

**TOWN OF PITTSFORD, NEW YORK**

**Financial Statements as of  
December 31, 2020  
Together with Independent  
Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

**TOWN OF PITTSFORD, NEW YORK**

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**December 31, 2020**

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**INDEPENDENT AUDITOR'S REPORT**

April 9, 2021

To the Town Board of the  
Town of Pittsford, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, New York (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, New York, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability (asset), schedule of contributions - pension plan, and schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements and combining nonmajor special revenue fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund and combining nonmajor special revenue fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining nonmajor fund financial statements and combining nonmajor special revenue fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## TOWN OF PITTSFORD, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2020

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The management's discussion and analysis of the Town of Pittsford, New York's (the Town's) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2020. Please read it in conjunction with the Town's basic financial statements.

#### FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by \$45,047,757.
- General revenues, which include real property tax, nonproperty tax items and mortgage tax, are \$16,547,191, or 82%, of all revenues. Program specific revenues in the form of Charges for Services and Operating and Capital Grants accounted for \$3,701,293, or 18%, of total revenues.
- The Town's governmental fund financial statements report a combined ending fund balance of \$23,008,611.
- At the end of the current year, the unassigned fund balance of the General Fund was \$5,078,852.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains individual fund statements and supplemental schedules in addition to the basic financial statements.

#### Government-Wide Financial Statements

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

- The *statement of net position* presents information on all of the Town's assets, deferred outflows/inflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- The *statement of activities* presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the Town include highway maintenance, snow removal, general administrative support, community service, fire protection services, water services, and interest on long-term debt.

## TOWN OF PITTSFORD, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2020

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#### Fund Financial Statements

A *fund* is a self-balancing grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into two categories: Governmental Funds and Fiduciary Funds.

- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains six major individual governmental funds; General Fund, Highway Fund Part-Town, Highway Fund, Debt Service Fund, Consolidated Sewer District, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each fund.

The Town adopts an annual budget for the General Fund, Highway Fund Part-Town, Highway Fund, and Consolidated Sewer District. A budgetary comparison statement has been provided for each major fund with an annually adopted budget within the basic financial statements to demonstrate compliance with the budget.

- The *Fiduciary Funds* are used to account for assets held by the Town in an agency capacity on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are *not*, and never will be, available to support the Town's programs.

**TOWN OF PITTSFORD, NEW YORK**

**Management’s Discussion and Analysis (Unaudited)  
December 31, 2020**

**Major Features of the Town-Wide and Fund Financial Statements**

Features	Town-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town	The activities of the Town are not proprietary or fiduciary, such as General administration, Highway, and Library	Instances in which the Town administers resources on behalf of someone else
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet, Statement of Revenues and Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position, and Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resource focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

*Notes to Basic Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# TOWN OF PITTSFORD, NEW YORK

## Management's Discussion and Analysis (Unaudited) December 31, 2020

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position.

**Table 1 - Net Position**

	<u>2020</u>	<u>2019</u>
ASSETS:		
Current assets	\$ 23,430,623	\$ 23,674,081
Capital assets, net	<u>64,294,769</u>	<u>66,944,471</u>
Total assets	<u>87,725,392</u>	<u>90,618,552</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on refunding	155,208	166,294
Pension related	4,415,759	1,529,603
Other postemployment benefits	<u>3,523,398</u>	<u>3,764,965</u>
Total deferred outflows of resources	<u>8,094,365</u>	<u>5,460,862</u>
LIABILITIES:		
Current liabilities	542,440	645,061
Noncurrent liabilities	<u>48,416,223</u>	<u>44,453,997</u>
Total liabilities	<u>48,958,663</u>	<u>45,099,058</u>
DEFERRED INFLOWS OF RESOURCES:		
Pension related	116,612	514,783
Other postemployment benefits	<u>1,696,725</u>	<u>2,353,957</u>
Total deferred inflows of resources	<u>1,813,337</u>	<u>2,868,740</u>
NET POSITION:		
Net investment in capital assets	45,225,318	46,104,404
Restricted	15,955,683	16,794,161
Unrestricted	<u>(16,133,244)</u>	<u>(14,786,949)</u>
Total net position	<u>\$ 45,047,757</u>	<u>\$ 48,111,616</u>

## TOWN OF PITTSFORD, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2020

By far, the largest component of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the residents and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are restricted net position balances which constituted 35% of total net position at each of the years ended December 31, 2020 and 2019. The remaining balance is unrestricted net position and may be used to finance future operations.

**Table 2 - Change in Net Position**

	<u>2020</u>	<u>% of Total</u>	<u>2019</u>	<u>% of Total</u>
REVENUES:				
Charges for services	\$ 2,603,773	12.8%	\$ 3,234,393	15.8%
Operating grants and contributions	84,211	0.4%	-	0.0%
Capital grants and contributions	1,013,309	5.0%	288,288	1.4%
Taxes	15,948,697	78.8%	16,049,724	78.7%
Other revenues	<u>598,494</u>	<u>3.0%</u>	<u>829,276</u>	<u>4.1%</u>
Total revenues	<u>20,248,484</u>	<u>100.0%</u>	<u>20,401,681</u>	<u>100.0%</u>
EXPENSES:				
General governmental support	5,137,545	22.0%	4,524,121	21.4%
Public safety	1,038,359	4.5%	773,086	3.7%
Public health	57,706	0.2%	57,835	0.3%
Transportation	7,720,079	33.1%	7,005,235	33.3%
Economic assistance and opportunity	316,596	1.4%	369,121	1.8%
Culture and recreation	5,469,043	23.5%	5,094,359	24.1%
Home and community services	3,033,354	13.0%	2,667,419	12.7%
Interest on long term debt	<u>539,661</u>	<u>2.3%</u>	<u>575,526</u>	<u>2.7%</u>
Total expenses	<u>23,312,343</u>	<u>100.0%</u>	<u>21,066,702</u>	<u>100.0%</u>
Change in net position	<u>\$ (3,063,859)</u>		<u>\$ (665,021)</u>	

The Town relies upon taxes, charges for services, and capital grants as its primary revenue sources. Expenses are distributed dependent on the Town's services.

## TOWN OF PITTSFORD, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2020

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#### FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

#### Governmental Funds

The focus of the Town's governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Amounts to be applied against next year's fund balance are reported as assigned resources.

As of the end of the current year, the Town's combined governmental fund balances were \$23,008,611, which is less than last year's ending fund balance of \$23,148,308.

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was \$10,962,868, of which \$5,078,852 was unassigned. The fund balance for the Town's General Fund increased by \$656,460 in 2020, as a function of the Town's operating activities.

#### Budgetary Highlights

The key budget variances for the major funds are listed below.

Revenue Items	Final Budget	
	Variance vs.	
	Actual	Explanation for Budget Variance
General Fund - Departmental Income	\$ (435,479)	Recreation programs were reduced due to the COVID-19 pandemic.
General Fund - Sale of Property and Compensation for Loss	\$ 489,970	The building at 5611 Palmyra Road was sold.
General Fund - State Aid	\$ 376,075	Mortgage tax revenue increased by 20% over the prior year.
Highway Fund - Intergovernmental charges	\$ (57,124)	Decrease in Snow and Ice payments from other governments due to a lighter than expected winter.
Highway Fund Part-Town - Nonproperty Tax Items	\$ 230,561	The negative effects of the COVID-19 pandemic on sales tax revenue were not as significant as anticipated.
Highway Fund Part-Town - State Aid	\$ (48,375)	NYS withheld 20% of anticipated CHIPS revenue.
Consolidated Sewer District - Sale of Property and Compensation for Loss	\$ 88,900	Revenue from the sale of equipment that is used to offset the costs of the Fleet Replacement Schedule.

**TOWN OF PITTSFORD, NEW YORK**

**Management's Discussion and Analysis (Unaudited)  
December 31, 2020**

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<u>Expense Items</u>	<b>Final Budget Variance vs. Actual</b>	<b>Explanation for Budget Variance</b>
General Fund - General Governmental Support	\$ 625,065	Staffing vacancies, lower than expected increases in expenses, and concerted effort to reduce expenses amid COVID-19 pandemic.
General Fund - Economic Assistance and Opportunity	\$ 180,158	Staffing vacancies, lower than expected increases in expenses, and concerted effort to reduce expenses amid COVID-19 pandemic.
General Fund - Culture and Recreation	\$ 614,136	Recreation programs were reduced due to the COVID-19 pandemic.
General Fund - Employee Benefits	\$ 195,226	Lower than expected increases in expenses for employee healthcare and NYS Retirement.
Highway Fund - Transportation	\$ 77,119	Lower than expected increases in expenses and concerted effort to reduce expenses amid COVID-19 pandemic.
Highway Fund - Employee Benefits	\$ 70,187	Lower than expected increases in expenses for employee healthcare and NYS Retirement.
Highway Fund Part-Town - Transportation	\$ 205,059	Lower than expected increases in expenses and concerted effort to reduce expenses amid COVID-19 pandemic.
Highway Fund Part-Town - Employee Benefits	\$ 145,538	Lower than expected increases in expenses for employee healthcare and NYS Retirement.
Consolidated Sewer District - Home and Community Services	\$ 67,183	Less overtime than anticipated and concerted effort to reduce expenses amid COVID-19 pandemic.

## TOWN OF PITTSFORD, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2020

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#### Capital Assets

Capital assets, net of accumulated depreciation, are reflected below:

**Table 3 - Capital Assets**

<u>Class</u>	<u>2020</u>	<u>2019</u>
Land	\$ 6,128,566	\$ 6,128,566
Land development rights	11,513,343	11,513,343
Work in progress	973,860	1,703,933
Infrastructure	17,968,864	17,771,244
Buildings and improvements	24,691,325	26,068,802
Machinery and equipment	<u>3,018,811</u>	<u>3,758,583</u>
Total capital assets, net of accumulated depreciation	<u>\$ 64,294,769</u>	<u>\$ 66,944,471</u>

During 2020, there were \$2,747,937 of capital asset additions offset by \$3,941,551 of depreciation expense. The Town also disposed of capital assets with a remaining book value of \$1,456,088. More detailed information about the Town's capital assets is presented in the notes to the financial statements.

#### Long-Term Liabilities

The Town's general obligation and other long-term debt outstanding, was as follows at December 31:

**Table 4 - Long-Term Debt**

	<u>2020</u>	<u>2019</u>
Serial and statutory bonds	\$ 18,865,444	\$ 20,617,260
Bond premium	359,215	389,101
Compensated absences	<u>86,533</u>	<u>68,395</u>
Total	<u>\$ 19,311,192</u>	<u>\$ 21,074,756</u>

The amount of principal paid on outstanding debt was approximately \$1,750,000 in 2020 and \$1,710,000 in 2019.

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

## TOWN OF PITTSFORD, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2020

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#### FACTORS BEARING ON THE TOWN'S FUTURE

The principal factors bearing on the Town of Pittsford are the long-term financial and economic consequences of the COVID-19 pandemic. We must continue to monitor Sales Tax revenue as well as State and Federal Aid. In March of 2021, the American Rescue Plan was signed into law. This \$1.9 billion stimulus package includes \$360 billion in direct financial relief for state and local governments, including \$65 billion for cities, villages and towns and \$65 billion for counties. The Town of Pittsford is currently estimated to receive \$3.22 million as a result of this Federal Aid. We will monitor these revenue sources and adjust the budget accordingly throughout the current budget year.

State mandates continue to damage the Town's fiscal health. Increases to the minimum wage and their cascading effects throughout our wage scales impose additional significant costs. New requirements for employee training similarly impose additional costs that we must take into account for future budgets. The Town's continuing pursuit and implementation of its long-standing policies and practices promoting sustainability and environmental responsibility has potential to lower costs. For example, the completed conversion to solar power for facilities at Kings Bend Park.

In light of building applications currently in the approval process before the Planning Board or already under construction, the Town's tax base will continue to grow. The Town Administration will continue to seek alternative funding sources, to pursue conservative and responsible fiscal practices and policies and to undertake long range financial-planning, to the extent that the current Town Board is willing to support the Town Administration in its continuation of these practices.

#### Requests for Information

This financial report is designed to provide a general overview of the Town's finances for those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Pittsford  
11 South Main Street  
Pittsford, New York 14534  
(585) 248-6225  
Attn: Finance Director

## TOWN OF PITTSFORD, NEW YORK

### Statement of Net Position December 31, 2020

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#### ASSETS

Cash and cash equivalents	\$ 17,990,066
Investments	4,086,762
Receivables	1,750
Due from State and Federal government	28,939
Due from other governments	1,089,493
Prepaid expenses	233,613
Capital assets, net	<u>64,294,769</u>
Total assets	<u>87,725,392</u>

#### DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	155,208
Pension related	4,415,759
Other postemployment benefits related	<u>3,523,398</u>
Total deferred outflows of resources	<u>8,094,365</u>

#### LIABILITIES

Accounts payable	111,509
Due to other governments	215
Accrued liabilities	258,368
Accrued interest	120,428
Unearned revenue	51,920
Long-term obligations -	
Due within one year	1,801,816
Due in more than one year	17,422,843
Compensated absences	86,533
Total other postemployment benefit liability	23,040,063
Net pension liability	<u>6,064,968</u>
Total liabilities	<u>48,958,663</u>

#### DEFERRED INFLOWS OF RESOURCES

Pension related	116,612
Other postemployment benefits related	<u>1,696,725</u>
Total deferred inflows of resources	<u>1,813,337</u>

#### NET POSITION

Net investment in capital assets	45,225,318
Restricted	15,955,683
Unrestricted	<u>(16,133,244)</u>
Total net position	<u>\$ 45,047,757</u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Activities**

**For the Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenue			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>PRIMARY GOVERNMENT:</b>						
Governmental activities -						
General governmental support	\$ 5,137,545	\$ 344,628	\$ -	\$ 774	\$ (4,792,143)	
Public safety	1,038,359	46,807	-	-	(991,552)	
Public health	57,706	-	84,211	-	26,505	
Transportation	7,720,079	492,025	-	959,096	(6,268,958)	
Economic assistance and opportunity	316,596	-	-	-	(316,596)	
Culture and recreation	5,469,043	476,207	-	28,939	(4,963,897)	
Home and community services	3,033,354	1,244,106	-	24,500	(1,764,748)	
Interest on long-term debt	539,661	-	-	-	(539,661)	
<b>Total governmental activities</b>	<b>\$ 23,312,343</b>	<b>\$ 2,603,773</b>	<b>\$ 84,211</b>	<b>\$ 1,013,309</b>	<b>(19,611,050)</b>	
<b>GENERAL REVENUES:</b>						
					10,532,321	
					4,057,994	
					1,358,382	
					264,876	
					167,764	
					165,854	
					<u>16,547,191</u>	
					(3,063,859)	
					<u>48,111,616</u>	
					<u>\$ 45,047,757</u>	

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**Balance Sheet - Governmental Funds  
December 31, 2020**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Highway Fund Part-Town</u>	<u>Debt Service Fund</u>	<u>Consolidated Sewer District</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>								
ASSETS								
Cash and cash equivalents	\$ 8,639,152	\$ 1,246,579	\$ 3,136,032	\$ 545,621	\$ 2,142,689	\$ 364,992	\$ 1,915,001	\$ 17,990,066
Investments	2,285,741	630,204	140,483	-	630,204	-	400,130	4,086,762
Receivables	1,750	-	-	-	-	-	-	1,750
Due from other funds	112,194	-	-	-	-	-	-	112,194
Due from State and Federal government	-	-	-	-	-	28,939	-	28,939
Due from other governments	64,168	-	926,325	-	-	-	99,000	1,089,493
Prepaid expenditures	96,683	34,828	37,713	-	18,837	-	45,552	233,613
Total assets	<u>11,199,688</u>	<u>1,911,611</u>	<u>4,240,553</u>	<u>545,621</u>	<u>2,791,730</u>	<u>393,931</u>	<u>2,459,683</u>	<u>23,542,817</u>
<b>LIABILITIES AND FUND BALANCES</b>								
LIABILITIES:								
Accounts payable	\$ 58,164	\$ 3,930	\$ 355	\$ -	\$ 6,302	\$ 18,962	\$ 23,796	\$ 111,509
Accrued liabilities	126,521	70,571	4,792	-	19,455	-	37,029	258,368
Due to other funds	-	-	-	-	-	112,194	-	112,194
Due to other governments	215	-	-	-	-	-	-	215
Unearned revenue	51,920	-	-	-	-	-	-	51,920
Total liabilities	<u>236,820</u>	<u>74,501</u>	<u>5,147</u>	<u>-</u>	<u>25,757</u>	<u>131,156</u>	<u>60,825</u>	<u>534,206</u>
FUND BALANCES:								
Nonspendable	96,683	34,828	37,713	-	18,837	-	45,552	233,613
Restricted	4,046,870	1,802,282	4,197,693	545,621	2,747,136	262,775	2,353,306	15,955,683
Assigned	1,740,463	-	-	-	-	-	-	1,740,463
Unassigned	5,078,852	-	-	-	-	-	-	5,078,852
Total fund balances	<u>10,962,868</u>	<u>1,837,110</u>	<u>4,235,406</u>	<u>545,621</u>	<u>2,765,973</u>	<u>262,775</u>	<u>2,398,858</u>	<u>23,008,611</u>
Total liabilities and fund balances	<u>\$ 11,199,688</u>	<u>\$ 1,911,611</u>	<u>\$ 4,240,553</u>	<u>\$ 545,621</u>	<u>\$ 2,791,730</u>	<u>\$ 393,931</u>	<u>\$ 2,459,683</u>	<u>\$ 23,542,817</u>

The accompanying notes are an integral part of these statements.

## TOWN OF PITTSFORD, NEW YORK

### Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position December 31, 2020

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Total fund balance - governmental funds \$ 23,008,611

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not current financial resources and; therefore, are not reported in the funds.

Cost of capital assets	131,467,531	
Accumulated depreciation	<u>(67,172,762)</u>	
		64,294,769

Deferred outflows of resources are applicable to future periods and; therefore, are not reported in the funds.

Deferred outflows - ERS	4,415,759
Deferred amount on refunding	155,208
Deferred outflows - other postemployment benefits	3,523,398

Net pension obligations are not due and payable in the current period and; therefore, are not reported in the funds.

Net pension liability - ERS	(6,064,968)
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Other postemployment benefit obligations are not due and payable in the current period and; therefore, are not reported in the funds. (23,040,063)

Deferred inflows of resources are applicable to future periods and; therefore, are not reported in the funds.

Deferred inflows - ERS	(116,612)
Deferred inflows - other postemployment benefits	(1,696,725)

Accrued interest on long-term debt is an expense in the funds when paid, but a liability in the statement of net position when incurred. (120,428)

Bonds payable and other noncurrent liabilities are not due and payable in the current period and; therefore, are not reported in the funds.

Serial and statutory bonds	(18,865,444)	
Bond premium	(359,215)	
Compensated absences	<u>(86,533)</u>	
		<u>(19,311,192)</u>

Total net position of governmental activities \$ 45,047,757

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2020**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Highway Fund Part-Town</u>	<u>Debt Service Fund</u>	<u>Consolidated Sewer District</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
<b>REVENUES:</b>								
Real property taxes and tax items	\$ 6,633,261	\$ 1,714,055	\$ 593,327	\$ 7,652	\$ 1,119,594	\$ -	\$ 1,830,454	\$ 11,898,343
Nonproperty tax items	420,433	-	2,638,561	-	-	-	999,000	4,057,994
Departmental income	375,021	-	-	-	7,325	-	81,431	463,777
Intergovernmental charges	137,824	430,876	4,236	-	-	-	-	572,936
Interfund revenues	27,859	-	-	-	-	-	-	27,859
Use of money and property	185,753	16,687	23,654	168	21,955	530	16,129	264,876
Licenses and permits	25,059	-	-	-	3,600	-	100,617	129,276
Fines and forfeitures	43,903	-	-	-	-	-	-	43,903
Sale of property and compensation for loss	490,470	1,794	-	-	88,900	-	-	581,164
Miscellaneous	142,014	344	301	-	22,430	-	765	165,854
State aid	1,359,156	-	193,496	-	-	53,439	-	1,606,091
Federal aid	84,211	-	-	-	-	-	-	84,211
<b>Total revenues</b>	<b>9,924,964</b>	<b>2,163,756</b>	<b>3,453,575</b>	<b>7,820</b>	<b>1,263,804</b>	<b>53,969</b>	<b>3,028,396</b>	<b>19,896,284</b>
<b>EXPENDITURES:</b>								
General governmental support	3,332,550	-	-	-	-	-	128,599	3,461,149
Public safety	221,888	-	-	-	-	-	476,122	698,010
Public health	57,706	-	-	-	-	-	-	57,706
Transportation	156,289	1,741,684	2,868,305	-	-	104,316	62,904	4,933,498
Economic assistance and opportunity	189,324	-	-	-	-	-	-	189,324
Culture and recreation	1,368,552	-	-	-	-	299,280	988,569	2,656,401
Home and community services	164,863	-	2,058	-	935,945	3,299	637,308	1,743,473
Employee benefits	1,580,547	643,079	837,308	-	346,854	-	598,295	4,006,083
Debt service -								
Principal	95,000	-	-	1,656,816	-	-	-	1,751,816
Interest	9,319	-	-	529,202	-	-	-	538,521
<b>Total expenditures</b>	<b>7,176,038</b>	<b>2,384,763</b>	<b>3,707,671</b>	<b>2,186,018</b>	<b>1,282,799</b>	<b>406,895</b>	<b>2,891,797</b>	<b>20,035,981</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,748,926</b>	<b>(221,007)</b>	<b>(254,096)</b>	<b>(2,178,198)</b>	<b>(18,995)</b>	<b>(352,926)</b>	<b>136,599</b>	<b>(139,697)</b>

(continued)

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2020**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Highway Fund Part-Town</u>	<u>Debt Service Fund</u>	<u>Consolidated Sewer District</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
OTHER FINANCING SOURCES (USES):								
Operating transfers - in	10,427	-	39,900	2,106,418	-	-	-	2,156,745
Operating transfers - out	<u>(2,102,893)</u>	<u>(10,427)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,525)</u>	<u>(39,900)</u>	<u>(2,156,745)</u>
Total other financing sources and uses	<u>(2,092,466)</u>	<u>(10,427)</u>	<u>39,900</u>	<u>2,106,418</u>	<u>-</u>	<u>(3,525)</u>	<u>(39,900)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>656,460</u>	<u>(231,434)</u>	<u>(214,196)</u>	<u>(71,780)</u>	<u>(18,995)</u>	<u>(356,451)</u>	<u>96,699</u>	<u>(139,697)</u>
FUND BALANCE - beginning of year	<u>10,306,408</u>	<u>2,068,544</u>	<u>4,449,602</u>	<u>617,401</u>	<u>2,784,968</u>	<u>619,226</u>	<u>2,302,159</u>	<u>23,148,308</u>
FUND BALANCE - end of year	<u>\$ 10,962,868</u>	<u>\$ 1,837,110</u>	<u>\$ 4,235,406</u>	<u>\$ 545,621</u>	<u>\$ 2,765,973</u>	<u>\$ 262,775</u>	<u>\$ 2,398,858</u>	<u>\$ 23,008,611</u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2020**

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Net change in fund balances - governmental funds \$ (139,697)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. Also, depreciation is recorded in the statement of activities, but not as a change in fund balance of the governmental funds. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital additions	2,747,937	
Depreciation	(3,941,551)	
Loss on sale of capital assets	<u>(1,456,088)</u>	(2,649,702)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense. (1,208,434)

Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the cost of other postemployment benefits earned, net of employer contributions is reported as other postemployment benefits. (817,364)

Some expenses reported in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in governmental funds.

Bond principal repayment	1,751,816	
Bond premium amortization	29,886	
Deferred amount on refunding amortization	(11,086)	
Change in accrued interest	(1,140)	
Compensated absences	<u>(18,138)</u>	
		<u>1,751,338</u>

Change in net position of governmental activities \$ (3,063,859)

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Fiduciary Net Position  
December 31, 2020**

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>7,122</u>
Total assets	\$ <u><u>7,122</u></u>
<b>FUND BALANCE</b>	
Restricted for others	\$ <u>7,122</u>
Total fund balance	\$ <u><u>7,122</u></u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2020**

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Property taxes collected for other governments	\$ 107,019,656
Bail deposits collected	4,450
Interest earnings	<u>41</u>
Total additions	<u>107,024,147</u>
<b>DEDUCTIONS</b>	
Property taxes remitted to other governments	(107,019,656)
Bail deposits returned	<u>(1,564)</u>
Total deductions	<u>(107,021,220)</u>
Change in net position	2,927
NET POSITION - beginning of year	<u>4,195</u>
NET POSITION - end of year	<u><u>\$ 7,122</u></u>

The accompanying notes are an integral part of these statements.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Pittsford, New York (the Town) are prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

##### **Financial Reporting Entity**

The Town is governed by its charter, Town Law, other general laws of the State of New York and various local laws. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the Supervisor and four Councilpersons. The Supervisor serves as Chief Executive Officer and Chief Fiscal Officer of the Town.

The Town provides the following basic services to all or some residents of the Town: highway maintenance, recreation facilities and programs, environmental services, and library services.

The financial reporting entity consists of (a) the primary government which is the Town, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in generally accepted accounting principles.

All governmental activities and functions performed by the Town are its direct responsibility; no other governmental organizations have been included or excluded from the reporting entity.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based on the application of these criteria, the Town has determined there are no other organizations that meet criteria for inclusion in the reporting entity of the Town.

##### **A. Included in the Reporting Entity**

A separate Board has been established pursuant to Education Law to manage the operations of the public library. This separate Board is administratively and financially dependent on the Town and, accordingly, the related financial activity is included within the accompanying financial statements.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### **B. Excluded from the Reporting Entity**

Although the following organizations, functions, or activities are related to the Town, they are not included in the Town reporting entity because of the reasons noted:

1. The Pittsford Fire District is an independent district corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of this Fire District. The Board of Fire Commissioners has complete responsibility for management of this Fire District and its fiscal affairs. The Town Board exercises no oversight over this Fire District's operations. Their audit reports may be obtained by contacting the Pittsford Fire District.
2. The Brighton Fire District overlaps the Town and is an independent district corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of this Fire District. The Board of Fire Commissioners has complete responsibility for management of this Fire District and its fiscal affairs. The Town Board exercises no oversight over this Fire District's operations. Their audit reports may be obtained by contacting the Brighton Fire District.

#### **Basis of Presentation**

##### **Government-Wide 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. All of the Town's services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and 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 uses 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, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, 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. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if applicable.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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

This 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.

#### **Fund Financial Statements**

The emphasis in the fund financial statements is on the major funds. Non-major funds are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of the assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in one column in the fund financial statements.

**a. Governmental Funds** - Governmental funds are those major and non-major funds through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the Town's governmental fund types:

#### **Major Governmental Funds:**

- **General Fund** - the primary operating fund of the Town and includes all revenues and expenditures not required by law to be accounted for in other funds.
- **Highway Fund and Highway Fund Part-Town** - special revenue funds used to account for taxes, user fees, or other revenues which are raised or received to provide highway services to areas throughout the Town.
- **Debt Service Fund** - used to account for financial resources accumulated for payment of future principal and interest on long-term indebtedness.
- **Consolidated Sewer District** - special revenue fund used to account for taxes, user fees, or other revenues which are raised or received to provide sewer services to areas throughout the Town.
- **Capital Projects Fund** - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities; or the acquisition of equipment.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### Non-Major Governmental Funds

The other funds, which do not meet the major fund criteria are aggregated and reported as non-major governmental funds. The following are reported as nonmajor governmental funds:

- **General Fund Part-Town** - includes all general fund operations taking place outside the Town.
- **Special Revenue Funds** - used to account for taxes, user fees, or other revenues, which are raised or received to provide special services to areas that may or may not encompass the whole Town. The following are non-major special revenue funds utilized by the Town:
  - Public Library Fund
  - Park Districts
  - Park Land Deposits Fund
  - Lighting Districts
  - Refuse Districts
  - Fire Protection Fund
  - Ambulance District Fund

#### Fiduciary Funds

Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity.

- **Custodial Fund** - used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

#### Basis of Accounting/Measurement Focus

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations are recognized in the year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year of the balance sheet date.

## **TOWN OF PITTSFORD, NEW YORK**

### **Notes to Basic Financial Statements December 31, 2020**

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Material revenues that are accrued include real property taxes, state and federal aid, distributed sales taxes, certain user charges, and some departmental fees. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursement.
- Principal and interest on indebtedness is not recognized as an expenditure until due and paid.
- Compensated absences, such as vacation and compensatory time which vests or accumulates, are charged as an expenditure when paid.

#### **Real Property Taxes**

Real property taxes are levied January 1 and collected by the Receiver of Taxes without interest through February 10, and through May 31 with interest and penalties. Taxes for County purposes are levied together with taxes for town and special district purposes on a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Uncollected taxes at June 1 are turned over to Monroe County for collection. At year-end, all Town and special district taxes had been collected; and, therefore, no reserve was necessary.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

#### **Cash and Cash Equivalents and Investments**

The Town's cash and cash equivalents consist of cash on hand and demand deposits. Investments are stated at amortized cost.

#### **Receivables**

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### **Due To/From Other Funds**

The amounts reported on the Governmental Funds Balance Sheet for due to and from other funds represents amounts due between different fund types (i.e., general, highway, and non-major funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

#### **Prepaid Items**

Prepaid items represent payments made by the Town for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the statement of net position and balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

#### **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. Contributed fixed assets are recorded at fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset, are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is recorded on the straight-line basis over the following useful lives:

<u>Class</u>	<u>Life in Years</u>
Buildings	20 - 50 years
Improvements	5 - 30 years
Machinery and equipment	5 - 25 years
Infrastructure:	
Bridges	30 years
Roads, sidewalks, curbing, light systems, gutters	15 years
Sewer systems	60 years

#### **Compensated Absences**

Town employees are granted vacation leave and earn compensated absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and unused compensated absences at various rates subject to certain maximum limitations.

#### **Postemployment Benefits**

The Town provides postemployment health insurance coverage to its retired employees and their survivors. Substantially all employees may become eligible for these benefits when they reach eligible retirement age and have worked 20 years for the Town. The Town made no provision for recognizing the cost of postemployment benefits which may eventually be paid to employees who have not yet retired, on the governmental funds statements. On the government-wide statements, these amounts attributable to past service have been recorded as a liability. On June 16, 2015, the Town Board passed a resolution stating that any person commencing employment with the Town, or re-commencing employment having been employed by the Town previously, on or after July 1, 2015 shall no longer be paid medical benefits in retirement.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### **Unearned Revenue**

The Town reports unearned revenues in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period under the modified accrual method of accounting. Unearned revenue also arises when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

#### **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full, from current financial resources. Compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

#### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies, are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the funds. Encumbrances are reported in the restricted, committed, or assigned fund balance category from which their spending authorization has been recorded since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

#### **Interfund Transactions**

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with certain interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financial or other services.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### Equity Classifications

##### Government-Wide Statements

Equity is classified as net position and displayed in three components:

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Additionally, deferred outflows or inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- **Restricted net position** - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of another government; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, and then unrestricted resources as they are needed.

##### Fund Statements

Generally accepted accounting principles provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balances**  
These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balances**  
These are 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 Fund Balances**  
These are amounts that can be used only for specific purposes determined by a formal action of the Town Board prior to year-end. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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- **Assigned Fund Balances**

These are 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 Town Board or its designee can make a determination of the assigned amounts of fund balance.

- **Unassigned Fund Balances**

These are all other spendable amounts.

Absent a Town-wide policy, 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 Board has provided otherwise in its commitment or assignment actions.

## 2. STEWARDSHIP

**Budget Policies** - The budget policies are as follows:

- a. No later than October 30, the budget officer submits a tentative budget to the Town Clerk for submission to the Town Board for the year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- b. After public hearings are conducted to obtain taxpayer comments, no later than December 20, the Town Board adopts the budget.
- c. All modifications of the budget must be approved by the Town Board. (However, the Supervisor is authorized to transfer certain budgeted amounts within departments).
- d. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

**Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary comparison schedules are presented as required supplementary information in the basic financial statements.

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
December 31, 2020**

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**Budget/GAAP Reconciliation**

The Town reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This results in the following reconciliation of the fund balances computed on GAAP basis and budgetary basis:

General Fund:	
GAAP basis fund balance at December 31, 2020	\$ 10,962,868
Less: Outstanding encumbrances	<u>(184,027)</u>
Budgetary basis fund balance at December 31, 2020	\$ <u>10,778,841</u>
Highway Fund:	
GAAP basis fund balance at December 31, 2020	\$ 1,837,110
Less: Outstanding encumbrances	<u>(231,272)</u>
Budgetary basis fund balance at December 31, 2020	\$ <u>1,605,838</u>
Highway Fund Part-Town:	
GAAP basis fund balance at December 31, 2020	\$ 4,235,406
Less: Outstanding encumbrances	<u>(20,588)</u>
Budgetary basis fund balance at December 31, 2020	\$ <u>4,214,818</u>
Consolidated Sewer District:	
GAAP basis fund balance at December 31, 2020	\$ 2,765,973
Less: Outstanding encumbrances	<u>(15,899)</u>
Budgetary basis fund balance at December 31, 2020	\$ <u>2,750,074</u>

**3. DEPOSITS AND INVESTMENTS**

State statutes govern the Town’s investment policies. The Town has its own written deposit and investment policy, which is compliant with Section 39 of the General Municipal Law.

**Credit Risk**

Town monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within New York State. The Town is authorized to invest in special time deposit accounts, certificates of deposit, obligations of the United States, and obligations of the State of New York.

**TOWN OF PITTSFORD, NEW YORK**

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**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits or investments may not be returned to it. All deposits of the Town in excess of the amount insured by the Federal Deposit Insurance Act must be secured by the following:

- A pledge of eligible securities with an aggregated market value equal to the amount of deposits. Eligible securities include: obligations issued by the United States; obligations issued or fully guaranteed by the State of New York, obligations issued by states rated in one of the three highest rating categories; obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization; obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the African Development Bank; obligations of counties, cities, and other governmental entities of a State other than New York State having the power to levy taxes that are backed by the full faith and credit of such governmental entity.
- An eligible surety bond payable to the government executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- An irrevocable letter of credit issued by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities. At year-end, demand deposits and certificates of deposit for the Town were entirely covered by FDIC insurance or collateral held by trust companies located within the State.

The Town’s aggregate bank balances were insured and collateralized as follows:

<u>Description</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary government	\$ 18,115,180	\$ 17,990,066
Fiduciary funds	<u>7,034</u>	<u>7,122</u>
Cash and cash equivalents	<u>\$ 18,122,214</u>	<u>\$ 17,997,188</u>
Category 1: Covered by FDIC insurance	\$ 1,263,487	
Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name		
	<u>17,923,194</u>	
	<u>\$ 19,186,681</u>	

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end was \$6,356,386 within the governmental funds.

The Town participates in the New York Cooperative Liquid Asset Securities System (NYCLASS) local government investment pool. A separate financial report for NYCLASS is prepared in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Copies of the report can be obtained from the NYCLASS website at [newyorkclass.org](http://newyorkclass.org).

NYCLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in NYCLASS is not required to be categorized within the fair value hierarchy of Paragraph 81a(2) of Statement 72.

NYCLASS is rated by S&P Global Ratings. The current rating is 'AAAm.'

The dollar weighted average days to maturity (WAM) of NYCLASS at December 31, 2020 is 74 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at June 30, 2020 is 60 days. This is the most recent available data for WAL.

The U.S. Treasuries within the NYCLASS portfolio are backed by the full faith and credit of the United States Government and therefore do not require collateral. New York State Municipal Bonds within the portfolio are backed by the full faith and credit of the State of New York and therefore do not require collateral. The other permissible investment security types are collateralized in accordance with NYS GML Section 10 and the NYCLASS Investment Policy. Repurchase Agreements (repo) are collateralized 102% by either U.S. Treasuries or U.S. Agencies. Certificates of Deposit (CD) also require full collateral; currently NYCLASS CDs are being collateralized by Federal Home Loan Bank (FHLB) Letters of Credit (LOC).

NYCLASS Portfolio Holdings as of December 31, 2020:

U.S. Treasury Securities (Full Faith and Credit)	61.27%
Bank Deposits (Collateralized)	25.90%
Repurchase Agreements (Collateralized)	6.51%
FDIC Insured Bank Deposits	<u>6.32%</u>
	100.00%

Restricted NYCLASS Investment balance as of December 31, 2020:	\$ 4,066,318
Investment in Pittsford Sewer District	<u>20,444</u>
Total investments	<u>\$ 4,086,762</u>

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
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**4. CAPITAL ASSETS**

A summary of the changes in capital assets follows:

	<u>1/1/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/20</u>
Capital assets not being depreciated:				
Land	\$ 6,128,566	\$ -	\$ -	\$ 6,128,566
Land development rights	11,513,343	-	-	11,513,343
Work in Progress	<u>1,703,933</u>	<u>312,615</u>	<u>(1,042,688)</u>	<u>973,860</u>
 Total non-depreciable assets	 <u>19,345,842</u>	 <u>312,615</u>	 <u>(1,042,688)</u>	 <u>18,615,769</u>
Capital assets being depreciated:				
Buildings and improvements	35,704,101	-	(392,466)	35,311,635
Machinery and equipment	9,697,009	489,870	(955,854)	9,231,025
Infrastructure	<u>66,363,650</u>	<u>1,945,452</u>	<u>-</u>	<u>68,309,102</u>
 Total depreciable assets at cost	 <u>111,764,760</u>	 <u>2,435,322</u>	 <u>(1,348,320)</u>	 <u>112,851,762</u>
Less: Accumulated depreciation for:				
Buildings and improvements	(9,635,299)	(1,013,864)	28,853	(10,620,310)
Machinery and equipment	(5,938,426)	(1,179,855)	906,067	(6,212,214)
Infrastructure	<u>(48,592,406)</u>	<u>(1,747,832)</u>	<u>-</u>	<u>(50,340,238)</u>
 Total accumulated depreciation	 <u>(64,166,131)</u>	 <u>(3,941,551)</u>	 <u>934,920</u>	 <u>(67,172,762)</u>
 Total depreciable assets - net	 <u>47,598,629</u>	 <u>(1,506,229)</u>	 <u>(413,400)</u>	 <u>45,679,000</u>
 Total capital assets - net	 <u>\$ 66,944,471</u>	 <u>\$ (1,193,614)</u>	 <u>\$ (1,456,088)</u>	 <u>\$ 64,294,769</u>

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
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Depreciation expense for the period was charged to functions/programs as follows:

General governmental	\$ 84,132
Public safety	9,738
Transportation	2,320,416
Economic assistance	4,718
Culture and recreation	871,111
Home and community	651,436
Total	<u>\$ 3,941,551</u>

**5. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS**

Interfund receivables and payables at December 31, 2020 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Whole Town Fund	\$ 112,194	\$ -	\$ 10,427	\$ 2,102,893
General Part Town Fund	-	-	-	39,900
Highway Whole Town Fund	-	-	-	10,427
Highway Part Town Fund	-	-	39,900	-
Capital Projects Fund	-	112,194	-	3,525
Debt Service Fund	-	-	2,106,418	-
Total	<u>\$ 112,194</u>	<u>\$ 112,194</u>	<u>\$ 2,156,745</u>	<u>\$ 2,156,745</u>

Interfund transactions between governmental activities are eliminated on the Statement of Net Position. The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### 6. PENSION PLAN

##### **New York State Employees' Retirement System (NYSERS)**

The Town participates in the New York State and Local Employees' Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the System. The System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

##### **Contributions**

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2020	\$ 886,601
2019	\$ 878,672
2018	\$ 849,594

##### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At December 31, 2020, the Town reported a net pension liability of \$6,064,968 for its proportionate share of the System's net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2020, the Town's proportionate share was 0.0229035%, which was an increase from its proportionate share of 0.0221897% at December 31, 2019.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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For the year ended December 31, 2020, the Town recognized pension expense of \$886,601. At December 31, 2020, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 356,948	\$ -
Changes in assumptions	122,120	105,448
Net difference between projected and actual earnings on pension plan investments	3,109,197	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	133,259	11,164
Contributions subsequent to the measurement date	694,235	-
Total	<u>\$ 4,415,759</u>	<u>\$ 116,612</u>

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:

2021	\$ 630,585
2022	911,881
2023	1,151,592
2024	<u>910,854</u>
	<u>\$3,604,912</u>

The Town recognized \$694,235 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

#### Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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The actuarial valuation used the following actuarial assumptions:

#### ERS

Inflation	2.50%
Salary scale	4.2% in ERS, indexed by service
Investment Rate of Return, including inflation	6.8% compounded annually, net of investment expenses
Cost of living adjustments	1.3% annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2018

#### Long-term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

#### Long-term Expected Rate of Return

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	36	4.05%
International Equity	14	6.15%
Private Equity	10	6.75%
Real Estate	10	4.95%
Absolute Return Strategies	2	3.25%
Opportunistic Portfolio	3	4.65%
Real Assets	3	5.95%
Bonds & Mortgages	17	0.75%
Cash	1	0.00%
Inflation-Indexed Bonds	4	0.50%
	<u>100%</u>	

#### Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
December 31, 2020**

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**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, 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% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease <u>5.80%</u>	Current Discount <u>6.80%</u>	1% Increase <u>7.80%</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 11,130,928</u>	<u>\$ 6,064,968</u>	<u>\$ 1,399,197</u>

**Pension Plan Fiduciary Net Position (000’s)**

The components of the current-year net pension liability of the employers as of March 31, 2020 were as follows:

Total pension liability	\$ 194,596,261
Net position	<u>(168,115,682)</u>
Net pension liability (asset)	<u>\$ 26,480,579</u>
ERS net position as a percentage of total pension liability	86.39%

**7. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description**

The Town provides certain health care benefits for retired employees. The Town administers the Retirement Benefits Plan (the "Retirement Plan") as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, the Town provides medical and dental benefits for retirees. There were approximately 97 retired employees and spouses or beneficiaries receiving benefits at December 31, 2020. Eligible employees must have had 20 years of service with the Town and have been eligible for retirement pursuant to the System prior to the discontinuation of additional participants. The Retirement Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan in a trust that meets all of the criteria in GASB statement No. 75, paragraph 4.

**Benefits Provided**

The obligations of the Retirement Plan are established by action of the Town. The Town will pay 85% of the cost of coverage for pre-Medicare medical coverage and will pay 100% of coverage for the Medicare Supplemental plan. Coverage is provided to surviving spouses for their lifetime. The costs of administering the Retirement Plan are paid by the Town. The Town currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. The amount paid during 2020 was approximately \$749,000.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees and spouses or beneficiaries currently receiving benefits	97
Active employees	66
Total participants	<u>163</u>

#### Total OPEB Liability

The Town's total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2021.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.5 percent per year
Payroll Growth	3 percent per year
Discount Rate	2.15 percent as of December 31, 2020
Healthcare Cost Trend Rates	6.0 percent for 2020 for Pre-65, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2023 and later years
Dental Cost Trend Rate	3.5 percent per year
Share of Benefit-Related Costs	The Town pays 85 percent of the cost of the Core Plan option for pre-65 coverage and 100 percent of the Medicare Advantage plan premium for post-65 coverage.
Actuarial Cost Method	Entry Age Normal Cost Method

The discount rate was based on "The Bond Buyer 20-Bond GO Index" as of the valuation date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Mortality Rates	Pre-Retirement:	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male/Female Mortality Projected with Scale MP-2020.
	Post-Retirement:	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Male/Female Mortality Projected with Scale MP-2020.

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
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**Changes in the Total OPEB Liability**

Balance at January 1, 2020	\$ <u>21,807,034</u>
Changes for the year-	
Service cost	505,411
Interest	602,429
Benefit payments	(749,404)
Actuarial assumption changes	<u>874,593</u>
Net changes	<u>1,233,029</u>
Balance at December 31, 2020	\$ <u><u>23,040,063</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75% in 2019 to 2.15% in 2020.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease <u>1.15%</u>	Current Discount <u>2.15%</u>	1% Increase <u>3.15%</u>
Total OPEB Liability	<u>\$ 27,220,465</u>	<u>\$ 23,040,063</u>	<u>\$ 19,716,760</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease <u>5.00%</u>	Current <u>6.00%</u>	1% Increase <u>7.00%</u>
Total OPEB Liability	<u>\$ 19,225,090</u>	<u>\$ 23,040,063</u>	<u>\$ 28,017,749</u>

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the Town recognized OPEB expense of \$1,566,768. At December 31, 2020, the Town reported deferred outflows and inflows of resources related to OPEB from the following

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual demographic experience	\$ -	\$ 1,146,791
Changes of assumptions	<u>3,523,398</u>	<u>549,934</u>
Total	<u>\$ 3,523,398</u>	<u>\$ 1,696,725</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Fiscal Year Ending December</u>	<u>Amount</u>
2021	\$ 458,928
2022	458,930
2023	733,898
2024	<u>174,917</u>
	<u>\$ 1,826,673</u>

**8. LONG-TERM OBLIGATIONS**

**Serial Bonds**

The Town borrows money in order to acquire land, high cost equipment, or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These serial bonds are full faith and credit debt of the Town. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidations of the long-term liabilities.

**Other Long-Term Debt**

In addition to the above long-term debt the Town reports compensated absences which represents the value earned and unused portion of the earned vacation leave and compensatory time.

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
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Long-term liability balances and activity for the year are summarized below:

	Beginning		Deletions	Ending	Due Within	Due After One
	Balance	Additions		Balance	One Year	Year
Serial and statutory bonds	\$ 20,617,260	\$ -	\$ (1,751,816)	\$ 18,865,444	\$ 1,801,816	\$ 17,063,628
Bond premium	389,101	-	(29,886)	359,215	-	359,215
Compensated absences	68,395	18,138	-	86,533	-	86,533
<b>Total</b>	<b>\$ 21,074,756</b>	<b>\$ 18,138</b>	<b>\$ (1,781,702)</b>	<b>\$ 19,311,192</b>	<b>\$ 1,801,816</b>	<b>\$ 17,509,376</b>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

The following is a statement of long-term debt with corresponding maturity schedules:

Purpose	Issue Date	Interest Rate	Amount Outstanding	
			12/31/2020	Final Maturity
<u>Indirect Borrowings</u>				
Serial Bonds:				
Purchase of development rights	9/2009	4.00%	\$ 1,380,000	9/2023
Public improvement	4/2014	2.00%	5,480,000	4/2034
Public improvement	9/2016	2.00%	4,460,000	9/2030
Public Improvement	11/2017	2.00%	7,250,000	11/2032
Public Improvement	12/2018	2.75%	275,000	6/2023
			18,845,000	
<u>Direct Borrowings</u>				
Statutory Bonds:				
Pittsford Sewer District - 29 & 29a	6/2004	4.00%	20,444	6/2023
		Total	\$ 18,865,444	

Interest on long-term debt for the year was composed of:

Interest paid	\$ 538,521
Plus: Interest accrued in the current year	120,428
Less: Interest accrued in the prior year	(119,288)
<b>Total interest expense</b>	<b>\$ 539,661</b>

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
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The following table summarizes the Town's future debt service requirements for indirect borrowings as of December 31:

	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total Debt</u>
2021	\$ 1,795,000	\$ 492,916	\$ 2,287,916
2022	1,840,000	445,166	2,285,166
2023	1,875,000	395,025	2,270,025
2024	1,345,000	344,950	1,689,950
2025	1,375,000	314,450	1,689,450
2026-2030	7,405,000	1,076,863	8,481,863
2031-2035	<u>3,210,000</u>	<u>203,300</u>	<u>3,413,300</u>
Total	<u>\$ 18,845,000</u>	<u>\$ 3,272,670</u>	<u>\$ 22,117,670</u>

The following table summarizes the Town's future debt service requirements for direct borrowings as of December 31:

	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total Debt</u>
2021	\$ 6,816	\$ 818	\$ 7,634
2022	6,816	545	7,361
2023	<u>6,812</u>	<u>272</u>	<u>7,084</u>
	<u>\$ 20,444</u>	<u>\$ 1,635</u>	<u>\$ 22,079</u>

In 2014, the Town issued one 2014 serial bond for \$7,265,000 which refunded the 2004 serial bond of \$7,245,000. The bond refunding resulted in an economic gain on refunding of approximately \$531,100. The excess of the reacquisition price over the net carrying amount of the refunded bonds in the amount of \$221,724 has been deferred and is being amortized using the straight-line method through 2034. The balance of the deferred amount on refunding as of December 31, 2020 is \$155,208 and is reflected as a deferred outflow of resources on the Statement of Net Position.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### 9. FUND BALANCES

The Town has the following capital reserves, which are classified as restricted funds:

##### **General Fund Capital Reserves:**

Equipment - To finance future planned replacement of equipment items for the Town.

Office Equipment - To finance future planned replacement of office equipment items for the Town.

Building Maintenance - To finance the costs associated with building repairs and improvements.

##### **Highway Fund Part-Town Capital Reserves:**

Road Improvements - To finance capital projects for the construction or improvement of roads systems within the Town.

##### **Consolidated Sewer Fund Capital Reserves:**

Sewer Equipment - To finance future planned replacement of high cost sewer equipment items.

Sewer Office Equipment - To finance future planned replacement of office equipment for the sewer department.

Sewer Repair - To finance future planned repair to sewer districts within the Town.

The Town has the following general reserves, which are classified as restricted funds:

##### **Nonmajor Fund Capital Reserves:**

General Fund Part-Town Equipment - To finance future planned replacement of equipment items for the Town.

General Fund Part-Town Office Equipment - To finance future planned replacement of office equipment items for the Town.

##### **General Fund - General Reserves:**

General Reserves - To finance all, or part of, the cost of an object or purpose which has a period of probable usefulness of at least five years (other than objects or purposes for which reserve funds may be established under Town Law). Expenditures may only be made for a specific object or purpose and are subject to permissive referendum.

**TOWN OF PITTSFORD, NEW YORK**

**Notes to Basic Financial Statements  
December 31, 2020**

As of December 31, 2020, the Town's fund balances were composed of the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Highway Fund Part-Town</u>	<u>Debt Service Fund</u>	<u>Consolidated Sewer District</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable -								
Prepaid expenditures	\$ 96,683	\$ 34,828	\$ 37,713	\$ -	\$ 18,837	\$ -	\$ 45,552	\$ 233,613
Total nonspendable	<u>96,683</u>	<u>34,828</u>	<u>37,713</u>	<u>-</u>	<u>18,837</u>	<u>-</u>	<u>45,552</u>	<u>233,613</u>
Restricted -								
General	1,958,370	-	-	-	-	-	-	1,958,370
Equipment	770,442	-	-	-	173,158	-	174,607	1,118,207
Office equipment	427,409	-	-	-	46,765	-	27,762	501,936
Building maintenance	706,936	-	-	-	-	-	-	706,936
Turf maintenance	183,713	-	-	-	-	-	-	183,713
Road improvements	-	-	741,909	-	-	-	-	741,909
Sewer repair	-	-	-	-	1,635,910	-	-	1,635,910
Debt Service	-	-	-	545,621	-	-	-	545,621
Capital	-	-	-	-	-	262,775	-	262,775
Highway	-	1,802,282	3,455,784	-	-	-	-	5,258,066
Sewer	-	-	-	-	891,303	-	-	891,303
Other	-	-	-	-	-	-	1,850,408	1,850,408
Parks	-	-	-	-	-	-	300,529	300,529
Total restricted	<u>4,046,870</u>	<u>1,802,282</u>	<u>4,197,693</u>	<u>545,621</u>	<u>2,747,136</u>	<u>262,775</u>	<u>2,353,306</u>	<u>15,955,683</u>
Assigned -								
Appropriations	1,556,436	-	-	-	-	-	-	1,556,436
Other spendable amounts	184,027	-	-	-	-	-	-	184,027
Total assigned	<u>1,740,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,740,463</u>
Unassigned	5,078,852	-	-	-	-	-	-	5,078,852
Total fund balance	<u>\$ 10,962,868</u>	<u>\$ 1,837,110</u>	<u>\$ 4,235,406</u>	<u>\$ 545,621</u>	<u>\$ 2,765,973</u>	<u>\$ 262,775</u>	<u>\$ 2,398,858</u>	<u>\$ 23,008,611</u>

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### Net Position - Restricted

The following table shows the restricted net position within the funds as shown on the Statement of Net Position:

General reserves	\$ 1,958,370
Capital and repair reserves	4,888,611
Debt service	545,621
Special revenue funds	<u>8,563,081</u>
Total	<u>\$ 15,955,683</u>

#### 10. DEFERRED COMPENSATION PLAN

Employees of the Town may elect to participate in the Deferred Compensation Plan for Employees of the Town of Pittsford (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. As of December 31, 2020, the market value of the assets of the Plan totaled \$11,255,006.

Employees contribute to the Plan through voluntary salary deductions. Participation in the Plan is voluntary, and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan is administered by an independent third-party which is responsible for administering the fund's investments and record keeping.

#### 11. OTHER INFORMATION

##### A. Risk Management

##### 1. General Information

The Town is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

##### 2. Dental Plan

The Town self-insures for dental coverage for its employees (the Plan). The Town contracts with a third-party administrator who is responsible for processing claims and estimating liabilities. The Town does not carry excess insurance coverage relative to this Plan. The Town records expenditures as claims are presented for payment with a cap of \$1,000 per year per member. The Town records expenditures in the governmental funds each year based on the current costs of dental coverage. The total claims incurred and paid in 2020 was \$93,257.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### B. Commitments and Contingencies

##### 1. Commitments

The Town participates in a number of federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

##### 2. Litigation

There are tax certiorari claims requesting reduction of assessments pending. The outcome of the tax certiorari claims is undeterminable at this time; as such no allowance has been recorded.

#### 12. TAX ABATEMENT

The Town has 3 real property tax abatement agreements entered into by the County of Monroe IDA under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) and are under one of five possible programs:

##### **JobsPlus Program**

Under the JobsPlus program the recipient can be manufacturers, technology-based producer service companies, commercial projects which will increase the tax assessment with new construction and the rehabilitation of existing commercial buildings that have been vacant for a long period of time. They must meet a minimum of 10% job creation goal over impacted employment within three years. The project must use all local labor for the construction of new, expanded or renovated facilities.

##### **Enhanced JobsPlus Program**

Under the Enhanced JobsPlus program the recipient can be manufacturers or technology-based producer service companies. The requirements are an investment minimum of \$15 million in new plant, machinery and equipment or renovation of existing buildings, a minimum of 100 new jobs from new companies locating in Monroe County, or existing companies expanding operations within Monroe County within 3 years, and in the absence of a waiver permitting otherwise, the project must use all local labor for the construction of new, expanded or renovated facilities.

##### **Shelter Rent**

Property tax abated under the Shelter rent program is for new building or renovation projects for student or affordable housing. This program requires job creation of a minimum of 10% within 3 years as well as the use of local labor for the construction of new or renovation of facilities.

## TOWN OF PITTSFORD, NEW YORK

### Notes to Basic Financial Statements December 31, 2020

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#### Green JobsPlus

Under the Green JobsPlus program the recipient can be manufacturers, technology-based producer service companies, or commercial projects which will increase the tax assessment with new construction. Requirements for this program are that the project must be rated as certified, gold, silver or platinum by the United States Green Building Council's Leadership in Energy and Environmental Design Green Building Rating System must meet the minimum of 10% job creation in 3 years and must use all local labor.

#### LeasePlus Program

For the new building construction or renovation projects for Universities and medical related facilities in which 501(c)3 entity leases from a for-profit entity. The requirements under this program are job creation of 10% within 3 years and the use of local labor.

The following information relates to the PILOT agreements entered into under the aforementioned programs:

<u>Agreement</u>	Taxable Assessed		Pilot		
	<u>Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>Received</u>	<u>Taxes Abated</u>
Schoen Place LLC, Section 2	\$ 2,354,000	2.984	\$ 2,254,600	\$ 6,728	\$ 297
Clarix Properties LLC	\$ 522,700	3.151	\$ 522,700	\$ 1,647	\$ -
P & L Linden, LLC	\$ 968,400	3.151	\$ 688,400	\$ 2,169	\$ 882

#### 13. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Town and its future results and financial position is not presently determinable.

#### 14. AMERICAN RESCUE PLAN

The American Rescue Plan Act is projected to provide the Town with approximately \$3,220,000. As required by the legislation, a portion of this will be required to be passed to the Village of Pittsford. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. Fifty percent of the award is expected to be received in 2021, with the remaining funds to be received in 2022.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)  
For the Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 6,673,820	\$ 6,673,820	\$ 6,633,261	\$ (40,559)
Nonproperty tax items	424,000	424,000	420,433	(3,567)
Departmental income	810,500	810,500	375,021	(435,479)
Intergovernmental charges	58,724	58,724	137,824	79,100
Interfund revenues	24,000	24,000	27,859	3,859
Use of money and property	242,803	242,803	185,753	(57,050)
Licenses and permits	27,550	27,550	25,059	(2,491)
Fines and forfeitures	75,000	75,000	43,903	(31,097)
Sale of property and compensation for loss	500	500	490,470	489,970
Miscellaneous	46,967	46,967	142,014	95,047
State aid	983,081	983,081	1,359,156	376,075
Federal aid	-	-	84,211	84,211
	<u>9,366,945</u>	<u>9,366,945</u>	<u>9,924,964</u>	<u>473,808</u>
<b>EXPENDITURES:</b>				
General governmental support	3,828,351	4,040,227	3,415,162	625,065
Public safety	231,677	233,527	223,538	9,989
Public health	59,171	59,171	57,706	1,465
Transportation	178,451	190,361	170,988	19,373
Economic assistance and opportunity	371,785	374,482	194,324	180,158
Culture and recreation	2,102,660	2,039,533	1,425,397	614,136
Home and community services	218,925	220,120	168,559	51,561
Employee benefits	1,741,973	1,795,298	1,600,072	195,226
Debt service	104,319	104,319	104,319	-
	<u>8,837,312</u>	<u>9,057,038</u>	<u>7,360,065</u>	<u>1,696,973</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>529,633</u>	<u>309,907</u>	<u>2,564,899</u>	<u>2,254,992</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	450,000	450,000	10,427	(439,573)
Operating transfers - out	<u>(2,302,893)</u>	<u>(2,824,190)</u>	<u>(2,102,893)</u>	<u>721,297</u>
	<u>(1,852,893)</u>	<u>(2,374,190)</u>	<u>(2,092,466)</u>	<u>281,724</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (1,323,260)</u>	<u>\$ (2,064,283)</u>	472,433	<u>\$ 2,536,716</u>
<b>FUND BALANCE - beginning of year</b>			<u>10,306,408</u>	
<b>FUND BALANCE - end of year</b>			<u>\$ 10,778,841</u>	

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Highway Fund  
(Unaudited)  
For the Year Ended December 31, 2020**

	Original <u>Budget</u>	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 1,714,055	\$ 1,714,055	\$ 1,714,055	\$ -
Intergovernmental charges	488,000	488,000	430,876	(57,124)
Use of money and property	40,000	40,000	16,687	(23,313)
Sale of property and compensation for loss	1,500	1,500	1,794	294
Miscellaneous	<u>-</u>	<u>-</u>	<u>344</u>	<u>344</u>
Total revenues	<u>2,243,555</u>	<u>2,243,555</u>	<u>2,163,756</u>	<u>(79,799)</u>
<b>EXPENDITURES:</b>				
Transportation	1,955,289	2,050,075	1,972,956	77,119
Employee benefits	<u>713,266</u>	<u>713,266</u>	<u>643,079</u>	<u>70,187</u>
Total expenditures	<u>2,668,555</u>	<u>2,763,341</u>	<u>2,616,035</u>	<u>147,306</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(425,000)</u>	<u>(519,786)</u>	<u>(452,279)</u>	<u>67,507</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - out	<u>-</u>	<u>(10,427)</u>	<u>(10,427)</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>(10,427)</u>	<u>(10,427)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (425,000)</u>	<u>\$ (530,213)</u>	(462,706)	<u>\$ 67,507</u>
FUND BALANCE - beginning of year			<u>2,068,544</u>	
FUND BALANCE - end of year			<u>\$ 1,605,838</u>	

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Highway Fund Part-Town (Unaudited)  
For the Year Ended December 31, 2020**

	Original <u>Budget</u>	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 593,327	\$ 593,327	\$ 593,327	\$ -
Nonproperty tax items	2,408,000	2,408,000	2,638,561	230,561
Intergovernmental charges	5,000	5,000	4,236	(764)
Use of money and property	40,000	40,000	23,654	(16,346)
Miscellaneous	-	-	301	301
State aid	<u>171,324</u>	<u>241,871</u>	<u>193,496</u>	<u>(48,375)</u>
<b>Total revenues</b>	<u>3,217,651</u>	<u>3,288,198</u>	<u>3,453,575</u>	<u>165,377</u>
<b>EXPENDITURES:</b>				
Home and community services	2,600	2,600	2,058	542
Transportation	2,780,005	3,091,752	2,886,693	205,059
Employee benefits	<u>985,046</u>	<u>985,046</u>	<u>839,508</u>	<u>145,538</u>
<b>Total expenditures</b>	<u>3,767,651</u>	<u>4,079,398</u>	<u>3,728,259</u>	<u>351,139</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(550,000)</u>	<u>(791,200)</u>	<u>(274,684)</u>	<u>516,516</u>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers - in	<u>-</u>	<u>-</u>	<u>39,900</u>	<u>39,900</u>
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>39,900</u>	<u>39,900</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (550,000)</u>	<u>\$ (791,200)</u>	<u>(234,784)</u>	<u>\$ 556,416</u>
FUND BALANCE - beginning of year			<u>4,449,602</u>	
FUND BALANCE - end of year			<u>\$ 4,214,818</u>	

**TOWN OF PITTSFORD, NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Consolidated Sewer District (Unaudited)  
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 1,118,988	\$ 1,118,988	\$ 1,119,594	\$ 606
Departmental income	6,100	6,100	7,325	1,225
Use of money and property	25,000	25,000	21,955	(3,045)
Licenses and permits	2,400	2,400	3,600	1,200
Sale of property and compensation for loss	-	-	88,900	88,900
Miscellaneous	<u>36,800</u>	<u>36,800</u>	<u>22,430</u>	<u>(14,370)</u>
<b>Total revenues</b>	<u>1,189,288</u>	<u>1,189,288</u>	<u>1,263,804</u>	<u>74,516</u>
<b>EXPENDITURES:</b>				
Home and community services	973,308	1,019,027	951,844	67,183
Employee benefits	<u>375,988</u>	<u>370,988</u>	<u>346,854</u>	<u>24,134</u>
<b>Total expenditures</b>	<u>1,349,296</u>	<u>1,390,015</u>	<u>1,298,698</u>	<u>91,317</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(160,008)</u>	<u>(200,727)</u>	<u>(34,894)</u>	<u>(16,801)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - out	<u>(112,293)</u>	<u>(77,723)</u>	-	<u>77,723</u>
<b>Total other financing sources and uses</b>	<u>(112,293)</u>	<u>(77,723)</u>	-	<u>77,723</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (272,301)</u>	<u>\$ (278,450)</u>	(34,894)	<u>\$ 60,922</u>
<b>FUND BALANCE - beginning of year</b>			<u>2,784,968</u>	
<b>FUND BALANCE - end of year</b>			<u>\$ 2,750,074</u>	

**TOWN OF PITTSFORD, NEW YORK**

**Required Supplementary Information  
Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)  
For the Years Ended December 31:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	0.023%	0.022%	0.020%	0.020%	0.021%	0.021%				
Proportionate share of the net pension liability (asset)	\$ 6,065	\$ 1,572	\$ 657	\$ 1,913	\$ 3,307	\$ 703				
Covered-employee payroll	\$ 6,591	\$ 6,223	\$ 5,835	\$ 5,835	\$ 5,781	\$ 5,696				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	92.02%	25.26%	11.26%	32.78%	57.20%	12.34%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**TOWN OF PITTSFORD, NEW YORK**

**Required Supplementary Information  
Schedule of Contributions - Pension Plan (Unaudited)  
For the Years Ended December 31:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 887	\$ 879	\$ 850	\$ 852	\$ 995	\$ 1,092				
Contributions in relation to the contractually required contribution	<u>887</u>	<u>879</u>	<u>850</u>	<u>852</u>	<u>995</u>	<u>1,092</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered-employee payroll	\$ 6,591	\$ 6,223	\$ 5,835	\$ 5,835	\$ 5,781	\$ 5,696				
Contributions as a percentage of covered-employee payroll	13.46%	14.13%	14.57%	14.60%	17.21%	19.17%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**TOWN OF PITTSFORD, NEW YORK**

**Required Supplementary Information  
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)  
For the Years Ended December 31:**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Service cost	\$ 505	\$ 353	\$ 403	\$ 420						
Interest	602	762	733	700						
Changes of benefit terms	-	-	-	-						
Actuarial assumption changes	875	4,706	-	-						
Actuarial demographic gain	-	(1,911)	(1,375)	-						
Benefit payments	(749)	(716)	(645)	(618)						
Total change in total OPEB liability	1,233	3,194	(884)	502						
Total OPEB liability - beginning	21,807	18,613	19,497	18,995						
Total OPEB liability - ending	\$ 23,040	\$ 21,807	\$ 18,613	\$ 19,497						
<b>Covered-employee payroll</b>	\$ 4,302	\$ 4,424	\$ 3,822	\$ 4,849						
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	535.6%	492.9%	487.0%	402.1%						

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Notes to schedule:**

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.15%	2.75%	4.10%	3.75%	4.00%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

*Changes of Assumptions*

The mortality assumption was changed from the PUB-2010 mortality table with scale MP-2019 to the PUB-2010 mortality table with scale MP-2020 to reflect the latest appropriate tables published by the Society of Actuaries.

*Plan Assets.* No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

## **SUPPLEMENTAL SCHEDULES**

**TOWN OF PITTSFORD, NEW YORK**

**Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2020**

	General Part- <u>Town</u>	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,221,791	\$ 693,210	\$ 1,915,001
Investments	160,052	240,078	400,130
Due from other governments	99,000	-	99,000
Prepaid expenditures	<u>21,429</u>	<u>24,123</u>	<u>45,552</u>
 Total assets	 <u>\$ 1,502,272</u>	 <u>\$ 957,411</u>	 <u>\$ 2,459,683</u>
<b>LIABILITIES AND FUND BALANCES</b>			
LIABILITIES:			
Accounts payable	\$ 6,282	\$ 17,514	\$ 23,796
Accrued liabilities	<u>14,513</u>	<u>22,516</u>	<u>37,029</u>
 Total liabilities	 <u>20,795</u>	 <u>40,030</u>	 <u>60,825</u>
FUND BALANCES:			
Nonspendable	21,429	24,123	45,552
Restricted	<u>1,460,048</u>	<u>893,258</u>	<u>2,353,306</u>
 Total fund balances	 <u>1,481,477</u>	 <u>917,381</u>	 <u>2,398,858</u>
 Total liabilities and fund balances	 <u>\$ 1,502,272</u>	 <u>\$ 957,411</u>	 <u>\$ 2,459,683</u>

**TOWN OF PITTSFORD, NEW YORK**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor  
Governmental Funds  
For the Year Ended December 31, 2020**

	General Part- <u>Town</u>	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>REVENUES:</b>			
Real property taxes and tax items	\$ -	\$ 1,830,454	\$ 1,830,454
Nonproperty tax items	999,000	-	999,000
Departmental income	11,839	69,592	81,431
Use of money and property	7,692	8,437	16,129
Licenses and permits	100,617	-	100,617
Miscellaneous	636	129	765
	<u>1,119,784</u>	<u>1,908,612</u>	<u>3,028,396</u>
<b>Total revenues</b>			
General governmental support	128,599	-	128,599
Public safety	238,169	237,953	476,122
Transportation	-	62,904	62,904
Culture and recreation	-	988,569	988,569
Home and community services	536,286	101,022	637,308
Employee benefits	277,626	320,669	598,295
	<u>1,180,680</u>	<u>1,711,117</u>	<u>2,891,797</u>
<b>Total expenditures</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(60,896)</u>	<u>197,495</u>	<u>136,599</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers - out	<u>(39,900)</u>	<u>-</u>	<u>(39,900)</u>
<b>Total other financing sources and uses</b>	<u>(39,900)</u>	<u>-</u>	<u>(39,900)</u>
<b>CHANGE IN FUND BALANCE</b>	(100,796)	197,495	96,699
<b>FUND BALANCE - beginning of year</b>	<u>1,582,273</u>	<u>719,886</u>	<u>2,302,159</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 1,481,477</u>	<u>\$ 917,381</u>	<u>\$ 2,398,858</u>

**TOWN OF PITTSFORD, NEW YORK**

**Combining Balance Sheet - Nonmajor Special Revenue Funds  
December 31, 2020**

	Public Library Fund	Lighting Districts	Park Districts	Refuse Districts	Park Land Deposits Fund	Fire Protection Fund	Ambulance District Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 346,339	\$ 38,309	\$ 169,996	\$ 8,033	\$ 130,533	\$ -	\$ -	\$ 693,210
Investments	240,078	-	-	-	-	-	-	240,078
Prepaid expenses	24,123	-	-	-	-	-	-	24,123
Total assets	<u>\$ 610,540</u>	<u>\$ 38,309</u>	<u>\$ 169,996</u>	<u>\$ 8,033</u>	<u>\$ 130,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 957,411</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$ 4,654	\$ 4,843	\$ -	\$ 8,017	\$ -	\$ -	\$ -	\$ 17,514
Accrued liabilities	22,516	-	-	-	-	-	-	22,516
Total liabilities	<u>27,170</u>	<u>4,843</u>	<u>-</u>	<u>8,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,030</u>
<b>FUND BALANCES:</b>								
Nonspendable	24,123	-	-	-	-	-	-	24,123
Restricted	559,247	33,466	169,996	16	130,533	-	-	893,258
Total fund balances	<u>583,370</u>	<u>33,466</u>	<u>169,996</u>	<u>16</u>	<u>130,533</u>	<u>-</u>	<u>-</u>	<u>917,381</u>
Total liabilities and fund balances	<u>\$ 610,540</u>	<u>\$ 38,309</u>	<u>\$ 169,996</u>	<u>\$ 8,033</u>	<u>\$ 130,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 957,411</u>

**TOWN OF PITTSFORD, NEW YORK**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2020**

	Public Library Fund	Lighting Districts	Park Districts	Refuse Districts	Park Land Deposits Fund	Fire Protection Fund	Ambulance District Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>								
Real property taxes and tax items	\$ 1,353,119	\$ 61,149	\$ 77,211	\$ 101,022	\$ -	\$ 19,953	\$ 218,000	\$ 1,830,454
Departmental income	30,492	-	-	-	39,100	-	-	69,592
Miscellaneous	129	-	-	-	-	-	-	129
Use of money and property	8,086	17	57	16	261	-	-	8,437
<b>Total revenues</b>	<b>1,391,826</b>	<b>61,166</b>	<b>77,268</b>	<b>101,038</b>	<b>39,361</b>	<b>19,953</b>	<b>218,000</b>	<b>1,908,612</b>
<b>EXPENDITURES:</b>								
Transportation	-	62,904	-	-	-	-	-	62,904
Public safety	-	-	-	-	-	19,953	218,000	237,953
Culture and recreation	927,867	-	60,702	-	-	-	-	988,569
Home and community	-	-	-	101,022	-	-	-	101,022
Employee benefits	320,669	-	-	-	-	-	-	320,669
<b>Total expenditures</b>	<b>1,248,536</b>	<b>62,904</b>	<b>60,702</b>	<b>101,022</b>	<b>-</b>	<b>19,953</b>	<b>218,000</b>	<b>1,711,117</b>
<b>CHANGE IN FUND BALANCE</b>	<b>143,290</b>	<b>(1,738)</b>	<b>16,566</b>	<b>16</b>	<b>39,361</b>	<b>-</b>	<b>-</b>	<b>197,495</b>
<b>FUND BALANCE - beginning of year</b>	<b>440,080</b>	<b>35,204</b>	<b>153,430</b>	<b>-</b>	<b>91,172</b>	<b>-</b>	<b>-</b>	<b>719,886</b>
<b>FUND BALANCE - end of year</b>	<b>\$ 583,370</b>	<b>\$ 33,466</b>	<b>\$ 169,996</b>	<b>\$ 16</b>	<b>\$ 130,533</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 917,381</b>