

Audited Financial Statements
and Other Financial Information

Town of Pittsford, Vermont

June 30, 2023



Proven Expertise & Integrity

TOWN OF PITTSFORD, VERMONT

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JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Pittsford
Pittsford, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Pittsford as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Pittsford's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2023 and the respective changes in financial position and where applicable, cash flows thereof 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 (GAAS) 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 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.

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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'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 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 GAAS 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls 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'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 judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Pittsford'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 that the management's discussion and analysis, budgetary comparison information and pension information on pages 5 through 13 and 60 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pittsford's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund

financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024, on our consideration of the Town of Pittsford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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'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's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
April 22, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(UNAUDITED)

The following management's discussion and analysis of the Town of Pittsford's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town of Pittsford's financial statements.

Financial Statement Overview

The Town of Pittsford's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have separate columns for the two different types of Town activities. The types of activities presented for the Town of Pittsford are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public works, public safety, solid waste/recycling, recreation, special appropriations and education.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Pittsford include the water and sewer funds.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Pittsford like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Pittsford can be divided into three categories: governmental funds, proprietary and fiduciary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this

comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund's financial statement.

The Town of Pittsford presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, highway fund, highway capital fund and the ARPA fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and the highway fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund provide a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Pittsford maintains two proprietary funds, the water fund and the sewer fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town. These funds are not reflected in the government-wide statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pension and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total governmental net position increased by \$1,161,017 from \$9,757,508 to \$10,918,525. The Town's total business-type net position decreased by \$110,279 from \$5,057,173 to \$4,946,894.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased for governmental activities to a balance of \$2,023,163 at the end of this year. Unrestricted net position for business-type activities decreased to a balance of \$29,219.

Table 1
Town of Pittsford, Vermont
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022 (Restated)
Assets				
Current Assets	\$ 2,660,500	\$ 2,410,870	\$ 99,037	\$ 142,899
Noncurrent Assets - Capital	9,001,406	8,449,210	8,939,823	9,160,862
Total Assets	11,661,906	10,860,080	9,038,860	9,303,761
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	131,038	91,990	25,893	18,178
Total Deferred Outflows of Resources	131,038	91,990	25,893	18,178
Liabilities				
Current Liabilities	198,621	552,301	152,976	170,645
Noncurrent Liabilities	642,920	506,554	3,960,912	4,070,871
Total Liabilities	841,541	1,058,855	4,113,888	4,241,516
Deferred Inflows of Resources				
Prepaid Taxes	12,780	18,049	-	-
Deferred Inflows Related to Pensions	20,098	117,658	3,971	23,250
Total Deferred Inflows of Resources	32,878	135,707	3,971	23,250
Net Position				
Net Investment in Capital Assets	8,703,896	8,135,080	4,917,675	5,003,222
Restricted	191,466	176,249	-	-
Unrestricted	2,023,163	1,446,179	29,219	53,951
Total Net Position	\$ 10,918,525	\$ 9,757,508	\$ 4,946,894	\$ 5,057,173

Revenues and Expenses

Revenues for the Town's governmental activities increased by 16.05%, while total expenses increased by 1.12%. The increase in revenues was primarily due to grants and contributions not restricted to specific programs. The largest increase in expenses was in general government. Revenues for the Town's business-type activities decreased by 24.96% and expenses increased by 1.07%.

Table 2
Town of Pittsford, Vermont
Change in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Revenues				
<i>Program revenues:</i>				
Charges for services	\$ 222,722	\$ 272,908	\$ 704,040	\$ 650,135
Operating grants and contributions	150,289	212,238	-	-
Capital grants and contributions	21,000	23,229	-	323,040
<i>General revenues:</i>				
Property taxes	6,750,927	6,823,526	-	-
Grants and contributions not restricted to specific programs	1,363,923	114,396	-	-
Miscellaneous	208,490	65,462	26,687	656
Total revenues	8,717,351	7,511,759	730,727	973,831
Expenses				
General government	748,790	616,939	-	-
Public works	1,268,053	1,222,897	-	-
Public safety	567,326	524,844	-	-
Solid waste/recycling	87,815	75,582	-	-
Recreation	216,812	294,726	-	-
County tax	29,096	25,715	-	-
Special appropriations	146,588	146,592	-	-
Education	4,364,755	4,519,805	-	-
Unclassified	97,099	-	-	-
Water and sewer	-	-	740,124	861,814
Interest on long-term debt	-	15,892	130,882	-
Total expenses	7,526,334	7,442,992	871,006	861,814
Excess (deficiency) before extraordinary items	1,191,017	68,767	(140,279)	112,017
Transfers	(30,000)	(30,000)	30,000	30,000
Change in net position	1,161,017	38,767	(110,279)	142,017
Net position - July 1, Restated	9,757,508	9,718,741	5,057,173	4,915,156
Net position - June 30	\$ 10,918,525	\$ 9,757,508	\$ 4,946,894	\$ 5,057,173

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Town of Pittsford, Vermont
Fund Balances - Governmental Funds
June 30,

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 13,057	\$ 12,492	\$ 565
Assigned	-	8,398	(8,398)
Unassigned	391,913	308,875	83,038
Total General Fund	<u>\$ 404,970</u>	<u>\$ 329,765</u>	<u>\$ 75,205</u>
Highway Fund			
Committed	\$ -	\$ 120,281	\$ (120,281)
Unassigned	(105,155)	-	(105,155)
Total Highway Fund	<u>\$ (105,155)</u>	<u>\$ 120,281</u>	<u>\$ (225,436)</u>
Highway Capital Fund:			
Committed	\$ 375,889	\$ 406,420	\$ (30,531)
Total Highway Capital Fund	<u>\$ 375,889</u>	<u>\$ 406,420</u>	<u>\$ (30,531)</u>
ARPA Fund:			
Assigned	\$ 713	\$ 712	\$ 1
Total ARPA Fund	<u>\$ 713</u>	<u>\$ 712</u>	<u>\$ 1</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 189,527	\$ 179,695	\$ 9,832
Committed	24,151	23,991	160
Assigned	125,833	123,999	1,834
Unassigned	(1,957)	(2,910)	953
Capital Projects Funds:			
Committed	669,097	570,870	98,227
Unassigned	(6,964)	-	(6,964)
Permanent Funds:			
Nonspendable	1,250	1,250	-
Restricted	1,939	1,939	-
Total Nonmajor Funds	<u>\$ 1,002,876</u>	<u>\$ 898,834</u>	<u>\$ 104,042</u>

The changes in total fund balances for the general fund, highway fund, highway capital fund, ARPA fund and the aggregate nonmajor funds occurred due to the regular activity of operations.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water fund had a decrease in net position for the year of \$130,749 and the sewer fund had an increase in net position for the year of \$20,470.

Budgetary Highlights

There was no difference between the original and final budget for the general fund and highway fund.

The general fund actual revenues exceeded budgeted amounts by \$113,942. This was the result of all revenues being receipted within or in excess of budgeted amounts with the exception of intergovernmental revenues - other, admin fees and interest on taxes/penalties.

The general fund actual expenditures exceeded budgeted amounts by \$38,737. All expenditure categories were within or under budgeted amounts with the exception of the general government, public safety and recreation.

The highway fund actual revenues exceeded budgeted amounts by \$382,694. This was the result of all revenues being receipted in excess of budgeted amounts with the exception of property taxes.

The highway fund actual expenditures were over budgeted amounts by \$608,130. All expenditure categories were over budgeted amounts with the exception of payroll and benefits, office expenses, general expenses and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Town increased by \$350,168. This increase was the result of net capital asset additions of \$1,418,772, less net disposals of \$133,608 and current year depreciation expense of \$934,996.

Table 4
Town of Pittsford, Vermont
Capital Assets (Net of Depreciation)
June 30,

	2023	2022 (Restated)
Land and other assets not being depreciated	\$ 266,858	\$ 465,355
Land, buildings and improvements, distribution/collection systems	10,024,753	10,113,945
Equipment, machinery and vehicles	1,993,479	2,122,934
Infrastructure	5,656,139	4,888,827
Total	\$ 17,941,229	\$ 17,591,061

Debt

At June 30, 2023, the Town had \$4,319,658 in bonds and notes from direct borrowings payable versus \$4,497,922 last year. Refer to Note 7 of Notes to Financial Statements for more detailed information on debt.

Economic Factors and Next Year's Budgets and Rates

The 2023 - 2024 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2023 - 2024 as of the date this report was issued.

The Town is working toward maintaining a sufficient unassigned fund balance to sustain government operations for a period of approximately three months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager at 426 Plains Road, Pittsford, Vermont 05763.

TOWN OF PITTSFORD, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,033,755	\$ -	\$ 2,033,755
Investments	89,641	-	89,641
Accounts receivable (net of allowance for uncollectibles):			
Taxes	112,273	-	112,273
Other	1,818	354,983	356,801
Loan receivable (net of allowance for uncollectible)	6,338	-	6,338
Due from other governments	10,000	-	10,000
Prepaid items	13,057	3,926	16,983
Inventory	126,577	7,169	133,746
Internal balances	267,041	(267,041)	-
Total current assets	<u>2,660,500</u>	<u>99,037</u>	<u>2,759,537</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	190,636	76,222	266,858
Depreciable assets, net of accumulated depreciation	8,810,770	8,863,601	17,674,371
Total noncurrent assets	<u>9,001,406</u>	<u>8,939,823</u>	<u>17,941,229</u>
TOTAL ASSETS	<u>11,661,906</u>	<u>9,038,860</u>	<u>20,700,766</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	131,038	25,893	156,931
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>131,038</u>	<u>25,893</u>	<u>156,931</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,792,944</u>	<u>\$ 9,064,753</u>	<u>\$ 20,857,697</u>

STATEMENT A (CONTINUED)

TOWN OF PITTSFORD, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 116,215	\$ 15	\$ 116,230
Accrued payroll and expenses	28,028	-	28,028
Current portion of long-term obligations	54,378	138,442	192,820
Total current liabilities	198,621	152,976	351,597
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	-	3,884,640	3,884,640
Notes from direct borrowings payable	251,584	-	251,584
Net pension liability	343,442	67,866	411,308
Accrued compensated absences	47,894	8,406	56,300
Total noncurrent liabilities	642,920	3,960,912	4,603,832
TOTAL LIABILITIES	841,541	4,113,888	4,955,429
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	12,780	-	12,780
Deferred inflows related to pensions	20,098	3,971	24,069
TOTAL DEFERRED INFLOWS OF RESOURCES	32,878	3,971	36,849
NET POSITION			
Net investment in capital assets	8,703,896	4,917,675	13,621,571
Restricted	191,466	-	191,466
Unrestricted	2,023,163	29,219	2,052,382
TOTAL NET POSITION	10,918,525	4,946,894	15,865,419
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 11,792,944	\$ 9,064,753	\$ 20,857,697

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 748,790	\$ 28,253	\$ -	\$ -	\$ (720,537)	\$ -	\$ (720,537)
Public works	1,268,053	13,293	134,849	-	(1,119,911)	-	(1,119,911)
Public safety	567,326	86,704	-	-	(480,622)	-	(480,622)
Solid waste/recycling	87,815	47,777	-	-	(40,038)	-	(40,038)
Recreation	216,812	46,695	-	-	(170,117)	-	(170,117)
County tax	29,096	-	-	-	(29,096)	-	(29,096)
Special appropriations	146,588	-	-	-	(146,588)	-	(146,588)
Education	4,364,755	-	-	-	(4,364,755)	-	(4,364,755)
Unclassified	97,099	-	15,440	21,000	(60,659)	-	(60,659)
Total governmental activities	<u>7,526,334</u>	<u>222,722</u>	<u>150,289</u>	<u>21,000</u>	<u>(7,132,323)</u>	<u>-</u>	<u>(7,132,323)</u>
Business-type activities:							
Water	506,947	337,438	-	-	-	(169,509)	(169,509)
Sewer	364,059	366,602	-	-	-	2,543	2,543
Total business-type activities	<u>871,006</u>	<u>704,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,966)</u>	<u>(166,966)</u>
Total government	<u>\$ 8,397,340</u>	<u>\$ 926,762</u>	<u>\$ 150,289</u>	<u>\$ 21,000</u>	<u>(7,132,323)</u>	<u>(166,966)</u>	<u>(7,299,289)</u>

STATEMENT B (CONTINUED)

TOWN OF PITTSFORD, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(7,132,323)</u>	<u>(166,966)</u>	<u>(7,299,289)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	6,750,927	-	6,750,927
Grants and contributions not restricted to specific programs	1,363,923	-	1,363,923
Miscellaneous	208,490	26,687	235,177
Total general revenues	<u>8,323,340</u>	<u>26,687</u>	<u>8,350,027</u>
Transfers	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>
Change in net position	1,161,017	(110,279)	1,050,738
NET POSITION - JULY 1, RESTATED	<u>9,757,508</u>	<u>5,057,173</u>	<u>14,814,681</u>
NET POSITION - JUNE 30	<u>\$ 10,918,525</u>	<u>\$ 4,946,894</u>	<u>\$ 15,865,419</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Highway Fund	Highway Capital Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,028,864	\$ -	\$ -	\$ -	\$ 4,891	\$ 2,033,755
Investments	-	-	-	-	89,641	89,641
Accounts receivable (net of allowance for uncollectibles):						
Taxes	112,273	-	-	-	-	112,273
Other	1,818	-	-	-	-	1,818
Loan receivable (net of allowance for uncollectibles)	-	-	-	-	6,338	6,338
Due from other governments	-	-	-	-	10,000	10,000
Prepaid items	13,057	-	-	-	-	13,057
Inventory	-	126,577	-	-	-	126,577
Due from other funds	576,880	-	375,889	729,705	907,265	2,589,739
TOTAL ASSETS	\$ 2,732,892	\$ 126,577	\$ 375,889	\$ 729,705	\$ 1,018,135	\$ 4,983,198
LIABILITIES						
Accounts payable	\$ 116,215	\$ -	\$ -	\$ -	\$ -	\$ 116,215
Accrued payroll and expenses	28,028	-	-	-	-	28,028
Due to other funds	2,082,045	231,732	-	-	8,921	2,322,698
TOTAL LIABILITIES	2,226,288	231,732	-	-	8,921	2,466,941
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	12,780	-	-	-	-	12,780
Deferred tax revenue	70,659	-	-	-	-	70,659
Deferred revenue	18,195	-	-	728,992	6,338	753,525
TOTAL DEFERRED INFLOWS OF RESOURCES	101,634	-	-	728,992	6,338	836,964
FUND BALANCES (DEFICITS)						
Nonspendable	13,057	-	-	-	1,250	14,307
Restricted	-	-	-	-	191,466	191,466
Committed	-	-	375,889	-	693,248	1,069,137
Assigned	-	-	-	713	125,833	126,546
Unassigned	391,913	(105,155)	-	-	(8,921)	277,837
TOTAL FUND BALANCES (DEFICITS)	404,970	(105,155)	375,889	713	1,002,876	1,679,293
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 2,732,892	\$ 126,577	\$ 375,889	\$ 729,705	\$ 1,018,135	\$ 4,983,198

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,679,293
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, net of accumulated depreciation	9,001,406
Other long-term assets and liabilities are not available to pay for current period expenditures or revenues and therefore are deferred in the funds shown above:	
Taxes and liens receivable	70,659
Deferred revenue	753,525
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	131,038
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(14,176)
Notes from direct borrowings payable	(283,334)
Accrued compensated absences	(56,346)
Net pension liability	(343,442)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(20,098)</u>
Net position of governmental activities	<u><u>\$ 10,918,525</u></u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Highway Fund	Highway Capital Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 5,734,778	\$ 1,045,490	\$ -	\$ -	\$ -	\$ 6,780,268
Intergovernmental revenues	128,429	509,148	-	104,312	74,507	816,396
Charges for services	209,429	13,293	-	-	-	222,722
Investment income	56,991	-	8,301	-	23,485	88,777
Miscellaneous revenues	64,810	1,863	16,600	-	36,440	119,713
TOTAL REVENUES	6,194,437	1,569,794	24,901	104,312	134,432	8,027,876
EXPENDITURES						
Current:						
General government	683,219	-	-	-	-	683,219
Public works	-	1,157,825	-	-	-	1,157,825
Public safety	454,770	-	-	-	-	454,770
Solid waste/recycling	87,815	-	-	-	-	87,815
Recreation	211,022	-	-	-	-	211,022
County tax	29,096	-	-	-	-	29,096
Special appropriations	146,588	-	-	-	-	146,588
Education	4,364,755	-	-	-	-	4,364,755
Unclassified	-	-	-	5,091	92,008	97,099
Capital outlay	-	477,405	165,432	99,220	100,349	842,406
TOTAL EXPENDITURES	5,977,265	1,635,230	165,432	104,311	192,357	8,074,595
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	217,172	(65,436)	(140,531)	1	(57,925)	(46,719)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	110,000	-	165,762	275,762
Transfers (out)	(141,967)	(160,000)	-	-	(3,795)	(305,762)
TOTAL OTHER FINANCING SOURCES (USES)	(141,967)	(160,000)	110,000	-	161,967	(30,000)
NET CHANGE IN FUND BALANCES	75,205	(225,436)	(30,531)	1	104,042	(76,719)
FUND BALANCES - JULY 1	329,765	120,281	406,420	712	898,834	1,756,012
FUND BALANCES - JUNE 30	\$ 404,970	\$ (105,155)	\$ 375,889	\$ 713	\$ 1,002,876	\$ 1,679,293

See accompanying independent auditor's report and notes to financial statements.

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, 2023

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (76,719)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,409,641
Capital assets disposed	(133,608)
Depreciation expense	<u>(723,837)</u>
	<u>552,196</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	<u>39,048</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	(29,341)
Deferred grants	<u>718,816</u>
	<u>689,475</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	<u>44,972</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	<u>97,560</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued interest payable	5,229
Accrued compensated absences	(26,272)
Net pension liability	<u>(164,472)</u>
	<u>(185,515)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,161,017</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	Enterprise Funds		Total
	Water	Sewer	
ASSETS			
Current assets:			
Accounts receivable (net of allowance for uncollectibles)	\$ 164,535	\$ 190,448	\$ 354,983
Prepaid items	3,410	516	3,926
Inventory	5,028	2,141	7,169
Due from other funds	69,186	-	69,186
Total current assets	<u>242,159</u>	<u>193,105</u>	<u>435,264</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	74,722	1,500	76,222
Buildings, distribution and collection systems	6,959,355	5,129,189	12,088,544
Vehicles and equipment	103,663	-	103,663
Total capital assets	<u>7,137,740</u>	<u>5,130,689</u>	<u>12,268,429</u>
Less: accumulated depreciation	<u>(1,991,542)</u>	<u>(1,337,064)</u>	<u>(3,328,606)</u>
Net capital assets	<u>5,146,198</u>	<u>3,793,625</u>	<u>8,939,823</u>
Total noncurrent assets	<u>5,146,198</u>	<u>3,793,625</u>	<u>8,939,823</u>
TOTAL ASSETS	<u>5,388,357</u>	<u>3,986,730</u>	<u>9,375,087</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	17,058	8,835	25,893
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>17,058</u>	<u>8,835</u>	<u>25,893</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,405,415</u>	<u>\$ 3,995,565</u>	<u>\$ 9,400,980</u>

STATEMENT G (CONTINUED)
TOWN OF PITTSFORD, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	Enterprise Funds		Total
	Water	Sewer	
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 15	\$ -	\$ 15
Accrued interest	1,630	12,889	14,519
Due to other funds	-	336,227	336,227
Current portion of long-term obligations	54,399	84,043	138,442
Total current liabilities	<u>56,044</u>	<u>433,159</u>	<u>489,203</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	2,198,484	1,686,156	3,884,640
Accrued compensated absences	3,141	5,265	8,406
Net pension liability	44,709	23,157	67,866
Total noncurrent liabilities	<u>2,246,334</u>	<u>1,714,578</u>	<u>3,960,912</u>
TOTAL LIABILITIES	<u>2,302,378</u>	<u>2,147,737</u>	<u>4,450,115</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,616	1,355	3,971
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,616</u>	<u>1,355</u>	<u>3,971</u>
NET POSITION			
Net investment in capital assets	2,893,664	2,024,011	4,917,675
Unrestricted	206,757	(177,538)	29,219
TOTAL NET POSITION	<u>3,100,421</u>	<u>1,846,473</u>	<u>4,946,894</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 5,405,415</u>	<u>\$ 3,995,565</u>	<u>\$ 9,400,980</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT H

TOWN OF PITTSFORD, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Fund		Total
	Water	Sewer	
OPERATING REVENUES			
Charges for services	\$ 337,438	\$ 366,602	\$ 704,040
Interfund services	19,353	-	19,353
Other	708	500	1,208
TOTAL OPERATING REVENUES	<u>357,499</u>	<u>367,102</u>	<u>724,601</u>
OPERATING EXPENSES			
Payroll, taxes and benefits	138,639	97,361	236,000
Supplies	3,966	15,406	19,372
Utilities	3,813	2,874	6,687
Contracted services	111,133	22,714	133,847
Sludge removal	-	20,790	20,790
Equipment	18,309	-	18,309
Repairs and maintenance	31,081	24,089	55,170
Insurance	4,294	2,685	6,979
Other	6,697	25,114	31,811
Depreciation	116,059	95,100	211,159
TOTAL OPERATING EXPENSES	<u>433,991</u>	<u>306,133</u>	<u>740,124</u>
OPERATING INCOME (LOSS)	<u>(76,492)</u>	<u>60,969</u>	<u>(15,523)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	3,699	2,427	6,126
Interest expense	(72,956)	(57,926)	(130,882)
Transfers in	15,000	15,000	30,000
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(54,257)</u>	<u>(40,499)</u>	<u>(94,756)</u>
CHANGE IN NET POSITION	(130,749)	20,470	(110,279)
NET POSITION - JULY 1, RESTATED	<u>3,231,170</u>	<u>1,826,003</u>	<u>5,057,173</u>
NET POSITION - JUNE 30	<u>\$ 3,100,421</u>	<u>\$ 1,846,473</u>	<u>\$ 4,946,894</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT I

TOWN OF PITTSFORD, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds		Total
	Water	Sewer	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 365,446	\$ 340,016	\$ 705,462
Internal activity - receipts (payments) from/to other funds	60,659	5,360	66,019
Payments to employees	(142,709)	(94,296)	(237,005)
Payments to suppliers	(191,723)	(120,574)	(312,297)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	91,673	130,506	222,179
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to/from other funds	15,000	15,000	30,000
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	15,000	15,000	30,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	3,699	2,427	6,126
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,699	2,427	6,126
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase/disposal of capital assets	-	(9,131)	(9,131)
Principal paid on capital debt	(52,416)	(80,876)	(133,292)
Interest paid on capital debt	(72,956)	(57,926)	(130,882)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(110,372)	(147,933)	(258,305)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ (76,492)	\$ 60,969	\$ (15,523)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	116,059	95,100	211,159
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	7,947	(27,086)	(19,139)
(Increase) decrease in prepaid items	(991)	(516)	(1,507)
(Increase) decrease in inventory	300	-	300
(Increase) decrease in due from other funds	60,659	1,908	62,567
(Increase) decrease in deferred outflows of resources	(5,083)	(2,632)	(7,715)
Increase (decrease) in accounts payable	(11,591)	(5,764)	(17,355)
Increase (decrease) in payroll and related liabilities	(3,092)	(1,566)	(4,658)
Increase (decrease) in accrued interest	(148)	(622)	(770)
Increase (decrease) in due to other funds	-	3,452	3,452
Increase (decrease) in accrued compensated absences	(4,605)	2,751	(1,854)
Increase (decrease) in net pension liability	21,411	11,090	32,501
Increase (decrease) in deferred inflows of resources	(12,701)	(6,578)	(19,279)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 91,673	\$ 130,506	\$ 222,179

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	Private Purpose Trust <u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 141,001
Investments	<u>3,141,783</u>
TOTAL ASSETS	<u><u>\$ 3,282,784</u></u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	<u>3,282,784</u>
TOTAL NET POSITION	<u><u>3,282,784</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 3,282,784</u></u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Private Purpose Trust <u>Total</u>
ADDITIONS	
Contributions	
Other	\$ 309
Total contributions	<u>309</u>
Investment earnings:	
Interest	\$ 188,111
Total additions	<u>188,420</u>
DEDUCTIONS	
Other	<u>680</u>
Total deductions	<u>680</u>
CHANGE IN NET POSITION	187,740
NET POSITION - JULY 1	<u>3,095,044</u>
NET POSITION - JUNE 30	<u>\$ 3,282,784</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Pittsford, Vermont was incorporated under the laws of the State of Vermont. The Town operates under the selectmen-manager form of government and provides the following services: general government, public works, public safety, solid waste/recycling, recreation, special appropriations and education.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's water and sewer funds are categorized as business-type activities. All other activities of the Town are categorized as governmental.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (General government and public works, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

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

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Highway Fund is used to account for highway department operations of the Town. Primary revenue sources are taxes and intergovernmental revenue.
- c. The Highway Capital Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. The primary revenue source for this fund is transfers from other funds.
- d. The ARPA Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The primary revenue source for this fund is intergovernmental revenue.

Nonmajor Funds:

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- g. Permanent Funds are used to account for assets held by the Town that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

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

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1 of the next calendar year. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the residents of the Town.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$373,139 for the year ended June 30, 2023.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method).

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Capital Assets

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

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery, equipment and vehicles	5 - 30 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) Plan and additions to/deductions from the VMERS Plan fiduciary net position has been determined on the same basis as they are reported by the VMERS Plan. 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

legislation adopted by the Town or through external restrictions imposed by creditors grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement 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/expenditure) until then. The Town has one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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. Deferred tax revenue and deferred revenue, which arises only under a modified accrual basis of accounting, qualify for reporting in this category. Accordingly, these items are reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

Property taxes attach as an enforceable lien on property owned as of April 1st. Elected listers establish a grand list of all property and the Selectboard sets the tax rate required to raise the tax revenue authorized by Town and School District voters and the Vermont Agency of Education. Property taxes for the fiscal year ended June 30, 2023 were payable in three installments due in August, September and November.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023, the Town’s cash balances amounting to \$2,174,756 were comprised of deposits of \$2,242,384. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town’s cash and cash equivalents balance. Of these bank deposits, \$398,980 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. \$1,843,404 was collateralized by an irrevocable standby letter of credit.

Account Type	Bank Balance
Checking accounts	\$ 2,116,941
Cash equivalents	125,443
	\$ 2,242,384

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$31,817 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2023, the Town had the following investments:

Investment Type	Fair Value	Maturity		
		<1 Year	1 - 5 Years	N/A
Fixed income bonds	\$ 664,935	\$ -	\$ -	\$ 664,935
Mutual funds and exchange-traded funds	2,504,699	-	-	2,504,699
REIT funds	29,973	-	-	29,973
	\$3,199,607	\$ -	\$ -	\$ 3,199,607

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023, the Town has \$3,231,424 in investments in certificates of deposit, fixed income securities, equity securities and REIT funds. \$31,817 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining \$3,199,607 is uncollateralized and uninsured.

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2023:

	Total June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Fixed income:				
Bonds	\$ 664,935	\$ 664,935	\$ -	\$ -
Equity securities:				
Mutual funds and exchange-traded funds	2,504,699	2,504,699	-	-
REIT funds	29,973	29,973	-	-
Total investments by fair value level	3,199,607	\$ 3,199,607	\$ -	\$ -
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market funds	125,443			
Total cash equivalents measured at the NAV	125,443			
Total investments and cash equivalents measured at fair value	\$ 3,325,050			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Town has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2023 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions for \$31,817 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

Credit risk - Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in various savings accounts and certificates of deposit.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 576,880	\$ 2,082,045
Highway fund	-	231,732
Town Center Reserve fund	729,705	-
Enterprise funds	69,186	336,227
Nonmajor special revenue funds	248,168	1,957
Nonmajor capital projects funds	659,097	6,964
Totals	\$ 2,658,925	\$ 2,658,925

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2023 consisted of the following:

	Transfers In	Transfers Out
General fund	\$ -	\$ 141,967
Highway fund	-	160,000
Nonmajor special revenue funds	3,795	-
Nonmajor capital projects funds	161,967	3,795
Totals	\$ 305,762	\$ 305,762

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

A summary of capital assets for the year ended June 30, 2023 is as follows:

	Balance 7/1/22 (Restated)	Additions	Disposals/ Transfers	Balance 6/30/23
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 190,636	\$ -	\$ -	\$ 190,636
Construction in progress	198,497	-	(198,497)	-
	<u>389,133</u>	<u>-</u>	<u>(198,497)</u>	<u>190,636</u>
Depreciated assets:				
Buildings and improvements	1,653,595	73,856	-	1,727,451
Machinery and equipment	3,612,963	284,775	(373,643)	3,524,095
Infrastructure	8,620,179	1,249,507	-	9,869,686
	<u>13,886,737</u>	<u>1,608,138</u>	<u>(373,643)</u>	<u>15,121,232</u>
Less: accumulated depreciation	<u>(5,826,660)</u>	<u>(723,837)</u>	<u>240,035</u>	<u>(6,310,462)</u>
	<u>8,060,077</u>	<u>884,301</u>	<u>(133,608)</u>	<u>8,810,770</u>
Net capital assets	<u>8,449,210</u>	<u>884,301</u>	<u>(332,105)</u>	<u>9,001,406</u>
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	76,222	-	-	76,222
	<u>76,222</u>	<u>-</u>	<u>-</u>	<u>76,222</u>
Depreciated assets:				
Land, buildings and improvements, distribution/collection systems	12,337,509	9,131	(258,096)	12,088,544
Machinery and equipment	103,663	-	-	103,663
	<u>12,441,172</u>	<u>9,131</u>	<u>(258,096)</u>	<u>12,192,207</u>
Less: accumulated depreciation	<u>(3,375,543)</u>	<u>(211,159)</u>	<u>258,096</u>	<u>(3,328,606)</u>
	<u>9,065,629</u>	<u>(202,028)</u>	<u>-</u>	<u>8,863,601</u>
Net capital assets	<u>9,141,851</u>	<u>(202,028)</u>	<u>-</u>	<u>8,939,823</u>
Total government	<u>\$ 17,591,061</u>	<u>\$ 682,273</u>	<u>\$ (332,105)</u>	<u>\$ 17,941,229</u>
<u>Current year depreciation:</u>				
Town administration				\$ 16,664
Public safety				112,556
Public works				587,766
Recreation				5,790
Solid waste/recycling				1,061
Subtotal governmental				<u>723,837</u>
Water				116,059
Sewer				95,100
Subtotal business-type				<u>211,159</u>
Total depreciation expense				<u>\$ 934,996</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Deletions	Balance, 6/30/23	Current Portion
<i>Governmental Activities:</i>					
Bonds payable	\$ 28,352	\$ -	\$ (14,176)	\$ 14,176	\$ 14,176
Notes from direct borrowings payable	314,130	-	(30,796)	283,334	31,750
	<u>\$ 342,482</u>	<u>\$ -</u>	<u>\$ (44,972)</u>	<u>\$ 297,510</u>	<u>\$ 45,926</u>
<i>Business-type Activities:</i>					
Bonds payable	<u>\$ 4,155,440</u>	<u>\$ -</u>	<u>\$ (133,292)</u>	<u>\$ 4,022,148</u>	<u>\$ 137,508</u>

The following is a summary of the outstanding bonds and notes from direct borrowings payable:

	Governmental Activities	Business-type Activities Water	Sewer	Total
Bonds payable:				
\$141,176 State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, principal payments of \$14,176 payable on December 1 annually, fixed 0% interest per annum. Matures in December of 2023.	\$ 14,176	\$ -	\$ -	\$ 14,176
\$2,600,000 USDA Rural Development, Water System Improvements, Principal and interest payments of \$58,318 payable semi-annually in December and June. Fixed interest rate of 3.25% per annum. Matures in June of 2050.	-	2,085,370	-	2,085,370
\$154,000 USDA Rural Development, Water Supply Improvements, Principal and interest payments of \$3,187 payable semi-annually in December and June. Fixed interest rate of 2.75% per annum. Matures in November of 2053.	-	130,953	-	130,953
State of Vermont Special Environmental Revolving Fund, Water Supply Improvements, Principal payments of \$2,000 payable annually. Fixed interest rate is 0% per annum. Matures in December of 2023	-	2,000	-	2,000
State of Vermont Special Environmental Revolving Fund, Water Supply Improvements, authorized up to \$66,285. Principal payments of \$13,257 payable annually beginning March of 2025. Fixed interest at 0% per annum. Matures in March of 2029.	-	34,210	-	34,210

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Total</u>
		<u>Water</u>	<u>Sewer</u>	
\$682,000 Vermont Municipal Bond Bank, Sewer system improvements. Annual principal payments ranging from \$29,082 to \$48,002. Semi-annual interest payments at a fixed rate of 3.93% per annum. Matures in December of 2031.	-	-	372,114	372,114
\$577,338 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 due annually. Matures in April of 2051.	-	-	447,530	447,530
\$1,242,000 USDA Rural Development, sewer system improvements. Principal and interest payments of \$30,541 payable semi-annually in December and June. Fixed interest rate of 2.75% per annum. Matures in August of 2042.	-	-	916,826	916,826
\$33,145 State of Vermont special revenue environmental revolving fund, sewer system improvements. Authorized to \$66,285 but eligible for \$33,143 subsidy. Annual principal payments of \$6,629 beginning in March of 2025. Matures in March of 2029.	-	-	33,145	33,145
Total bonds payable:	<u>\$ 14,176</u>	<u>\$ 2,252,533</u>	<u>\$ 1,769,615</u>	<u>\$ 4,036,324</u>
Notes from direct borrowings payable:				
\$344,000 Municipal Leasing Corp, Fire Truck Purchase. Principal and interest payments of \$40,533 payable on December 15 annually. Fixed interest rate is 3.0998% per annum. Matures in December of 2030.	<u>\$ 283,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,334</u>

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and notes from direct borrowings payable principal and interest requirements for the following fiscal years ending June 30:

	Governmental Activities					
	Bonds Payable		Notes from Direct Borrowings Payable		Total	
	Principal	Interest	Principal	Interest		
2024	\$ 14,176	\$ -	\$ 31,750	\$ 8,783	\$ 54,709	
2025	-	-	32,734	7,799	40,533	
2026	-	-	33,749	6,784	40,533	
2027	-	-	34,795	5,738	40,533	
2028	-	-	35,873	4,659	40,532	
2029-2033	-	-	114,433	7,166	121,599	
	<u>\$ 14,176</u>	<u>\$ -</u>	<u>\$ 283,334</u>	<u>\$ 40,929</u>	<u>\$ 338,439</u>	

	Business-type Activities					
	Bonds Payable		Note from Direct Borrowings Payable		Total	
	Principal	Interest	Principal	Interest		
2024	\$ 172,143	\$ 17,075	\$ 25,857	\$ 990	\$ 216,065	
2025	172,915	15,241	25,857	493	214,506	
2026	173,703	13,339	-	-	187,042	
2027	152,287	11,378	-	-	163,665	
2028	140,641	26,118	-	-	166,759	
2029-2033	638,567	-	-	-	638,567	
2034-2038	373,476	-	-	-	373,476	
2039-2043	373,476	-	-	-	373,476	
2044-2048	348,335	-	-	-	348,335	
2049-2053	59,252	-	-	-	59,252	
2054-2058	59,252	-	-	-	59,252	
2059-2063	39,522	-	-	-	39,522	
	<u>\$ 2,703,569</u>	<u>\$ 83,151</u>	<u>\$ 51,714</u>	<u>\$ 1,483</u>	<u>\$ 2,839,917</u>	

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to business-type activities expense for the year ended June 30, 2023 was \$130,822.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes or water/sewer user fees levied on all taxable property within the Town.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2023 is as follows:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Current Portion
<i>Governmental Activities:</i>					
Accrued compensated absences	\$ 30,074	\$ 26,272	\$ -	\$ 56,346	\$ 8,452
Net pension liability	178,970	195,055	(30,583)	343,442	-
	<u>\$ 209,044</u>	<u>\$ 221,327</u>	<u>\$ (30,583)</u>	<u>\$ 399,788</u>	<u>\$ 8,452</u>
<i>Business-type Activities:</i>					
Accrued compensated absences	\$ 11,194	\$ 2,751	\$ (4,605)	\$ 9,340	\$ 934
Net pension liability	35,365	38,544	(6,043)	67,866	-
	<u>\$ 46,559</u>	<u>\$ 41,295</u>	<u>\$ (10,648)</u>	<u>\$ 77,206</u>	<u>\$ 934</u>

Please see Notes 8 and 15 for detailed information on each of the other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town’s policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation leave. Generally, the liability for these compensated absences are recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2023, the Town’s liability for compensated absences is \$65,686.

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2023:

	Governmental Activities	Business-type Activities	
		Water	Sewer
Invested in capital assets	\$ 15,311,868	\$ 7,137,740	\$ 5,130,689
Accumulated depreciation	(6,310,462)	(1,991,542)	(1,337,064)
Outstanding capital related debt	(297,510)	(2,252,534)	(1,769,614)
	<u>\$ 8,703,896</u>	<u>\$ 2,893,664</u>	<u>\$ 2,024,011</u>

NOTE 10 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2023, the Town had the following restricted net position and fund balances:

Nonmajor special revenue funds:	
Land records restoration fund	\$ 98,184
William Dennison fund	91,343
Permanent funds:	
Cemetery funds	1,939
	<u>\$ 191,466</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2023, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	<u>\$ 13,057</u>

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2023, the Town had the following committed fund balances:

Highway capital fund	\$ 375,889
Nonmajor special revenue funds (Schedule C)	24,151
Nonmajor capital projects funds (Schedule E)	669,097
	<u>\$ 1,069,137</u>

TOWN OF PITTSFORD, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2023, the Town had the following assigned fund balances:

ARPA fund	\$	713
Nonmajor special revenue funds (Schedule C)		125,833
		126,546
	\$	126,546

NOTE 14 - DEFICIT FUND BALANCES

At June 30, 2023, the Town had the following deficit fund balances:

Highway fund	\$	105,155
Nonmajor special revenue funds:		
Well drilling fund		1,957
Nonmajor capital projects funds:		
Patrol car fund		6,964
		114,076
	\$	114,076

NOTE 15 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2021 (the most recent data available), the retirement system consisted of 16,158 participating members.

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 Schools and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

The Town participates in Group A. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - Normal Service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

** A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2022 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.500% of gross salary	5.875% of gross salary	11.000% of gross salary	12.350% of gross salary
Employer Contributions	5.000% of gross salary	6.500% of gross salary	8.250% of gross salary	10.850% of gross salary

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2023 totaled \$25,638. The Town contributed \$36,626 for the year ended June 30, 2023. The Town's total payroll for the year ended June 30, 2023 for all employees covered under this plan was \$732,516.

Pension Liabilities

At June 30, 2023, the Town reported a liability of \$1,020,104 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2022, the Town's proportion was 0.13558% for VMERS, which was an increase of 0.13408% from its proportion measured as of June 30, 2021 for VMERS.

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Town recognized pension expense of \$88,531 for the VMERS plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>VMERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,889	\$ -
Changes of assumptions	21,028	-
Net difference between projected and actual earnings on pension plan investments	66,776	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,612	24,069
Contributions subsequent to the measurement date	<u>36,626</u>	<u>-</u>
Total	<u>\$ 156,931</u>	<u>\$ 24,069</u>

\$36,626 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>VMERS Plan</u>
Plan year ended June 30:	
2023	\$ 29,686
2024	24,228
2025	4,110
2026	38,212
2027	-
Thereafter	-

TOWN OF PITTSFORD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2022 measurement date was determined by rolling forward the total pension liability as of June 30, 2021 to June 30, 2022. The total pension liability was calculated using the following actuarial assumptions:

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

Inflation: 2.30%

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.

Deaths After Retirement: Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B/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 - Beneficiaries:

- Groups A/B/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:

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2019.

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: 85% of male members and 50% of female members are assumed to be married.

Spouse's Age: Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Group B, C and D members. The January 1, 2023 COLA is 2.00% for Group A members and 3.00% for Group B, C and D members.

Actuarial Cost Method: The Projected Benefit Cost Method is used. Normal contribution rates for each Group are equal to rates from the prior year, adjusted for increases or decreases in rates due to assumption changes or plan provision changes.

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

The *long-term expected rate of return* on 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 investment expense and inflation) developed for each

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

major asset class. These best estimate ranges were 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 rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
US Equity - Large Cap	4.00%	3.25%
US Equity - Small/Mid Cap	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Emerging Market Debt	4.00%	3.50%
Core Fixed Income	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	3.00%	3.50%
Non-Core Real Estate	4.00%	6.00%
Private Equity	10.00%	6.50%
Infrastructure/Farmland	4.00%	4.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VMERS plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

TOWN OF PITTSFORD, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Town's proportionate share of the net pension liability	\$ 616,327	\$ 411,308	\$ 242,671

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VMERS or their participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report can be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](http://AnnualComprehensiveFinancialReport|DepartmentofFinanceandManagement.vermont.gov).

NOTE 16 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability and natural disasters. The Town manages these risks through commercial insurance policies. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. There were no settlements in excess of insurance coverage in any of the past three years.

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.

NOTE 17 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

TOWN OF PITTSFORD, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - CONTINGENCIES (CONTINUED)

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 18 - LETTERS OF CREDIT

At June 30, 2023, the Town had an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD Bank, N.A. The letter of credit, which expires at the close of business on October 3, 2023, authorizes one draw only, up to the amount of \$2,500,000. There were no draws for the year ended June 30, 2023.

NOTE 19 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 20 - RESTATEMENTS

In 2023, the Town determined that certain transactions were recorded incorrectly or omitted in the previous year, therefore restatements were required. A restatement was made to the business-type activities. The bonds payable balance was decreased by \$1,100 which was a decrease to net position. The capital asset balance was decreased by \$247,183 and also decreased net position by that amount. The net restatement to the business-type activities net position was a decrease of \$248,283 from \$5,305,456 to \$5,057,173.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Notes to Required Supplementary Information

TOWN OF PITTSFORD, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 329,765	\$ 329,765	\$ 329,765	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	5,687,105	5,687,105	5,734,778	47,673
Intergovernmental revenues:				
Current use	50,000	50,000	51,035	1,035
State PILOT	60,000	60,000	66,483	6,483
Act 68	10,000	10,000	10,174	174
Railroad tax	700	700	737	37
Other	5,000	5,000	-	(5,000)
Charges for services	203,640	203,640	209,429	5,789
Interest income	4,500	4,500	56,991	52,491
Admin fees	21,000	21,000	20,000	(1,000)
Interest on taxes/penalties	38,500	38,500	37,265	(1,235)
Miscellaneous	50	50	7,545	7,495
Amounts Available for Appropriation	<u>6,410,260</u>	<u>6,410,260</u>	<u>6,524,202</u>	<u>113,942</u>
Charges to Appropriations (Outflows):				
General government	680,055	680,055	683,219	(3,164)
Public safety	431,038	431,038	454,770	(23,732)
Solid waste/recycling	91,807	91,807	87,815	3,992
Recreation	193,135	193,135	211,022	(17,887)
County tax	31,150	31,150	29,096	2,054
Special appropriations	146,588	146,588	146,588	-
Education	4,364,755	4,364,755	4,364,755	-
Transfers to other funds	141,967	141,967	141,967	-
Total Charges to Appropriations	<u>6,080,495</u>	<u>6,080,495</u>	<u>6,119,232</u>	<u>(38,737)</u>
Budgetary Fund Balance, June 30	<u>\$ 329,765</u>	<u>\$ 329,765</u>	<u>\$ 404,970</u>	<u>\$ 75,205</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - HIGHWAY FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 120,281	\$ 120,281	\$ 120,281	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	1,045,650	1,045,650	1,045,490	(160)
Intergovernmental Revenues:				
State aid	132,000	132,000	134,849	2,849
Other	-	-	374,299	374,299
Charges for services	9,450	9,450	13,293	3,843
Miscellaneous revenues	-	-	1,863	1,863
Amounts Available for Appropriation	<u>1,307,381</u>	<u>1,307,381</u>	<u>1,690,075</u>	<u>382,694</u>
Charges to Appropriations (Outflows):				
Payroll and benefits	325,360	325,360	312,663	12,697
Office expenses	3,100	3,100	1,765	1,335
Insurance	14,590	14,590	16,192	(1,602)
Buildings and grounds	8,550	8,550	15,242	(6,692)
General expenses	27,500	27,500	22,603	4,897
Vehicles	79,000	79,000	101,549	(22,549)
Road maintenance	569,000	569,000	687,811	(118,811)
Capital outlay	-	-	477,405	(477,405)
Transfers to other funds	160,000	160,000	160,000	-
Total Charges to Appropriations	<u>1,187,100</u>	<u>1,187,100</u>	<u>1,795,230</u>	<u>(608,130)</u>
Budgetary Fund Balance, June 30	<u>\$ 120,281</u>	<u>\$ 120,281</u>	<u>\$ (105,155)</u>	<u>\$ (225,436)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>									
Proportion of the net pension liability/(asset)	0.14%	0.00%	0.15%	0.15%	0.16%	0.16%	0.17%	0.18%	0.18%
Proportionate share of the net pension liability/(asset)	\$ 411,308	\$ 214,335	\$ 385,365	\$ 259,104	\$ 227,063	\$ 199,381	\$ 216,527	\$ 135,812	\$ 16,229
Covered payroll	\$ 714,145	\$ 719,503	\$ 742,870	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601	\$ 640,860
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	57.59%	29.79%	51.88%	37.25%	32.13%	29.68%	33.87%	22.06%	2.53%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>									
Contractually required contribution	\$ 36,626	\$ 33,922	\$ 32,377	\$ 31,572	\$ 28,695	\$ 28,272	\$ 26,875	\$ 25,571	\$ 24,624
Contributions in relation to the contractually required contribution	<u>(36,626)</u>	<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 deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 732,516	\$ 714,145	\$ 719,503	\$ 742,870	\$ 695,629	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Contributions as a percentage of covered payroll	5.00%	4.75%	4.50%	4.25%	4.13%	4.00%	4.00%	4.00%	4.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Assumptions

VMERS Pension Plan:

The July 1, 2023 COLA assumption was increased from 2.00% to 3.00% for Groups B, C and D members.

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Statement of Net Position - Fiduciary Funds - Private-Purpose Trust Funds
- Combining Statement of Changes in Net Position - Fiduciary Funds - Private-Purpose Trust Funds

TOWN OF PITTSFORD, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
Legislation	\$ 18,710	\$ -	\$ 18,710	\$ 18,013	\$ 697
Management	191,140	-	191,140	202,387	(11,247)
Elections	6,700	-	6,700	5,470	1,230
Finance - clerk/treasurer	185,740	-	185,740	185,231	509
Administration	87,550	-	87,550	85,959	1,591
Agencies	6,300	-	6,300	6,205	95
Zoning	18,350	-	18,350	22,764	(4,414)
Planning commission	6,400	-	6,400	7,843	(1,443)
BCA	4,000	-	4,000	1,312	2,688
Plant and equipment	41,800	-	41,800	41,292	508
Fire warden	725	-	725	-	725
Miscellaneous	14,250	-	14,250	9,382	4,868
Assessor	63,620	-	63,620	61,872	1,748
Health officer	34,770	-	34,770	35,489	(719)
	<u>680,055</u>	<u>-</u>	<u>680,055</u>	<u>683,219</u>	<u>(3,164)</u>
Public Safety -					
First response	17,090	-	17,090	13,542	3,548
Police	214,750	-	214,750	238,686	(23,936)
Fire department	193,593	-	193,593	197,139	(3,546)
Animal control	5,605	-	5,605	5,403	202
	<u>431,038</u>	<u>-</u>	<u>431,038</u>	<u>454,770</u>	<u>(23,732)</u>
Solid Waste/Recycling	<u>91,807</u>	<u>-</u>	<u>91,807</u>	<u>87,815</u>	<u>3,992</u>
Recreation	<u>193,135</u>	<u>-</u>	<u>193,135</u>	<u>211,022</u>	<u>(17,887)</u>
Education	<u>4,364,755</u>	<u>-</u>	<u>4,364,755</u>	<u>4,364,755</u>	<u>-</u>
County Tax	<u>31,150</u>	<u>-</u>	<u>31,150</u>	<u>29,096</u>	<u>2,054</u>

TOWN OF PITTSFORD, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Special Appropriations -					
Rutland Mental Health	3,020	-	3,020	3,020	-
Rutland National Resource Con Dis	250	-	250	250	-
Habitat for Humanity	500	-	500	500	-
Rutland Area Visiting Nurse	4,931	-	4,931	4,931	-
Vermont Center/Independent Living	314	-	314	314	-
Vermont Adult Learning Center	1,305	-	1,305	1,305	-
Rutland ARC	1,400	-	1,400	1,400	-
Newstory Center	200	-	200	200	-
Child First Advocacy Center	1,500	-	1,500	1,500	-
Rutland Regional Chamber/Killington	3,000	-	3,000	3,000	-
Rutland County Humane Society	1,000	-	1,000	1,000	-
Maclure Library	93,500	-	93,500	93,500	-
Rutland County Court Diversion	3,600	-	3,600	3,600	-
Pittsford Food Shelf	1,000	-	1,000	1,000	-
Green Up Vermont	200	-	200	200	-
Benn-Rut Opportunity Council	925	-	925	925	-
Bowen Walker Fund	1,500	-	1,500	1,500	-
Rutland County Parent Child Center	400	-	400	400	-
NeighborWorks of W. Vermont	500	-	500	500	-
American Red Cross	1,000	-	1,000	1,000	-
Pittsford Cemetery Association	900	-	900	900	-
Vermont Rural Fire Protection	100	-	100	100	-
S.W. Vermont Council on Aging	1,100	-	1,100	1,100	-
Marble Valley Region TRA	5,000	-	5,000	5,000	-
Vermont Family Network	500	-	500	500	-
Pittsford Historical Society	4,052	-	4,052	4,052	-
Rutland Servion Volunteer Program	427	-	427	427	-
Wonderfee Kids' Museum	2,500	-	2,500	2,500	-
Regional Ambulance Service	11,964	-	11,964	11,964	-
	<u>146,588</u>	<u>-</u>	<u>146,588</u>	<u>146,588</u>	<u>-</u>
Transfers to Other Funds -					
Capital projects funds	111,967	-	111,967	111,967	-
Enterprise fund	30,000	-	30,000	30,000	-
	<u>141,967</u>	<u>-</u>	<u>141,967</u>	<u>141,967</u>	<u>-</u>
Total Departmental Operations	<u>\$ 6,080,495</u>	<u>\$ -</u>	<u>\$ 6,080,495</u>	<u>\$ 6,119,232</u>	<u>\$ (38,737)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,891	\$ -	\$ -	\$ 4,891
Investments	86,452	-	3,189	89,641
Loan receivable (net of allowance for uncollectibles)	6,338	-	-	6,338
Due from other governments	-	10,000	-	10,000
Due from other funds	248,168	659,097	-	907,265
TOTAL ASSETS	\$ 345,849	\$ 669,097	\$ 3,189	\$ 1,018,135
LIABILITIES				
Due to other funds	\$ 1,957	\$ 6,964	\$ -	\$ 8,921
TOTAL LIABILITIES	1,957	6,964	-	8,921
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	6,338	-	-	6,338
TOTAL DEFERRED INFLOWS OF RESOURCES	6,338	-	-	6,338
FUND BALANCES				
Nonspendable	-	-	1,250	1,250
Restricted	189,527	-	1,939	191,466
Committed	24,151	669,097	-	693,248
Assigned	125,833	-	-	125,833
Unassigned (deficits)	(1,957)	(6,964)	-	(8,921)
TOTAL FUND BALANCES	337,554	662,133	3,189	1,002,876
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 345,849	\$ 669,097	\$ 3,189	\$ 1,018,135

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 74,507	\$ -	\$ -	\$ 74,507
Interest income	10,656	12,793	36	23,485
Other	15,440	21,000	-	36,440
TOTAL REVENUES	<u>100,603</u>	<u>33,793</u>	<u>36</u>	<u>134,432</u>
EXPENDITURES				
Capital outlay	-	100,349	-	100,349
Other	91,619	353	36	92,008
TOTAL EXPENDITURES	<u>91,619</u>	<u>100,702</u>	<u>36</u>	<u>192,357</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,984</u>	<u>(66,909)</u>	<u>-</u>	<u>(57,925)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,795	161,967	-	165,762
Transfers (out)	-	(3,795)	-	(3,795)
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,795</u>	<u>158,172</u>	<u>-</u>	<u>161,967</u>
NET CHANGE IN FUND BALANCES	12,779	91,263	-	104,042
FUND BALANCES - JULY 1	<u>324,775</u>	<u>570,870</u>	<u>3,189</u>	<u>898,834</u>
FUND BALANCES - JUNE 30	<u>\$ 337,554</u>	<u>\$ 662,133</u>	<u>\$ 3,189</u>	<u>\$ 1,002,876</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF PITTSFORD, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Village Fund	Reappraisal Fund	Land Records Restoration Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Village Farm CDBG	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,891	\$ -	\$ -	\$ 4,891
Investments	-	-	-	-	86,452	-	-	86,452
Loan receivable (net of allowance for uncollectibles)	-	-	-	-	-	6,338	-	6,338
Due from other funds	24,151	125,833	98,184	-	-	-	-	248,168
TOTAL ASSETS	\$ 24,151	\$ 125,833	\$ 98,184	\$ -	\$ 91,343	\$ 6,338	\$ -	\$ 345,849
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,957	\$ -	\$ 1,957
TOTAL LIABILITIES	-	-	-	-	-	1,957	-	1,957
DEFERRED INFLOWS OF RESOURCES								
Deferred revenue	-	-	-	-	-	6,338	-	6,338
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	6,338	-	6,338
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	98,184	-	91,343	-	-	189,527
Committed	24,151	-	-	-	-	-	-	24,151
Assigned	-	125,833	-	-	-	-	-	125,833
Unassigned	-	-	-	-	-	(1,957)	-	(1,957)
TOTAL FUND BALANCES (DEFICITS)	24,151	125,833	98,184	-	91,343	(1,957)	-	337,554
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 24,151	\$ 125,833	\$ 98,184	\$ -	\$ 91,343	\$ 6,338	\$ -	\$ 345,849

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Village Fund	Reappraisal Fund	Land Records Restoration Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Village Farm CDBG	Total
REVENUES								
Intergovernmental	\$ 16,005	\$ 14,060	\$ -	\$ -	\$ -	\$ -	\$ 44,442	\$ 74,507
Interest income	619	2,734	1,965	-	5,338	-	-	10,656
Other	-	-	7,929	40	1,858	5,613	-	15,440
TOTAL REVENUES	16,624	16,794	9,894	40	7,196	5,613	44,442	100,603
EXPENDITURES								
Other	16,464	14,960	-	925	623	14,205	44,442	91,619
TOTAL EXPENDITURES	16,464	14,960	-	925	623	14,205	44,442	91,619
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	160	1,834	9,894	(885)	6,573	(8,592)	-	8,984
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	3,795	-	-	-	3,795
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	3,795	-	-	-	3,795
NET CHANGE IN FUND BALANCES (DEFICITS)	160	1,834	9,894	2,910	6,573	(8,592)	-	12,779
FUND BALANCES (DEFICITS) - JULY 1	23,991	123,999	88,290	(2,910)	84,770	6,635	-	324,775
FUND BALANCES (DEFICITS) - JUNE 30	\$ 24,151	\$ 125,833	\$ 98,184	\$ -	\$ 91,343	\$ (1,957)	\$ -	\$ 337,554

See accompanying independent auditor's report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF PITTSFORD, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2023

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund
ASSETS				
Due from other governments	\$ -	\$ -	\$ -	\$ -
Due from other funds	234,327	16,108	294,228	-
TOTAL ASSETS	<u>\$ 234,327</u>	<u>\$ 16,108</u>	<u>\$ 294,228</u>	<u>\$ -</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ 6,964
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,964</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	234,327	16,108	294,228	-
Assigned	-	-	-	-
Unassigned	-	-	-	(6,964)
TOTAL FUND BALANCES (DEFICITS)	<u>234,327</u>	<u>16,108</u>	<u>294,228</u>	<u>(6,964)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 234,327</u>	<u>\$ 16,108</u>	<u>\$ 294,228</u>	<u>\$ -</u>

TOWN OF PITTSFORD, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Recreation Capital Fund	Cemetery Development Fund	Pittsford First Response Capital Fund	Transfer Station Fund	Total
ASSETS					
Due from other governments	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Due from other funds	8,633	56,582	44,134	5,085	659,097
TOTAL ASSETS	<u>\$ 18,633</u>	<u>\$ 56,582</u>	<u>\$ 44,134</u>	<u>\$ 5,085</u>	<u>\$ 669,097</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 6,964
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,964</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	18,633	56,582	44,134	5,085	669,097
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(6,964)
TOTAL FUND BALANCES (DEFICITS)	<u>18,633</u>	<u>56,582</u>	<u>44,134</u>	<u>5,085</u>	<u>662,133</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 18,633</u>	<u>\$ 56,582</u>	<u>\$ 44,134</u>	<u>\$ 5,085</u>	<u>\$ 669,097</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund
REVENUES				
Interest income	\$ 4,397	\$ 308	\$ 5,553	\$ -
Other	-	-	-	1,000
TOTAL REVENUES	<u>4,397</u>	<u>308</u>	<u>5,553</u>	<u>1,000</u>
EXPENDITURES				
Capital outlay	-	-	-	52,490
Other	-	-	-	284
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,774</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,397</u>	<u>308</u>	<u>5,553</u>	<u>(51,774)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	7,000	59,467	20,000
Transfers (out)	-	(3,795)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>3,205</u>	<u>59,467</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	54,397	3,513	65,020	(31,774)
FUND BALANCES (DEFICITS) - JULY 1	<u>179,930</u>	<u>12,595</u>	<u>229,208</u>	<u>24,810</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 234,327</u>	<u>\$ 16,108</u>	<u>\$ 294,228</u>	<u>\$ (6,964)</u>

TOWN OF PITTSFORD, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Recreation Capital Fund	Cemetery Development Fund	Pittsford First Response Capital Fund	Transfer Station Fund	Total
REVENUES					
Interest income	\$ 316	\$ 1,158	\$ 979	\$ 82	\$ 12,793
Other	10,000	-	10,000	-	21,000
TOTAL REVENUES	<u>10,316</u>	<u>1,158</u>	<u>10,979</u>	<u>82</u>	<u>33,793</u>
EXPENDITURES					
Capital outlay	17,671	-	30,188	-	100,349
Other	-	-	69	-	353
TOTAL EXPENDITURES	<u>17,671</u>	<u>-</u>	<u>30,257</u>	<u>-</u>	<u>100,702</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,355)</u>	<u>1,158</u>	<u>(19,278)</u>	<u>82</u>	<u>(66,909)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	11,000	2,000	10,000	2,500	161,967
Transfers (out)	-	-	-	-	(3,795)
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,000</u>	<u>2,000</u>	<u>10,000</u>	<u>2,500</u>	<u>158,172</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	3,645	3,158	(9,278)	2,582	91,263
FUND BALANCES (DEFICITS) - JULY 1	<u>14,988</u>	<u>53,424</u>	<u>53,412</u>	<u>2,503</u>	<u>570,870</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 18,633</u>	<u>\$ 56,582</u>	<u>\$ 44,134</u>	<u>\$ 5,085</u>	<u>\$ 662,133</u>

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Pittsford, Vermont that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries.

TOWN OF PITTSFORD, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2023

	Belcher Mericle Fund	Total
	<u> </u>	<u> </u>
ASSETS		
Investments	\$ 3,189	\$ 3,189
TOTAL ASSETS	<u>\$ 3,189</u>	<u>\$ 3,189</u>
LIABILITIES		
Due to other funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	1,250	1,250
Restricted	1,939	1,939
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>3,189</u>	<u>3,189</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,189</u>	<u>\$ 3,189</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Belcher Mericle Fund	Total
REVENUES		
Interest income	\$ 36	\$ 36
TOTAL REVENUES	<u>36</u>	<u>36</u>
EXPENDITURES		
Other	36	36
TOTAL EXPENDITURES	<u>36</u>	<u>36</u>
NET CHANGE IN FUND BALANCES	-	-
FUND BALANCES - JULY 1	<u>3,189</u>	<u>3,189</u>
FUND BALANCES - JUNE 30	<u>\$ 3,189</u>	<u>\$ 3,189</u>

See accompanying independent auditor's report and notes to financial statements.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support the Town's programs.

TOWN OF PITTSFORD, VERMONT

COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2023

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ 106,625	\$ 10,921	\$ 20,449	\$ 958	\$ 2,048	\$ 141,001
Investments	28,628	3,055,517	35,928	-	10,386	11,324	3,141,783
TOTAL ASSETS	<u>\$ 28,628</u>	<u>\$ 3,162,142</u>	<u>\$ 46,849</u>	<u>\$ 20,449</u>	<u>\$ 11,344</u>	<u>\$ 13,372</u>	<u>\$ 3,282,784</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION							
Restricted	28,628	3,162,142	46,849	20,449	11,344	13,372	3,282,784
TOTAL NET POSITION	<u>28,628</u>	<u>3,162,142</u>	<u>46,849</u>	<u>20,449</u>	<u>11,344</u>	<u>13,372</u>	<u>3,282,784</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 28,628</u>	<u>\$ 3,162,142</u>	<u>\$ 46,849</u>	<u>\$ 20,449</u>	<u>\$ 11,344</u>	<u>\$ 13,372</u>	<u>\$ 3,282,784</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PITTSFORD, VERMONT

COMBINING STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Bowen Walker Fund	Burditt Trust Fund	Booth Fund	Pittsford Trust Fund	Kelley Trust Fund	Pinney Fund	Total
ADDITIONS							
Investment earnings:							
Interest income	\$ 186	\$ 182,294	\$ 3,955	\$ 10	\$ 770	\$ 896	\$ 188,111
Other	-	-	7	-	302	-	309
TOTAL REVENUES	<u>186</u>	<u>182,294</u>	<u>3,962</u>	<u>10</u>	<u>1,072</u>	<u>896</u>	<u>188,420</u>
DEDUCTIONS							
Other	186	-	317	-	177	-	680
TOTAL EXPENDITURES	<u>186</u>	<u>-</u>	<u>317</u>	<u>-</u>	<u>177</u>	<u>-</u>	<u>680</u>
NET CHANGE IN FUND BALANCES	-	182,294	3,645	10	895	896	187,740
NET POSITION - JULY 1	<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>
NET POSITION - JUNE 30	<u>\$ 28,628</u>	<u>\$ 3,162,142</u>	<u>\$ 46,849</u>	<u>\$ 20,449</u>	<u>\$ 11,344</u>	<u>\$ 13,372</u>	<u>\$ 3,282,784</u>

See accompanying independent auditor's report and notes to financial statements.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Selectboard
Town of Pittsford
Pittsford, Vermont

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, business-type activities, each major fund and the aggregate remaining fund information of the Town of Pittsford as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Pittsford's basic financial statements and have issued our report thereon dated April 22, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Pittsford'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*. We noted certain other matters that we reported to management of the Town of Pittsford in a separate letter dated April 3, 2024.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
April 22, 2024