

TOWN OF PITTSFORD, NEW YORK

**Financial Statements as of
December 31, 2025
Together with
Independent Auditor's
Report**

TOWN OF PITTSFORD, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

March 31, 2026

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

Opinion

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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2025, 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.

Basis For Opinion

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

Responsibilities of Management For the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Responsibilities of Management For the Financial Statements (Continued)

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

Auditor's Responsibilities For the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Required Supplementary Information

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

Supplementary 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 accompanying combining nonmajor governmental funds and nonmajor special revenue funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund and nonmajor special revenue fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

TOWN OF PITTSFORD, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2025

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, 2025. Please read it in conjunction with the Town's basic financial statements.

Financial Highlights

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by \$59,598,687.
- General revenues, which include real property tax, nonproperty tax items and mortgage tax, are \$19,806,289, or 78%, of all revenues. Program specific revenues in the form of Charges for Services and Operating and Capital Grants accounted for \$5,674,393, or 22%, of total revenues.
- The Town's governmental fund financial statements report a combined ending fund balance of \$25,981,772.
- At the end of the current year, the unassigned fund balance of the General Fund was \$4,410,581.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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 five major individual governmental funds; General Fund, General Fund - Town Outside Village, Highway Fund Part-Town, Highway Fund, and Consolidated Sewer District. 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, General Fund - Town Outside Village, Highway Fund Part-Town, Highway Fund, and Consolidated Sewer District. A budgetary comparison statement has been provided for each major fund with an annually adopted budget within the basic financial statements to demonstrate compliance with the budget.

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

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	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.

Governmental-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>2025</u>	<u>2024</u>
Assets:		
Current assets	\$ 26,466,123	\$ 31,650,829
Noncurrent assets	<u>64,350,842</u>	<u>61,408,815</u>
Total assets	<u>90,816,965</u>	<u>93,059,644</u>
Deferred outflows of resources:		
Deferred amount on refunding	99,778	110,864
Pension related	2,642,712	3,735,084
Other postemployment benefits related	<u>3,435,380</u>	<u>502,531</u>
Total deferred outflows of resources	<u>6,177,870</u>	<u>4,348,479</u>
Liabilities:		
Current liabilities	732,620	1,057,327
Long-term obligations	<u>30,617,996</u>	<u>27,890,527</u>
Total liabilities	<u>31,350,616</u>	<u>28,947,854</u>
Deferred inflows of resources		
Pension related	416,957	2,255,420
Other postemployment benefits related	2,626,033	5,800,282
Lease related	<u>3,002,542</u>	<u>3,103,103</u>
Total deferred inflows of resources	<u>6,045,532</u>	<u>11,158,805</u>
Net position:		
Net investment in capital assets	49,840,593	48,592,273
Restricted	20,031,016	21,031,048
Unrestricted	<u>(10,272,922)</u>	<u>(12,321,857)</u>
Total net position	<u>\$ 59,598,687</u>	<u>\$ 57,301,464</u>

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

There are restricted net position balances which constituted 34% and 37% of total net position at the years ended December 31, 2025 and 2024, respectively. The remaining balance is unrestricted net position and may be used to finance future operations.

Table 2 - Change in Net Position

	<u>2025</u>	<u>% of Total</u>	<u>2024</u>	<u>% of Total</u>
REVENUES:				
Charges for services	\$ 4,928,166	19.3%	\$ 4,623,724	17.9%
Operating grants and contributions	310,875	1.2%	633,838	2.5%
Capital grants and contributions	435,352	1.7%	810,223	3.1%
Taxes	18,284,825	71.5%	17,843,890	69.3%
Other revenues	<u>1,521,464</u>	<u>6%</u>	<u>1,850,335</u>	<u>7.2%</u>
Total revenues	<u>25,480,682</u>	<u>100.0%</u>	<u>25,762,010</u>	<u>100.0%</u>
EXPENSES:				
General governmental support	6,277,109	27.1%	5,244,162	24.4%
Education	2,333	0.0%	-	0.0%
Public safety	2,887,242	12.5%	756,795	3.5%
Public health	69,775	0.3%	70,380	0.3%
Transportation	4,044,010	17.4%	5,671,408	26.3%
Economic assistance and opportunity	554,540	2.4%	537,501	2.5%
Culture and recreation	4,872,802	21.0%	4,723,770	22.0%
Home and community services	4,162,676	18.0%	4,162,674	19.4%
Interest on long term debt	<u>312,972</u>	<u>1.3%</u>	<u>345,404</u>	<u>1.6%</u>
Total expenses	<u>23,183,459</u>	<u>100.0%</u>	<u>21,512,094</u>	<u>100.0%</u>
Change in net position	<u>\$ 2,297,223</u>		<u>\$ 4,249,916</u>	

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

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 \$25,981,772, which is lower than last year's ending fund balance of \$27,559,347.

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 \$6,588,652, of which \$4,410,581 was unassigned. The fund balance for the Town's General Fund decreased by \$940,096 in 2025, as a function of the Town's operating activities.

Budgetary Highlights

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

<u>Revenue Items</u>	<u>Final Budget Variance vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund – Departmental income	\$ 218,630	Increase due to more interest in recreation programs than anticipated.
Use of money and property	\$ 141,179	Increased lodge rental and more interest earned on investments.
State aid	\$ 122,641	Aid received from various grant.
General Fund Town Outside Village – Nonproperty tax items	\$ 249,657	Sales tax revenue was higher than anticipated.
Departmental income	\$ 30,676	There were more Town Clerk related fees collected than anticipated.
Use of money and property	\$ 43,019	Increase due to more interest earned on investments.
Licenses and permits	\$ 79,430	Increase in building permit projects.
Sale of property and compensation for loss	\$ 199,333	Sale of equipment and vehicles associated with the Town's Fleet Replacement Schedule.
Highway Fund Part-Town - Nonproperty Tax Items	\$ 537,880	Sales tax revenue was higher than anticipated.
Use of money and property	\$ 100,270	Increase due to more interest earned on investments.
Consolidated Sewer District – Departmental income	\$ 21,132	Increase due to fees associated with a large apartment project.
Sale of property and compensation for loss	\$ 31,943	Sale of equipment and vehicles associated with the Town's Fleet Replacement Schedule.
Miscellaneous	\$ 40,233	Increase due to fees associated with a large apartment project.

Budgetary Highlights (Continued)

<u>Expense Items</u>	Final Budget Variance vs. <u>Actual</u>	<u>Explanation for Budget Variance</u>
General Fund – General Governmental Support	\$ 437,168	Staff positions went unfilled for portions of the year; conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Culture and Recreation	\$ 237,478	Conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Employee Benefits	\$ 346,719	Lower than expected increases in expenses for employee healthcare and NYS Retirement.
Debt service	\$ (126,572)	Lease and SBITA payments that are reclassified from the contractual line item
General Fund Town Outside Village – General Governmental Support	\$ 148,217	Conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Public safety	\$ 98,107	Conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Home and Community Services	\$ 122,864	Conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Highway Fund – Transportation	\$ 200,408	Conservative budgeting of part time employee, and overtime; lower than expected increases in contractual expenses.
Employee Benefits	\$ 99,042	Lower than expected increases in expenses for employee healthcare and NYS Retirement.
Transportation	\$ 260,600	Staff positions went unfilled for portions of the year; conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Employee Benefits	\$ 125,050	Lower than expected increases in expenses for employee healthcare and NYS Retirement.

Budgetary Highlights (Continued)

Consolidated Sewer District -		
Home and Community Services	\$ 158,933	Conservative budgeting of part time help and overtime; lower than expected increases in contractual expenses.
Employee Benefits	\$ 18,500	Lower than expected increases in expenses for employee healthcare and NYS Retirement.

Capital Assets

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

Table 3 - Capital Assets

<u>Class</u>	<u>2025</u>	<u>2024</u>
Land	\$ 6,128,566	\$ 6,128,566
Land development rights	11,513,343	11,513,343
Work in progress	2,049,415	1,365,021
Infrastructure	17,262,753	17,661,921
Buildings and improvements	20,073,264	21,170,600
Machinery and equipment	3,568,853	2,901,131
Leased assets	523,106	585,879
SBITA assets	<u>42,232</u>	<u>82,354</u>
Total capital assets, net of accumulated depreciation	<u>\$ 61,161,532</u>	<u>\$ 61,408,815</u>

During 2025, there were \$3,467,773 of capital asset additions. These additions were offset by \$3,708,019 of depreciation and amortization 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 and obligations outstanding are summarized as follows at December 31:

Table 4 - Long-Term Liabilities

	<u>2025</u>	<u>2024</u>
Serial and statutory bonds, net	\$ 10,615,000	\$ 11,990,000
Bond premium	209,785	239,671
Lease liabilities	575,522	628,333
SBITA liabilities	20,410	69,402
Net pension liability	4,365,438	3,946,071
Total OPEB liability	14,712,763	10,897,095
Compensated absences	<u>119,078</u>	<u>119,955</u>
Total	<u>\$ 30,617,996</u>	<u>\$ 27,890,527</u>

The amount of principal paid on outstanding debt was approximately \$1,375,000 in 2025 and \$1,345,000 in 2024.

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

As we transition out of the COVID-19 pandemic: inflation is on the rise and costs have increased for staffing, day-to-day operations, and projects. However, the Town has been encouraged by strong positive trends for sales tax.

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

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, 2025

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 8,489,714
Investments	15,976,667
Receivables	5,482
Due from State and Federal government	42,500
Due from other governments	1,602,877
Lease receivable - current portion	39,414
Prepaid expenses	<u>309,469</u>
Total current assets	<u>26,466,123</u>

NONCURRENT ASSETS:

Lease receivable - net of current portion	3,189,310
Capital assets, nondepreciable	19,691,324
Capital assets, depreciable - net	<u>41,470,208</u>
Total noncurrent assets	<u>64,350,842</u>

Total assets 90,816,965

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	99,778
Pension related	2,642,712
Other postemployment benefits related	<u>3,435,380</u>
Total deferred outflows of resources	<u>6,177,870</u>

LIABILITIES

Accounts payable	287,091
Due to other governments	267
Accrued liabilities	185,991
Accrued interest	61,501
Unearned revenue	197,770
Long-term obligations:	
Due within one year -	
Current portion of long-term debt	1,410,000
Current portion of lease liability	55,945
Current portion of SBITA liability	20,410
Current portion of other postemployment benefits liability	722,236
Due within more than one year -	
Long-term debt, net of current portion	9,414,785
Lease liability, net of current portion	519,577
Compensated absences	119,078
Net pension liability	4,365,438
Total other postemployment benefits liability, net of current portion	<u>13,990,527</u>
Total liabilities	<u>31,350,616</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	416,957
Other postemployment benefits related	2,626,033
Lease related	<u>3,002,542</u>
Total deferred inflows of resources	<u>6,045,532</u>

NET POSITION

Net investment in capital assets	49,840,593
Restricted	20,031,016
Unrestricted	<u>(10,272,922)</u>
Total net position	<u>\$ 59,598,687</u>

The accompanying notes are an integral part of these statements.

TOWN OF PITTSFORD, NEW YORK

**Statement of Activities
For the Year Ended December 31, 2025**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities -					
General governmental support	\$ 6,277,109	\$ 346,155	\$ 238,079	\$ 11,764	\$ (5,681,111)
Education	2,333	-	-	-	(2,333)
Public safety	2,887,242	111,975	-	-	(2,775,267)
Public health	69,775	-	-	-	(69,775)
Transportation	4,044,010	479,818	57,336	423,588	(3,083,268)
Economic assistance and opportunity	554,540	-	-	-	(554,540)
Culture and recreation	4,872,802	1,401,038	15,460	-	(3,456,304)
Home and community services	4,162,676	2,589,180	-	-	(1,573,496)
Interest on long-term debt	312,972	-	-	-	(312,972)
Total governmental activities	\$ 23,183,459	\$ 4,928,166	\$ 310,875	\$ 435,352	(17,509,066)
GENERAL REVENUES:					
					11,074,225
					6,216,670
					993,930
					1,187,826
					224,456
					109,182
					<u>19,806,289</u>
					2,297,223
					<u>57,301,464</u>
					<u>\$ 59,598,687</u>

The accompanying notes are an integral part of these statements.

TOWN OF PITTSFORD, NEW YORK

**Balance Sheet - Governmental Funds
December 31, 2025**

	General	General - Town Outside Village	Highway	Highway Part- Town	Consolidated Sewer District	Total Nonmajor Governmental Funds	Total
ASSETS							
Cash and cash equivalents	\$ 2,605,086	\$ 1,110,167	\$ 111,036	\$ 1,230,285	\$ 1,550,316	\$ 1,882,824	\$ 8,489,714
Investments	4,006,344	2,542,215	1,212,046	5,762,921	1,375,874	1,077,267	15,976,667
Receivables	-	-	-	-	-	5,482	5,482
Due from state and federal government	-	-	-	-	-	42,500	42,500
Due from other governments	29,653	440,503	-	1,132,721	-	-	1,602,877
Lease receivable	3,228,724	-	-	-	-	-	3,228,724
Prepaid expenditures	135,098	25,126	46,393	54,114	22,387	26,351	309,469
Total assets	\$ 10,004,905	\$ 4,118,011	\$ 1,369,475	\$ 8,180,041	\$ 2,948,577	\$ 3,034,424	\$ 29,655,433
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 113,462	\$ 268	\$ 80,271	\$ 40,906	\$ 20,791	\$ 31,393	\$ 287,091
Accrued liabilities	102,212	29,430	30,184	3,987	8,185	11,993	185,991
Due to other governments	267	-	-	-	-	-	267
Unearned revenue	197,770	-	-	-	-	-	197,770
Total liabilities	413,711	29,698	110,455	44,893	28,976	43,386	671,119
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflows of resources - leases	3,002,542	-	-	-	-	-	3,002,542
Total deferred inflows of resources	3,002,542	-	-	-	-	-	3,002,542
FUND BALANCES:							
Nonspendable	135,098	25,126	46,393	54,114	22,387	26,351	309,469
Restricted	1,676,488	4,063,187	1,212,627	8,081,034	2,897,214	2,100,466	20,031,016
Assigned	285,485	-	-	-	-	864,221	1,149,706
Unassigned	4,491,581	-	-	-	-	-	4,491,581
Total fund balances	6,588,652	4,088,313	1,259,020	8,135,148	2,919,601	2,991,038	25,981,772
Total liabilities, deferred inflows of resources and, fund balances	\$ 10,004,905	\$ 4,118,011	\$ 1,369,475	\$ 8,180,041	\$ 2,948,577	\$ 3,034,424	\$ 29,655,433

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, 2025

Total fund balance - governmental funds \$ 25,981,772

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	145,099,936	
Accumulated depreciation and amortization	<u>(83,938,404)</u>	
		61,161,532

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

Deferred outflows - pension related	2,642,712
Deferred outflows - deferred amount on refunding	99,778
Deferred outflows - other postemployment benefits related	3,435,380

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

Net pension liability	(4,365,438)
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Other postemployment benefit obligations are not due and payable in the current period and, therefore, are not reported in the funds.

(14,712,763)

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

Deferred inflows - pension related	(416,957)
Deferred inflows - other postemployment benefits related	(2,626,033)

Accrued interest on long-term debt, including leases and SBITAs are an expenditure in the funds when paid, but a liability in the statement of net position when incurred.

(61,501)

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	(10,615,000)	
Bond premium	(209,785)	
Compensated absences	(119,078)	
SBITA liability	(20,410)	
Lease liability	<u>(575,522)</u>	
		<u>(11,539,795)</u>

Total net position of governmental activities \$ 59,598,687

TOWN OF PITTSFORD, NEW YORK

**Statement of Revenues, Expenditures, and Change in Fund Balances - Governmental Funds
For the Year Ended December 31, 2025**

	General -			Highway Part-	Consolidated	Total	
	General	Town Outside	Highway	Town	Sewer District	Governmental	Total
		Village				Funds	
REVENUES:							
Real property taxes and tax items	\$ 7,338,656	\$ -	\$ 2,005,455	\$ -	\$ 1,703,651	\$ 2,799,097	\$ 13,846,859
Nonproperty tax items	325,038	1,649,657	-	4,241,975	-	-	6,216,670
Departmental income	1,167,180	61,676	-	-	30,232	112,325	1,371,413
Intergovernmental charges	105,921	-	402,017	-	-	-	507,938
Interfund revenues	70,055	-	-	-	-	-	70,055
Use of money and property	574,079	108,019	76,235	265,270	74,180	90,043	1,187,826
Licenses and permits	26,754	190,930	-	-	2,560	-	220,244
Fines and forfeitures	55,937	-	-	-	-	-	55,937
Sale of property and compensation for loss	30	199,333	187	-	31,943	-	231,493
Miscellaneous	50,149	-	-	-	59,033	-	109,182
State aid	1,177,509	-	-	423,588	-	54,500	1,655,597
Federal aid	84,060	-	-	-	-	500	84,560
Total revenues	10,975,368	2,209,615	2,483,894	4,930,833	1,901,599	3,056,465	25,557,774
EXPENDITURES:							
General governmental support	4,206,788	427,541	-	1,003,698	-	-	5,638,027
Education	2,333	-	-	-	-	-	2,333
Public safety	286,337	301,549	-	-	-	331,239	919,125
Public health	69,775	-	-	-	-	-	69,775
Transportation	210,059	-	2,285,894	3,289,052	-	692,301	6,477,306
Economic assistance and opportunity	471,437	-	-	-	-	-	471,437
Culture and recreation	2,351,335	-	-	-	-	1,489,716	3,841,051
Home and community services	235,968	432,812	-	1,285	1,317,479	782,061	2,769,605
Employee benefits	2,023,181	437,202	763,296	1,014,700	433,030	459,259	5,130,668
Debt service -							
Principal	101,803	-	-	-	-	1,375,000	1,476,803
Interest	24,769	-	-	-	-	314,450	339,219
Total expenditures	9,983,785	1,599,104	3,049,190	5,308,735	1,750,509	5,444,026	27,135,349
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	991,583	610,511	(565,296)	(377,902)	151,090	(2,387,561)	(1,577,575)
OTHER FINANCING SOURCES (USES):							
Operating transfers - in	-	-	98,828	-	-	1,933,663	2,032,491
Operating transfers - out	(1,931,679)	-	-	(100,812)	-	-	(2,032,491)
Total other financing sources (uses)	(1,931,679)	-	98,828	(100,812)	-	1,933,663	-
CHANGE IN FUND BALANCE	(940,096)	610,511	(466,468)	(478,714)	151,090	(453,898)	(1,577,575)
FUND BALANCE - beginning of year	7,528,748	3,477,802	1,725,488	8,613,862	2,768,511	3,444,936	27,559,347
FUND BALANCE - end of year	\$ 6,588,652	\$ 4,088,313	\$ 1,259,020	\$ 8,135,148	\$ 2,919,601	\$ 2,991,038	\$ 25,981,772

The accompanying notes are an integral part of these statements.

TOWN OF PITTSFORD, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended December 31, 2025

Net change in fund balances - governmental funds \$ (1,577,575)

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 and amortization 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 or amortization expense for the period.

Capital additions	3,467,773	
Depreciation and amortization	(3,708,019)	
Loss on disposal of assets	<u>(7,037)</u>	
		(247,283)

Governmental funds report pension contributions as expenditures; however, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense.

326,724

Governmental funds report other postemployment benefit contributions as expenditures; however, in the statement of activities, the cost of other postemployment benefits earned, net of employer contributions is reported as total other postemployment benefits.

2,291,430

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.

Lease principal repayment	52,811	
SBITA principal repayment	48,992	
Bond principal repayment	1,375,000	
Bond premium amortization	29,886	
Deferred amount on refunding amortization	(11,086)	
Change in accrued interest	7,447	
Change in compensated absences	<u>877</u>	
		<u>1,503,927</u>

Change in net position of governmental activities

\$ 2,297,223

The accompanying notes are an integral part of these statements.

TOWN OF PITTSFORD, NEW YORK

**Statement of Fiduciary Net Position
December 31, 2025**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>17,005</u>
Total assets	<u>17,005</u>
FUND BALANCE	
Restricted for others	<u>17,005</u>
Total fund balance	<u>\$ 17,005</u>

The accompanying notes are an integral part of these statements.

TOWN OF PITTSFORD, NEW YORK

**Statement of Change in Fiduciary Net Position
For the Year Ended December 31, 2025**

	<u>Custodial Funds</u>
ADDITIONS	
Property taxes collected for other governments	\$ 121,371,244
Bail deposits collected	12,503
Interest earnings	<u>56</u>
Total additions	<u>121,383,803</u>
DEDUCTIONS	
Property taxes remitted to other governments	121,371,244
Bail deposits returned	<u>37,296</u>
Total deductions	<u>121,408,540</u>
Change in net position	(24,737)
NET POSITION - beginning of year	<u>41,742</u>
NET POSITION - end of year	<u><u>\$ 17,005</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF PITTSFORD, NEW YORK

Notes to the Basic Financial Statements December 31, 2025

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 of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Financial Reporting Entity

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

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

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

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

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

A. Included in the Reporting Entity

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Presentation

Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Town's services are classified as governmental activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if applicable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-Wide Statements (Continued)

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

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

Fund Financial Statements

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

- a) **Governmental Funds** - Governmental funds are those major and nonmajor 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.
- **General Fund - Town Outside Village** - includes all general fund operations taking place outside the Village.
- **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.
- **Consolidated Sewer District** - special revenue fund used to account for taxes, user fees, or other revenues which are raised or received to provide sewer services to areas throughout the Town.

Nonmajor Governmental Funds

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

- **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)

- 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 nonmajor special revenue funds utilized by the Town:
 - Public Library Fund
 - Park Districts
 - Park Land Deposits Fund
 - Lighting Districts
 - Refuse Districts
 - Fire Protection Fund
 - Ambulance District Fund

Fiduciary Funds

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

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

Basis of Accounting/Measurement Focus

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

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

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

Expenditures are recorded when incurred except that:

- Principal and interest on indebtedness is not recognized as an expenditure until due and paid.
- Compensated absences, such as vacation and sick time which vests or accumulates, are charged as an expenditure when due and payable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Cash and Cash Equivalents and Investments

The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts, and short-term certificates of deposit. The Town's investments consist of investments in the NYCLASS external investment pool. NYCLASS is measured at amortized cost, which closely approximates fair value.

Accounts Receivable, Due from State and Federal, Due from Other Governments, and Lease Receivable

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.

Prepaid Items

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset, are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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

Capital assets also include lease assets and subscription-based information technology arrangements (SBITAs) assets with a term greater than one year. The Town does not implement a capitalization threshold for lease or SBITA assets. Lease and SBITA assets are amortized on a straight-line basis over the term of the lease/SBITA.

Compensated Absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Town's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment, subject to certain maximum limitations.

Sick Leave

The Town's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the Town and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off would be included in the liability for compensated absences.

Postemployment Benefits

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

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

Accrued Liabilities and Long-Term Obligations

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

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

Encumbrances

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

Interfund Transactions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Statements

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

- **Nonspendable Fund Balances**
These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balances**
These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed Fund Balances**
These are amounts that can be used only for specific purposes determined by a formal action of the Town Board prior to year end. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.
- **Assigned Fund Balances**
These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town Board or its designee can make a determination of the assigned amounts of fund balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements (Continued)

- **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, 2025	\$ 6,588,652
Less: Outstanding encumbrances	<u>(175,639)</u>
Budgetary basis fund balance at December 31, 2025	<u>\$ 6,413,013</u>

General Fund - Town Outside Village:

GAAP basis fund balance at December 31, 2025	\$ 4,088,313
Less: Outstanding encumbrances	<u>(1,260)</u>
Budgetary basis fund balance at December 31, 2025	<u>\$ 4,087,053</u>

Highway Fund:

GAAP basis fund balance at December 31, 2025	\$ 1,259,020
Less: Outstanding encumbrances	<u>(403,505)</u>
Budgetary basis fund balance at December 31, 2025	<u>\$ 855,515</u>

Highway Fund Part-Town:

GAAP basis fund balance at December 31, 2025	\$ 8,135,148
Less: Outstanding encumbrances	<u>(373,196)</u>
Budgetary basis fund balance at December 31, 2025	<u>\$ 7,761,952</u>

Consolidated Sewer District:

GAAP basis fund balance at December 31, 2025	\$ 2,919,601
Less: Outstanding encumbrances	<u>(71,766)</u>
Budgetary basis fund balance at December 31, 2025	<u>\$ 2,847,835</u>

3. DEPOSITS AND INVESTMENTS

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

Credit Risk

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

3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

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

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

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

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

<u>Description</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary government	\$ 8,861,659	\$ 8,489,714
Fiduciary funds	<u>17,005</u>	<u>17,005</u>
Cash and cash equivalents	<u>\$ 8,878,664</u>	<u>\$ 8,506,719</u>
Category 1: Covered by FDIC insurance	\$ 1,000,000	
Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	<u>8,033,073</u>	
	<u>\$ 9,033,073</u>	

3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Cash is restricted in the governmental funds in the amount of \$3,805,355, with \$3,513,252 representing the cash balance of the Town's reserve funds and \$292,103 representing the cash balance of the Park Land Deposits Fund.

The Town categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town did not have any investments that are measured using Level 2 or Level 3 inputs.

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

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

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

The dollar weighted average days to maturity (WAM) of NYCLASS at December 31, 2025 is 41 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at December 31, 2025 is 80 days. This is the most recent available data for WAL.

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

NYCLASS Portfolio Holdings as of December 31, 2025:

U.S. Treasury Securities (Full Faith and Credit)	69.48%
Repurchase Agreements (Collateralized)	24.93%
Bank Deposits (Collateralized)	3.80%
FDIC Insured Bank Deposits	<u>1.79%</u>
	100.00%

The Town had NYCLASS investments of \$15,976,667 as of December 31, 2025, with \$1,399,246 of that balance restricted for the Town's reserve funds.

4. CAPITAL ASSETS

Capital asset activity for the year ending December 31, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 6,128,566	\$ -	\$ -	\$ 6,128,566
Land development rights	11,513,343	-	-	11,513,343
Work in progress	<u>1,365,021</u>	<u>684,394</u>	-	<u>2,049,415</u>
Total non-depreciable assets	<u>19,006,930</u>	<u>684,394</u>	-	<u>19,691,324</u>
Capital assets being depreciated:				
Buildings and improvements	35,820,053	-	-	35,820,053
Machinery and equipment	11,510,304	1,203,527	(565,776)	12,148,055
Infrastructure	<u>75,044,171</u>	<u>1,579,852</u>	-	<u>76,624,023</u>
Total depreciable assets at cost	<u>122,374,528</u>	<u>2,783,379</u>	<u>(565,776)</u>	<u>124,592,131</u>
Less: Accumulated depreciation for:				
Buildings and improvements	(14,649,453)	(1,097,336)	-	(15,746,789)
Machinery and equipment	(8,609,173)	(528,768)	558,739	(8,579,202)
Infrastructure	<u>(57,382,250)</u>	<u>(1,979,020)</u>	-	<u>(59,361,270)</u>
Total accumulated depreciation	<u>(80,640,876)</u>	<u>(3,605,124)</u>	<u>558,739</u>	<u>(83,687,261)</u>
Total depreciable assets - net	<u>41,733,652</u>	<u>(821,745)</u>	<u>(7,037)</u>	<u>40,904,870</u>
Lease right-to-use assets:				
Building	<u>653,883</u>	-	-	<u>653,883</u>
Total lease right-to-use assets	<u>653,883</u>	-	-	<u>653,883</u>
Less: Accumulated amortization for:				
Building	<u>(68,004)</u>	<u>(62,773)</u>	-	<u>(130,777)</u>
Total accumulated amortization for lease assets	<u>(68,004)</u>	<u>(62,773)</u>	-	<u>(130,777)</u>
Total lease assets, net	<u>585,879</u>	<u>(62,773)</u>	-	<u>523,106</u>

4. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
SBITA assets:				
Subscription IT assets	<u>162,598</u>	-	-	<u>162,598</u>
Total SBITA assets	<u>162,598</u>	-	-	<u>162,598</u>
Less: Accumulated amortization for:				
Subscription IT assets	<u>(80,244)</u>	<u>(40,122)</u>	-	<u>(120,366)</u>
Total accumulated amortization for SBITA assets	<u>(80,244)</u>	<u>(40,122)</u>	-	<u>(120,366)</u>
Total SBITA assets, net	<u>82,354</u>	<u>(40,122)</u>	-	<u>42,232</u>
Total depreciable capital assets, net	<u>42,401,885</u>	<u>(924,640)</u>	<u>(7,037)</u>	<u>41,470,208</u>
Total capital assets - net	<u>\$ 61,408,815</u>	<u>\$ (240,246)</u>	<u>\$ (7,037)</u>	<u>\$ 61,161,532</u>

Depreciation expense and amortization expense for the period were charged to functions/programs as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General governmental	\$ 40,189	\$ 102,895
Public safety	4,369	-
Transportation	1,821,841	-
Culture and recreation	635,915	-
Home and community	<u>1,102,810</u>	<u>-</u>
Total	<u>\$ 3,605,124</u>	<u>\$ 102,895</u>

5. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

The Town did not have any interfund receivables or payables as of December 31, 2025. Transfers in and out, as of and for the year ended December 31, 2025 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,931,679
Highway Fund	98,828	-
Highway Part-Town Fund	-	100,812
Capital Projects Fund	271,812	-
Debt Service Fund	<u>1,661,851</u>	<u>-</u>
Total	<u>\$ 2,032,491</u>	<u>\$ 2,032,491</u>

5. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS (Continued)

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.

6. LEASES

Lessee Agreements

The Town entered into a 20-year lease agreement, effective April 2004 to lease 3750 Monroe Ave for the Town Court. During 2023, the Town entered into a 10-year lease extension agreement using the effective interest rate of 3.70%. The lease liability does not include an option for renewal.

Activity of the lease liability for the year ended December 31, 2025 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 628,333	\$ -	\$ (52,811)	\$ 575,522	\$ 55,945

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 55,945	\$ 20,357	\$ 76,302
2027	59,214	18,232	77,446
2028	62,624	15,983	78,607
2029	66,180	13,606	79,786
2030	69,888	11,095	80,983
2031 - 2034	<u>261,671</u>	<u>17,009</u>	<u>278,680</u>
Total	<u>\$ 575,522</u>	<u>\$ 96,282</u>	<u>\$ 671,804</u>

Lessor Agreements

The Town is the lessor of building space to Starbucks Corporation. In February 2017, the Town and Starbucks corporation entered into a ten-year lease. The agreement also includes six five-year renewal options, which the lessee is reasonably certain to exercise. These are included in the total remaining lease term. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The Town used the effective interest rate of 2.05%. The Town is also the lessor of land to Bell Atlantic for a Verizon Cell Tower. The Town entered into a five-year lease agreement, effective March 2024. The agreement also includes four five-year renewal options, which the lessee is reasonably certain to exercise. These are included in the total remaining lease term. The Town has used the effective interest rate of 3.70%.

6. LEASES (Continued)

Lessor Agreements (Continued)

Activity of lease inflows for the year ended December 31, 2025 is summarized as follows:

<u>Lease-related revenue</u>	<u>Balance</u>
Lease revenue	
Land	\$ 16,454
Building	84,108
Interest revenue	<u>73,191</u>
 Total	 <u>\$ 173,753</u>

Future minimum lease payments due to the Town are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 39,414	\$ 72,370	\$ 111,784
2027	48,380	71,379	119,759
2028	51,479	70,223	121,702
2029	53,125	69,017	122,142
2030	54,826	67,764	122,590
2031-2035	341,417	316,762	658,179
2036-2040	454,201	270,295	724,496
2041-2045	588,762	208,791	797,553
2046-2050	684,685	131,263	815,948
2051-2055	727,515	58,172	785,687
2056-2057	<u>184,920</u>	<u>2,378</u>	<u>187,298</u>
 Total	 <u>\$ 3,228,724</u>	 <u>\$ 1,338,414</u>	 <u>\$ 4,567,138</u>

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The Town has multiple subscriptions which are considered to be SBITAs. The SBITAs have various inception dates with remaining terms of 2 – 12 months. The SBITAs contain renewal options. The interest rate/discount rate associated with the SBITAs is 3.70%.

Activity of SBITA liabilities for the year ended December 31, 2025 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>\$ 69,402</u>	<u>\$ -</u>	<u>\$ (48,992)</u>	<u>\$ 20,410</u>	<u>\$ 20,410</u>

**7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)
(Continued)**

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ <u>20,410</u>	\$ <u>674</u>	\$ <u>21,084</u>

8. PENSION PLANS

Description of Plan

The Town participates in the New York State and Local Employee's Retirement System (ERS). The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS.

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

This is a cost-sharing, multiple-employer, defined benefit pension plan. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. GLIP amounts are appropriated to and included in the ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The significant dates shown below are referenced throughout the ERS section of this footnote:

- Fiscal year end – December 31, 2025
- Measurement date – March 31, 2025
- Actuarial valuation date – April 1, 2024

Membership Tiers

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

- Tier 1 Those persons who last became members of ERS 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, but before January 1, 2010, 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, but before January 1, 2010.
- Tier 5 Those persons who last became members of ERS on or after January 1, 2010, but before April 1, 2012.
- Tier 6 Those persons who first became members of ERS on or after April 1, 2012.

8. PENSION PLAN (Continued)

Vesting

All Members are vested when they reach five years of service credit.

Employer Contributions

Participating employers are required under the RSSL to contribute to ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2025 was approximately 15.2 percent of covered payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2025, the applicable interest rate was 5.9 percent. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>	
2025	\$	1,084,724
2024	\$	914,276
2023	\$	739,432

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3 percent of their salary to ERS. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with ERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

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

At year end, a net pension liability of \$4,365,438 for its proportionate share of the ERS total pension liability was reported. The net pension liability is determined as of the measurement date, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation date. The proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportion was 0.0254608%, which was a decrease of 0.0013394% from the proportionate share of 0.0268002% as of the prior year measurement date.

As of the fiscal year end, pension expense of \$891,094 was recognized and the deferred outflows/inflows of resources related to pensions from the following sources were reported:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,083,531	\$ 51,111
Changes of assumptions	183,078	-
Net difference between projected and actual earnings on pension plan investments	342,500	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	111,795	365,846
Contributions subsequent to the measurement date	921,808	-
Total	<u>\$ 2,642,712</u>	<u>\$ 416,957</u>

8. PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The net amount of the share of balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2026	\$ 669,593
2027	1,063,049
2028	(415,097)
2029	<u>(13,597)</u>
Total	<u>\$ 1,303,947</u>

At fiscal year end, \$921,808 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date. This outflow will be recognized as a reduction of the net pension liability in the following fiscal year.

Actuarial Assumptions

The total pension liability at the measurement date was determined by using an actuarial valuation as of the actuarial valuation date. Update procedures were used by the actuary to roll forward the total pension liability to be as of the measurement date.

Economic assumptions used in the actuarial valuation date include:

Inflation	2.9%
Salary scale	4.3% in ERS, indexed by service
Investment Rate of Return, including inflation	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.5% annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021

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

Demographic assumptions used in the actuarial valuation date are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

8. PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations in %</u>	<u>Long-Term Expected Real Rate of Return in %</u>
Domestic equity	32.00	4.00%
International equity	15.00	6.65%
Private equity	10.00	7.25%
Real estate	9.00	4.60%
Opportunistic/ARS portfolio	3.00	5.25%
Credit	4.00	5.40%
Real assets	3.00	5.79%
Fixed income	23.00	1.50%
Cash	<u>1.00</u>	0.25%
Total	<u>100.00</u>	

Discount Rate

The discount rate used to measure the total pension asset was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Discount <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 12,634,126</u>	<u>\$ 4,365,438</u>	<u>\$ (2,538,923)</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (in 000's) of the employers as of the measurement date were as follows:

Total pension liability	\$ 240,696,851
Net position	<u>230,454,512</u>
Net pension liability (asset)	<u>\$ 17,145,727</u>
ERS net position as a percentage of total pension liability	93.08%

9. 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 105 retired employees and spouses or beneficiaries receiving benefits at December 31, 2025. Eligible employees must have had 20 years of service with the Town and have been eligible for retirement pursuant to the System prior to the discontinuation of additional participants. The Retirement Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan in a trust that meets all of the criteria in GASB statement No. 75, paragraph 4.

Benefits Provided

The obligations of the Retirement Plan are established by action of the Town. The Town will pay 85% of the cost of coverage for pre-Medicare medical coverage and will pay 100% of coverage for the Medicare Supplemental plan. Coverage is provided to surviving spouses for their lifetime. The costs of administering the Retirement Plan are paid by the Town. The Town currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. The amount paid during 2025 was \$688,959.

Employees Covered by Benefit Terms

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees and spouses or beneficiaries currently receiving benefits	105
Active employees	<u>43</u>
Total participants	<u><u>148</u></u>

Total OPEB Liability

The Town's total OPEB liability was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.5 percent per year
Payroll Growth	3 percent per year
Discount Rate	4.83 percent as of December 31, 2025
Healthcare Cost Trend Rates	8.5 percent for 2026 for Pre-65, decreasing to an ultimate rate of 4 percent for 2075 and later years
Dental Cost Trend Rate	3.5 percent per year
Share of Benefit-Related Costs	The Town pays 85 percent of the cost of the Core Plan option for pre-65 coverage and 100 percent of the Medicare Advantage plan premium for post-65 coverage.
Actuarial Cost Method	Entry Age Normal Cost Method

9. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on “The Bond Buyer 20-Bond GO Index” as of the valuation date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating of AA/Aaa or higher.

Mortality Rates	Pre-Retirement:	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021.
	Post-Retirement:	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021.

Changes in the Total OPEB Liability

Balance at January 1, 2025	<u>\$ 10,897,095</u>
Changes for the year-	
Service cost	151,506
Interest	435,557
Actuarial demographic (gain) or loss	4,331,415
Benefit payments	(688,959)
Actuarial assumption changes	<u>(413,851)</u>
Net changes	<u>3,815,668</u>
Balance at December 31, 2025	<u>\$ 14,712,763</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.08% in 2024 to 4.83% in 2025.

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

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

	1% Decrease <u>(3.83%)</u>	Current Discount <u>(4.83%)</u>	1% Increase <u>(5.83%)</u>
Total OPEB Liability	<u>\$ 16,764,188</u>	<u>\$ 14,712,763</u>	<u>\$ 13,028,455</u>

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

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

	1% Decrease <u>(6.10%)</u>	Current Discount <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
Total OPEB Liability	<u>\$ 12,921,058</u>	<u>\$ 14,712,763</u>	<u>\$ 16,931,226</u>

9. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Town recognized OPEB income of \$1,602,472. At December 31, 2025, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual demographic experience	\$ 3,248,561	\$ 1,726,048
Changes of assumptions	<u>186,819</u>	<u>899,985</u>
Total	<u>\$ 3,435,380</u>	<u>\$ 2,626,033</u>

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

Fiscal Year Ending December:	<u>Amount</u>
2026	\$ (854,637)
2027	684,593
2028	<u>979,391</u>
Total	<u>\$ 809,347</u>

10. LONG-TERM OBLIGATIONS

Serial Bonds

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

Other Long-Term Debt

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

10. LONG-TERM OBLIGATIONS (Continued)

Other Long-Term Debt (Continued)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General Obligations:						
Serial bonds	\$11,990,000	\$ -	\$(1,375,000)	\$10,615,000	\$ 1,410,000	\$ 9,205,000
Bond premium	239,671	-	(29,886)	209,785	-	209,785
Other Long-Term Obligation:						
Compensated absences	<u>119,955</u>	<u>-</u>	<u>(877)</u>	<u>119,078</u>	<u>-</u>	<u>119,078</u>
Total	<u>\$12,349,626</u>	<u>\$ -</u>	<u>\$(1,405,763)</u>	<u>\$10,943,863</u>	<u>\$ 1,410,000</u>	<u>\$ 9,533,863</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>	<u>Amount Outstanding 12/31/2025</u>	<u>Final Maturity</u>
General Obligations				
Serial Bonds:				
Public improvement	4/2014	3.00%	\$ 3,805,000	4/2034
Public improvement	9/2016	2.00%	2,350,000	9/2030
Public improvement	11/2017	2.00%	<u>4,460,000</u>	11/2032
		Total	<u>\$ 10,615,000</u>	

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

Interest paid	\$ 339,219
Plus: Interest accrued in the current year	61,501
Less: Interest accrued in the prior year	(68,948)
Plus: Amortization of deferred amount on refunding	11,086
Less: Amortization of bond premiums	<u>(29,886)</u>
Total interest expense	<u>\$ 312,972</u>

10. LONG-TERM OBLIGATIONS (Continued)

Other Long-Term Debt (Continued)

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

	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total Debt</u>
2025	\$ 1,410,000	\$ 283,250	\$ 1,693,250
2026	1,440,000	251,250	1,691,250
2027	1,475,000	218,550	1,693,550
2028	1,520,000	182,100	1,702,100
2029	1,560,000	141,713	1,701,713
2030-2034	<u>3,210,000</u>	<u>203,300</u>	<u>3,413,300</u>
	<u>\$ 10,615,000</u>	<u>\$ 1,280,163</u>	<u>\$ 11,895,163</u>

In 2014, the Town issued one 2014 serial bond for \$7,265,000 which refunded the 2004 serial bond of \$7,245,000. The bond refunding resulted in an economic gain on refunding of approximately \$531,100. The excess of the reacquisition price over the net carrying amount of the refunded bonds in the amount of \$221,724 has been deferred and is being amortized using the straight-line method through 2034. The balance of the deferred amount on refunding as of December 31, 2025 is \$99,778 and is reflected as a deferred outflow of resources on the Statement of Net Position.

11. FUND BALANCES

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

General Capital Reserves:

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

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

Turf Maintenance - To finance the costs associated with synthetic turf field maintenance and improvements.

General Town Outside Village Capital Reserves:

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

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

Highway Fund Part-Town Capital Reserves:

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

Consolidated Sewer Fund Capital Reserves:

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

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

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

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

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.

11. FUND BALANCES (Continued)

As of December 31, 2025, the Town's fund balances were composed of the following:

	General	General - Town Outside Village	Highway	Highway Part- Town	Consolidated Sewer District	Total Nonmajor Governmental Funds	Total
Nonspendable -							
Prepaid expenditures	\$ 135,098	\$ 25,126	\$ 46,393	\$ 54,114	\$ 22,387	\$ 26,351	\$ 309,469
Total nonspendable	<u>135,098</u>	<u>25,126</u>	<u>46,393</u>	<u>54,114</u>	<u>22,387</u>	<u>26,351</u>	<u>309,469</u>
Restricted -							
General	295,123	-	-	-	-	-	295,123
Equipment	896	596,113	-	-	406,643	-	1,003,652
Office equipment	461,299	31,321	-	-	53,769	-	546,389
Building maintenance	465,577	-	-	-	-	-	465,577
Turf maintenance	453,593	-	-	-	-	-	453,593
Road improvements	-	-	-	496,985	-	-	496,985
Sewer repair	-	-	-	-	1,231,944	-	1,231,944
Debt service	-	-	-	-	-	110,130	110,130
Capital	-	-	-	-	-	448,641	448,641
Highway	-	-	1,212,627	7,584,049	-	-	8,796,676
Sewer	-	-	-	-	1,204,858	-	1,204,858
Other	-	3,435,753	-	-	-	1,541,695	4,977,448
Total restricted	<u>1,676,488</u>	<u>4,063,187</u>	<u>1,212,627</u>	<u>8,081,034</u>	<u>2,897,214</u>	<u>2,100,466</u>	<u>20,031,016</u>
Assigned -							
Appropriations	109,846	-	-	-	-	-	109,846
Capital	-	-	-	-	-	864,221	864,221
Other spendable amounts	175,639	-	-	-	-	-	175,639
Total assigned	<u>285,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>864,221</u>	<u>1,149,706</u>
Unassigned	<u>4,491,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,491,581</u>
Total fund balance	<u>\$ 6,588,652</u>	<u>\$ 4,088,313</u>	<u>\$ 1,259,020</u>	<u>\$ 8,135,148</u>	<u>\$ 2,919,601</u>	<u>\$ 2,991,038</u>	<u>\$ 25,981,772</u>

11. FUND BALANCES (Continued)

Net Position – Restricted

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

General reserves	\$ 295,123
Capital and repair reserves	4,478,379
Other capital	168,402
Debt service	110,130
Special revenue funds	<u>14,978,982</u>
Total	<u>\$ 20,031,016</u>

12. DEFERRED COMPENSATION PLAN

Employees of the Town may elect to participate in the Deferred Compensation Plan for Employees of the Town of Pittsford (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. As of December 31, 2025, the market value of the assets of the Plan totaled \$13,279,269.

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.

13. 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 2025 was \$123,007.

13. OTHER INFORMATION (Continued)

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. The Town is a defendant in certain legal actions arising from the normal course of operations. Town management, in consultation with legal counsel, believes that an unfavorable outcome is reasonably possible. Because the ultimate outcome and liability related to this litigation cannot be determined with certainty at this time, no provision for loss has been recorded in the accompanying financial statements.

14. TAX ABATEMENT

The Town has one real property tax abatement agreement entered into by the County of Monroe Industrial Development Agency (IDA) under Article 18-A of the real property tax law. The agreement provides for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) under the JobsPlus program.

JobsPlus Program

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

The following information relates to the PILOT agreement entered into under the aforementioned program:

<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate (per \$1,000)</u>	<u>Tax Value</u>	<u>Pilot Received</u>	<u>Taxes Abated</u>
P & L Linden, LLC	\$ 968,400	\$ 3.133	\$ 768,400	\$ 2,408	\$ 626

15. AMERICAN RESCUE PLAN

The American Rescue Plan Act provided the Town with \$2,876,402 in total. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. As of December 31, 2025, the Town has fully expended these funds.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

TOWN OF PITTSFORD, NEW YORK

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
(Unaudited)
For the Year Ended December 31, 2025**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes and tax items	\$ 7,292,645	\$ 7,292,645	\$ 7,338,656	\$ 46,011
Nonproperty tax items	360,000	360,000	325,038	(34,962)
Departmental income	948,550	948,550	1,167,180	218,630
Intergovernmental charges	64,482	64,482	105,921	41,439
Interfund revenues	45,000	45,000	70,055	25,055
Use of money and property	432,900	432,900	574,079	141,179
Licenses and permits	27,500	27,500	26,754	(746)
Fines and forfeitures	37,000	37,000	55,937	18,937
Sale of property and compensation for loss	250	250	30	(220)
Miscellaneous	38,500	38,500	50,149	11,649
State aid	972,081	1,054,868	1,177,509	122,641
Federal aid	-	11,346	84,060	72,714
Total revenues	<u>10,218,908</u>	<u>10,313,041</u>	<u>10,975,368</u>	<u>662,327</u>
EXPENDITURES:				
General governmental support	4,231,592	4,732,424	4,295,256	437,168
Education	3,100	3,240	2,333	907
Public safety	289,758	305,871	301,457	4,414
Public health	69,380	69,775	69,775	-
Transportation	192,576	248,616	236,984	11,632
Economic assistance and opportunity	491,131	499,229	472,157	27,072
Culture and recreation	2,507,053	2,616,719	2,379,241	237,478
Home and community services	264,560	300,222	252,468	47,754
Employee benefits	2,409,900	2,369,900	2,023,181	346,719
Debt service	-	-	126,572	(126,572)
Total expenditures	<u>10,459,050</u>	<u>11,145,996</u>	<u>10,159,424</u>	<u>986,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(240,142)</u>	<u>(832,955)</u>	<u>815,944</u>	<u>1,648,899</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	300,000	576,255	-	(576,255)
Operating transfers - out	<u>(1,761,851)</u>	<u>(2,257,068)</u>	<u>(1,931,679)</u>	<u>325,389</u>
Total other financing sources (uses)	<u>(1,461,851)</u>	<u>(1,680,813)</u>	<u>(1,931,679)</u>	<u>(250,866)</u>
CHANGE IN FUND BALANCE	<u>\$ (1,701,993)</u>	<u>\$ (2,513,768)</u>	<u>(1,115,735)</u>	<u>\$ 1,398,033</u>
FUND BALANCE - beginning of year			<u>7,528,748</u>	
FUND BALANCE - end of year			<u>\$ 6,413,013</u>	

TOWN OF PITTSFORD, NEW YORK

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General - Town
Outside Village (Unaudited)
For the Year Ended December 31, 2025**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Nonproperty tax items	\$ 1,400,000	\$ 1,400,000	\$ 1,649,657	\$ 249,657
Departmental income	31,000	31,000	61,676	30,676
Use of money and property	65,000	65,000	108,019	43,019
Licenses and permits	111,500	111,500	190,930	79,430
Sale of property and compensation for loss	-	-	199,333	199,333
Total revenues	<u>1,607,500</u>	<u>1,607,500</u>	<u>2,209,615</u>	<u>602,115</u>
EXPENDITURES:				
General governmental support	347,500	575,758	427,541	148,217
Public safety	400,330	400,806	302,699	98,107
Home and community services	618,286	555,786	432,922	122,864
Employee benefits	448,300	448,300	437,202	11,098
Total expenditures	<u>1,814,416</u>	<u>1,980,650</u>	<u>1,600,364</u>	<u>380,286</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(206,916)</u>	<u>(373,150)</u>	<u>609,251</u>	<u>982,401</u>
CHANGE IN FUND BALANCE	<u>\$ (206,916)</u>	<u>\$ (373,150)</u>	609,251	<u>\$ 982,401</u>
FUND BALANCE - beginning of year			<u>3,477,802</u>	
FUND BALANCE - end of year			<u>\$ 4,087,053</u>	

TOWN OF PITTSFORD, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Highway Fund (Unaudited)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes and tax items	\$ 2,005,455	\$ 2,005,455	\$ 2,005,455	\$ -
Intergovernmental charges	410,000	410,000	402,017	(7,983)
Use of money and property	85,000	85,000	76,235	(8,765)
Sale of property and compensation for loss	<u>1,000</u>	<u>1,000</u>	<u>187</u>	<u>(813)</u>
Total revenues	<u>2,501,455</u>	<u>2,501,455</u>	<u>2,483,894</u>	<u>(17,561)</u>
EXPENDITURES:				
Transportation	2,006,368	2,889,807	2,689,399	200,408
Employee benefits	<u>862,300</u>	<u>862,338</u>	<u>763,296</u>	<u>99,042</u>
Total expenditures	<u>2,868,668</u>	<u>3,752,145</u>	<u>3,452,695</u>	<u>299,450</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(367,213)</u>	<u>(1,250,690)</u>	<u>(968,801)</u>	<u>281,889</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	<u>-</u>	<u>98,828</u>	<u>98,828</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>98,828</u>	<u>98,828</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (367,213)</u>	<u>\$ (1,151,862)</u>	<u>(869,973)</u>	<u>\$ 281,889</u>
FUND BALANCE - beginning of year			<u>1,725,488</u>	
FUND BALANCE - end of year			<u>\$ 855,515</u>	

TOWN OF PITTSFORD, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Highway Part-Town (Unaudited)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Nonproperty tax items	\$ 3,600,000	\$ 3,704,095	\$ 4,241,975	\$ 537,880
Use of money and property	165,000	165,000	265,270	100,270
State aid	<u>228,000</u>	<u>423,588</u>	<u>423,588</u>	<u>-</u>
Total revenues	<u>3,993,000</u>	<u>4,292,683</u>	<u>4,930,833</u>	<u>638,150</u>
EXPENDITURES:				
General governmental support	500,000	1,344,095	1,344,094	1
Transportation	3,171,885	3,582,452	3,321,852	260,600
Home and community services	2,600	2,600	1,285	1,315
Employee benefits	<u>1,139,750</u>	<u>1,139,750</u>	<u>1,014,700</u>	<u>125,050</u>
Total expenditures	<u>4,814,235</u>	<u>6,068,897</u>	<u>5,681,931</u>	<u>386,966</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(821,235)</u>	<u>(1,776,214)</u>	<u>(751,098)</u>	<u>1,025,116</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - out	<u>-</u>	<u>(100,812)</u>	<u>(100,812)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(100,812)</u>	<u>(100,812)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (821,235)</u>	<u>\$ (1,877,026)</u>	<u>(851,910)</u>	<u>\$ 1,025,116</u>
FUND BALANCE - beginning of year			<u>8,613,862</u>	
FUND BALANCE - end of year			<u>\$ 7,761,952</u>	

TOWN OF PITTSFORD, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Consolidated Sewer District (Unaudited) For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes and tax items	\$ 1,699,720	\$ 1,699,720	\$ 1,703,651	\$ 3,931
Departmental income	9,100	9,100	30,232	21,132
Use of money and property	70,000	70,000	74,180	4,180
Licenses and permits	3,000	3,000	2,560	(440)
Sale of property and compensation for loss	-	-	31,943	31,943
Miscellaneous	18,800	18,800	59,033	40,233
Total revenues	<u>1,800,620</u>	<u>1,800,620</u>	<u>1,901,599</u>	<u>100,979</u>
EXPENDITURES:				
Home and community services	1,470,979	1,548,178	1,389,245	158,933
Employee benefits	453,800	451,530	433,030	18,500
Total expenditures	<u>1,924,779</u>	<u>1,999,708</u>	<u>1,822,275</u>	<u>177,433</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(124,159)</u>	<u>(199,088)</u>	<u>79,324</u>	<u>278,412</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	75,000	75,000	-	(75,000)
Operating transfers - out	(115,000)	(115,000)	-	115,000
Total other financing sources (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
CHANGE IN FUND BALANCE	<u>\$ (164,159)</u>	<u>\$ (239,088)</u>	79,324	<u>\$ 318,412</u>
FUND BALANCE - beginning of year			<u>2,768,511</u>	
FUND BALANCE - end of year			<u>\$ 2,847,835</u>	

TOWN OF PITTSFORD, NEW YORK

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.025%	0.027%	0.025%	0.024%	0.024%	0.023%	0.022%	0.020%	0.020%	0.021%
Proportionate share of the net pension liability (asset)	<u>\$ 4,365</u>	<u>3,946</u>	<u>\$ 5,417</u>	<u>\$ (1,977)</u>	<u>\$ 24</u>	<u>\$ 6,065</u>	<u>\$ 1,572</u>	<u>\$ 657</u>	<u>\$ 1,913</u>	<u>\$ 3,307</u>
Covered-employee payroll	<u>\$ 7,910</u>	<u>\$ 7,783</u>	<u>\$ 7,062</u>	<u>\$ 6,816</u>	<u>\$ 6,989</u>	<u>\$ 6,591</u>	<u>\$ 6,223</u>	<u>\$ 5,835</u>	<u>\$ 5,835</u>	<u>\$ 5,781</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>55.18%</u>	<u>50.70%</u>	<u>76.71%</u>	<u>-29.01%</u>	<u>0.34%</u>	<u>92.02%</u>	<u>25.26%</u>	<u>11.26%</u>	<u>32.78%</u>	<u>57.20%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

TOWN OF PITTSFORD, NEW YORK

Schedule of Contributions - Pension Plan (Unaudited)

For the Years Ended December 31:

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

**NEW YORK STATE
EMPLOYEES' RETIREMENT
SYSTEM PLAN - ERS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,085	\$ 914	\$ 739	\$ 989	\$ 926	\$ 887	\$ 879	\$ 850	\$ 852	\$ 995
Contributions in relation to the contractually required contribution	<u>1,085</u>	<u>914</u>	<u>739</u>	<u>989</u>	<u>926</u>	<u>887</u>	<u>879</u>	<u>850</u>	<u>852</u>	<u>995</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 7,910</u>	<u>\$ 7,783</u>	<u>\$ 7,062</u>	<u>\$ 6,816</u>	<u>\$ 6,989</u>	<u>\$ 6,591</u>	<u>\$ 6,223</u>	<u>\$ 5,835</u>	<u>\$ 5,835</u>	<u>\$ 5,781</u>
Contributions as a percentage of covered-employee payroll	<u>13.72%</u>	<u>11.74%</u>	<u>10.46%</u>	<u>14.51%</u>	<u>13.25%</u>	<u>13.46%</u>	<u>14.13%</u>	<u>14.57%</u>	<u>14.60%</u>	<u>17.21%</u>

TOWN OF PITTSFORD, NEW YORK

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
Service cost	\$ 152	\$ 190	\$ 298	\$ 470	\$ 586	\$ 505	\$ 353	\$ 403	\$ 420	
Interest	436	391	667	471	499	602	762	733	700	
Actuarial assumption changes	(414)	(1,179)	747	(4,992)	645	875	4,706	-	-	
Actuarial demographic gain	4,331	-	(6,904)	-	(1,079)	-	(1,911)	(1,375)	-	
Benefit payments	(689)	(718)	(692)	(805)	(738)	(749)	(716)	(645)	(618)	
Total change in total OPEB liability	3,816	(1,316)	(5,884)	(4,856)	(87)	1,233	3,194	(884)	502	
Total OPEB liability - beginning	10,897	12,213	18,097	22,953	23,040	21,807	18,613	19,497	18,995	
Total OPEB liability - ending	<u>\$ 14,713</u>	<u>\$ 10,897</u>	<u>\$ 12,213</u>	<u>\$ 18,097</u>	<u>\$ 22,953</u>	<u>\$ 23,040</u>	<u>\$ 21,807</u>	<u>\$ 18,613</u>	<u>\$ 19,497</u>	
Covered-employee payroll	\$ 3,530	\$ 3,528	\$ 3,552	\$ 3,596	\$ 3,790	\$ 4,302	\$ 4,424	\$ 3,822	\$ 4,849	
Total OPEB liability as a percentage of covered-employee payroll	416.8%	308.9%	343.8%	503.3%	605.6%	535.6%	492.9%	487.0%		

Notes to schedule:

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

Discount rate	4.83%	4.08%	3.26%	3.70%	2.05%	2.15%	2.75%	4.10%	3.75%
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Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

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

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

SUPPLEMENTARY INFORMATION

TOWN OF PITTSFORD, NEW YORK

**Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2025**

	Debt Service	Capital Projects	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 110,130	\$ 950,343	\$ 822,351	\$ 1,882,824
Investments	-	320,519	756,748	1,077,267
Receivables	-	-	5,482	5,482
Due from state and federal government	-	42,000	500	42,500
Prepaid expenditures	-	-	26,351	26,351
Total assets	<u>\$ 110,130</u>	<u>\$ 1,312,862</u>	<u>\$ 1,611,432</u>	<u>\$ 3,034,424</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 31,393	\$ 31,393
Accrued liabilities	-	-	11,993	11,993
Total liabilities	<u>-</u>	<u>-</u>	<u>43,386</u>	<u>43,386</u>
FUND BALANCES:				
Nonspendable	-	-	26,351	26,351
Restricted	110,130	448,641	1,541,695	2,100,466
Assigned	-	864,221	-	864,221
Total fund balances	<u>110,130</u>	<u>1,312,862</u>	<u>1,568,046</u>	<u>2,991,038</u>
Total liabilities and fund balances	<u>\$ 110,130</u>	<u>\$ 1,312,862</u>	<u>\$ 1,611,432</u>	<u>\$ 3,034,424</u>

TOWN OF PITTSFORD, NEW YORK

Combining Statement of Revenues, Expenditures, and Change in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2025

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ 2,799,097	\$ 2,799,097
Departmental income	-	-	112,325	112,325
Use of money and property	542	30,044	59,457	90,043
State aid	-	47,000	7,500	54,500
Federal aid	-	-	500	500
	<u>542</u>	<u>77,044</u>	<u>2,978,879</u>	<u>3,056,465</u>
EXPENDITURES:				
Public safety	-	-	331,239	331,239
Transportation	-	610,661	81,640	692,301
Culture and recreation	-	73,733	1,415,983	1,489,716
Home and community services	-	-	782,061	782,061
Employee benefits	-	-	459,259	459,259
Debt service -				
Principal	1,375,000	-	-	1,375,000
Interest	314,450	-	-	314,450
	<u>1,689,450</u>	<u>684,394</u>	<u>3,070,182</u>	<u>5,444,026</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,688,908)</u>	<u>(607,350)</u>	<u>(91,303)</u>	<u>(2,387,561)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	<u>1,661,851</u>	<u>271,812</u>	<u>-</u>	<u>1,933,663</u>
	<u>1,661,851</u>	<u>271,812</u>	<u>-</u>	<u>1,933,663</u>
CHANGE IN FUND BALANCE	(27,057)	(335,538)	(91,303)	(453,898)
FUND BALANCE - beginning of year	<u>137,187</u>	<u>1,648,400</u>	<u>1,659,349</u>	<u>3,444,936</u>
FUND BALANCE - end of year	<u>\$ 110,130</u>	<u>\$ 1,312,862</u>	<u>\$ 1,568,046</u>	<u>\$ 2,991,038</u>

TOWN OF PITTSFORD, NEW YORK

**Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2025**

	Public Library	Lighting Districts	Park Districts	Refuse Districts	Park Land Deposits	Fire Protection	Ambulance District	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 63,345	\$ 62,533	\$ 309,822	\$ 94,548	\$ 292,103	\$ -	\$ -	\$ 822,351
Investments	469,863	-	-	-	286,885	-	-	756,748
Receivables	5,482	-	-	-	-	-	-	5,482
Due from state and federal government	500	-	-	-	-	-	-	500
Prepaid expenditures	26,351	-	-	-	-	-	-	26,351
Total assets	\$ 565,541	\$ 62,533	\$ 309,822	\$ 94,548	\$ 578,988	\$ -	\$ -	\$ 1,611,432
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	\$ 17,921	\$ 13,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,393
Accrued liabilities	11,993	-	-	-	-	-	-	11,993
Total liabilities	29,914	13,472	-	-	-	-	-	43,386
FUND BALANCES:								
Nonspendable	26,351	-	-	-	-	-	-	26,351
Restricted	509,276	49,061	309,822	94,548	578,988	-	-	1,541,695
Total fund balances	535,627	49,061	309,822	94,548	578,988	-	-	1,568,046
Total liabilities and fund balances	\$ 565,541	\$ 62,533	\$ 309,822	\$ 94,548	\$ 578,988	\$ -	\$ -	\$ 1,611,432

TOWN OF PITTSFORD, NEW YORK

**Combining Statement of Revenues, Expenditures, and Change in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025**

	Public Library	Lighting Districts	Park Districts	Refuse Districts	Park Land Deposits	Fire Protection	Ambulance District	Total Nonmajor Special Revenue Funds
REVENUES:								
Real property taxes and tax items	\$ 1,394,944	\$ 77,801	\$ 142,175	\$ 852,938	\$ -	\$ 19,119	\$ 312,120	\$ 2,799,097
Departmental income	96,325	-	-	-	16,000	-	-	112,325
Use of money and property	41,529	1,244	5,003	144	11,537	-	-	59,457
State aid	7,500	-	-	-	-	-	-	7,500
Federal aid	500	-	-	-	-	-	-	500
Total revenues	1,540,798	79,045	147,178	853,082	27,537	19,119	312,120	2,978,879
EXPENDITURES:								
Public safety	-	-	-	-	-	19,119	312,120	331,239
Transportation	-	81,640	-	-	-	-	-	81,640
Culture and recreation	1,302,884	-	113,099	-	-	-	-	1,415,983
Home and community	-	-	-	782,061	-	-	-	782,061
Employee benefits	459,259	-	-	-	-	-	-	459,259
Total expenditures	1,762,143	81,640	113,099	782,061	-	19,119	312,120	3,070,182
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(221,345)	(2,595)	34,079	71,021	27,537	-	-	(91,303)
CHANGE IN FUND BALANCE	(221,345)	(2,595)	34,079	71,021	27,537	-	-	(91,303)
FUND BALANCE - beginning of year	756,972	51,656	275,743	23,527	551,451	-	-	1,659,349
FUND BALANCE - end of year	\$ 535,627	\$ 49,061	\$ 309,822	\$ 94,548	\$ 578,988	\$ -	\$ -	\$ 1,568,046