b>		<b>Business-type Activities:</b>	
General Government	\$ 15,583	Water	\$ 112,220
Public Safety	83,954	Sewer	89,534
Highways and Streets	435,975		112,220
Culture and Recreation	7,047		
Sanitation	1,278		
Total Depreciation Expense - Governmental Activities	\$ 543,837	Total Depreciation Expense - Business-type Activities	\$ 201,754

**E. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2019 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,539,407
Highway Fund	0	7,872
Non-Major Governmental Funds	1,471,086	12,127
Water Fund	375,367	0
Sewer Fund	0	316,875
Agency Fund	29,828	0
Total	\$ 1,876,281	\$ 1,876,281

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Interfund transfers during the year ended June 30, 2019 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	12,000	Appropriation
General Fund	Mower Replacement Fund	3,000	Appropriation
General Fund	Cemetery Development Fund	2,000	Appropriation
Highway Fund	Bridge Reserve Fund	25,000	Appropriation
Highway Fund	Highway Capital Fund	100,000	Appropriation
Belcher Mericle Fund	General Fund	23	Transfer Earnings
Bridge Reserve Fund	Highway Fund	<u>48,092</u>	Fund Local Grant Match
Total		<u>\$ 277,115</u>	

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 \$16,755 from the difference between the expected and actual experience, \$21,360 from changes in assumptions, \$22,355 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$24,376 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 \$84,846.

Deferred outflows of resources in the Business-type Activities consists of \$2,968 from the difference between the expected and actual experience, \$3,784 from changes in assumptions, \$3,961 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$4,319 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 \$15,032.

Deferred outflows of resources in the Water Fund consists of \$2,091 from the difference between the expected and actual experience, \$2,665 from changes in assumptions, \$2,789 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$3,042 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 \$10,587.

Deferred outflows of resources in the Sewer Fund consists of \$878 from the difference between the expected and actual experience, \$1,119 from changes in assumptions, \$1,171 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$1,277 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 \$4,445.

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**G. Unearned Revenue**

Unearned revenue in the General Fund consists of \$6,430 of recreation fees received in advance.

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the Governmental Activities consists of \$14,760 of prepaid property taxes, \$3,085 from the difference between the expected and actual experience and \$3,695 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 \$21,540.

Deferred inflows of resources in the Business-type Activities consists of \$546 from the difference between the expected and actual experience and \$655 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 \$1,201.

Deferred inflows of resources in the General Fund consists of \$174,800 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 \$14,760 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$189,560.

Deferred inflows of resources in the Highway Fund consists of \$19,435 of grants receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Total deferred inflows of resources in the Highway Fund is \$19,435.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$46,200 of loans receivable. Total deferred inflows of resources in the non-major Governmental Funds is \$46,200.

Deferred inflows of resources in the Water Fund consists of \$385 from the difference between the expected and actual experience and \$461 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 \$846.

Deferred inflows of resources in the Sewer Fund consists of \$161 from the difference between the expected and actual experience and \$194 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 \$355.

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**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.

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.

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 for water and sewer system improvements.

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, 2019 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Highway Improvements, Principal Payments of \$85,000 Payable on December 1 Annually, Interest at 5.02% Payable on June 1 and December 1, Due December, 2019	\$170,000	\$ 0	\$ 85,000	\$ 85,000
	(49)			

TOWN OF PITTSFORD, VERMONT  
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	<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	\$ <u>85,056</u>	\$ <u>0</u>	\$ <u>14,176</u>	\$ <u>70,880</u>
Total Governmental Activities	\$ <u>255,056</u>	\$ <u>0</u>	\$ <u>99,176</u>	\$ <u>155,880</u>
Business-type Activities:				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Pittsford Water System Improvements, Principal Payments Ranging from \$2,667 to \$17,426 Payable on December 1 Annually, Interest Ranging from 5.7% to 7.7% Payable on June 1 and December 1, Due and Paid December, 2018	\$ 17,426	\$ 0	\$ 17,426	\$ 0
Bond Payable, Vermont Municipal Bond Bank, Florence Water System Improvements, Principal Payments Ranging from \$584 to \$3,673 Payable on December 1 Annually, Interest Ranging from 5.7% to 7.7% Payable on June 1 and December 1, Due and Paid December, 2018	3,674	0	3,674	0
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	2,309,096	0	41,926	2,267,170
Bond Payable, USDA Rural Development, System Improvements, Principal and Interest Payments of \$3,187 Payable on May 15 and November 15, Interest at 2.75%, Due November, 2053	143,810	0	2,435	141,375
Bond Payable, Vermont Municipal Bond Bank, Water Supply Improvements Authorized to \$10,000, Principal Payments of \$2,000 Payable on December 1 Annually Beginning December, 2019, Due December, 2023	8,250 (50)	1,750	0	10,000

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pollution Control Loan, Sewer Line Upgrades, One Final Principal Payment of \$8,944 Payable on October 1, 2019, 0% Interest	\$ 17,887	\$ 0	\$ 8,943	\$ 8,944
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	529,411	0	29,082	500,329
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$17,647 to \$36,707 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	0	6,184	0	6,184
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	<u>1,083,431</u>	<u>0</u>	<u>31,506</u>	<u>1,051,925</u>
Total Business-type Activities	<u>\$4,112,985</u>	<u>\$ 7,934</u>	<u>\$ 134,992</u>	<u>\$3,985,927</u>

Changes in long-term liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds Payable	\$ 255,056	\$ 0	\$ 99,176	\$ 155,880	\$ 99,176
Compensated Absences Payable	41,931	0	309	41,622	0
Net Pension Liability	<u>164,698</u>	<u>28,192</u>	<u>0</u>	<u>192,890</u>	<u>0</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 461,685</u>	<u>\$ 28,192</u>	<u>\$ 99,485</u>	<u>\$ 390,392</u>	<u>\$ 99,176</u>
<b>Business-type Activities</b>					
General Obligation Bonds Payable	\$ 4,112,985	\$ 7,934	\$ 134,992	\$ 3,985,927	\$ 119,350
Compensated Absences Payable	14,792	0	1,312	13,480	0
Net Pension Liability	<u>34,683</u>	<u>0</u>	<u>510</u>	<u>34,173</u>	<u>0</u>
Total Business-type Activities					
Long-term Liabilities	<u>\$ 4,162,460</u>	<u>\$ 7,934</u>	<u>\$ 136,814</u>	<u>\$ 4,033,580</u>	<u>\$ 119,350</u>

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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	Interest	Principal	Interest
2020	\$ 99,176	\$ 2,301	\$ 119,350	\$ 124,980
2021	14,176	0	113,977	121,385
2022	14,176	0	117,669	117,669
2023	14,176	0	121,486	113,828
2024	14,176	0	125,430	109,856
2025-2029	0	0	687,305	484,880
2030-2034	0	0	699,948	367,451
2035-2039	0	0	652,579	267,881
2040-2044	0	0	665,526	162,956
2045-2049	0	0	543,748	71,302
2050-2054	0	0	138,909	4,590
Total	\$ <u>155,880</u>	\$ <u>2,301</u>	\$ <u>3,985,927</u>	\$ <u>1,946,778</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.

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.



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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 Expenses	\$ 6,358
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Highway Fund:

Nonspendable Inventory	30,394
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Non-Major Funds

Permanent Fund:

Nonspendable Belcher Mericle Fund Principal	<u>1,250</u>
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Total Nonspendable Fund Balances	<u>\$38,002</u>
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The fund balances in the following funds are restricted as follows:

Non-Major Funds

Special Revenue Funds:

Restricted for Records Preservation Expenses by Statute (Source of Revenue is Restoration Fees)	\$ 58,101
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Restricted for William Dennison Expenses by Trust Agreement (Source of Revenue is Donations)	98,629
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Restricted for Well Drilling Debt Service by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>14,697</u>
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Total Special Revenue Funds	<u>171,427</u>
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Capital Projects Funds:

Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Bridge Expenditures	414,953
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Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Highway Capital Expenditures	<u>388,588</u>
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Total Capital Projects Funds	<u>803,541</u>
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TOWN OF PITTSFORD, VERMONT  
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Permanent Fund:

Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	\$ <u>1,139</u>
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Total Non-Major Funds	<u>804,680</u>
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Total Restricted Fund Balances	<u>\$976,107</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>23,723</u>
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Capital Projects Funds:

Committed for Fire Department Expenses by the Voters	366,578
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Committed for Mower Replacement Expenses by the Voters	17,284
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Committed for Cemetery Development Expenses by the Voters	<u>46,594</u>
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Total Capital Projects Funds	<u>430,456</u>
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Total Committed Fund Balances	<u>\$454,179</u>
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The fund balance in the following fund is assigned as follows:

General Fund

Assigned for Trail Expenses	\$ 6,997
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>139,121</u>
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Total Assigned Fund Balances	<u>\$146,118</u>
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The unassigned deficit of \$14,429 in the Highway Fund will be funded with future collection of receivables.

The unassigned deficit of \$3,801 in the Veterans Memorial Fund will be funded with future donations.

The unassigned deficit of \$3,988 in the Municipal Office Fund will be funded with future transfers from the General Fund.

The unassigned deficit of \$4,338 in the Patrol Car Fund will be funded with future transfers from the General Fund.

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**K. Restricted and Designated Net Position**

The restricted net position of the Town as of June 30, 2019 consisted of the following:

Governmental Activities:

Inventories Restricted for Highway Use by Statute	\$ 30,394
Restricted for Highway Expenditures by Statute	808,547
Restricted for Records Preservation Expenses by Statute	58,101
Restricted for William Dennison Expenses by Trust Agreement	98,629
Restricted for Belcher Mericle Expenses by Trust Agreement – Non-Expendable Portion	1,250
Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>1,139</u>
Total Governmental Activities	<u>\$ 998,060</u>

The designated net position of the Town as of June 30, 2019 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Operations	\$ 204,872
Designated for Water Capital – Improvements	284,839
Designated for Water Capital – Vehicle	<u>19,765</u>
Total Water Fund	<u>509,476</u>

Sewer Fund:

Designated for Sewer Capital – Improvements	87,812
Designated in Excess of Unrestricted Net Position	<u>(87,812)</u>
Total Sewer Fund	<u>0</u>

Total Business-type Activities \$ 509,476

The net position held in trust for various purposes in the Town’s Private-Purpose Trust Funds as of June 30, 2019 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Bowen Walker Fund	\$ 28,628
Restricted for Burditt Trust Fund	2,828,230
Restricted for Booth Fund	37,807
Restricted for Pittsford Trust Fund	20,412
Restricted for Kelley Trust Fund	12,998
Restricted for Pinney Fund	<u>11,222</u>
Total Private-Purpose Trust Funds Net Position	<u>\$2,939,297</u>

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**V. OTHER INFORMATION**

**A. Pension Plan**

**Defined Benefit Plans**

**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. During the year ended June 30, 2019, the retirement system consisted of 402 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 Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

As of June 30, 2018, the measurement date selected by the State of Vermont, VMERS was funded at 82.60% and had a plan fiduciary net position of \$667,848,905 and a total pension liability of \$808,524,797 resulting in a net position liability of \$140,675,892. As of June 30, 2019, the Town's proportionate share of this was 0.1614% resulting in a net pension liability of \$227,063. The net pension liability was measured as of June 30, 2018, 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 of 0.1614% was a decrease of 0.0032 from its proportion measured as of the prior year.

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 JUNE 30, 2019

For the year ended June 30, 2019, the Town recognized pension expense of \$61,858.

As of June 30, 2019, 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	\$ 19,723	\$ 3,631
Changes in assumptions	25,144	0
Difference between projected and actual investment earnings	26,316	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	4,350
Town's required employer contributions made subsequent to the measurement date	28,695	0
	\$ 99,878	\$ 7,981

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$28,695 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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>	
2020	\$40,661
2021	14,595
2022	2,974
2023	<u>4,972</u>
Total	<u>\$63,202</u>

**Summary of System Provisions**

Membership – Full time employees of participating municipalities. The Town elected coverage under Group A provisions.

Creditable Service – Service as a member plus purchased service.

TOWN OF PITTSFORD, VERMONT  
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Average Final Compensation (AFC) – Group A – Average annual compensation during the highest five (5) 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.

Amount – Group A – 1.4% of AFC times service.

Maximum benefit is 60% of AFC for Group A. 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 Group A.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group A 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.

Death Benefit:

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

Amount – For Group A, 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.

Optional Benefit and Death after Retirement – For Groups A, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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.

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

Member Contributions – Group A – 2.625%.

Employer Contributions – Group A – 4.125%.

**Significant Actuarial Assumptions and Methods**

Investment Rate of Return: 7.50%, net of pension plan investment expenses, including inflation.

Salary increases: 5% per year.

Mortality:

Death in Active Service: Group A – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational improvement.

Healthy Post-Retirement: Group A – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational improvement.

Disabled Post-Retirement: Group A – RP-2006 Disabled Mortality Table with generational improvement.

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

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.15% per annum for Group A members (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A who receive a disability retirement benefit). The January 1, 2019 COLA is assumed to be 1.30% 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.

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

Inflation: 2.50%.

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 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	18%	6.10%
Non-US Equity	16%	7.45%
Global Equity	9%	6.74%
Fixed Income	26%	2.25%
Real Estate	8%	5.11%
Private Markets	15%	7.60%
Hedge Funds	8%	3.86%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$384,593	\$227,063	\$98,947

**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, 2019

**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.

The Town also makes matching contributions to two (2) employee's IRA accounts provided by an insurance company. The Town's expense for the year ended June 30, 2019 was \$1,020.

**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, 2019, taxes were due and payable on August 10, 2018, September 10, 2018 and November 13, 2018. 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 11, 2018. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2019 were as follows:

TOWN OF PITTSFORD, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019

	<u>Homestead</u>	<u>Non-Residential</u>
Town	.3396	.3396
Highway	.2673	.2673
Local Agreement	.0025	.0025
Education	<u>1.3955</u>	<u>1.5728</u>
 Total	 <u>2.0049</u>	 <u>2.1822</u>

A separate tax rate of .0392 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, 2019, the Town has drawn \$141,760 of this amount and repaid \$70,880 leaving a balance owed of \$70,880.

The Town is 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.

**E. Concentration of Revenue**

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2019, the Town received 24.11% of its total property taxes and 15.75% of total water sales from OMYA, Inc.

**F. Subsequent Events**

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. No proceeds have been borrowed as of the date of this report.

TOWN OF PITTSFORD, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 VMERS DEFINED BENEFIT PLAN  
 JUNE 30, 2019

	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	16.1400%	0.1646%	0.1683%	0.1762%	0.1778%
Town's Proportionate Share of the Net Pension Liability	\$ 227,063	\$ 199,381	\$ 216,527	\$ 135,812	\$ 16,229
Town's Covered Employee Payroll	\$ 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	32.6414%	28.2094%	32.2270%	21.2450%	2.6363%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.60%	83.64%	80.95%	87.42%	98.32%

**Notes to Schedule**

Benefit Changes: None.

Changes in Assumptions and Methods: None.

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

TOWN OF PITTSFORD, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 28,695	\$ 28,272	\$ 26,875	\$ 25,571	\$ 24,624
Contributions in Relation to the Actuarially Determined Contributions	<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>
Town's Covered Employee Payroll	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Contributions as a Percentage of Town's Covered Employee Payroll	4.125%	4.000%	4.000%	4.000%	4.000%

**Notes to Schedule**

Valuation Date June 30, 2018

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

TOWN OF PITTSFORD, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 98,629	\$ 0	\$ 0	\$ 98,629
Investments	0	0	2,019	2,019
Due from Other Funds	236,719	1,233,997	370	1,471,086
Receivables	0	0	0	0
Loans Receivable	<u>46,200</u>	<u>0</u>	<u>0</u>	<u>46,200</u>
Total Assets	<u>\$ 381,548</u>	<u>\$ 1,233,997</u>	<u>\$ 2,389</u>	<u>\$ 1,617,934</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,077	\$ 0	\$ 0	\$ 1,077
Due to Other Funds	<u>3,801</u>	<u>8,326</u>	<u>0</u>	<u>12,127</u>
Total Liabilities	<u>4,878</u>	<u>8,326</u>	<u>0</u>	<u>13,204</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	<u>46,200</u>	<u>0</u>	<u>0</u>	<u>46,200</u>
Total Deferred Inflows of Resources	<u>46,200</u>	<u>0</u>	<u>0</u>	<u>46,200</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	171,427	803,541	1,139	976,107
Committed	23,723	430,456	0	454,179
Assigned	139,121	0	0	139,121
Unassigned/(Deficit)	<u>(3,801)</u>	<u>(8,326)</u>	<u>0</u>	<u>(12,127)</u>
Total Fund Balances	<u>330,470</u>	<u>1,225,671</u>	<u>2,389</u>	<u>1,558,530</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 381,548</u>	<u>\$ 1,233,997</u>	<u>\$ 2,389</u>	<u>\$ 1,617,934</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 17,000	\$ 0	\$ 0	\$ 17,000
Intergovernmental	13,899	9,733	0	23,632
Permits, Licenses and Fees	4,702	0	0	4,702
Loan Repayments	11,400	0	0	11,400
Investment Income	1,819	8,128	23	9,970
Donations	175	0	0	175
Other	0	0	370	370
	<u>48,995</u>	<u>17,861</u>	<u>393</u>	<u>67,249</u>
Total Revenues				
Expenditures:				
General Government	19,417	0	0	19,417
Capital Outlay:				
Highways and Streets	0	22,328	0	22,328
Debt Service:				
Principal	14,176	0	0	14,176
Interest	0	119	0	119
	<u>33,593</u>	<u>22,447</u>	<u>0</u>	<u>56,040</u>
Total Expenditures				
Excess/(Deficiency) of Revenues				
Over Expenditures	<u>15,402</u>	<u>(4,586)</u>	<u>393</u>	<u>11,209</u>
Other Financing Sources/(Uses):				
Sale of Equipment	0	5,000	0	5,000
Transfers In	0	229,000	0	229,000
Transfers Out	0	(48,092)	(23)	(48,115)
	<u>0</u>	<u>185,908</u>	<u>(23)</u>	<u>185,885</u>
Total Other Financing Sources/(Uses)				
Net Change in Fund Balances	15,402	181,322	370	197,094
Fund Balances - July 1, 2018	<u>315,068</u>	<u>1,044,349</u>	<u>2,019</u>	<u>1,361,436</u>
Fund Balances - June 30, 2019	<u>\$ 330,470</u>	<u>\$ 1,225,671</u>	<u>\$ 2,389</u>	<u>\$ 1,558,530</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2019

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
<b><u>ASSETS</u></b>							
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,629	\$ 0	\$ 98,629
Due from Other Funds	24,800	139,121	58,101	0	0	14,697	236,719
Loans Receivable (Net of Allowance for Uncollectibles)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,200</u>	<u>46,200</u>
Total Assets	<u>\$ 24,800</u>	<u>\$ 139,121</u>	<u>\$ 58,101</u>	<u>\$ 0</u>	<u>\$ 98,629</u>	<u>\$ 60,897</u>	<u>\$ 381,548</u>
<b><u>LIABILITIES</u></b>							
Accounts Payable	\$ 1,077	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,077
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,801</u>	<u>0</u>	<u>0</u>	<u>3,801</u>
Total Liabilities	<u>1,077</u>	<u>0</u>	<u>0</u>	<u>3,801</u>	<u>0</u>	<u>0</u>	<u>4,878</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Unavailable Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,200</u>	<u>46,200</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,200</u>	<u>46,200</u>
<b><u>FUND BALANCES</u></b>							
Restricted	0	0	58,101	0	98,629	14,697	171,427
Committed	23,723	0	0	0	0	0	23,723
Assigned	0	139,121	0	0	0	0	139,121
Unassigned/(Deficit):	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,801)</u>	<u>0</u>	<u>0</u>	<u>(3,801)</u>
Total Fund Balances	<u>23,723</u>	<u>139,121</u>	<u>58,101</u>	<u>(3,801)</u>	<u>98,629</u>	<u>14,697</u>	<u>330,470</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 24,800</u>	<u>\$ 139,121</u>	<u>\$ 58,101</u>	<u>\$ 0</u>	<u>\$ 98,629</u>	<u>\$ 60,897</u>	<u>\$ 381,548</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, 2019

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenues:							
Property Taxes	\$ 17,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,000
Intergovernmental	0	13,899	0	0	0	0	13,899
Permits, Licenses and Fees	0	0	4,702	0	0	0	4,702
Loan Repayments	0	0	0	0	0	11,400	11,400
Investment Income	193	890	388	0	250	98	1,819
Donations	0	0	0	175	0	0	175
<b>Total Revenues</b>	<u>17,193</u>	<u>14,789</u>	<u>5,090</u>	<u>175</u>	<u>250</u>	<u>11,498</u>	<u>48,995</u>
Expenditures:							
General Government	14,000	0	0	5,417	0	0	19,417
Debt Service:							
Principal	0	0	0	0	0	14,176	14,176
<b>Total Expenditures</b>	<u>14,000</u>	<u>0</u>	<u>0</u>	<u>5,417</u>	<u>0</u>	<u>14,176</u>	<u>33,593</u>
Net Change in Fund Balances	3,193	14,789	5,090	(5,242)	250	(2,678)	15,402
Fund Balances - July 1, 2018	<u>20,530</u>	<u>124,332</u>	<u>53,011</u>	<u>1,441</u>	<u>98,379</u>	<u>17,375</u>	<u>315,068</u>
Fund Balances/(Deficit) - June 30, 2019	<u>\$ 23,723</u>	<u>\$ 139,121</u>	<u>\$ 58,101</u>	<u>\$ (3,801)</u>	<u>\$ 98,629</u>	<u>\$ 14,697</u>	<u>\$ 330,470</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2019

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
<u>ASSETS</u>								
Due from Other Funds	\$ 414,953	\$ 0	\$ 366,578	\$ 0	\$ 17,284	\$ 46,594	\$ 388,588	\$ 1,233,997
Total Assets	<u>\$ 414,953</u>	<u>\$ 0</u>	<u>\$ 366,578</u>	<u>\$ 0</u>	<u>\$ 17,284</u>	<u>\$ 46,594</u>	<u>\$ 388,588</u>	<u>\$ 1,233,997</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due to Other Funds	\$ 0	\$ 3,988	\$ 0	\$ 4,338	\$ 0	\$ 0	\$ 0	\$ 8,326
Total Liabilities	<u>0</u>	<u>3,988</u>	<u>0</u>	<u>4,338</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,326</u>
Fund Balances/(Deficit):								
Restricted	414,953	0	0	0	0	0	388,588	803,541
Committed	0	0	366,578	0	17,284	46,594	0	430,456
Unassigned/(Deficit)	<u>0</u>	<u>(3,988)</u>	<u>0</u>	<u>(4,338)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(8,326)</u>
Total Fund Balances/(Deficit)	<u>414,953</u>	<u>(3,988)</u>	<u>366,578</u>	<u>(4,338)</u>	<u>17,284</u>	<u>46,594</u>	<u>388,588</u>	<u>1,225,671</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 414,953</u>	<u>\$ 0</u>	<u>\$ 366,578</u>	<u>\$ 0</u>	<u>\$ 17,284</u>	<u>\$ 46,594</u>	<u>\$ 388,588</u>	<u>\$ 1,233,997</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, 2019

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
Revenues:								
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,733	\$ 9,733
Investment Income	<u>3,044</u>	<u>0</u>	<u>2,293</u>	<u>0</u>	<u>110</u>	<u>318</u>	<u>2,363</u>	<u>8,128</u>
Total Revenues	<u>3,044</u>	<u>0</u>	<u>2,293</u>	<u>0</u>	<u>110</u>	<u>318</u>	<u>12,096</u>	<u>17,861</u>
Expenditures:								
Capital Outlay:								
Highways and Streets	0	0	0	0	0	0	22,328	22,328
Debt Service:								
Interest	<u>0</u>	<u>51</u>	<u>0</u>	<u>68</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>119</u>
Total Expenditures	<u>0</u>	<u>51</u>	<u>0</u>	<u>68</u>	<u>0</u>	<u>0</u>	<u>22,328</u>	<u>22,447</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>3,044</u>	<u>(51)</u>	<u>2,293</u>	<u>(68)</u>	<u>110</u>	<u>318</u>	<u>(10,232)</u>	<u>(4,586)</u>
Other Financing Sources/(Uses):								
Sale of Equipment	0	0	0	0	0	0	5,000	5,000
Transfers In	25,000	7,000	80,000	12,000	3,000	2,000	100,000	229,000
Transfers Out	<u>(48,092)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(48,092)</u>
Total Other Financing Sources/(Uses)	<u>(23,092)</u>	<u>7,000</u>	<u>80,000</u>	<u>12,000</u>	<u>3,000</u>	<u>2,000</u>	<u>105,000</u>	<u>185,908</u>
Net Change in Fund Balances	(20,048)	6,949	82,293	11,932	3,110	2,318	94,768	181,322
Fund Balances/(Deficit) - July 1, 2018	<u>435,001</u>	<u>(10,937)</u>	<u>284,285</u>	<u>(16,270)</u>	<u>14,174</u>	<u>44,276</u>	<u>293,820</u>	<u>1,044,349</u>
Fund Balances/(Deficit) - June 30, 2019	<u>\$ 414,953</u>	<u>\$ (3,988)</u>	<u>\$ 366,578</u>	<u>\$ (4,338)</u>	<u>\$ 17,284</u>	<u>\$ 46,594</u>	<u>\$ 388,588</u>	<u>\$ 1,225,671</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 PRIVATE-PURPOSE TRUST FUNDS  
 JUNE 30, 2019

	<u>Bowen Walker Fund</u>	<u>Burditt Trust Fund</u>	<u>Booth Fund</u>	<u>Pittsford Trust Fund</u>	<u>Kelley Trust Fund</u>	<u>Pinney Fund</u>	<u>Total</u>
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 0	\$ 161,963	\$ 3,400	\$ 20,412	\$ 12,998	\$ 11,222	\$ 209,995
Investments	<u>28,628</u>	<u>2,666,267</u>	<u>34,407</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,729,302</u>
Total Assets	<u>28,628</u>	<u>2,828,230</u>	<u>37,807</u>	<u>20,412</u>	<u>12,998</u>	<u>11,222</u>	<u>2,939,297</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>2,828,230</u>	<u>37,807</u>	<u>20,412</u>	<u>12,998</u>	<u>11,222</u>	<u>2,939,297</u>
Total Net Position	<u>\$ 28,628</u>	<u>\$ 2,828,230</u>	<u>\$ 37,807</u>	<u>\$ 20,412</u>	<u>\$ 12,998</u>	<u>\$ 11,222</u>	<u>\$ 2,939,297</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, 2019

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
Additions:							
Investment Income	\$ 328	\$ 236,092	\$ 2,971	\$ 12	\$ 6	\$ 0	\$ 239,409
Donations	<u>0</u>	<u>2,726,994</u>	<u>35,106</u>	<u>20,400</u>	<u>13,142</u>	<u>11,222</u>	<u>2,806,864</u>
Total Additions	<u>328</u>	<u>2,963,086</u>	<u>38,077</u>	<u>20,412</u>	<u>13,148</u>	<u>11,222</u>	<u>3,046,273</u>
Deductions:							
Otter Valley Union School District	0	97,712	0	0	0	0	97,712
Management Fees	0	20,081	270	0	0	0	20,351
Legal Fees	0	17,063	0	0	0	0	17,063
Miscellaneous	<u>328</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>0</u>	<u>478</u>
Total Deductions	<u>328</u>	<u>134,856</u>	<u>270</u>	<u>0</u>	<u>150</u>	<u>0</u>	<u>135,604</u>
Change in Net Position	0	2,828,230	37,807	20,412	12,998	11,222	2,910,669
Net Position - July 1, 2018	<u>28,628</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,628</u>
Net Position - June 30, 2019	<u>\$ 28,628</u>	<u>\$ 2,828,230</u>	<u>\$ 37,807</u>	<u>\$ 20,412</u>	<u>\$ 12,998</u>	<u>\$ 11,222</u>	<u>\$ 2,939,297</u>

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**Sullivan, Powers & Co., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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VT Lic. #92-000180

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, 2019, 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 March 25, 2020.

***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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

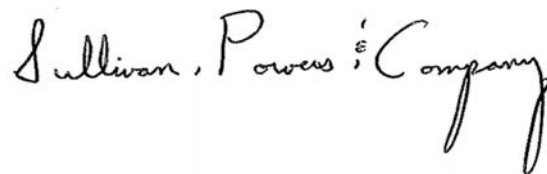
As part of obtaining reasonable assurance about whether the Town of Pittsford, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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 March 25, 2020.

### ***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.

March 25, 2020  
Montpelier, Vermont  
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.