

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2020

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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, 2020, 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, 2020 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.

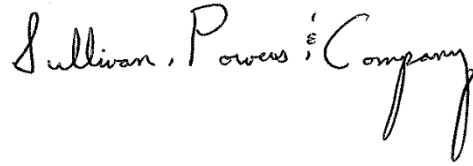
Other Information

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 February 10, 2021 on our consideration of the Town of Pittsford, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Pittsford, Vermont’s internal control over financial reporting and compliance.

February 10, 2021
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, 2020

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2020.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2020 by \$14,037,689 (*net position*). Of this amount, \$1,043,667 (*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 \$235,777. Of this amount, net position attributable to governmental activities increased by \$337,150. Net position attributable to business-type activities decreased by \$101,373.
- The General Fund had a current year surplus of \$51,250, increasing its fund balance to \$164,167.
- The Highway Fund had a current year deficit of \$49,963, resulting in a fund deficit of (\$33,998).

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, 2020

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

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

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

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Current and Other Assets	\$ 1,947,531	\$ 2,021,263	\$ 311,995	\$ 372,458	\$ 2,259,526	\$ 2,393,721
Capital Assets	7,140,160	6,800,605	8,976,277	9,075,091	16,116,437	15,875,696
Total Assets	9,087,691	8,821,868	9,288,272	9,447,549	18,375,963	18,269,417
Deferred Outflows of Resources	74,477	84,846	16,963	15,032	91,440	99,878
Current Liabilities	80,768	79,222	30,244	41,448	111,012	120,670
Long-term Liabilities	299,825	390,392	3,987,384	4,033,580	4,287,209	4,423,972
Total Liabilities	380,593	469,614	4,017,628	4,075,028	4,398,221	4,544,642
Deferred Inflows of Resources	28,865	21,540	2,628	1,201	31,493	22,741
Net Investment in Capital Assets	7,140,160	6,715,605	5,045,014	5,089,164	12,185,174	11,804,769
Restricted	808,848	998,060	0	0	808,848	998,060
Unrestricted	803,702	701,895	239,965	297,188	1,043,667	999,083
Total Net Position	\$ 8,752,710	\$ 8,415,560	\$ 5,284,979	\$ 5,386,352	\$ 14,037,689	\$ 13,801,912

As stated above, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,037,689 and \$13,801,912 as of June 30, 2020 and 2019, respectively.

The largest portion of the Town's net position (\$12,185,174) are in its investment in capital assets (87%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, infrastructure). Therefore, these assets are not available for future spending. A portion (6%, or \$808,848) 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 \$1,043,667) 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, 2020**

Statement of Activities (Change in Net Position)

	Governmental Activities		Business-type Activities		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Revenues						
Program Revenues						
Charges for services	\$ 210,804	\$ 208,886	\$ 609,762	\$ 652,259	\$ 820,566	\$ 861,145
Operating grants and contributions	161,866	175,747	0	0	161,866	175,747
Capital grants and contributions	209,008	24,854	0	0	209,008	24,854
General Revenues						
Property taxes	2,279,684	2,218,396	0	0	2,279,684	2,218,396
Interest & Penalties on Delinquent Taxes	42,646	35,798	0	0	42,646	35,798
General State Grants	98,986	89,860	0	0	98,986	89,860
Unrestricted investment earnings	41,415	17,996	6,532	3,638	47,947	21,634
Other revenues	511	39	0	0	511	39
Total Revenues	<u>3,044,920</u>	<u>2,771,576</u>	<u>616,294</u>	<u>655,897</u>	<u>3,661,214</u>	<u>3,427,473</u>
Expenses						
Governmental activities						
General Government	702,839	702,881	0	0	702,839	702,881
Public Safety	477,065	454,074	0	0	477,065	454,074
Highways & Streets	1,140,167	1,159,404	0	0	1,140,167	1,159,404
Culture and Recreation	271,444	288,129	0	0	271,444	288,129
Sanitation	89,164	87,173	0	0	89,164	87,173
Interest on Long-term Debt	2,091	4,174	0	0	2,091	4,174
Business-type activities						
Water	0	0	413,631	371,639	413,631	371,639
Sewer	0	0	329,036	346,514	329,036	346,514
Total Expenses	<u>2,682,770</u>	<u>2,695,835</u>	<u>742,667</u>	<u>718,153</u>	<u>3,425,437</u>	<u>3,413,988</u>
Increase (Decrease) in Net Position						
Before Transfers	362,150	75,741	(126,373)	(62,256)	235,777	13,485
Transfers	(25,000)	0	25,000	0	0	0
Change in Net Position	337,150	75,741	(101,373)	(62,256)	235,777	13,485
Net Position - Beginning 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>
Net Position - End of Year	<u>\$ 8,752,710</u>	<u>\$ 8,415,560</u>	<u>\$ 5,284,979</u>	<u>\$ 5,386,352</u>	<u>\$ 14,037,689</u>	<u>\$ 13,801,912</u>

Governmental activities. Governmental activities increased the Town's net position by \$337,150 in FY20. The primary reasons are due to increased revenues, underspending budgets and increasing reserves.

Business-type activities. Business-type activities decreased the Town's net position by \$101,373. Specifically, the Water Fund had a current year deficit of \$71,498, whereas the Sewer Fund had a current year deficit of \$34,075. 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, 2020

The Pittsford Water Fund had a GAAP basis net position decrease of \$71,498 in FY20. This reduction was derived primarily of non-operating interest expenses of \$77,163 in addition to an operating loss of \$17,042. 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 \$491,449 on June 30, 2020.

The Sewer Fund had a GAAP basis net position decrease of \$29,875. This deficit was primarily the result of non-operating interest expenses of \$53,813 overtaking operating income of \$15,113. User rates will increase, effective July 1, 2021, in order to put an end to deficit spending and to address the debt related to the Depot Hill pump station replacement project. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Sewer System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were a negative balance of (\$251,484) on June 30, 2020.

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance increased \$51,250 from \$112,917 at the end of fiscal year 2019 to \$164,167 at the end of fiscal year 2020.

On the revenue side, the Town's property tax receipts and delinquent tax interest exceeded expectations, resulting in \$24,267 more being collected than was budgeted. Fee and permit revenues (including an unexpected equity distribution from the Rutland County Solid Waste District) exceeded the budgeted figure by \$13,225. Intergovernmental revenues were \$9,757 higher than anticipated. Miscellaneous receipts came in \$13,940 over budget, thanks primarily to excellent investment interest. The Fire Department generated an unbudgeted \$16,000 when the Nickwackett Hose Company made a donation toward half the cost of protective gear.

On the other hand, revenues came in \$20,898 lower than expected in the Recreation Department, due primarily to the impact of COVID-19. Dog license revenues missed the mark by \$2,708, again likely the result of the pandemic. Finally, police revenues fell \$12,336 short of the budget target.

On the expense side, the Town spent \$2,717 less than expected on Elections, \$11,779 less than budgeted in Administration, \$3,943 less than planned in the Planning Commission, \$3,302 less than budgeted in the Board of Civil Authority, \$7,527 less than expected in Miscellaneous, \$10,476 less than budgeted in the Police Department, \$20,237 less than expected in the Recreation Department and \$3,255 less than expected in Animal Management. Much of the savings was due to conservative spending because of Covid-19. The Recreation Department didn't offer programs due to the virus.

Expenditures exceeded budgeted amounts in the areas of Management (\$7,433) due to grants and Covid-19 expenses, Zoning (\$3,580) due to legal fees, the Lister's Office (\$9,454) due to an outside appraisal, Solid Waste Management (\$13,324—the Town built a roof above the Shed and garbage compactor) and the Fire Department (\$21,018 which was due to the above mentioned protective gear).

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The Highway Fund

The Highway Fund balance decreased \$49,963 from \$15,965 at the end of fiscal year 2019 to a deficit of \$33,998 at the end of fiscal year 2020.

On the revenue side of the ledger, the Town received \$3,176 more in State Aid than was expected. The Town budgeted for grants that did not materialize as the project was not performed.

On the expense side, the Town spent less than expected on Life Insurance (\$1,375), Worker's Compensation Insurance (\$2,668), New Equipment (\$3,500), Cold Patch/Hot Mix (\$1,191), Guardrails (\$6,000), Gravel and Stone (\$10,623), Liquid magnesium (\$1,121), Vehicle Fuel (\$4,975) and In-Shop Repairs (\$2,153). The Town also underspent contract services and paving due to grant projects not materializing.

On the other hand, the Highway Department spent more than budgeted in the areas of Labor (\$30,641), Health Insurance (\$1,042), Small Tool Purchases (\$1,166), Labor Loaned to Water Department (\$2,513), Supplies (\$1,891), Sand (\$11,139), Salt (\$23,207), Vehicle Supplies (\$4,894) and Outside Maintenance and repairs (22,506). The Town also planned to complete grants projects that were not performed.

Other Funds

The Town has the following other reserve funds at June 30, 2020:

Committed for Village Fund – Sidewalks	\$ 23,481
Assigned for Reappraisal Expenses	154,878
Restricted for Land Records Preservation	67,907
Assigned for Veterans Memorial Fund – Deficit	(3,395)
Restricted for William Dennison Fund – Fire	98,828
Restricted for Well Drilling Fund	14,741
Restricted and Committed for Bridge Replacement	268,561
Committed for Municipal Office Capital Improvements	3,010
Committed for Fire Department Capital	451,768
Assigned for Patrol Car Fund – Deficit	(24,631)
Committed for Mower Replacement	20,524
Committed for Cemetery Development	49,198
Restricted for Highway Capital Fund	383,948
Restricted for Belcher Miracle Fund – Recreation	<u>2,689</u>
 Total Other Funds	 <u>\$1,511,507</u>

Restricted Net Position and Restricted Fund Balances

The restricted net position was \$808,848 on June 30, 2020. These funds are restricted for specific future expenses, such as highway maintenance and other purposes determined by trust agreements.

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Capital Assets

Governmental Capital Assets increased \$339,555 in FY20, net of depreciation. Major capital additions for the year were as follows:

- (a) Construction of a roof above the shed and garbage compactor at the Transfer Station, reconstruction and paving of portions of West Creek Road (Bovey Farm to Hard Farm) and Whipple Hollow Road (underpass to Dido's), half of the cost of a new server, turnout gear and air packs for the Fire Department, purchase of new police cruiser (Dodge Truck) and related equipment, purchase of new Chevy Silverado truck for the Highway Department and engineering work associated with the salt/sand shed project.

Business-Type Capital Assets decreased \$98,814 in FY20, net of depreciation. Major capital additions for the year were as follows:

- (a) Engineering on Depot Hill pump station replacement project for sewage collection system, engineering work on the water and sewer study associated with Segment 2 utilities, engineering work associated with the relocation of the water main attached to the bridge at the Mobil Station, the replacement of Randall Park water main and purchase of land around auxiliary water reservoirs.

Long Term Debt

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

The Town's Highway Fund made the final bond payment for highway improvements in December, 2019.

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 \$56,704.

The combined Pittsford/Florence Water System and Sewer System had a bond balance (current plus noncurrent balance) of \$3,931,263 that was used for system improvements. The Water System had a bond balance of \$2,403,086 and the Sewer System had a bond balance totaling \$1,528,177.

Economic Factors and Next Year's Budgets and Rates

- The national economy has been hit hard by the impact of the COVID-19 pandemic, with repercussions at the State and local levels of government. The outlook for 2021 is one of increased economic activity as several federal relief laws take effect and as increasing vaccination rates diminish the threat posed by the pandemic.

The following factors were considered in the development of budgets for FY21:

- **General Fund:** The voters approved a 2021 General Fund budget of \$1,651,939 of which \$1,283,824 was to be raised by taxes. The budget is a \$17,116 (1.05%) increase over the prior year. The FY21 budget saw the creation of a separate Department for Pittsford First Response, with revenues shifted from the Special Appropriations portion of the General Fund budget.

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

- **Highway Fund:** The Voters approved a 2021 Highway Fund budget of \$1,151,480 of which \$1,015,200 was to be raised by taxes. The budget is a (55%) decrease from the prior year which is primarily the result of timing for large, grant-funded projects. The amount to be raised by taxes increased by \$16,559 (1.66%). The FY21 budget features a \$68,695 “built-in” surplus, intended to replenish the Highway Fund balance to healthier levels. In addition, the FY21 budget saw a \$5,000 increase in the line item for sand, a \$21,000 increase for sodium chloride (salt) and a \$10,000 increase for outside vehicle maintenance and repairs.

The following factors will influence budgets in future fiscal years:

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

Requests for Information

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,681,820	\$ 0	\$ 1,681,820
Investments	2,319	0	2,319
Receivables (Net of Allowance for Uncollectibles)	213,430	289,052	502,482
Loans Receivable (Net of Allowance for Uncollectibles)	32,150	2,700	34,850
Internal Balances	(10,666)	10,666	0
Prepaid Expenses	7,167	2,648	9,815
Inventory	21,311	6,929	28,240
Capital Assets:			
Land	103,699	76,222	179,921
Construction in Progress	58,155	212,606	270,761
Other Capital Assets, (Net of Accumulated Depreciation)	6,978,306	8,687,449	15,665,755
Total Assets	<u>9,087,691</u>	<u>9,288,272</u>	<u>18,375,963</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	74,477	16,963	91,440
Total Deferred Outflows of Resources	<u>74,477</u>	<u>16,963</u>	<u>91,440</u>
<u>LIABILITIES</u>			
Accounts Payable	26,013	6,629	32,642
Accrued Payroll and Benefits Payable	21,862	5,181	27,043
Unearned Revenue	165	575	740
Due to First Response Capital Fiduciary Fund	32,728	0	32,728
Accrued Interest Payable	0	17,859	17,859
Noncurrent Liabilities:			
Due within One Year	14,176	113,977	128,153
Due in More than One Year	285,649	3,873,407	4,159,056
Total Liabilities	<u>380,593</u>	<u>4,017,628</u>	<u>4,398,221</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	17,324	0	17,324
Deferred Inflows of Resources Related to the Town's Participation in VMERS	11,541	2,628	14,169
Total Deferred Inflows of Resources	<u>28,865</u>	<u>2,628</u>	<u>31,493</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	7,140,160	5,045,014	12,185,174
Restricted For:			
Highways and Streets	639,424	0	639,424
Public Safety	98,828	0	98,828
Records Preservation	67,907	0	67,907
Other	2,689	0	2,689
Unrestricted	803,702	239,965	1,043,667
Total Net Position	<u>\$ 8,752,710</u>	<u>\$ 5,284,979</u>	<u>\$ 14,037,689</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, 2020

	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	\$ 702,839	\$ 65,160	\$ 16,025	\$ 0	\$ (621,654)	\$ 0	\$ (621,654)
Public Safety	477,065	61,223	16,000	3,000	(396,842)	0	(396,842)
Highways and Streets	1,140,167	12,091	129,176	206,008	(792,892)	0	(792,892)
Culture and Recreation	271,444	27,914	665	0	(242,865)	0	(242,865)
Sanitation	89,164	44,416	0	0	(44,748)	0	(44,748)
Interest on Long-term Debt	2,091	0	0	0	(2,091)	0	(2,091)
Total Governmental Activities	<u>2,682,770</u>	<u>210,804</u>	<u>161,866</u>	<u>209,008</u>	<u>(2,101,092)</u>	<u>0</u>	<u>(2,101,092)</u>
Business-type Activities:							
Water	413,631	319,426	0	0	0	(94,205)	(94,205)
Sewer	329,036	290,336	0	0	0	(38,700)	(38,700)
Total Business-type Activities	<u>742,667</u>	<u>609,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(132,905)</u>	<u>(132,905)</u>
Total Primary Government	<u>\$ 3,425,437</u>	<u>\$ 820,566</u>	<u>\$ 161,866</u>	<u>\$ 209,008</u>	<u>(2,101,092)</u>	<u>(132,905)</u>	<u>(2,233,997)</u>
General Revenues:							
Property Taxes					2,279,684	0	2,279,684
Penalties and Interest on Delinquent Taxes					42,646	0	42,646
General State Grants					98,986	0	98,986
Unrestricted Investment Earnings					41,415	6,532	47,947
Other Revenues					511	0	511
Transfers:					(25,000)	25,000	0
Total General Revenues and Transfers					<u>2,438,242</u>	<u>31,532</u>	<u>2,469,774</u>
Change in Net Position					337,150	(101,373)	235,777
Net Position - July 1, 2019					<u>8,415,560</u>	<u>5,386,352</u>	<u>13,801,912</u>
Net Position - June 30, 2020					<u>\$ 8,752,710</u>	<u>\$ 5,284,979</u>	<u>\$ 14,037,689</u>

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

TOWN OF PITTSFORD, VERMONT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2020

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,582,992	\$ 0	\$ 98,828	\$ 1,681,820
Investments	0	0	2,319	2,319
Receivables (Net of Allowance for Uncollectibles)	181,309	20,913	11,208	213,430
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	32,150	32,150
Due from Other Funds	0	0	1,428,540	1,428,540
Prepaid Items	7,167	0	0	7,167
Inventory	0	21,311	0	21,311
 Total Assets	 <u>\$ 1,771,468</u>	 <u>\$ 42,224</u>	 <u>\$ 1,573,045</u>	 <u>\$ 3,386,737</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 16,861	\$ 7,790	\$ 1,362	\$ 26,013
Accrued Payroll and Benefits Payable	16,577	5,285	0	21,862
Due to Other Funds	1,401,674	42,234	28,026	1,471,934
Unearned Revenue	165	0	0	165
 Total Liabilities	 <u>1,435,277</u>	 <u>55,309</u>	 <u>29,388</u>	 <u>1,519,974</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	17,324	0	0	17,324
Unavailable Property Taxes, Penalties and Interest	154,700	0	0	154,700
Unavailable Grants	0	20,913	0	20,913
Unavailable Loans Receivable	0	0	32,150	32,150
 Total Deferred Inflows of Resources	 <u>172,024</u>	 <u>20,913</u>	 <u>32,150</u>	 <u>225,087</u>
<u>FUND BALANCES</u>				
Nonspendable	7,167	21,311	1,250	29,728
Restricted	0	0	780,115	780,115
Committed	0	0	603,290	603,290
Assigned	6,650	0	154,878	161,528
Unassigned/(Deficit)	150,350	(55,309)	(28,026)	67,015
 Total Fund Balances	 <u>164,167</u>	 <u>(33,998)</u>	 <u>1,511,507</u>	 <u>1,641,676</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 1,771,468</u>	 <u>\$ 42,224</u>	 <u>\$ 1,573,045</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.				7,140,160
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.				207,763
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.				(299,825)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.				<u>62,936</u>
Net Position of Governmental Activities				<u>\$ 8,752,710</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, 2020

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 1,285,143	\$ 998,641	\$ 16,000	\$ 2,299,784
Penalties and Interest on Delinquent Taxes	42,646	0	0	42,646
Intergovernmental	110,457	322,498	25,144	458,099
Charges for Services	73,438	9,940	0	83,378
Permits, Licenses and Fees	106,178	685	9,318	116,181
Fines and Forfeits	19,290	0	0	19,290
Loan Repayments	0	0	14,050	14,050
Investment Income	21,514	0	19,901	41,415
Donations	16,665	0	3,750	20,415
Other	1,368	1,466	500	3,334
Total Revenues	<u>1,676,699</u>	<u>1,333,230</u>	<u>88,663</u>	<u>3,098,592</u>
Expenditures:				
General Government	685,613	0	15,968	701,581
Public Safety	380,555	0	0	380,555
Highways and Streets	0	642,313	1,319	643,632
Culture and Recreation	262,713	0	0	262,713
Sanitation	87,707	0	0	87,707
Capital Outlay:				
General Government	12,564	0	0	12,564
Public Safety	48,604	0	38,439	87,043
Highways and Streets	0	704,246	121,737	825,983
Culture and Recreation	1,000	0	0	1,000
Sanitation	14,717	0	0	14,717
Debt Service:				
Principal	0	85,000	14,176	99,176
Interest	0	2,301	356	2,657
Total Expenditures	<u>1,493,473</u>	<u>1,433,860</u>	<u>191,995</u>	<u>3,119,328</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>183,226</u>	<u>(100,630)</u>	<u>(103,332)</u>	<u>(20,736)</u>
Other Financing Sources/(Uses):				
Transfers In	24	200,667	257,000	457,691
Transfers Out	<u>(132,000)</u>	<u>(150,000)</u>	<u>(200,691)</u>	<u>(482,691)</u>
Total Other Financing Sources/(Uses)	<u>(131,976)</u>	<u>50,667</u>	<u>56,309</u>	<u>(25,000)</u>
Net Change in Fund Balances	51,250	(49,963)	(47,023)	(45,736)
Fund Balances - July 1, 2019	<u>112,917</u>	<u>15,965</u>	<u>1,558,530</u>	<u>1,687,412</u>
Fund Balances/(Deficit) - June 30, 2020	<u>\$ 164,167</u>	<u>\$ (33,998)</u>	<u>\$ 1,511,507</u>	<u>\$ 1,641,676</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, 2020

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)	\$	(45,736)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$941,307) is allocated over their estimated useful lives and reported as depreciation expense (\$568,937). This is the amount by which capital outlays exceeded depreciation in the current period.		372,370
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(32,815)
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 position. 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 (\$14,050) 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.		(14,050)
Governmental funds report employer pension contributions as expenditures (\$25,715). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$58,995) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(33,280)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(18,622)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>10,107</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>337,150</u></u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 1,268,533	\$ 1,285,143	\$ 16,610
Interest on Delinquent Taxes	15,000	24,924	9,924
Penalty on Delinquent Taxes	20,000	17,722	(2,278)
Other Revenue	0	11	11
Total Property Taxes	1,303,533	1,327,800	24,267
Fees and Permits:			
First Class Liquor Licenses	500	230	(270)
Second Class Liquor Licenses	350	395	45
Junk Yard Licenses	25	0	(25)
Marriage Licenses	1,200	420	(780)
Burial Permits	50	15	(35)
Certified Copy Fees	1,200	590	(610)
Recording Fees	20,000	25,458	5,458
Photocopy Fees	2,500	2,013	(487)
DMV Fees	200	117	(83)
Posting Permits	100	80	(20)
Site Plan Review/Zoning Fees	3,000	3,775	775
Fireworks Permit Fees	40	120	80
Fire Wardens Permit Fees	200	0	(200)
Miscellaneous Fees	200	9,577	9,377
Total Fees and Permits	29,565	42,790	13,225
Intergovernmental Revenues:			
State PILOT	47,000	53,915	6,915
Current Use Reimbursement	44,000	44,334	334
School Billing Fee - Act 68	9,600	10,132	532
Vermont Railroad Tax	100	737	637
Health and Safety Revenue	0	1,339	1,339
Total Intergovernmental Revenues	100,700	110,457	9,757
Research Revenues:	400	428	28
Solid Waste:			
Annual User Permits	12,000	11,038	(962)
Garbage Bag Charges	32,600	33,378	778
Total Solid Waste	44,600	44,416	(184)

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous Receipts:			
School Share of Election Costs	\$ 600	\$ 0	\$ (600)
Maclure Library Phone Reimbursement	1,000	1,102	102
Investment Interest	7,000	21,514	14,514
Water Administration Fee	14,000	14,000	0
Sewer Administration Fee	7,000	7,000	0
Green Mountain Passport	100	24	(76)
	<u>29,700</u>	<u>43,640</u>	<u>13,940</u>
Total Miscellaneous Receipts			
Recreation:			
Annual Family Permits	2,000	705	(1,295)
Daily Gate Passes	4,000	3,582	(418)
Tennis Court Permits	350	292	(58)
Group Picnic Charges	2,000	1,775	(225)
Trail Run Revenue	5,000	1,250	(3,750)
Belcher-Mericle Interest	25	24	(1)
Donations	1,000	503	(497)
Miscellaneous Donations	0	162	162
5K Race Revenue	500	390	(110)
Youth League Registration	2,500	0	(2,500)
Girls Softball Registration	500	0	(500)
Youth League Donations	2,000	0	(2,000)
Day Camp Registrations	13,000	10,360	(2,640)
Summer Programs	2,500	680	(1,820)
Fall Programs	6,000	5,115	(885)
Winter Programs	5,000	1,500	(3,500)
Spring Programs	2,000	996	(1,004)
Misc Revenue	0	143	143
	<u>48,375</u>	<u>27,477</u>	<u>(20,898)</u>
Total Recreation			
Animal Management Fees:			
Dog Licenses	5,200	2,492	(2,708)
	<u>5,200</u>	<u>2,492</u>	<u>(2,708)</u>
Total Animal Management Fees			
Police:			
Traffic Fines	25,000	19,090	(5,910)
Serving Court Papers	0	150	150
Insurance Reports	150	140	(10)
Parking Ticket Revenue	100	50	(50)
Miscellaneous Revenue	2,500	15	(2,485)
Grant Revenue	5,000	0	(5,000)
Chittenden Patrol	20,000	20,809	809
OMYA Truck Detail Revenue	20,000	20,160	160
	<u>72,750</u>	<u>60,414</u>	<u>(12,336)</u>
Total Police			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Knox Lock Box	\$ 0	\$ 809	\$ 809
Donations	0	16,000	16,000
Total Fire Department	0	16,809	16,809
Total Revenues	1,634,823	1,676,723	41,900
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,000	0
Public Officials Insurance	3,800	3,461	339
Selectmen Expenses	1,500	1,158	342
Secretary/Clerk	2,100	1,483	617
Recording Secretary	3,300	3,125	175
FICA/Medicare	1,000	1,088	(88)
Total Legislation	17,700	16,315	1,385
Management:			
Town Manager	87,500	88,910	(1,410)
Secretary	39,000	41,360	(2,360)
Overtime	50	8	42
FICA/Medicare	10,500	10,123	377
Retirement Insurance	8,500	8,328	172
Medical Insurance	26,400	25,842	558
Dental Insurance	1,400	1,286	114
Life Insurance	1,300	1,168	132
Workers' Compensation Insurance	820	804	16
Property Insurance	1,325	1,327	(2)
General Liability Insurance	2,990	2,642	348
Employment Practices	5,270	5,618	(348)
Unemployment Insurance	250	83	167
Mileage Reimbursement	1,500	1,038	462
Training	1,000	596	404
Health and Safety Expense	4,000	6,372	(2,372)
COVID19 Expense	0	3,636	(3,636)
Car Allowance	5,000	5,097	(97)
Total Management	196,805	204,238	(7,433)
Elections:			
Ballot Clerks	1,500	967	533
FICA/Medicare	100	74	26
Notices, Warnings, Ads	200	0	200
Ballots and Supplies	1,400	1,242	158
Ballot Machine Setup	1,800	0	1,800
Total Elections	5,000	2,283	2,717

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Finance:			
Clerk and Treasurer	\$ 64,500	\$ 65,276	\$ (776)
Overtime	500	242	258
Assistant Clerk and Treasurer	38,750	38,089	661
Bookkeeper	28,000	29,270	(1,270)
FICA/Medicare	10,000	10,012	(12)
Retirement Insurance	5,200	5,732	(532)
Medical Insurance	17,600	17,228	372
Dental Insurance	900	892	8
Life Insurance	1,300	1,127	173
Workers' Compensation Insurance	770	669	101
Unemployment Insurance	200	82	118
Mileage Reimbursement	500	201	299
State Dues - Clerks Association	100	75	25
Training Fees	1,000	608	392
Total Finance	169,320	169,503	(183)
Administration:			
Office Supplies	15,000	11,554	3,446
Computer Supplies	5,000	4,031	969
Computer Contracts	12,000	12,500	(500)
Website Maintenance/Expenses	2,500	1,940	560
Newsletter Printing and Postage	5,500	3,631	1,869
Postage - General	3,500	4,029	(529)
Tax Bills and Postage	2,500	931	1,569
Town Report Coordinator	1,400	1,400	0
Town Report Printing	4,000	3,400	600
Town Report Postage	1,100	683	417
Tax Collector Expense	200	0	200
CPA Audit	29,000	28,403	597
Legal Fees and Tax Collection	3,500	919	2,581
Total Administration	85,200	73,421	11,779
Agencies:			
VLCT Dues	4,600	4,609	(9)
Rutland Economic Development Corporation	600	500	100
Rutland Regional Planning Commission	950	975	(25)
Total Agencies	6,150	6,084	66

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Zoning:			
Zoning Administrator	\$ 11,000	\$ 12,025	\$ (1,025)
Zoning Clerical	400	1,000	(600)
FICA/Medicare	1,050	996	54
Unemployment Ins	0	93	(93)
Mileage Reimbursement	100	37	63
Zoning Hearings	1,000	814	186
Zoning Expense	600	692	(92)
Legal Fees - Zoning	4,000	6,073	(2,073)
	<u>18,150</u>	<u>21,730</u>	<u>(3,580)</u>
Total Zoning			
Planning Commission:			
Planning Commission Stipends	3,500	2,458	1,042
Planning Commission Clerical	1,400	1,125	275
FICA/Medicare	300	274	26
Mileage Reimbursement	100	0	100
Planning Grant Expense	400	0	400
Town Plan	100	0	100
Legal Fees	2,000	0	2,000
	<u>7,800</u>	<u>3,857</u>	<u>3,943</u>
Total Planning Commission			
Board of Civil Authority:			
Board of Civil Authority - Labor	1,000	0	1,000
Clerical	700	0	700
FICA/Medicare	150	0	150
Supplies	1,000	198	802
Legal Fees	500	0	500
Miscellaneous	150	0	150
	<u>3,500</u>	<u>198</u>	<u>3,302</u>
Total Board of Civil Authority			
Municipal Plant and Equipment:			
Labor - Custodians	3,500	3,005	495
FICA/Medicare - Custodians	300	282	18
Building Maintenance Supplies	2,000	1,747	253
Heating Fuel	2,200	2,043	157
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	6,000	2,510	3,490
Copier Maintenance	7,000	7,607	(607)
Fire/Security Alarm Maintenance	500	275	225
Telephones	4,200	4,887	(687)
Maclure Library Phones	1,200	1,102	98
Labor and Equipment Use by Highway	1,000	315	685
New Equipment for Building	500	0	500
Building Repairs/Maintenance	3,000	6,159	(3,159)
Utilities	4,000	4,826	(826)
	<u>44,400</u>	<u>43,758</u>	<u>642</u>
Total Municipal Plant and Equipment			

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Warden:			
Fire Warden Fees	\$ 100	\$ 0	\$ 100
Burn Permit Expense	200	0	200
FICA/Medicare	25	0	25
Mileage Expenses	500	0	500
Total Fire Warden	825	0	825
Miscellaneous:			
Marriage License/State Fee	1,000	350	650
Ads/Special Meetings	500	0	500
Contracted Services	4,000	1,900	2,100
Legal Fees	2,000	190	1,810
Emergency Management Expense	300	1,939	(1,639)
Memorial Day Flags	1,200	20	1,180
Pittsford Pride	2,000	589	1,411
Tax Abatement Costs	1,000	1,135	(135)
Total Miscellaneous	12,000	6,123	5,877
Listers:			
Listers' Services	21,600	7,944	13,656
Listers' Secretary	14,000	17,152	(3,152)
FICA/Medicare	2,800	1,748	1,052
Insurance - Workers' Compensation	90	200	(110)
Unemployment Insurance	100	21	79
Listers' Mileage Reimbursement	300	480	(180)
Training Fees	750	1,093	(343)
Listers' Expenses	2,000	1,120	880
Computer Contracts	0	2,405	(2,405)
Property Map Changes	2,500	1,338	1,162
Contracted Services	0	20,093	(20,093)
Total Listers	44,140	53,594	(9,454)
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

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations/(Cont'd):			
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
Rutland County Women's Network	200	200	0
Rutland ARC	1,400	1,400	0
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	2,000	(1,000)
Bowen Walker Appropriation	1,500	1,500	0
Rutland Parent Child Center	400	400	0
NeighborWorks of West Vermont	500	500	0
VT Family Network	0	500	(500)
	<u>168,588</u>	<u>170,088</u>	<u>(1,500)</u>
Total Special Appropriations			
Health Officer:			
Health Officer Labor	1,500	446	1,054
FICA/Medicare	120	33	87
Mileage	50	0	50
Mosquito Annual Operation	34,835	34,836	(1)
Mosquito Dist Buy In	17,500	17,750	(250)
Miscellaneous	0	117	(117)
	<u>54,005</u>	<u>53,182</u>	<u>823</u>
Total Health Officer			
Solid Waste Management:			
Labor - Facility	21,000	19,546	1,454
Labor - Highway	1,000	0	1,000
FICA/Medicare	1,700	1,506	194
Insurance - Workers' Compensation	3,870	3,516	354
Labor - Contract	1,200	15,026	(13,826)
New Equipment	300	0	300
Supplies	1,300	871	429
Telephone	450	447	3
Insurance - Property and Liability	180	183	(3)
Unemployment Insurance	150	53	97
Portalet Contract	1,700	1,555	145
Waste Removal Fees	40,000	44,750	(4,750)
RCSWD Surcharge	5,800	5,416	384
Tire Disposal Fees	50	54	(4)
State Franchise Tax	1,900	1,628	272
Container Rental/Purchase	5,000	4,556	444
Labor and Equipment Use by Highway	1,000	849	151
Utilities	2,000	1,640	360
Equipment Maintenance	500	706	(206)
Miscellaneous	0	122	(122)
	<u>89,100</u>	<u>102,424</u>	<u>(13,324)</u>
Total Solid Waste Management			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Utility Transfers:			
Transfer to Sewer Department	\$ 12,500	\$ 12,500	\$ 0
Transfer to Water Department	<u>12,500</u>	<u>12,500</u>	<u>0</u>
Total Utility Transfers	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Police Department:			
Wages - Local Services	120,000	115,561	4,439
Wages - OMYA Truck Detail	10,000	9,649	351
Clerical	3,500	2,583	917
FICA/Medicare	10,500	10,256	244
Retirement Insurance	3,000	3,028	(28)
Medical Insurance	17,600	17,228	372
Dental Insurance	800	840	(40)
Life Insurance	600	530	70
New Equipment	2,300	3,529	(1,229)
Contracted Services	3,000	1,730	1,270
Supplies	1,000	1,089	(89)
Chittenden Patrol Exp	9,500	8,625	875
Uniforms	500	684	(184)
Telephone	1,000	1,133	(133)
Insurance - Property/Liability	3,960	3,832	128
Insurance - Workers' Compensation	12,100	14,012	(1,912)
Insurance - Car	910	768	142
Unemployment Insurance	300	166	134
Mileage Reimbursement	800	696	104
Legal and Administration	200	0	200
Patrol Car - Fuel and Maintenance	10,000	9,569	431
Patrol Car Replace Fund	15,000	15,000	0
Equipment Maintenance	300	445	(145)
Communications	2,500	2,278	222
Safety Equipment Grant	4,500	0	4,500
Training Fees	500	343	157
Miscellaneous	<u>100</u>	<u>420</u>	<u>(320)</u>
Total Police Department	<u>234,470</u>	<u>223,994</u>	<u>10,476</u>
Fire Department:			
Firemen Expenses	35,000	39,220	(4,220)
FICA/Medicare	3,000	3,000	0
Building Fuel	6,000	4,614	1,386
Vehicle Fuel	2,750	2,185	565
Small Tools	1,000	3,854	(2,854)
Hose & Fittings	2,000	0	2,000
Protective Equipment	20,000	28,427	(8,427)
Supplies	2,000	2,091	(91)
Knox Box Locks	0	809	(809)
Insurance - Workers' Compensation	12,100	6,768	5,332
Insurance - Vehicles	5,825	6,246	(421)
Insurance - General Liability	3,960	918	3,042
Insurance - Accident	3,000	2,795	205

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Unemployment Ins	\$ 0	\$ 77	\$ (77)
Insurance - Property	1,570	1,297	273
Telephone	1,300	1,392	(92)
Communications	5,000	1,210	3,790
Fire Alarm System	300	204	96
Dispatching Service	1,500	346	1,154
Building Maintenance	5,000	3,474	1,526
Truck Maintenance	20,000	7,785	12,215
Equipment Maintenance	1,500	3,189	(1,689)
Ladder Truck Certificate	1,200	1,495	(295)
New Equipment	2,000	36,170	(34,170)
Utilities	3,200	3,351	(151)
Training Fees	2,500	606	1,894
Mutual Aid Association Fees	1,200	2,400	(1,200)
Vehicle Replacement Fund	80,000	80,000	0
	<u>222,905</u>	<u>243,923</u>	<u>(21,018)</u>
Total Fire Department			
Recreation Programs:			
Lifeguards	23,500	16,699	6,801
Management	46,100	45,335	765
Overtime	4,000	7,286	(3,286)
Grounds Management	11,300	12,074	(774)
Day Camp Labor	9,500	7,277	2,223
FICA/Medicare	7,500	6,552	948
Insurance - Retirement	2,400	2,201	199
Insurance - Medical	23,500	22,586	914
Insurance - Dental	1,600	1,485	115
Insurance - Life	600	533	67
Insurance - Workers' Compensation	7,300	6,470	830
Insurance - Property / Liability	150	124	26
Insurance - Vehicle	250	280	(30)
Insurance - General Liability	600	585	15
Insurance - Unemployment	300	143	157
Mileage Reimbursement	200	37	163
Supplies - Recreation Area General	2,000	1,525	475
Supplies - Day Camp	2,500	1,786	714
Spring Programs	2,500	896	1,604
Summer Programs	2,500	1,668	832
Mower Maintenance & Fuel	2,500	2,314	186
Fall Programs	5,000	5,502	(502)
Winter Programs	2,500	1,788	712
Mower Replacement Fund	3,000	3,000	0
Training	250	0	250
League Fees/Coaches, Umpires	1,000	635	365
Supplies - Youth League	2,000	0	2,000
Trail Run Expenses	2,500	0	2,500
Trail Run Surplus Expense	0	1,597	(1,597)

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation Programs/(Cont'd):			
Summer Softball Expense	\$ 500	\$ 0	\$ 500
Pittsford Day Celebration	12,000	13,960	(1,960)
5K Race	500	523	(23)
State League Membership	250	570	(320)
Telephone	500	506	(6)
Communications	800	711	89
Donation Expenses	1,000	0	1,000
Rubbish Removal Contract	800	1,079	(279)
Other Contract Services	250	0	250
Advertising	200	476	(276)
Portalet Contract	700	110	590
Ballfield Maintenance	1,000	836	164
Signs Replacement	100	154	(54)
Trails	0	143	(143)
Labor and Equipment Use by Highway	1,000	656	344
Labor and Equipment Use by Water	650	918	(268)
Utilities	1,000	576	424
Pool Water Tests	200	300	(100)
Trails and Bridging Maintenance	750	922	(172)
Green up Day Expense	200	0	200
Capital Improvements	4,000	395	3,605
Total Recreation Programs	<u>193,450</u>	<u>173,213</u>	<u>20,237</u>
Animal Management:			
Animal Control	1,000	1,172	(172)
Chittenden Animal Control Expense	0	59	(59)
FICA/Medicare	100	94	6
Mileage Reimbursement	300	25	275
Supplies	400	310	90
Contract Services	100	0	100
Insurance - Property/Liability	20	15	5
Insurance - Workers' Compensation	340	227	113
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	2,400	1,156	1,244
Postage	55	0	55
Total Animal Management	<u>6,315</u>	<u>3,060</u>	<u>3,255</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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service and Fixed Charges:			
Rutland County Tax	\$ <u>30,000</u>	\$ <u>29,485</u>	\$ <u>515</u>
Total Debt Service and Fixed Charges	<u>30,000</u>	<u>29,485</u>	<u>515</u>
Total Expenditures	<u>1,634,823</u>	<u>1,625,473</u>	<u>9,350</u>
Excess of Revenues Over Expenditures	\$ <u><u>0</u></u>	51,250	\$ <u><u>51,250</u></u>
Fund Balance - July 1, 2019		<u>112,917</u>	
Fund Balance - June 30, 2020		\$ <u><u>164,167</u></u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 998,641	\$ 998,641	\$ 0
State Aid	126,000	129,176	3,176
Grant Revenue	1,047,632	193,322	(854,310)
Overload Permits	600	660	60
Highway Access Permits	0	25	25
Investment Income	1,000	0	(1,000)
Interfund Sale of Fuel	5,600	4,515	(1,085)
Labor/Equipment Use by Other Departments	5,000	5,425	425
Sale of Scrap Metal	0	130	130
Transfer from Other Funds - Bridge Grant Match	372,208	200,667	(171,541)
Other	0	1,336	1,336
Total Revenues	2,556,681	1,533,897	(1,022,784)
Expenditures:			
General:			
Labor - Vacation and Services	160,000	190,641	(30,641)
Labor - Overtime	12,000	12,593	(593)
FICA/Medicare	16,000	14,895	1,105
Insurance - Retirement	8,300	8,513	(213)
Insurance - Medical	56,000	57,042	(1,042)
Insurance - Dental	3,800	3,257	543
Insurance - Life	3,500	2,125	1,375
Insurance - Workers' Compensation	22,500	19,832	2,668
Insurance - Property	2,400	1,910	490
Insurance - Vehicle	6,100	6,682	(582)
Insurance - General Liability	1,520	1,639	(119)
Insurance - Unemployment	300	129	171
Insurance - Bridges	2,520	2,436	84
Mileage Reimbursement	300	49	251
Legal and Administrative	1,000	0	1,000
Mun Roads Permit Fee	1,500	1,350	150
Small Tool Purchases	1,000	2,166	(1,166)
Communications	700	838	(138)
Telephone	2,100	1,662	438
Heating Fuel	3,200	2,961	239
Training Fees	200	91	109
Equipment Rentals	5,000	4,424	576
Uniform Rentals	4,000	4,139	(139)
Highway Capital Reserve	100,000	100,000	0
Bridge Replacement Reserve	50,000	50,000	0
Labor / Equipment Use by Water	3,000	5,513	(2,513)
Advertising/Postage	600	0	600
Utilities	4,500	4,219	281
Supplies	4,000	5,891	(1,891)
Interest	0	854	(854)
New Equipment Purchases	3,500	0	3,500
Contracted Services	1,431,840	12,153	1,419,687
Cold Patch and Hot Mix	3,500	2,309	1,191
Building Expenses	2,000	2,226	(226)
Signs & Posts	3,500	3,617	(117)
Culverts & Bands	5,000	4,437	563
Guardrails	6,000	0	6,000
Paving	327,000	145,442	181,558

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
General/(Cont'd):			
Crack Sealing	\$ 8,000	\$ 8,000	\$ 0
Gravel/Stone	25,000	14,377	10,623
Liquid Magnesium	15,000	13,879	1,121
Sand	15,000	26,139	(11,139)
Salt/Sodium Chloride	79,000	102,207	(23,207)
Total General	2,400,380	840,637	1,559,743
Highway Vehicles:			
Supplies	4,000	8,894	(4,894)
Vehicle Fuel	34,000	29,025	4,975
In-Shop Repairs and Maintenance	16,000	13,847	2,153
Outside Maintenance and Repairs	15,000	37,506	(22,506)
Total Highway Vehicles	69,000	89,272	(20,272)
Special Projects:			
Whipple Hollow/West Creek	0	557,225	(557,225)
Sugar Hollow Stone Ditch	0	2,461	(2,461)
Fire Hill Road Bridge Project	0	940	(940)
Oxbow-Creed Hill Ditch	0	6,024	(6,024)
Total Special Projects	0	566,650	(566,650)
Debt Service:			
Principal	85,000	85,000	0
Interest	2,301	2,301	0
Total Debt Service	87,301	87,301	0
Total Expenditures	2,556,681	1,583,860	972,821
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(49,963)	\$ (49,963)
Fund Balance - July 1, 2019		15,965	
Fund Balance/(Deficit) - June 30, 2020		\$ (33,998)	

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, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 16,000	\$ 16,000	\$ 0
Interest Income	0	370	370
Total Revenues	16,000	16,370	370
Expenditures:			
Village Street Lights	16,000	15,293	707
Route 7 Sidewalk	0	1,319	(1,319)
Total Expenditures	16,000	16,612	(612)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(242)	\$ (242)
Fund Balance - July 1, 2019		23,723	
Fund Balance - June 30, 2020		\$ 23,481	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables	\$ 143,795	\$ 145,257	\$ 289,052
Loan Receivable - Current Portion	0	1,700	1,700
Due from Other Funds	369,277	0	369,277
Prepaid Expenses	2,648	0	2,648
Inventory	5,614	1,315	6,929
Total Current Assets	<u>521,334</u>	<u>148,272</u>	<u>669,606</u>
Noncurrent Assets:			
Loan Receivable - Noncurrent Portion	0	1,000	1,000
Capital Assets:			
Land	74,722	1,500	76,222
Construction in Progress	117,660	94,946	212,606
Vehicles and Equipment	95,458	0	95,458
Buildings, Distribution and Collection Systems	7,109,400	4,458,688	11,568,088
Less: Accumulated Depreciation	<u>(1,817,307)</u>	<u>(1,158,790)</u>	<u>(2,976,097)</u>
Total Noncurrent Assets	<u>5,579,933</u>	<u>3,397,344</u>	<u>8,977,277</u>
Total Assets	<u>6,101,267</u>	<u>3,545,616</u>	<u>9,646,883</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS			
	<u>11,229</u>	<u>5,734</u>	<u>16,963</u>
Total Deferred Outflows of Resources	<u>11,229</u>	<u>5,734</u>	<u>16,963</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	428	6,201	6,629
Accrued Payroll and Benefits Payable	3,039	2,142	5,181
Due to Other Funds	0	358,611	358,611
Unearned Revenue	575	0	575
Accrued Interest Payable	1,843	16,016	17,859
General Obligation Bonds Payable - Current Portion	<u>49,294</u>	<u>64,683</u>	<u>113,977</u>
Total Current Liabilities	<u>55,179</u>	<u>447,653</u>	<u>502,832</u>
Noncurrent Liabilities:			
Compensated Absences Payable	1,671	6,386	8,057
Net Pension Liability	31,818	16,246	48,064
General Obligation Bonds Payable - Noncurrent Portion	<u>2,353,792</u>	<u>1,463,494</u>	<u>3,817,286</u>
Total Noncurrent Liabilities	<u>2,387,281</u>	<u>1,486,126</u>	<u>3,873,407</u>
Total Liabilities	<u>2,442,460</u>	<u>1,933,779</u>	<u>4,376,239</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS			
	<u>1,740</u>	<u>888</u>	<u>2,628</u>
Total Deferred Inflows of Resources	<u>1,740</u>	<u>888</u>	<u>2,628</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,176,847	1,868,167	5,045,014
Unrestricted/(Deficit)	<u>491,449</u>	<u>(251,484)</u>	<u>239,965</u>
Total Net Position	<u>\$ 3,668,296</u>	<u>\$ 1,616,683</u>	<u>\$ 5,284,979</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, 2020

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 308,033	\$ 283,393	\$ 591,426
Penalties & Interest	4,456	6,076	10,532
Contract - Otter Valley	0	89	89
Other Income	6,937	778	7,715
	<u>319,426</u>	<u>290,336</u>	<u>609,762</u>
Total Operating Revenues			
Operating Expenses:			
Labor and Stipends	102,878	61,636	164,514
FICA/Medicare	9,007	4,005	13,012
Insurances - Medical, Dental & Life	20,921	13,490	34,411
Retirement	12,193	7,528	19,721
Insurance - Workers' Compensation / Unemployment	7,230	6,549	13,779
Insurance - General Liability/Property/Vehicle	2,831	2,230	5,061
Supplies	6,380	17,361	23,741
Postage/Billing Program	853	701	1,554
Advertising/Dues and Subscriptions	810	1,106	1,916
Telephone/Communications	3,034	4,379	7,413
Uniform Rentals	1,642	1,474	3,116
Training	91	91	182
Lease	50	0	50
Property Tax	1,303	0	1,303
Contracts	8,726	2,549	11,275
Vermont Permit Renewals	3,342	255	3,597
Administration	14,000	7,000	21,000
Interfund Services Expenses	6,472	397	6,869
Utilities	4,509	19,524	24,033
Testing	1,845	3,485	5,330
Sludge/Refuse Removal	0	27,096	27,096
Maintenance	4,356	4,679	9,035
Mileage Reimbursement	213	251	464
Vehicle Fuel and Maintenance	5,988	0	5,988
Small Equipment Purchases	4,989	7	4,996
Depreciation	112,222	88,722	200,944
Otter Valley Contract Expenses	0	9	9
Other	583	699	1,282
	<u>336,468</u>	<u>275,223</u>	<u>611,691</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(17,042)</u>	<u>15,113</u>	<u>(1,929)</u>
Non-Operating Revenues/(Expenses):			
Investment Income	5,457	1,075	6,532
Interest Expense	<u>(77,163)</u>	<u>(53,813)</u>	<u>(130,976)</u>
Total Non-Operating Revenues/(Expenses)	<u>(71,706)</u>	<u>(52,738)</u>	<u>(124,444)</u>
Net Income/(Loss) Before Transfers	<u>(88,748)</u>	<u>(37,625)</u>	<u>(126,373)</u>
Transfers:			
Transfers In	17,250	12,500	29,750
Transfers Out	<u>0</u>	<u>(4,750)</u>	<u>(4,750)</u>
Total Transfers	<u>17,250</u>	<u>7,750</u>	<u>25,000</u>
Change in Net Position	(71,498)	(29,875)	(101,373)
Net Position - July 1, 2019	<u>3,739,794</u>	<u>1,646,558</u>	<u>5,386,352</u>
Net Position - June 30, 2020	<u>\$ 3,668,296</u>	<u>\$ 1,616,683</u>	<u>\$ 5,284,979</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 330,360	\$ 290,796	\$ 621,156
Payments for Goods and Services	(53,924)	(90,496)	(144,420)
Payment for Interfund Services	(20,472)	(7,397)	(27,869)
Payments for Wages and Benefits	<u>(148,802)</u>	<u>(86,780)</u>	<u>(235,582)</u>
Net Cash Provided by Operating Activities	<u>107,162</u>	<u>106,123</u>	<u>213,285</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	6,090	0	6,090
Increase/(Decrease) in Due to Other Funds	0	41,736	41,736
Repayment of Loans Receivable	0	2,400	2,400
Transfers Received from Other Funds	17,250	12,500	29,750
Transfers Paid to Other funds	<u>0</u>	<u>(4,750)</u>	<u>(4,750)</u>
Net Cash Provided by Noncapital Financing Activities	<u>23,340</u>	<u>51,886</u>	<u>75,226</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(43,292)	(66,824)	(110,116)
Issuance of Long-term Debt	32,343	32,343	64,686
Principal Paid on General Obligation Bonds Payable	(47,802)	(71,548)	(119,350)
Interest Paid on General Obligation Bonds Payable	<u>(77,208)</u>	<u>(53,055)</u>	<u>(130,263)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(135,959)</u>	<u>(159,084)</u>	<u>(295,043)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	<u>5,457</u>	<u>1,075</u>	<u>6,532</u>
Net Cash Provided by Investing Activities	<u>5,457</u>	<u>1,075</u>	<u>6,532</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2019	<u>0</u>	<u>0</u>	<u>0</u>
Cash - June 30, 2020	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ (17,042)	\$ 15,113	\$ (1,929)
Depreciation	112,222	88,722	200,944
(Increase)/Decrease in Receivables	11,136	460	11,596
(Increase)/Decrease in Inventory	(595)	952	357
(Increase)/Decrease in Prepaid Expenses	(1,716)	0	(1,716)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	(642)	(1,289)	(1,931)
Increase/(Decrease) in Accounts Payable	(68)	(5,552)	(5,620)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	1,121	770	1,891
Increase/(Decrease) in Unearned Revenue	(202)	0	(202)
Increase/(Decrease) in Compensated Absences Payable	(5,695)	272	(5,423)
Increase/(Decrease) in Net Pension Liability	7,749	6,142	13,891
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>894</u>	<u>533</u>	<u>1,427</u>
Net Cash Provided by Operating Activities	<u>\$ 107,162</u>	<u>\$ 106,123</u>	<u>\$ 213,285</u>

There was \$7,986 of capital acquisitions in the Sewer Fund included in accounts payable at 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, 2020

<u>ASSETS</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Fund First Response Capital Fund</u>
Cash and Cash Equivalents	\$ 204,108	\$ 0
Investments	2,766,011	0
Due from Other Funds	<u>0</u>	<u>32,728</u>
Total Assets	<u>2,970,119</u>	<u>32,728</u>
 <u>LIABILITIES</u>		
Due to Others	<u>0</u>	<u>32,728</u>
Total Liabilities	<u>0</u>	<u>32,728</u>
 <u>NET POSITION</u>		
Net Position:		
Restricted	<u>2,970,119</u>	<u>0</u>
Total Net Position	<u><u>\$ 2,970,119</u></u>	<u><u>\$ 0</u></u>

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, 2020

	Private-Purpose Trust Funds
Additions:	
Investment Income	\$ 148,059
Donations	500
Total Additions	148,559
Deductions:	
Otter Valley Union School District	96,490
Management Fees	20,870
Miscellaneous	377
Total Deductions	117,737
Change in Net Position	30,822
Net Position - June 30, 2019	2,939,297
Net Position - June 30, 2020	\$ 2,970,119

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

2. Investments

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

3. Receivables

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

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances from/to other funds”. All other outstanding balances between funds are reported as “due from/to other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

5. Inventories and Prepaid Expenses/Items

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

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

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

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, 2020

7. Deferred Outflows/Inflows of Resources

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

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

8. Capital Assets

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

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

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, 2020

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, 2020

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

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

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

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2020 consisted of the following:

Cash and Cash Equivalents:	
Deposits with Financial Institutions	\$1,616,046
Money Market Mutual Funds	170,729
Certificate of Deposit	98,828
Cash on Hand	<u>325</u>
 Total Cash and Cash Equivalents	 <u>1,885,928</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Investments:

Certificates of Deposit	\$ 30,947
U.S. Government Agency Bonds	320,250
Common Stock	1,120,282
Exchange-Traded Funds	26,163
Mutual Funds – Mixed Holdings	<u>1,270,688</u>
Total Investments	<u>2,768,330</u>
Total Cash, Cash Equivalents and Investments	<u>\$4,654,258</u>

The Town has three (3) certificates of deposit at Bar Harbor Bank ranging from \$2,319 to \$98,828 with interest rates ranging from 0.05% 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	\$ 418,014	\$ 418,014
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>1,327,807</u>	<u>1,369,026</u>
Total	<u>\$1,745,821</u>	<u>\$1,787,040</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	\$1,616,046
Cash Equivalents – Certificate of Deposit	98,828
Investments – Certificates of Deposit	<u>30,947</u>
Total	<u>\$1,745,821</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Interest Rate Risk

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

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

Investment Type	Remaining Maturity			Total
	Less Than 1 Year	1 to 5 Years	5 to 10 Years	
U.S. Government Agency Bonds	\$ 50,261	\$ 212,693	\$ 57,296	\$ 320,250

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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.

The Town has the following fair value measurements as of June 30, 2020:

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	\$ 320,250	\$ 320,250	\$ 0	\$ 0
Common Stock	1,120,282	1,120,282	0	0
Exchange-Traded Funds	26,163	26,163	0	0
Mutual Funds - Mixed Holdings	1,270,688	1,270,688	0	0
Total	\$ <u>2,737,383</u>	\$ <u>2,737,383</u>	\$ <u>0</u>	\$ <u>0</u>

B. Receivables

Receivables as of June 30, 2020, 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	\$ 154,374	\$ 0	\$ 154,374
Penalties and Interest Receivable	29,167	289	29,456
Grants Receivable	23,067	0	23,067
Accounts Receivable	13,422	0	13,422
Billed Services	0	280,463	280,463
Unbilled Services	0	8,300	8,300
Allowance for Doubtful Accounts - Taxes	<u>(6,600)</u>	<u>0</u>	<u>(6,600)</u>
Total	\$ <u>213,430</u>	\$ <u>289,052</u>	\$ <u>502,482</u>

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

C. Loans Receivable

Loans receivable as of June 30, 2020, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

Well Drilling Fund:

Loans Receivable, Twenty (20) Loans to Residents for Well Drilling, Principal Due Quarterly Over Ten (10) Years, Interest at 0%, Maximum Loan Amount is \$6,000, Secured by Liens on Properties. Repayment of the Income from the Loans will be Used to Pay the Well Drilling Loan Program Bond Described in Note IV.I. \$38,150

Less: Allowance for Doubtful Accounts (6,000)

Total Governmental Loans Receivable 32,150

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. 2,700

Total Loans Receivable \$34,850

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

<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>\$52,200</u>	<u>\$ 0</u>	<u>\$14,050</u>	<u>\$38,150</u>

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

<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>\$5,100</u>	<u>\$ 0</u>	<u>\$2,400</u>	<u>\$2,700</u>

TOWN OF PITTSFORD, VERMONT
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D. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	40,566	17,589	0	58,155
Total Capital Assets, Not Being Depreciated	<u>144,265</u>	<u>17,589</u>	<u>0</u>	<u>161,854</u>
Capital Assets, Being Depreciated:				
Vehicles	2,200,785	159,826	37,459	2,323,152
Computers	27,846	8,560	11,916	24,490
Equipment	518,436	52,608	20,000	551,044
Buildings and Building Improvements	1,006,990	14,717	0	1,021,707
Infrastructure	7,661,022	702,667	278,149	8,085,540
Totals	<u>11,415,079</u>	<u>938,378</u>	<u>347,524</u>	<u>12,005,933</u>
Less Accumulated Depreciation for:				
Vehicles	1,019,865	125,284	17,799	1,127,350
Computers	17,630	6,317	11,916	12,031
Equipment	310,557	35,216	20,000	325,773
Buildings and Building Improvements	433,880	21,029	0	454,909
Infrastructure	2,976,807	381,091	250,334	3,107,564
Totals	<u>4,758,739</u>	<u>568,937</u>	<u>300,049</u>	<u>5,027,627</u>
Total Capital Assets, Being Depreciated	<u>6,656,340</u>	<u>369,441</u>	<u>47,475</u>	<u>6,978,306</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,800,605</u>	<u>\$ 387,030</u>	<u>\$ 47,475</u>	<u>\$ 7,140,160</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 7,867	\$ 0	\$ 76,222
Construction in Progress	118,343	94,263	0	212,606
Total Capital Assets, Not Being Depreciated	<u>186,698</u>	<u>102,130</u>	<u>0</u>	<u>288,828</u>
Capital Assets, Being Depreciated:				
Vehicles and Equipment	95,458	0	0	95,458
Buildings, Distribution and Collection Systems	11,568,088	0	0	11,568,088
Totals	<u>11,663,546</u>	<u>0</u>	<u>0</u>	<u>11,663,546</u>
Less Accumulated Depreciation for:				
Vehicles and Equipment	37,110	8,723	0	45,833
Buildings, Distribution and Collection Systems	2,738,043	192,221	0	2,930,264
Totals	<u>2,775,153</u>	<u>200,944</u>	<u>0</u>	<u>2,976,097</u>
Total Capital Assets, Being Depreciated	<u>8,888,393</u>	<u>(200,944)</u>	<u>0</u>	<u>8,687,449</u>
Business-type Activities Capital Assets, Net	<u>\$ 9,075,091</u>	<u>\$ (98,814)</u>	<u>\$ 0</u>	<u>\$ 8,976,277</u>

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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 17,231	Water	\$ 112,222
Public Safety	87,007	Sewer	<u>88,722</u>
Highways and Streets	457,501		
Culture and Recreation	5,806		
Sanitation	<u>1,392</u>		
 Total Depreciation Expense - Governmental Activities	 <u>\$ 568,937</u>	 Total Depreciation Expense - Business-type Activities	 <u>\$ 200,944</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2020 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,401,674
Highway Fund	0	42,234
Non-Major Governmental Funds	1,428,540	28,026
Water Fund	369,277	0
Sewer Fund	0	358,611
Agency Fund	<u>32,728</u>	<u>0</u>
 Total	 <u>\$ 1,830,545</u>	 <u>\$ 1,830,545</u>

Interfund transfers during the year ended June 30, 2020 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Municipal Office Fund	\$ 7,000	Appropriation
General Fund	Fire Department Fund	80,000	Appropriation
General Fund	Patrol Car Fund	15,000	Appropriation
General Fund	Mower Replacement Fund	3,000	Appropriation
General Fund	Cemetery Development Fund	2,000	Appropriation
General Fund	Water Fund	12,500	Appropriation
General Fund	Sewer Fund	12,500	Appropriation
Highway Fund	Bridge Reserve Fund	50,000	Appropriation
Highway Fund	Highway Capital Fund	100,000	Appropriation
Belcher Mericle Fund	General Fund	24	Transfer Earnings
Bridge Reserve Fund	Highway Fund	<u>200,667</u>	Fund Local Grant Match
 Total		 <u>\$ 482,691</u>	

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

TOWN OF PITTSFORD, VERMONT
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F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$27,342 from the difference between the expected and actual experience, \$14,374 from the difference between the projected and actual investment earnings and \$7,046 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$25,715 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 \$74,477.

Deferred outflows of resources in the business-type activities consists of \$6,227 from the difference between the expected and actual experience, \$3,274 from the difference between the projected and actual investment earnings and \$1,605 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$5,857 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 \$16,963.

Deferred outflows of resources in the Water Fund consists of \$4,123 from the difference between the expected and actual experience, \$2,167 from the difference between the projected and actual investment earnings and \$1,062 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$3,877 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 \$11,229.

Deferred outflows of resources in the Sewer Fund consists of \$2,104 from the difference between the expected and actual experience, \$1,107 from the difference between the projected and actual investment earnings and \$543 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$1,980 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 \$5,734.

G. Unearned Revenue

Unearned revenue in the governmental activities and General Fund consists of \$165 of recreation fees received in advance.

Unearned revenue in the business-type activities and Water Fund consists of \$575 of user fees received in advance.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$17,324 of prepaid property taxes, \$1,824 from the difference between the expected and actual experience and \$9,717 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the governmental activities is \$28,865.

TOWN OF PITTSFORD, VERMONT
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Deferred inflows of resources in the Business-type Activities consists of \$416 from the difference between the expected and actual experience and \$2,212 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 \$2,628.

Deferred inflows of resources in the General Fund consists of \$154,700 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 \$17,324 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$172,024.

Deferred inflows of resources in the Highway Fund consists of \$20,913 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$32,150 of loans receivable.

Deferred inflows of resources in the Water Fund consists of \$275 from the difference between the expected and actual experience and \$1,465 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Water Fund is \$1,740.

Deferred inflows of resources in the Sewer Fund consists of \$141 from the difference between the expected and actual experience and \$747 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 \$888.

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.

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

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

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

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

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

Long-term liabilities outstanding as of June 30, 2020 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 and Paid December, 2019	\$ 85,000	\$ 0	\$85,000	\$ 0
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>70,880</u>	<u>0</u>	<u>14,176</u>	<u>56,704</u>
Total Governmental Activities	<u>\$155,880</u>	<u>\$ 0</u>	<u>\$99,176</u>	<u>\$56,704</u>

TOWN OF PITTSFORD, VERMONT
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Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$58,318 Payable on June 23 and December 23, Interest at 3.25%, Due June, 2050	\$2,267,170	\$ 0	\$ 43,299	\$2,223,871
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$3,187 Payable on May 15 and November 15, Interest at 2.75%, Due November, 2053	141,375	0	2,503	138,872
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Supply Improvements, Principal Payments of \$2,000 Payable on December 1 Annually, 0% Interest, Due December, 2023	10,000	0	2,000	8,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Supply Improvements, Authorized to \$66,285, Principal Payments of \$13,257 Payable on March 1 Annually Beginning on March 1, 2025, 0% Interest, Due March, 2029	0	32,343	0	32,343
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pollution Control Loan, Sewer Line Upgrades, One Final Principal Payment of \$8,944 Due and Paid October, 2019	8,944	0	8,944	0
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	500,329	0	30,225	470,104

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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, Sewer System Improvements, Authorized to \$46,600 but Eligible for \$23,300 Subsidy, Principal Payments of \$4,660 Payable on July 1 Annually Beginning on July 1, 2024, 0% Interest, Due July, 2028	\$ 6,184	\$ 0	\$ 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	1,051,925	0	32,379	1,019,546
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Improvements, Authorized to \$66,285 but Eligible for \$33,143 Subsidy, Principal Payments of \$6,629 Payable on March 1 Annually Beginning on March 1, 2025, 0% Interest, Due March, 2029	<u>0</u>	<u>32,343</u>	<u>0</u>	<u>32,343</u>
Total Business-type Activities	<u>\$3,985,927</u>	<u>\$64,686</u>	<u>\$119,350</u>	<u>\$3,931,263</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>
Governmental Activities					
General Obligation Bonds Payable	\$ 155,880	\$ 0	\$ 99,176	\$ 56,704	\$ 14,176
Compensated Absences Payable	41,622	0	9,541	32,081	0
Net Pension Liability	<u>192,890</u>	<u>18,150</u>	<u>0</u>	<u>211,040</u>	<u>0</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 390,392</u>	<u>\$ 18,150</u>	<u>\$ 108,717</u>	<u>\$ 299,825</u>	<u>\$ 14,176</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 3,985,927	\$ 64,686	\$ 119,350	\$ 3,931,263	\$ 113,977
Compensated Absences Payable	13,480	0	5,423	8,057	0
Net Pension Liability	<u>34,173</u>	<u>13,891</u>	<u>0</u>	<u>48,064</u>	<u>0</u>
Total Business-type Activities					
Long-term Liabilities	<u>\$ 4,033,580</u>	<u>\$ 78,577</u>	<u>\$ 124,773</u>	<u>\$ 3,987,384</u>	<u>\$ 113,977</u>

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

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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
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	0	0	146,629	105,752
2026-2030	0	0	755,408	462,188
2031-2035	0	0	672,672	345,713
2036-2040	0	0	672,552	247,908
2041-2045	0	0	624,682	142,714
2046-2050	0	0	559,775	53,620
2051-2054	0	0	20,983	1,165
Total	\$ <u>56,704</u>	\$ <u>0</u>	\$ <u>3,931,263</u>	\$ <u>1,821,798</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.

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

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

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

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

Major Funds

General Fund:	
Nonspendable Prepaid Items	\$ 7,167

Highway Fund:	
Nonspendable Inventory	21,311

Non-Major Funds

Permanent Fund:	
Nonspendable Belcher Mericle Fund Principal	<u>1,250</u>

Total Nonspendable Fund Balances	<u>\$29,728</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)	\$ 67,907
Restricted for William Dennison Expenses by Trust Agreement (Source of Revenue is Donations)	98,828
Restricted for Well Drilling Debt Service by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>14,741</u>

Total Special Revenue Funds	<u>181,476</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	213,252
Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Highway Capital Expenditures	<u>383,948</u>

Total Capital Projects Funds	<u>597,200</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>1,439</u>
Total Restricted Fund Balances	\$ <u>780,115</u>

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>23,481</u>
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Capital Projects Funds:

Committed for Bridge Expenses by the Voters	55,309
Committed for Municipal Office Expenditures by the Voters	3,010
Committed for Fire Department Expenditures by the Voters	451,768
Committed for Mower Replacement Expenditures by the Voters	20,524
Committed for Cemetery Development Expenditures by the Voters	<u>49,198</u>

Total Capital Projects Funds	<u>579,809</u>
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Total Committed Fund Balances	\$ <u>603,290</u>
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The fund balance in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned for Trail Expenses	\$ 6,650
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>154,878</u>
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Total Assigned Fund Balances	\$ <u>161,528</u>
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The unassigned deficit of \$55,309 in the Highway Fund will be funded with the collection of grant revenues and property taxes.

The unassigned deficit of \$3,395 in the Veterans Memorial Fund will be funded with future donations.

The unassigned deficit of \$24,631 in the Patrol Car Fund will be funded with future transfers from the General Fund.

TOWN OF PITTSFORD, VERMONT
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K. Restricted and Designated Net Position

The restricted net position of the Town as of June 30, 2020 consisted of the following:

Governmental Activities:

Inventories Restricted for Highway Use by Statute	\$ 21,311
Restricted for Highway Expenditures by Statute	618,113
Restricted for Records Preservation Expenses by Statute	67,907
Restricted for William Dennison Expenses by Trust Agreement	98,828
Restricted for Belcher Mericle Expenses by Trust Agreement – Non-Expendable Portion	1,250
Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>1,439</u>
Total Governmental Activities	<u>\$808,848</u>

The designated net position of the Town as of June 30, 2020 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Capital – Improvements	\$310,839
Designated for Water Capital – Vehicle	<u>30,084</u>
Total Water Fund	<u>340,923</u>

Sewer Fund:

Designated for Sewer Capital – Improvements	88,888
Designated in Excess of Unrestricted Net Position	<u>(88,888)</u>
Total Sewer Fund	<u>0</u>

Total Business-type Activities	<u>\$340,923</u>
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The net position held in trust for various purposes in the Town’s Private-Purpose Trust Funds as of June 30, 2020 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Bowen Walker Fund	\$ 28,628
Restricted for Burditt Trust Fund	2,855,943
Restricted for Booth Fund	40,012
Restricted for Pittsford Trust Fund	20,424
Restricted for Kelley Trust Fund	12,955
Restricted for Pinney Fund	<u>12,157</u>
Total Private-Purpose Trust Funds Net Position	<u>\$2,970,119</u>

TOWN OF PITTSFORD, VERMONT
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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. As of June 30, 2019, the measurement date selected by the State of Vermont, the retirement system consisted of 379 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, 2019, the measurement date selected by the State of Vermont, VMERS was funded at 80.35% and had a plan fiduciary net position of \$709,465,831 and a total pension liability of \$882,957,638 resulting in a net position liability of \$173,491,807. As of June 30, 2020, the Town's proportionate share of this was 0.1493% resulting in a net pension liability of \$259,104. The net pension liability was measured as of June 30, 2019, 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 0.1493% was a decrease of 0.0121 from its proportion measured as of the prior year.

TOWN OF PITTSFORD, VERMONT
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JUNE 30, 2020

For the year ended June 30, 2020, the Town recognized pension expense of \$78,238.

As of June 30, 2020, 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	\$ 33,569	\$ 2,240
Difference between projected and actual investment earnings	17,648	0
Changes in assumptions	8,651	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	11,929
Town's required employer contributions made subsequent to the measurement date	31,572	0
	\$ 91,440	\$ 14,169

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$424,904 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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>	
2021	\$19,688
2022	8,934
2023	10,821
2024	<u>6,256</u>
Total	<u>\$45,699</u>

Summary of System Provisions

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

Creditable Service – Service as a member plus purchased service.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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

Service Retirement Allowance:

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

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

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

Early Retirement Allowance:

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

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

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Death Benefit:

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

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

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

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

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 2.75%. Group B – 5.125%. Group C – 10.25%. Group D – 11.60%.

Employer Contributions – Group A – 4.25%. Group B – 5.75%. Group C – 7.50%. Group D – 10.10%.

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

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: Groups A, B and C – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Employee and 40% Healthy Employee with generational projection using scale SSA-2017. Group D – 100% of RP-2006 Blue Collar Mortality Table with generational projection using scale SSA-2017.

Healthy Post-Retirement: Groups A, B and C – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Annuitant and 40% Healthy Annuitant with generational projection using scale SSA-2017. Group D – 100% of RP-2006 Blue Collar Annuitant Table with generational projections using scale SSA-2017.

Disabled Post-Retirement: All Groups – RP-2006 Disabled Mortality Table with generational projection using scale SSA-2017.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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

Cost-of-Living Adjustments: 1.15% for Group A members and 1.30% for Groups B, C and D members. The January 1, 2019 and January 1, 2020 COLAs are 1.30% and 0.80%, respectively, for all groups.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

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

Inflation: 2.50%

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29%	6.90%
US Equity – Large Cap	4%	5.94%
US Equity – Small/Mid Cap	3%	6.72%
Non-US Equity – Large Cap	5%	6.81%
Non-US Equity – Small Cap	2%	7.31%
Emerging Markets Debt	4%	4.26%
Core Bond	14%	1.79%
Non-Core Bonds	6%	3.22%
Short Quality Credit	5%	1.81%
Private Credit	5%	6.00%
US TIPS	3%	1.45%
Core Real Estate	5%	4.26%
Non-Core Real Estate	3%	5.76%
Private Equity	10%	10.81%
Infrastructure/Farmland	2%	4.89%

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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>
\$424,891	\$259,104	\$121,862

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.

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 a matching contribution to one (1) employee’s IRA accounts provided by an insurance company. The Town’s expense for the year ended June 30, 2020 was \$468.

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

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, 2020, taxes were due and payable on August 15, 2019, September 16, 2019 and November 15, 2019. 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, 2019. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2020 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.3501	.3501
Highway	.2755	.2755
Local Agreement	.0025	.0025
Education	<u>1.4131</u>	<u>1.6433</u>
 Total	 <u>2.0412</u>	 <u>2.2714</u>

A separate tax rate of .0362 was billed to taxpayers who lived within the Village limits.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, the Town has drawn \$141,760 of this amount and repaid \$85,056 leaving a balance owed of \$56,704.

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

At the March, 2019 Town meeting, the voters approved borrowing up to \$970,000 from the State of Vermont Special Environmental Loan Fund to finance sewer system improvements. No proceeds have been borrowed as of the date of this report.

E. Concentration of Revenue

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2020, the Town received 23.6% of its total property taxes and 13.5% of total water sales from OMYA, Inc.

F. Subsequent Event

Subsequent to year end, the Town purchased a new fire truck for \$744,000. The Town made a \$400,000 down payment and financed the remaining balance with Municipal Leasing Credit Corporation requiring ten (10) annual payments of \$40,533 beginning in December 2021.

TOWN OF PITTSFORD, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2020

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

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2020

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

Notes to Schedule

Valuation Date: June 30, 2019

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

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 98,828	\$ 0	\$ 0	\$ 98,828
Investments	0	0	2,319	2,319
Receivables	0	11,208	0	11,208
Loans Receivable (Net of Allowance for Uncollectibles)	32,150	0	0	32,150
Due from Other Funds	<u>262,369</u>	<u>1,165,801</u>	<u>370</u>	<u>1,428,540</u>
Total Assets	<u>\$ 393,347</u>	<u>\$ 1,177,009</u>	<u>\$ 2,689</u>	<u>\$ 1,573,045</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,362	\$ 0	\$ 0	\$ 1,362
Due to Other Funds	<u>3,395</u>	<u>24,631</u>	<u>0</u>	<u>28,026</u>
Total Liabilities	<u>4,757</u>	<u>24,631</u>	<u>0</u>	<u>29,388</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	<u>32,150</u>	<u>0</u>	<u>0</u>	<u>32,150</u>
Total Deferred Inflows of Resources	<u>32,150</u>	<u>0</u>	<u>0</u>	<u>32,150</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	181,476	597,200	1,439	780,115
Committed	23,481	579,809	0	603,290
Assigned	154,878	0	0	154,878
Unassigned/(Deficit)	<u>(3,395)</u>	<u>(24,631)</u>	<u>0</u>	<u>(28,026)</u>
Total Fund Balances	<u>356,440</u>	<u>1,152,378</u>	<u>2,689</u>	<u>1,511,507</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 393,347</u>	<u>\$ 1,177,009</u>	<u>\$ 2,689</u>	<u>\$ 1,573,045</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, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 16,000	\$ 0	\$ 0	\$ 16,000
Intergovernmental	13,936	11,208	0	25,144
Permits, Licenses and Fees	9,318	0	0	9,318
Loan Repayments	14,050	0	0	14,050
Investment Income	3,360	16,517	24	19,901
Donations	450	3,000	300	3,750
Other	0	500	0	500
	<u>57,114</u>	<u>31,225</u>	<u>324</u>	<u>88,663</u>
Total Revenues				
Expenditures:				
General Government	15,968	0	0	15,968
Highways and Streets	0	1,319	0	1,319
Capital Outlay:				
Public Safety	0	38,439	0	38,439
Highways and Streets	1,000	120,737	0	121,737
Debt Service:				
Principal	14,176	0	0	14,176
Interest	0	356	0	356
	<u>31,144</u>	<u>160,851</u>	<u>0</u>	<u>191,995</u>
Total Expenditures				
Excess/(Deficiency) of Revenues Over Expenditures	<u>25,970</u>	<u>(129,626)</u>	<u>324</u>	<u>(103,332)</u>
Other Financing Sources/(Uses):				
Transfers In	0	257,000	0	257,000
Transfers Out	0	(200,667)	(24)	(200,691)
	<u>0</u>	<u>56,333</u>	<u>(24)</u>	<u>56,309</u>
Total Other Financing Sources/(Uses)				
Net Change in Fund Balances	25,970	(73,293)	300	(47,023)
Fund Balances - July 1, 2019	<u>330,470</u>	<u>1,225,671</u>	<u>2,389</u>	<u>1,558,530</u>
Fund Balances - June 30, 2020	<u>\$ 356,440</u>	<u>\$ 1,152,378</u>	<u>\$ 2,689</u>	<u>\$ 1,511,507</u>

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TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,828	\$ 0	\$ 98,828
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0	0	0	32,150	32,150
Due from Other Funds	<u>24,843</u>	<u>154,878</u>	<u>67,907</u>	<u>0</u>	<u>0</u>	<u>14,741</u>	<u>262,369</u>
Total Assets	<u>\$ 24,843</u>	<u>\$ 154,878</u>	<u>\$ 67,907</u>	<u>\$ 0</u>	<u>\$ 98,828</u>	<u>\$ 46,891</u>	<u>\$ 393,347</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 1,362	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,362
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,395</u>	<u>0</u>	<u>0</u>	<u>3,395</u>
Total Liabilities	<u>1,362</u>	<u>0</u>	<u>0</u>	<u>3,395</u>	<u>0</u>	<u>0</u>	<u>4,757</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,150</u>	<u>32,150</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,150</u>	<u>32,150</u>
<u>FUND BALANCES/(DEFICIT)</u>							
Restricted	0	0	67,907	0	98,828	14,741	181,476
Committed	23,481	0	0	0	0	0	23,481
Assigned	0	154,878	0	0	0	0	154,878
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,395)</u>	<u>0</u>	<u>0</u>	<u>(3,395)</u>
Total Fund Balances/(Deficit)	<u>23,481</u>	<u>154,878</u>	<u>67,907</u>	<u>(3,395)</u>	<u>98,828</u>	<u>14,741</u>	<u>356,440</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 24,843</u>	<u>\$ 154,878</u>	<u>\$ 67,907</u>	<u>\$ 0</u>	<u>\$ 98,828</u>	<u>\$ 46,891</u>	<u>\$ 393,347</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, 2020

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenues:							
Property Taxes	\$ 16,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,000
Intergovernmental	0	13,936	0	0	0	0	13,936
Permits, Licenses and Fees	0	0	9,318	0	0	0	9,318
Loan Repayments	0	0	0	0	0	14,050	14,050
Investment Income	370	1,821	800	0	199	170	3,360
Donations	0	0	0	450	0	0	450
Total Revenues	16,370	15,757	10,118	450	199	14,220	57,114
Expenditures:							
General Government	15,612	0	312	44	0	0	15,968
Capital Outlay:							
Highways and Streets	1,000	0	0	0	0	0	1,000
Debt Service:							
Principal	0	0	0	0	0	14,176	14,176
Total Expenditures	16,612	0	312	44	0	14,176	31,144
Net Change in Fund Balances	(242)	15,757	9,806	406	199	44	25,970
Fund Balances/(Deficit) - July 1, 2019	23,723	139,121	58,101	(3,801)	98,629	14,697	330,470
Fund Balances/(Deficit) - June 30, 2020	<u>\$ 23,481</u>	<u>\$ 154,878</u>	<u>\$ 67,907</u>	<u>\$ (3,395)</u>	<u>\$ 98,828</u>	<u>\$ 14,741</u>	<u>\$ 356,440</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	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>								
Receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,208	\$ 11,208
Due from Other Funds	<u>268,561</u>	<u>3,010</u>	<u>451,768</u>	<u>0</u>	<u>20,524</u>	<u>49,198</u>	<u>372,740</u>	<u>1,165,801</u>
Total Assets	<u>\$ 268,561</u>	<u>\$ 3,010</u>	<u>\$ 451,768</u>	<u>\$ 0</u>	<u>\$ 20,524</u>	<u>\$ 49,198</u>	<u>\$ 383,948</u>	<u>\$ 1,177,009</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>24,631</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>24,631</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,631</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,631</u>
Fund Balances/(Deficit):								
Restricted	213,252	0	0	0	0	0	383,948	597,200
Committed	55,309	3,010	451,768	0	20,524	49,198	0	579,809
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(24,631)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(24,631)</u>
Total Fund Balances/(Deficit)	<u>268,561</u>	<u>3,010</u>	<u>451,768</u>	<u>(24,631)</u>	<u>20,524</u>	<u>49,198</u>	<u>383,948</u>	<u>1,152,378</u>
Total Liabilities and Fund Balances	<u>\$ 268,561</u>	<u>\$ 3,010</u>	<u>\$ 451,768</u>	<u>\$ 0</u>	<u>\$ 20,524</u>	<u>\$ 49,198</u>	<u>\$ 383,948</u>	<u>\$ 1,177,009</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, 2020

	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	\$ 11,208	\$ 11,208
Investment Income	5,594	0	5,190	0	240	604	4,889	16,517
Donations	0	0	0	3,000	0	0	0	3,000
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>
Total Revenues	<u>5,594</u>	<u>0</u>	<u>5,190</u>	<u>3,500</u>	<u>240</u>	<u>604</u>	<u>16,097</u>	<u>31,225</u>
Expenditures:								
Highways and Streets	1,319	0	0	0	0	0	0	1,319
Capital Outlay:								
Public Safety	0	0	0	38,439	0	0	0	38,439
Highways and Streets	0	0	0	0	0	0	120,737	120,737
Debt Service:								
Interest	<u>0</u>	<u>2</u>	<u>0</u>	<u>354</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>356</u>
Total Expenditures	<u>1,319</u>	<u>2</u>	<u>0</u>	<u>38,793</u>	<u>0</u>	<u>0</u>	<u>120,737</u>	<u>160,851</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>4,275</u>	<u>(2)</u>	<u>5,190</u>	<u>(35,293)</u>	<u>240</u>	<u>604</u>	<u>(104,640)</u>	<u>(129,626)</u>
Other Financing Sources/(Uses):								
Transfers In	50,000	7,000	80,000	15,000	3,000	2,000	100,000	257,000
Transfers Out	<u>(200,667)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(200,667)</u>
Total Other Financing Sources/(Uses)	<u>(150,667)</u>	<u>7,000</u>	<u>80,000</u>	<u>15,000</u>	<u>3,000</u>	<u>2,000</u>	<u>100,000</u>	<u>56,333</u>
Net Change in Fund Balances	(146,392)	6,998	85,190	(20,293)	3,240	2,604	(4,640)	(73,293)
Fund Balances/(Deficit) - July 1, 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>
Fund Balances/(Deficit) - June 30, 2020	<u>\$ 268,561</u>	<u>\$ 3,010</u>	<u>\$ 451,768</u>	<u>\$ (24,631)</u>	<u>\$ 20,524</u>	<u>\$ 49,198</u>	<u>\$ 383,948</u>	<u>\$ 1,152,378</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2020

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 0	\$ 165,508	\$ 4,100	\$ 20,424	\$ 12,955	\$ 1,121	\$ 204,108
Investments	<u>28,628</u>	<u>2,690,435</u>	<u>35,912</u>	<u>0</u>	<u>0</u>	<u>11,036</u>	<u>2,766,011</u>
Total Assets	<u>28,628</u>	<u>2,855,943</u>	<u>40,012</u>	<u>20,424</u>	<u>12,955</u>	<u>12,157</u>	<u>2,970,119</u>
<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>2,855,943</u>	<u>40,012</u>	<u>20,424</u>	<u>12,955</u>	<u>12,157</u>	<u>2,970,119</u>
Total Net Position	<u>\$ 28,628</u>	<u>\$ 2,855,943</u>	<u>\$ 40,012</u>	<u>\$ 20,424</u>	<u>\$ 12,955</u>	<u>\$ 12,157</u>	<u>\$ 2,970,119</u>

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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, 2020

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
Additions:							
Investment Income	\$ 327	\$ 144,730	\$ 2,490	\$ 12	\$ 7	\$ 493	\$ 148,059
Donations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>
Total Additions	<u>327</u>	<u>144,730</u>	<u>2,490</u>	<u>12</u>	<u>7</u>	<u>993</u>	<u>148,559</u>
Deductions:							
Otter Valley Union School District	0	96,490	0	0	0	0	96,490
Management Fees	0	20,527	285	0	0	58	20,870
Miscellaneous	<u>327</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>377</u>
Total Deductions	<u>327</u>	<u>117,017</u>	<u>285</u>	<u>0</u>	<u>50</u>	<u>58</u>	<u>117,737</u>
Change in Net Position	0	27,713	2,205	12	(43)	935	30,822
Net Position - July 1, 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>
Net Position - June 30, 2020	<u><u>\$ 28,628</u></u>	<u><u>\$ 2,855,943</u></u>	<u><u>\$ 40,012</u></u>	<u><u>\$ 20,424</u></u>	<u><u>\$ 12,955</u></u>	<u><u>\$ 12,157</u></u>	<u><u>\$ 2,970,119</u></u>

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Sullivan, Powers & Co., P.C.

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Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
"Government Auditing Standards"

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Pittsford, Vermont's basic financial statements, and have issued our report thereon dated February 10, 2021.

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

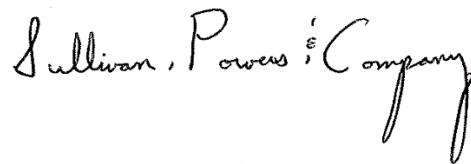
As part of obtaining reasonable assurance about whether the Town of Pittsford, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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 February 10, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Pittsford, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Pittsford, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 10, 2021
Montpelier, Vermont
VT Lic. #92-000180

Handwritten signature of Sullivan, Powers & Company in cursive script.