

TOWN OF NORTH STONINGTON, CONNECTICUT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015
with
SUPPLEMENTAL STATEMENTS AND SCHEDULES
and
INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC
Certified Public Accountants

TOWN OF NORTH STONINGTON, CONNECTICUT

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INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of North Stonington, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Stonington, Connecticut (the "Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2015, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 9 and the required supplementary information on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Danbury, Connecticut
December 1, 2015

TOWN OF NORTH STONINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2015

Our discussion and analysis of the Town of North Stonington, Connecticut's (the "Town") financial performance provides an overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements, which begin on page 10.

The Town's discussion and analysis is designed to:

1. Provide an overview of the Town's financial activity.
2. Assist the reader in focusing on significant financial issues.
3. Identify any material deviations from the financial plan (approved budget).
4. Identify changes in the Town's financial position, as well as its ability to address challenges in future years.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$12,557,209 (net position). This is a decrease of \$335,974 or 2.6% from the prior fiscal year.
- Government-wide revenues were \$20,291,118 (down 3.0%) and expenses were \$20,627,092 (up 2.4%). On a government-wide basis, expenses exceeded revenues by \$335,974.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$2,438,748, a decrease of \$875,177 from the prior fiscal year. This represents the combined balances in the General Fund, Capital Nonrecurring Fund, Capital Projects Fund, Emergency Services Center Fund, and other smaller funds.
- In the General Fund, revenues and net transfers exceeded expenses by \$258,015. The total General Fund balance of \$2,175,010 as of June 30, 2015, compares to a balance of \$1,916,995 in the prior year.
- At the end of the current fiscal year, the Unassigned General Fund balance was \$1,805,037. This represents 9.9% of total General Fund expenditures (on a budgetary basis) in the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer term view of the Town's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town.

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 private-sector businesses. All of the resources, which the Town has at its disposal, are shown, including major assets such as buildings and infrastructure. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. One can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health or financial 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 fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, and education.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. The Town, like other state and local governments, uses fund accounting to help it maintain control and manage money that have been segregated for specific activities or objectives. All of the funds of the Town are divided into two categories: governmental and fiduciary funds.

Governmental 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 and on balances of spendable resources available at the end of the fiscal 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 the 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 Town's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) for the General, Capital Nonrecurring, Capital Projects, and Emergency Services Center funds. Data from other governmental funds are combined into a single aggregated presentation as Other Funds.

Town of North Stonington, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget in the General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The Town excludes these activities from the Town's other financial statements because the Town cannot use these funds to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position decreased by \$335,974 from a year ago. Our analysis below focuses on the net position and changes in net position of the Town.

	<u>2015</u>	<u>Change During Year</u>		<u>2014</u>
		<u>Dollars</u>	<u>Percent</u>	
<u>Assets</u>				
Current and other assets	\$ 4,990,200	\$ (193,607)	-3.7%	\$ 5,183,807
Capital assets	<u>11,652,970</u>	<u>333,913</u>	3.0%	<u>11,319,057</u>
Total assets	<u>16,643,170</u>	<u>140,306</u>	0.9%	<u>16,502,864</u>
<u>Liabilities</u>				
Long-term debt outstanding	1,960,735	(151,813)	-7.2%	2,112,548
Other liabilities	<u>2,125,226</u>	<u>628,093</u>	42.0%	<u>1,497,133</u>
Total liabilities	<u>4,085,961</u>	<u>476,280</u>	13.2%	<u>3,609,681</u>
<u>Net Position</u>				
Net investment in capital assets	9,792,970	343,635	3.6%	9,449,335
Restricted – expendable	604,722	181,123	42.8%	423,599
Unrestricted	<u>2,159,517</u>	<u>(860,732)</u>	-28.5%	<u>3,020,249</u>
Total net position	<u>\$ 12,557,209</u>	<u>\$ (335,974)</u>	-2.6%	<u>\$ 12,893,183</u>

Capital Assets increased by \$333,913. Most of the increase was spent on various infrastructure improvements. The increase also includes \$477,442 reduction for current year depreciation expense.

Town of North Stonington, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

During the current year, the Town paid the annual principal due of \$302,500 on the general obligation serial notes. The Town also paid off the \$901,222 short-term notes (BANS) through the issuance of new BANS in the amount of \$1,200,000. Subsequent to year end, the new BANS were paid off through the issuance of \$2,600,000 of BANS. The additional proceeds will be used for the Emergency Services Center. See Notes 7 and 8 to the financial statements for additional information.

	2015	Change During Year		2014
		Dollars	Percent	
<u>Revenues</u>				
Program revenues:				
Charges for services	\$ 442,660	\$ (44,628)	-9.2%	\$ 487,288
Operating grants and contributions	4,843,686	(602,143)	-11.1%	5,445,829
Capital grants and contributions	155,527	(166,449)	-51.7%	321,976
General revenues:				
Property taxes	13,707,394	198,145	1.5%	13,509,249
Grants and contributions	1,035,409	(28,661)	-2.7%	1,064,070
Interest and investment earnings	815	(11,828)	-93.6%	12,643
Other	105,627	22,794	27.5%	82,833
Total revenues	<u>20,291,118</u>	<u>(632,770)</u>	-3.0%	<u>20,923,888</u>
<u>Expenses</u>				
General government	2,237,489	244,681	12.3%	1,992,808
Public safety	1,743,534	583,584	50.3%	1,159,950
Public works	2,189,816	206,566	10.4%	1,983,250
Education	14,430,485	(555,088)	-3.7%	14,985,573
Interest on long-term debt	25,768	(2,170)	-7.8%	27,938
Total expenses	<u>20,627,092</u>	<u>477,573</u>	2.4%	<u>20,149,519</u>
Change in net position	<u>\$ (335,974)</u>	<u>\$ (1,110,343)</u>	-143.4%	<u>\$ 774,369</u>

The following are the significant changes from the prior year:

- Operating grants revenue decreased \$602,143 (11.1%) because of a decrease of \$296,154 in the teachers' retirement on behalf payments from \$1,431,337 to \$1,135,183.
- Capital grants revenue decreased \$166,449 (51.7%) because the prior year included nonrecurring FEMA reimbursement grants.
- Education expenses decreased \$555,088 (3.7%) primarily from a decrease in the current year teachers' retirement on behalf payments mentioned above to the prior year.

Town of North Stonington, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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.

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$2,438,748, a decrease of \$875,177 from the prior year.

<u>Ending Fund Balance as of:</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
General Fund	\$ 2,175,010	\$ 1,916,995	\$ 258,015
Capital Nonrecurring Fund	99,868	125,787	(25,919)
Capital Projects Fund	840,205	1,227,717	(387,512)
Emergency Services Center	(734,632)	(59,256)	(675,376)
Other Funds	<u>58,297</u>	<u>102,682</u>	<u>(44,385)</u>
Total	<u>\$ 2,438,748</u>	<u>\$ 3,313,925</u>	<u>\$ (875,177)</u>

The General Fund is the operating fund of the Town. At the end of the current fiscal year, the Unassigned General Fund balance was \$1,805,037. As a measure of the General Fund's liquidity, it is useful to compare Unassigned fund balance to total fund revenues. Unassigned General Fund balance represents 9.9% of total General Fund expenditures (on a budgetary basis) in the current fiscal year. In the prior year, the Unassigned Fund Balance was 8.1% of the total General Fund expenditures (on a budgetary basis).

The Town's total General Fund balance increased by \$258,015 or (13.5%) during the current fiscal year primarily due to expenditures better than budget by \$436,498.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Finance can revise the Government budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. The Board of Finance is allowed by Connecticut State Statute to make one additional appropriation up to \$20,000 per line item or department. A second additional appropriation or an appropriation over \$20,000 requires a Town Meeting. Transfers do not increase the total budget, but instead move appropriations to a department that needs additional funding from other departments that have excess funding. Connecticut State Statutes allow these transfers to be made by the Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund:

Town of North Stonington, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Better (Worse) Than Budget</u>
Revenues:			
Property taxes	\$ 13,555,368	\$ 13,653,917	\$ 98,549
Interest and investment earnings	2,000	815	(1,185)
Intergovernmental	4,717,028	4,488,126	(228,902)
Licenses, fees, fines and charges	157,801	164,623	6,822
Other	<u>194,537</u>	<u>213,204</u>	<u>18,667</u>
Total revenues	<u>18,626,734</u>	<u>18,520,685</u>	<u>(106,049)</u>
Expenditures:			
General government	4,772,611	4,640,295	132,316
Debt service	529,980	328,268	201,712
Capital outlay	673,908	644,590	29,318
Education	<u>12,759,102</u>	<u>12,685,950</u>	<u>73,152</u>
Total expenditures	<u>18,735,601</u>	<u>18,299,103</u>	<u>436,498</u>
Decrease in fund balance – budgetary basis	<u>\$ (108,867)</u>	<u>\$ 221,582</u>	<u>\$ 330,449</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Town had \$11,652,970 invested in capital assets. This amount represents a net increase (including additions and deductions) of \$333,913 from last year. This is primarily due to various infrastructure projects. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Debt

At year end, the Town had \$600,000 in general obligation notes outstanding. This is a decrease of \$302,500 from the \$902,500 general obligation bonds that were outstanding last year. The Town is currently not rated by the rating agencies because all general obligation bonds outstanding have been paid in full. More detailed information about the Town's long-term obligations is presented in Notes 7 and 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town had a good fiscal year in 2014-15 growing our surplus to \$1,536,513. The Grand List has basically stayed the same but there is encouragement with the addition of two new businesses in our Town; Jovial in place of the old Randall's Ordinary, an organic food warehouse, and Quinlan Enterprises, a local family operated light manufacturing where the old Fisher Control Plant was located on Frontage Road, both bring new jobs and taxes to Town.

The Town is in its second year of a three year note for capital debt and continues to secure short term finances for the Emergency Services Center. Phase I of the construction was completed and a bidding package is being prepared for Phase II construction of the structure.

Moving forward into fiscal year 2015-2016, the Town will see the retirement of First Selectman Nicholas Mullane after almost thirty years of service to the Town. He promises to stay involved and assist with the transition as we move forward.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Finance at Town of North Stonington, 40 Main Street, North Stonington, CT 06359.

TOWN OF NORTH STONINGTON, CONNECTICUT

**STATEMENT OF NET POSITION
JUNE 30, 2015**

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 4,369,408
Receivables:	
Taxes and interest, net of allowance of \$247,954	503,346
Intergovernmental	68,739
Other	42,127
Prepaid expenses	2,212
Inventory	4,368
Noncurrent assets:	
Capital assets:	
Not being depreciated	953,240
Being depreciated, net of accumulated depreciation	10,699,730
Total assets	<u>\$ 16,643,170</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	\$ 779,740
Accrued expenses	138,890
Amounts held for others	3,126
Deferred grant revenue	3,470
Bond anticipation note	1,200,000
Noncurrent liabilities:	
Due within one year	432,842
Due in more than one year	1,527,893
Total liabilities	<u>4,085,961</u>
<u>Net Position</u>	
Net investment in capital assets	9,792,970
Restricted:	
Expendable	604,722
Unrestricted	2,159,517
Total net position	<u>12,557,209</u>
Total liabilities and net position	<u>\$ 16,643,170</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

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TOWN OF NORTH STONINGTON, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	General Fund	Capital Nonrecurring Fund	Capital Projects Fund	Emergency Services Center	Other Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 3,676,673	\$ 99,095	\$ -	\$ 502,151	\$ 91,489	\$ 4,369,408
Receivables:						
Taxes and interest, net of allowance of \$247,954	503,346	-	-	-	-	503,346
Intergovernmental	53,827	-	-	-	14,912	68,739
Other	42,127	-	-	-	-	42,127
Prepaid expenses	2,212	-	-	-	-	2,212
Due from other funds	7,728	773	840,205	-	33	848,739
Inventory	-	-	-	-	4,368	4,368
Total assets	\$ 4,285,913	\$ 99,868	\$ 840,205	\$ 502,151	\$ 110,802	\$ 5,838,939
<u>Liabilities</u>						
Accounts payable	\$ 779,740	\$ -	\$ -	\$ -	\$ -	\$ 779,740
Accrued expenses	60,800	-	-	34,303	43,787	138,890
Amounts held for others	3,126	-	-	-	-	3,126
Deferred grant revenue	-	-	-	-	3,470	3,470
Bond anticipation notes	-	-	-	1,200,000	-	1,200,000
Due to other funds	841,011	-	-	2,480	5,248	848,739
Total liabilities	1,684,677	-	-	1,236,783	52,505	2,973,965
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - taxes	426,226	-	-	-	-	426,226
<u>Fund Balances (Deficits)</u>						
Nonspendable	2,212	-	-	-	4,368	6,580
Restricted	-	23,062	531,664	-	49,996	604,722
Committed	-	76,806	308,541	-	16,827	402,174
Assigned	367,761	-	-	-	-	367,761
Unassigned	1,805,037	-	-	(734,632)	(12,894)	1,057,511
Total fund balances (deficits)	2,175,010	99,868	840,205	(734,632)	58,297	2,438,748
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,285,913	\$ 99,868	\$ 840,205	\$ 502,151	\$ 110,802	

Amounts reported in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,652,970
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	426,226
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation serial note	(600,000)
Compensated absences and pension benefits	(1,300,735)
Landfill costs	(60,000)
Net position	\$ 12,557,209

The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Capital Nonrecurring Fund	Capital Projects Fund	Emergency Services Center	Other Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 13,653,917	\$ -	\$ -	\$ -	\$ -	\$ 13,653,917
Intergovernmental	5,623,309	-	20,000	-	408,373	6,051,682
Local	343,216	2,983	-	-	185,843	532,042
Total revenues	19,620,442	2,983	20,000	-	594,216	20,237,641
Expenditures:						
Current:						
General government	2,000,709	-	-	-	13,608	2,014,317
Public safety	942,939	-	-	675,376	-	1,618,315
Public works	1,846,848	-	-	-	-	1,846,848
Education	13,634,499	-	-	-	595,675	14,230,174
Capital outlay	-	81,065	993,831	-	-	1,074,896
Debt service	328,268	-	-	-	-	328,268
Total expenditures	18,753,263	81,065	993,831	675,376	609,283	21,112,818
Excess of revenues over (under) expenditures	867,179	(78,082)	(973,831)	(675,376)	(15,067)	(875,177)
Other Financing Sources (Uses):						
Transfers in	64,744	53,000	620,908	-	-	738,652
Transfers out	(673,908)	(837)	(34,589)	-	(29,318)	(738,652)
Total other financing sources (uses)	(609,164)	52,163	586,319	-	(29,318)	-
Net change in fund balances	258,015	(25,919)	(387,512)	(675,376)	(44,385)	(875,177)
Fund balances (deficits), beginning of year	1,916,995	125,787	1,227,717	(59,256)	102,682	3,313,925
Fund balances (deficits), end of year	\$ 2,175,010	\$ 99,868	\$ 840,205	\$ (734,632)	\$ 58,297	\$ 2,438,748

The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

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

Net change in fund balances - total governmental funds	\$ (875,177)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays treated as expenditures	811,355
Depreciation expense not considered in the fund statements	(477,442)
	333,913

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Principal repayments or refinanced:

General obligation bonds	302,500
Post-closure landfill costs	6,000
	308,500

Revenues from taxes and assessments are reported as income in the year revenues provide current financial resources to governmental funds:

Revenues:

Taxes, interest, and liens	53,477
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Expenses:

Compensated absences and other post-employment benefits payable	(156,687)
	(103,210)

Change in net position	\$ (335,974)
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The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes, interest, and lien fees	\$ 13,555,368	\$ 13,555,368	\$ 13,653,917	\$ 98,549
Interest and investment earnings	2,000	2,000	815	(1,185)
Intergovernmental	4,717,028	4,717,028	4,488,126	(228,902)
Licenses, fees, fines and charges	157,801	157,801	164,623	6,822
Other	193,700	194,537	213,204	18,667
Total revenues	<u>18,625,897</u>	<u>18,626,734</u>	<u>18,520,685</u>	<u>(106,049)</u>
Expenditures:				
Current:				
General government	174,734	174,734	172,834	1,900
Probate Court	1,794	1,794	1,794	-
Board of Finance	15,500	15,500	12,752	2,748
Assessor's Office	123,706	123,706	123,390	316
Board of Tax Review	1,900	1,900	1,235	665
Tax Collector	56,467	56,467	55,009	1,458
Town Treasurer	6,690	6,690	6,741	(51)
Town Attorney	60,000	60,000	49,995	10,005
Annexation related	47,000	98,900	98,895	5
Town Clerk	72,146	72,146	77,125	(4,979)
Planning and Zoning Commission	152,660	158,160	128,173	29,987
Building Department	30,935	30,935	29,810	1,125
Zoning Board of Appeals	1,750	1,750	270	1,480
School Building and Planning Committee	200	200	-	200
Economic Development Commission	42,051	36,996	23,053	13,943
Recreation Commission	92,497	92,497	92,274	223
Inland Wetlands Commission	8,589	8,589	7,147	1,442
Conservation Commission	2,500	2,500	1,862	638
Water Pollution Control Authority	3	3	-	3
Fixed charges	763,921	763,921	710,326	53,595
Elections and Town Meetings	31,884	31,884	23,051	8,833
Town Hall	71,500	71,500	65,902	5,598
Social Services/Welfare	40,400	40,400	40,325	75
Selectmen's Engineering Service	5,000	5,000	1,480	3,520
Information Technology	64,313	64,313	64,011	302
Public safety	894,731	964,611	956,417	8,194
Public works	1,760,045	1,760,045	1,759,532	513
Conservation of Health	33,396	33,396	27,324	6,072
Senior Citizens	58,523	58,523	58,149	374
Miscellaneous	35,551	35,551	51,419	(15,868)
Education	12,739,602	12,759,102	12,685,950	73,152
Capital outlay	405,649	673,908	644,590	29,318
Debt service	529,980	529,980	328,268	201,712
Total expenditures	<u>18,325,617</u>	<u>18,735,601</u>	<u>18,299,103</u>	<u>436,498</u>
Net change in fund balance	<u>\$ 300,280</u>	<u>\$ (108,867)</u>	<u>221,582</u>	<u>\$ 330,449</u>
Fund balance, beginning of year			<u>1,585,666</u>	
Fund balance, end of year			<u>\$ 1,807,248</u>	

The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	Pension Trust Funds	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ -	\$ 215,261
Investments	2,871,215	-
Other receivables	71,777	-
	<hr/>	<hr/>
Total assets	2,942,992	215,261
	<hr/>	<hr/>
<u>Liabilities</u>		
Due to students and developers	-	215,261
Due to governmental funds	-	-
	<hr/>	<hr/>
Total liabilities	-	215,261
	<hr/>	<hr/>
Net position held in trust for pension benefits	<u>\$ 2,942,992</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Pension Trust Funds</u>
Additions:	
Employer contributions	\$ 185,659
Investment earnings	<u>61,317</u>
Total additions	<u>246,976</u>
Deductions:	
Distributions	<u>297,403</u>
Total deductions	<u>297,403</u>
Change in net position	(50,427)
Net position, beginning of year	<u>2,993,419</u>
Net position, end of year	<u><u>\$ 2,942,992</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The Town of North Stonington, Connecticut (the "Town") is a municipal corporation governed by a selectmen/Town meeting form of government. Under this form of government, the Town meeting is the legislative body. A Town meeting is required to make appropriations, levy taxes, and borrow money. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system. An elected Board of Finance is the budget making authority and supervises the Town's financial matters.

Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) 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. The criterion provided by the Government Accounting Standards Board has been considered, and there are no agencies or entities which should be presented with the government.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Fiduciary funds are excluded from the government-wide financial statements. For the most part, the effects of interfund activity have been eliminated from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The various funds included in the financial statements are described below:

Governmental Funds

General Fund - the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and interest income.

Special Revenue Funds - account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Projects Funds - account for financial resources used for the acquisition or construction of capital facilities for capital projects anticipated to last more than one year.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Funds – are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

Agency Funds – are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

The Town reports the following major governmental funds:

The **General Fund** is the general operating fund of the Town. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt, and capital improvement costs of the Town, which were not paid through a special fund.

The **Capital Nonrecurring Fund** accounts for smaller, short-term capital projects that are funded through capital grants or General Fund transfers.

The **Capital Projects Fund** is used to account for proceeds of bond anticipation notes and general obligation notes used for authorized projects such as acquisition and construction of capital facilities or major repair activities.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

The **Emergency Services Center Fund** is used to account for proceeds of bond anticipation notes used for the authorized Emergency Services Center major project.

Additionally, the Town reports the following funds:

The **Pension Trust Funds** account for activities of the Town's defined contribution plans, which accumulate resources for pension benefit payments to qualified employees.

The **Agency Funds** account for monies held as a custodian for outside groups and agencies.

Cash, Cash Equivalents, and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the Town are reported at fair value. Nonparticipating, interest-earning investment contracts are generally reported at cost plus accrued earnings.

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes. In general for most of the funds, this includes deposits in allowable banks, obligations of the United States of America, and obligations of any State or political subdivision, which is tax exempt. Certain fiduciary funds are allowed more flexibility in investing.

Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

Receivables

Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under Connecticut State Statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of 15 years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due. The Town establishes allowances for uncollectible taxes and interest based on historical collection experience and other factors. As of June 30, 2015, the Town has established an allowance for uncollectible taxes and interest of \$247,954.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in appropriate governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is considered inexhaustible and, therefore, not depreciated. Property, equipment, and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Building and improvements	75	\$ 10,000
Trucks	20	10,000
Equipment and furniture	20	2,000
Electronic equipment	4	2,000
Infrastructure:		
Bridges	75	50,000
Sidewalks	50	10,000
Stone bridge/culverts	50	25,000

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has no items that qualify for reporting in this category.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for unpaid accumulated sick leave since the town has a policy to pay any amounts when employees separate from service with the Town. All vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and/or retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as Assigned fund balance as they do not constitute either expenditures or liabilities.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Fund Equity and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted - This category represents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category represents the net position of the Town, which is not restricted for any project or other purpose.

Governmental Accounting Standards Board Statement #54 (GASB 54) defines the different types of fund balances that the Town must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for financial reporting purposes.

Nonspendable – Fund balance amounts associated with inventories, prepaids, and long-term receivables and payables.

Restricted – Fund balance amounts that can be spent only for the specific purposes stipulated by external source providers or enabling legislation.

Committed – Fund balance amounts that can be used only for specific purposes determined by a formal action of the Town's highest level of decision-making authority.

Assigned – Amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a finance committee), or by an official to whom that authority has been given. This is the residual fund balance classification for all governmental funds except the General Fund. Assigned fund balances should not be reported in the General Fund if doing so causes the government to report a negative unassigned General Fund balance.

Unassigned – This is the residual classification for the General Fund (i.e., everything that is not in another classification or in another fund). The General Fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Town's committed fund balance reporting is required when funds have been committed at a Town Meeting. The Town's assigned fund balance reporting is required when funds have been assigned by the Town's Board of Selectmen. The Town's policy is to apply expenditures against the applicable fund balances in the following order: nonspendable, restricted, committed, assigned, and unassigned.

Estimates

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

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Note 2 – Budgets and Budgetary Accounting

Budgetary Basis

A formal, legally approved, annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- Teachers' Retirement – the Town does not recognize as income or expenditures payments made for teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement No. 68 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- Encumbrances – Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to the amounts presented on the budgetary basis is as follows:

	<u>Fund Balance</u> <u>Beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Uses</u>	<u>Fund Balance</u> <u>Ending</u>
GAAP basis	\$ 1,916,995	\$ 19,620,442	\$ (18,753,263)	\$ (609,164)	\$ 2,175,010
Encumbrances:					
June 30, 2014	(331,329)	-	331,329	-	-
June 30, 2015	-	-	(367,762)	-	(367,762)
Reclassifications	-	35,426	(644,590)	609,164	-
Teachers' retirement system on behalf payments	<u>-</u>	<u>(1,135,183)</u>	<u>1,135,183</u>	<u>-</u>	<u>-</u>
Budgetary basis	<u>\$ 1,585,666</u>	<u>\$ 18,520,685</u>	<u>\$ (18,299,103)</u>	<u>\$ -</u>	<u>\$ 1,807,248</u>

Budget Calendar

The Boards of Selectmen and Education submit requests for appropriations to the Board of Finance. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting, the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except for education expenditures, which are, by Connecticut State Statutes, appropriated as one department.

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriations. A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

Note 3 – Deposits and Investments

Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at year end:

Governmental funds	\$ 4,369,408
Agency funds	<u>215,261</u>
Total cash and cash equivalents	<u>\$ 4,584,669</u>

Custodial Credit Risk on Deposits

The bank balance of the deposits was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 740,599
Uninsured and collateralized	3,871,611
Uninsured and uncollateralized	<u>294,523</u>
Total Deposits	<u>\$ 4,906,733</u>

Investments

As of June 30, 2015, the Town's investments consisted of the following:

	Agency Funds
Equity mutual funds	<u>\$ 2,871,215</u>

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

As of June 30, 2015, the range of maturities of the investments was as follows:

<u>Types of Investment</u>	<u>Fair Value</u>	<u>Not Applicable</u>
Equity mutual funds	\$ 2,908,119	\$ 2,908,119
	<u>\$ 2,908,119</u>	<u>\$ 2,908,119</u>

Note 4 - Operating Lease

The Town is the lessor in several non-cancelable operating leases of Town owned property. The lease terms vary and are paid in monthly installments. Minimum future rental payments to be received are as follows:

<u>Year Ending</u>	<u>Future Rental Payments</u>
2016	\$ 26,001
2017	23,301
2018	23,985
2019	24,693
2020	25,413
2021	<u>250</u>
Total	<u>\$ 123,643</u>

Note 5 - Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 66,485
Public works	125,177
Public safety	85,469
Education	<u>200,311</u>
Total depreciation expense	<u>\$ 477,442</u>

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Capital asset activity for the year was as follows:

	Balance at July 1, 2014	Increases	Decreases	Balance at June 30, 2015
Capital assets not being depreciated:				
Land	\$ 953,240	\$ -	\$ -	\$ 953,240
	<u>953,240</u>	<u>-</u>	<u>-</u>	<u>953,240</u>
Capital assets being depreciated:				
Buildings and improvement	13,021,269	21,180	-	13,042,449
Furniture and equipment	5,986,539	97,500	(19,832)	6,064,207
Infrastructure	<u>2,493,320</u>	<u>692,675</u>	<u>-</u>	<u>3,185,995</u>
	<u>21,501,128</u>	<u>811,355</u>	<u>(19,832)</u>	<u>22,292,651</u>
Accumulated depreciation	<u>(11,135,311)</u>	<u>(477,442)</u>	<u>19,832</u>	<u>(11,592,921)</u>
Capital assets, net	<u>\$ 11,319,057</u>	<u>\$ 333,913</u>	<u>\$ -</u>	<u>\$ 11,652,970</u>

Note 6 – Interfund Receivables, Payables, and Transfers

Interfund transfers are generally used to transfer monies raised in taxes to other funds. During the year, transfers from the General Fund to the Capital Nonrecurring Fund and Capital Projects Fund were made to finance several projects.

	Transfers in:			Total
	General Fund	Capital Nonrecurring Fund	Capital Projects Fund	
Transfers out:				
General Fund	\$ -	\$ 53,000	\$ 620,908	\$ 673,908
Capital Nonrecurring Fund	837	-	-	837
Capital Projects Fund	34,589	-	-	34,589
Bridge Fund	<u>29,318</u>	<u>-</u>	<u>-</u>	<u>29,318</u>
	<u>\$ 64,744</u>	<u>\$ 53,000</u>	<u>\$ 620,908</u>	<u>\$ 738,652</u>

As of June 30, 2015, interfund receivables and payables were as follows:

	Due From:			Total
	General Fund	Emergency Services Complex Fund	Education Grants Fund	
Due To:				
General Fund	\$ -	\$ 2,480	\$ 5,248	\$ 7,728
School Lunch Fund	33	-	-	33
Capital and Nonrecurring Fund	773	-	-	773
Capital Projects Fund	<u>840,205</u>	<u>-</u>	<u>-</u>	<u>840,205</u>
	<u>\$ 841,011</u>	<u>\$ 2,480</u>	<u>\$ 5,248</u>	<u>\$ 848,739</u>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance capital projects and other programs accounted for in other funds in accordance with budget and project authorizations.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Note 7 – Bond Anticipation Notes

The Town uses bond anticipation notes during the construction period of various capital projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2015, was as follows:

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Capital Projects	<u>\$ 901,222</u>	<u>\$ 1,200,000</u>	<u>\$ 901,222</u>	<u>\$ 1,200,000</u>

At June 30, 2015, there was a bond anticipation note of \$1,200,000 outstanding with a maturity date of July 16, 2015, bearing an interest rate of 1.0%.

Note 8 - Long-Term Obligations

Changes In Long-Term Obligations

Long-term obligation activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation serial note	\$ 902,500	\$ -	\$ 302,500	\$ 600,000	\$ 300,000
Compensated absences	127,462	-	9,623	117,839	-
Post-closure landfill costs	66,000	-	6,000	60,000	6,000
Net OPEB obligation	<u>1,016,586</u>	<u>293,152</u>	<u>126,842</u>	<u>1,182,896</u>	<u>126,842</u>
	<u>\$ 2,112,548</u>	<u>\$ 293,152</u>	<u>\$ 444,965</u>	<u>\$ 1,960,735</u>	<u>\$ 432,842</u>

General Obligation Serial Note

The general obligation serial note currently outstanding is as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Matures in Year Ending</u>	<u>Interest Rate</u>	<u>June 30, 2015 Amount</u>
Transportation/Public Safety/Sewage	\$ 902,500	2017	1.49%	\$ 600,000

Annual debt service requirements to maturity is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 300,000	\$ 4,470
2017	<u>300,000</u>	<u>4,470</u>
	<u>\$ 600,000</u>	<u>\$ 8,940</u>

Authorized and Unissued Debt

At June 30, 2015, there was \$5,160,000 authorized and unissued bonds for the Emergency Services Center.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2015.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Post-Closure Landfill Costs

The Town has a closed landfill. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for 30 years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in long-term obligations. The actual costs may vary based on actual events, inflation, changes in technology, and applicable laws and regulations. During the year, there were no actual costs incurred.

Note 9 – Net Position and Fund Balances

Restricted Net Position

Restrictions on net position at year end are summarized as follows:

	<u>Expendable</u>
Sewer study (STEAP grant)	\$ 159,310
Water study (STEAP grant)	126,954
Village water line (STEAP grant)	245,400
Town Clerk document restoration	2,071
LOCIP capital improvements	20,991
Scholarships	<u>49,996</u>
	<u>\$ 604,722</u>

Fund Balances

	<u>General Fund</u>	<u>Capital Nonrecurring</u>	<u>Capital Projects Fund</u>	<u>Emergency Services Center</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Prepaid expenses	\$ 2,212	\$ -	\$ -	\$ -	\$ -	\$ 2,212
Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,368</u>	<u>4,368</u>
	<u>2,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,368</u>	<u>6,580</u>
Restricted:						
Capital projects	-	23,062	531,664	-	-	554,726
Education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,996</u>	<u>49,996</u>
	<u>-</u>	<u>23,062</u>	<u>531,664</u>	<u>-</u>	<u>49,996</u>	<u>604,722</u>
Committed:						
Capital projects	-	76,806	308,541	-	-	385,347
Inland Wetland mitigation	-	-	-	-	13,242	13,242
Open space	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,585</u>	<u>3,585</u>
	<u>-</u>	<u>76,806</u>	<u>308,541</u>	<u>-</u>	<u>16,827</u>	<u>402,174</u>
Assigned:						
General government	8,937	-	-	-	-	8,937
Public safety	13,478	-	-	-	-	13,478
Public works	158,712	-	-	-	-	158,712
Education	<u>186,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,634</u>
	<u>367,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,761</u>
Unassigned	<u>1,805,037</u>	<u>-</u>	<u>-</u>	<u>(734,632)</u>	<u>(12,894)</u>	<u>1,057,511</u>
	<u>\$ 2,175,010</u>	<u>\$ 99,868</u>	<u>\$ 840,205</u>	<u>\$ (734,632)</u>	<u>\$ 58,297</u>	<u>\$ 2,438,748</u>

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Note 10 – Deficit Fund Balances

The Emergency Services Center, School Lunch, and Education Grants funds have deficit fund balances of \$734,632; \$6,620, and \$6,274, respectively, and are expected to be funded by the General Fund, issuance of debt, and intergovernmental grants.

Note 11 – Employee Retirement Plans

The Town maintains three defined contribution plans. The plans are required to be reported as pension trust funds in the financial statements. The pension funds can be changed based on a change in Town policy and the agreement of the collective bargaining units.

Board of Education Pension Plans

At June 30, 2015, there were 15 participants in the Board of Education defined contribution plans below, which are administered as one plan by National Retirement Services, Inc.

Plan #2119

Eligibility in the plan is limited to secretaries, custodians, and the cafeteria administrator all of whom must have completed one-half year of service and have attained the age of twenty and one-half. Participants may contribute voluntarily to the plan. The Town annually contributes an amount equal to 10% of each participant's compensation. Participants are fully vested immediately upon participation in the plan. For the year ended June 30, 2015, the Town contributed \$71,777 to the plan.

Plan #30027

Eligibility in the Board of Education CNBU Money Purchase plan is limited to those employees of the Board of Education who are not participants in the Board of Education Pension Plan above. All participants must have completed six months of service and must have attained age twenty and one-half. Participants may contribute voluntarily to the plan. The Town annually contributes 14% of each participant's compensation. Participants are fully vested immediately upon participation in the plan. For the year ended June 30, 2015, the Town contributed \$87,457 to the plan.

General Government Pension Plan

Eligibility in the plan is limited to the Town Clerk, Tax Collector, members of the United Steelworkers of America (USWA), Municipal Employees Union Independent (MEUI), and Salaried Employees of North America (a division of the USWA) who have completed one year of service. Participants may voluntarily contribute to the plan. The Town's funding policy is as follows:

Municipal Employee Union Independent	7.5% of annual compensation
United Steelworkers of America	8.75% of annual compensation
All other participants employed before 12/01/96	10% of annual compensation
All other participants employed on or after 12/01/96	4% of annual compensation

For the year ended June 30, 2015, the Town contributed \$111,253 to the plan all of which is allocated to the participants' individual retirement. The plan is administered by the Town. There were 22 participants in the plan.

Connecticut Teachers' Retirement System

Description of System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of Significant Accounting Policies

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about the System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

The benefits provided to participants by the System are as follows:

Normal Benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut, is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated Benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 7.25% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$427,807 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$5,900,786. The Town had 87 active participants in the System at June 30, 2015.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries. The Scale AA projection to 2019 of the RP-2000 mortality rates with two-year setbacks continues to provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience. The post-retirement mortality rates are multiplied by 75% for death in active service. The post-retirement mortality rates are set forward ten years for the period after disability retirement.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset 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 Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Mutual Equity	21.0%	7.3%
Developed Markets ISF	18.0%	7.5%
Emerging Markets ISF	9.0%	8.6%
Core Fixed Income	7.0%	1.7%
Emerging Market Debt	5.0%	4.8%
High Yield	5.0%	3.7%
Inflation Linked Bonds	3.0%	1.3%
Liquidity Fund	6.0%	0.4%
Real Estate	7.0%	5.9%
Private Investments	11.0%	10.9%
Alternative Investments	6.0%	0.7%

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease <u>(7.50%)</u>	Current Discount Rate <u>(8.50%)</u>	1% Increase <u>(9.50%)</u>
Sensitivity of the proportionate Share of the net pension liability	\$ 19,308,020	\$ 15,130,003	\$ 11,578,565

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

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$15,130,003 and 100% of the collective net pension liability is allocated to the State.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$1,135,183 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Note 12 – Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or four prior years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes Section 7-479a et. seq. for some of its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

Note 13 – Contingent Liabilities and Commitments

Grants

Amounts received, or receivable from grant agencies, are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Various Lawsuits

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Note 14 – Other Post Employment Benefits (OPEB)

Plan Description

The North Stonington Public Schools Other Post Employment Benefit Program is a single-employer defined benefit plan administered by the Town of North Stonington, Connecticut, in accordance with various collective bargaining agreements. The plan does not issue separate financial statements.

Eligibility	Teachers and Administrators – A teacher or administrator retiring under the Connecticut State Teachers' Retirement System shall be eligible to receive health benefits for self and spouse. Normal retirement for teachers and administrators is the earlier of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earlier of age 60 with 10 years of service, any age with 25 years of service.
	All Others – A member retiring at age 55 years or older shall be eligible to continue health insurance coverage for self and spouse. Coverage is pre-65 only.

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Medical and Dental Benefits:	Teachers and Administrators – Employees and their spouses are eligible to continue medical and dental coverage upon retirement by paying the full cost of the applicable premium. Teachers and administrators eligible to participate in Medicare are allowed to continue coverage until age 65. Teachers and administrators hired prior to April 1, 1986, who are not eligible to participate in Medicare are allowed to continue coverage for their life and the life of their spouse.
Life Insurance:	Administrators receive \$50,000 from retirement until age 65 paid for by the Town.

Actuarial Assumptions and Methods

Latest Actuarial Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4.00%
Payroll Growth Rate	4.50%
Medical Inflation	Initial rate of 8.5% grading down to an ultimate inflation rate of 5% over a 10 year period.
Amortization Method	Open, level percentage of projected payroll over 30 years.
Mortality Table	RP-2000 Health Mortality Table projected generationally with Scale AA.
Disability Rates	None assumed.
Turnover	Teachers and Administrators – rates based on gender and length of service for the first 10 years and gender and age thereafter. All others – rates based on age.
Retirement	Teachers and Administrators – rates based on age, eligibility for pension benefits, and gender. All others – 5% at age 55 with 10 years of service as a base and increasing thereafter.
Future Retiree Coverage	Teachers and Administrators – 9% are assumed to elect coverage at retirement.
Future Dependent Coverage	All others – 10% are assumed to elect coverage at retirement. Male 50%; Female 30% with female spouses assumed to be 3 years younger than males.

Schedule of Funding Progress

There is no requirement for funding and the plan has not been funded. The Town has not yet established a formal funding plan or a trust.

Plan Participants

The plan had the following number of participants as of July 1, 2014:

Active	123
Retirees	12
Dependents	<u>4</u>
Total	<u>139</u>

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Schedule of Employer Contributions

The schedule of employer contributions is as follows:

Schedule of Employer Contributions			
Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2015	\$ 283,920	\$ 126,842	44.69%
2014	232,007	88,193	38.01%
2013	232,007	69,425	29.92%
2012	149,030	189,390	127.08%
2011	421,030	155,575	36.95%
2010	385,000	189,000	49.09%

Annual Required Contribution (ARC)

The Annual Required Contribution (ARC) for the OPEB plan consists of two pieces:

Past Service Cost (a catch-up accrual to amortize the Unfunded Accrued Liability). The amortization period is 30 years starting on July 1, 2007. The ARC is assumed to be paid at the beginning of the fiscal year. Interest is also calculated on the Unfunded Accrued Liability and added to the Annual Required Contribution.

Normal Cost is the present value of the portion of the projected benefit attributable to the current year (the cost of benefits earned each year should be accrued in that year).

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The annual calculation of Annual Required Cost (ARC) is as follows:

Past Service Cost	\$ 179,547
Normal Cost	93,453
Interest	<u>10,920</u>
Annual Required Contribution (ARC)	<u>\$ 283,920</u>

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	\$ 283,920
Interest on net OPEB obligation	40,663
Adjustment to annual required contribution	<u>(31,431)</u>
Annual OPEB cost (AOC)	293,152
Contributions made	<u>(126,842)</u>
Increase in net OPEB obligation	166,310
Net OPEB obligation, beginning of year	<u>1,016,586</u>
Net OPEB obligation, end of year	<u>\$ 1,182,896</u>

Town of North Stonington, Connecticut
Notes to Financial Statements (continued)

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution Made</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/15	\$ 293,152	\$ 126,842	43.3%	\$ 1,182,896
6/30/14	238,667	88,193	37.0%	1,016,586
6/30/13	237,375	69,425	29.0%	866,112

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2014 (the date of the most recent actuarial valuation) was as follows:

<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (b)</u>	<u>(Unfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
\$ -	\$ 5,779,313	\$ 5,779,313	0.0%	\$ 7,626,130	75.8%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

Other Disclosures

The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Note 15 – Adoption of Accounting Standards

The Town adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, during the current fiscal year for the Connecticut State Teachers' Retirement System. The adoption of this statement had no effect on the recording of amounts in the Town's financial statements. However, the statement did require significant additional footnote disclosures regarding the System.

Note 16 – Recently Issued Accounting Standards

The Governmental Accounting Standards Board has issued new accounting standards that will become effective in future years. The Town has not yet determined what effect, if any, these new accounting standards will have on its financial statements.

GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB 74 addresses reporting by OPEB plans that administer benefits on behalf of governments. This Statement requires more extensive note disclosures and Required Supplemental Information (RSI) (similar to GASB 67) related to the measurement of the OPEB liabilities for accumulated assets in addition to note disclosures. GASB 74 will be effective for fiscal years beginning after December 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement will require more extensive note disclosures and Required Supplementary Information (RSI) about their OPEB liabilities (similar to GASB 68). GASB 75 will be effective for fiscal years beginning after December 15, 2017.

Note 17 – Subsequent Events

At a Special Town Meeting on July 22, 2013, a \$6,360,000 appropriation was authorized to be expended for the costs related to the design and construction of the new emergency services complex and improvements to be located at 25 Rocky Hollow Road. Also authorized, was the issuance of \$6,360,000 of bonds and notes to fund the authorized appropriation.

During the current year, the Town issued a new BAN in the amount of \$1,200,000. Subsequent to year end, the new BANS were paid off through the issuance of \$2,600,000 of BANS. The additional proceeds will be used for the Emergency Services Center as authorized in July 2013.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF NORTH STONINGTON, CONNECTICUT

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<u>2015</u>
Town's proportion of the net pension liability	0.149190%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>15,130,003</u>
Total	<u><u>\$ 15,130,003</u></u>
 Town's covered-employee payroll	 <u><u>\$ 5,900,786</u></u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	 <u><u>0.00%</u></u>
System fiduciary net position as a percentage of the total pension liability	 <u><u>61.51%</u></u>

Notes to Connecticut State Teachers' Retirement System

Changes of Assumptions

In 2011, rates of withdrawal, retirement, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00 percent
Salary increase	3.75-7.00 percent, including inflation
Investment rate of return	8.50 percent, net of investment related expense

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Revenues:					
Property taxes, interest and lien fees:					
General property taxes - current	\$ 13,235,368	\$ -	\$ 13,235,368	\$ 13,419,580	\$ 184,212
General property taxes - past	150,000	-	150,000	114,103	(35,897)
Supplemental motor vehicles	85,000	-	85,000	-	(85,000)
Interest and lien fees	85,000	-	85,000	120,234	35,234
	13,555,368	-	13,555,368	13,653,917	98,549
Interest and investment earnings	2,000	-	2,000	815	(1,185)
Intergovernmental:					
Education cost sharing	2,906,538	-	2,906,538	2,906,761	223
Casino revenue	888,818	-	888,818	893,855	5,037
State aid for town road	239,543	-	239,543	239,744	201
Local and vocational transportation	54,672	-	54,672	59,030	4,358
Excess special education	42,000	-	42,000	-	(42,000)
Local capital improvement program	48,378	-	48,378	98,346	49,968
Police reimbursement	40,000	-	40,000	76,595	36,595
Telecommunications revenue share	32,134	-	32,134	15,531	(16,603)
PILOT program reimbursement	23,006	-	23,006	23,626	620
Elderly exemption reimbursement	38,720	-	38,720	40,436	1,716
Magnet school transportation	9,750	-	9,750	13,000	3,250
Regional adult education	7,346	-	7,346	7,477	131
Veterans exemption reimbursement	7,832	-	7,832	5,989	(1,843)
Records preservation	7,000	-	7,000	5,000	(2,000)
Non-public nurse reimbursement	1	-	1	4,345	4,344
Disabled exemption reimbursement	473	-	473	551	78
Tuition reimbursement	25,987	-	25,987	37,659	11,672
STEAP	200,000	-	200,000	-	(200,000)
FEMA storm reimbursement	82,500	-	82,500	24,274	(58,226)
Boombridge road	48,800	-	48,800	32,907	(15,893)
Other	13,530	-	13,530	3,000	(10,530)
	4,717,028	-	4,717,028	4,488,126	(228,902)
Licenses, fees, fines and charges:					
Licenses, permits, conveyance taxes	80,000	-	80,000	81,068	1,068
Recreation Commission	48,000	-	48,000	47,680	(320)
Building official	28,000	-	28,000	35,210	7,210
Town Clerk LOCIP	1	-	1	-	(1)
Town Clerk restoration fees	1,200	-	1,200	-	(1,200)
Sanitation	600	-	600	665	65
	157,801	-	157,801	164,623	6,822

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
Other:					
Contractor's tipping fees	\$ 99,000	\$ -	\$ 99,000	\$ 97,901	\$ (1,099)
Transfer stickers	1	-	1	-	(1)
Rent Hewitt Property	41,292	-	41,292	37,965	(3,327)
Sale of town vehicles	1	-	1	450	449
Bulk waste fees	1	-	1	-	(1)
Sanitary landfill - sale of recyclables	10,000	-	10,000	13,735	3,735
SCRRRA subsidy	10,750	-	10,750	10,662	(88)
Miscellaneous	18,000	-	18,000	5,370	(12,630)
Zoning Enforcement Officer	3,500	-	3,500	2,980	(520)
Town engineering - road inspection	1	-	1	-	(1)
Planning and Zoning	1,800	-	1,800	404	(1,396)
Inland Wetlands	750	-	750	396	(354)
Assessor's Office	1,000	-	1,000	515	(485)
GIS services	50	-	50	-	(50)
Conservation Commission	1	-	1	-	(1)
Canine account	50	-	50	1,271	1,221
Fire Marshall	1	-	1	80	79
Sale of fixed assets	1	-	1	225	224
Transfer in deobligated capital projects	1	837	838	35,426	34,588
CIRMA credits	7,500	-	7,500	5,824	(1,676)
	193,700	837	194,537	213,204	18,667
Total revenues	\$ 18,625,897	\$ 837	\$ 18,626,734	\$ 18,520,685	\$ (106,049)

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
General Government:					
Salaries:					
First Selectman	\$ 59,997	\$ -	\$ 59,997	\$ 60,231	\$ (234)
Second Selectman	2,497	-	2,497	2,497	-
Third Selectman	2,497	-	2,497	2,497	-
Secretary	53,350	-	53,350	53,633	(283)
Bookkeeper	46,155	-	46,155	46,474	(319)
Boards of Commissions clerical	250	-	250	-	250
Selectmen's expenditures	2,500	-	2,500	2,585	(85)
Office expenditures	2,000	-	2,000	929	1,071
Council of Small Towns	825	-	825	825	-
Certifications/seminars	250	-	250	250	-
SE CT Council of Governments	2,913	-	2,913	2,913	-
Auditing and accounting/consulting	1,500	-	1,500	-	1,500
	<u>174,734</u>	<u>-</u>	<u>174,734</u>	<u>172,834</u>	<u>1,900</u>
Probate Court	<u>1,794</u>	<u>-</u>	<u>1,794</u>	<u>1,794</u>	<u>-</u>
Board of Finance:					
Operating expenditures	500	-	500	102	398
Auditing	15,000	-	15,000	12,650	2,350
	<u>15,500</u>	<u>-</u>	<u>15,500</u>	<u>12,752</u>	<u>2,748</u>
Assessor's Office:					
Salaries:					
Assessor	65,253	-	65,253	65,504	(251)
Assessor assistant	44,678	-	44,678	44,850	(172)
Office expenditures	2,500	-	2,500	2,482	18
Seminars	300	-	300	395	(95)
Computer	10,675	-	10,675	9,850	825
Travel expenditures	300	-	300	309	(9)
	<u>123,706</u>	<u>-</u>	<u>123,706</u>	<u>123,390</u>	<u>316</u>
Board of Tax Review	<u>1,900</u>	<u>-</u>	<u>1,900</u>	<u>1,235</u>	<u>665</u>
Tax Collector:					
Salaries:					
Tax Collector	33,600	-	33,600	38,123	(4,523)
Clerical	5,117	-	5,117	-	5,117
Office expenditures	9,000	-	9,000	7,864	1,136
Computer	8,600	-	8,600	8,388	212
Travel expenditures	150	-	150	634	(484)
	<u>56,467</u>	<u>-</u>	<u>56,467</u>	<u>55,009</u>	<u>1,458</u>
Town Treasurer:					
Salary	6,690	-	6,690	6,741	(51)
Office expenditures	-	-	-	-	-
Travel expenditures	-	-	-	-	-
	<u>6,690</u>	<u>-</u>	<u>6,690</u>	<u>6,741</u>	<u>(51)</u>
Town Attorney	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>49,995</u>	<u>10,005</u>
Annexation Related:					
Annexation related	2,000	-	2,000	1,995	5
Tribal recognition	45,000	51,900	96,900	96,900	-
	<u>47,000</u>	<u>51,900</u>	<u>98,900</u>	<u>98,895</u>	<u>5</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Town Clerk:					
Salaries:					
Town Clerk	\$ 44,609	\$ -	\$ 44,609	\$ 44,781	\$ (172)
Assistant	15,350	-	15,350	15,547	(197)
Office expenditures	3,500	-	3,500	8,342	(4,842)
Land records	8,687	-	8,687	8,455	232
	72,146	-	72,146	77,125	(4,979)
Planning and Zoning Commission:					
Salaries:					
Zoning Officer	55,744	-	55,744	45,008	10,736
Assistant	38,916	-	38,916	36,964	1,952
Operating expenditures	6,250	-	6,250	2,976	3,274
Travel expenditures	750	-	750	280	470
Attorney	20,000	-	20,000	13,684	6,316
Contracted consulting services	6,000	5,500	11,500	5,500	6,000
Contracted planner	25,000	-	25,000	23,761	1,239
	152,660	5,500	158,160	128,173	29,987
Building Department:					
Salaries:					
Building Official	29,235	-	29,235	29,348	(113)
Operating expenditures	500	-	500	304	196
Travel expenditures	1,200	-	1,200	158	1,042
	30,935	-	30,935	29,810	1,125
Zoning Board of Appeals	1,750	-	1,750	270	1,480
School Building and Planning Committee:					
Permanent School Building Committee	100	-	100	-	100
Ad Hoc School Building Committee	100	-	100	-	100
	200	-	200	-	200
Economic Development Commission:					
Operating expenditures	7,350	-	7,350	6,934	416
CT Regional Economic Development	2,001	-	2,001	1,854	147
Consulting	31,700	(5,055)	26,645	13,270	13,375
Affordable housing	1,000	-	1,000	995	5
	42,051	(5,055)	36,996	23,053	13,943
Recreation Commission:					
Salaries:					
Administrative	22,509	-	22,509	22,592	(83)
Camp Directors, etc.	14,422	-	14,422	17,314	(2,892)
Program expenditures	42,904	-	42,904	41,990	914
Maintenance	3,450	-	3,450	1,068	2,382
Administrative expenditures	9,212	-	9,212	9,310	(98)
	92,497	-	92,497	92,274	223
Inland Wetlands Commission:					
Operating expenditures	1,500	-	1,500	258	1,242
Wages - Enforcement Officer	6,889	-	6,889	6,889	-
Travel expenditures	200	-	200	-	200
	8,589	-	8,589	7,147	1,442
Conservation Commission	2,500	-	2,500	1,862	638

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Water Pollution Control Authority:					
WPCA expenditures	\$ 1	\$ -	\$ 1	\$ -	\$ 1
WPCA engineering expenditures	1	-	1	-	1
WPCA auditing	1	-	1	-	1
	3	-	3	-	3
Fixed Charges:					
Town insurance	62,000	-	62,000	62,007	(7)
Volunteer fire co. insurance	23,500	-	23,500	23,500	-
Ambulance association insurance	11,160	-	11,160	10,610	550
Workers compensation insurance	17,475	-	17,475	16,781	694
Social security	118,725	-	118,725	114,561	4,164
Medical insurance	350,896	-	350,896	313,009	37,887
Employee benefits - pension	97,665	-	97,665	88,706	8,959
Volunteer incentive award - fire	31,000	-	31,000	31,000	-
Volunteer activity stipend - fire	44,000	-	44,000	44,000	-
Volunteer incentive ambulance	7,500	-	7,500	6,152	1,348
	763,921	-	763,921	710,326	53,595
Elections and Town Meetings:					
Salaries:					
Registrar of Voters	5,033	-	5,033	5,033	-
Registrar of Voters	5,033	-	5,033	5,033	-
Expenses	21,818	-	21,818	12,985	8,833
	31,884	-	31,884	23,051	8,833
Town Hall:					
Expenditures	53,000	-	53,000	49,996	3,004
Leasing equipment	10,000	-	10,000	9,045	955
Holly Green rental - nursing	8,500	-	8,500	6,861	1,639
	71,500	-	71,500	65,902	5,598
Social Services/Welfare:					
Social Services Coordinator	7,825	-	7,825	7,750	75
New London Hospitality Center	500	-	500	500	-
Pawcatuck Neighborhood Center	19,500	-	19,500	19,500	-
Family services	1,000	-	1,000	1,000	-
American Red Cross	500	-	500	500	-
Women's Center	2,500	-	2,500	2,500	-
Frank Olean Regional Center	1,000	-	1,000	1,000	-
NL County ARC	1,575	-	1,575	1,575	-
Easter Seals Rehabilitation Center	1,000	-	1,000	1,000	-
TVCCA	1,500	-	1,500	1,500	-
Literacy volunteers	500	-	500	500	-
Salvation Army	500	-	500	500	-
Mystic Shelter	2,000	-	2,000	2,000	-
United Way of SE CT	500	-	500	500	-
	40,400	-	40,400	40,325	75
Selectmen's Engineering Service:					
Engineering for selectmen	2,500	-	2,500	1,480	1,020
Inspection of existing roads	2,500	-	2,500	-	2,500
	5,000	-	5,000	1,480	3,520

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Information Technology:					
Coordinator	\$ 38,038	\$ -	\$ 38,038	\$ 39,333	\$ (1,295)
Office expense	300	-	300	132	168
On-line GIS maps	12,000	-	12,000	12,000	-
Computer maintenance	13,975	-	13,975	12,546	1,429
	<u>64,313</u>	<u>-</u>	<u>64,313</u>	<u>64,011</u>	<u>302</u>
Public Safety:					
911 dispatching	52,819	-	52,819	52,819	-
Volunteer fire company	114,340	-	114,340	114,340	-
Fire Marshal	11,656	-	11,656	11,656	-
Fire Marshal operating expenditures	2,000	-	2,000	1,820	180
State troopers	422,168	69,880	492,048	492,783	(735)
Civil preparedness agency stipend	6,120	-	6,120	6,120	-
Civil preparedness expenditures	3,000	-	3,000	3,201	(201)
Emergency generator service contract	1,800	-	1,800	1,587	213
Animal control salary	20,277	-	20,277	19,078	1,199
Animal control assistant salary	1,000	-	1,000	599	401
Animal control operating expenditures	9,550	-	9,550	6,397	3,153
Dog damages	1	-	1	-	1
Ambulance association	250,000	-	250,000	246,017	3,983
	<u>894,731</u>	<u>69,880</u>	<u>964,611</u>	<u>956,417</u>	<u>8,194</u>
Public Works:					
Highway:					
Local capital improvements	49,000	-	49,000	49,000	-
State aided - town roads	239,543	-	239,543	239,543	-
Town road maintenance	185,000	-	185,000	138,262	46,738
Town garage expenditures	23,000	-	23,000	26,443	(3,443)
Machinery and maintenance repairs	60,500	-	60,500	109,192	(48,692)
Street lights	10,000	-	10,000	9,328	672
Highway foreman	81,143	-	81,143	81,455	(312)
Labor	538,155	-	538,155	566,346	(28,191)
Supplies	36,000	-	36,000	36,736	(736)
Diesel and gas	77,000	-	77,000	69,544	7,456
Town property - maintenance	7,750	-	7,750	4,647	3,103
Town property - labor	12,500	-	12,500	23,803	(11,303)
Tree warden	1,500	-	1,500	1,500	-
Hewitt farm property	5,000	-	5,000	1,739	3,261
Tree maintenance	25,000	-	25,000	13,174	11,826
Contracted services	19,527	-	19,527	4,004	15,523
	<u>1,370,618</u>	<u>-</u>	<u>1,370,618</u>	<u>1,374,716</u>	<u>(4,098)</u>
Sanitary Landfill:					
Labor	169,776	-	169,776	172,641	(2,865)
State mandated surveys	2,500	-	2,500	3,450	(950)
State license fees	2,400	-	2,400	2,275	125
SCRRA - tipping fees	165,000	-	165,000	164,123	877
SCRRA - membership fee	500	-	500	-	500
Hazardous waste collection	1,500	-	1,500	-	1,500
Water sampling /lab testing	20,000	-	20,000	10,605	9,395
Transfer station expenditures	16,501	-	16,501	11,470	5,031
Contractual services	11,250	-	11,250	20,252	(9,002)
	<u>389,427</u>	<u>-</u>	<u>389,427</u>	<u>384,816</u>	<u>4,611</u>
Total public works	<u>1,760,045</u>	<u>-</u>	<u>1,760,045</u>	<u>1,759,532</u>	<u>513</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
Conservation of Health:					
Public Health Nursing/VNA	\$ 4,600	\$ -	\$ 4,600	\$ 1,991	\$ 2,609
Hepatitis B vaccinations	500	-	500	-	500
Director of Health	6,242	-	6,242	6,242	-
Director of Health operating expenditures	500	-	500	53	447
Sanitarian food service wages	6,000	-	6,000	3,845	2,155
Sanitarian well and septic salary	15,154	-	15,154	15,193	(39)
Sanitarian operating expenditures	400	-	400	-	400
	<u>33,396</u>	<u>-</u>	<u>33,396</u>	<u>27,324</u>	<u>6,072</u>
Senior Citizens:					
Agent for the Elderly wages	11,653	-	11,653	11,696	(43)
Agent for the Elderly operating expenditures	1,200	-	1,200	243	957
Senior Citizens Center Coordinator	20,670	-	20,670	20,643	27
Senior Citizens Center - operating expenditures	25,000	-	25,000	25,567	(567)
	<u>58,523</u>	<u>-</u>	<u>58,523</u>	<u>58,149</u>	<u>374</u>
Miscellaneous:					
Cemeteries	5,000	-	5,000	4,290	710
Tax refunds	1	-	1	17,221	(17,220)
Annual memberships and dues	3,800	-	3,800	3,480	320
Wheeler Library	26,000	-	26,000	26,000	-
Miscellaneous	750	-	750	428	322
	<u>35,551</u>	<u>-</u>	<u>35,551</u>	<u>51,419</u>	<u>(15,868)</u>
Total general government expenditures	4,650,386	122,225	4,772,611	4,640,295	132,316
Redemption of Debt:					
Bridge principal	32,777	-	32,777	-	32,777
BAN Interest (1/2014)	12,133	-	12,133	12,134	(1)
BAN Interest (5/2014)	15,794	-	15,794	15,794	-
BAN principal	-	-	-	300,340	(300,340)
Engine refurbishment	37,500	-	37,500	-	37,500
Stonewalls	93,333	-	93,333	-	93,333
Sewer study	53,333	-	53,333	-	53,333
Hewitt dam repairs	116,666	-	116,666	-	116,666
Truck principal	72,000	-	72,000	-	72,000
School boiler principal	96,444	-	96,444	-	96,444
	<u>529,980</u>	<u>-</u>	<u>529,980</u>	<u>328,268</u>	<u>201,712</u>
Education	12,739,602	19,500	12,759,102	12,685,950	73,152
Capital Outlay:					
Public Works:					
New or used equipment	11,000	-	11,000	11,000	-
Miscellaneous equipment	5,000	-	5,000	5,000	-
Sweeper	38,973	-	38,973	38,973	-
Boiler replacement	28,000	-	28,000	28,000	-
Bucket truck (used)	40,000	-	40,000	40,000	-
	<u>122,973</u>	<u>-</u>	<u>122,973</u>	<u>122,973</u>	<u>-</u>
Transfer Station/Bulk Waste Area	5,000	-	5,000	5,000	-

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
Capital Outlay (Continued):					
Selectmen:					
Ambulance equipment	\$ 6,400	\$ -	\$ 6,400	\$ 6,400	\$ -
Computer - Town Hall	11,500	-	11,500	11,500	-
Recreation pavilion & fields	2,500	-	2,500	2,500	-
Open space acquisition	10,000	-	10,000	10,000	-
Selectmen's office equipment and furniture	1,000	-	1,000	1,000	-
Town buildings maintenance	25,000	-	25,000	25,000	-
Town clerk - records preservation	7,000	-	7,000	7,000	-
Fire company - equipment/hose	4,500	-	4,500	4,500	-
Fire company - training	8,000	-	8,000	8,000	-
Fire company - turnout gear	15,000	-	15,000	15,000	-
Senior Center van	38,000	-	38,000	38,000	-
Fire company - rescue gear	4,650	-	4,650	4,650	-
Civil preparedness	1,000	-	1,000	1,000	-
Narrow band radio upgrade	53,526	-	53,526	53,526	-
Wheeler Library repair	50,000	-	50,000	50,000	-
Dog pound improvements	2,000	-	2,000	2,000	-
Fire company - scuba	7,600	22,859	30,459	30,459	-
	<u>247,676</u>	<u>22,859</u>	<u>270,535</u>	<u>270,535</u>	<u>-</u>
Assessor Revaluation Expense	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Nonrecurring School Expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Other Capital	<u>-</u>	<u>245,400</u>	<u>245,400</u>	<u>216,082</u>	<u>29,318</u>
Total capital outlay	<u>405,649</u>	<u>268,259</u>	<u>673,908</u>	<u>644,590</u>	<u>29,318</u>
Total expenditures	<u>\$ 18,325,617</u>	<u>\$ 409,984</u>	<u>\$ 18,735,601</u>	<u>\$ 18,299,103</u>	<u>\$ 436,498</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	School Lunch Fund	Education Grants	Inland Wetland Mitigation	Open Space	Scholarships Held by School	Housing Rehab Program	Bridge Fund	Total
<u>Assets</u>								
Cash and cash equivalents	\$ 23,298	\$ -	\$ 13,242	\$ 3,585	\$ 49,996	\$ 1,368	\$ -	\$ 91,489
Receivables	13,836	1,076	-	-	-	-	-	14,912
Inventory	4,368	-	-	-	-	-	-	4,368
Due from other funds	33	-	-	-	-	-	-	33
Total assets	\$ 41,535	\$ 1,076	\$ 13,242	\$ 3,585	\$ 49,996	\$ 1,368	\$ -	\$ 110,802
<u>Liabilities and Fund Balances (Deficits)</u>								
Liabilities:								
Due to other funds	\$ -	\$ 5,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,248
Accrued expenses	43,787	-	-	-	-	-	-	43,787
Deferred grant revenue	-	2,102	-	-	-	1,368	-	3,470
Total liabilities	43,787	7,350	-	-	-	1,368	-	52,505
Fund Balances (Deficits):								
Nonspendable	4,368	-	-	-	-	-	-	4,368
Restricted	-	-	-	-	49,996	-	-	49,996
Committed	-	-	13,242	3,585	-	-	-	16,827
Assigned	-	-	-	-	-	-	-	-
Unassigned	(6,620)	(6,274)	-	-	-	-	-	(12,894)
Total fund balances (deficits)	(2,252)	(6,274)	13,242	3,585	49,996	-	-	58,297
Total liabilities and fund balances (deficits)	\$ 41,535	\$ 1,076	\$ 13,242	\$ 3,585	\$ 49,996	\$ 1,368	\$ -	\$ 110,802

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2015**

	School Lunch Fund	Education Grants	Inland Wetland Mitigation	Open Space	Scholarships Held by School	Housing Rehab Program	Bridge Fund	Total
Revenues:								
Intergovernmental	\$ 87,408	\$ 308,303	\$ -	\$ -	\$ -	\$ 12,662	\$ -	\$ 408,373
Local	135,847	23,453	13,242	3,585	9,716	-	-	185,843
Total revenues	<u>223,255</u>	<u>331,756</u>	<u>13,242</u>	<u>3,585</u>	<u>9,716</u>	<u>12,662</u>	<u>-</u>	<u>594,216</u>
Expenditures:								
Current:								
General government	-	-	-	-	836	12,662	110	13,608
Education	258,080	332,095	-	-	5,500	-	-	595,675
Total expenditures	<u>258,080</u>	<u>332,095</u>	<u>-</u>	<u>-</u>	<u>6,336</u>	<u>12,662</u>	<u>110</u>	<u>609,283</u>
Excess of revenues over (under) expenditures	<u>(34,825)</u>	<u>(339)</u>	<u>13,242</u>	<u>3,585</u>	<u>3,380</u>	<u>-</u>	<u>(110)</u>	<u>(15,067)</u>
Other Financing Sources (Uses):								
Transfers in (out)	-	-	-	-	-	-	(29,318)	(29,318)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,318)</u>	<u>(29,318)</u>
Net change in fund balances (deficits)	<u>(34,825)</u>	<u>(339)</u>	<u>13,242</u>	<u>3,585</u>	<u>3,380</u>	<u>-</u>	<u>(29,428)</u>	<u>(44,385)</u>
Fund balances (deficits), beginning of year	<u>32,573</u>	<u>(5,935)</u>	<u>-</u>	<u>-</u>	<u>46,616</u>	<u>-</u>	<u>29,428</u>	<u>102,682</u>
Fund balances (deficits), end of year	<u>\$ (2,252)</u>	<u>\$ (6,274)</u>	<u>\$ 13,242</u>	<u>\$ 3,585</u>	<u>\$ 49,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,297</u>

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	General Government Retirement	Board of Education Retirement	Total
<u>Assets</u>			
Investments	\$ 1,793,869	\$ 1,077,346	\$ 2,871,215
Other receivables	71,777	-	71,777
Total assets	<u>\$ 1,865,646</u>	<u>\$ 1,077,346</u>	<u>\$ 2,942,992</u>
<u>Fund Balances</u>			
Fund Balances:			
Held in trust for pension benefits and other purposes	\$ 1,865,646	\$ 1,077,346	\$ 2,942,992
Total fund balances	<u>\$ 1,865,646</u>	<u>\$ 1,077,346</u>	<u>\$ 2,942,992</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	General Government Retirement	Board of Education Retirement	Total
<u>Additions:</u>			
Employer contributions, net of \$16,630 of forfeitures	\$ 111,253	\$ 74,406	\$ 185,659
Investment earnings	49,427	11,890	61,317
Total additions	<u>160,680</u>	<u>86,296</u>	<u>246,976</u>
<u>Deductions:</u>			
Distributions	<u>22,624</u>	<u>274,779</u>	<u>297,403</u>
Total deductions	<u>22,624</u>	<u>274,779</u>	<u>297,403</u>
Net increase (decrease)	138,056	(188,483)	(50,427)
Fund balances, beginning of year	<u>1,727,590</u>	<u>1,265,829</u>	<u>2,993,419</u>
Fund balances, end of year	<u><u>\$ 1,865,646</u></u>	<u><u>\$ 1,077,346</u></u>	<u><u>\$ 2,942,992</u></u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

	Student Activity Fund	Performance Bonds	Total
<u>Assets</u>			
Beginning balance - cash	\$ 59,485	\$ 140,388	\$ 199,873
Additions	187,472	30,418	217,890
Deductions	167,492	35,010	202,502
Ending balance - cash	79,465	135,796	215,261
Beginning balance - investments	70,049	-	70,049
Additions	-	-	-
Deductions	70,049	-	70,049
Ending balance - investments	-	-	-
Total assets	\$ 79,465	\$ 135,796	\$ 215,261
<u>Liabilities</u>			
Beginning balance - due to student groups	\$ 83,910	\$ -	\$ 83,910
Additions	187,472	-	187,472
Deductions	191,917	-	191,917
Ending balance - due to student groups	79,465	-	79,465
Beginning balance - due to developers	-	74,917	74,917
Additions	-	95,889	95,889
Deductions	-	35,010	35,010
Ending balance - due to developers	-	135,796	135,796
Beginning balance - due to other funds	45,624	65,471	111,095
Additions	-	-	-
Deductions	45,624	65,471	111,095
Ending balance - due to other funds	-	-	-
Total liabilities	\$ 79,465	\$ 135,796	\$ 215,261

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**CAPITAL NONRECURRING FUND
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	Beginning Balance	General Fund Budget	Additional Transfers	Internal Transfers	Revenues	Total Available	Expenditures	Ending Balance
Restricted fund balance								
Town Clerk document restoration	\$ 11,329	\$ -	\$ -	\$ -	\$ 742	\$ 12,071	\$ 10,000	\$ 2,071
LOCIP capital improvements	18,750	-	-	-	2,241	20,991	-	20,991
Total restricted	<u>30,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,983</u>	<u>33,062</u>	<u>10,000</u>	<u>23,062</u>
Committed fund balance								
Revaluation	61,302	15,000	-	-	-	76,302	16,389	59,913
Town equipment	-	16,000	-	-	-	16,000	6,137	9,863
Nonrecurring school funds	33,569	15,000	-	-	-	48,569	48,539	30
Conservation and development	837	-	(837)	-	-	-	-	-
Town Clerk preservation	-	7,000	-	-	-	7,000	-	7,000
Total committed	<u>95,708</u>	<u>53,000</u>	<u>(837)</u>	<u>-</u>	<u>-</u>	<u>147,871</u>	<u>71,065</u>	<u>76,806</u>
Total	<u>\$ 125,787</u>	<u>\$ 53,000</u>	<u>\$ (837)</u>	<u>\$ -</u>	<u>\$ 2,983</u>	<u>\$ 180,933</u>	<u>\$ 81,065</u>	<u>\$ 99,868</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**CAPITAL PROJECTS FUND
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	Beginning Balance	General Fund Budget	Additional Transfers	Internal Transfers	Revenues	Total Available	Expenditures	Ending Balance
Restricted fund balance								
Water study 1-95 (STEAP)	\$ 183,904	\$ -	\$ -	\$ -	\$ -	\$ 183,904	\$ 56,950	\$ 126,954
Sewer study (STEAP)	163,000	-	-	-	-	163,000	3,690	159,310
Village water line (STEAP)	-	-	245,400	-	-	245,400	-	245,400
Incentive Housing Zone grant	-	-	-	-	20,000	20,000	20,000	-
Total restricted	<u>346,904</u>	<u>-</u>	<u>245,400</u>	<u>-</u>	<u>20,000</u>	<u>612,304</u>	<u>80,640</u>	<u>531,664</u>
Committed fund balance								
Boombridge	51,758	-	-	-	-	51,758	26,201	25,557
Ambulance Association equipment	3,185	6,400	(6,856)	-	-	2,729	2,729	-
Town Hall computer	319	11,500	(333)	-	-	11,486	11,486	-
Storm damage	84,872	-	-	-	-	84,872	84,872	-
Engine refurbishments	3,476	-	(476)	-	-	3,000	3,000	-
Wash station	13	-	(13)	-	-	-	-	-
Selectmen furniture	3	1,000	(381)	-	-	622	622	-
Transfer station improvements	5,000	5,000	(5,013)	-	-	4,987	4,987	-
Wheeler Library repairs	-	50,000	-	-	-	50,000	50,000	-
Hewitt property	132,097	-	-	-	-	132,097	132,097	-
Hewitt Dam	347,230	-	-	-	-	347,230	277,419	69,811
Land acquisition	20,000	10,000	-	-	-	30,000	-	30,000
Town building repair	26,341	25,000	-	-	-	51,341	10,518	40,823
Civil preparedness	2,236	1,000	(2,361)	-	-	875	875	-
Narrow band radio upgrade	67,217	53,526	-	-	-	120,743	1,252	119,491
Recreation pavilion & fields	1,650	2,500	(1,815)	-	-	2,335	2,335	-
Town Hall lot stonewall	135,416	-	(10,520)	-	-	124,896	124,896	-
Equipment hose	-	4,500	-	-	-	4,500	4,500	-
Turnout gear	-	15,000	-	-	-	15,000	15,000	-
Dog pound improvements	-	2,000	-	-	-	2,000	2,000	-
Senior Center van	-	38,000	-	-	-	38,000	38,000	-
Fire Department training, rescue, scuba gear	-	43,109	-	-	-	43,109	20,250	22,859
Sweeper	-	38,973	-	-	-	38,973	38,973	-
Skid steer (used)	-	40,000	-	-	-	40,000	40,000	-
Highway boiler replacement	-	28,000	(6,821)	-	-	21,179	21,179	-
Total committed	<u>880,813</u>	<u>375,508</u>	<u>(34,589)</u>	<u>-</u>	<u>-</u>	<u>1,221,732</u>	<u>913,191</u>	<u>308,541</u>
Total	<u>\$ 1,227,717</u>	<u>\$ 375,508</u>	<u>\$ 210,811</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 1,834,036</u>	<u>\$ 993,831</u>	<u>\$ 840,205</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**LOCIP FUNDS
SUMMARY OF PROJECT BUDGETS - CASH BASIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Beginning Balance	Transfers	Funds Budgeted	Total Available	Total Expended	Monies Received	Pending Receipt *	Ending Balance
Projects approved by the state:								
Northwest Corner Road	\$ 2,236	\$ -	\$ 49,000	\$ 51,236	\$ 49,000	\$ -	\$ -	\$ 2,236
Total approved by the state	<u>2,236</u>	<u>-</u>	<u>49,000</u>	<u>51,236</u>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>2,236</u>
Projects not approved by the state:								
Uncommitted	48,480	-	47,925	96,405	49,000	-	-	47,405
Total not approved by the state	<u>48,480</u>	<u>-</u>	<u>47,925</u>	<u>96,405</u>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>47,405</u>
Total	<u>\$ 50,716</u>	<u>\$ -</u>	<u>\$ 96,925</u>	<u>\$ 147,641</u>	<u>\$ 98,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,641</u>

* Application submitted to State of Connecticut for reimbursement.

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
Salaries:					
Central office	\$ 583,755	\$ 7,777	\$ 591,532	\$ 594,247	\$ (2,715)
Administrators	349,017	-	349,017	349,016	1
Teachers	5,602,800	26,007	5,628,807	5,595,343	33,464
Guidance	150,123	(38,569)	111,554	111,554	-
Secretarial	156,091	-	156,091	168,012	(11,921)
Teacher assistants	297,351	8,533	305,884	284,777	21,107
Library/media	114,266	3,074	117,340	117,340	-
Custodial/grounds	399,394	20,265	419,659	418,933	726
Central office	120,555	15,339	135,894	139,442	(3,548)
Contracted services	111,960	(38,960)	73,000	57,547	15,453
Text books	11,895	(400)	11,495	10,661	834
Library books	13,700	-	13,700	13,540	160
Instructional supplies	136,103	7,495	143,598	181,828	(38,230)
Other expenses, schools	130,996	16,714	147,710	163,937	(16,227)
Supplies, health	4,000	2,801	6,801	6,801	-
Transportation	922,858	(8,785)	914,073	915,680	(1,607)
Heat	112,000	-	112,000	91,324	20,676
Utilities	239,231	-	239,231	208,247	30,984
Custodial supplies	87,750	-	87,750	67,580	20,170
Postage	9,208	-	9,208	9,190	18
Maintenance services	293,823	38,569	332,392	335,404	(3,012)
Lease of equipment	28,484	-	28,484	24,838	3,646
Replacement of equipment	99,818	23,889	123,707	225,090	(101,383)
Social security	201,414	-	201,414	199,871	1,543
Employee benefits	1,879,899	(8,679)	1,871,220	1,659,584	211,636
Employee retirement	91,732	(4,275)	87,457	87,457	-
Student activities	88,989	6,206	95,195	82,728	12,467
Equipment	75,991	(505)	75,486	252,601	(177,115)
Tuition	426,399	(56,996)	369,403	313,378	56,025
Total expenditures	\$ 12,739,602	\$ 19,500	\$ 12,759,102	\$ 12,685,950	\$ 73,152

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7-374(B)
FOR THE YEAR ENDED JUNE 30, 2015**

Total tax collections including interest and
lien fees for the year ended June 30, 2015

\$ 13,658,601

Reimbursement for revenue loss on:

Tax Relief for Elderly (CGS 12-129d)

40,436

Base

\$ 13,699,037

	<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 30,822,833	\$	\$	\$	\$
4 1/2 times base		61,645,667			
3 3/4 times base			51,371,389		
3 1/4 times base				44,521,870	
3 times base					41,097,111
Total debt limitation	<u>30,822,833</u>	<u>61,645,667</u>	<u>51,371,389</u>	<u>44,521,870</u>	<u>41,097,111</u>
Indebtedness:					
General obligation serial note	493,000	-	107,000	-	-
Bond anticipation notes payable	1,200,000	-	-	-	-
Authorized but unissued	<u>5,160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>30,822,833</u>	<u>61,645,667</u>	<u>51,371,389</u>	<u>44,521,870</u>	<u>41,097,111</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ (30,822,833)</u></u>	<u><u>\$ (61,645,667)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (44,521,870)</u></u>	<u><u>\$ (41,097,111)</u></u>

NOTE: In no case shall total indebtedness exceed seven times annual receipts from taxation.

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2015**

Grand List October 1,	Taxes Receivable July 1, 2014	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes Receivable June 30, 2015
		Additions	Deductions			Taxes	Interest and Liens	Total	
2013	\$ 13,727,895	\$ 21,070	\$ 57,191	\$ (612)	\$ 13,691,162	\$ 13,348,746	\$ 48,711	\$ 13,397,457	\$ 342,416
2012	246,838	13,339	31,568	(427)	228,182	141,486	37,777	179,263	86,696
2011	92,754	494	1,385	(829)	91,034	50,721	15,652	66,373	40,313
2010	44,577	879	259	(499)	44,698	11,182	3,522	14,704	33,516
2009	32,207	579	691	(320)	31,775	1,244	1,793	3,037	30,531
2008	20,489	895	712	-	20,672	(1,154)	266	(888)	21,826
2007	21,517	2,157	37	(21,681)	1,956	(615)	252	(363)	2,571
2006	22,309	1,846	-	(22,590)	1,565	(727)	26	(701)	2,292
2005	(224)	2,633	-	(341)	2,068	(213)	-	(213)	2,281
2004	(2,855)	4,057	-	-	1,202	(23)	-	(23)	1,225
2003	(2,390)	3,419	-	-	1,029	-	-	-	1,029
2002	(556)	1,536	-	-	980	25	-	25	955
2001	(2,385)	3,362	-	-	977	(70)	-	(70)	1,047
2000	(460)	1,487	-	-	1,027	-	-	-	1,027
1999	1,783	-	-	-	1,783	-	-	-	1,783
	<u>\$ 14,201,499</u>	<u>\$ 57,753</u>	<u>\$ 91,843</u>	<u>\$ (47,299)</u>	<u>\$ 14,120,110</u>	<u>\$ 13,550,602</u>	<u>\$ 107,999</u>	<u>\$ 13,658,601</u>	<u>\$ 569,508</u>

See accompanying Independent Auditors' Report.