
TOWN OF NORTH STONINGTON, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2023

TOWN OF NORTH STONINGTON, CONNECTICUT

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Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of North Stonington, Connecticut

Report on the Audit of the Financial Statements

Opinions

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 (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Stonington, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the pension and OPEB schedules on pages 4-10, and 47-49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the other supplemental 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 20, 2023, on our consideration of the Town's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
December 20, 2023

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

As management of the Town of North Stonington, CT (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of North Stonington, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27,675,934 (*net position*). Of this amount, \$535,456 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased \$2,442,773.
- As of the close of the current fiscal year, the Town of North Stonington, CT's governmental funds reported combined ending fund balances of \$5,395,686, an increase of \$1,581,546 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,451,986 or 20.7 percent of total General Fund budgeted expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of North Stonington, CT's basic financial statements. The Town of North Stonington, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town of North Stonington, CT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of North Stonington, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of North Stonington, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town has no business-type activities. The governmental activities of the Town of North Stonington, CT include education, public works, public safety, and general government. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities.

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of North Stonington, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of North Stonington, CT can be divided into two categories: governmental funds 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*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of North Stonington, CT, maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the School Modernization Project, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of North Stonington, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-17 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of North Stonington, CT's own programs.

The basic fiduciary fund financial statements can be found on pages 18-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-46 of this report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of North Stonington, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,675,934 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	Variance
Current and Other Assets	\$ 8,295,742	\$ 8,232,251	\$ 63,491
Capital Assets	<u>50,863,676</u>	<u>51,877,149</u>	<u>(1,013,473)</u>
Total Assets	<u><u>59,159,418</u></u>	<u><u>60,109,400</u></u>	<u><u>(949,982)</u></u>
Deferred Outflows of Resources	<u>243,226</u>	<u>375,980</u>	<u>(132,754)</u>
Other Liabilities	1,454,834	3,283,035	(1,828,201)
Long-Term Liabilities	<u>26,198,682</u>	<u>29,557,881</u>	<u>(3,359,199)</u>
Total Liabilities	<u><u>27,653,516</u></u>	<u><u>32,840,916</u></u>	<u><u>(5,187,400)</u></u>
Deferred Inflows of Resources	<u>4,073,194</u>	<u>2,411,303</u>	<u>1,661,891</u>
Net Position:			
Net Investment in Capital Assets	26,191,575	24,547,765	1,643,810
Restricted	948,903	503,619	445,284
Unrestricted	<u>535,456</u>	<u>181,777</u>	<u>353,679</u>
Total Net Position	<u><u>\$ 27,675,934</u></u>	<u><u>\$ 25,233,161</u></u>	<u><u>\$ 2,442,773</u></u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's restricted net position of \$948,903 increased by \$445,284 compared to last years restricted net position of \$503,619.

The Town's unrestricted net position of \$535,456 increased by \$353,679 compared to last years unrestricted net position of \$181,777.

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

STATEMENT OF CHANGES IN NET POSITION

	2023	2022	Variance
REVENUES			
<i>Program:</i>			
Charges for services	\$ 1,222,989	\$ 872,499	\$ 350,490
Operating grants and contributions	7,672,649	5,684,398	1,988,251
Capital grants and contributions	866,140	1,167,753	(301,613)
<i>General:</i>			
Property taxes	17,275,936	16,423,864	852,072
Grants and contributions, not restricted to specific programs	926,950	942,438	(15,488)
Unrestricted investment earnings	39,836	31,709	8,127
Other	94,372	116,743	(22,371)
Total Revenues	28,098,872	25,239,404	2,859,468
EXPENSES			
<i>Governmental Activities:</i>			
General Government	2,556,269	2,632,673	(76,404)
Public Works	1,752,176	2,024,203	(272,027)
Public Safety	1,135,338	1,278,908	(143,570)
Education	19,500,673	17,201,194	2,299,479
Interest on long-term debt	711,643	896,612	(184,969)
Total Expenses	25,656,099	24,033,590	1,622,509
Change in Net Position	2,442,773	1,205,814	\$ 1,236,959
Beginning Net Position	25,233,161	24,027,347	
Ending Net Position	\$ 27,675,934	\$ 25,233,161	

Governmental activities. Governmental activities increased the Town of North Stonington, CT's net position by \$2,442,773.

Sixty-one percent (61%) of the revenues of the Town were derived from property taxes, followed by thirty-four percent (34%) from grants and contributions, four percent (4%) from charges for services and one percent (1%) of the Town's revenue in the fiscal year was derived from investment and other income.

Seventy-six percent (76%) of the expenses of the Town relate to education, ten percent (10%) relate to general government, seven percent (7%) relate to public works, four percent (4%) relate to public safety, three percent (3%) relate to interest expense.

There was an increase in the operating grants and contributions revenue and the education expenses due to an increase in the on-behalf pension and OPEB benefits recognized by the Town in connection with its participation in the State Teachers Retirement System.

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The focus of the Town of North Stonington, CT'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 of North Stonington, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of North Stonington, CT's governmental funds reported combined ending fund balances of \$5,395,686, an increase of \$1,581,546 in comparison with the prior year. Sixty-one percent (61%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the Town of North Stonington, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,451,986. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 20.6 percent of total General Fund budget basis expenditures.

The fund balance of the Town of North Stonington, CT's General Fund increased by \$110,250 during the current fiscal year. Key factors in this increase are as follows:

- Grants, licenses, permits, charges for services, and investment and other income all came in greater than anticipated.
- Expenditures coming in less than budgeted.

School Modernization Project. The fund balance of the School Modernization project increased \$819,356. This increase is primarily due to the state grant reimbursement received by the Town in the amount of \$866,140.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual use of fund balance of the General Fund to balance the budget was \$0. Budgetary revenues were \$219,678 greater than expected due primarily to grants, licenses, permits, and charges for services, and other income being higher than anticipated. Budgetary expenditures were \$516,451 lower than expected due primarily to savings in the public works, public safety, and education categories.

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Town of North Stonington, CT's reported value in capital assets for its governmental activities as of June 30, 2023, amounts to \$50,863,676 (net of accumulated depreciation). This reported value in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

	2023	2022
Land	\$ 953,240	\$ 953,240
Buildings and Improvements	56,153,825	56,127,834
Furniture and Equipment	8,139,458	8,073,243
Infrastructure	3,185,995	3,185,995
Less: Accumulated Depreciation	(17,568,842)	(16,463,163)
Total	\$ 50,863,676	\$ 51,877,149

Major capital asset events during the current fiscal year included the following:

- 2016 Ford Explorer
- New windows for John Dean Gallop House
- Mower- 72" Cheetah II

Additional information on the Town of North Stonington, CT's capital assets can be found in Note 6 on page 31 of this report.

Long-term debt. At the end of the current fiscal year, the Town of North Stonington, CT had long-term debt and other liabilities outstanding of \$26,198,682.

	2023	2022
G.O. Bonds	\$ 24,324,695	\$ 25,041,898
Equipment Financing Notes	347,406	492,239
Compensated Absences	208,351	240,707
Post Closure Landfill Costs	12,000	18,000
Self Insurance Benefit Liability	89,903	86,792
Total OPEB Liability	1,216,327	3,678,245
Total	\$ 26,198,682	\$ 29,557,881

The Town of North Stonington, CT's total long-term debt and other liabilities decreased by \$3,359,199 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 7 on page 32-33 of this report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget.

All of these factors were considered in preparing the Town of North Stonington, CT's budget for the 2024 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of North Stonington, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Finance, Town of North Stonington, 40 Main Street, North Stonington, CT 06359.

Basic Financial Statements

TOWN OF NORTH STONINGTON, CONNECTICUT

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 5,142,482
Restricted Cash	96,391
Investments	505,213
Receivables, Net	2,540,085
Prepays	7,657
Other Assets	3,914
Capital Assets:	
Assets Not Being Depreciated	953,240
Assets Being Depreciated, Net	49,910,436
Total Assets	<u>59,159,418</u>
Deferred Outflows of Resources	
Deferred Outflows - OPEB	<u>243,226</u>
Liabilities	
Accounts Payable and Accrued Items	563,261
Accrued Interest Payable	463,473
Unearned Revenue	369,322
Performance Bonds	58,778
Noncurrent Liabilities:	
Due Within One Year	844,972
Due In More Than One Year	25,353,710
Total Liabilities	<u>27,653,516</u>
Deferred Inflows of Resources	
Deferred Inflows - OPEB	2,905,537
Lease Related	1,167,657
Total Deferred Inflows of Resources	<u>4,073,194</u>
Net Position	
Net Investment in Capital Assets	26,191,575
Restricted for:	
Community Development	289,238
General Government	17,375
Capital	459,975
Education	182,315
Unrestricted	535,456
Total Net Position	<u>\$ 27,675,934</u>

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

TOWN OF NORTH STONINGTON, CONNECTICUT

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 2,556,269	\$ 477,587	\$ 114,356	\$ -	\$ (1,964,326)
Public Safety	1,135,338	23,262	55,000	-	(1,057,076)
Public Works	1,752,176	171,266	358,872	-	(1,222,038)
Education	19,500,673	550,874	7,144,421	866,140	(10,939,238)
Interest on Long-Term Debt	711,643	-	-	-	(711,643)
Total Governmental Activities	\$ 25,656,099	\$ 1,222,989	\$ 7,672,649	\$ 866,140	(15,894,321)
General Revenues:					
					17,275,936
					926,950
					39,836
					94,372
					18,337,094
					2,442,773
					25,233,161
					\$ 27,675,934

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

TOWN OF NORTH STONINGTON, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	School Modernization Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 4,212,068	\$ 400	\$ 930,014	\$ 5,142,482
Restricted Cash	96,391	-	-	96,391
Investments	505,213	-	-	505,213
Receivables, Net of Allowance	2,148,896	-	391,189	2,540,085
Prepays	7,657	-	-	7,657
Other	-	-	3,914	3,914
Due from Other Funds	1,192,790	-	1,081,154	2,273,944
Total Assets	<u>\$ 8,163,015</u>	<u>\$ 400</u>	<u>\$ 2,406,271</u>	<u>\$ 10,569,686</u>
Liabilities				
Accounts Payable and Accrued Items	\$ 539,987	\$ -	\$ 23,274	\$ 563,261
Unearned Revenue	37,359	-	331,963	369,322
Performance Bonds	58,778	-	-	58,778
Due to Other Funds	1,081,154	1,160,256	32,534	2,273,944
Total Liabilities	<u>1,717,278</u>	<u>1,160,256</u>	<u>387,771</u>	<u>3,265,305</u>
Deferred Inflows of Resources				
Unavailable Revenues:				
Property Taxes and Interest	741,038	-	-	741,038
Lease Related	1,167,657	-	-	1,167,657
Total Deferred Inflows of Resources	<u>1,908,695</u>	<u>-</u>	<u>-</u>	<u>1,908,695</u>
Fund Balances				
Nonspendable	7,657	-	-	7,657
Restricted	-	-	948,903	948,903
Committed	23,303	-	1,069,597	1,092,900
Assigned	54,096	-	-	54,096
Unassigned	4,451,986	(1,159,856)	-	3,292,130
Total Fund Balances	<u>4,537,042</u>	<u>(1,159,856)</u>	<u>2,018,500</u>	<u>5,395,686</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,163,015</u>	<u>\$ 400</u>	<u>\$ 2,406,271</u>	<u>\$ 10,569,686</u>

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

TOWN OF NORTH STONINGTON, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Fund balances reported in governmental funds Balance Sheet \$ 5,395,686

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

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

<i>Capital Assets</i>	68,432,518
<i>Depreciation</i>	(17,568,842)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

<i>Property taxes, interest and liens receivable greater than 60 days</i>	741,038
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Certain changes related to OPEB are deferred and amortized over time.

<i>Deferred Outflows - OPEB</i>	243,226
<i>Deferred Inflows - OPEB</i>	(2,905,537)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Accrued Interest Payable</i>	(463,473)
<i>Bonds Payable</i>	(24,324,695)
<i>Equipment Financing Notes</i>	(347,406)
<i>Postclosure Landfill Costs</i>	(12,000)
<i>Self Insurance Benefit Liability</i>	(89,903)
<i>Compensated Absences</i>	(208,351)
<i>OPEB Liability</i>	<u>(1,216,327)</u>

Net position of governmental activities \$ 27,675,934

TOWN OF NORTH STONINGTON, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	School Modernization Project	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes, Interest and Lien Fees	\$ 17,018,391	\$ -	\$ -	\$ 17,018,391
Intergovernmental Revenues	6,115,913	866,140	1,854,276	8,836,329
Charges for Services	630,722	-	380,054	1,010,776
Investment Income	39,836	-	-	39,836
Other Revenue	306,585	-	32,596	339,181
Total Revenues	<u>24,111,447</u>	<u>866,140</u>	<u>2,266,926</u>	<u>27,244,513</u>
Expenditures				
Current:				
General Government	2,303,451	-	100,484	2,403,935
Public Safety	890,416	-	55,000	945,416
Public Works	1,663,314	-	-	1,663,314
Education	16,793,062	-	2,110,921	18,903,983
Debt Service	1,382,949	46,784	158,355	1,588,088
Capital Outlay	-	-	158,231	158,231
Total Expenditures	<u>23,033,192</u>	<u>46,784</u>	<u>2,582,991</u>	<u>25,662,967</u>
Excess/(Deficiency) of Revenues over Expenditures	1,078,255	819,356	(316,065)	1,581,546
Other Financing Sources/(Uses)				
Transfers In	152,494	-	1,120,499	1,272,993
Transfers Out	<u>(1,120,499)</u>	<u>-</u>	<u>(152,494)</u>	<u>(1,272,993)</u>
Total Other Financing Sources/(Uses)	<u>(968,005)</u>	<u>-</u>	<u>968,005</u>	<u>-</u>
Net Change in Fund Balances	110,250	819,356	651,940	1,581,546
Fund Balances at Beginning of Year	<u>4,426,792</u>	<u>(1,979,212)</u>	<u>1,366,560</u>	<u>3,814,140</u>
Fund Balances at End of Year	<u>\$ 4,537,042</u>	<u>\$ (1,159,856)</u>	<u>\$ 2,018,500</u>	<u>\$ 5,395,686</u>

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 1,581,546
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**Amounts reported for governmental activities in the Statement of Activities
are different because:**

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 as depreciation expense.

<i>Capital outlay</i>	129,967
<i>Depreciation expense</i>	(1,143,440)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds

<i>Property taxes, interest and liens collected accrual basis change</i>	257,545
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Principal payments on long-term debt - general obligation bonds</i>	717,203
<i>Principal payments on long-term debt - equipment financing notes</i>	144,833

Amortization of deferred outflows of resources related to OPEB benefits	(132,754)
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Amortization of deferred inflows of resources related to OPEB benefits	(1,623,699)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

<i>Accrued Interest</i>	14,409
<i>Postclosure Landfill Costs</i>	6,000
<i>Self Insurance Benefit Liability</i>	(3,111)
<i>Compensated Absences</i>	32,356
<i>OPEB Liability</i>	<u>2,461,918</u>

Change in net position of governmental activities	<u>\$ 2,442,773</u>
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The notes to the financial statements are an integral part of this statement

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
Revenues				
Property Taxes, Interest, and Lien Fees	\$ 17,186,119	\$ 17,186,119	\$ 17,018,391	\$ (167,728)
Intergovernmental	3,819,507	3,819,507	3,892,232	72,725
Licenses, Fees, Fines, and Charges	394,737	394,737	630,722	235,985
Investment Income	4,200	4,200	39,836	35,636
Other	245,839	269,406	312,466	43,060
Total Revenues	<u>21,650,402</u>	<u>21,673,969</u>	<u>21,893,647</u>	<u>219,678</u>
Expenditures				
Current:				
General Government	236,960	233,276	220,252	13,024
Probate Court	2,875	2,875	2,945	(70)
Board of Finance	27,600	27,600	27,448	152
Assessor's Office	132,856	132,856	131,769	1,087
Board of Assessment Appeals	860	860	520	340
Tax Collector	55,737	59,421	52,326	7,095
Town Treasurer	7,949	7,949	7,949	-
Town Attorney	30,000	30,000	27,156	2,844
Annexation Related	5,000	5,000	-	5,000
Town Clerk	77,383	77,383	77,031	352
Economic Development Commission	13,355	13,355	8,074	5,281
Recreation Commission	131,412	141,412	135,001	6,411
Fixed Charges	968,504	968,504	913,925	54,579
Elections and Town Meetings	35,071	35,071	28,695	6,376
Town Hall	147,669	149,895	139,171	10,724
Social Services/Welfare	45,564	45,564	40,896	4,668
Selectmen's Engineering Service	2,500	2,500	1,350	1,150
Information Technology	128,823	128,823	121,561	7,262
Public Safety	1,034,005	1,010,663	890,416	120,247
Public Works	1,831,883	1,831,883	1,663,314	168,569
Conservation of Health	40,976	40,976	39,869	1,107
Senior Citizens	71,357	71,357	71,247	110
Miscellaneous	92,251	108,493	106,156	2,337
Land Use Department	198,771	198,771	150,110	48,661
Education	14,527,467	14,527,467	14,478,322	49,145
Debt Service	1,382,949	1,382,949	1,382,949	-
Capital Outlay	408,655	834,925	834,925	-
Total Expenditures	<u>21,638,432</u>	<u>22,069,828</u>	<u>21,553,377</u>	<u>516,451</u>
Excess of Revenues Over Expenditures	11,970	(395,859)	340,270	736,129
Other Financing Sources (Uses)				
Appropriation of Fund Balance	-	407,829	-	(407,829)
Transfers In	3,226	3,226	152,494	149,268
Total Other Financing Sources (Uses)	<u>3,226</u>	<u>411,055</u>	<u>152,494</u>	<u>(258,561)</u>
Net Change in Fund Balance	<u>\$ 15,196</u>	<u>\$ 15,196</u>	<u>\$ 492,764</u>	<u>\$ 477,568</u>

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

TOWN OF NORTH STONINGTON, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Pension Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Assets		
Cash and Cash Equivalents	\$ -	\$ 15,401
Investments, at Fair Value:		
Mutual Funds	3,466,803	-
Receivables	<u>94,493</u>	<u>-</u>
Total Assets	<u>3,561,296</u>	<u>15,401</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Liabilities		
Payables	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position		
Restricted for Pension Benefits	3,561,296	-
Restricted for Other Purposes	<u>-</u>	<u>15,401</u>
Total Net Position	<u>\$ 3,561,296</u>	<u>\$ 15,401</u>

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

TOWN OF NORTH STONINGTON, CONNECTICUT

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2023

	Pension Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Additions		
Contributions:		
Employer	\$ 132,669	\$ -
Employee	17,768	-
Other	-	386
Investment Income:		
Net Appreciation/(Depreciation) in Fair		
Value of Investments	171,757	-
Interest and Dividends	3,411	8
Total Investment Income	<u>175,168</u>	<u>8</u>
 Total Additions	 <u>325,605</u>	 <u>394</u>
 Deductions		
Distributions	47,174	-
Administrative Expenses	250	-
Cemetery Maintenance	-	3,050
Total Deductions	<u>47,424</u>	<u>3,050</u>
 Change in Net Position	 278,181	 (2,656)
 Net Position at Beginning of Year, Restated	 <u>3,283,115</u>	 <u>18,057</u>
 Net Position at End of Year	 <u>\$ 3,561,296</u>	 <u>\$ 15,401</u>

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

TOWN OF NORTH STONINGTON, CONNECTICUT

Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of North Stonington, Connecticut (the “Town”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

Reporting Entity

The Town of North Stonington, Connecticut (the “Town”) was incorporated as a town in 1807. The Town operates under 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.

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 the exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The Town does not report any component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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 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.

Measurement Focus, Basis of Accounting, and Financial Statements 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.

TOWN OF NORTH STONINGTON, CONNECTICUT

Notes to the Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest, expenditure reimbursement type grants, certain intergovernmental revenues, charges, and transfers associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

Governmental Funds are those through which most governmental functions typically are financed. The following are the Town's major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and earnings on investments.
- The *School Modernization Project* is used to record the activity and related bond anticipation notes outstanding for the school modernization project.

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 financial statements. The fiduciary funds are as follows:

- 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 *Custodial Funds* account for resources held by the Town in a purely custodial capacity for cemetery maintenance.

Estimates

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

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents – 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.

The Short-Term Investment Fund (“STIF”) is a money market investment pool managed by the Cash Management Division of the State Treasurer’s Office created by Section 3-27 of the Connecticut General Statutes (“CGS”). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a “2a7-like” pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAAM by Standard & Poor’s. This is the highest rating for money market funds and investment pools. The pooled investment funds’ risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Trust funds are able to invest in a wider range of investments. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost and excluded from the fair value disclosures.

Fair Value of Financial Instruments - In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Taxes Receivable- All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for uncollectible tax amounts of \$43,000 and uncollectible interest, liens, and fees amounts of \$27,000. Property taxes are assessed as of October 1 and billed the following July. Real property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Loans Receivable- The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2023, loans receivable totaled \$245,940 under this program.

Leases Receivable- The Town's leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Due From/To Other Funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town 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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings and Improvements	75	\$10,000
Trucks	5-20	10,000
Equipment and furniture	5-20	2,000
Electronic equipment	4	2,000
Infrastructure:		
Bridges	75	50,000
Sidewalks	50	10,000
Stone bridge/culverts	50	25,000

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

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 recognized as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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, and debt payments, are reported as debt service expenditures.

Compensated absences - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred OPEB expense in the government-wide financial statements. Deferred OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its OPEB plans. These amounts are deferred and included in OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active and inactive employees). The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Fund equity and net position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. In the government-wide statement of net position, net position is classified in the following categories:

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

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

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

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

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the approval of a resolution by the Board of Finance or by a properly approved purchase order (encumbrance).

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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.

The Town has adopted a minimum fund balance policy for the General Fund. The policy requires the Board of Finance to prepare annual budgets that provide for the unassigned fund balance to be a minimum of 8.5% and a maximum of 17% of the total operating general fund expenditures.

Encumbrances – In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

Budgetary Information and Accounting

A formal, legally approved, annual budget is adopted for the General Fund only.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

1. The Town does not budget for as revenue or expenditures amounts for the State Teachers' pension and OPEB contributed by the State of Connecticut on the Town's behalf.
2. 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 amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2023:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 21,893,647	\$ 21,553,377	\$ 152,494
"On-behalf" payments - State Teachers' Retirement and OPEB	2,171,853	2,171,853	-
Education Grants net for Budget	51,828	51,828	-
Adjustment for Encumbrances	-	96,940	-
Reclass BOE NL transfer	-	285,574	-
Reclassifications for GAAP Purposes	<u>(5,881)</u>	<u>(1,126,380)</u>	<u>(1,120,499)</u>
GAAP Basis	<u>\$ 24,111,447</u>	<u>\$ 23,033,192</u>	<u>\$ (968,005)</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.

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, a referendum is held and, if passed, 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.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

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 expenditures for education, 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 previously adjusted appropriations.

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various Special Revenue Funds, which are utilized to account for specific grant programs, are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”. The following is a summary of cash and cash equivalents at June 30, 2023.

	Governmental Funds	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 5,142,482	\$ 15,401	\$ 5,157,883
Restricted Cash	96,391	-	96,391
Total Cash and Cash Equivalents	\$ 5,238,873	\$ 15,401	\$ 5,254,274

Custodial Credit Risk - Deposits: 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 does not have a deposit policy for custodial credit risk. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio.

Cash and Cash Equivalents	\$ 5,254,274
Plus: Investments (CDs)	505,213
	\$ 5,759,487

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$5,759,487 and the bank balance was \$6,334,107. Of the bank balance, Federal Depository Insurance Corporation insured \$1,005,213.

As of June 30, 2023, \$5,328,894 of the Town’s bank balance of \$6,334,107 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,746,005
Uninsured and collateral held by pledging bank’s Trust department not in the Town’s name	582,889
Total	\$ 5,328,894

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Investments

The following is a summary of investments at June 30, 2023:

	Governmental Funds	Fiduciary Funds	Total
Certificates of Deposit	\$ 505,213	\$ -	\$ 505,213
Mutual Funds	-	3,466,803	3,466,803
Total Investments	<u>\$ 505,213</u>	<u>\$ 3,466,803</u>	<u>\$ 3,972,016</u>

The following is a summary of assets measured at fair value:

<u>Description</u>	June 30, 2023	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 3,466,803	\$ 3,466,803	\$ -	\$ -
Total	3,466,803	<u>\$ 3,466,803</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	<u>505,213</u>			
Total Investments	<u>\$ 3,972,016</u>			

The Certificates of Deposit are reported at cost and covered by FDIC insurance.

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

Credit Risk – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Concentrations of Credit Risk – The Town places no limit on the amount of investment in any one issuer.

Interest Rate Risk - 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 increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

	Total	<u>Investment Maturities (In Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
Certificates of Deposit	<u>\$ 505,213</u>	<u>\$ 505,213</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 4 – RECEIVABLES

Receivables as of year-end for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor and Other Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Receivables:			
Property Taxes	\$ 696,050	\$ -	\$ 696,050
Interest, Liens, and Fees	213,273	-	213,273
Pension Contributions	-	94,493	94,493
Loans	-	245,940	245,940
Leases	1,233,497	-	1,233,497
Intergovernmental	6,520	145,249	151,769
Accounts	<u>69,556</u>	<u>-</u>	<u>69,556</u>
Gross Receivables	<u>2,218,896</u>	<u>485,682</u>	<u>2,704,578</u>
Less Allowance for			
Uncollectibles:			
Property Taxes	(43,000)	-	(43,000)
Interest, Liens, and Fees	<u>(27,000)</u>	<u>-</u>	<u>(27,000)</u>
Total Allowance	<u>(70,000)</u>	<u>-</u>	<u>(70,000)</u>
Net Total Receivables	<u>\$ 2,148,896</u>	<u>\$ 485,682</u>	<u>\$ 2,634,578</u>

The loans receivable of \$245,940 in the nonmajor governmental funds are long-term receivables and are not expected to be collected within one year.

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
	<u> </u>
General Fund:	
Advances on Grants	\$ 37,359
Nonmajor Funds:	
Advances on Grants	<u>331,963</u>
Total Unearned Revenue	<u>\$ 369,322</u>

Leases Receivable

In June 1965, The Town, acting as lessor, entered into a noncancelable property lease agreement for the Wellfield on Hewitt Farm that renews every 25 years, expiring in June 2065. Under the lease, the Town will receive quarterly payments of no less than \$1,000, increasing every five years, based on the June 2020 CPI-U Index.

The Town, acting as lessor, leases a property under a long-term noncancelable lease agreement. The agreement includes three renewal terms of 10 years, expiring in 2050. Under the lease, the town will receive guaranteed monthly payments that will increase yearly.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

The Town, acting as lessor, leases a property under a three-year term noncancelable lease agreement. Under the lease, the town will receive guaranteed monthly payments that are based on the square footage of the building.

During the year ended June 30, 2023, the Town recognized \$42,616 and \$30,108 in lease revenue and interest revenue, respectively, for its Governmental Activities.

	Lease Receivable at 6/30/23	Deferred Inflow at 6/30/23
Governmental Activities		
Buon Appetito	\$ 784,800	\$ 744,247
SCWA	367,551	349,336
Early Learners Lease	81,146	74,074
	<u>\$ 1,233,497</u>	<u>\$ 1,167,657</u>

The future minimum lease payments to be received under lease agreements are as follows:

Year(s)	Governmental Activities	
	Principal	Interest
2024	\$ 35,552	\$ 31,314
2025	37,308	30,399
2026	32,727	29,441
2027	11,200	28,932
2028	12,427	28,630
2029-2033	87,079	137,268
2034-2038	136,506	123,071
2039-2043	198,615	101,738
2044-2048	276,078	71,467
2049-2053	172,340	37,398
2054-2058	78,569	25,665
2059-2063	105,948	13,919
2064-2068	49,148	1,435
	<u>\$ 1,233,497</u>	<u>\$ 660,677</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2023, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Nonmajor Governmental Funds	\$ 1,081,154
Nonmajor Governmental Funds	General Fund	32,534
School Modernization Project	General Fund	<u>1,160,256</u>
		<u>\$ 2,273,944</u>

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2023, were as follows:

Transfers In	Transfers Out	Total
General Fund	Capital Projects Fund	\$ 152,494
Capital Nonrecurring Fund	General Fund	285,574
Capital Projects Fund	General Fund	834,925
		\$ 1,272,993

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.

NOTE 6 – CAPITAL ASSETS

The following is a summary of the change in capital assets as of June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 953,240	\$ -	\$ -	\$ 953,240
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	953,240	-	-	953,240
Capital assets, being depreciated				
Buildings and Improvements	56,127,834	25,991	-	56,153,825
Furniture and Equipment	8,073,243	103,976	(37,761)	8,139,458
Infrastructure	3,185,995	-	-	3,185,995
Total capital assets, being depreciated	67,387,072	129,967	(37,761)	67,479,278
Less accumulated depreciation for:				
Buildings and Improvements	11,283,955	759,206	-	12,043,161
Furniture and Equipment	4,842,666	352,889	(37,761)	5,157,794
Infrastructure	336,542	31,345	-	367,887
Total accumulated depreciation	16,463,163	1,143,440	(37,761)	17,568,842
Total capital assets, being depreciated, net	50,923,909	(1,013,473)	-	49,910,436
<i>Capital assets, net</i>	\$ 51,877,149	\$ (1,013,473)	\$ -	\$ 50,863,676

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

General Government	\$ 143,573
Public Safety	98,705
Public Works	155,785
Education	745,377
Total	\$ 1,143,440

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 25,041,898	\$ -	\$ (717,203)	\$ 24,324,695	\$ 737,438
Equipment Financing Notes	492,239	-	(144,833)	347,406	84,651
Compensated Absences	240,707	-	(32,356)	208,351	16,883
Self-insurance benefit liability	86,792	3,111	-	89,903	-
Post Closure Landfill Costs	18,000	-	(6,000)	12,000	6,000
OPEB Liability	3,678,245	-	(2,461,918)	1,216,327	-
Total	<u>\$ 29,557,881</u>	<u>\$ 3,111</u>	<u>\$ (3,362,310)</u>	<u>\$ 26,198,682</u>	<u>\$ 844,972</u>

Long-term obligations are typically liquidated by the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. General obligation bonds outstanding as of June 30, 2023 consisted of the following:

Purpose	Year of Issue	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2023
School Modernization Project	2018	11/1/2049	2.75%	\$ 9,000,000	\$ 8,179,270
Emergency Services Complex	2018	7/12/2038	2.75%	4,798,768	4,010,643
School Modernization Project	2019	10/25/2049	2.75%	9,000,000	8,392,567
School Modernization Project	2020	10/23/2050	2.125%	3,934,510	3,742,215
				<u>\$ 26,733,278</u>	<u>\$ 24,324,695</u>

The annual debt service requirements of the Town's general obligation bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 737,438	\$ 645,510	\$ 1,382,948
2025	757,098	625,851	1,382,949
2026	777,285	605,664	1,382,949
2027	798,014	584,935	1,382,949
2028	819,298	563,650	1,382,948
2029-2033	4,436,307	2,478,438	6,914,745
2034-2038	5,060,998	1,853,747	6,914,745
2039-2043	4,416,785	1,198,035	5,614,820
2044-2048	4,726,358	612,466	5,338,824
2049-2053	1,795,114	69,005	1,864,119
	<u>\$ 24,324,695</u>	<u>\$ 9,237,301</u>	<u>\$ 33,561,996</u>

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Interest paid and expensed on general obligation bonds for the year ended June 30, 2023, totaled \$651,337.

Bonds Authorized and Unissued

At June 30, 2023, there was no authorized and unissued bonds.

Equipment Financing Notes

The Town has equipment financing notes for the acquisition of various equipment.

Equipment	Year of Issue	Original Amount	Interest Rate	Final Maturity	Principal Outstanding June 30, 2023
Governmental Activities					
Pumper	2021	\$ 443,011	2.575%	6/25/2028	\$ 324,373
John Deere Tractor	2020	112,005	2.90%	5/5/2024	23,033
					<u>\$ 347,406</u>

Annual debt service requirements on equipment financing notes as of June 30, 2023, are as follows:

Year(s)	Principal	Interest	Total
2024	\$ 84,651	\$ 9,019	\$ 93,670
2025	63,205	6,765	69,970
2026	64,833	5,137	69,970
2027	66,502	3,468	69,970
2028	68,215	1,756	69,971
Total	<u>\$ 347,406</u>	<u>\$ 26,145</u>	<u>\$ 373,551</u>

Post Closure Landfill Costs

The Town has closed a landfill with no further capacity or estimated useful life. 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. 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. No costs were incurred in this fiscal year.

Self-Insurance Benefit Liability

Effective July 1, 2019, the Town became a member of Eastern CT Health and Medical Cooperative to facilitate the group purchase of medical and dental benefits to all eligible employees, their spouses and lawful dependents. Enrollment deadlines, co-pays, coverage, and premium contributions are determined by collective bargaining agreements and ACA. Under the program, the Town is obligated for claim payments. As of June 30, 2023, there was \$89,903 of claims payable.

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 8 – BOND ANTICIPATION NOTES

The Town issues bond anticipation notes to provide funds for the acquisition and construction of major capital facilities until general obligation bonds are issued on a long-term basis. The following table summarizes changes in the Town's BAN obligations for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Anticipation Note	\$ 1,795,247	\$ -	\$ 1,795,247	\$ -

Total interest incurred and expensed on bond anticipation notes during the year was \$46,784.

NOTE 9 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	General Fund	Modernization Project	Governmental Funds	Total
Nonspendable:				
Prepays	\$ 7,657	\$ -	\$ -	\$ 7,657
Total Nonspendable	7,657	-	-	7,657
Restricted for:				
General Government	-	-	17,375	17,375
Housing Rehabilitation	-	-	289,238	289,238
Education	-	-	182,315	182,315
Capital Purposes	-	-	459,975	459,975
Total Restricted	-	-	948,903	948,903
Committed to:				
General Government	23,303	-	270,510	293,813
Capital Purposes	-	-	799,087	799,087
Total Committed	23,303	-	1,069,597	1,092,900
Assigned:				
Encumbrances:				
Education	54,096	-	-	54,096
Total Assigned	54,096	-	-	54,096
Unassigned	4,451,986	(1,159,856)	-	3,292,130
Total Fund Balances	\$ 4,537,042	\$ (1,159,856)	\$ 2,018,500	\$ 5,395,686

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 10 – RETIREMENT BENEFITS

Defined Contribution Retirement Plan

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, 2023 there were 11 participants in the Board of Education defined contribution plans below, which are administered as one plan by National Retirement Services, Inc. For the year ended June 30, 2023, the town contributed \$29,778 to the plans.

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 8% of each participant’s compensation. Participants are fully vested immediately upon participation in 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 7% of each participant’s compensation. Participants are fully vested immediately upon participation in the plan.

General Government Pension Plan: Eligibility in the plan is limited to the Highway Foreman, First Selectman, Accounting Generalist, Town Clerk, Administration and Finance Officer, members of the United Steelworkers of America (USWA), and American Federation of State, County, and Municipal Employees (AFSCME). Participants may voluntarily contribute to the plan. The Town’s funding policy for the year ended June 30, 2023, is as follows:

American Federation of State, County and Municipal Employees	10% of annual compensation
United Steelworkers of America	10% of annual compensation
All other participants	10% of annual compensation

For the year ended June 30, 2023, the Town contributed \$94,493 to the plan all of which is allocated to the participant’s individual retirement. The plan is administered by the Town. There were 27 participants in the plan.

Connecticut State Teacher’s Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers’ Retirement System (the “System”). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers’ Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions: The Plan provides retirement, disability and death benefits. Employees are eligible to retire 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.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989, and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

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

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this Plan (without regard for cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2023, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$496,172. Covered payroll for the Town for the year ended June 30, 2023, was approximately \$7,088,172.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>27,162,433</u>
Total	\$	<u>27,162,433</u>

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2023, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized benefits expense and contribution revenue of \$2,141,563 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$2,625,279 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the State of Connecticut's Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.40%
Emerging Market Intl. Stock Fund	9.00%	8.60%
Core Fixed Income Fund	13.00%	0.80%
Emerging Market Debt Fund	5.00%	3.80%
High Yield Bond Fund	3.00%	3.40%
Real Estate Fund	19.00%	5.20%
Private Equity	10.00%	9.40%
Private Credit	5.00%	6.50%
Alternative Investments	3.00%	3.10%
Liquidity Fund	2.00%	-0.40%

Discount Rate: The discount rate used to measure the total pension liability was 6.90%. 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 Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other Post-Employment Benefits

Plan Description: The North Stonington Public Schools OPEB is a single-employer defined benefit healthcare plan (the "Plan") administered by the Town. Benefits provisions are established in accordance with the various collective bargaining agreements. The plan does not issue a publicly available financial report and is not included in the financial statements of another entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Benefits Provided: 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.

Eligibility: Teachers and Administrators (Certified) – 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 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 the Financial Statements

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms:

Retirees receiving benefits	7
Active plan members	<u>114</u>
	<u><u>121</u></u>

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.

Total OPEB Liability: The Town's total OPEB liability of \$1,216,327 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 with a measurement date of June 30, 2022.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	20 years
Discount Rate	3.69%
Inflation	2.50%
Healthcare Cost Trend Rate	7.50% for 2023, reduced by 0.15% per year, 4.5% ultimate rate

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality rates were based on the Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021 for IMRF Participants and the Pub-2010 Public Retirement Plans Teachers mortality table projected generationally with Scale MP- 2021 for TRS Participants.

Changes in the Total OPEB Liability:

	Total OPEB Liability
	<u> </u>
Balance at 6/30/22	\$ 3,678,245
Changes for the year:	
Service Cost	45,476
Interest	79,841
Difference Between Expected and Actual Experience	(2,348,585)
Changes in Assumptions	(183,950)
Benefit Payments	<u>(54,700)</u>
Net Changes	<u>(2,461,918)</u>
Balance at 6/30/23	<u><u>\$ 1,216,327</u></u>

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Changes of assumptions primarily reflects a change in the discount rate from 2.69% to 3.69%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease 2.69%	Current Discount Rate 3.69%	1% Increase 4.69%
Total OPEB Liability	\$ 1,345,645	\$ 1,216,327	\$ 1,103,791

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 1,101,221	\$ 1,216,327	\$ 1,348,980

OPEB Expense: For the year ended June 30, 2023, the Town recognized OPEB expense of (\$650,765). As of June 30, 2023, deferred inflows and outflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 39,484	\$ (2,466,755)
Changes of assumptions	203,742	(438,782)
Total	\$ 243,226	\$ (2,905,537)

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

Year ended June 30:	
2024	\$ (776,082)
2025	(843,965)
2026	(872,832)
2027	(30,996)
2028	(40,596)
Thereafter	(97,840)
	\$ (2,662,311)

TOWN OF NORTH STONINGTON, CONNECTICUT

Notes to the Financial Statements

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July of 1996. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan. Employees are eligible to retire 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. Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the Plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$30,290.

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Administrative Expenses - Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.54%
Prior Measurement Date	2.16%

The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate

Measurement Date	3.53%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.17%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031.
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Mortality rates were based on the PubT-2010 Health Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%	1.12%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		1.50%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 2,043,884	\$ 2,378,806	\$ 2,830,804

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Net OPEB liability	\$ 2,871,613	\$ 2,378,806	\$ 1,988,905

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>2,378,806</u>
Total	<u>\$ 2,378,806</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$30,290 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$143,388 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal 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 expense should CIRMA be unable to do so.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 12 – LITIGATION AND CONTINGENCIES

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.

The town has received State and Federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

NOTE 13 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 99 – Omnibus 2022 - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town's reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 100 – Accounting Changes and Error Corrections - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 101 – Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2024.

TOWN OF NORTH STONINGTON, CONNECTICUT
Notes to the Financial Statements

NOTE 14 – RESTATEMENTS

There were cemetery funds which were not recorded in previous years and are now being reported as custodial funds. The results of the changes to the net position are as follows:

	<u>Custodial Funds</u>
Net position as reported at June 30, 2022	\$ -
To include the cemetery funds as custodial funds	<u>18,057</u>
Net position as restated at July 1, 2022	<u>\$ 18,057</u>

**Required
Supplementary
Information**

TOWN OF NORTH STONINGTON, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability
 Last Nine Fiscal Years*

Schedule of Proportionate Share of Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>27,162,433</u>	<u>23,205,413</u>	<u>29,299,451</u>	<u>26,280,038</u>	<u>20,263,436</u>	<u>21,022,437</u>	<u>22,178,866</u>	<u>16,369,155</u>	<u>15,130,003</u>
Total	<u>\$ 27,162,433</u>	<u>\$ 23,205,413</u>	<u>\$ 29,299,451</u>	<u>\$ 26,280,038</u>	<u>\$ 20,263,436</u>	<u>\$ 21,022,437</u>	<u>\$ 22,178,866</u>	<u>\$ 16,369,155</u>	<u>\$ 15,130,003</u>
Town's covered payroll	<u>\$ 7,088,172</u>	<u>\$ 6,691,706</u>	<u>\$ 6,684,603</u>	<u>\$ 6,646,269</u>	<u>\$ 6,511,600</u>	<u>\$ 6,440,149</u>	<u>\$ 6,257,403</u>	<u>\$ 6,145,952</u>	<u>\$ 5,900,786</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Other Post-Employment Benefits (OPEB) Plan
Schedule of Changes in Total OPEB Liability
Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 45,476	\$ 43,067	\$ 108,814	\$ 120,457	\$ 135,814	\$ 149,172
Interest	79,841	77,503	109,334	110,633	135,127	121,605
Differences Between Expected and Actual Experience	(2,348,585)	-	157,936	-	(1,880,846)	-
Changes in Assumptions	(183,950)	115,469	113,600	76,800	211,222	(544,396)
Benefit Payments, Including Refunds of Member Contributions	<u>(54,700)</u>	<u>(43,384)</u>	<u>(38,270)</u>	<u>(24,039)</u>	<u>(64,658)</u>	<u>-</u>
Net Change in Total OPEB Liability	<u>(2,461,918)</u>	<u>192,655</u>	<u>451,414</u>	<u>283,851</u>	<u>(1,463,341)</u>	<u>(273,619)</u>
Total OPEB Liability - Beginning	<u>3,678,245</u>	<u>3,485,590</u>	<u>3,034,176</u>	<u>2,750,325</u>	<u>4,213,666</u>	<u>4,487,285</u>
Total OPEB Liability - Ending	<u>\$ 1,216,327</u>	<u>\$ 3,678,245</u>	<u>\$ 3,485,590</u>	<u>\$ 3,034,176</u>	<u>\$ 2,750,325</u>	<u>\$ 4,213,666</u>
Covered-Employee Payroll	\$ 9,036,503	\$ 8,865,712	\$ 8,905,666	\$ 8,403,695	\$ 7,753,384	\$ 7,753,384
Total OPEB Liability as a Percentage of Covered-Employee Payroll	13.46%	41.49%	39.14%	36.11%	35.47%	54.35%

Notes to Schedule

Reporting Date	June 30, 2023
Measurement Date	June 30, 2022
Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.69%

There are no assets that are being accumulated in a trust that meets the criteria in GASB 75 to pay benefits.

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
Last Six Fiscal Years*

Schedule of Proportionate Share of Net OPEB Liability

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>2,378,806</u>	<u>2,528,187</u>	<u>4,370,014</u>	<u>4,098,528</u>	<u>4,050,808</u>	<u>5,410,937</u>
Total	<u>\$ 2,378,806</u>	<u>\$ 2,528,187</u>	<u>\$ 4,370,014</u>	<u>\$ 4,098,528</u>	<u>\$ 4,050,808</u>	<u>\$ 5,410,937</u>
Town's covered-employee payroll	<u>\$ 7,088,172</u>	<u>\$ 6,691,706</u>	<u>\$ 6,684,603</u>	<u>\$ 6,646,269</u>	<u>\$ 6,511,600</u>	<u>\$ 6,440,149</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an opened period
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense
Price Inflation	2.50%

*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

**Supplemental, Combining and
Individual Nonmajor Fund
Statements and Schedules**

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
REVENUES				
Property Taxes				
General Property Taxes - Current	\$ 16,846,119	\$ 16,846,119	\$ 16,304,469	\$ (541,650)
General Property Taxes - Past	100,000	100,000	364,843	264,843
Supplemental Motor Vehicle	140,000	140,000	179,880	39,880
Interest and Lien Fees	100,000	100,000	169,199	69,199
Total Property Taxes	<u>17,186,119</u>	<u>17,186,119</u>	<u>17,018,391</u>	<u>(167,728)</u>
Intergovernmental				
Education Cost Sharing	2,584,204	2,584,204	2,582,042	(2,162)
Casino Revenue	880,690	880,690	880,690	-
State Aid for Town Road	239,788	239,788	239,120	(668)
Local and Vocational Transportation	1	1	-	(1)
FEMA Grant	1	1	-	(1)
Local Capital Improvement Program	48,881	48,881	6,518	(42,363)
Police Reimbursement	4	4	-	(4)
Telecommunications Revenue Share	11,494	11,494	11,065	(429)
PILOT Program Reimbursement	22,312	22,312	25,575	3,263
Regional Adult Education	10,785	10,785	12,829	2,044
Veterans Exemption Reimbursement	6,000	6,000	6,365	365
Records Preservation	5,500	5,500	5,500	-
Non-public Nurse Reimbursement	4,345	4,345	6,039	1,694
Disabled Exemption Reimbursement	500	500	960	460
STEAP	1	1	-	(1)
Emergency Management	5,000	5,000	-	(5,000)
Boombridge Road	-	-	9,583	9,583
Municipal Revenue Sharing Grant	-	-	103,651	103,651
Other	1	1	2,295	2,294
Total Intergovernmental	<u>3,819,507</u>	<u>3,819,507</u>	<u>3,892,232</u>	<u>72,725</u>
Licenses, Fees, Fines, and Charges				
Licenses, Permits, Conveyance Taxes	110,000	110,000	139,080	29,080
Recreation Commission	70,405	70,405	79,115	8,710
Building Official	95,000	95,000	233,440	138,440
Tuition Reimbursement	114,330	114,330	174,930	60,600
Town Clerk LOCIP	1	1	-	(1)
Town Clerk Restoration Fees	1	1	-	(1)
Portal On-line Copies	5,000	5,000	4,157	(843)
Total Licenses, Fees, Fines, and Charges	<u>394,737</u>	<u>394,737</u>	<u>630,722</u>	<u>235,985</u>
Investment Income	<u>4,200</u>	<u>4,200</u>	<u>39,836</u>	<u>35,636</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Other				
Sale of Recyclables	\$ 10,000	\$ 10,000	\$ 11,536	\$ 1,536
Zoning Enforcement Officer	6,500	6,500	7,703	1,203
Inland Wetlands	600	600	1,282	682
Planning and Zoning	3,000	3,000	3,691	691
Conservation Commission	1,200	1,200	800	(400)
Sale of Vehicles	-	-	676	676
SCRRA Subsidy	-	-	599	599
Contractors Tipping Fees	145,000	145,000	159,730	14,730
Assessor's Office	350	350	-	(350)
Canine Account	1,800	1,800	2,207	407
GIS Services	1	1	10	9
Fire Marshal	1	1	360	359
Property Rent	50,387	50,387	62,558	12,171
CIRMA Insurance Credit	10,000	10,000	-	(10,000)
Sale of Capital Assets	-	-	2,733	2,733
Miscellaneous	6,000	29,567	33,677	4,110
Resident Trooper Ticket Revenue	5,800	5,800	20,695	14,895
Senior Center	5,000	5,000	4,209	(791)
Zoning Board of Appeals	200	200	-	(200)
Total Other	<u>245,839</u>	<u>269,406</u>	<u>312,466</u>	<u>43,060</u>
Total Revenues	<u>21,650,402</u>	<u>21,673,969</u>	<u>21,893,647</u>	<u>219,678</u>
Other Financing Sources				
Appropriation of Fund Balance	-	407,829	-	(407,829)
Transfers In - Deobligated Capital Projects	3,226	3,226	152,494	149,268
Total Other Financing Sources	<u>3,226</u>	<u>411,055</u>	<u>152,494</u>	<u>(258,561)</u>
Total Revenues and Other Financing Sources	<u>21,653,628</u>	<u>22,085,024</u>	<u>22,046,141</u>	<u>(38,883)</u>
EXPENDITURES				
General Government				
Salaries:				
First Selectman	50,000	50,000	50,192	(192)
Second Selectman	3,000	3,000	3,000	-
Third Selectman	3,000	3,000	3,000	-
Secretary	17,390	17,390	13,614	3,776
Bookkeeper	62,537	62,537	62,786	(249)
Selectmen's Expenditures	2,450	2,450	1,874	576
Council of Small Towns	1,075	1,075	1,075	-
Certifications/Seminars	1,500	1,500	444	1,056
SE CT Council of Governments	2,832	2,832	2,832	-
Admin and Finance Officer	80,176	80,176	80,485	(309)
Grant Writer	13,000	9,316	950	8,366
Total General Government	<u>236,960</u>	<u>233,276</u>	<u>220,252</u>	<u>13,024</u>
Probate Court	2,875	2,875	2,945	(70)

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Board of Finance				
Operating Expenditures	\$ 250	\$ 250	\$ 98	\$ 152
Auditing	27,350	27,350	27,350	-
Total Board of Finance	<u>27,600</u>	<u>27,600</u>	<u>27,448</u>	<u>152</u>
Assessor's Office				
Salaries:				
Assessor	76,638	76,638	76,933	(295)
Assessor Assistant	52,468	52,468	52,680	(212)
Office Expenditures	2,200	2,200	1,425	775
Seminars	600	600	-	600
Computer	500	500	716	(216)
Travel Expenditures	300	300	-	300
Memberships	150	150	15	135
Total Assessor's Office	<u>132,856</u>	<u>132,856</u>	<u>131,769</u>	<u>1,087</u>
Board of Assessment Appeals	860	860	520	340
Tax Collector				
Salaries:				
Tax Collector	38,037	41,721	41,721	-
Office Expenditures	9,000	9,000	5,589	3,411
Computer	8,000	8,000	4,321	3,679
Travel Expenditures	700	700	695	5
Total Tax Collector	<u>55,737</u>	<u>59,421</u>	<u>52,326</u>	<u>7,095</u>
Town Treasurer				
Salary	7,949	7,949	7,949	-
Seminars	-	-	-	-
Total Town Treasurer	<u>7,949</u>	<u>7,949</u>	<u>7,949</u>	<u>-</u>
Town Attorney	30,000	30,000	27,156	2,844
Annexation Related				
Tribal Recognition	5,000	5,000	-	5,000
Town Clerk				
Salaries:				
Town Clerk	52,652	52,652	52,855	(203)
Assistant	3,000	3,000	3,000	-
Office Expenditures	3,401	3,401	3,078	323
Land Records	11,030	11,030	10,851	179
Records Restoration Grant	5,500	5,500	5,500	-
Ordinances	1,800	1,800	1,747	53
Total Town Clerk	<u>77,383</u>	<u>77,383</u>	<u>77,031</u>	<u>352</u>
Economic Development Commission				
Operating Expenditures	4,900	4,900	451	4,449
CT Regional Economic Development/Membership	2,455	2,455	2,403	52
Consulting	6,000	6,000	5,220	780
Total Economic Development Commission	<u>13,355</u>	<u>13,355</u>	<u>8,074</u>	<u>5,281</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Recreation Commission				
Salaries:				
Administrative	\$ 26,877	\$ 26,877	\$ 26,978	\$ (101)
Camp Directors, Etc.	18,760	18,760	16,289	2,471
Program Expenditures	57,550	67,550	67,427	123
Maintenance	5,000	5,000	3,391	1,609
Recreation Commission	10,230	10,230	11,160	(930)
Administrative Expenditures	12,995	12,995	9,756	3,239
Total Recreation Commission	<u>131,412</u>	<u>141,412</u>	<u>135,001</u>	<u>6,411</u>
Fixed Charges				
Town Insurance	98,000	98,000	93,881	4,119
Volunteer Fire Co. Insurance	35,550	35,550	35,550	-
Ambulance Association Insurance	1	1	-	1
Workers Compensation Insurance	20,000	20,000	17,740	2,260
Social Security	127,000	127,000	115,278	11,722
Medical Insurance	445,703	445,703	436,620	9,083
Employee Benefits - Pension	147,150	147,150	119,756	27,394
Volunteer Incentive Award - Fire	37,100	37,100	37,100	-
Volunteer Activity Stipend - Fire	58,000	58,000	58,000	-
Total Fixed Charges	<u>968,504</u>	<u>968,504</u>	<u>913,925</u>	<u>54,579</u>
Elections and Town Meetings				
Salaries:				
Registrar of Voters	6,928	6,928	6,928	-
Registrar of Voters	6,928	6,928	6,928	-
Expenditures	21,215	21,215	14,839	6,376
Total Elections and Town Meetings	<u>35,071</u>	<u>35,071</u>	<u>28,695</u>	<u>6,376</u>
Town Hall				
Expenditures	46,000	46,000	48,833	(2,833)
Leasing Equipment	9,000	9,000	5,596	3,404
Holly Green Rental - Nursing	1,668	1,668	1,835	(167)
Quarterly Newsletter	6,000	8,226	8,196	30
Education Center Operating	85,000	85,000	74,710	10,290
Building Leases	1	1	1	-
Total Town Hall	<u>147,669</u>	<u>149,895</u>	<u>139,171</u>	<u>10,724</u>
Social Services/Welfare				
Welfare	1,500	1,500	82	1,418
New London Hospitality Center	1,000	1,000	1,000	-
Pawcatuck Neighborhood Center	30,000	30,000	30,000	-
Women's Center/Safe Futures	2,250	2,250	2,250	-
Frank Olean Regional Center	1,750	1,750	-	1,750
New London County ARC	1,500	1,500	-	1,500
TVCCA	1,250	1,250	1,250	-
Mystic Shelter	1,750	1,750	1,750	-
Keeping NS Affordable	1,000	1,000	1,000	-
United Comm & Family Services	3,564	3,564	3,564	-
Total Social Services/Welfare	<u>45,564</u>	<u>45,564</u>	<u>40,896</u>	<u>4,668</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Selectmen's Engineering Service				
Engineering for Selectmen	\$ 2,500	\$ 2,500	\$ 1,350	\$ 1,150
Information Technology				
Coordinator	71,468	71,468	71,743	(275)
Office Expenditure	300	300	293	7
Digitized Maintenance	40,720	40,720	36,924	3,796
Professional Services and Licensing	16,335	16,335	12,601	3,734
Total Information Technology	<u>128,823</u>	<u>128,823</u>	<u>121,561</u>	<u>7,262</u>
Public Safety				
911 Dispatching	42,000	42,000	41,886	114
Volunteer Fire Company	141,450	141,450	141,450	-
Fire Marshal	13,919	13,919	13,919	-
Fire Marshal Operating Expenditures	1,800	1,800	1,475	325
State Troopers	421,784	405,542	334,530	71,012
State Trooper DUI Grant	1	1	-	1
Civil Preparedness Agency Stipend	7,216	7,216	7,216	-
Civil Preparedness Expenditures	7,075	7,075	4,123	2,952
Emergency Generator Service Contract	4,000	4,000	-	4,000
Animal Control Salary	26,760	26,760	23,897	2,863
Animal Control Training	3,000	3,000	-	3,000
Animal Control Operating Expenditures	5,000	5,000	5,546	(546)
Center for Emergency Services	55,000	55,000	53,894	1,106
NSVFC Per Diem Staffing	55,000	55,000	55,000	-
Ambulance Association	250,000	242,900	207,480	35,420
Total Public Safety	<u>1,034,005</u>	<u>1,010,663</u>	<u>890,416</u>	<u>120,247</u>
Public Works				
Highway				
Local Capital Improvements	48,881	48,881	6,516	42,365
State Aided - Town Roads	239,788	239,788	239,915	(127)
Town Road Maintenance	175,000	175,000	130,416	44,584
Town Garage Expenditures	22,000	22,000	13,976	8,024
Machinery and Maintenance Repairs	68,000	68,000	78,693	(10,693)
Street Lights	10,000	10,000	10,248	(248)
Highway Foreman	81,778	81,778	82,136	(358)
Snow Removal	56,100	56,100	26,809	29,291
Labor	549,562	549,562	498,641	50,921
Highway Overtime Other	7,650	4,264	4,102	162
Supplies	40,000	40,000	31,519	8,481
Diesel and Gas	56,000	56,000	63,982	(7,982)
Town Property - Maintenance	7,500	7,500	7,235	265
Town Property - Labor	8,000	8,000	6,284	1,716
Tree Warden	1,500	1,500	1,500	-
Hewitt Farm Property	5,000	5,000	3,095	1,905
Tree Maintenance	20,000	20,000	19,405	595
Contracted Services	17,000	17,000	13,210	3,790
Total Highway	<u>1,413,759</u>	<u>1,410,373</u>	<u>1,237,682</u>	<u>172,691</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Public Works (Continued)				
Sanitary Landfill				
Labor	\$ 134,614	\$ 138,000	\$ 138,000	\$ -
Overtime	15,810	15,810	8,125	7,685
State Mandated Surveys	2,500	2,500	-	2,500
State License Fees	3,200	3,200	2,275	925
SCRRA - Tipping Fees	209,000	209,000	235,895	(26,895)
SCRRA - Membership Fee	500	500	-	500
Hazardous Waste Collection	500	500	-	500
Water Sampling/Lab Testing	18,000	18,000	12,037	5,963
Operating Expenditures	12,000	12,000	8,729	3,271
Contractual Services	22,000	22,000	20,571	1,429
Total Sanitary Landfill	<u>418,124</u>	<u>421,510</u>	<u>425,632</u>	<u>(4,122)</u>
Total Public Works	<u>1,831,883</u>	<u>1,831,883</u>	<u>1,663,314</u>	<u>168,569</u>
Conservation of Health				
Public Health Nursing/VNA	1,872	1,872	765	1,107
Health District	39,104	39,104	39,104	-
Total Conservation of Health	<u>40,976</u>	<u>40,976</u>	<u>39,869</u>	<u>1,107</u>
Senior Citizens				
Agent for the Elderly Wages	13,924	13,924	13,978	(54)
Agent for the Elderly - Operating Expenditures	400	400	125	275
Senior Citizens Center Coordinator	24,697	24,697	24,791	(94)
Senior Citizens Center - Operating Expenditures	32,336	32,336	32,353	(17)
Total Senior Citizens	<u>71,357</u>	<u>71,357</u>	<u>71,247</u>	<u>110</u>
Miscellaneous				
Cemeteries	8,000	8,000	7,951	49
Tax Refunds	1	16,243	16,243	-
Annual Memberships and Dues	3,500	3,500	3,320	180
Lake Association Weed Control	15,000	15,000	13,550	1,450
Wheeler Library	65,000	65,000	65,000	-
Miscellaneous	750	750	92	658
Total Miscellaneous	<u>92,251</u>	<u>108,493</u>	<u>106,156</u>	<u>2,337</u>
Land Use Department				
Land Use Operating				
Attorney	10,000	10,000	10,565	(565)
Office Expenditure	2,000	2,000	1,366	634
Advertising	4,400	4,400	2,889	1,511
Planning and Zoning Commission				
Salaries:				
Zoning Officer	79,686	79,686	39,536	40,150
Assistant	51,304	51,304	44,286	7,018
Travel Expenditures	400	400	-	400
Contracted Consulting	2,500	2,500	10,365	(7,865)
Membership Dues	755	755	100	655
Training/Seminars	1,655	1,655	90	1,565
Zoning Board of Appeals	100	100	-	100

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Land Use Department (Continued)				
Building Department				
Salaries:				
Building Official	\$ 31,200	\$ 31,200	\$ 31,320	\$ (120)
Training	50	50	-	50
Travel Expenditures	50	50	-	50
Miscellaneous/Operating Expenditures	1,000	1,000	-	1,000
Water Pollution Control Authority				
Water Testing	500	500	-	500
Miscellaneous/Planning	2,500	2,500	-	2,500
Inland Wetlands Commission				
Wages - Enforcement Officer	8,071	8,071	8,071	-
Conservation Commission				
	2,100	2,100	1,368	732
Affordable Housing				
	500	500	154	346
Total Land Use Department	<u>198,771</u>	<u>198,771</u>	<u>150,110</u>	<u>48,661</u>
Total Government Operating Expenditures	<u>5,319,361</u>	<u>5,324,487</u>	<u>4,857,181</u>	<u>467,306</u>
Debt Service				
School Modernization Project	1,067,765	1,067,765	1,067,765	-
Center for Emergency Services Project	315,184	315,184	315,184	-
Total Debt Service	<u>1,382,949</u>	<u>1,382,949</u>	<u>1,382,949</u>	<u>-</u>
Education	<u>14,527,467</u>	<u>14,527,467</u>	<u>14,478,322</u>	<u>49,145</u>
Capital Outlay				
Public Works				
Dump Truck Refurbish	10,000	10,000	10,000	-
Tractor & Mower Lease	25,000	25,000	25,000	-
L Wood/Colony & EL Lot (STEAP)	-	395,603	395,603	-
Transfer Station Bulky Waste				
Transfer Station Compactor Upgrades	-	23,567	23,567	-
Station Improvements	10,000	10,000	10,000	-
Bulky Waste Pile Closure	25,000	25,000	25,000	-
Walking Floor Trailer	46,000	46,000	46,000	-
Selectmen				
Computer - Town Hall	17,000	17,000	17,000	-
Town Building Maintenance	20,000	20,000	20,000	-
Volunteer Fire - Turnout Gear	23,000	23,000	23,000	-
Land Acquisition Fund	2,000	2,000	2,000	-
Plan of Conservation and Development	30,000	30,000	30,000	-
Volunteer Fire Co. Rescue Gear	11,000	11,000	11,000	-
Farm 1750 House Repairs	30,000	37,100	37,100	-
NSVFC Tanker (10 Year Lease)	69,970	69,970	69,970	-
Animal Control Vehicle	25,000	25,000	25,000	-
NSAA Ambulance and 2 Stretchers Lease	64,685	64,685	64,685	-
Total Capital Outlay	<u>408,655</u>	<u>834,925</u>	<u>834,925</u>	<u>-</u>
Total Expenditures	<u>21,638,432</u>	<u>22,069,828</u>	<u>21,553,377</u>	<u>516,451</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - Budgetary Basis				
	<u>\$ 15,196</u>	<u>\$ 15,196</u>	<u>\$ 492,764</u>	<u>\$ 477,568</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	SPECIAL REVENUE FUNDS					
	Opioid Settlement Fund	School Lunch Fund	Education Grants Fund	Scholarships Held by School Fund	Recreation Gift Fund	Student Activities Fund
Assets						
Cash and Cash Equivalents	\$ -	\$ 163,611	\$ -	\$ 52,713	\$ -	\$ 105,754
Receivables, Net	-	62,451	82,798	-	-	-
Inventory	-	3,914	-	-	-	-
Due from Other Funds	17,375	60,072	-	-	3,736	-
Total Assets	<u>\$ 17,375</u>	<u>\$ 290,048</u>	<u>\$ 82,798</u>	<u>\$ 52,713</u>	<u>\$ 3,736</u>	<u>\$ 105,754</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Items	\$ -	\$ 23,274	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	26,416	-	-	-
Due to Other Funds	-	-	32,534	-	-	-
Total Liabilities	<u>-</u>	<u>23,274</u>	<u>58,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	17,375	-	23,848	52,713	-	105,754
Committed	-	266,774	-	-	3,736	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>17,375</u>	<u>266,774</u>	<u>23,848</u>	<u>52,713</u>	<u>3,736</u>	<u>105,754</u>
Total Liabilities and Fund Balances	<u>\$ 17,375</u>	<u>\$ 290,048</u>	<u>\$ 82,798</u>	<u>\$ 52,713</u>	<u>\$ 3,736</u>	<u>\$ 105,754</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>		
	Housing Rehab Program	Town Special Grant Fund	Capital Nonrecurring Fund	Capital Projects Fund	Total
Assets					
Cash and Cash Equivalents	\$ 43,298	\$ -	\$ 564,638	\$ -	\$ 930,014
Receivables, Net	245,940	-	-	-	391,189
Inventory	-	-	-	-	3,914
Due from Other Funds	-	305,547	4,110	690,314	1,081,154
Total Assets	<u>\$ 289,238</u>	<u>\$ 305,547</u>	<u>\$ 568,748</u>	<u>\$ 690,314</u>	<u>\$ 2,406,271</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ 23,274
Unearned Revenue	-	305,547	-	-	331,963
Due to Other Funds	-	-	-	-	32,534
Total Liabilities	<u>-</u>	<u>305,547</u>	<u>-</u>	<u>-</u>	<u>387,771</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	289,238	-	52,474	407,501	948,903
Committed	-	-	516,274	282,813	1,069,597
Unassigned	-	-	-	-	-
Total Fund Balances	<u>289,238</u>	<u>-</u>	<u>568,748</u>	<u>690,314</u>	<u>2,018,500</u>
Total Liabilities and Fund Balances	<u>\$ 289,238</u>	<u>\$ 305,547</u>	<u>\$ 568,748</u>	<u>\$ 690,314</u>	<u>\$ 2,406,271</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS					
	Opioid Settlement Fund	School Lunch Fund	Education Grants Fund	Scholarships Held by School Fund	Recreation Gift Fund	Student Activities Fund
Revenues						
Intergovernmental Revenues	\$ -	\$ 342,509	\$ 509,645	\$ -	\$ -	\$ -
Charges for Services	-	73,116	-	-	-	302,828
Other Revenue	17,375	-	-	15,221	-	-
Total Revenues	<u>17,375</u>	<u>415,625</u>	<u>509,645</u>	<u>15,221</u>	<u>-</u>	<u>302,828</u>
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Education	-	332,935	505,105	7,250	-	282,097
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>332,935</u>	<u>505,105</u>	<u>7,250</u>	<u>-</u>	<u>282,097</u>
Excess/(Deficiency) of Revenues Over Expenditures	17,375	82,690	4,540	7,971	-	20,731
Other Financing Sources/(Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,375	82,690	4,540	7,971	-	20,731
Fund Balances at Beginning of Year	<u>-</u>	<u>184,084</u>	<u>19,308</u>	<u>44,742</u>	<u>3,736</u>	<u>85,023</u>
Fund Balances at End of Year	<u>\$ 17,375</u>	<u>\$ 266,774</u>	<u>\$ 23,848</u>	<u>\$ 52,713</u>	<u>\$ 3,736</u>	<u>\$ 105,754</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS		Total
	Housing Rehab Program	Town Special Grant Fund	Capital Nonrecurring Fund	Capital Projects Fund	
Revenues					
Intergovernmental Revenues	\$ -	\$ 1,002,122	\$ -	\$ -	\$ 1,854,276
Charges for Services	-	-	4,110	-	380,054
Other Revenue	-	-	-	-	32,596
Total Revenues	<u>-</u>	<u>1,002,122</u>	<u>4,110</u>	<u>-</u>	<u>2,266,926</u>
Expenditures					
Current:					
General Government	-	91,481	9,003	-	100,484
Public Safety	-	55,000	-	-	55,000
Education	-	855,641	127,893	-	2,110,921
Debt Service	-	-	-	158,355	158,355
Capital Outlay	-	-	-	158,231	158,231
Total Expenditures	<u>-</u>	<u>1,002,122</u>	<u>136,896</u>	<u>316,586</u>	<u>2,582,991</u>
Excess/(Deficiency) of Revenues Over Expenditures	-	-	(132,786)	(316,586)	(316,065)
Other Financing Sources/(Uses)					
Transfers In	-	-	285,574	834,925	1,120,499
Transfers Out	-	-	-	(152,494)	(152,494)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>285,574</u>	<u>682,431</u>	<u>968,005</u>
Net Change in Fund Balances	-	-	152,788	365,845	651,940
Fund Balances at Beginning of Year	<u>289,238</u>	<u>-</u>	<u>415,960</u>	<u>324,469</u>	<u>1,366,560</u>
Fund Balances at End of Year	<u>\$ 289,238</u>	<u>\$ -</u>	<u>\$ 568,748</u>	<u>\$ 690,314</u>	<u>\$ 2,018,500</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Combining Statement of Fiduciary Net Position

Pension Trust Funds

June 30, 2023

	General Government Retirement	Board of Education Retirement	Total
Assets			
Investments, at Fair Value:			
Mutual Funds	\$ 2,054,169	\$ 1,412,634	\$ 3,466,803
Receivables	94,493	-	94,493
Total Assets	<u>2,148,662</u>	<u>1,412,634</u>	<u>3,561,296</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Payables	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for Pension Benefits	<u>\$ 2,148,662</u>	<u>\$ 1,412,634</u>	<u>\$ 3,561,296</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2023

	General Government Retirement	Board of Education Retirement	Total
Additions			
Contributions:			
Employer	\$ 94,493	\$ 38,176	\$ 132,669
Employee	17,768	-	17,768
Investment Income:			
Net Appreciation/(Depreciation) in Fair			
Value of Investments	144,633	27,124	171,757
Interest and Dividends	3,411	-	3,411
Total Investment Income	<u>148,044</u>	<u>27,124</u>	<u>175,168</u>
Total Additions	<u>260,305</u>	<u>65,300</u>	<u>325,605</u>
Deductions			
Distributions	47,143	31	47,174
Administrative Expenses	250	-	250
Total Deductions	<u>47,393</u>	<u>31</u>	<u>47,424</u>
Change in Net Position	212,912	65,269	278,181
Net Position at Beginning of Year	<u>1,935,750</u>	<u>1,347,365</u>	<u>3,283,115</u>
Net Position at End of Year	<u>\$ 2,148,662</u>	<u>\$ 1,412,634</u>	<u>\$ 3,561,296</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Schedule of Changes in Fund Balance

Capital Nonrecurring Fund

For the Year Ended June 30, 2023

	<u>Beginning Balance</u>	<u>General Fund Budget</u>	<u>Additional Transfers</u>	<u>Internal Transfers</u>	<u>Revenues</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Ending Balance</u>
Restricted Fund Balance								
Town Clerk Document Restoration	\$ 11,968	\$ -	\$ -	\$ -	\$ 1,644	\$ 13,612	\$ -	\$ 13,612
LOCIP Capital Improvements	36,396	-	-	-	2,466	38,862	-	38,862
Total Restricted	<u>48,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,110</u>	<u>52,474</u>	<u>-</u>	<u>52,474</u>
Committed Fund Balance								
Revaluation	79,216	-	-	-	-	79,216	7,500	71,716
Town Equipment	1,503	-	-	-	-	1,503	1,503	-
Nonrecurring School Funds	281,346	-	285,574	-	-	566,920	127,893	439,027
Town Clerk Preservation	5,531	-	-	-	-	5,531	-	5,531
Total Committed	<u>367,596</u>	<u>-</u>	<u>285,574</u>	<u>-</u>	<u>-</u>	<u>653,170</u>	<u>136,896</u>	<u>516,274</u>
	<u>\$ 415,960</u>	<u>\$ -</u>	<u>\$ 285,574</u>	<u>\$ -</u>	<u>\$ 4,110</u>	<u>\$ 705,644</u>	<u>\$ 136,896</u>	<u>\$ 568,748</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Schedule of Changes in Fund Balance

Capital Projects Fund

For the Year Ended June 30, 2023

	<u>Beginning Balance</u>	<u>General Fund Budget</u>	<u>Deobligated Projects</u>	<u>Internal Transfers</u>	<u>Revenues</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Ending Balance</u>
Restricted Fund Balance								
Sewer Study (STEAP)	\$ 16,944	\$ -	\$ -	\$ -	\$ -	\$ 16,944	\$ 5,046	\$ 11,898
L Wood/Colony & EL LOT (STEAP)	-	395,603	-	-	-	395,603	-	395,603
Total Restricted	<u>16,944</u>	<u>395,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,547</u>	<u>5,046</u>	<u>407,501</u>
Committed Fund Balance								
Boombridge	55,974	-	(55,974)	-	-	-	-	-
Animal Control Vehicle	-	25,000	(4,930)	-	-	20,070	20,070	-
Ambulance Association Equipment	12,585	-	-	-	-	12,585	-	12,585
Town Hall Computer	2,881	17,000	-	-	-	19,881	14,089	5,792
Plan of Conservation and Development	15,000	30,000	-	-	-	45,000	7,546	37,454
Transfer Station Improvements	-	10,000	-	-	-	10,000	2,066	7,934
Dump Truck Refurbishments	5,310	10,000	-	-	-	15,310	-	15,310
Mack Truck Refurbish	1,033	-	-	-	-	1,033	-	1,033
Recreation Facility Upgrades	15,000	-	-	-	-	15,000	-	15,000
NSVFC Radio Replacement	1,457	-	(1,457)	-	-	-	-	-
Land Acquisition	73,000	2,000	-	-	-	75,000	-	75,000
Town Building Repair	17,026	20,000	-	-	-	37,026	7,200	29,826
Recreation Pavilion & Fields	5,691	-	-	-	-	5,691	-	5,691
Town Buildings - Abate and Demolish	21,119	-	-	-	-	21,119	-	21,119
Farm House	25,000	37,100	-	-	-	62,100	62,057	43
Equipment Financing - Ambulance	955	64,685	(955)	-	-	64,685	64,685	-
Fire Department Turnout Gear	-	-	-	-	-	-	-	-
NSVFC Tanker	2,259	69,970	-	-	-	72,229	69,970	2,259
NSVFC Turnout Gear	-	23,000	-	-	-	23,000	23,000	-
NSVFC Rescue Gear	-	11,000	-	-	-	11,000	11,000	-
Water/Sewer Infrastructure	6,157	-	-	-	-	6,157	6,157	-
Financial Software	39,952	-	(39,952)	-	-	-	-	-
Ambulance Repairs	3,226	-	(3,226)	-	-	-	-	-
Compactor Upgrades Transfer Station	-	23,567	-	-	-	23,567	-	23,567
Walking Floor Trailer	-	46,000	(46,000)	-	-	-	-	-
Bulky Waste Pile Closure	-	25,000	-	-	-	25,000	-	25,000
Tractor/Mower Financing	3,900	25,000	-	-	-	28,900	23,700	5,200
Total Committed	<u>307,525</u>	<u>439,322</u>	<u>(152,494)</u>	<u>-</u>	<u>-</u>	<u>594,353</u>	<u>311,540</u>	<u>282,813</u>
	<u>\$ 324,469</u>	<u>\$ 834,925</u>	<u>\$ (152,494)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,006,900</u>	<u>\$ 316,586</u>	<u>\$ 690,314</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Board of Education

Schedule of Expenditures - Budget and Actual

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Salaries:				
Central Office	\$ 616,813	\$ 616,813	\$ 612,035	\$ 4,778
Administrators	593,379	593,379	593,396	(17)
Teachers	6,543,281	6,543,281	6,627,266	(83,985)
Guidance	153,156	153,156	160,604	(7,448)
Secretarial	195,785	195,785	193,336	2,449
Teacher Assistants	405,284	405,284	390,211	15,073
Library/Media	167,120	167,120	167,120	-
Custodial/Grounds	474,775	474,775	406,106	68,669
Negotiation Funds	13,014	13,014	12,840	174
Central Office	156,795	156,795	151,326	5,469
Contracted Services	85,000	85,000	193,753	(108,753)
Textbooks	25,584	25,584	48,109	(22,525)
Library Books	3,780	3,780	5,375	(1,595)
Instructional Supplies	94,096	94,096	91,422	2,674
Other Expenditures, Schools	174,852	174,852	176,315	(1,463)
Supplies, Health	2,000	2,000	1,999	1
Transportation	1,207,004	1,207,004	1,232,910	(25,906)
Heat	75,000	75,000	59,327	15,673
Utilities	200,269	200,269	210,951	(10,682)
Custodial Supplies	59,900	59,900	83,641	(23,741)
Postage	1,500	1,500	6,187	(4,687)
Maintenance Services	227,025	227,025	265,067	(38,042)
Lease of Equipment	45,426	45,426	24,397	21,029
Social Security	256,335	256,335	218,779	37,556
Employee Benefits	2,128,171	2,128,171	1,870,349	257,822
Employee Retirement	82,146	82,146	72,331	9,815
Student Activities	114,586	114,586	85,057	29,529
Equipment	30,000	30,000	71,724	(41,724)
Tuition	395,391	395,391	446,389	(50,998)
Total Expenditures	<u>\$ 14,527,467</u>	<u>\$ 14,527,467</u>	<u>\$ 14,478,322</u>	<u>\$ 49,145</u>

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2023

List of 10/1:	Outstanding July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections During the Year				Outstanding June 30, 2023
			Additions	Deductions			Taxes	Interest	Liens & Fees	Total	
2021		\$ 17,100,121	\$ 121,476	\$ 135,363	\$ 2,037	17,084,197	\$ 16,528,450	\$ 59,706	\$ 172	16,588,328	\$ 555,747
2020	\$ 319,928	-	42	4,489	1,662	313,819	215,049	55,255	1,308	271,612	98,770
2019	118,676	-	7	1,069	5,722	111,892	102,482	36,974	456	139,912	9,410
2018	34,223	-	1,409	605	11,888	23,139	16,855	7,164	144	24,163	6,284
2017	22,382	-	7,549	54	16,198	13,679	9,780	4,606	116	14,502	3,899
2016	19,037	-	-	-	14,655	4,382	1,717	1,374	48	3,139	2,665
2015	10,768	-	-	-	7,632	3,136	568	547	-	1,115	2,568
2014	7,921	-	-	-	3,856	4,065	200	-	-	200	3,865
2013	10,970	-	-	-	8,229	2,741	-	-	-	-	2,741
2012	3,945	-	-	-	1,678	2,267	-	-	-	-	2,267
2011	3,228	-	-	-	1,451	1,777	-	-	-	-	1,777
2010	2,390	-	-	-	1,184	1,206	-	-	-	-	1,206
2009	2,508	-	-	-	-	2,508	-	-	-	-	2,508
2008	1,185	-	-	-	-	1,185	-	-	-	-	1,185
2007	1,158	-	-	-	-	1,158	-	-	-	-	1,158
	\$ 558,319	\$ 17,100,121	\$ 130,483	\$ 141,580	\$ 76,192	\$ 17,571,151	16,875,101	165,626	2,244	17,042,971	\$ 696,050

Net Grand List - October 1, 2021

Total Suspense Collections 3,683 4,817 - 8,500

Tax Rate: 28.45. mills

Total Collections **\$ 16,878,784** **\$ 170,443** **\$ 2,244** **\$ 17,051,471**

See accountant's report.

TOWN OF NORTH STONINGTON, CONNECTICUT

Schedule of Debt Limitation

June 30, 2023

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year \$ 16,469,255

Reimbursement for Revenue Loss on:

Tax Relief for Elderly - Prior Fiscal Year -

Base \$ 16,469,255

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
	(2.25 x base)	(4.50 x base)	(3.75 x base)	(3.25 x base)	(3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 37,055,824</u>	<u>\$ 74,111,648</u>	<u>\$ 61,759,706</u>	<u>\$ 53,525,079</u>	<u>\$ 49,407,765</u>
Indebtedness:					
Bonds Payable	4,010,643	20,314,052	-	-	-
Authorized but Unissued	-	-	-	-	-
Total Indebtedness	<u>4,010,643</u>	<u>20,314,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 33,045,181</u>	<u>\$ 53,797,596</u>	<u>\$ 61,759,706</u>	<u>\$ 53,525,079</u>	<u>\$ 49,407,765</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$115,284,785.

See accountant's report.