

**TOWN OF PITTSFORD,  
NEW YORK**

**Basic Financial Statements  
for the Year Ended December 31, 2014  
Together with  
Independent Auditor's Report**

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

# TOWN OF PITTSFORD, NEW YORK

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## INDEPENDENT AUDITOR'S REPORT

May 5, 2015

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, 2014, 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.

### ***Opinions***

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, as of December 31, 2014, 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.

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 - 10 and 40 - 42 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 on pages 43 - 46 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Bonadio & Co., LLP*

## TOWN OF PITTSFORD, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2014

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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, 2014. 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 the Town exceeded its liabilities by \$58,526,813. Of this amount, the unrestricted portion is \$8,664,951. The balance of net position is considered either restricted or constitutes the Town's net investment in capital assets.
- General revenues, which include Real property tax, nonproperty tax items and mortgage tax, are \$12,076,395, or 78%, of all revenues. Program specific revenues in the form of Charges for Services and Capital Grants accounted for \$3,584,004, or 22%, of total revenues.
- The Town's governmental fund financial statements report a combined ending fund balance of \$22,989,842.
- At the end of the current year, the unassigned fund balance of the General Fund was \$5,075,855.

#### 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 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, 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 and change in net position* 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.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### 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 three major individual governmental funds; General Fund, Highway Fund Part-Town, and Highway 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, and Highway Fund. 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.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements (Continued)

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

<u>Features</u>	<u>Fund Financial Statements</u>		
	<u>Town-Wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
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 and Change in Net Position	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.

## 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>2014</u>	<u>2013</u>
Assets:		
Current assets	\$ 23,401,986	\$ 23,976,721
Capital assets, net	<u>51,080,259</u>	<u>51,448,052</u>
Total assets	<u>74,482,245</u>	<u>75,424,773</u>
Deferred outflows:		
Deferred amount on refunding	<u>221,724</u>	-
Total deferred outflows	<u>221,724</u>	-
Liabilities:		
Current liabilities	489,672	494,161
Noncurrent liabilities	<u>15,687,483</u>	<u>15,382,757</u>
Total liabilities	<u>16,177,155</u>	<u>15,876,918</u>
Net position:		
Net investment in capital assets	39,321,693	39,520,517
Restricted	10,540,169	10,791,743
Unrestricted	<u>8,664,951</u>	<u>8,824,654</u>
Total net position	<u>\$ 58,526,813</u>	<u>\$ 59,136,914</u>

By far, the largest component of the Town's net position (68%) 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 constitute 18% of total net position at both December 31, 2014 and 2013. The remaining balance is unrestricted net position, which was \$8,664,951 (14%) and \$8,824,654 (15%) in 2014 and 2013, respectively, and may be used to finance future operations.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Table 2 - Change in Net Position

	<u>2014</u>	<u>% of Total</u>	<u>2013</u>	<u>% of Total</u>
Revenues:				
Charges for services	\$ 3,287,449	20%	\$ 3,015,429	19%
Capital grants and contributions	296,555	2%	284,547	2%
Taxes	12,076,395	75%	12,262,814	75%
Other revenues	<u>388,015</u>	<u>3%</u>	<u>691,019</u>	<u>4%</u>
Total revenues	<u>16,048,414</u>	<u>100%</u>	<u>16,253,809</u>	<u>100%</u>
Expenses:				
General governmental support	4,632,266	28%	3,626,883	22%
Public safety	708,895	4%	644,777	4%
Public health	38,422	-	38,908	-
Transportation	4,875,998	29%	5,535,899	34%
Economic assistance and opportunity	459,275	3%	432,235	3%
Culture and recreation	3,278,163	20%	3,386,662	21%
Home and community services	2,269,356	14%	2,330,191	14%
Interest on long-term debt	<u>396,140</u>	<u>2%</u>	<u>505,664</u>	<u>2%</u>
Total expenses	<u>16,658,515</u>	<u>100%</u>	<u>16,501,219</u>	<u>100%</u>
Change in net position	(610,101)		(247,410)	
Net position - beginning of year	<u>59,136,914</u>		<u>59,384,324</u>	
Net position - end of year	<u>\$ 58,526,813</u>		<u>\$ 59,136,914</u>	

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

### 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 \$22,989,842, which is less than last year's ending fund balance of \$23,196,748.

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 \$12,156,306, of which \$5,075,855 was unassigned. The fund balance for the Town's General Fund decreased by 5% in 2014, as a function of the Town's operating activities.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

### Budgetary Highlights

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

<u>Revenue Items</u>		Budget Variance Original vs. Amended	<u>Explanation for Budget Variance</u>
General Fund – Transfers in	\$	431,644	Transfer from Capital Reserves to purchase office equipment, vehicles and the building of a new salt barn.
Highway Fund Part – Town – Transfers in	\$	150,000	Transfer from Highway Improvement Capital Reserve to pay for additional roadwork.
Highway Fund Part – Town – State and County Aid	\$	190,498	The Town does not budget NYS CHIPS funding until the NYS budget is passed and notice has been given to the Town. The Town then appropriates the funds and increases the roadwork budget.

<u>Expenditure Items</u>		Budget Variance Original vs. Amended	<u>Explanation for Budget Variance</u>
General Fund – General governmental support	\$	166,911	Authorized transfers from Capital Reserves for equipment and capital expenditures.
Highway Fund Part – Town – Transportation	\$	505,228	Combination of prior year encumbrances, appropriations from Capital Reserves and additional revenue from NYS CHIPS put towards roadwork.
Highway Fund – General governmental support	\$	136,135	The Town appropriated additional funds from the Capital Reserve to purchase equipment.

<u>Revenue Items</u>		Budget Variance Amended vs. Actual	<u>Explanation for Budget Variance</u>
General Fund – Sale of property and compensation for loss	\$	132,625	The Town sold equipment at auction.
Highway Fund Part – Town – Nonproperty tax items	\$	631,180	Higher than projected Sales Tax Receipts.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

### Budgetary Highlights (Continued)

		Budget Variance Amended vs. <u>Actual</u>	<u>Explanation for Budget Variance</u>
General Fund – Employee benefits	\$	180,972	Lower than projected increase in employee benefits.
Highway Fund – Transportation	\$	170,233	Cost savings due to vacant positions and lower than project overtime costs.
Highway Fund – Part – Town – Operating Transfers out	\$	175,000	Cost savings during year transferred to Capital Reserve for use in future budgets.

### Capital Assets

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

<u>Class</u>	<u>2014</u>	<u>2013</u>
Land	\$ 6,056,366	\$ 6,045,366
Land development rights	11,513,343	11,513,343
Work-in-progress	-	74,570
Infrastructure	19,150,074	19,201,917
Buildings and improvements	11,084,791	11,022,058
Machinery and equipment	<u>3,275,685</u>	<u>3,590,798</u>
Total capital assets, net of accumulated depreciation	<u>\$ 51,080,259</u>	<u>\$ 51,448,052</u>

During 2014, there were \$2,519,698 of capital asset additions offset by \$2,773,153 of depreciation expense. 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:

	<u>2014</u>	<u>2013</u>
Serial and statutory bonds	\$ 10,986,340	\$ 11,598,156
Bond premium	301,798	-
Installment purchase debt	248,704	329,379
Other postemployment benefits	4,110,976	3,411,780
Compensated absences	<u>39,665</u>	<u>43,442</u>
Total	<u>\$ 15,687,483</u>	<u>\$ 15,382,757</u>

The amount of principal paid on outstanding debt was approximately \$712,000 in 2014 and \$604,000 in 2013. The Town refunded its 2004 serial bond by issuing the 2014 serial bond. This refunding will save the Town approximately \$531,100 over the life of the new bonds.

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

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

The Town of Pittsford will override the New York State implemented 2% tax cap in FY2015. This override reflects an increase in budget for a voter approved multi-year athletic fields improvement project. The voters of Pittsford approved a bond issuance of up to \$6,000,000 for this project. The Town will continue the use of fund balance to offset operational costs in FY2015. This will result in lower fund balances at year's end if additional cost savings or revenues are not identified during the year.

The Town of Pittsford will also monitor Cable Franchise Fees. The Town is following the decrease in Cable Franchise Fees due to the use of alternative sources of televised entertainment.

## **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, 2014

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### ASSETS

Cash and cash equivalents	\$ 22,171,775
Investments	61,340
Receivables	13,759
Due from other funds	30
Due from other governments	893,190
Prepaid expenses	261,892
Capital assets, net	<u>51,080,259</u>
Total assets	<u>74,482,245</u>

### DEFERRED OUTFLOWS

Deferred amount on refunding	<u>221,724</u>
Total deferred outflows	<u>221,724</u>

### LIABILITIES

Accounts payable	14,736
Accrued liabilities	374,870
Unearned revenue	100,066
Long-term obligations -	
Due within one year	743,600
Due in more than one year	<u>14,943,883</u>
Total liabilities	<u>16,177,155</u>

### NET POSITION

Net investment in capital assets	39,321,693
Restricted	10,540,169
Unrestricted	<u>8,664,951</u>
Total net position	<u>\$ 58,526,813</u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities -				
General governmental support	\$ 4,632,266	\$ 379,393	\$ 108,081	\$ (4,144,792)
Public safety	708,895	313,348	-	(395,547)
Public health	38,422	-	-	(38,422)
Transportation	4,875,998	531,654	188,474	(4,155,870)
Economic assistance and opportunity	459,275	-	-	(459,275)
Culture and recreation	3,278,163	922,087	-	(2,356,076)
Home and community services	2,269,356	1,140,967	-	(1,128,389)
Interest on long-term debt	<u>396,140</u>	<u>-</u>	<u>-</u>	<u>(396,140)</u>
Total governmental activities	<u>\$ 16,658,515</u>	<u>\$ 3,287,449</u>	<u>\$ 296,555</u>	<u>(13,074,511)</u>
<b>GENERAL REVENUES:</b>				
				8,034,991
				3,202,329
				839,075
				173,366
				161,221
				<u>53,428</u>
				<u>12,464,410</u>
				(610,101)
				<u>59,136,914</u>
				<u>\$ 58,526,813</u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Highway Fund Part-Town</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,257,457	\$ 1,782,502	\$ 2,866,806	\$ 5,265,010	\$ 22,171,775
Investments	-	-	61,340	-	61,340
Receivables	3,488	1,891	244	8,136	13,759
Due from other funds	30	-	-	-	30
Due from other governments	22,908	142,329	437,651	290,302	893,190
Prepaid expenditures	<u>103,007</u>	<u>44,776</u>	<u>48,900</u>	<u>65,209</u>	<u>261,892</u>
 Total assets	 <u>\$ 12,386,890</u>	 <u>\$ 1,971,498</u>	 <u>\$ 3,414,941</u>	 <u>\$ 5,628,657</u>	 <u>\$ 23,401,986</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 5,222	\$ 341	\$ 320	\$ 8,853	\$ 14,736
Accrued liabilities	125,296	77,200	16,478	78,368	297,342
Unearned revenue	<u>100,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,066</u>
 Total liabilities	 <u>230,584</u>	 <u>77,541</u>	 <u>16,798</u>	 <u>87,221</u>	 <u>412,144</u>
<b>FUND BALANCES:</b>					
Nonspendable	103,007	44,776	48,900	65,209	261,892
Restricted	5,456,449	-	1,150,280	3,933,440	10,540,169
Assigned	1,520,995	1,849,181	2,198,963	1,542,787	7,111,926
Unassigned	<u>5,075,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,075,855</u>
 Total fund balances	 <u>12,156,306</u>	 <u>1,893,957</u>	 <u>3,398,143</u>	 <u>5,541,436</u>	 <u>22,989,842</u>
 Total liabilities and fund balances	 <u>\$ 12,386,890</u>	 <u>\$ 1,971,498</u>	 <u>\$ 3,414,941</u>	 <u>\$ 5,628,657</u>	 <u>\$ 23,401,986</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, 2014**

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Total fund balance - governmental funds			\$ 22,989,842
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	103,688,347	
	Accumulated depreciation	<u>(52,608,088)</u>	
			51,080,259
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.			
			(77,529)
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	(10,986,340)	
	Installment purchase debt	(248,704)	
	Bond premium	(301,798)	
	Deferred amount on refunding	221,724	
	Compensated absences	(39,665)	
	Other postemployment benefits	<u>(4,110,976)</u>	
			<u>(15,465,759)</u>
Total net position of governmental activities			<u>\$ 58,526,813</u>

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, 2014**

	General Fund	Highway Fund	Highway Fund Part-Town	Total Nonmajor Governmental Funds	Total
<b>REVENUES:</b>					
Real property taxes and tax items	\$ 4,292,318	\$ 1,686,640	\$ 899,169	\$ 2,513,471	\$ 9,391,598
Nonproperty tax items	431,304	-	1,857,747	913,278	3,202,329
Departmental income	773,436	-	-	289,672	1,063,108
Intergovernmental charges	95,840	477,554	10,005	8,103	591,502
Interfund revenues	25,466	-	-	-	25,466
Use of money and property	154,696	7,626	5,605	5,439	173,366
Licenses and permits	30,157	-	-	98,849	129,006
Fines and forfeitures	147,226	-	-	-	147,226
Sale of property and compensation for loss	134,125	6,306	-	20,790	161,221
Miscellaneous	43,520	841	612	28,455	73,428
State aid	947,156	-	188,474	-	1,135,630
	<u>7,075,244</u>	<u>2,178,967</u>	<u>2,961,612</u>	<u>3,878,057</u>	<u>16,093,880</u>
<b>Total revenues</b>					
<b>EXPENDITURES:</b>					
General governmental support	2,950,920	432,799	-	133,716	3,517,435
Public safety	187,882	1,975	-	291,685	481,542
Public health	35,638	-	-	809	36,447
Transportation	119,998	1,331,234	2,294,113	60,138	3,805,483
Economic assistance and opportunity	343,133	-	-	-	343,133
Culture and recreation	1,409,634	-	-	991,725	2,401,359
Home and community services	193,849	-	105	1,135,792	1,329,746
Employee benefits	1,242,119	550,328	714,587	722,375	3,229,409
Debt service -					
Principal	80,675	-	-	631,816	712,491
Interest	4,503	-	-	439,238	443,741
	<u>6,568,351</u>	<u>2,316,336</u>	<u>3,008,805</u>	<u>4,407,294</u>	<u>16,300,786</u>
<b>Total expenditures</b>					
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>506,893</u>	<u>(137,369)</u>	<u>(47,193)</u>	<u>(529,237)</u>	<u>(206,906)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers - in	-	136,135	-	1,047,510	1,183,645
Proceeds from refunding bonds	-	-	-	7,265,000	7,265,000
Payment of refunded bonds	-	-	-	(7,245,000)	(7,245,000)
Deferred amount on refunding	-	-	-	(221,724)	(221,724)
Premium on bond	-	-	-	301,798	301,798
Bond issuance costs	-	-	-	(100,074)	(100,074)
Operating transfers - out	(1,183,645)	-	-	-	(1,183,645)
	<u>(1,183,645)</u>	<u>136,135</u>	<u>-</u>	<u>1,047,510</u>	<u>-</u>
<b>Total other financing sources and uses</b>					
<b>CHANGE IN FUND BALANCE</b>	(676,752)	(1,234)	(47,193)	518,273	(206,906)
<b>FUND BALANCE - beginning of year</b>	<u>12,833,058</u>	<u>1,895,191</u>	<u>3,445,336</u>	<u>5,023,163</u>	<u>23,196,748</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 12,156,306</u>	<u>\$ 1,893,957</u>	<u>\$ 3,398,143</u>	<u>\$ 5,541,436</u>	<u>\$ 22,989,842</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 AND CHANGE IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2014

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Net change in fund balances - governmental funds \$ (206,906)

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	2,519,898	
Depreciation	(2,773,153)	
Loss on sale of capital assets	<u>(114,538)</u>	(367,793)

Repayment of refunded bonds is an other financing use in the governmental funds, but reduces long-term liabilities in the statement of net position. 7,245,000

Proceeds from the issuance of bonds is an other financing source in the governmental funds but increase long-term liabilities in the statement of net statement of net position. (7,265,000)

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 and installment purchase debt principal	712,491	
Bond premium	(301,798)	
Deferred amount on refunding	221,724	
Change in accrued interest	47,600	
Compensated absences	3,777	
Other postemployment benefits	<u>(699,196)</u>	<u>(15,402)</u>

Change in net position of governmental activities \$ (610,101)

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2014**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,790
Due from other governments	<u>122</u>
Total assets	<u>14,912</u>
<b>LIABILITIES</b>	
Due to other funds	30
Other liabilities	<u>3,573</u>
Total liabilities	<u>3,603</u>
<b>NET POSITION</b>	<u><u>\$ 11,309</u></u>

The accompanying notes are an integral part of these statements.

# TOWN OF PITTSFORD, NEW YORK

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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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 Council, 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. Such Board is administratively and financially dependent on the Town and, accordingly, the related financial activity is included within the accompanying financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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 Council 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 Council 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 and Change in Net Position 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.

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Presentation (Continued)

#### Government-Wide Statements (Continued)

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 fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, 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.

#### 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 non-major governmental funds:

- **General Fund Part-Town** - includes all general fund operations taking place outside the Village.
- **Debt Service Fund** - used to account for financial resources accumulated for payment of future principal and interest on long-term indebtedness.
- **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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Presentation (Continued)

#### Fund Financial Statements (Continued)

##### a. Governmental Funds (Continued)

#### Non-Major Governmental Funds (Continued)

- **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
  - Consolidated Sewer District
  - Parks Fund
  - Parkland Deposits Fund
  - Consolidated Lighting District
  - 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.

- **Agency Fund** - is custodial in nature and does not present results of operations or have a measurement focus. The Agency Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

#### 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.

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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Accounting/Measurement Focus (Continued)

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 cost, which approximates market value. The Town has a statutory installment bond in the Highway Fund-Part Town of \$61,340 at December 31, 2014.

### 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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 or 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 - Property, Plant and Equipment

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.

Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets (back to January 1, 1974) have been valued at estimated historical cost. Other 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: parking lots	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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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.

### **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.

### **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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

### 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 an other 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Equity Classifications (Continued)

#### Fund Statements (Continued)

- **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.

- **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 authorizes or the Board's 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.

## 2. STEWARDSHIP (Continued)

### 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, 2014	\$ 12,156,306
Less: Outstanding encumbrances	<u>(297,886)</u>
Budgetary basis fund balance at December 31, 2014	<u>\$ 11,858,420</u>
Highway Fund:	
GAAP basis fund balance at December 31, 2014	\$ 1,893,957
Less: Outstanding encumbrances	<u>(42,533)</u>
Budgetary basis fund balance at December 31, 2014	<u>\$ 1,851,424</u>
Highway Fund Part-Town:	
GAAP basis fund balance at December 31, 2014	\$ 3,398,143
Less: Outstanding encumbrances	<u>(55,807)</u>
Budgetary basis fund balance at December 31, 2014	<u>\$ 3,342,336</u>

## 3. DEPOSITS

### Primary Government, Including Fiduciary Funds

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. 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.

### 3. DEPOSITS (Continued)

#### Primary Government, Including Fiduciary Funds (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits 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; commercial paper and bankers' acceptances issued by a bank rated in the highest short term category; zero coupon obligations of the United States government marketed as "treasury strips"; 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; obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization; and mortgage rated securities which may be purchased by banks under the limitations established by bank regulatory agencies
- 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	\$ 22,331,264	\$ 22,169,055
Fiduciary funds	<u>15,445</u>	<u>15,445</u>
Cash and cash equivalents	<u>\$ 22,346,709</u>	<u>\$ 22,184,500</u>
Category 1: Covered by FDIC insurance	\$ 1,205,356	
Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	<u>21,771,563</u>	
	<u>\$ 22,976,919</u>	

#### 4. RECEIVABLES

Receivables at December 31, 2014 for individual major and non-major funds consisted of the following which are stated at net realizable value. Town management has deemed the amounts to be fully collectible:

Description	General Fund	Highway Fund	Highway Fund Part-Town	Nonmajor Governmental Funds	Total
Receivables:					
Fees	\$ 3,488	\$ 1,891	\$ 244	\$ 8,136	\$ 13,759
Due from other governments	\$ 22,908	\$ 142,329	\$ 437,651	\$ 290,302	\$ 893,190

#### 5. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, 2014	Additions	Transfers	Disposals	Balance December 31, 2014
Capital assets not being depreciated					
Land	\$ 6,045,366	\$ 11,000	\$ -	\$ -	\$ 6,056,366
Land development rights	11,513,343	-	-	-	11,513,343
Work in progress	74,570	-	(74,570)	-	-
Total non-depreciable assets	17,633,279	11,000	(74,570)	-	17,569,709
Capital assets being depreciated:					
Buildings and improvements	17,665,038	435,391	72,500	(3,200)	18,169,729
Machinery and equipment	7,054,131	852,585	-	(561,929)	7,344,787
Infrastructure	60,103,894	1,220,922	2,070	(722,764)	60,604,122
Total at cost	84,823,063	2,508,898	74,570	(1,287,893)	86,118,638
Less: Accumulated depreciation for:					
Buildings and improvements	(6,642,980)	(445,158)	-	3,200	(7,084,938)
Machinery and equipment	(3,463,333)	(1,053,160)	-	447,391	(4,069,102)
Infrastructure	(40,901,977)	(1,274,835)	-	722,764	(41,454,048)
Total accumulated depreciation	(51,008,290)	(2,773,153)	-	1,173,355	(52,608,088)
Total depreciable assets - net	33,814,773	(264,255)	74,570	(114,538)	33,510,550
Total capital assets - net	\$ 51,448,052	\$ (253,255)	\$ -	\$ (114,538)	\$ 51,080,259

## 6. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund receivables and payables at December 31, 2014 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue Transfers</u>	<u>Interfund Expenditure Transfers</u>
General Fund	\$ 30	\$ -	\$ -	\$ 1,183,645
Highway Fund	-	-	136,135	-
Nonmajor funds	-	-	1,047,510	-
Agency Fund	-	30	-	-
Total	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 1,183,645</u>	<u>\$ 1,183,645</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.

## 7. PENSION PLANS

### Plan Description

The Town participates in the New York State and Local Employees' Retirement System (the System). This is a cost sharing multiple employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building Albany, NY 12244.

### Funding Policy

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

## 7. PENSION PLANS (Continued)

### Funding Policy (Continued)

The System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the System contribute 3% of their salary throughout their active membership. The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members will vary based on each member's annual compensation varying between 3-6%.

The System cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York State Legislature. The Town's contributions were equal to the required contributions for the plan fiscal years as follows:

2014	\$ 1,047,568
2013	\$ 1,104,323
2012	\$ 1,004,566

## 8. 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 50 retired employees receiving benefits at December 31, 2014. Eligible employees must have had 20 years of service with the Town and be eligible for retirement pursuant to the System. The Retirement Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

### Funding Policy

The obligations of the Retirement Plan are established by action of the Town. The Town will pay 75% 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 2014 was approximately \$409,000.

## 8. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

### Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year plus the amortization of the unfunded actuarial accrued liability over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Retirement Plan, and the changes in the Town's net OPEB obligation:

Annual required contribution	\$ 1,167,003
Interest on net OPEB obligation	131,013
Adjustment to ARC	<u>(189,413)</u>
Annual OPEB cost	1,108,603
Contributions made	<u>(409,407)</u>
Increase in net OPEB obligation	699,196
Net OPEB obligation - beginning of year	<u>3,411,780</u>
Net OPEB obligation - end of year	<u>\$ 4,110,976</u>

### Trend Information

The following table provides trend information for the Retirement Plan:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percent Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 1,108,603	\$ 409,407	36.9%	\$ 4,110,976
2013	\$ 943,356	\$ 285,476	30.3%	\$ 3,411,780
2012	\$ 943,356	\$ 285,476	30.3%	\$ 2,753,900

### Funded Status and Funding Progress

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Retirement Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Retirement Plan is currently not funded.

The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

### Schedule of Funding Progress for the Town's Retirement Plan

<u>Actuarial Valuation Date</u>	<u>Year Ended</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (JAAL) (b) - (a)</u>	<u>Funded Ratio (a)/(b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll (b-a)/(c)</u>
1/1/2014	12/31/14	\$ -	<u>\$ 13,584,944</u>	<u>\$ 13,584,944</u>	<u>0.0%</u>	<u>\$ 6,538,371</u>	<u>207.8%</u>
1/1/2011	12/31/13	\$ -	<u>\$ 11,617,522</u>	<u>\$ 11,617,522</u>	<u>0.0%</u>	<u>\$ 6,304,127</u>	<u>184.3%</u>
1/1/2011	12/31/12	\$ -	<u>\$ 11,617,522</u>	<u>\$ 11,617,522</u>	<u>0.0%</u>	<u>\$ 6,304,127</u>	<u>184.3%</u>

## 8. POSTEMPLOYMENT HEALTH BENEFITS (Continued)

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the following methods and assumptions were used:

Actuarial cost method	Projected Unit Credit
Discount rate*	4.0%
Inflation rate	3.0%
Salary scale	4.0%
Medical care cost trend rate	9.0% initially. The rate changes each year to an ultimate rate of 4.75% in 2022.
Dental care cost trend rate	Dental care costs are assumed to be 5.0% each year.
Unfunded actuarial accrued liability:	
Amortization period	30 years
Amortization method	Level Percent of Pay
Amortization basis	Open

\* As the plan is unfunded, the assumed discount rate considers that the Town's investment assets are low risk in nature, such as money market funds or certificates of deposit.

## 9. LONG-TERM DEBT 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 had the following other non-current liabilities:

- **Compensated absences** - represents the value earned and unused portion of the earned vacation leave and compensatory time.
- **Postemployment benefits** - represents the cost of health care benefits provided to retirees.

**9. LONG-TERM DEBT OBLIGATIONS (Continued)**

**Other Long-Term Debt (Continued)**

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due After One Year
Serial and statutory bonds	\$11,598,156	\$ 7,265,000	\$ (7,876,816)	\$10,986,340	\$ 636,816	\$10,349,524
Bond premium	-	301,798	-	301,798	15,090	286,708
Installment purchase debt	329,379	-	(80,675)	248,704	81,778	166,926
Other postemployment benefits	3,411,780	1,108,603	(409,407)	4,110,976	-	4,110,976
Compensated absences	<u>43,442</u>	<u>-</u>	<u>(3,777)</u>	<u>39,665</u>	<u>9,916</u>	<u>29,749</u>
Total	<u>\$15,382,757</u>	<u>\$ 8,675,401</u>	<u>\$ (8,370,675)</u>	<u>\$15,687,483</u>	<u>\$ 743,600</u>	<u>\$14,943,883</u>

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:

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	Amount Outstanding <u>12/31/14</u>	<u>Final Maturity</u>
Serial Bonds:				
Pittsford Hill Sewer	8/1998	5.05%	\$ 30,000	8/2017
Purchase of development rights	9/2009	4.00%	3,630,000	9/2023
Public improvement	4/2014	2.00%	7,265,000	4/2034
Statutory Bonds:				
Pittsford Sewer District - 29 & 29a	6/2004	4.00%	61,340	6/2023
Installment purchase:				
Tub grinder wood composter	6/2004	4.00%	<u>248,704</u>	6/2017
		Total	<u>\$ 11,235,044</u>	

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

Interest paid	\$ 443,741
Plus: Interest accrued in the current year	77,528
Less: Interest accrued in the prior year	<u>(125,129)</u>
Total interest expense	<u>\$ 396,140</u>

**9. LONG-TERM DEBT OBLIGATIONS (Continued)**

**Other Long-Term Debt (Continued)**

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

	<u>Bond Principal</u>	<u>Bonds Interest</u>	<u>Installment Principal</u>	<u>Installment Interest</u>	<u>Total Debt</u>
2015	\$ 636,816	\$ 384,057	\$ 81,778	\$ 3,400	\$ 1,106,051
2016	656,816	364,129	82,896	2,292	1,106,133
2017	676,816	341,751	84,030	1,149	1,103,746
2018	686,816	316,774	-	-	1,003,590
2019	711,816	291,451	-	-	1,003,267
2020 - 2024	3,457,260	1,064,182	-	-	4,521,442
2025 - 2029	1,885,000	618,200	-	-	2,503,200
2030 - 2034	<u>2,275,000</u>	<u>234,900</u>	<u>-</u>	<u>-</u>	<u>2,509,900</u>
Total	<u>\$ 10,986,340</u>	<u>\$ 3,615,444</u>	<u>\$ 248,704</u>	<u>\$ 6,841</u>	<u>\$ 14,857,329</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 will be amortized beginning in 2015 using the straight-line method through 2034. The balance of the deferred amount on refunding as of December 31, 2014 is \$221,724 and is reflected as a deferred outflow on the Statement of Net Position.

In prior years, the Town defeased certain obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. \$3,775,000 of bonds outstanding was considered defeased at December 31, 2014.

**10. 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.

**General Fund Part-Town 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.

10. **FUND BALANCES (Continued)**

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

**Town Improvement** - To finance capital projects for the construction or improvement of roads within the Town.

**Consolidated Sewer Fund Capital Reserves:**

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

**PSD Office Equipment** - To finance future planned replacement of office equipment for the PSD.

**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:

**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.

**Pittsford 2000 Reserve** - The Town Board has reserved certain surplus funds as a measure to implement the recommendations of the Pittsford 2000 committee regarding conservation measures, environmental protection initiatives and related land acquisitions. Expenditures may only be made for a specific object or purpose and are subject to permissive referendum.

## 10. FUND BALANCES (Continued)

	General Fund	Highway Town-wide Fund	Highway Part-Town Fund	Nonmajor Governmental Funds	Total
<u>Fund balance</u>					
Nonspendable -					
Prepaid expenditures	\$ 103,007	\$ 44,776	\$ 48,900	\$ 65,209	\$ 261,892
Restricted -					
General reserve	2,753,814	-	-	-	2,753,814
Pittsford 2000	891,317	-	-	-	891,317
Equipment	546,439	-	-	-	546,439
Office equipment	385,570	-	-	-	385,570
Building maintenance	879,309	-	-	-	879,309
Road improvements	-	-	1,150,280	-	1,150,280
Sewer equipment	-	-	-	258,039	258,039
Sewer office equipment	-	-	-	40,885	40,885
Sewer repair	-	-	-	1,010,518	1,010,518
Debt service	-	-	-	672,741	672,741
Part-Town equipment	-	-	-	39,676	39,676
Part-Town office equipment	-	-	-	32,942	32,942
Library	-	-	-	258,545	258,545
Parks	-	-	-	124,571	124,571
Street Lighting District	-	-	-	42,025	42,025
Consolidated Sewer District	-	-	-	912,791	912,791
Parkland Deposits/incentive zoning	-	-	-	540,707	540,707
Total restricted	5,456,449	-	1,150,280	3,933,440	10,540,169
Assigned -					
Appropriations	1,223,109	320,000	550,000	504,056	2,597,165
Other spendable amounts	-	1,486,648	1,593,156	711,098	3,790,902
General government support	219,318	2,450	-	-	221,768
Public safety	9,029	40,083	-	155,558	204,670
Transportation	19,366	-	55,807	143,483	218,656
Economic assistance and development	2,778	-	-	-	2,778
Culture and recreation	25,781	-	-	28,516	54,297
Home and community service	21,614	-	-	76	21,690
Total assigned	1,520,995	1,849,181	2,198,963	1,542,787	7,111,926
Unassigned	5,075,855	-	-	-	5,075,855
Total fund balance	\$ 12,156,306	\$ 1,893,957	\$ 3,398,143	\$ 5,541,436	\$ 22,989,842

### A. Net Position - Restricted

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

General reserves	\$ 3,645,131
Capital reserves	4,602,203
Debt service	672,741
Special districts	1,079,387
Parkland deposits/incentive zoning	540,707
Total	<u>\$ 10,540,169</u>

## **11. DEFERRED COMPENSATION PLAN**

Employees of the Town may elect to participate in the Public Employees Benefits Services Corporation Deferred Compensation Plan (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, 2014, the market value of the assets of the Plan totaled \$6,866,192.

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.

## **12. 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 2014 was \$82,887.

### **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.

### 13. OPERATING LEASES

The Town leases property and equipment under operating leases. Total rental expenditures on such leases for the year ended December 31, 2014 were approximately \$198,000.

The maximum future non-cancelable operating lease payments are as follows:

2015	\$	119,417
2016		119,417
2017		119,417
2018		119,417
2019		85,676
2020 - 2023		<u>322,527</u>
	\$	<u>885,871</u>

### 14. IMPACT OF FUTURE GASB PRONOUNCEMENTS

In November 2013, the GASB issued *Statements No. 68 Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and *No. 71 Pension Transition for Contributions made subsequent to the measurement date - an amendment to GASB Statement No. 68*. *Statement No. 68* establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of *Statement No. 68*, as well as for non-employer governments that have a legal obligation to contribute to those plans. The objective of *Statement No. 71* is to address an issue regarding application of the transition provisions of *Statement No. 68*. The Town is required to adopt the provisions of *Statement No. 68* and *No. 71* for the year ending December 31, 2015, with early adoption encouraged. Management of the Town has not yet assessed the impact of these standards on its financial statements.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	GENERAL FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 4,311,264	\$ 4,311,264	\$ 4,292,318	\$ (18,946)
Nonproperty tax items	449,800	449,800	431,304	(18,496)
Departmental income	704,025	704,025	773,436	69,411
Intergovernmental charges	112,049	112,049	95,840	(16,209)
Interfund revenues	16,000	16,000	25,466	9,466
Use of money and property	160,705	160,705	154,696	(6,009)
Licenses and permits	32,850	32,850	30,157	(2,693)
Fines and forfeitures	105,000	105,000	147,226	42,226
Sale of property and compensation for loss	1,500	1,500	134,125	132,625
Miscellaneous	33,300	33,300	43,520	10,220
State aid	900,000	900,000	947,156	47,156
Total revenues	<u>6,826,493</u>	<u>6,826,493</u>	<u>7,075,244</u>	<u>248,751</u>
<b>EXPENDITURES:</b>				
General governmental support	2,905,727	3,337,148	3,170,237	166,911
Public safety	202,189	211,691	196,911	14,780
Public health	36,098	36,098	35,638	460
Transportation	146,790	160,315	139,364	20,951
Economic assistance and opportunity	395,969	385,413	345,910	39,503
Culture and recreation	1,441,945	1,484,729	1,435,415	49,314
Home and community services	267,580	326,135	215,465	110,670
Employee benefits	1,541,091	1,423,091	1,242,119	180,972
Debt service	-	-	85,178	(85,178)
Total expenditures	<u>6,937,389</u>	<u>7,364,620</u>	<u>6,866,237</u>	<u>498,383</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(110,896)</u>	<u>(538,127)</u>	<u>209,007</u>	<u>747,134</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	200,000	631,644	-	(631,644)
Operating transfers - out	<u>(1,247,612)</u>	<u>(1,294,654)</u>	<u>(1,183,645)</u>	<u>111,009</u>
Total other financing sources and uses	<u>(1,047,612)</u>	<u>(663,010)</u>	<u>(1,183,645)</u>	<u>(520,635)</u>
<b>CHANGE IN FUND BALANCE</b>	(1,158,508)	(1,201,137)	(974,638)	226,499
<b>FUND BALANCE - beginning of year</b>	<u>12,833,058</u>	<u>12,833,058</u>	<u>12,833,058</u>	<u>-</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 11,674,550</u>	<u>\$ 11,631,921</u>	<u>\$ 11,858,420</u>	<u>\$ 226,499</u>

The accompanying notes are an integral part of this required supplementary information.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HIGHWAY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	HIGHWAY FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 1,686,640	\$ 1,686,640	\$ 1,686,640	\$ -
Intergovernmental charges	396,335	396,335	477,554	81,219
Use of money and property	13,000	13,000	7,626	(5,374)
Sale of property and compensation for loss	-	-	6,306	6,306
Miscellaneous	-	-	841	841
<b>Total revenues</b>	<u>2,095,975</u>	<u>2,095,975</u>	<u>2,178,967</u>	<u>82,992</u>
<b>EXPENDITURES:</b>				
General government	299,150	435,285	435,249	36
Public safety	2,000	2,000	1,975	25
Transportation	1,467,764	1,541,550	1,371,317	170,233
Employee benefits	647,061	647,061	550,328	96,733
<b>Total expenditures</b>	<u>2,415,975</u>	<u>2,625,896</u>	<u>2,358,869</u>	<u>267,027</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(320,000)</u>	<u>(529,921)</u>	<u>(179,902)</u>	<u>350,019</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	-	136,238	136,135	(103)
Operating transfers - out	-	(103)	-	103
<b>Total other financing sources and uses</b>	<u>-</u>	<u>136,135</u>	<u>136,135</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(320,000)</u>	<u>(393,786)</u>	<u>(43,767)</u>	<u>350,019</u>
<b>FUND BALANCE - beginning of year</b>	<u>1,895,191</u>	<u>1,895,191</u>	<u>1,895,191</u>	<u>-</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 1,255,191</u>	<u>\$ 1,501,405</u>	<u>\$ 1,851,424</u>	<u>\$ 350,019</u>

The accompanying notes are an integral part of this required supplementary information.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HIGHWAY FUND PART-TOWN  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	HIGHWAY FUND PART-TOWN			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 899,169	\$ 899,169	\$ 899,169	\$ -
Nonproperty tax items	1,226,567	1,226,567	1,857,747	631,180
Intergovernmental charges	8,500	8,500	10,005	1,505
Use of money and property	4,400	4,400	5,605	1,205
Miscellaneous	-	-	612	612
State aid	-	190,498	188,474	(2,024)
<b>Total revenues</b>	<u>2,138,636</u>	<u>2,329,134</u>	<u>2,961,612</u>	<u>632,478</u>
<b>EXPENDITURES:</b>				
Home and community services	2,230	2,230	105	2,125
Transportation	1,881,758	2,386,986	2,349,920	37,066
Employee benefits	804,648	804,640	714,587	90,053
<b>Total expenditures</b>	<u>2,688,636</u>	<u>3,193,856</u>	<u>3,064,612</u>	<u>129,244</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(550,000)</u>	<u>(864,722)</u>	<u>(103,000)</u>	<u>761,722</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	-	150,000	-	(150,000)
Operating transfers - out	-	(175,000)	-	175,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
<b>CHANGE IN FUND BALANCE</b>	(550,000)	(889,722)	(103,000)	786,722
<b>FUND BALANCE - beginning of year</b>	<u>3,445,336</u>	<u>3,445,336</u>	<u>3,445,336</u>	<u>-</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 2,895,336</u>	<u>\$ 2,555,614</u>	<u>\$ 3,342,336</u>	<u>\$ 786,722</u>

The accompanying notes are an integral part of this required supplementary information.

**TOWN OF PITTSFORD, NEW YORK**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	General Fund <u>Part-Town</u>	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,064,034	\$ 672,741	\$ 202,218	\$ 3,326,017	\$ 5,265,010
Receivables	8,136	-	-	-	8,136
Due from other governments	290,000	-	-	302	290,302
Prepaid expenditures	<u>19,535</u>	<u>-</u>	<u>-</u>	<u>45,674</u>	<u>65,209</u>
Total assets	<u>\$ 1,381,705</u>	<u>\$ 672,741</u>	<u>\$ 202,218</u>	<u>\$ 3,371,993</u>	<u>\$ 5,628,657</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 110	\$ -	\$ -	\$ 8,743	\$ 8,853
Accrued liabilities	<u>22,465</u>	<u>-</u>	<u>-</u>	<u>55,903</u>	<u>78,368</u>
Total liabilities	<u>22,575</u>	<u>-</u>	<u>-</u>	<u>64,646</u>	<u>87,221</u>
<b>FUND BALANCES:</b>					
Nonspendable	19,535	-	-	45,674	65,209
Restricted	72,618	672,741	-	3,188,081	3,933,440
Assigned	<u>1,266,977</u>	<u>-</u>	<u>202,218</u>	<u>73,592</u>	<u>1,542,787</u>
Total fund balances	<u>1,359,130</u>	<u>672,741</u>	<u>202,218</u>	<u>3,307,347</u>	<u>5,541,436</u>
Total liabilities and fund balances	<u>\$ 1,381,705</u>	<u>\$ 672,741</u>	<u>\$ 202,218</u>	<u>\$ 3,371,993</u>	<u>\$ 5,628,657</u>

The accompanying notes are an integral part of this supplementary information.

**TOWN OF PITTSFORD, NEW YORK**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund <u>Part-Town</u>	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>REVENUES:</b>					
Real property taxes and tax items	\$ -	\$ 18,813	\$ -	\$ 2,494,658	\$ 2,513,471
Nonproperty tax items	913,278	-	-	-	913,278
Departmental income	53,977	-	-	235,695	289,672
Intergovernmental charges	7,800	-	-	303	8,103
Use of money and property	1,198	538	-	3,703	5,439
Licenses and permits	95,999	-	-	2,850	98,849
Sale of property and compensation for loss	-	-	-	20,790	20,790
Miscellaneous	1,806	5,080	-	21,569	28,455
	<u>1,074,058</u>	<u>24,431</u>	<u>-</u>	<u>2,779,568</u>	<u>3,878,057</u>
<b>EXPENDITURES:</b>					
General governmental support	102,162	-	-	31,554	133,716
Public safety	168,432	-	-	123,253	291,685
Public health	-	-	-	809	809
Transportation	-	-	1,228	58,910	60,138
Culture and recreation	-	-	24,100	967,625	991,725
Home and community services	536,912	-	7,725	591,155	1,135,792
Employee benefits	188,720	-	-	533,655	722,375
Debt service -					
Principal	-	631,816	-	-	631,816
Interest	-	439,238	-	-	439,238
	<u>996,226</u>	<u>1,071,054</u>	<u>33,053</u>	<u>2,306,961</u>	<u>4,407,294</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>77,832</u>	<u>(1,046,623)</u>	<u>(33,053)</u>	<u>472,607</u>	<u>(529,237)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from refunding bonds	-	7,265,000	-	-	7,265,000
Payment of refunded bonds	-	(7,245,000)	-	-	(7,245,000)
Deferred amount on refunding	-	(221,724)	-	-	(221,724)
Premium on bond	-	301,798	-	-	301,798
Bond issuance costs	-	(100,074)	-	-	(100,074)
Operating transfers - in	-	1,047,510	-	-	1,047,510
	<u>-</u>	<u>1,047,510</u>	<u>-</u>	<u>-</u>	<u>1,047,510</u>
<b>CHANGE IN FUND BALANCE</b>	77,832	887	(33,053)	472,607	518,273
<b>FUND BALANCE - beginning of year</b>	<u>1,281,298</u>	<u>671,854</u>	<u>235,271</u>	<u>2,834,740</u>	<u>5,023,163</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 1,359,130</u>	<u>\$ 672,741</u>	<u>\$ 202,218</u>	<u>\$ 3,307,347</u>	<u>\$ 5,541,436</u>

The accompanying notes are an integral part of this supplementary information.

**TOWN OF PITTSFORD, NEW YORK**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**

**DECEMBER 31, 2014**

	Public Library <u>Fund</u>	Consolidated <u>Lighting District</u>	Consolidated <u>Sewer District</u>	Parks <u>Fund</u>	Parkland <u>Deposits Fund</u>	Fire Protection <u>Fund</u>	Ambulance <u>District Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 367,268	\$ 42,025	\$ 2,251,446	\$ 124,571	\$ 540,707	\$ -	\$ -	\$ 3,326,017
Due from other governments	-	-	302	-	-	-	-	302
Prepaid expenses	<u>23,224</u>	<u>-</u>	<u>22,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,674</u>
Total assets	<u>\$ 390,492</u>	<u>\$ 42,025</u>	<u>\$ 2,274,198</u>	<u>\$ 124,571</u>	<u>\$ 540,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,371,993</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$ 221	\$ -	\$ 8,522	\$ -	\$ -	\$ -	\$ -	\$ 8,743
Accrued liabilities	<u>34,986</u>	<u>-</u>	<u>20,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,903</u>
Total liabilities	<u>35,207</u>	<u>-</u>	<u>29,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,646</u>
<b>FUND BALANCES:</b>								
Nonspendable	23,224	-	22,450	-	-	-	-	45,674
Restricted	258,545	42,025	2,222,233	124,571	540,707	-	-	3,188,081
Assigned	<u>73,516</u>	<u>-</u>	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,592</u>
Total fund balances	<u>355,285</u>	<u>42,025</u>	<u>2,244,759</u>	<u>124,571</u>	<u>540,707</u>	<u>-</u>	<u>-</u>	<u>3,307,347</u>
Total liabilities and fund balances	<u>\$ 390,492</u>	<u>\$ 42,025</u>	<u>\$ 2,274,198</u>	<u>\$ 124,571</u>	<u>\$ 540,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,371,993</u>

The accompanying notes are an integral part of this supplementary information.

**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, 2014**

	Public Library <u>Fund</u>	Consolidated <u>Lighting Fund</u>	Consolidated <u>Sewer District</u>	Parks <u>Fund</u>	Parkland <u>Deposits Fund</u>	Fire Protection <u>Fund</u>	Ambulance <u>District Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>REVENUES:</b>								
Real property taxes and tax items	\$ 1,138,051	\$ 53,797	\$ 1,121,399	\$ 58,158	\$ -	\$ 19,911	\$ 103,342	\$ 2,494,658
Intergovernmental charges	-	-	303	-	-	-	-	303
Departmental income	99,210	-	7,042	-	129,443	-	-	235,695
Licenses and permits	-	-	2,850	-	-	-	-	2,850
Sale of property and compensation for loss	-	-	20,790	-	-	-	-	20,790
Miscellaneous	12	-	21,557	-	-	-	-	21,569
Use of money and property	775	14	2,551	40	323	-	-	3,703
<b>Total revenues</b>	<u>1,238,048</u>	<u>53,811</u>	<u>1,176,492</u>	<u>58,198</u>	<u>129,766</u>	<u>19,911</u>	<u>103,342</u>	<u>2,779,568</u>
<b>EXPENDITURES:</b>								
General governmental support	-	-	31,554	-	-	-	-	31,554
Public health	100	-	709	-	-	-	-	809
Transportation	-	58,910	-	-	-	-	-	58,910
Public safety	-	-	-	-	-	19,911	103,342	123,253
Culture and recreation	912,161	-	-	55,464	-	-	-	967,625
Home and community services	-	-	591,155	-	-	-	-	591,155
Employee benefits	253,014	-	280,641	-	-	-	-	533,655
<b>Total expenditures</b>	<u>1,165,275</u>	<u>58,910</u>	<u>904,059</u>	<u>55,464</u>	<u>-</u>	<u>19,911</u>	<u>103,342</u>	<u>2,306,961</u>
<b>CHANGE IN FUND BALANCE</b>	72,773	(5,099)	272,433	2,734	129,766	-	-	472,607
<b>FUND BALANCE - beginning of year</b>	<u>282,512</u>	<u>47,124</u>	<u>1,972,326</u>	<u>121,837</u>	<u>410,941</u>	<u>-</u>	<u>-</u>	<u>2,834,740</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 355,285</u>	<u>\$ 42,025</u>	<u>\$ 2,244,759</u>	<u>\$ 124,571</u>	<u>\$ 540,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,307,347</u>

The accompanying notes are an integral part of this supplementary information.