

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2022

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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 Audit of the Financial Statements

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Pittsford, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2022, the Town implemented GASB Statement No. 87, “Leases”.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Pittsford, Vermont’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and “Government Auditing Standards” will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and “Government Auditing Standards”, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Pittsford, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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 is the responsibility of management and, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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 express no 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 April 24, 2023 on our consideration of the Town of Pittsford, Vermont’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Pittsford, Vermont’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Pittsford, Vermont’s internal control over financial reporting and compliance.

Sullivan, Powers & Co.

April 24, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,888,437	\$ 0	\$ 1,888,437
Investments	81,603	0	81,603
Receivables (Net of Allowance for Uncollectibles)	140,984	334,044	475,028
Loans Receivable (Net of Allowance for Uncollectibles)	11,950	1,800	13,750
Internal Balances	202,930	(202,930)	0
Prepaid Expenses	12,492	2,749	15,241
Inventory	72,474	7,236	79,710
Capital Assets:			
Land	190,636	76,222	266,858
Construction in Progress	198,497	133,162	331,659
Other Capital Assets, (Net of Accumulated Depreciation)	8,060,077	9,198,661	17,258,738
Total Assets	<u>10,860,080</u>	<u>9,550,944</u>	<u>20,411,024</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	91,990	18,178	110,168
Total Deferred Outflows of Resources	<u>91,990</u>	<u>18,178</u>	<u>110,168</u>
<u>LIABILITIES</u>			
Accounts Payable	53,813	17,370	71,183
Accrued Payroll and Benefits Payable	17,740	4,658	22,398
Due to Others	2,000	0	2,000
Unearned Revenue	428,547	0	428,547
Accrued Interest Payable	5,229	15,289	20,518
Noncurrent Liabilities:			
Due within One Year	44,972	133,328	178,300
Due in More than One Year	506,554	4,069,771	4,576,325
Total Liabilities	<u>1,058,855</u>	<u>4,240,416</u>	<u>5,299,271</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	18,049	0	18,049
Deferred Inflows of Resources Related to the Town's Participation in VMERS	117,658	23,250	140,908
Total Deferred Inflows of Resources	<u>135,707</u>	<u>23,250</u>	<u>158,957</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,135,080	5,251,505	13,386,585
Restricted For:			
Public Safety	84,770	0	84,770
Records Preservation	88,290	0	88,290
Other	3,189	0	3,189
Unrestricted	1,446,179	53,951	1,500,130
Total Net Position	<u>\$ 9,757,508</u>	<u>\$ 5,305,456</u>	<u>\$ 15,062,964</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, 2022

	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	\$ 789,246	\$ 81,749	\$ 25,003	\$ 0	\$ (682,494)	\$ 0	\$ (682,494)
Public Safety	524,844	88,876	2,715	0	(433,253)	0	(433,253)
Highways and Streets	1,222,897	11,678	184,520	19,417	(1,007,282)	0	(1,007,282)
Culture and Recreation	294,726	48,431	0	3,812	(242,483)	0	(242,483)
Sanitation	75,582	42,174	0	0	(33,408)	0	(33,408)
Interest on Long-term Debt	15,892	0	0	0	(15,892)	0	(15,892)
Total Governmental Activities	<u>2,923,187</u>	<u>272,908</u>	<u>212,238</u>	<u>23,229</u>	<u>(2,414,812)</u>	<u>0</u>	<u>(2,414,812)</u>
Business-type Activities:							
Water	517,028	314,991	0	0	0	(202,037)	(202,037)
Sewer	<u>344,786</u>	<u>335,144</u>	<u>0</u>	<u>323,040</u>	<u>0</u>	<u>313,398</u>	<u>313,398</u>
Total Business-type Activities	<u>861,814</u>	<u>650,135</u>	<u>0</u>	<u>323,040</u>	<u>0</u>	<u>111,361</u>	<u>111,361</u>
Total Primary Government	<u>\$ 3,785,001</u>	<u>\$ 923,043</u>	<u>\$ 212,238</u>	<u>\$ 346,269</u>	<u>(2,414,812)</u>	<u>111,361</u>	<u>(2,303,451)</u>
General Revenues:							
Property Taxes					2,303,721	0	2,303,721
Penalties and Interest on Delinquent Taxes					53,539	0	53,539
General State Grants					114,396	0	114,396
Unrestricted Investment Earnings/(Loss)					(6,455)	656	(5,799)
Insurance Proceeds					11,985	0	11,985
Other Revenues					6,393	0	6,393
Transfers:					<u>(30,000)</u>	<u>30,000</u>	<u>0</u>
Total General Revenues and Transfers					<u>2,453,579</u>	<u>30,656</u>	<u>2,484,235</u>
Change in Net Position					38,767	142,017	180,784
Net Position - July 1, 2021					<u>9,718,741</u>	<u>\$ 5,163,439</u>	<u>14,882,180</u>
Net Position - June 30, 2022					<u>\$ 9,757,508</u>	<u>\$ 5,305,456</u>	<u>\$ 15,062,964</u>

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

TOWN OF PITTSFORD, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Highway Fund	Highway Capital Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 1,882,081	\$ 0	0	\$ 0	\$ 6,356	\$ 1,888,437
Investments	0	0	0	0	81,603	81,603
Receivables (Net of Allowance for Uncollectibles)	118,225	22,759	0	0	0	140,984
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0	0	11,950	11,950
Due from Other Funds	0	73,224	406,420	417,265	828,372	1,725,281
Prepaid Items	12,492	0	0	0	0	12,492
Inventory	0	72,474	0	0	0	72,474
Total Assets	\$ 2,012,798	\$ 168,457	406,420	\$ 417,265	\$ 928,281	\$ 3,933,221
LIABILITIES						
Accounts Payable	17,973	21,253	0	0	\$ 14,587	\$ 53,813
Accrued Payroll and Benefits Payable	15,576	2,164	0	0	0	17,740
Due to Others	0	2,000	0	0	0	2,000
Due to Other Funds	1,519,441	0	0	0	2,910	1,522,351
Unearned Revenue	11,994	0	0	416,553	0	428,547
Total Liabilities	1,564,984	25,417	0	416,553	17,497	2,024,451
DEFERRED INFLOWS OF RESOURCES						
Prepaid Property Taxes	18,049	0	0	0	0	18,049
Unavailable Property Taxes, Penalties and Interest	100,000	0	0	0	0	100,000
Unavailable Grants	0	22,759	0	0	0	22,759
Unavailable Loans Receivable	0	0	0	0	11,950	11,950
Total Deferred Inflows of Resources	118,049	22,759	0	0	11,950	152,758
FUND BALANCES						
Nonspendable	12,492	72,474	0	0	1,250	86,216
Restricted	0	0	0	0	181,634	181,634
Committed	0	47,807	406,420	0	594,861	1,049,088
Assigned	8,398	0	0	712	123,999	133,109
Unassigned/(Deficit)	308,875	0	0	0	(2,910)	305,965
Total Fund Balances	329,765	120,281	406,420	712	898,834	1,756,012
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,012,798	\$ 168,457	406,420	\$ 417,265	\$ 928,281	

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.	8,449,210
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	134,709
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.	(556,755)
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.	(25,668)
Net Position of Governmental Activities	\$ 9,757,508

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Highway Fund	Highway Capital Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 1,345,070	\$ 1,015,147	\$ 0	\$ 0	\$ 16,004	\$ 2,376,221
Penalties and Interest on Delinquent Taxes	53,539	0	0	0	0	53,539
Intergovernmental	138,613	180,520	0	0	13,994	333,127
Charges for Services	112,110	10,623	0	0	0	122,733
Permits, Licenses and Fees	76,293	1,055	0	0	10,374	87,722
Fines and Forfeits	38,519	0	0	0	0	38,519
Loan Repayments	0	0	0	0	7,700	7,700
Investment Income/(Loss)	3,465	511	827	712	(11,970)	(6,455)
Donations	9,140	0	0	0	650	9,790
Other	8,453	1,591	4,000	0	0	14,044
Total Revenues	1,785,202	1,209,447	4,827	712	36,752	3,036,940
Expenditures:						
General Government	696,624	0	0	0	71,677	768,301
Public Safety	428,692	0	0	0	0	428,692
Highways and Streets	0	695,095	0	0	3,185	698,280
Culture and Recreation	282,768	0	0	0	5,670	288,438
Sanitation	74,441	0	0	0	0	74,441
Capital Outlay:						
General Government	9,890	0	0	0	0	9,890
Public Safety	30,517	0	0	0	6,717	37,234
Highways and Streets	0	393,618	187,631	0	89,750	670,999
Sanitation	3,950	0	0	0	0	3,950
Debt Service:						
Principal	29,870	0	0	0	14,176	44,046
Interest	10,663	0	0	0	0	10,663
Total Expenditures	1,567,415	1,088,713	187,631	0	191,175	3,034,934
Excess/(Deficiency) of Revenues Over Expenditures	217,787	120,734	(182,804)	712	(154,423)	2,006
Other Financing Sources/(Uses):						
Insurance Proceeds	0	0	0	0	11,985	11,985
Transfers In	32	0	100,000	0	157,968	258,000
Transfers Out	(137,968)	(150,000)	0	0	(32)	(288,000)
Total Other Financing Sources/(Uses)	(137,936)	(150,000)	100,000	0	169,921	(18,015)
Net Change in Fund Balances	79,851	(29,266)	(82,804)	712	15,498	(16,009)
Fund Balances - July 1, 2021	249,914	149,547	489,224	0	883,336	1,772,021
Fund Balances - June 30, 2022	<u>\$ 329,765</u>	<u>\$ 120,281</u>	<u>\$ 406,420</u>	<u>\$ 712</u>	<u>\$ 898,834</u>	<u>\$ 1,756,012</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, 2022

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)	\$	(16,009)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$722,073) is allocated over their estimated useful lives and reported as depreciation expense (\$601,094). This is the amount by which capital outlays exceeded depreciation in the current period.		120,979
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets, capital donations) is to reduce net position		(34,064)
The issuance of long-term debt (\$-0-) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$44,046) 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.		44,046
The issuance of loans receivable (\$-0-) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$7,700) 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.		(7,700)
Governmental funds report employer pension contributions as expenditures (\$28,477). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$35,097) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(6,620)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(53,083)
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>(8,782)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>38,767</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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 1,283,329	\$ 1,345,070	\$ 61,741
Interest on Delinquent Taxes	25,000	30,859	5,859
Penalty on Delinquent Taxes	17,000	22,680	5,680
Tax Sale Properties/Land	0	4,771	4,771
Delinquent Other Revenue	0	31	31
Total Property Taxes	1,325,329	1,403,411	78,082
Fees and Permits:			
First Class Liquor Licenses	460	345	(115)
Second Class Liquor Licenses	395	210	(185)
Junk Yard Licenses	25	0	(25)
Marriage Licenses	1,200	1,080	(120)
Burial Permits	25	5	(20)
Certified Copy Fees	1,000	530	(470)
Recording Fees	25,000	25,840	840
Photocopy Fees	2,500	2,098	(402)
DMV Fees	200	135	(65)
Posting Permits	100	120	20
Site Plan Review/Zoning Fees	3,800	3,165	(635)
Fireworks Permit Fees	150	195	45
Fire Wardens Permit Fees	200	0	(200)
Miscellaneous Fees	280	61	(219)
Total Fees and Permits	35,335	33,784	(1,551)
Intergovernmental Revenues:			
State PILOT	54,000	60,456	6,456
Current Use Reimbursement	45,000	53,203	8,203
School Billing Fee - Act 68	10,000	10,493	493
Vermont Railroad Tax	700	737	37
Health and Safety Revenue	5,000	3,950	(1,050)
Total Intergovernmental Revenues	114,700	128,839	14,139
Research Revenues:	400	481	81
Solid Waste:			
Annual User Permits	11,000	11,346	346
Garbage Bag Charges	33,000	30,828	(2,172)
Total Solid Waste	44,000	42,174	(1,826)

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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous Receipts:			
Donations	\$ 0	\$ 500	\$ 500
Maclure Library Phone Reimbursement	1,000	0	(1,000)
Investment Interest	7,200	3,465	(3,735)
Water Administration Fee	15,000	15,000	0
Sewer Administration Fee	5,000	5,000	0
Green Mountain Passport	30	50	20
School Share of Election	0	1,663	1,663
Grant	0	7,059	7,059
	<u>28,230</u>	<u>32,737</u>	<u>4,507</u>
Total Miscellaneous Receipts			
Recreation:			
Annual Family Permits	2,000	1,460	(540)
Daily Gate Passes	4,000	3,410	(590)
Tennis Court Permits	400	570	170
Group Picnic Charges	2,000	2,625	625
Trail Run Revenue	5,000	3,301	(1,699)
Belcher-Mericle Interest	25	32	7
Disc Golf Donations	200	515	315
Donations	500	270	(230)
Youth League Registration	2,500	2,800	300
Girls Softball Registration	500	425	(75)
Youth League Donations	2,000	1,770	(230)
Day Camp Donations	0	6,085	6,085
Day Camp Registrations	12,000	16,069	4,069
Summer Programs	2,500	420	(2,080)
5K Race	400	550	150
Fall Programs	5,200	3,195	(2,005)
Winter Programs	2,000	1,690	(310)
Spring Programs	2,000	0	(2,000)
Miscellaneous Revenue	0	3,276	3,276
	<u>43,225</u>	<u>48,463</u>	<u>5,238</u>
Total Recreation			
Animal Management Fees:	<u>5,000</u>	<u>3,754</u>	<u>(1,246)</u>
Police:			
Traffic Fines	25,000	38,044	13,044
Serving Court Papers	300	100	(200)
Insurance Reports	150	375	225
Parking Ticket Revenue	100	0	(100)
Miscellaneous Revenue	100	375	275
Grant Revenue	5,000	2,715	(2,285)
Chittenden Patrol	21,000	19,462	(1,538)
OMYA Truck Detail Revenue	21,000	30,520	9,520
	<u>72,650</u>	<u>91,591</u>	<u>18,941</u>
Total Police			
Total Revenues	<u>1,668,869</u>	<u>1,785,234</u>	<u>116,365</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, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Expenditures:			
Legislation:			
Selectmen Services	\$ 6,000	\$ 5,800	\$ 200
Public Officials Insurance	4,000	3,871	129
Selectmen Expenses	1,200	1,660	(460)
Secretary/Clerk	2,000	1,466	534
Recording Secretary	3,400	3,225	175
FICA/Medicare	1,200	885	315
Communications Officer	1,200	875	325
	<u>19,000</u>	<u>17,782</u>	<u>1,218</u>
Management:			
Town Manager	91,050	102,149	(11,099)
Secretary	41,000	30,594	10,406
FICA/Medicare	10,800	10,751	49
Retirement Insurance	8,700	9,270	(570)
Medical Insurance	28,000	12,550	15,450
Dental Insurance	1,500	683	817
Life Insurance	1,350	590	760
Workers' Compensation Insurance	500	493	7
Property Insurance	1,100	1,520	(420)
General Liability Insurance	3,800	2,038	1,762
Employment Practices	4,500	4,411	89
Unemployment Insurance	180	200	(20)
Mileage Reimbursement	1,500	643	857
Training	1,200	1,217	(17)
Health and Safety Expense	5,000	8,829	(3,829)
Moving Expenses	0	5,552	(5,552)
Car Allowance	5,000	4,135	865
	<u>205,180</u>	<u>195,625</u>	<u>9,555</u>
Elections:			
Ballot Clerks	1,500	2,523	(1,023)
FICA/Medicare	200	193	7
Notices, Warnings, Ads	200	159	41
Ballots and Supplies	1,400	3,471	(2,071)
Ballot Machine Setup	2,300	575	1,725
	<u>5,600</u>	<u>6,921</u>	<u>(1,321)</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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Finance:			
Clerk and Treasurer	\$ 67,100	\$ 67,633	\$ (533)
Overtime	500	49	451
Assistant Clerk and Treasurer	43,500	41,651	1,849
Bookkeeper	30,000	31,799	(1,799)
FICA/Medicare	10,500	10,632	(132)
Retirement Insurance	5,800	6,957	(1,157)
Medical Insurance	18,650	18,097	553
Dental Insurance	925	864	61
Life Insurance	1,300	1,237	63
Workers' Compensation Insurance	500	543	(43)
Unemployment Insurance	200	221	(21)
Mileage Reimbursement	250	247	3
State Dues - Clerks Association	100	75	25
Training Fees	1,000	128	872
	<u>180,325</u>	<u>180,133</u>	<u>192</u>
Total Finance			
Administration:			
Office Supplies	15,000	11,935	3,065
Computer Supplies	6,000	6,994	(994)
Computer Contracts	12,800	14,598	(1,798)
Website Maintenance/Expenses	2,500	2,797	(297)
Newsletter Printing and Postage	4,000	4,743	(743)
Postage - General	4,200	4,271	(71)
Tax Bills and Postage	2,000	951	1,049
Town Report Coordinator	1,400	1,400	0
Town Report Printing	3,000	2,691	309
Town Report Postage	750	597	153
Tax Collector Expense	200	0	200
CPA Audit	30,000	33,839	(3,839)
Legal Fees and Tax Collection	2,000	5,603	(3,603)
	<u>83,850</u>	<u>90,419</u>	<u>(6,569)</u>
Total Administration			
Agencies:			
VLCT Dues	4,800	4,799	1
Rutland Economic Development Corporation	600	500	100
Rutland Regional Planning Commission	1,000	975	25
	<u>6,400</u>	<u>6,274</u>	<u>126</u>
Total Agencies			

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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Zoning:			
Zoning Administrator	\$ 12,500	\$ 13,792	\$ (1,292)
Zoning Clerical	600	1,050	(450)
FICA/Medicare	1,050	1,135	(85)
Unemployment Ins	100	115	(15)
Mileage Reimbursement	60	18	42
Zoning Hearings	1,000	696	304
Misc.	800	697	103
Legal Fees - Zoning	4,000	12,105	(8,105)
Total Zoning	20,110	29,608	(9,498)
Planning Commission:			
Planning Commission Stipends	3,500	1,750	1,750
Planning Commission Clerical	1,400	1,650	(250)
FICA/Medicare	300	260	40
Mileage Reimbursement	100	0	100
Training	500	87	413
Legal Fees	1,000	0	1,000
Total Planning Commission	6,800	3,747	3,053
Board of Civil Authority:			
Board of Civil Authority - Labor	1,000	1,380	(380)
Clerical	700	0	700
FICA/Medicare	150	106	44
Supplies	1,000	0	1,000
Legal Fees	500	0	500
Miscellaneous	150	0	150
Total Board of Civil Authority	3,500	1,486	2,014
Municipal Plant and Equipment:			
Labor - Custodians	3,200	2,820	380
FICA/Medicare - Custodians	320	258	62
Building Maintenance Supplies	2,000	1,199	801
Heating Fuel	2,600	2,135	465
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	4,000	1,675	2,325
Copier Maintenance	8,000	8,230	(230)
Fire/Security Alarm Maintenance	400	275	125
Telephones	5,000	8,317	(3,317)
Maclure Library Phones	1,250	0	1,250
Labor and Equipment Use by Highway	340	140	200
New Equipment for Building	500	366	134
Building Repairs/Maintenance	4,000	4,102	(102)
Utilities	4,000	5,170	(1,170)
Total Municipal Plant and Equipment	44,610	43,687	923

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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Warden:			
Fire Warden Fees	\$ 100	\$ 0	\$ 100
Burn Permit Expense	200	0	200
FICA/Medicare	25	0	25
Mileage Expenses	400	0	400
Total Fire Warden	725	0	725
Miscellaneous:			
Marriage License/State Fee	1,000	900	100
Ads/Special Meetings	750	1,272	(522)
Contracted Services	4,000	9,521	(5,521)
Legal Fees	2,000	578	1,422
Emergency Management Expense	300	0	300
Memorial Day Flags	1,000	994	6
Pittsford Pride	2,000	1,688	312
Tax Abatement Costs	1,000	378	622
Total Miscellaneous	12,050	15,331	(3,281)
Listers:			
Listers' Services	16,000	13,460	2,540
FICA/Medicare	2,200	1,006	1,194
Insurance - Workers' Compensation	60	59	1
Unemployment Insurance	100	90	10
Listers' Mileage Reimbursement	500	21	479
Training Fees	750	0	750
Miscellaneous	2,000	2,025	(25)
Computer Contracts	4,600	8,233	(3,633)
Property Map Changes	2,500	2,490	10
Contracted Services	28,000	30,378	(2,378)
Total Listers	56,710	57,762	(1,052)
Special Appropriations:			
Rutland Community Services	3,020	3,020	0
Rutland National Resource Conservation	250	250	0
Habitat for Humanity	500	500	0
Visiting Nurse/Hospice	4,931	4,931	0
Rutland County Humane Society	1,000	1,000	0
Vermont Green-Up Day Expenses	200	200	0
Benn-Rut Opport. Council	925	925	0
American Red Cross	1,000	1,000	0
Pittsford Cemetery Association	900	900	0
VT Rural Fire Protection	100	100	0
SWVT Council on Aging	1,100	1,100	0
Transportation	5,000	5,000	0
Pittsford Historical Society	4,052	4,052	0
Rutland Senior Volunteer Program	427	427	0

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations/(Cont'd):			
Rutland Regional Ambulance Service	\$ 11,964	\$ 11,964	\$ 0
Wonderfeet Kids' Museum	2,500	2,500	0
VT Center for Independent Living	314	314	0
Rutland County Adult Education	1,305	1,305	0
Rutland ARC	1,400	1,400	0
Rutland County Women's Network	200	200	0
Child First Advocacy	1,500	1,500	0
Rutland Regional Chamber / Killington	3,000	3,000	0
Maclure Library	93,500	93,504	(4)
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Bowen Walker Appropriation	1,500	1,500	0
Rutland Parent Child Center	400	400	0
NeighborWorks of West Vermont	500	500	0
VT Family Network	500	500	0
	<u>146,588</u>	<u>146,592</u>	<u>(4)</u>
Total Special Appropriations			
Health Officer:			
Mileage	50	0	50
Mosquito Annual Operation	34,770	34,767	3
Mosquito Dist Buy In	17,500	17,750	(250)
	<u>52,320</u>	<u>52,517</u>	<u>(197)</u>
Total Health Officer			
Solid Waste Management:			
Labor - Facility	22,000	20,734	1,266
Labor - Highway	500	0	500
FICA/Medicare	1,700	1,575	125
Insurance - Workers' Compensation	2,000	1,807	193
Labor - Contract	1,200	280	920
New Equipment	300	0	300
Supplies	1,000	1,011	(11)
Telephone	480	492	(12)
Insurance - Property and Liability	200	205	(5)
Unemployment Insurance	130	136	(6)
Portalet Contract	1,700	1,430	270
Waste Removal Fees	46,000	36,632	9,368
RCSWD Surcharge	6,000	5,026	974
Tire Disposal Fees	50	76	(26)
State Franchise Tax	1,800	1,503	297
Container Rental/Purchase	5,000	4,598	402
Labor and Equipment Use by Highway	1,000	156	844
Utilities	1,800	1,666	134
Equipment Maintenance	1,000	0	1,000
Capital Fund Contributions	2,500	2,500	0
Contracts/Material	0	317	(317)
Miscellaneous	0	747	(747)
	<u>96,360</u>	<u>80,891</u>	<u>15,469</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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Utility Transfers:			
Transfer to Sewer Department	\$ 15,000	\$ 15,000	\$ 0
Transfer to Water Department	15,000	15,000	0
Total Utility Transfers	30,000	30,000	0
First Response:			
Insurance - Workers Compensation	280	137	143
Insurance - Property	300	310	(10)
Insurance - Vehicle	1,220	1,226	(6)
Insurance - Liability	520	367	153
Insurance - Accident	500	0	500
Miscellaneous	6,800	27	6,773
Building Fuel	4,000	959	3,041
Vehicle Fuel	0	588	(588)
Supplies	500	29	471
Oxygen	2,000	3,228	(1,228)
Postage	120	0	120
Telephone	950	1,096	(146)
Building Maintenance	0	1,126	(1,126)
Vehicle Maintenance	1,000	880	120
Equipment Maintenance	0	91	(91)
Lawn Care	0	270	(270)
Utilities	1,500	1,644	(144)
Vehicle Replacement Fund	5,000	5,000	0
Building Improvement Fund	5,000	5,000	0
Total First Response	29,690	21,978	7,712
Police Department:			
Wages - Local Services	118,000	118,695	(695)
Wages - OMYA Truck Detail	10,000	15,234	(5,234)
Clerical	3,000	2,708	292
FICA/Medicare	10,500	10,891	(391)
Retirement Insurance	3,100	3,657	(557)
Medical Insurance	17,600	18,097	(497)
Dental Insurance	850	813	37
Life Insurance	600	569	31
New Equipment	3,800	0	3,800
Contracted Services	2,000	0	2,000
Supplies	1,200	1,017	183
Chittenden Patrol Exp	9,500	7,998	1,502
Uniforms	500	117	383
Telephone	1,000	970	30
Insurance - Property/Liability	3,900	3,453	447
Insurance - Workers' Compensation	7,700	9,410	(1,710)
Insurance - Car	1,280	1,281	(1)
Unemployment Insurance	420	441	(21)
Mileage Reimbursement	700	617	83
Legal and Administration	200	0	200
Patrol Car - Fuel and Maintenance	10,000	19,768	(9,768)

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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Police Department/(Cont'd):			
Patrol Car Replace Fund	\$ 15,000	\$ 40,000	\$ (25,000)
Equipment Maintenance	300	824	(524)
Communications	2,500	2,081	419
Safety Equipment Grant	5,000	5,432	(432)
Training Fees	500	700	(200)
Miscellaneous	100	250	(150)
	<u>229,250</u>	<u>265,023</u>	<u>(35,773)</u>
Total Police Department			
Fire Department:			
Firemen Expenses	40,000	44,686	(4,686)
FICA/Medicare	3,100	3,419	(319)
Building Fuel	7,000	4,210	2,790
Vehicle Fuel	2,750	2,882	(132)
Small Tools	1,000	1,520	(520)
Hose & Fittings	2,000	4,856	(2,856)
Protective Equipment	20,000	14,637	5,363
Supplies	2,000	3,637	(1,637)
Insurance - Workers' Compensation	5,500	4,998	502
Insurance - Vehicles	6,100	6,187	(87)
Insurance - General Liability	1,800	536	1,264
Insurance - Accident	3,000	2,691	309
Insurance - Property	1,400	1,775	(375)
Telephone	1,300	1,481	(181)
Communications	3,000	2,725	275
Fire Alarm System	400	471	(71)
Dispatching Service	1,500	379	1,121
Building Maintenance	5,000	5,471	(471)
Truck Maintenance	20,000	10,391	9,609
Equipment Maintenance	1,500	3,861	(2,361)
Ladder Truck Certificate	1,500	0	1,500
New Equipment	10,000	28,285	(18,285)
Utilities	3,200	3,209	(9)
Training Fees	2,500	627	1,873
Mutual Aid Association Fees	1,200	2,400	(1,200)
Vehicle Replacement Fund	39,468	39,468	0
2020 Ladder Truck Lease - Prin	29,870	29,870	0
2020 Ladder Truck Lease - Int	10,663	10,663	0
	<u>226,751</u>	<u>235,335</u>	<u>(8,584)</u>
Total Fire Department			
Recreation Programs:			
Lifeguards	24,000	25,479	(1,479)
Management	48,000	48,880	(880)
Grounds Management	13,000	18,349	(5,349)
Day Camp Labor	9,500	13,136	(3,636)

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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Recreation Programs/(Cont'd):			
FICA/Medicare	\$ 7,500	\$ 8,035	\$ (535)
Insurance - Retirement	2,500	2,241	259
Insurance - Medical	8,000	17,269	(9,269)
Insurance - Dental	1,650	1,437	213
Insurance - Life	650	182	468
Insurance - Workers' Compensation	3,000	4,586	(1,586)
Insurance - Property / Liability	200	185	15
Insurance - Vehicle	330	335	(5)
Insurance - General Liability	640	530	110
Insurance - Unemployment	360	277	83
Mileage Reimbursement	200	0	200
Supplies - Recreation Area General	2,000	3,424	(1,424)
Supplies - Day Camp	2,500	1,094	1,406
Spring Programs	3,000	78	2,922
Summer Programs	3,000	456	2,544
Mower Maintenance & Fuel	3,000	3,783	(783)
Fall Programs	5,000	1,786	3,214
Winter Programs	2,000	892	1,108
Mower Replacement Fund	3,000	3,000	0
Training	1,000	310	690
League Fees/Coaches, Umpires	1,000	2,350	(1,350)
Supplies - Youth League	2,000	4,382	(2,382)
Trail Run Expenses	2,000	1,725	275
Trail Run Surplus Expense	0	3,414	(3,414)
Summer Softball Expense	500	0	500
Pittsford Day Celebration	13,000	10,778	2,222
5K Race	550	0	550
State League Membership	600	374	226
Disc Golf	(500)	2,219	(2,719)
Telephone	550	550	0
Communications	300	300	0
Donation Expenses	1,000	320	680
Rubbish Removal Contract	1,100	1,314	(214)
Other Contract Services	250	300	(50)
Advertising	500	250	250
Portalet Contract	700	1,080	(380)
Ballfield Maintenance	1,000	1,475	(475)
Signs Replacement	200	425	(225)
Labor and Equipment Use by Highway	700	2,925	(2,225)
Labor and Equipment Use by Water	1,000	852	148
Utilities	1,000	511	489
Pool Water Tests	350	350	0
Trails and Bridging Maintenance	1,300	492	808
Green up Day Expense	200	0	200
Capital Improvements	4,000	4,000	0
Building and Grounds Maintenance	0	134	(134)
Total Recreation Programs	<u>177,330</u>	<u>196,264</u>	<u>(18,934)</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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Animal Management:			
Animal Control	\$ 1,000	\$ 16	\$ 984
Chittenden Animal Control Expense	75	65	10
FICA/Medicare	100	6	94
Mileage Reimbursement	30	0	30
Supplies	350	214	136
Contract Services	100	0	100
Insurance - Property/Liability	15	12	3
Insurance - Workers' Compensation	100	80	20
Legal - Animal Control	200	0	200
Animal Census	1,200	0	1,200
Vet/Humane Shelter Fees	100	0	100
Rabies Fees To State	2,400	1,900	500
Postage	50	0	50
Total Animal Management	5,720	2,293	3,427
Debt Service and Fixed Charges:			
Rutland County Tax	30,000	25,715	4,285
Total Debt Service and Fixed Charges	30,000	25,715	4,285
Total Expenditures	1,668,869	1,705,383	(36,514)
Excess of Revenues Over Expenditures	\$ 0	79,851	\$ 79,851
Fund Balance - July 1, 2021		249,914	
Fund Balance - June 30, 2022		\$ 329,765	

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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 1,015,200	\$ 1,015,147	\$ (53)
State Aid	130,000	145,823	15,823
Grant Revenue	0	34,697	34,697
Overload Permits	650	705	55
Highway Access Permits	0	350	350
Investment Income	0	511	511
Interfund Sale of Fuel	5,200	6,423	1,223
Labor/Equipment Use by Other Departments	3,720	4,200	480
Sale of Scrap Metal	0	1,591	1,591
	<u>1,154,770</u>	<u>1,209,447</u>	<u>54,677</u>
Total Revenues			
Expenditures:			
General:			
Labor - Vacation and Services	180,000	195,052	(15,052)
Labor - Overtime	15,000	18,021	(3,021)
FICA/Medicare	15,500	15,689	(189)
Insurance - Retirement	9,000	10,330	(1,330)
Insurance - Medical	61,800	60,000	1,800
Insurance - Dental	3,800	3,113	687
Insurance - Life	2,500	2,081	419
Insurance - Workers' Compensation	10,300	13,425	(3,125)
Insurance - Property	2,200	2,405	(205)
Insurance - Vehicle	7,100	7,189	(89)
Insurance - General Liability	2,300	1,490	810
Insurance - Unemployment	320	336	(16)
Insurance - Bridges	2,900	2,506	394
Mileage Reimbursement	200	119	81
Legal and Administrative	1,000	200	800
Mun Roads Permit Fee	1,350	1,350	0
Small Tool Purchases	1,500	171	1,329
Communications	900	1,111	(211)
Telephone	2,000	1,724	276
Heating Fuel	3,300	3,445	(145)
Training Fees	200	45	155
Equipment Rentals	6,000	4,440	1,560
Uniform Rentals	4,500	4,241	259
Highway Capital Reserve	100,000	100,000	0
Bridge Replacement Reserve	50,000	50,000	0
Labor / Equipment Use by Water	4,000	5,163	(1,163)
Advertising/Postage	500	0	500
Interest	500	0	500
Utilities	4,500	4,782	(282)
Supplies	5,000	5,024	(24)
New Equipment Purchases	3,100	4,761	(1,661)
Contracted Services	15,000	14,633	367
Cold Patch and Hot Mix	3,500	1,219	2,281
Building Expenses	2,500	3,464	(964)
Line Striping	12,000	12,728	(728)
Signs & Posts	3,500	4,744	(1,244)
Culverts & Bands	5,000	6,428	(1,428)
Guardrails	6,000	2,100	3,900
Paving	352,000	347,884	4,116

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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
General/(Cont'd):			
Crack Sealing	\$ 10,000	\$ 10,000	\$ 0
Gravel/Stone	25,000	39,659	(14,659)
Liquid Magnesium	15,000	31,763	(16,763)
Sand	25,000	1,919	23,081
Salt/Sodium Chloride	100,000	68,539	31,461
Total General	1,075,770	1,063,293	12,477
Highway Vehicles:			
Supplies	6,000	6,099	(99)
Vehicle Fuel	32,000	41,388	(9,388)
In-Shop Repairs and Maintenance	16,000	7,620	8,380
Outside Maintenance and Repairs	25,000	63,426	(38,426)
Total Highway Vehicles	79,000	118,533	(39,533)
Special Projects:			
Sidewalk Scoping Study	0	27,161	(27,161)
Creed Hill Ditch	0	2,449	(2,449)
Fire Hill Road Bridge Project	0	23,993	(23,993)
Thill/Mechanic Roads Ditching	0	3,284	(3,284)
Total Special Projects	0	56,887	(56,887)
Total Expenditures	1,154,770	1,238,713	(83,943)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(29,266)	\$ (29,266)
Fund Balance - July 1, 2021		149,547	
Fund Balance - June 30, 2022		\$ 120,281	

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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 16,000	\$ 16,004	\$ 4
Interest Income	0	60	60
Total Revenues	16,000	16,064	64
Expenditures:			
Village Street Lights	16,000	16,131	(131)
Total Expenditures	16,000	16,131	(131)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(67)	\$ (67)
Fund Balance - July 1, 2021		24,058	
Fund Balance - June 30, 2022		\$ 23,991	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables	\$ 172,482	\$ 161,562	\$ 334,044
Loan Receivable - Current Portion	0	1,800	1,800
Due from Other Funds	129,845	0	129,845
Prepaid Expenses	2,419	330	2,749
Inventory	5,328	1,908	7,236
Total Current Assets	310,074	165,600	475,674
Noncurrent Assets:			
Capital Assets:			
Land	74,722	1,500	76,222
Construction in Progress	98,766	34,396	133,162
Vehicles and Equipment	103,663	0	103,663
Buildings, Distribution and Collection Systems	7,163,706	5,287,824	12,451,530
Less: Accumulated Depreciation	(2,013,887)	(1,342,645)	(3,356,532)
Total Noncurrent Assets	5,426,970	3,981,075	9,408,045
Total Assets	5,737,044	4,146,675	9,883,719
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS			
	11,975	6,203	18,178
Total Deferred Outflows of Resources	11,975	6,203	18,178
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	11,606	5,764	17,370
Accrued Payroll and Benefits Payable	3,092	1,566	4,658
Due to Other Funds	0	332,775	332,775
Accrued Interest Payable	1,778	13,511	15,289
General Obligation Bonds Payable - Current Portion	52,417	80,911	133,328
Total Current Liabilities	68,893	434,527	503,420
Noncurrent Liabilities:			
Compensated Absences Payable	8,095	3,099	11,194
Net Pension Liability	23,298	12,067	35,365
General Obligation Bonds Payable - Noncurrent Portion	2,252,420	1,770,792	4,023,212
Total Noncurrent Liabilities	2,283,813	1,785,958	4,069,771
Total Liabilities	2,352,706	2,220,485	4,573,191
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS			
	15,317	7,933	23,250
Total Deferred Inflows of Resources	15,317	7,933	23,250
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,122,133	2,129,372	5,251,505
Unrestricted/(Deficit)	258,863	(204,912)	53,951
Total Net Position	\$ 3,380,996	\$ 1,924,460	\$ 5,305,456

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, 2022

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 300,084	\$ 328,778	\$ 628,862
Penalties & Interest	3,873	5,556	9,429
Interfund Services	5,688	0	5,688
Other Income	5,346	810	6,156
Total Operating Revenues	314,991	335,144	650,135
Operating Expenses:			
Labor and Stipends	68,588	68,850	137,438
FICA/Medicare	5,632	4,640	10,272
Insurances - Medical, Dental & Life	25,523	12,825	38,348
Retirement	5,196	2,675	7,871
Insurance - Workers' Compensation / Unemployment	6,403	4,581	10,984
Insurance - General Liability/Property/Vehicle	2,868	2,291	5,159
Supplies	5,725	14,337	20,062
Postage/Billing Program	940	940	1,880
Advertising/Dues and Subscriptions	322	0	322
Telephone/Communications	3,671	5,194	8,865
Uniform Rentals	1,923	1,362	3,285
Training	241	272	513
Property Tax	1,418	0	1,418
Contracts	5,534	2,428	7,962
Vermont Permit Renewals	2,558	355	2,913
Administration	15,000	5,000	20,000
Interfund Services Expenses	5,220	786	6,006
Utilities	4,193	26,281	30,474
Testing	2,850	4,081	6,931
Sludge/Refuse Removal	0	23,795	23,795
Maintenance	6,335	9,254	15,589
Mileage Reimbursement	200	88	288
Vehicle Fuel and Maintenance	4,414	0	4,414
Small Equipment Purchases	2,095	1,020	3,115
Other	50	395	445
Depreciation	117,845	97,027	214,872
Capital Projects	0	961	961
Capital Fund - Water Line Relocation	106,576	0	106,576
Total Operating Expenses	401,320	289,438	690,758
Operating Income/(Loss)	(86,329)	45,706	(40,623)
Non-Operating Revenues/(Expenses):			
Investment Income	484	172	656
Loss on Disposal of Asset	(41,561)	0	(41,561)
Proceeds From Debt Forgiveness	0	323,040	323,040
Grant Income - Hydraulic Study	41,190	0	41,190
Grant Expense - Hydraulic Study	(41,190)	0	(41,190)
Interest Expense	(74,147)	(55,348)	(129,495)
Total Non-Operating Revenues/(Expenses)	(115,224)	267,864	152,640
Net Income/(Loss) Before Transfers	(201,553)	313,570	112,017
Transfers:			
Transfers In	19,750	15,000	34,750
Transfers Out	0	(4,750)	(4,750)
Total Transfers	19,750	10,250	30,000
Change in Net Position	(181,803)	323,820	142,017
Net Position - July 1, 2021	3,562,799	1,600,640	5,163,439
Net Position - June 30, 2022	\$ 3,380,996	\$ 1,924,460	\$ 5,305,456

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, 2022

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 330,615	\$ 321,989	\$ 652,604
Receipts from Interfund Services	5,688	0	5,688
Payments for Goods and Services	(146,770)	(100,482)	(247,252)
Payment for Interfund Services	(20,220)	(5,786)	(26,006)
Payments for Wages and Benefits	(99,333)	(89,018)	(188,351)
Net Cash Provided by Operating Activities	<u>69,980</u>	<u>126,703</u>	<u>196,683</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	112,469	0	112,469
Increase/(Decrease) in Due to Other Funds	0	(384,475)	(384,475)
Interest Expense from Operations	0	(915)	(915)
Non-Operating Expenses	(41,190)	0	(41,190)
Transfers Received from Other Funds	19,750	15,000	34,750
Transfers Paid to Other funds	0	(4,750)	(4,750)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>91,029</u>	<u>(375,140)</u>	<u>(284,111)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(45,218)	(179,373)	(224,591)
Issuance of Long-term Debt	8,735	563,745	572,480
Principal Paid on General Obligation Bonds Payable	(50,826)	(81,074)	(131,900)
Interest Paid on General Obligation Bonds Payable	(74,184)	(55,033)	(129,217)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(161,493)</u>	<u>248,265</u>	<u>86,772</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	484	172	656
Net Cash Provided by Investing Activities	<u>484</u>	<u>172</u>	<u>656</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2021	0	0	0
Cash - June 30, 2022	<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)	\$ (86,329)	\$ 45,706	\$ (40,623)
Depreciation	117,845	97,027	214,872
(Increase)/Decrease in Receivables	21,384	(13,155)	8,229
(Increase)/Decrease in Prepaid Expenses	290	(330)	(40)
(Increase)/Decrease in Inventory	(190)	(232)	(422)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	4,972	2,564	7,536
Increase/(Decrease) in Accounts Payable	11,446	(2,285)	9,161
Increase/(Decrease) in Accrued Payroll and Benefits Payable	1,551	155	1,706
Increase/(Decrease) in Unearned Revenue	(72)	0	(72)
Increase/(Decrease) in Compensated Absences Payable	2,625	(938)	1,687
Increase/(Decrease) in Net Pension Liability	(17,820)	(9,205)	(27,025)
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	14,278	7,396	21,674
Net Cash Provided by Operating Activities	<u>\$ 69,980</u>	<u>\$ 126,703</u>	<u>\$ 196,683</u>

The Town wrote off \$41,561 of construction in progress in the Water Fund during fiscal year 2022.

The Water Fund traded in a vehicle with a cost of \$54,562 and accumulated depreciation of \$46,013.

The Water Fund recognized \$8,735 of debt forgiveness during fiscal year 2022.

The Sewer Fund recognized \$323,040 of debt forgiveness during fiscal year 2022.

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 275,359	\$ 0
Investments	2,819,685	0
Total Assets	3,095,044	0
<u>LIABILITIES</u>		
Total Liabilities	0	0
<u>NET POSITION</u>		
Net Position:		
Restricted	3,095,044	0
Total Net Position	\$ 3,095,044	\$ 0

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund Education Tax Fund</u>
Additions:		
Education Taxes Collected for Other Governments	\$ 0	\$ 4,519,805
Investment Income/(Loss)	<u>(457,092)</u>	<u>0</u>
Total Additions	<u>(457,092)</u>	<u>4,519,805</u>
Deductions:		
Education Taxes Distributed to Other Governments	0	4,519,805
Otter Valley Union School District	77,823	0
Management Fees	39,818	0
Miscellaneous	<u>31</u>	<u>0</u>
Total Deductions	<u>117,672</u>	<u>4,519,805</u>
Change in Net Position	(574,764)	0
Net Position - July 1, 2021	<u>3,669,808</u>	<u>0</u>
Net Position - June 30, 2022	<u>\$ 3,095,044</u>	<u>\$ 0</u>

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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.

Highway Capital Fund – This fund accounts for the capital expenditures of the Highway Department.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

Additionally, the Town reports the following fund types:

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

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 financed purchases are reported as other financing sources.

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

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

E. Use of Estimates

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

F. New Pronouncement – Leases

Effective June 30, 2022, the Town implemented GASB Statement No. 87, “Leases”. GASB Statement No. 87 increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. This Statement replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. The Town currently has no lease arrangements applicable to this Statement.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

1. Cash

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

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

2. Investments

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

3. Receivables

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

4. Internal Balances

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

5. Inventories and Prepaid Expenses/Items

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

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

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

6. Pensions

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

7. Deferred Outflows/Inflows of Resources

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

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

8. Capital Assets

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

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

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

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

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

11. Fund Equity

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

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

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

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

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

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, expenditures in the General Fund exceeded appropriations by \$36,514. These over-expenditures were funded by excess revenues.

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

For the year ended June 30, 2022, expenditures in the Highway Fund exceeded appropriations by \$83,943. These over-expenditures were funded by excess revenues and available fund balance.

For the year ended June 30, 2022, expenditures in the Village Fund exceeded appropriations by \$131. These over-expenditures were funded by excess revenues and available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2022 consisted of the following:

Cash and Cash Equivalents:	
Deposits with Financial Institutions	\$1,902,194
Money Market Mutual Funds	261,277
Cash on Hand	<u>325</u>
Total Cash and Cash Equivalents	<u>2,163,796</u>
Investments:	
Certificates of Deposit	31,817
U.S. Government Agency Bonds	198,013
Common Stock	1,265,324
Exchange-Traded Funds	31,575
Mutual Funds – Mixed Holdings	<u>1,374,559</u>
Total Investments	<u>2,901,288</u>
Total Cash, Cash Equivalents and Investments	<u>\$5,065,084</u>

The Town has two (2) certificates of deposit at Bar Harbor Bank in the amount of \$3,189 and \$28,628 with interest rates of 0.65% and 1.15%, respectively. Both certificates of deposit mature in year 2024.

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 303,350	\$ 303,350
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>1,630,661</u>	<u>1,707,964</u>
Total	<u>\$1,934,011</u>	<u>\$2,011,314</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	\$1,902,194
Investments – Certificates of Deposit	<u>31,817</u>
Total	<u>\$1,934,011</u>

Interest Rate Risk

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

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

Investment Type	Remaining Maturity			Total
	Less Than 1 Year	1 to 5 Years	5 to 10 Years	
U.S. Government Agency Bonds	\$ 0	\$ 198,013	\$ 0	\$ 198,013

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Concentration of Credit Risk

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

Fair Value

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

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

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

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

The Town has the following fair value measurements as of June 30, 2022:

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	\$ 198,013	\$ 198,013	\$ 0	\$ 0
Common Stock	1,265,324	1,265,324	0	0
Exchange-Traded Funds	31,575	31,575	0	0
Mutual Funds - Mixed Holdings	1,374,559	1,374,559	0	0
Total	\$ 2,869,471	\$ 2,869,471	\$ 0	\$ 0

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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B. Receivables

Receivables as of June 30, 2022, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
Delinquent Taxes Receivable	\$ 97,071	\$ 0	\$ 97,071
Penalties and Interest Receivable	22,769	164	22,933
Grants Receivable	22,759	35,655	58,414
Accounts Receivable	6,985	1,745	8,730
Billed Services	0	291,580	291,580
Unbilled Services	0	4,900	4,900
Allowance for Doubtful Accounts - Taxes	<u>(8,600)</u>	<u>0</u>	<u>(8,600)</u>
 Total	 <u>\$ 140,984</u>	 <u>\$ 334,044</u>	 <u>\$ 475,028</u>

C. Loans Receivable

Loans receivable as of June 30, 2022, 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. \$17,950

Less: Allowance for Doubtful Accounts (6,000)

Total Governmental Loans Receivable 11,950

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. As of June 30, 2022, the loan has not been paid off. 1,800

Total Loans Receivable \$13,750

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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An analysis of the change in Governmental Activities/Well Drilling Fund loans receivable is as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2022</u>
\$ <u>25,650</u>	\$ <u> 0</u>	\$ <u>7,700</u>	\$ <u>17,950</u>

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

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2022</u>
\$ <u>1,800</u>	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u>1,800</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 189,461	\$ 1,175	\$ 0	\$ 190,636
Construction in Progress	147,351	56,376	5,230	198,497
Total Capital Assets, Not Being Depreciated	<u>336,812</u>	<u>57,551</u>	<u>5,230</u>	<u>389,133</u>
Capital Assets, Being Depreciated:				
Vehicles	2,945,572	258,846	213,714	2,990,704
Computers	46,666	5,440	6,445	45,661
Equipment	563,957	20,926	8,285	576,598
Buildings and Building Improvements	1,630,062	23,533	0	1,653,595
Infrastructure	8,420,957	436,034	236,812	8,620,179
Totals	<u>13,607,214</u>	<u>744,779</u>	<u>465,256</u>	<u>13,886,737</u>
Less Accumulated Depreciation for:				
Vehicles	1,215,281	112,620	142,499	1,185,402
Computers	18,138	6,505	6,445	18,198
Equipment	356,413	27,214	8,285	375,342
Buildings and Building Improvements	478,795	37,571	0	516,366
Infrastructure	3,513,104	417,184	198,936	3,731,352
Totals	<u>5,581,731</u>	<u>601,094</u>	<u>356,165</u>	<u>5,826,660</u>
Total Capital Assets, Being Depreciated	<u>8,025,483</u>	<u>143,685</u>	<u>109,091</u>	<u>8,060,077</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,362,295</u>	<u>\$ 201,236</u>	<u>\$ 114,321</u>	<u>\$ 8,449,210</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 76,222	\$ 0	\$ 0	\$ 76,222
Construction in Progress	194,723	0	61,561	133,162
Total Capital Assets, Not Being Depreciated	270,945	0	61,561	209,384
Capital Assets, Being Depreciated:				
Vehicles and Equipment	104,458	53,767	54,562	103,663
Buildings, Distribution and Collection Systems	12,252,157	199,373	0	12,451,530
Totals	12,356,615	253,140	54,562	12,555,193
Less Accumulated Depreciation for:				
Vehicles and Equipment	55,227	5,536	46,013	14,750
Buildings, Distribution and Collection Systems	3,132,446	209,336	0	3,341,782
Totals	3,187,673	214,872	46,013	3,356,532
Total Capital Assets, Being Depreciated	9,168,942	38,268	8,549	9,198,661
Business-type Activities Capital Assets, Net	\$ 9,439,887	\$ 38,268	\$ 70,110	\$ 9,408,045

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 17,028	Water	\$ 117,845
Public Safety	93,779	Sewer	<u>97,027</u>
Highways and Streets	484,921		
Culture and Recreation	4,383		
Sanitation	<u>983</u>		
Total Depreciation Expense - Governmental Activities	\$ 601,094	Total Depreciation Expense - Business-type Activities	\$ 214,872

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2022 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,519,441
Highway Fund	73,224	0
Highway Capital Fund	406,420	
ARPA Fund	417,265	0
Non-Major Governmental Funds	828,372	2,910
Water Fund	129,845	0
Sewer Fund	<u>0</u>	<u>332,775</u>
Total	\$ 1,855,126	\$ 1,855,126

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Interfund transfers during the year ended June 30, 2022 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Municipal Office Fund	\$ 7,000	Appropriation
General Fund	Fire Department Fund	39,468	Appropriation
General Fund	Patrol Car Fund	40,000	Appropriation
General Fund	Recreation Capital Fund	7,000	Appropriation
General Fund	Cemetery Development Fund	2,000	Appropriation
General Fund	Pittsford First Response Capital Fund	10,000	Appropriation
General Fund	Transfer Station Fund	2,500	Appropriation
General Fund	Water Fund	15,000	Appropriation
General Fund	Sewer Fund	15,000	Appropriation
Highway Fund	Bridge Reserve Fund	50,000	Appropriation
Highway Fund	Highway Capital Fund	100,000	Appropriation
Belcher Mericle Fund	General Fund	<u>32</u>	Transfer Earnings
Total		<u>\$ 288,000</u>	

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

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$33,357 from the difference between the expected and actual experience, \$28,289 from changes in assumptions and \$2,019 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$28,325 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 \$91,990.

Deferred outflows of resources in the business-type activities consists of \$6,591 from the difference between the expected and actual experience, \$5,591 from changes in assumptions and \$399 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$5,597 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 \$18,178.

Deferred outflows of resources in the Water Fund consists of \$4,342 from the difference between the expected and actual experience, \$3,683 from changes in assumptions and \$263 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$3,687 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 \$11,975.

Deferred outflows of resources in the Sewer Fund consists of \$2,249 from the difference between the expected and actual experience, \$1,908 from changes in assumptions and \$136 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$1,910 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 \$6,203.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

G. Unearned Revenue

Unearned revenue in the General Fund consists of \$11,994 of recreation fees received in advance.

Unearned revenue in the ARPA Fund consists \$416,553 of unspent grant revenue received in advance.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$18,049 of prepaid property taxes, \$105,526 from the difference between projected and actual investment earnings on pension assets and \$12,132 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 \$135,707.

Deferred inflows of resources in the Business-type Activities consists of \$20,852 from difference between projected and actual investment earnings on pension assets and actual experience and \$2,398 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 \$23,250.

Deferred inflows of resources in the General Fund consists of \$100,000 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 \$18,049 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$118,049.

Deferred inflows of resources in the Highway Fund consists of \$22,759 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 \$11,950 of loans receivable.

Deferred inflows of resources in the Water Fund consists of \$13,737 from the difference between projected and actual investment earnings on pension assets and \$1,580 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 \$15,317.

Deferred inflows of resources in the Sewer Fund consists of \$7,115 from the difference between projected and actual investment earnings on pension assets and \$818 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 \$7,933.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

I. Long-term Liabilities

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

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

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as financed purchases 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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Long-term liabilities outstanding as of June 30, 2022 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, Principal Payments of \$14,176 Payable on December 1 Annually, 0% Interest, Due December, 2023	\$ 42,528	\$ 0	\$14,176	\$28,352
Financed Purchase, Municipal Leasing Credit Corporation, Fire Truck Purchase, Principal and Interest Payments of \$40,533 Payable on December 15, Interest at 3.10% Due December 15, 2030	<u>344,000</u>	<u>0</u>	<u>29,870</u>	<u>314,130</u>
Total Governmental Activities	<u>\$386,528</u>	<u>\$ 0</u>	<u>\$44,046</u>	<u>\$342,482</u>

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$58,318 Payable on June 23 and December 23, Interest at 3.25%, Due June, 2050	\$2,179,153	\$ 0	\$46,183	\$2,132,970
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	136,300	0	2,643	133,657
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	6,000	0	2,000	4,000
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	34,210	0	0	34,210
	(46)			

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$29,082 to \$48,002 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	\$ 438,692	\$ 0	\$ 32,646	\$ 406,046
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pump Station and Other Sewer System Improvements, Authorized to \$970,000 but Eligible for 40% Subsidy, Principal and a 2% Administration Fee Payment of \$25,778 Payable on April 30 Annually Beginning on April 30, 2022, 0% Interest, Due April, 2051	232,899	563,745	337,271 *	459,373
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	986,271	0	34,197	952,074
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	34,210	0	0	34,210
Bond Payable, State of Vermont Special Hydraulic Study, 100% forgivable loan	<u>0</u>	<u>8,735</u>	<u>8,735</u> **	<u>0</u>
Total Business-type Activities	<u>\$4,047,735</u>	<u>\$572,480</u>	<u>\$463,675</u>	<u>\$4,156,540</u>

* Includes \$323,040 in loan forgiveness received during fiscal year 2022.

** 100% loan forgiveness recognized during fiscal year 2022.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 42,528	\$ 0	\$ 14,176	\$ 28,352	\$ 14,176
Financed Purchase	344,000	0	29,870	314,130	30,796
Compensated Absences Payable	26,521	3,553	0	30,074	0
Net Pension Liability	322,975	0	144,005	178,970	0
Total Governmental Activities Long-term Liabilities	<u>\$ 736,024</u>	<u>\$ 3,553</u>	<u>\$ 188,051</u>	<u>\$ 551,526</u>	<u>\$ 44,972</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 4,047,735	\$ 572,480	\$ 463,675	\$ 4,156,540	\$ 133,328
Compensated Absences Payable	9,507	1,687	0	11,194	0
Net Pension Liability	62,390	0	27,025	35,365	0
Total Business-type Activities Long-term Liabilities	<u>\$ 4,119,632</u>	<u>\$ 574,167</u>	<u>\$ 490,700</u>	<u>\$ 4,203,099</u>	<u>\$ 133,328</u>

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

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 44,972	\$ 9,737	\$ 133,328	\$ 123,015
2024	45,926	8,783	137,509	118,807
2025	32,734	7,799	152,765	114,461
2026	33,749	6,784	157,225	109,974
2027	34,795	5,738	161,833	105,335
2028-2032	150,306	11,826	848,694	451,585
2033-2037	0	0	689,530	336,076
2038-2042	0	0	797,297	228,308
2043-2047	0	0	631,371	118,998
2048-2052	0	0	437,839	26,411
2053-2056	0	0	9,149	251
Total	<u>\$ 342,482</u>	<u>\$ 50,667</u>	<u>\$ 4,156,540</u>	<u>\$ 1,733,221</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.

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

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

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

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

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

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

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

Major Funds

General Fund:

Nonspendable Prepaid Items	\$ 12,492
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Highway Fund:

Nonspendable Inventory	72,474
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Non-Major Funds

Permanent Fund:

Nonspendable Belcher Mericle Fund Principal	<u>1,250</u>
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Total Nonspendable Fund Balances	<u>\$86,216</u>
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TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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)	\$ 88,290
Restricted for William Dennison Expenses by Trust Agreement (Source of Revenue is Donations)	84,770
Restricted for Well Drilling Debt Service by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>6,635</u>
Total Special Revenue Funds	<u>179,695</u>

Permanent Fund:

Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>1,939</u>
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Total Non-Major Funds	<u>181,634</u>
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Total Restricted Fund Balances	<u>\$181,634</u>
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The fund balances in the following funds are committed as follows:

Major Funds

Highway Fund:

Committed for Highway Expenditures by the Voters	\$ <u>47,807</u>
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Highway Capital Fund:

Committed for Highway Capital Expenditures by the Voters	<u>406,420</u>
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Non-Major Funds

Special Revenue Funds:

Committed for Village Expenses by the Voters	<u>23,991</u>
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Capital Projects Funds:

Committed for Bridge Expenditures by Voters	179,930
Committed for Municipal Office Expenditures by the Voters	12,595
Committed for Fire Department Expenditures by the Voters	229,208
Committed for Patrol Car Replacement Expenditures by the Voters	24,810
Committed for Recreation Expenditures by the Voters	14,988
Committed for Cemetery Development Expenditures by the Voters	53,424
Committed for Pittsford First Response Capital by the Voters	53,412
Committed for Transfer Station Expenditures by the Voters	<u>2,503</u>

Total Capital Projects Funds	<u>570,870</u>
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Total Committed Fund Balances	<u>\$1,049,088</u>
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TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

Major Funds

General Fund:	
Assigned for Trail Expenses	\$ <u>8,398</u>
ARPA Fund:	
Assigned for Eligible ARPA Expenses	<u>712</u>

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	<u>123,999</u>
Total Assigned Fund Balances	<u>\$133,109</u>

The unassigned deficit of \$2,910 in the Veterans Memorial Fund will be funded with future donations.

K. Restricted and Designated Net Position

The restricted net position of the Town as of June 30, 2022 consisted of the following:

Governmental Activities:	
Restricted for Records Preservation Expenses by Statute	\$ 88,290
Restricted for William Dennison Expenses by Trust Agreement	84,770
Restricted for Belcher Mericle Expenses by Trust Agreement – Non-Expendable Portion	1,250
Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>1,939</u>
Total Governmental Activities	<u>\$176,249</u>

The designated net position of the Town as of June 30, 2022 consisted of the following:

Business-type Activities:	
Water Fund:	
Designated for Water Capital – Improvements	\$118,497
Designated for Water Capital – Vehicle	4,951
Undesignated	<u>135,415</u>
Total Water Fund	<u>\$258,863</u>
Sewer Fund:	
Designated for Sewer Capital – Improvements	\$ 84,957
Designated in Excess of Unrestricted Net Position	<u>(84,957)</u>
Total Sewer Fund	\$ <u>0</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

The Town has increased Sewer rates effective July 1, 2022 to help fund the deficit.

The net position held in trust for various purposes in the Town's Private-Purpose Trust Funds as of June 30, 2022 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Bowen Walker Fund	\$ 28,628
Restricted for Burditt Trust Fund	2,979,848
Restricted for Booth Fund	43,204
Restricted for Pittsford Trust Fund	20,439
Restricted for Kelley Trust Fund	10,449
Restricted for Pinney Fund	<u>12,476</u>
 Total Private-Purpose Trust Funds Net Position	 <u>\$3,095,044</u>

V. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

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

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the Town's proportionate share of this was 0.1456% resulting in a net pension liability of \$214,335. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 0.1456% was a decrease of 0.0067 from its proportion measured as of the prior year.

For the year ended June 30, 2022, the Town recognized pension expense of \$42,727.

As of June 30, 2022, 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	\$ 39,948	\$ 0
Net difference between projected and actual investment earnings on pension assets	0	126,378
Changes in assumptions	33,880	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,418	14,530
Town's required employer contributions made subsequent to the measurement date	33,922	0
	\$ 110,168	\$ 140,908

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$33,922 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Year Ending <u>June 30</u>	
2023	\$ (4,429)
2024	(8,869)
2025	(14,909)
2026	<u>(36,455)</u>
Total	<u>\$(64,662)</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.

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

Death Benefit:

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

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

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

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

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

Member Contributions – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contributions – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation.

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

Mortality:

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

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

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

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

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

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

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

Inflation: 2.30%

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$423,646	\$214,335	\$42,221

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.

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, taxes were due and payable on August 16, 2021, September 15, 2021 and November 15, 2021. The Town assesses a 2% penalty on delinquent taxes when the account is delinquent for 10 days and then another 6% for accounts greater than 10 days delinquent and interest is charged at one percent (1%) per month after the taxes become delinquent on November 15, 2021. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2022 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.3526	.3526
Highway	.2788	.2788
Local Agreement	.0024	.0024
Education	<u>1.4428</u>	<u>1.7024</u>
Total	<u>2.0766</u>	<u>2.3362</u>

A separate tax rate of .0350 was billed to taxpayers who lived within the Village limits.

D. Other Commitments

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

The voters have approved borrowing up to \$200,000 from the State of Vermont Special Environmental Loan Fund to be used to issue no interest (0%) well drilling loans for residents who can no longer get water from the Town of Proctor. The terms of the loans are for ten (10) years with a maximum loan amount of \$6,000. As of June 30, 2022, the Town has drawn \$141,760 of this amount and repaid \$113,408 leaving a balance owed of \$28,352.

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. \$796,643 was borrowed as of June 30, 2022. The Town also received \$323,040 in debt forgiveness during fiscal year 2022.

E. Concentration of Revenue

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2022, the Town received 22.7% of its total property taxes and 13.8% of total water sales from OMYA, Inc.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

F. Subsequent Events

Subsequent to year-end, the Town will receive the second half of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds in the amount of \$416,553.

TOWN OF PITTSFORD, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 147,184,198	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.0015%	0.1523%	0.1493%	0.1614%	0.1646%	0.1683%	0.1762%	0.1778%
Town's Proportionate Share of the Net Pension Liability	\$ 214,335	\$ 385,365	\$ 259,104	\$ 227,063	\$ 199,381	\$ 216,527	\$ 135,812	\$ 16,229
Town's Covered Employee Payroll	\$ 719,503	\$ 742,870	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601	\$ 568,017
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	29.7893%	51.8750%	37.2474%	32.1260%	29.6751%	33.8712%	22.0617%	2.8571%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

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

TOWN OF PITTSFORD, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 33,922	\$ 32,377	\$ 31,572	\$ 28,695	\$ 28,272	\$ 26,875	\$ 25,571	\$ 24,624
Contributions in Relation to the Actuarially Determined Contributions	<u>33,922</u>	<u>32,377</u>	<u>31,572</u>	<u>28,695</u>	<u>28,272</u>	<u>26,875</u>	<u>25,571</u>	<u>24,624</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 714,145	\$ 719,503	\$ 742,870	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Contributions as a Percentage of Town's Covered Employee Payroll	4.750%	4.500%	4.250%	4.125%	4.000%	4.000%	4.000%	4.000%

Notes to Schedule

Valuation Date: June 30, 2021

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

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 6,356	\$ 0	\$ 0	\$ 6,356
Investments	78,414	0	3,189	81,603
Loans Receivable (Net of Allowance for Uncollectibles)	11,950	0	0	11,950
Due from Other Funds	256,652	571,720	0	828,372
Total Assets	\$ 353,372	\$ 571,720	\$ 3,189	\$ 928,281
<u>LIABILITIES</u>				
Accounts Payable	\$ 13,737	\$ 850	\$ 0	\$ 14,587
Due to Other Funds	2,910	0	0	2,910
Total Liabilities	16,647	850	0	17,497
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	11,950	0	0	11,950
Total Deferred Inflows of Resources	11,950	0	0	11,950
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	179,695	0	1,939	181,634
Committed	23,991	570,870	0	594,861
Assigned	123,999	0	0	123,999
Unassigned/(Deficit)	(2,910)	0	0	(2,910)
Total Fund Balances	324,775	570,870	3,189	898,834
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 353,372	\$ 571,720	\$ 3,189	\$ 928,281

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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, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 16,004	\$ 0	\$ 0	\$ 16,004
Intergovernmental	13,994	0	0	13,994
Permits, Licenses and Fees	10,374	0	0	10,374
Loan Repayments	7,700	0	0	7,700
Investment Income/(Loss)	(13,034)	1,032	32	(11,970)
Donations	150	0	500	650
	<u>35,188</u>	<u>1,032</u>	<u>532</u>	<u>36,752</u>
Total Revenues				
Expenditures:				
General Government	67,227	4,450	0	71,677
Highways and Streets	0	3,185	0	3,185
Culture and Recreation	0	5,670	0	5,670
Capital Outlay:				
Public Safety	0	6,717	0	6,717
Highways and Streets	0	89,750	0	89,750
Debt Service:				
Principal	14,176	0	0	14,176
	<u>81,403</u>	<u>109,772</u>	<u>0</u>	<u>191,175</u>
Total Expenditures				
Excess/(Deficiency) of Revenues Over Expenditures	<u>(46,215)</u>	<u>(108,740)</u>	<u>532</u>	<u>(154,423)</u>
Other Financing Sources/(Uses):				
Insurance Proceeds	0	11,985	0	11,985
Transfers In	0	157,968	0	157,968
Transfers Out	0	0	(32)	(32)
	<u>0</u>	<u>169,953</u>	<u>(32)</u>	<u>169,921</u>
Total Other Financing Sources/(Uses)				
Net Change in Fund Balances	(46,215)	61,213	500	15,498
Fund Balances - July 1, 2021	<u>370,990</u>	<u>509,657</u>	<u>2,689</u>	<u>883,336</u>
Fund Balances - June 30, 2022	<u>\$ 324,775</u>	<u>\$ 570,870</u>	<u>\$ 3,189</u>	<u>\$ 898,834</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	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	\$ 6,356	\$ 0	\$ 6,356
Investments	0	0	0	0	78,414	0	78,414
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0	0	0	11,950	11,950
Due from Other Funds	<u>25,328</u>	<u>136,399</u>	<u>88,290</u>	<u>0</u>	<u>0</u>	<u>6,635</u>	<u>256,652</u>
Total Assets	<u>\$ 25,328</u>	<u>\$ 136,399</u>	<u>\$ 88,290</u>	<u>\$ 0</u>	<u>\$ 84,770</u>	<u>\$ 18,585</u>	<u>\$ 353,372</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 1,337	\$ 12,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,737
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,910</u>	<u>0</u>	<u>0</u>	<u>2,910</u>
Total Liabilities	<u>1,337</u>	<u>12,400</u>	<u>0</u>	<u>2,910</u>	<u>0</u>	<u>0</u>	<u>16,647</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>11,950</u>	<u>11,950</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,950</u>	<u>11,950</u>
<u>FUND BALANCES/(DEFICIT)</u>							
Restricted	0	0	88,290	0	84,770	6,635	179,695
Committed	23,991	0	0	0	0	0	23,991
Assigned	0	123,999	0	0	0	0	123,999
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,910)</u>	<u>0</u>	<u>0</u>	<u>(2,910)</u>
Total Fund Balances/(Deficit)	<u>23,991</u>	<u>123,999</u>	<u>88,290</u>	<u>(2,910)</u>	<u>84,770</u>	<u>6,635</u>	<u>324,775</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,328</u>	<u>\$ 136,399</u>	<u>\$ 88,290</u>	<u>\$ 0</u>	<u>\$ 84,770</u>	<u>\$ 18,585</u>	<u>\$ 353,372</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, 2022

	Village Fund	Reappraisal Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenues:							
Property Taxes	\$ 16,004	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,004
Intergovernmental	0	13,994	0	0	0	0	13,994
Permits, Licenses and Fees	0	0	10,374	0	0	0	10,374
Loan Repayments	0	0	0	0	0	7,700	7,700
Investment Income/(Loss)	60	326	172	0	(13,609)	17	(13,034)
Donations	0	0	0	150	0	0	150
	<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>0</u>	<u>0</u>	<u>150</u>
Total Revenues	<u>16,064</u>	<u>14,320</u>	<u>10,546</u>	<u>150</u>	<u>(13,609)</u>	<u>7,717</u>	<u>35,188</u>
Expenditures:							
General Government	16,131	49,475	937	7	677	0	67,227
Debt Service:							
Principal	0	0	0	0	0	14,176	14,176
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,176</u>	<u>14,176</u>
Total Expenditures	<u>16,131</u>	<u>49,475</u>	<u>937</u>	<u>7</u>	<u>677</u>	<u>14,176</u>	<u>81,403</u>
Net Change in Fund Balances	(67)	(35,155)	9,609	143	(14,286)	(6,459)	(46,215)
Fund Balances/(Deficit) - July 1, 2021	<u>24,058</u>	<u>159,154</u>	<u>78,681</u>	<u>(3,053)</u>	<u>99,056</u>	<u>13,094</u>	<u>370,990</u>
Fund Balances/(Deficit) - June 30, 2022	<u>\$ 23,991</u>	<u>\$ 123,999</u>	<u>\$ 88,290</u>	<u>\$ (2,910)</u>	<u>\$ 84,770</u>	<u>\$ 6,635</u>	<u>\$ 324,775</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2022

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Recreation Capital Fund	Cemetery Development Fund	Pittsford First Response Capital Fund	Transfer Station Fund	Total
<u>ASSETS</u>									
Due from Other Funds	\$ <u>179,930</u>	\$ <u>12,595</u>	\$ <u>229,208</u>	\$ <u>25,660</u>	\$ <u>14,988</u>	\$ <u>53,424</u>	\$ <u>53,412</u>	\$ <u>2,503</u>	\$ <u>571,720</u>
Total Assets	\$ <u>179,930</u>	\$ <u>12,595</u>	\$ <u>229,208</u>	\$ <u>25,660</u>	\$ <u>14,988</u>	\$ <u>53,424</u>	\$ <u>53,412</u>	\$ <u>2,503</u>	\$ <u>571,720</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>850</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>850</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>850</u>
Fund Balances:									
Committed	<u>179,930</u>	<u>12,595</u>	<u>229,208</u>	<u>24,810</u>	<u>14,988</u>	<u>53,424</u>	<u>53,412</u>	<u>2,503</u>	<u>570,870</u>
Total Fund Balances	<u>179,930</u>	<u>12,595</u>	<u>229,208</u>	<u>24,810</u>	<u>14,988</u>	<u>53,424</u>	<u>53,412</u>	<u>2,503</u>	<u>570,870</u>
Total Liabilities and Fund Balances	\$ <u>179,930</u>	\$ <u>12,595</u>	\$ <u>229,208</u>	\$ <u>25,660</u>	\$ <u>14,988</u>	\$ <u>53,424</u>	\$ <u>53,412</u>	\$ <u>2,503</u>	\$ <u>571,720</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, 2022

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Recreation Capital Fund	Cemetery Development Fund	Pittsford First Response Capital Fund	Transfer Station Fund	Total
Revenues:									
Investment Income	\$ 318	\$ 19	\$ 432	\$ 22	\$ 31	\$ 107	\$ 100	\$ 3	\$ 1,032
Total Revenues	<u>318</u>	<u>19</u>	<u>432</u>	<u>22</u>	<u>31</u>	<u>107</u>	<u>100</u>	<u>3</u>	<u>1,032</u>
Expenditures:									
General Government	0	4,450	0	0	0	0	0	0	4,450
Highways and Streets	3,185	0	0	0	0	0	0	0	3,185
Culture and Recreation	0	0	0	0	5,670	0	0	0	5,670
Capital Outlay:									
Highways and Streets	89,750	0	0	0	0	0	0	0	89,750
Public Safety	<u>0</u>	<u>0</u>	<u>1,175</u>	<u>5,542</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,717</u>
Total Expenditures	<u>92,935</u>	<u>4,450</u>	<u>1,175</u>	<u>5,542</u>	<u>5,670</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>109,772</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(92,617)</u>	<u>(4,431)</u>	<u>(743)</u>	<u>(5,520)</u>	<u>(5,639)</u>	<u>107</u>	<u>100</u>	<u>3</u>	<u>(108,740)</u>
Other Financing Sources:									
Insurance Proceeds	11,985	0	0	0	0	0	0	0	11,985
Transfers In	<u>50,000</u>	<u>7,000</u>	<u>39,468</u>	<u>40,000</u>	<u>7,000</u>	<u>2,000</u>	<u>10,000</u>	<u>2,500</u>	<u>157,968</u>
Total Other Financing Sources	<u>61,985</u>	<u>7,000</u>	<u>39,468</u>	<u>40,000</u>	<u>7,000</u>	<u>2,000</u>	<u>10,000</u>	<u>2,500</u>	<u>169,953</u>
Net Change in Fund Balances	(30,632)	2,569	38,725	34,480	1,361	2,107	10,100	2,503	61,213
Fund Balances/(Deficit) - July 1, 2021	<u>210,562</u>	<u>10,026</u>	<u>190,483</u>	<u>(9,670)</u>	<u>13,627</u>	<u>51,317</u>	<u>43,312</u>	<u>0</u>	<u>509,657</u>
Fund Balances - June 30, 2022	<u>\$ 179,930</u>	<u>\$ 12,595</u>	<u>\$ 229,208</u>	<u>\$ 24,810</u>	<u>\$ 14,988</u>	<u>\$ 53,424</u>	<u>\$ 53,412</u>	<u>\$ 2,503</u>	<u>\$ 570,870</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2022

	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	\$ 242,795	\$ 9,985	\$ 20,439	\$ 608	\$ 1,532	\$ 275,359
Investments	<u>28,628</u>	<u>2,737,053</u>	<u>33,219</u>	<u>0</u>	<u>9,841</u>	<u>10,944</u>	<u>2,819,685</u>
Total Assets	<u>28,628</u>	<u>2,979,848</u>	<u>43,204</u>	<u>20,439</u>	<u>10,449</u>	<u>12,476</u>	<u>3,095,044</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>2,979,848</u>	<u>43,204</u>	<u>20,439</u>	<u>10,449</u>	<u>12,476</u>	<u>3,095,044</u>
Total Net Position	<u>\$ 28,628</u>	<u>\$ 2,979,848</u>	<u>\$ 43,204</u>	<u>\$ 20,439</u>	<u>\$ 10,449</u>	<u>\$ 12,476</u>	<u>\$ 3,095,044</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, 2022

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
Additions:							
Investment Income/(Loss)	\$ 186	\$ (449,097)	\$ (4,099)	\$ 10	\$ (2,236)	\$ (1,856)	\$ (457,092)
Total Additions	<u>186</u>	<u>(449,097)</u>	<u>(4,099)</u>	<u>10</u>	<u>(2,236)</u>	<u>(1,856)</u>	<u>(457,092)</u>
Deductions:							
Otter Valley Union School District	0	77,823	0	0	0	0	77,823
Management Fees	186	39,058	333	0	142	99	39,818
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31</u>	<u>0</u>	<u>31</u>
Total Deductions	<u>186</u>	<u>116,881</u>	<u>333</u>	<u>0</u>	<u>173</u>	<u>99</u>	<u>117,672</u>
Change in Net Position	0	(565,978)	(4,432)	10	(2,409)	(1,955)	(574,764)
Net Position - July 1, 2021	<u>28,628</u>	<u>3,545,826</u>	<u>47,636</u>	<u>20,429</u>	<u>12,858</u>	<u>14,431</u>	<u>3,669,808</u>
Net Position - June 30, 2022	<u>\$ 28,628</u>	<u>\$ 2,979,848</u>	<u>\$ 43,204</u>	<u>\$ 20,439</u>	<u>\$ 10,449</u>	<u>\$ 12,476</u>	<u>\$ 3,095,044</u>

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Sullivan, Powers & Co., P.C.

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Chad A. Hewitt, CPA
Jordan M. Plummer, CPA
VT Lic. #92-000180

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of and for the year ended June 30, 2022, 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 April 24, 2023.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying schedule of Findings and Deficiencies in Internal Controls, we identified certain deficiencies that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Pittsford, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2022-01 and 2022-2 to be material weaknesses.

Report on 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".

Town of Pittsford, Vermont's Response to Findings

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

Purpose of this Report

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

Sullivan, Powers & Co.

April 24, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF PITTSFORD, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES
IN INTERNAL CONTROL
JUNE 30, 2022

Deficiencies in Internal Control:

Material Weaknesses:

2022-01 Grants Receivable/Deferred Inflows of Resources

Criteria:

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

Condition:

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

Cause:

Unknown.

Effect:

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

Recommendation:

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

2022-02 Segregation of Duties – Cash

Criteria:

An important factor in developing good internal controls is to divide responsibilities so that no individual can both perpetrate and conceal error or irregularities. One of the most common division of duties is the division between the check signing and bank reconciliation functions.

Condition:

In the Town, the same person that reconciles the bank accounts also posts to the journals and has check signing authority.

TOWN OF PITTSFORD, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES
IN INTERNAL CONTROL
JUNE 30, 2022

Cause:

The limited staff available in the office provides little opportunity to achieve optimum separation of duties and responsibilities.

Effect:

The Town has inadvertently made its assets susceptible to misappropriation.

Recommendation:

We recommend that the Town revise their procedures to ensure that the bank reconciliation function is delegated to an individual who does not have check signing authority. Otherwise, we recommend that, at a minimum, someone other than a check signer review all bank reconciliations, bank statements, cancelled checks and any debit memos.