

TOWN OF NORTH STONINGTON
ANNUAL REPORT
FOR
FISCAL YEAR
2017-2018



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Town of North Stonington Annual Report 2017-2018



The Connecticut General Statutes require that the Board of Finance create an Annual Report covering the previous fiscal year.

Information is solicited from each department that receives funding through the annual budget. The responses that were received are included in this report along with the financial statements related to the audit for that same period.

Attached are the reports that were received from each department in response to our request.

BOARD OF SELECTMEN

First Selectman: Michael Urgo

Selectman: Nita Kincaid

Selectman: Robert Carlson

As this fiscal year ends and a new one begins, it is quite exciting to reflect on our numerous accomplishments that have occurred. At town hall, we hired new staff including Town Clerk Antoinette Pancaro, Town Administration and Finance Director Christine Dias, Assistant Highway Foreman Joe Rubino.

This year saw unprecedented activity in construction. The new Ambulance and Fire station opened in June of this year, and our school building project, which will bring our Pre-K-12th grade facilities up to the 21st century standards, broke ground in February. We began the process of sprucing up the old firehouse for use by our Recreation Department, which will add great benefit to our community.

We have been working hard on making sure our business community here in North Stonington knows how much they are appreciated, while also working towards attracting new businesses to our community by making several positive business-friendly building and zoning changes. In October we learned that North Stonington had again achieved the highest CT Town Economic Index “score” for the year 2017 indicating positive growth and fiscal wellbeing.

The Town contracted with a water and wastewater engineering firm to help us plan and design the infrastructure necessary to facilitate development in the Industrial and Economic Development Zones in the near future. We completed a study looking at the feasibility of building a water tower here in town, and completed the water line extension project. The Public Works Department finished installing guard rails and line striping in various locations throughout town.

Collaboration was the theme here in North Stonington in 2018. This year our three major boards (Board of Finance, Education, & Selectmen) worked very closely together on financial planning and were happy to see this approach result in passage of our town budget on the very first vote. We look forward to the creation of a capital improvement workgroup made up of our volunteer leaders and staff, to help prioritize big ticket spending in a more strategic manner. Additionally, we implemented quarterly “all boards and commissions” meetings, giving the leaders on our town committees a chance to communicate with one another. Speaking of finances, this year we rolled out OpenGov software which will provide great transparency into the town’s budgets and help us to be more efficient in future financial planning. Check out the town website www.northstoningtonct.gov for details.

Over the past year we have seen the creation of North Stonington’s social media presence in the #mynosto sites on twitter, Instagram, & Facebook. As always, we welcome feedback and participation in town government. Consider coming to a meeting, sending us an email, or volunteering for one of our many groups in town.



First Selectman Mike Urgo, Selectwoman Nita Kincaid, Selectman Bob Carlson

BOARD OF FINANCE

Members:

Daniel Spring, Chairman
Paul Simonds, Vice Chairman
Carolyn Howell, Secretary
Mustapha Ratib
Tim Main II
Michael Anderson
Candis Banks (Alternate)
Chris Hundt (Alternate)

For the fiscal year 2017-2018, the BOF had 22 meetings. The budget for BOF is the expenditure for auditing services which was totally utilized.

In review of the fiscal year 2017-2018 for the Town of North Stonington, the annual audit illustrated budgets that were well executed. Moreover, the fiscal stability of the Town continued to be strengthened. This is evident by the increase in the value of the grand list by 1.8% and an unassigned fund balance that was at 16.7% of the Town's expenditure budget.



Opportunities presented to the Town by having a strong financial position have been the ability to make investments in capital projects such as the new Emergency Management Center and middle-high school. This also includes the modernization of the elementary school. Contracted agreements for funding these projects were consummated at a fixed annual rate of 2.75% through USDA. It is notable that this low rate was made possible by the interest environment at the time, and moreover, by the strong fiscal profile of the Town. The benefit of this low rate is a savings realization in the millions of dollars as contrasted to what had initially been proposed to the Town going to referendum. The point is that having improved the financial position of the Town over the last eight years has given the Town the capacity to invest in its future.

Prudence and proper prioritization in budget planning and budget execution continues to be imperative to serve the residents of the Town for day-to-day operations and to make investments that bring multiple benefits to the Town and the community as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel S. Spring".

Daniel S. Spring, Chairman

ASSESSOR'S OFFICE

Tax Assessor: Darryl DelGrosso

Contact: 860-535-2877 Ext. 23

Administrative Assistant: Cecile McGrath

Contact: 860-535-2877 Ext. 24

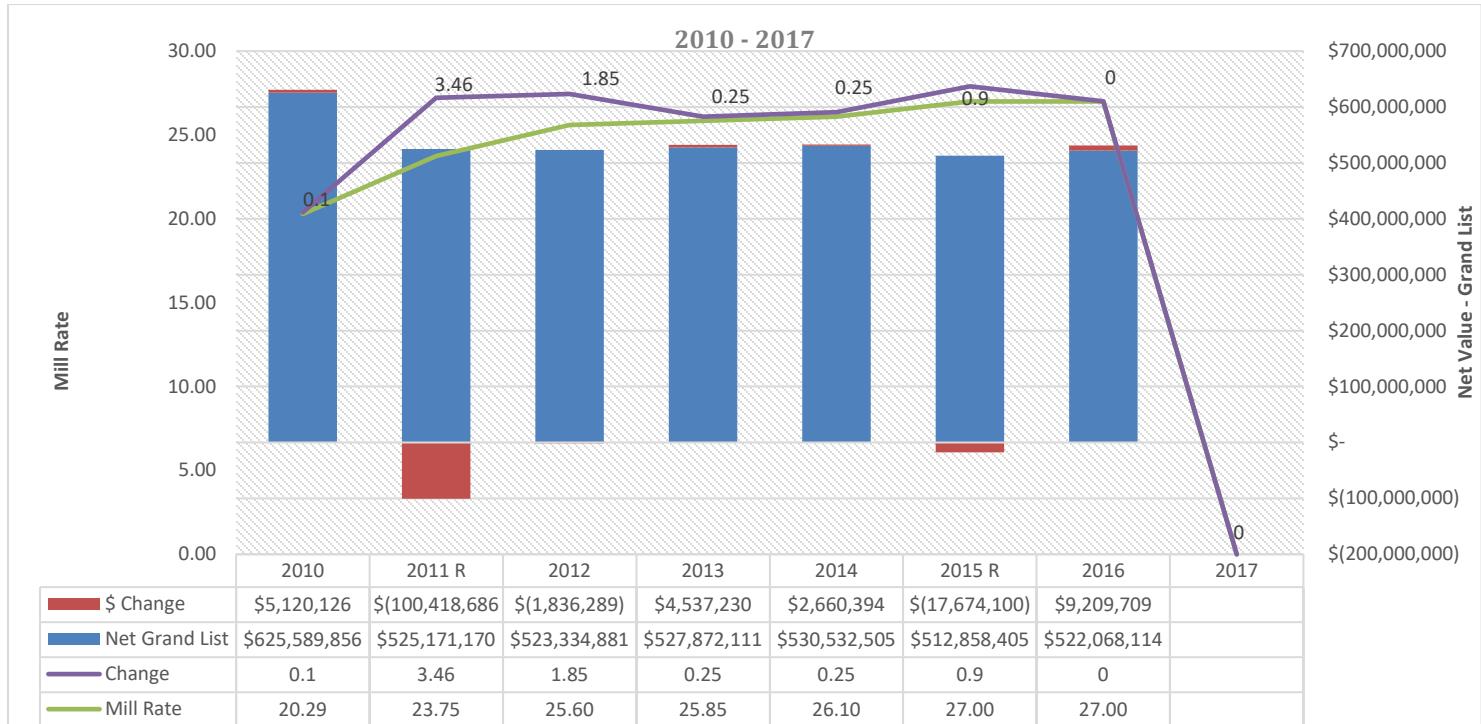
The big news for North Stonington horse owners or horse owners who board their horses in North Stonington is that the Board of Selectman have adopted the legislation to exempt horses from personal property taxes. Starting October 1, 2018 any horse in North Stonington will be exempt from personal property taxes. The personal property declaration need not be filed for horses any longer.

Real estate values are slowly starting to increase. From June 1, 2017 to June 1, 2018. 110 properties transferred. The former McDonald's site on Providence New London Turnpike has been redeveloped and is now home to Quality Propane and the site of the former Howard Johnson's has been sold and I am expecting commercial development on that site. The long vacant land just before the rotary on Route 2 & Route 184 opposite Mystic Pizza has also sold. North Stonington may be in position to see a little commercial development in the coming years.

A large track of land on both sides of Route 2 from Yerrington's to the North Stonington border with Ledyard, has been rezoned from Residential to Resort Commercial. Hopefully, this will be an area of town that will support some new commercial development in town without affecting the quality of life that residents have come to enjoy.

Lastly, the new high school has broken ground and is under construction and the Center for Emergency Services building has been completed.

Change in Mill Rate and Net Value of the Grand List 2010-2017



BOARD OF ASSESSMENT APPEALS

MEMBERS:

Paula Woodward, Chairperson

Lisa Mazzella

Candy Palmer

Cecile McGrath, Secretary to the Board

The Board of Assessment Appeals met in March for two session. Two appeals were heard on real estate and two different owners on personal property. The Board met in September for the purpose of appeals on motor vehicles only - two appeals were heard.

TAX COLLECTOR

Tax Collector: Amy Snell

Contact: 860-535-2877 Ext. 20

The Tax Collector's office is responsible for the administration and the collection of revenue in conformity with the Connecticut State Statutes, town ordinances, and established policy.

The percentage of the current adjusted tax levy (2016 Grand List) collected as of June 30, 2018, was 97.7%. The total collection rate including all taxes collected, current and prior years, interest and lien fees was 103.9%, \$570,025.34 more was collected than budgeted for total tax revenue.

The following is a breakdown of total collections for the fiscal year ending June 30, 2018:

FISCAL YEAR 2017/2018 TOWN OF NORTH STONINGTON TAX COLLECTOR'S REPORT FOR YEAR TO DATE										
Grand List Year	Uncollected Taxes July 1, 2017	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2018
			Additions	Deductions			Taxes	Interest and Liens	Total	
2016	14,717,070.81	5,390.73	(28,856.90)	(2,776.62)	14,693,604.64	14,494,097.06	51,609.54	14,545,706.60	196,730.96	
2015	306,060.59	170.81	(3,098.82)	(8,356.76)	303,132.58	241,460.91	58,108.22	299,569.13	53,314.91	
2014	211,137.08	511.70	(248.48)	(13,790.16)	211,400.30	180,995.67	71,199.25	252,194.92	16,614.47	
2013	157,600.74	0.00	0.00	(10,998.17)	157,600.74	126,855.01	76,868.65	203,723.66	19,747.56	
2012	15,729.59	0.00	0.00	(6,426.91)	15,729.59	759.38	523.97	1,283.35	8,543.30	
2011	6,538.46	0.00	0.00	(532.46)	6,538.46	0.00	0.00	0.00	6,006.00	
2010	7,368.08	0.00	0.00	(53.43)	7,368.08	0.00	0.00	0.00	7,314.65	
2009	4,180.58	0.00	(487.60)	(46.92)	3,692.98	0.00	0.00	0.00	3,646.06	
2008	5,655.65	0.00	(481.56)	(3,027.32)	5,174.09	0.00	0.00	0.00	2,146.77	
2007	2,570.35	0.00	(470.94)	0.00	2,099.41	0.00	0.00	0.00	2,099.41	
2006	2,292.84	0.00	(449.20)	0.00	1,843.64	0.00	0.00	0.00	1,843.64	
2005	2,281.13	0.00	(449.20)	0.00	1,831.93	0.00	0.00	0.00	1,831.93	
2004	1,225.32	0.00	(476.70)	0.00	748.62	0.00	0.00	0.00	748.62	
2003	1,028.69	0.00	0.00	0.00	1,028.69	0.00	0.00	0.00	1,028.69	
2002	953.91	0.00	0.00	0.00	953.91	0.00	0.00	0.00	953.91	
Total	724,623.01	14,717,070.81	6,073.24	-35,019.40	-46,008.75	15,412,747.66	15,044,168.03	258,309.63	15,302,477.66	322,570.88

Respectfully submitted,
Amy K. Snell, Tax Collector

TOWN CLERK

Town Clerk: Antoinette Pancaro, CMC, CCTC

Contact: 860-535-2877 Ext. 21

The Town Clerk's Office handles a wide variety of tasks involving vital records, land records, licensing, elections, and records management. Birth, marriage, and death certificates are issued and filed in the office, as well as burial and cremation permits. Marriage licenses are issued for couples being married in North Stonington. The recording and indexing of land records, issuance of trade name certificates, and filing of maps, military discharges (DD-214s) and liquor permits are a significant portion of the Town Clerk's job. The office registers Justices of the Peace and Notaries. The Town Clerk also has the important duty of issuing absentee ballots for elections, as well as compiling and keeping election records. Meeting agendas and minutes are filed in the office. The Town Clerk is responsible for maintaining the official record of ordinances, oaths of office, appointments, and petitions. Sporting licenses, such as hunting, fishing, and trapping licenses, can also be purchased in the Town Clerk's Office and online at www.ct.gov/deep/hunting. These licenses may be purchased throughout the year and are valid for the calendar year only. The Town Clerk has Hunting & Trapping, Fishing, Boating, and Migratory Bird Guides available in the office. This information is also available online at www.ct.gov/deep/hunting. The Town Clerk issues dog and kennel licenses. These licenses expire June 30th, and a new license must be procured on or before June 30th or a penalty of \$1.00 per month will be imposed. The fee for an unaltered dog is \$19.00 and for a neutered or spayed dog is \$8.00. In order to obtain a dog license, a rabies vaccination certificate must be presented, as well as a neutering or spaying certificate, if applicable. The fee for a kennel license for a kennel with 10 dogs or less (10 kennel dog tags) is \$51.00 and for a kennel with 11 to 20 dogs (20 kennel dog tags) is \$102.00. A low-cost rabies clinic (\$15.00) was offered by Dr. Stephen Morrone on Saturday, June 2, 2018 between the hours of 10:00 A.M. to 12:00 P.M. at the Town Hall, 40 Main Street. The Town Clerk's Office was open between those hours to register dogs. The business hours for the Town Clerk's Office are 8:00 A.M. to 4:00 P.M., Monday through Friday, excluding holidays.

October 2, 2017 Referendum Results

The September 18th, 2017 Special Town Meeting reconvened at 8:07 pm on Monday, October 2, 2017 by Moderator Bob Shabunia following the Referendum, the results were read by the Referendum Moderator Paula Kent:

1. Shall the Town of North Stonington convey ownership, for the consideration of one dollar, subject to a permanent, private, conservation/open space easement, to land known as Chester Main Estates 'East Trail ', Tax Parcel ID Numbers 95-5348, and 102-2790, and the land known as the 'West Buffer', Tax Parcel ID Number 95-1578, all parcels located off Chester Main Road, to a Chester Main Estates Non Profit Home Owners Association (HOA), to be created through the CT Secretary of State, subject to approval of form by the Town Attorney, and with the express condition that the HOA must be legally established no later than 90 days after all town approvals? **312 YES 133 NO**

2. Shall the Town of North Stonington empower the First Selectman to take action necessary to abate and demolish the structure known as Greene Gables located on the Hewitt Farm property owned by the Town? **260 YES 182 NO**

Town Election Results November 7, 2017

First Selectman	Michael A. Urgo (Democratic)	771
	Asa C. Palmer (Republican)	776
	Michael A. Urgo (Independent)	233
 Selectman		
	Robert A. Carlson (Republican)	992
	Nita B. Kincaid (Petitioning Candidate)	614

Town Treasurer	Mark Donahue (Democratic) Robin D. Roohr (Republican)	648 1,066
Board of Finance (Full Term)	Michael L. Anderson (Democratic) Paul A. Simonds (Republican)	761 861
Board of Finance (Four Years)	Daniel S. Spring (Republican)	1,207
Board of Finance Alternate	Candis Banks (Republican)	1,179
Board of Education	David McCord (Democratic) Christine Wagner (Republican) Jen Welborn (Democratic) Pamela Potemri (Republican)	716 965 688 784
Board of Assessment Appeals	Julie Lanier (Democratic) Lisa Mazzella (Republican)	589 984
Economic Development Commission (Full Term)	Toula Balestracci (Democratic) Paul A. Simonds (Republican) Lisa Wood (Democratic) Salvatore Cherenzia IV (Republican)	613 889 605 1,025
Planning & Zoning Commission	Lisa Wood (Democrat) Keith R. Bressette (Republican)	653 838
Zoning Board of Appeals	Candy Palmer (Republican)	1,162

**November 27, 2017
Referendum Results**

The November 27, 2017 Special Town Meeting reconvened at 8:04 pm on Monday, November 27, 2017 by Moderator Bob Shabunia following the Referendum, the results were read by the Referendum Moderator Paula Kent:

Shall the Town of North Stonington approve the estimates and recommendations of the Board of Finance with respect to the annual General Government budget including Redemption of Debt and Capital for fiscal year July 1, 2017 through June 30, 2018, in the amount of \$6,384,900 and make specific appropriations and authorize expenditures in connection therewith as appear advisable? **308 Yes 271 No**

Shall the Town of North Stonington approve the estimates and recommendations of the Board of Finance with respect to the annual Board of Education budget for fiscal year July 1, 2017 through June 30, 2018, in the amount of \$ 12,875,068 and make specific appropriations and authorize expenditures in connection therewith as appear advisable? **284 Yes**

294 No

**December 18, 2017
Referendum Results**

The December 11, 2017 Special Town Meeting reconvened at 8:05 pm on Monday, December 18, 2017 by First Selectman Michael Urgo following the Referendum, the results were read by the Referendum Moderator Debra Barnes:

Shall the Town of North Stonington approve the estimates and recommendations of the Board of Finance with respect to the annual Board of Education budget for fiscal year July 1, 2017 through June 30, 2018, in the amount of \$ 12,875,068 and make specific appropriations and authorize expenditures in connection therewith as appear advisable? **546 Yes**

367 No

**February 8, 2018
Referendum Results**

The February 1, 2018 Special Town Meeting reconvened at 8:17 p.m. on Thursday, February 8, 2018 by Special Town Meeting Moderator Bill Ricker following the Referendum. The results were read by the Referendum Moderator Paula Kent:

Shall the Town of North Stonington continue with the construction of a new Wheeler Middle/High School addition and renovations to the Gymnatorium, an addition and renovations to North Stonington Elementary School, demolition of portions of the existing Wheeler Middle and High School, and other improvements to be used for the North Stonington Board of Education Central Office, and issue bonds or notes and temporary notes to finance the portion of such appropriation not defrayed from grants? **1352 Yes** **611 No**

**June 4, 2018
Referendum Results**

The May 21, 2018 Annual Town/Budget Meeting reconvened at 8:05 p.m. on Monday, June 4, 2018 by Town Meeting Moderator Bill Ricker following the Referendum. The results were read by the Referendum Moderator Paula Kent:

1. Shall the Town of North Stonington approve the estimates and recommendations of the Board of Finance with respect to the Annual Budget including Board of Education, \$13,514,959, General Government Operating, \$5,070,377, Redemption of Debt, \$1,026,180 and Capital, \$319,592, for fiscal year July 1, 2018 through June 30, 2019, in the total amount of \$19,931,108 and make specific appropriations and authorize expenditures in connection therewith as appear advisable?

485 Yes **290 No**

**Distribution Report
North Stonington Town Clerk
July 1, 2017 to June 30, 2018**

<u>Fund Number</u>	<u>Entity</u>	<u>Amount</u>
1	LOCIP	2,334.00
	State Treasurer – MERS	<u>15,074.00</u>
		17,408.00
2	State Conveyance Tax	<u>199,836.20</u>
		199,836.20
230100	DEP – State	7,733.00
	Dog License – Animal Control Surcharge	1,370.00
	Dog License – State	3,848.00
	Marriage License – State	<u>1,235.00</u>

		14,186.00
230102	State Restoration	<u>4,142.00</u> 4,142.00
230230	State Farm Fund – 05-228	<u>28,008.00</u> 28,008.00
404010	All Other Services Copies DEP – Town Dog License – Town Marriage License – Town Notary Recording/Town Fees Town Clerk Farm Fund Town Conveyance Tax	925.00 11,543.25 199.00 580.50 715.00 210.00 27,373.00 1,548.00 <u>62,493.75</u> 105,587.50
404015	Town Restoration	<u>1,209.00</u> 1,209.00
		370,376.70

Respectfully submitted,

Antoinette Pancaro, CMC, CCTC
North Stonington Town Clerk

REGISTRARS OF VOTERS

Registrars: Gladys Chase, Republican
 Joan Kepler, Democrat
 Paula Kent, Deputy Democratic Registrar
 Deborah Barnes, Deputy Republican Registrar

Office hours: 9:00 a.m. to 11:30 p.m. Monday & Thursday.

Voice mail messages can be left the remainder of the week

Town Clerk accepts Voter Registration cards when Registrars are unavailable.

Registrars' Duties:

During working hours Registrars typically perform the following duties.

- Register new voters

- Delete deceased voters
- Make a variety of corrections and changes to the voter list including, but not limited to: active voters moving within town; moving into town and moving out of town; changes of Name, Party Registration, Contact Information, i.e., Phone Numbers, P.O. Box numbers, Street addresses, etc.
- Department of Motor Vehicles (DMV) updates Connecticut towns re: people who have registered vehicles in other towns or changed their existing town address.

The annual voter canvass is a procedure which takes place January 1st to May 1st. Registrars put information obtained from NCOA into a special Canvass Program. Other information is obtained through sale of houses, telephone or personal knowledge indicating a voter has moved. Letters are sent to voters for address change confirmations and responses are processed.



Registrars attend the following meetings & conferences:

- ROVAC Monthly New London County Meetings
- ROVAC State Conventions (2)
- State Training Class for Registrars and Moderators
- State Mandated Certification Classes (8) We have completed (8) to date.
- Connecticut IVS Accessible Voting System Class
- Attend Town Committee Monthly meetings and Town Committee Caucuses

Registrars held state-mandated limited registration sessions before the primary and general elections to allow residents to register &/or correct and update the voter list.

Registrars oversaw the following elections during the 2017/2018 Budget period:

- Budget Referendum: November 27, 2017
- General Election: November 7, 2017
- Budget Referendum: June 4, 2018

Registrars hired election officials, set up equipment to oversee elections and attended official town meetings to verify that voters are registered.

Poll worker election training sessions are held before each election to be sure new changes in election laws are implemented and review procedures.

The registrars are responsible for properly testing each tabulator to be sure that the ballots are printed correctly and can be accurately read by the tabulator.



Respectfully submitted,

Gladys I. Chase & Joan Kepler, Registrars of Voters

IT/GIS DEPARTMENT

IT/GIS Manager: James Russell

Phone: 860-535-2877 ext. 33

The IT/GIS Department is responsible for the management of Town Computer Software-Hardware, Project Coordination for Technological Initiatives, Management of the GIS System and GIS Map Production. This department supports all departments - boards and commissions in the Town of North Stonington.

Some of the projects completed in the 2017-2018 fiscal year were:

- **Purchased and installed new PC's for several members of our town hall staff.** The new PC's replaced aging systems and are all a part of the current PC Replacement Plan that I have created to get everyone on a PC that is less than five years old. The following were set up:
 - Planning, Development, and Zoning Official
 - Tax Collector
 - First Selectman
 - Finance and Administration Officer
- **Building Department Move.** Coordinated the move of the building official's PC to the Land Use office in the New Town Hall.
- **Touch Monitor Install.** Installed and set up new 75" Touch monitor in New Town Hall conference room replacing old television set up. The new monitor has a built-in computer allowing for PC-less usage by members of boards and committees.
- **Network Connectivity.** Worked with an electrician to come up with a plan to get Ethernet jacks installed in the new town hall conference room. Now have multiple network jacks in the conference room for improved connectivity.
- **Server Decommission.** COMM Server was shut down as hard drives were failing.
- **CES Building.** Built network to serve NSVFC and NSAA along with the EMD. Configured all PC's and servers. Installed new VOIP phone system for entire building. Installed Security cameras inside and outside of building. Installed Wireless Access Points in the building and Bay areas. Configured user accounts and also installed Firehouse software for reporting purposes.
- **Upgraded QuickBooks.** Upgraded all Town Hall users to QuickBooks 2018 and upgraded working files to the new 2018 version.
- **New Antivirus Set Up.** Installed and set up new Webroot antivirus on all town IT equipment. This is a stronger system than we previously had. This system will also be installed on all computers at the new CES building. This will put all town computers on the same software and be under the same management console.
- **Upgraded daily backup solution.** Upgraded to a new stronger more robust system that will decrease the amount of downtime in case of a mass disaster in the IT department. This system is also installed in the new Center for Emergency Services Building.

Upcoming projects for 2018-2019:

- **New Server Set up and Install.** Replacing oldest remaining server.
- **New Phone system.** Will be looking into upgrading the phone system at the Town Hall, Highway garage, and new Parks and Rec building to a new VOIP phone system.
- **New PC Installs.**
 - Building Official
 - Land Use Assistant

- Camera System at Town Hall Outdoor security.
- Camera System at Highway Garage and Transfer Station
- Wireless system upgrades
- New Firewall Installation
- New Network Switch Installation

I look forward to further growing of our towns IT infrastructure and working with you all in the future.

Thank you,
James Russell
IT/GIS Manager

NORTH STONINGTON PUBLIC SCHOOLS

Board of Education Members

Christine Wagner – Chair
Alex Karpinski – Vice Chair
Walt Mathwich – Secretary
Pamela Potemri
David McCord
Philip Mendolia
Darren Robert
Jennifer Welborn

honor. North Stonington Elementary School and Wheeler High School continue to be recognized for their achievement. It is also important to note that the district maintains its success while having one of the lowest per pupil expenditures. The per pupil expenditure for the 2017-2018 school year was \$15,794 and slightly less than the previous year's expenditure. North Stonington Public Schools ranks the 7th least expensive school district of the 33 school districts in our District Reference Group (DRG).

Administration

Central Office

Peter L. Nero – Superintendent
Roberta McCarthy – Administrative Assistant
Deborah Martin – Business Manager
Elizabeth Mackela – Bookkeeper
Sue Costa- Special Services Director
Gregory Pont –Director of Technology/ Security/MIS
Guy Boucher – Director of Facilities
Wheeler Middle/High School
Kristen St. Germain – Principal
Ryan Chaney – Associate Principal
North Stonington Elementary School
Veronica O. Wilkison – Principal

The Annual Report

Over the last several years, there have been dramatic changes to public education on the state and federal level. The Board of Education (BOE) Annual Report also demonstrates the dedication of the district staff that is committed to academic excellence. With that stated, the BOE and the school district administration want to thank the Town of North Stonington and its citizenry for its commitment to the education of its children.

We also would like to thank the North Stonington Parent Teacher Organization (PTO) and the North Stonington Education Foundation (NSEF) for donating their valuable time and energies to North Stonington Public Schools. In addition, the PTO and the NSEF continually raise and donate thousands of dollars annually to support a wide variety of activities for students and staff as well as innovative programs normally not funded through the annual budget.

Introduction

It was another exceptional year. In 2017, Governor Malloy recognized the state's highest achieving schools; schools in the top 10% of all Connecticut public schools. They are titled, *Schools of Distinction*. Of the over 1,000 public schools in Connecticut, 116 schools received that

A quote that has been used by the Superintendent and BOE in its annual budget presentation states:

"We Believe, that is, you and I, that education is not an expense. We believe that it is an investment."

-*Lyndon B. Johnson, 36th President,
October 16, 1968*

The 2017-2018 school year was again hugely successful which culminated in June, despite a number of snow days, with the traditional graduation on the Wheeler Library lawn. In addition, a number of award ceremonies were held at our elementary and middle/high school. Beyond the outstanding academic success of our student body on standardized tests and in the classroom, our students continue to excel in the performing arts, where their learning and talents were demonstrated at musical events, theatrical performances and at art exhibits. Our students also excelled in the gymnasium and on the athletic fields.

Beyond the talents of our students, which were evident through the aforementioned, as always, they gave of their valuable personal time volunteering at school and in the community. Their altruism makes us most proud. Our students exemplify and embody our town's motto which can be found when one crosses the borders into town, "*We Appreciate Our Volunteers.*"

Major Mandated Educational Initiatives

The No Child Left Behind Act played a significant role in Connecticut and on a national level. A decade of NCLB, as it was known, carried with it many mandates that impacted North Stonington Public Schools.

NCLB was replaced four years ago with the *Every Student Succeeds Act* (ESSA). Like its predecessor, ESSA was a federal, bipartisan supported act which was signed into law by President Obama in 2015.

In June of 2012, the Connecticut Legislature passed into law sweeping educational reform initiatives, including a mandate that districts develop a new teacher evaluation instrument. The North Stonington Teacher Evaluation/Professional Development Committee met periodically throughout the year as the district is in the fourth year of fully implementing the *SEED: System for Educator Evaluation and Development*, evaluation instrument.

As a result of ESSA, we no longer measure what we had come to know as Adequate Yearly Progress (AYP). AYP was used to measure the aggregate of a class or a school's total annual performance. The focus of the ESSA is on individual student performance, especially growth. In order to keep our teachers current in their pedagogy, the district continues to invest resources into Professional Development (PD). Some of the funding was made possible from the general fund with a major portion being funded through our Title II grant.

We believe that North Stonington Public Schools are safe, and student-centered, where teachers and students clearly want to be. Students are challenged by their teachers and their instructional methodology is diversified for all ability levels and learning styles. While test scores can sometimes be complicated to interpret for many, feel free to connect to the Connecticut State Department of Education's website (<http://www.sde.ct.gov/sde/site/default.asp>) where you can compare our test scores to all other Connecticut school districts.

Five years ago, the state converted to the nationally known *Common Core Standards*, referred to in our state as the *Connecticut State Standards* (CSS). The district prepared teachers well for this conversion providing PD beginning in 2012-2013 and it still continues under the direction of our districtwide Teacher Evaluation/Professional Development Committee. The committee is comprised of teachers and administrators.

In addition to the conversion to the CSS in 2013-2014, the test changed. While there is still some testing in the former CMT/CAPT for grades 5, 8, and 10 in science, all English Language Arts (ELA) and Math assessments are administered through the *Smarter Balanced Assessment Consortium* (SBAC).

Another major change is the method in which the test is administered. The test has changed from the traditional paper and pencil test to our students now being tested online using computers. Our Director of Information Technology /MIS/ Security was also involved in the conversion to the SBAC test, as all our buildings had extensive upgrades in instructional technology and to the internet system. Internet access for all our buildings are now on a wireless internet system as all of the

recommendations in the district's Technology Plan have been instituted.

Please keep in mind as you peruse through the Annual Report and our standardized test scores, while the results are excellent, they are just one of several indicators used to measure a child, teacher, or school's performance. One only has to walk through the corridors of any one of our schools to sense the warm and nurturing environment that exists and the wonderful relationships between our students, teachers and administrators to realize the high level of education taking place.

In an effort to provide all our students with every opportunity to achieve success in the CSS, the budgets developed over the last seven years have included funding for the necessary resources. Some of the resources have included, but were not limited to, new up-to-date printed/text materials, computer hardware and software and online programs. Personnel have been added as well to include specialists in math and literacy in 2013-2014 and again in 2015-2016. The specialists teach in our elementary and middle/high school. The positions have provided individual, intensive instruction to those students identified with particular needs. They also provide small group and whole-classroom instruction which is beneficial to all our students. Most importantly, our specialists, through ongoing PD, provide model lessons as they work with teachers and students in the classrooms.

Technology in the Classrooms & School Security

Changing from the traditional paper and pencil standardized assessment to a computerized, online assessment required some retooling. The district continues to invest in a great deal of resources such as computer hardware and software as well as human capital. Funding was paid through the district's general fund and taking advantage of and applying for state and federal grants.

Over the last six years, North Stonington Public Schools has received approximately \$240,000.00 in state and federal grant funds to purchase a variety of technology. Nearly 42% or \$100,800.00 was reimbursed to the town. With the addition of supplemental grant funds, we were able to purchase 155 laptop computers and peripheral devices which were necessary for the standardized testing. Those computers are also used to deliver

instruction to students in classrooms throughout the school year.

In order to provide and insure safe internet access and use by students and staff, The BOE, under the direction of the Director of Technology, developed a Bring Your Own Device (BYOD) to school policy. The BYOD policy provides regulations and guidelines for all to follow.

One of the most important investments made by the district in technology was to upgrade security throughout the district (2014-2015). As a result of funding that we secured through a federal grant, facilitated by the State of Connecticut, the district was able to purchase \$103,000 in improvements to our security system. Our security measures are state-of-the-art. The system has all the same features and qualities that are installed in new or recently renovated schools. All of our exterior doors are magnetically locked 24 hours per day. At the elementary school, all faculty and staff have security badges with key fobs. When the fob is scanned at the point of entry, the door will unlock for the staff member to enter the building, after entry, the door will relock. Visitors to school, once identified via a video system, are buzzed into the building.

At Wheeler, in addition to security badges and key fobs for our staff, all of our students have personalized ID badges and key fobs. Student key fobs are necessary as students travel back and forth between the main building and gymatorium. Student key fobs are programmed to operate specific times during the school day.

A new video/camera surveillance software system was installed two years ago. The district also added additional surveillance cameras at the main entrances of our buildings as well as throughout all our buildings and on our properties. In the last seven years the district has grown from 6 security cameras to 70 security cameras.

Finally, all our buildings' main offices have the Raptor Visitor Management System®. The Raptor system allows for the main office staff to scan any visitor license>ID prior to the visitor attending meetings. The Raptor system scans IDs and matches the person to a *National Sex Offender Database*. It also determines if the visitor has been involved in any criminal activity that may warrant non-entry into our schools. The Raptor database system is updated weekly. All the new security measures along with the new Volunteer Policy passed by the BOE

have helped to make our schools significantly safer. Again, a major portion of the expense of the added security was made possible due to grant funding.

Facilities and NEASC Accreditation

The New England Association of Schools and Colleges (NEASC) visiting team conducted its decennial visit/evaluation of Wheeler Middle/High School in the fall of 2014. While the report by the visiting team was excellent, Wheeler's accreditation status continues to remain on "warning." The two NEASC standards that are at issue are facilities and curriculum. The most important standard that the BOE has been addressing for the last ten years is the facilities standard. The facilities standard impacts on the curriculum standard as our facilities do not meet the NEASC standard to deliver instruction which similarly affects curriculum.

While it is wonderful that we have a building project, generally NEASC will not remove a warning status for facilities and curriculum until the project is complete and a Certificate of Occupancy has been issued by the town. We expect that NEASC will reevaluate our status sometime after March, 2019, when our five (5) year report is due and most importantly, the new Wheeler Middle/High School will be open. As of this time, NEASC has been satisfied with Wheeler's progress.

Mandated Standardized State Testing

North Stonington Elementary School

Since 2015, the CSDE mandated the administration of the Smarter Balanced Assessment Consortium (SBAC) test for both English Language Arts and Math.

The Smarter Balanced assessments measures student progress based on the standards, or learning expectations, for Grades 3-8 in English language arts (ELA) and mathematics. The scores are used as a ruler to measure the skills acquired throughout the school year. The fourth testing was given in the spring of 2018. It provided information about achievement in the current grade and growth from year to year. More importantly, the results on the SBAC guides the direction to improve instruction and learning for our students.

Below are the achievement scores for grades three through five for the past three years the test was administered:

SBAC Percentage of Students in Grades 3 – 5 At/Above Goal

SBAC RESULTS 2015- 2018

	ELA 2015	ELA 2016	ELA 2017	ELA 2018
Grade	% goal or above			
3 rd	88%	88.5%	81%	79%
4 th	85%	83.0%	74%	77%
5 th	73%	94.6%	89%	84%

	MATH- 2015	MATH- 2016	MATH 2017	MATH 2018
Grade	% goal or above	% goal or above	% goal or above	% goal or above
3 rd	92%	98.4%	98%	93%
4 th	92%	91.5%	84%	88%
5 th	53%	87.5%	83%	81%

Ranking of North Stonington Public Schools

The state department of education ranks public schools based on the greatest percentage of students who met or exceeded their goals in English and math on the Smarter Balanced Assessment Consortium Test.

Of the 170 Public School Districts in the state, North Stonington is ranked 19th.

North Stonington Elementary School was ranked 35th out of 532 elementary schools in CT based on <https://schooldigger.com> with a 90.1% average standard score.

State Ranking by Grade and Subject Area

Town	English Language Arts		
North Stonington	Grade 3	Grade 4	Grade 5
	Ranked 52nd	Ranked 29 th	Ranked 3 rd
Town	Math		
North Stonington	Grade 3	Grade 4	Grade 5
	Ranked 4 th	Ranked 6 th	Ranked 2 nd

Next Generation Science Standards

The State of Connecticut no longer administers the CMT Science assessment. Assessments aligned to the Next Generation Science Standards (NGSS) will be administered to students in Connecticut at Grades 5 starting in the spring, 2019. The tests assess students' understanding of the NGSS across the corresponding grade band (3-5, 6-8 and high school). Information about the science standards can be found at www.nextgenscience.org.

Wheeler Middle/High School

The SBAC (Smarter Balanced Assessment Consortium) and the standard SAT for high school students in the 11th grade continue to be the assessments we use to monitor progress at Wheeler. See data below.

The Wheeler staff continues to infuse the new NGSS (Next Generation Science Standards) into their science curriculum at Wheeler. Wheeler students in both 8th and 11th grade participated in the pilot assessment.

The SBAC test is used to measure student progress based on the Connecticut Core Standards for Grades 3-8 in ELA and Math. The scores are used as a ruler to measure skills acquired throughout the school year. Most importantly, results on the SBAC assessment provide our schools and educators the direction to improve instruction and learning for our students.

Listed are the achievement scores for grade six through eight for the past two years the test was administered:

SBAC Percentage of Students in Grades 6-8 At/Above Goal

	ELA 2017	ELA 2018	MATH 2017	MATH 2018
Grade	% goal or above	% goal or above	% goal or above	% goal or above
6 th	75.4%	65.4%	75.4%	57%
7 th	76.2%	88.3%	49.2%	70%
8 th	70.2%	73.87%	42.1%	44.6%

Percentage of Students Meeting or Exceeding Goal SAT – Spring- 2018

Test	Grade	Wheeler
ELA	11	58.0%
Math	11	38.0%

This particular cohort of juniors (now seniors) continues to struggle with standardized testing. Fortunately, they had been identified at an early age due to their low achievement since entering elementary school and intensive intervention plans have been put into place to support them. Although this is the first time these students have taken this test, the results did not tell us anything we weren't expecting to see. Using other in-house assessments, this group has showed progress overall.

Wheeler continues to offer Advanced Placement (AP)/Early College Experience (ECE) courses at Wheeler. All students are tested for credit distribution but this year we have a lower number of students taking AP classes. Wheeler still offers classes in ECE Calculus, AP Statistics, AP/ECE English, AP Biology, AP World History, ECE US History as well as other student-selected AP classes through the Virtual High School, BYU online and Keystone Academy.

Other Assessments

At the elementary school, STAR Renaissance Learning universal screenings are performed three times a year in both math and English language arts. The results guide teacher instruction to meet individual needs of the students.

Beginning in kindergarten, students are taught to write all genres and are assessed based on state rubrics. Also, various reading assessments such as the DRA (Developmental Reading Assessment), Benchmark Fluency, Development Spelling Assessment, and Core Phonics are given depending on grade levels. Formative assessments are utilized in all subject areas to determine student need for additional instruction.

Students in grades 6-8 are also given a Performance Series Assessment in Math and Reading twice a year. This is an in-house assessment used to measure and track gains and losses students experience while at Wheeler each year. We also test our students who receive reading and math

interventions in January at the school year's midway point to ensure they are making appropriate progress.

At the high school, mid-year and final exams are administered to students in grades 8-12 in January and in June. ALL courses are required to give examinations.

All 6th, 7th and 8th graders also take a math readiness exam to place them in an appropriate math class each year. If students qualify, we have a schedule that allows them to travel out of their class cohort for math instruction which allows them to get to a higher level of math in high school allowing many of them to take more college level courses while still at Wheeler. These same students are also administered a reading assessment, a written comprehension and fluency assessments from the QRI-5. Our literacy specialist administers this test each year to determine yearly reading progress. They are also given a vocabulary and maze (which measures comprehension during silent reading) assessment which comes from the Consortium on Reading Excellence (CORE).

All students in grades 8-10 are given the PSAT (Preliminary Scholastic Aptitude Test). All juniors take the SAT (Scholastic Aptitude Test) their junior year and also have the opportunity to take the SAT their senior year should they so desire. Wheeler is a testing site for the PSATs and SATs. Various data teams have done a lot of work to align students' PSAT scores to Khan Academy which offers individualized programs in English and Math for students to work on increasing their overall scores.

Wheeler continues to work hard at guiding our students in achievement using the State's new Accountability Index. This index takes a holistic approach at evaluating our students and school. Areas looked at include standardized test scores, overall growth in ELA and Math, attendance, college and career readiness, access to the arts, access to technology and overall performance in physical fitness. As a school, Wheeler continues to align our school goals to this new index and works hard to strengthen our students' 21st century skills.

Summer School Program

In 2018, summer school was offered at the elementary level for students in grades Pre-K to 5 and at the MS/HS level for students with significant needs. Class sizes remain relatively small, thus allowing summer school

teachers to devote extra attention and time to students in attendance. This was the 18th year of the program which focuses on language arts and math and runs for four weeks each summer at no cost to the student. Transportation is provided for special education students.

Special Education

(State Special Education data is reported one year in arrears.)

The District Profile and Performance Report for school year 2016-17 indicates a prevalence rate of 8.2% which is below the State rate of 14.3%. There is a balance between the number of students identified for special education each year and the number of students exited from services. The SRBI model continues to provide appropriate interventions that enable students to meet grade level standards and reduces the number of referrals to special education.

The Annual Performance Report on Connecticut's State Performance Plan (SSP) for school year 2016-17 indicates that North Stonington continues to meet or exceed the State target requirements for all the SSP indicators.

*Improve Participation and Performance on Statewide Assessments.

The district has 100% participation rate for students with disabilities on Statewide Assessments (State target: 95%).

*Decrease the 10+ days Out-of-School (OSS) suspension rate and Eliminate the significant discrepancy in 10+ days OSS suspension rates.

The district has met the State target for each of these areas.

*Increase placement and time with nondisabled peers (TWNDP).

82.98% of our special education students are in the general education setting 80-100% of the time which is significantly above the State target of 68%.

0.00% special education students are in separate schools, residential or other settings (State target: 8.4%).

*Increase time in early childhood educational environments.

92.86% of special education students are in regular early childhood placements 80%-100% of the time which is above the State target of 77.25%. No students are in segregated placements.

Full reports can be found at www.edsight.ct.gov

North Stonington Elementary School Accomplishments

The North Stonington Elementary School Mission:

In a partnership with family, school, and community our mission is to educate, challenge and inspire each individual to excel as lifelong learners and to reach their highest potential as they aspire to become responsible, respectful, and honest members of society.

- All instruction at North Stonington Elementary School is aligned with the CT Core Standards (CCS). Instructional shifts have been made for both English Language Arts (ELA) and Math with enhancement of instructional strategies.
- The instructional shifts (expectations) in ELA are below:
 - Build knowledge through content rich nonfiction text.
 - Reading, writing, and speaking is grounded in evidence from text, both literary and informational.
 - Continual instruction and student work with complex text and academic language.
- The instructional shifts (expectations) in math are below:
 - Greater focus on fewer topics in each grade level.
 - Coherence: Linking topics and thinking across grades.
 - Rigor: Pursue conceptual understanding, procedural skills and fluency, and application with equal intensity.
- With the implementation of the CT Core Standards starting in 2011-12, alignment of instructional materials, updating instructional practices, providing interventions daily through small group and individual instruction, we are proud to say that the 3rd, 4th and 5th grade students scored at the top of the CT school districts on the SBAC test.

- Instruction at the elementary school continually meets the needs of our students with high quality planning, instruction, and assessment in all academic areas to ensure students are learning at their appropriate level as well as developing emotional and social skills.
- Programs in reading and math strive to meet the needs of every child. All grade levels implemented the Daily Five program which supports small group instruction and encourages independence in learning.
- The use of Renaissance Learning STAR Benchmark assessments was implemented to analyze student progress and provide instruction to meet each child's specific needs.
- The remedial reading curriculum includes a variety of programs to meet the needs of our students such as:
 - Fundations for phonics and spelling instruction
 - Wilson Reading Program
 - Read Live Fluency Program
 - Lexia Technology Reading Program
 - Remedial Comprehension Instruction
- The Positive Behavioral Intervention and Support (PBIS) program, which was implemented in 2010, continues to systematically teach students what appropriate behavior looks like and recognize students who demonstrate the school-wide expectations. Data has shown that behavior choices of our students continually improve.
- The Student Assistance Team (SAT) process utilizes the state mandated Scientific Research Based Intervention (SRBI) model to provide teachers and students with support at the first indication of difficulties academically or behaviorally. Regular education and special education staff worked together to better support instruction, modification of expectations, and student learning.
- The after school Homework Club provides additional support, especially in the math and language arts areas for students in grades 3, 4, and 5, and teaches study skills to all students.

- The New Family Orientation and Kindergarten Orientation programs were held before school began to welcome our new students.
- All parents/guardians were invited to the Open House on September 7th where their students served as tour guides of their classrooms and the school.
- On September 15th the students celebrated Constitution Day, the official signing day of the U.S. Constitution, by learning about the document and how and why it was written.
- Our students once again actively participated in the Governor's Summer Reading Challenge program over the summer. The 138 students who read over the summer were recognized during a special ice cream social and each student received a new book and a certificate.
- Members of the North Stonington Volunteer Fire Department presented a fire prevention assembly to celebrate Fire Prevention Week and teach fire safety.
- The second annual Walk to School Day had all students walking from the Recreation Field in an effort to get our students moving and simulate walking to school.
- To support development of math skills, parents were invited to observe the expectations of math in their child's classroom on Nov. 20th and 21st.
- The Annual Veterans Day Celebration was held on Nov. 10th to recognize our local veterans and help our students understand the dedication all veterans showed during their service to our country. Each child was able to invite a veteran to school for a special breakfast and patriotic assembly.
- Carol Glynn, our Artist in Residence, developed the knowledge of CT history and oral language skills by working with our third grade students thanks to support from the PTO and a donation from a local family. The students learned about local legends and each class presented a musical play for their families.
- Parent/Teacher Conferences were held twice to support building a strong relationship between family and school.
- The North Stonington Drama Club presented The Little Mermaid, Jr., directed by Kelly Gonzalez. The NSPTO and program advertisements supported the presentation on March 24th and 25th.
- The Fifth Grade Chorus entertained the school community with a holiday and a spring concert directed by Michael Noonan, the elementary music teacher.
- Two band concerts were held this year. In December, the Fifth Grade Second Year Band students presented a holiday concert and in May the Fourth and Fifth Grade Band students presented a very successful concert directed by Zach Thomas.
- The annual North Stonington Elementary School Art Show was held on May 11th. Art work created by all students was displayed in the museum created in our MPR.
- All grade levels, K – 5, presented spring concerts for the school and families directed by Mr. Noonan.
- During the school year the students and family members experienced special days in which family members were invited, such as Student Authors' Day, Family Math Days, Technology Week and Field Day.
- The entire NSES community celebrated Flag Day with many special guests on June 12th.
- The DARE program was once again offered by our local State Troopers to grade 5 students. All students graduated with the knowledge to stay alcohol and drug free. The graduation and the Fifth Grade Promotion ceremony were held on June 21st.
- A bi-monthly newsletter was published and distributed to families to support communication between home and school.
- To help our students recognize the importance of giving to others, fund raising opportunities such as Walk Your Can a Mile food collection, Holiday Food Drive, and Jump Rope for Heart were held. Students also supported our troops by creating cards and letters for them throughout the year.
- Our third, fourth, and fifth grade students were invited to participate in the CT Invention Convention. This year was a very successful year thanks to the efforts

of Mrs. Servidio. Nine students were chosen to go to the state semi-finals, seven students were selected to go onto the state finals at UCONN, and one student was selected to present their invention at the National Invention Convention in Washington D.C.

- Each year the CHET program for college savings ask students to either draw or write an essay about what they will do after college. NSES was recognized as the school with greatest participation in New London County and was awarded \$500.
- Seventy-two students involved in our Marathon Club finished their last mile at the annual North Stonington Education Foundation Run.
- The NSPTO continues to sponsor cultural programs for our students as well as the Artist in Residence program, PTO Movie Nights, Fall student pictures, two book fairs, support for field trips, teachers' grants and much more.
- North Stonington Elementary School students and staff are extremely grateful to the parents, guardians, grandparents, the NSPTO, the NSEF, and all community members who continue to volunteer in the classrooms and support our school.

Wheeler Middle/High School Accomplishments

- Wheeler continues to provide programs for our students on the dangers of substance abuse as well as internet safety presentations. Every three years, all grade 7-11 students participate in the Southeastern Regional Action Council survey about drugs, alcohol and other mental health issues. Results from this valuable survey continue to be shared with our staff and community. We will survey our students again in 2019 to monitor our continued intervention work in these areas.
- Our Counseling Department continued the tradition of preparing students for the various experiences at and beyond Wheeler, such as: transition activities to the parents and students moving from Grade 5 to Grade 6, and from Grade 8 to Grade 9. Financial aid evenings are held to help educate our parents and students about paying for college in a difficult economic climate. They have also held "Coffee with the Counselors" for parents to meet in an informal setting to discuss college and career topics relevant to

juniors and seniors. Counselors and teachers have also created an option after school two days a week where students can work on college applications and Common App.

- The Wheeler school counselors and support services personnel offer classes to help support our middle school and high school students in areas such as study skills. They also teach developmental guidance lessons in our middle school classrooms as well as work with juniors and seniors to help them navigate Common App and other important initiatives such as their SSPs.
- Wheeler's **Peer Mentoring Program** matches high school students with younger students in grades 3-8, with the purpose of helping with school work and serving as role models. Some of the mentors work individually with students; others volunteer in a whole classroom, and others do both. The selection process for a student to become a mentor includes an application, recommendations, and an interview with members of the counseling department. Once selected, mentors are trained by the counseling department with training sessions, focusing on mentoring skills and responsibilities. After successfully completing the training, the mentor/tutor will be matched with a student and weekly meetings will begin. These meetings will take place during lunch, study hall, or after school throughout the remainder of the year. Families of students in grades 3-8 who wish to have their children matched with a mentor provide permission to the social worker at the elementary school or the counseling department at the middle school.
- The **PRIDE PROGRAM (PBIS)** continues at the middle school level and receives positive responses from students, faculty and families. Each quarter students are earning PRIDE points and shouts-outs that they receive from their grades or their adherence to our social/civic expectations. Through this program, students have numerous opportunities to earn their way into our end-of-the-year celebratory event. This year changes were made to move away from quarterly celebrations so that more students have the opportunity to find success even when they fall down on occasion. Each week on our morning news program, students can be recognized for

SHOUT OUTS from their teachers for modeling our social/civic expectations.

- Our School Counseling Department hosted another Alumni visit for all Wheeler High School students. Over 25 alumni returned for this presentation that was created to share information about the college application process as well as to answer questions about life after high school.
- Parents, students and teachers, are offered the opportunity to complete a variety of surveys that provide feedback to help us improve our practices at Wheeler. In years past we have used these surveys to make changes within our school handbook as well as within the structure of our school day. This year we will be surveying parents and students on potential pathway opportunities that we are working to bring to Wheeler in the future.
- As part of our continued health awareness, the Wheeler Food Committee, made up of students, health teacher, superintendent, business manager, and the food service provider, Aramark, met four times per year to discuss the nutrition and food choices that Aramark provides. Since the committee has formed, the food has improved by having fresh fruits and veggies instead of canned. They have looked at farm-to-table for some of these veggies and fruits from local farms. Through this committee, some menu items were eliminated because students explained that they were not popular items because of the food choices. The students wanted more options, so a Panini maker was added and are served twice a week as well as a build-your-own sandwich bar, twice a month. Salads are also now available every day.
- **CPR/First-Aid/AED** training was given to all 9th and 11th grade students through their health classes. These students go through the training to learn the basic skills to be able to help someone in need. Wheeler staff members continue to provide this training to coaches within our Wheeler community on a yearly basis.
- Throughout the year, Wheeler students participated in ALLI field trips. “ALLI” stands for Adolescent Learning and Leadership Institute. Many students from Wheeler High School work with students from surrounding high schools (Stonington, Ledyard,

Waterford, NFA, Montville, Bacon Academy, and Griswold) to be educated on ways to avoid drugs and alcohol in their lives. These students act as school leaders and bring back important information to their peers and school.

- The school successfully navigated our two year NEASC report. We continue to work on our five-year report and work hard to make changes recommended to us in our 2014 NEASC report. Administration continues to stay abreast of the changes to the accreditation process and has attended numerous conferences and meetings in regard to these changes. Our first visit in the new process will take place in the year 2020 with a team visit in 2024.
- New courses continue to be developed to better meet the needs of all of the students, many of which centered on the UCONN/ECE program which allowed Wheeler students the opportunity to earn transferable college credit. We now have year-long Agri-Science 1 and 2 classes, as well as a Psychology class. At the middle school level, we have added a coding class. We are currently looking to add more elective opportunities at Wheeler as we have aligned our graduation requirements to better fit the 21st Learning Expectations that the State has recommended.
- 37 students took the AP exams last year. 72 total exams were taken in all and 61% of those exams taken earned college credit.
- Across the state, last year’s SAT averages were down by comparison to other years. The state average in ELA was 514 and in Math it was 502. Our 2018 junior cohort fell short with a 502 in ELA and a 495 in Math. Although they fell below the state average in both areas, for this particular cohort, they showed 65% growth overall since their last PSAT. This is a cohort we have been watching since they entered Wheeler in 2013 as they have historically tested far below state averages on all of their state testing. With the interventions put in place, however, they have continued to show growth each school year.
- All students in grades 6-8 took the SBAC test in reading and math. This year’s 8th graders (who tested as 7th graders in the spring) tested first in the state in ELA. Students in grades 8 and 11 participated in the

NGSS (science) field test. Overall, Wheeler students continue to show gains in reading and math on their SBAC tests. We will not receive any data from the NGSS field test until next school year.

- In regards to analyzing our performance, we have created various data teams that consist of administration, guidance and faculty and staff. This team analyzes the variety of data points we use, including SBAC, AP, ECE, SAT, PSAT and Performance Series, to assess our students' growth which allows us to use the data to make informative changes to our instruction and curriculum.
- Many students received CIAC-CAS awards. Two middle school students were honored at the Aqua Turf in Southington as Scholar Leaders, and two high school students were honored as Scholar Athletes. We also sent one student on to compete in the Governor's Scholar program.
- We continue to fill all of our VHS (Virtual High School) seats each year. This year we have also had students taking online courses in BYU Online as well as Keystone Academy. These opportunities continue to allow our students to take courses that we are unable to offer due to scheduling conflicts that arise. Last year's courses included AP Music Theory, AP Physics, AP Psychology, Honors Anatomy and Physiology, Honors Philosophy, Kindergarten Apprentice Teacher, Pre-Veterinary Medicine, Number Theory and many others.
- In order to better prepare eighth grade students to handle the rigor of high school, the eighth grade team continues the practice of giving midterm and final exams.
- Our math department continues to bring diverse math offerings at Wheeler to better align to the CT Core Standards. Freshmen now start with Geometry and move into Algebra I, II and then Pre-Calculus and Calculus. Middle School students can also earn high school credit by taking Geometry as 8th graders. The schedule is aligned so students can travel up a level in math each day so all of our students now have opportunities to participate in accelerated math courses each day. In addition to these changes the middle school program is now fully aligned to the core and offers an online component of their math

program. We continue to provide advance opportunities for our middle school students to give them opportunities to get on the advanced track whenever possible.

- Working in conjunction with Positive Health in Teens (PHIT) we continue to use our breathalyzer at high school events when we deem necessary. We also work very closely with our local State Troopers when it comes to the safety and wellness of our students.
- The Middle School continues to offer a solid SRBI program to incorporate interventions to students in need. Every day there is an SRBI period where students can receive interventions in math and reading as well as enrichment opportunities that reinforce literacy and numeracy skills. Students in interventions are monitored to show gains and losses in math and reading each year.
- To solidify our SRBI program the school has created a calendar that schedules intervention sessions to better allow staff members to share students that might need interventions in both areas of reading and math. This calendar allows more effective scheduling to take place with our staff members and interventionists.
- Our Middle School "at-risk" population is provided with opportunities to make up or finish work that they did not complete each quarter through our Middle School Academy program. This is a way for our staff members to truly hold students accountable who are capable but making poor decisions in regard to class or homework. Academy takes place every SRBI session as well as during our mid-term and final exam weeks at Wheeler.
- Our Student Study Center (SSC) is now staffed full time with a Wheeler faculty member and a para professional. This faculty member is available to assist high school students who need extra help or organizational help during their school day. Students can now be scheduled into this option during the year as a supervised study hall. Those students scheduled in can receive a .5 credit if they stay in there all year.
- Wheeler uses a full-time math position to serve as the middle school math interventionist/coach as well as teach one high school math section. This teacher works with Tier 3 middle school students two periods

a day, pushes in to three middle school math classes as a math coach, and teaches one section of high school geometry. As the middle school math program transitioned to a new program and model this year, the position has transitioned from strictly math interventionist to both interventionist and coach to support all three middle school math teachers as much as possible.

- Many out-of-the-classroom opportunities were planned which met the various educational needs of the students and provided experiences that the students may not normally have been able to experience within the walls of their classroom. For example, high school biology students received a tour of the Whole Foods Production Company. Middle School students traveled to the Waterford Country School for the Ropes Course Challenge, Battleship Cove in Fall River, MA, the Human Body Exhibit in Providence, RI, and the Connecticut River Museum. 8th graders took a historical tour of Boston and high school AP Literature Students took a tour of UCONN to use their library database. We also sent high school females to the Women in Science program at Pfizer as well as other tech events that promote technology education.
- Many teachers attended regional conferences, such as NGSS in science, ATOMIC and the National Math conference, the National Conference in Social Studies, the International Literacy Association conference, numerous conferences in global language and local regional PD opportunities around the state. Teachers continue to use professional development to bring back new ideas and activities to share with their students and other department members.
- Last year, one of our Wheeler faculty members was selected by the Library of Congress in Washington DC to be their teacher-in-residence. This staff member was selected as the one and only candidate after a national search and application process.
- Our Wheeler Literacy specialist took a group of five Wheeler students to Texas to help victims recover from the hurricane devastation that took place there. These same students made multiple presentations to the public on what they did, as well as raised money to cover the expenses of their trip.

- Students in both the Middle and High School participate in a daily Advisory homeroom program where they are able to connect with faculty members. Through their advisory program they also participate in numerous charitable opportunities where they are giving back to their communities and practicing our Social/Civic Expectations: Honesty, Safety, Respect and Responsibility.
- Our Senior Project continues to match up high school seniors with members of the North Stonington and neighboring communities. This capstone project allows students to practice and fine tune their 21st century presentation skills, as each senior presents on a chosen topic of interest. Last year we had students study on college campus laboratories, compete in a national horseshow, rebuild a truck and tractor, compose music for a theater production and a variety of real-life hands-on experiences that allow them to explore and fine tune their personal interests. The program at Wheeler is often visited by other school districts for the exemplary program in place.
- The Wheeler debate team competed in the Great Debate, a state-wide competition and placed for the third year in a row. They continue to expand their competition platform and compete against schools in the ECC to prepare for this important competition.
- Wheeler students participated in the Apprentice Challenge and competed against neighboring schools to create a business plan for a local business. Wheeler High School business students have won the championship for three consecutive years. This and the Money Madness trip allow our students to practice their personal finance skills as well as their business skills in a real-world platform.
- Middle School literacy students organized an annual tribute to our local veterans and emcee the program to reinforce important literacy skills in our Flag Day tribute where they invited in local veterans to be honored by our staff and students. They also presented citizenship awards to students of Wheeler Middle and High School who demonstrate leadership and were voted on by the faculty. Several middle school students entered the essay contests sponsored by the local VFW on various topics including

patriotism and the flag. These students shared their essays at our Flag Day program.

- We had another successful summer reading program last year. We read the book, "Hideout," by Watt Key. We celebrated our summer readers, by hosting a breakfast for them in September. Wheeler Middle School students were also afforded the opportunity to SKYPE with author Watt Key.
- In January, our school media specialist and school literacy specialist hosted our annual "Middle Ground Book Club" for students and adults. We read "Refugee" by Alan Gratz. This book tells the amazing story of a Jewish boy living in Nazi Germany. With the threat of concentration camps in sight, his family sets sail across the world. As always, there were rich conversations and this unique book club provided a "middle ground" for students and parents to come together over quality literature.
- Our Middle School and High School literacy coaches hold book clubs for students in grades 6-12. These book clubs are voluntary and students meet during their lunch waves to participate.
- The Wheeler High School Print Shop prints a variety of mailings and flyers for local businesses and has printed various items for town-wide distribution and community groups. Our print shop is also responsible for the printing of the North Stonington Quarterly each season. The print shop also has a 3D printer, which allows our students interested in engineering opportunities to design prototypes and eventually bring them to fruition.
- Wheeler still participates in the Perkins program and has received a variety of technology to supplement and increase participation in our CTE programs. Grant money was used to purchase new digital cameras and other accessories to support our new photography classes.
- Wheeler students and faculty donated food, canned goods, etc. to our in-house food bank to be donated to local families for the holiday seasons. They continue to donate holiday baskets as well as gift cards to local supermarkets. Our high school students continue to volunteer at the Shoreline Food Pantry on Saturdays, where they serve a hot meal to local patrons and help downstairs in the food pantry on a monthly basis.

- Our High School Band and Chorus participate in several events, with performances at The Dunkin Donuts Center in Providence, the annual North Stonington Tree Lighting, the North Stonington Festival and the Wheeler Arts Symposium. Students from grades 9-12 marched in the annual North Stonington Memorial Day Parade.
- Last year our Wheeler Drama department and our Wheeler band combined for their performances of Annie. Over 70 students from our middle school and high school were involved in these performances.
- Two students were nominated for accomplishments in the areas of Art and Music and were honored at the AquaTurf in Southington, sponsored by the Connecticut Association of Schools.
- The High School Concert Band and Choir provided some of the ceremony music for senior graduation along with about 20 Wheeler alumni in the second annual alumni band. Our band and chorus concerts, as well as art shows, were huge successes and were very impressive for both their quality and for the high number of students participating.
- Last year, some of our middle school students were accepted into the Eastern Region Music Festival, a regional honors festival where top students from the region performed advanced repertoire under renowned conductors.
- Wheeler High School students were accepted into the Eastern Region Music Festival, a regional honors festival where top students from the region performed advanced repertoire under renowned conductors at the UConn music facility. Students went on to audition at the all-state level.
- The Music Boosters awarded a college scholarship to a student who has gone on to major in music. They also sponsored a Talent Show that showcased diverse talents from our students in grades 6-12.
- The Wheeler Music Program earned gold medals across the board for its performances at the Great East Festival in May of 2018. Each year, the 7th/8th Band & Chorus and the HS Band & Chorus prepare a program for adjudication. They receive scores, comments, and a brief clinic from judges. All four Wheeler ensembles were awarded gold medals.

- The Wheeler band and chorus performed at the North Stonington Tree Lighting and the Wheeler Band performed at NoSto Fest and Memorial Day Parade.
- Many of our students had artwork in an exhibit at NFA that honored ECC artists.
- In the area of athletics, 64% of our high school students played a sport last year, many playing three sports during the year. We had many students recognized as All Eastern Conference First Team Small Division members as well as many honorable mentions. We also received several sportsmanship recognitions from the ECC. We also had two students make All-State as well as Academic All-State recognition.
- Wheeler athletics continue to take part in the Class Act School program sponsored by CIAC. The CIAC's Class Act Schools initiative is designed to empower schools and particularly students to take ownership for all issues related to sportsmanship within the athletics department.
- Our club offerings continue to expand and include opportunities for students to participate three times a month during the school day in the following clubs: Farm and Garden Club, American Sign Language, Give Back Club, Film Club, International Club, Book Club, Scrapbooking Club, Photography, National Honor Society, Unified Sports, Drama Club, WBC News, Student Government, Math Team, Science Bowl and a variety of other offerings.
- In the Agriscience I & II class students have explored a variety of agricultural topics and concepts, including: plant morphology, landscape design, sustainability practices / challenges, the aquaculture industry, and Macro / micro nutrient cycling. Students have been busy at work applying the topics towards a cumulative aquaponics lab experience. Over the 2017 fall / 2018 winter students collaborated and utilized their diverse range of talents, and skills to engineer a system within our school. With a few koi fish, some artificial lighting, and careful planning, students have gotten the opportunity to see their new content knowledge in action. During the second semester the Agriscience II class refined the system and harvested different crops through June in their aquaponics closet.
- Last year, our greenhouse continued to be fully operational providing space for the elementary students to plant in their science classes as well as for our MS and HS Farm and Garden students to host their annual plant sale. In addition to the greenhouse, students have also raised 11 laying hens and take care of them as part of the Farm and Garden Club. Students are responsible to feed them, change out their water, collect eggs, and maintain the coop as well as the run area. The eggs are sold to local faculty and staff members and the money is used to continue to buy food for the hens.
- Wheeler has established a cooperative with the Westerly Education Center that now allows our high school students to participate in training that will allow them an opportunity to work at Electric Boat in the future. This training is in the area of sheet metal and will also be offered to seniors next year during the school year for partial credit. Wheeler students may also enroll in art courses that run at the Westerly Education Center on weekends.
- Wheeler continues to sponsor a Unified Sports Team. Through this peer mentor program, members of our Unified Sports team participated in unified bowling and basketball against other unified teams in the local area. The Unified Sports Team meets three times a month at Wheeler as well as after school to prepare for their competitions.
- During the 2017-18 school year Wheeler High School's Student Government continued to focus on involvement in the Wheeler and North Stonington communities. The group organized a voter registration event at the school where over 20 students ages 17+ registered to vote for the third consecutive year. Students worked as volunteers with the



Registrar of Voters on Election Day in 2018. Additionally, students organized a school-wide spirit week that included days to support Relay for Life (a purple-out) and honor Memorial Day (red, white and blue day). The week culminated in a Memorial Day ceremony, which students also helped to organize. As a result of their efforts during spirit week, and other activities (bake sale, “pie-in-the-face” competition, and general donations), the Wheeler High School Relay teams continue to donate to the American Cancer Society. Student Government also sponsored a “Why Wheeler” program, targeted at 8th grade students with the idea that it might keep more 8th graders in house at Wheeler in the future as opposed to going to other schools of choice.

- Wheeler’s Annual Give Back Day provides a wealth of support to the North Stonington Community. Students participated in a variety of tasks, some including reading to our elementary students, cleaning classrooms for teachers, weeding and cleaning our outdoor gardens, and tending to the yards of the elderly who cannot do so for themselves. Many also hold fundraisers to donate to local charities such as local animal shelters, VFW hospitals and other local organizations in need.
- Students continued to provide meaningful services to our community, which aligns with the mission of

Wheeler. They held two blood drives, multiple food drives, and drives for clothing, used sports equipment and toys. They also raised money to purchase many bicycles for World Bicycle Relief. Chikumbuso, which raises educational and medical funds for orphans in Africa, continued. Several sports-oriented fundraisers were held, including the Oxfam Basketball Tournament and other National Honor Society hosted events to raise money for other charities

In Summary

The 2017-2018 school year was another one of growth, improvement and student achievement. It is hard to capture all of the events and recognition of an entire school year in a few short pages. There is much more that could be said. You are invited to visit our schools in person or via the Internet at www.nortstonington.k12.ct.us. We have much to be proud of!

Mr. Peter L. Nero, Superintendent

STAFF PROFILE 2017-2018 (October 1, 2017, Data)

POSITION	ELEMENTARY SCHOOL	HIGH SCHOOL (1)	CENTRAL OFFICE	TOTALS
Certified Staff Members	33.95	49.05		83
Student Support Services (2)	0.8	0.2		1
Administrators	1	1.9	2	4.9
Business Manager			1	1
Network Administrator & Technician			2	2
Administrative Support/Secretaries	1	2.8	3	6.8
Nurses	1	1		2
Health Aide	0.5	0.5		1
Paraprofessionals/ Assistants (3)	11.88	8		19.88
Maintenance/Custodial/Grounds	3.5	4.5	1.75	9.75
Total				131.33

(1) The State Department of Education now considers Wheeler a grade 6-12 high school.

(2) Occupational Therapist

(3) The numbers include full-time and part-time assistants

SCHOOL ENROLLMENT 2017 - 18 (1)

SCHOOL	Pr e - K	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Elementary School	36	53	54	50	57	62	57								369
High School (2)								62	48	61	47	42	49	45	354
Out-of-District															0
TOTALS	36	53	54	50	57	62	57	62	48	61	47	42	49	45	723

(1) Based on October 1, 2017, enrollment data

(2) The State Department of Education now considers Wheeler a grades 6-12 high school.

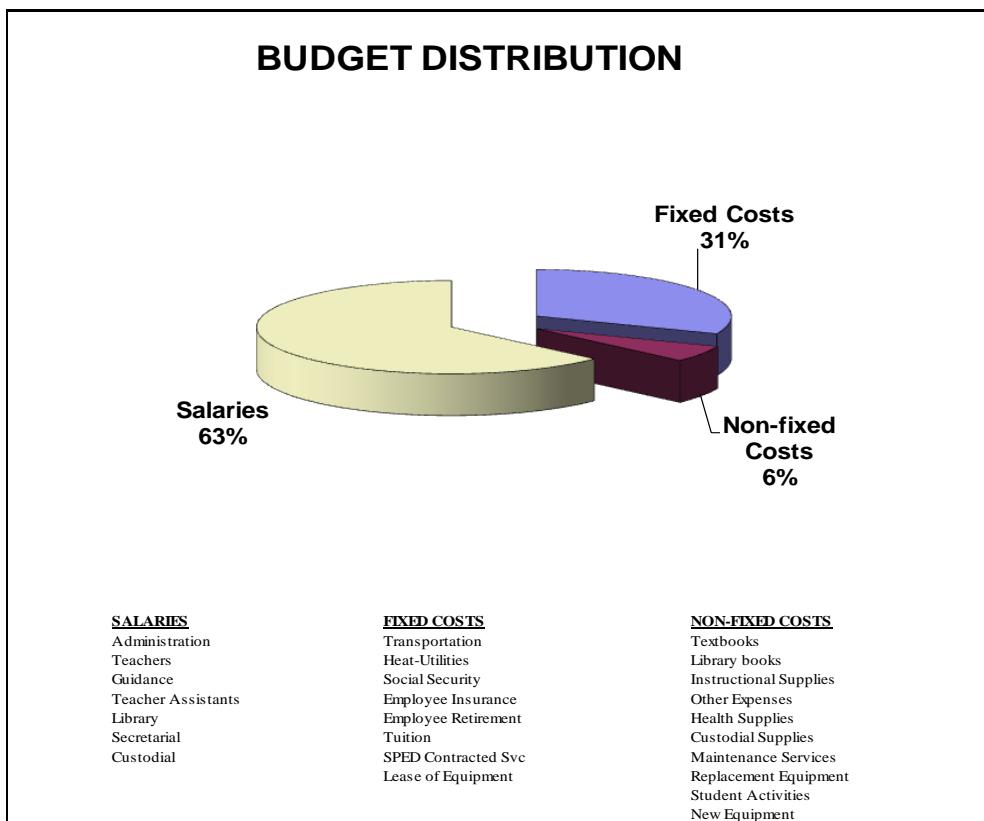
FINANCIAL REPORT FOR THE 2017-2018 SCHOOL YEAR

The total Board of Education (non-grant) expenditures for the 2017-2018 school year were **\$12,861,043**.

These funds were allocated across three categories as follows:

Salaries:	\$ 8,119,146
Fixed Costs:	\$ 4,016,763
Non-Fixed Costs:	\$ 725,134

The approved 2017-2018 budget was **\$12,875,068**, leaving an unexpended balance of **\$14,025**



Fixed Costs	\$ 4,019,842
Non-fixed Costs	\$ 736,080
Salaries	\$ 8,119,146
	<hr/>
	\$ 12,875,068

SCHOOL MODERNIZATION PROJECT

After several years to consider improving the district's facilities, in May, 2016, residents and voters of the Town of North Stonington, via a referendum, approved a resolution to modernize all North Stonington Public Schools. Another referendum was held in February, in which the voters overwhelmingly reaffirmed moving forward with spending \$38.55 million for the project.

After reimbursement by the state, the total cost to the town for all the projects will be \$21.68 million. On June 25, 2016, the administration filed all necessary applications in Hartford with the Department of Administrative Services (DAS). On January 16, 2018, the Board of Selectman approved the Maximum Guaranteed Pricing (MGP) and on February 6th, *The Day*'s headline read, "North Stonington kicks off the 'miracle project' groundbreaking."



LAND USE COMMISSIONS/DEPARTMENTS

Planning, Development and Zoning Official: Juliet Hodge

Contact: 860-535-2877 Ext. 27

Land Use Assistant: Cheryl Konsavitch

Contact: 860-535-2877 Ext. 26

Building Official: Bob Roraback

Contact: 860-535-2877 Ext. 18

Planning and Zoning Commission

Member	Title	Staff	Title
Lou Steinbrecher	Chairman	Cheryl Konsavitch	Land Use Assistant
Ann Brown	Vice Chairman	Juliet Hodge	Planning Development and Zoning Official
Joseph Siner	Secretary		
Lisa Wood	Regular Member		
Wayne Wilkinson	Regular Member	18 Regular Meetings were held throughout the year which included 7 Public Hearings (primarily to discuss proposed amendments to the Zoning Regulations).	
Pat Lewis	Alternate		
Connie Berardi	Alternate		

The Planning and Zoning Commission had an Operating Budget of \$135,789.00

PLANNING AND ZONING	Approved 2017-2018	Actual 2017-2018	% used
Salary – SPZEO	\$72,000.00	\$72,000.24	100%
Wages – Administrative Assistant	\$41,288.00	\$38,712.57	93.8%
Operating Expenses	\$6,000	\$4,690.09	78.8%
Travel Expenses	\$1,500	\$964.72	64.3%
Attorney	\$10,000	\$8,382.31	83.8%
Contracted Consulting	\$5,000	\$4,700	94%
PZ Contracted Planner	\$1	\$0	0%

In FY 17-18, there were 20 more Applications received than last year. In addition to the permits listed to the right, the Land Use Department received 8 Wetlands Applications, 3 Applications for Variances; 2 Appeals to a Zoning Official's Decision, and 1 Application for Location Approval for a Motor Vehicle Repair Shop.

The Commission had one “8-24 Review” this year brought to them by the Board of Selectmen - to recommend the sale of the Condo unit owned by the Town in Holly Green.

LAND USE APPLICATIONS SUBMITTED	TOTAL
PZC COMMISSION REVIEW	
Site Plans	5
Subdivisions	1
Special Permits	0
Excavation Special Permits	1
Regulation/Map Amendments	2
8-24 Review	1
ADMINISTRATIVE ZONING PERMITS	
Single Family/Duplex Residences	9
Lot Line Adjustment	7
Free Split	0
Home Occupation	4
Change Of Use/User	2
Land Disturbance	0
Accessory Use/Structure	70
Sign	6
Agriculture	1
General Zoning Permit	0
TOTAL LAND USE APPLICATIONS SUBMITTED FY 2017-2018	109

The Planning, Development and Zoning Official attended the following training seminars/conferences/webinars:

- Attended CT Best Practices Summit on Economic Development and Planning
- Housing Needs Assessment Seminar
- Governor's Economic Development Forum
- Eastern CT Chamber Event: Future of Energy in CT
- Attended Sustainable CT Seminar
- National APA Conference
- seCTer/SCCOG/TNC Resiliency Workshop
- CAZEO Seminar on Medical Marijuana Dispensaries
- CCAPA – Land Use Law Seminar
- Branding Your Community –Webinar

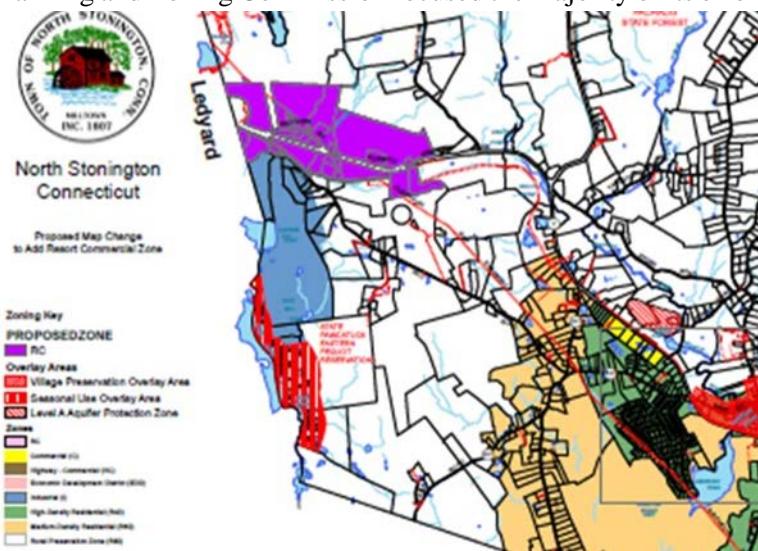
The Following changes were made to the Zoning Regulations during FY 2017-2018

Date	Application #	Detail
11/17/17	17-075	Amendments & additions to Chapters 1: added new Resort Commercial Zoning District; Ch. 3: added signage regulations/dimensional requirements for RC Zone and added Sandwich Board signs back to the regulations; CH. 4: added new dimensional regs for RC Zone; CH. 6: Added Purpose and Permitted Uses for RC Zone. Added Hospitality Use by SPP to I Zone. Added Structured Parking Facility to ED and RC Zone. Added new Use Condominiums and Time Share Units to RC Zone. Added new uses Outdoor Recreational Facility, Luxury RV Park and Personal Services, Accessory to RC Zone. Added 604.7 and 605.3 to Mixed-Use encouraging pre-meeting with Bldg. Dept. Added supplemental regs 603.4 and 603.5 for Personal Services Acc. And Structured Parking Facility; CH 7: 702.1 Permitted Uses in VPOA, CH. 9: Added Section 900B Vacation Resort District (MP Development) and 902, 902.1-902.5, CH. 10: Revised 1002.1(A)4 & 5 Accessory Apartment Regs to allow 35% of total floor area and to allow apt over garage – max 1,200 sf, added provision to allow for slight increase in Acc Apt size if associated with a primary dwelling < 1,200sf. Added Subsection B to 1002.4 Recreational Vehicles. Revised Section 1017 to add outdoor Recreational Facility regulations. Added 1018 Recreational Vehicles Park, Luxury; CH. 11: Revised 1103.4 to add buffer provisions for RC Zone, Added 1109.4 RC District Design Objectives, amended 1110.3H to allow height increase for commercial outdoor recreational uses, CH. 12: Added 1203(E) & CH. 16: Added new definitions: Adventure Park, Outdoor, Mechanical Amusement Ride, Structured Parking Facility, Personal Services, Accessory, Recreational Facility Outdoor, revised Recreational Facility, Indoor and Recreational Vehicle, Added Recreational Vehicle Park, Recreational Vehicle Park, Luxury., Changed zoning map from R-80 & I to create a Resort Commercial Zone along the western end of Route 2
5/10/18	18-023	Ch. 1: Section 107 - Add Subsections B & C clarifying need to establish principal use before an accessory use is permitted; and need for Building Permit and LLHD Approval. Ch. 3: Add Section 312.6 Prohibited Signs; Remove 312.7(I) (Freestanding Wall signs less than 3sf. – no permit needed.). Add 313.1 Subsection D Driveway Location; Amend 313.1(E) - Min. Driveway Width for driveways >200ft. from 15' to 14'; Amend 303.1(F) – Surface – Require driveway detail on all plot plans/site plans; Amend 303.1(J) – Sightline Distance. Road classification labels. Ch. 4: Section 404.1 Setback Dimensions - Remove Subsections B & C re: commercial driveways. Ch. 5: Added note re: uses requiring SPP in VPOA; Added Aircraft Landing Area to table of uses; Amended 504 (C) – Interior Lot – Dimensions –removed double setback requirement. Ch. 6: 601 Dimensional Requirements – Reduced Road Frontage in EDD from 500 to 200; 602.5 Added Aircraft Landing Area to table of uses; 603.1(B) Design of Commercial Caretaker Accessory Apartment – removed exception for Commercial Farm; 604 Mixed Use (Residential & Commercial) added /Industrial; Ch. 10: 1001.3(D) Added clarification that Brewery must be owner occupied or house a F/T Caretaker/manager. Combined Section 1013 Membership Clubs (No-Firearms) with Section 1012 Membership Club (Firearms) and

		<p>Added New Section 1013 Micro Assisted Living Facility. Ch. 11: 1104.5 Parking Ratios – Amended Subsection O for Mixed-use Developments; 1105.2(D) & (F)(2)- Amend road classification labels; 1105.5 – Access Driveway Design – Removed any reference or standard for residential driveways – Added 24' width requirement for 2-way driveway. Ch. 12: 1204 Property Line Adjustment/ Lot Division (“Free Split”) – Added Subsection D – requiring mylars to be recorded w/in 90 days after approval. Ch. 13: 1302.6 and 1303.7 Following Approval - requiring submission of final Mylar for SPL and SPP and that they be recorded in Town Clerk’s Office w/in 90 days after approval. Ch. 14: 1400.4 Following Approval – Added language requiring applicant to record the variance in the office of the Town Clerk w/in 90 days of approval. Ch. 16: Added Definitions for Amusement Park and Micro Assisted Living Facilities. SUBDIVISION REGULATIONS: Added Reference in Section 4 to Sections 5.8-5.10; Added Section 5.8 – Water Supply Report; Added Section 5.9 – Subsurface Sewer Disposal Systems; Added Section 5.10 – Sanitary Sewers</p>
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The Planning and Zoning Commission focused on the following during the fiscal year:

After identifying its top priorities with respect to implementation of the 2013 Plan of Conservation and Development, the Planning and Zoning Commission focused the majority of its efforts on several changes/additions to the Zoning Regulations.



The most significant change was re-zoning the western end of Rte. 2 from Residential to Resort Commercial to attract investment to the under-utilized and undeveloped parcels that are suitable for development and to facilitate coordinated development that complements existing development in the area immediately surrounding Foxwoods Resort Casino, which includes parcels in Ledyard and Preston. This regulation change allows a few additional uses new to North Stonington some of which were extended to the existing Economic Development District as well. These new uses include: Structured Parking Facility, Condominiums and Time Share Units, Outdoor Recreational Facility and Luxury RV Park.

Second, with the help of the Affordable Housing Committee and Milone and MacBroom, we have completed a conceptual plan for a possible affordable housing development

on a small portion of the town-owned parcels off Wintechog Hill, preserving over 70% as open space for passive recreation. This plan was given to the Eastern CT Housing Organization to complete a pro-forma so that we may continue to move forward on this work started several years ago.

Also in keeping with the housing goals in the POCD, a new regulation to permit Micro-Assisted Living Facilities was also adopted. The facilities will be restricted to a maximum of 16 residents all capable of self-preservation. The size of an accessory apartment was increased if located over a garage or if associated with an existing home that is less than 1,200sf., and interior lots no longer need double the required front setback distances.

The PZC approved a 9,224sf Dollar General off Exit 93; a 2,100sf expansion of Dr. Pecher’s Wellness Center in the Holly Green complex; a 2,204sf commercial building for a landscaping business off of Pendleton Hill Rd; new 27,000sf warehouse at 75 Frontage Rd.; Coronal Energy received Town and CT Siting Council approval for a 100+ acre Solar Farm off of Ella Wheeler Rd.

A great deal of effort has been made to streamline the permitting process and provide excellent customer service in the Land Use Office. The Building Department was merged with the Land Use Department so that residents and contractors can submit permits and speak to staff during regular business hours and additional evening hours as well. Land Use Fees were amended in May 2018 to reflect increases in the cost of advertising and overhead. The fees were last updated in 2009.

~ Juliet Hodge

ECONOMIC DEVELOPMENT COMMISSION

Member	Title	Staff	Title
Brett Mastroianni	Chairman	Juliet Hodge	Economic Development Coordinator
David Isom	Vice Chairman		
Toula Balestracci	Secretary		
Dugan Tillman-Brown	Treasurer		
Paul Simonds	Regular Member		
Lisa Wood	Regular Member		
Salvatore Cherenzia, IV	Regular Member		

During the fiscal year, the EDC held 5 Regular Meetings, 3 Special Meetings and 2 Workshops.

EDC	Approved 2017-2018	Actual 2017-2018	% used
Operating Expenses	\$8,700	\$8,134.64	93.5%
Memberships	\$1,958	\$1,853.95	94.7%
Consulting Services	\$500	\$0	0%
Total	\$11,158	\$9,988.59	89.52%

The Economic Development Commission had an operating budget of \$11,159.00 in FY 2017-2018.

Congratulations to North Stonington for having the highest CT Town Economic Index “score” in 2014 and 2015 and the second highest in 2016. The 2016 score was 142.8, which is 20 points above CT’s overall score. This index measures the overall economic health of each town or city.

New Construction



A total of 69,418sf of residential construction was approved in FY 17-18. This included 9 new single-family residences, which supports the most recent census data showing a .73% increase in population in North Stonington. Both are positive indicators of growth. A total of 38,548sf of new commercial development and 5,684sf of commercial redevelopment was also approved. A Dollar General store was approved in March, and will be built off of Exit 93 at 330 Clarks Falls Rd. Quinlan Enterprises is expanding the existing complex off of Frontage Rd. to include additional Warehouse space which will house the Barton & Gray Mariners Club. Quality Propane received its CO in April and is open for business at their location at 552 Providence New London Turnpike.

Commercial Activity

The North Stonington Liquor Store - next to Goodies Family Restaurant opened under new management; We Got Your Back (Therapeutic Massage) opened on Rte. 2 near Holly Green; Farmers Insurance opened an office next door to The Green Onion; Reclaiming our Roots Community Herbalism – A new Naturopathic Clinic and Integrative Healing Center located in a vacant unit in Circle Park II.; B&M Landscaping opened a Lawn & Garden Center in the vacant space next to the Subway Restaurant on Clarks Falls Road and Mystic Kitchen opened in the Mobil Station. The Center for Emergency Services building was completed in June 2018, and construction on the School project began in the Spring. Trillium Brewery out of the Boston area purchased a property on East Clarks Falls Rd., and



plans to open a Farm Brewery there. The EDC supported the Planning and Zoning Commission's application to rezone the Western End of Rte. 2 to facilitate new investment.

The EDC has developed a Business Enhancement Grant Program that will begin in FY 18-19. This will be a matching grant program offered to assist local businesses in funding cosmetic and site beautification elements, often delayed due to budget prioritization. By providing funding for business enhancements, the EDC hopes to facilitate renewed investment in key commercial properties resulting in an overall improvement in appearance and value.

The EDC is also in the preliminary planning stages to create a not-for-profit year-round farmers market that would provide a place for the community to gather, provide more opportunities for farmers to sell their products, and consumers to buy local directly from farmers. The hope is to make the North Stonington market a destination for the broader region as a preferred market. Other initiatives include creating a map of the town that highlights local businesses and our unique assets; hosting a series of "Business- After-Hours" events, and hosting an event with local commercial realtors to discuss the potential uses for the available commercial properties in town.



Many thanks to Buon Appetito for providing the space and delicious food for the all Boards and Commission Member Symposium hosted by the EDC in November 2017. The event was well attended and provided a much needed opportunity to thank outgoing volunteers and welcome the new Board and Commission members. The Economic Development Commission welcomed four new members: Salvator Cherenzia IV, Paul Simonds, Toula Balestracci and Lisa Wood.

A municipal training program offered by the CT Economic Resource Center (CERC) and a Networking Event for Real Estate Agents and local developers are being planned for the Fall of 2018.

BUILDING DEPARTMENT

Staff	Title
Robert Roraback	Building Official
Ryan McCammon, LLHD/Alyssa Brochu	Sanitarian /Health Department
Cheryl Konsavitch	Administrative Support

The building department had an operating budget of \$37,650.00 in FY 2017-2018.

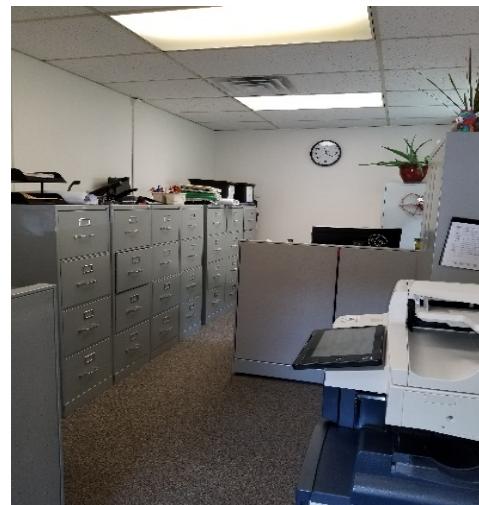
BUILDING DEPARTMENT	Approved 2017-18	Actual 2017-18	%
Salary –Building Official	\$38,303.00	\$38,285.30	100%
Operating Expenses	\$500.00	\$560.40	103.6%
Travel Expenses	\$750.00	\$747.15	99.6%
Building Department Total	\$39,553	\$39,592.85	100.1%

Permits and Construction Value

- Total Number of Permits Issued:** 365
- Total Fees Collected:** \$51,307.64 (additional State fee collected \$2,268.14)
- Total Estimated Construction Value:** \$16,045,411.31

ITEM	ISSUED	CONSTRUCTION COST	FEES PAID
Building Permits	178	\$7,101,951.79	\$39,308.76
Electrical Permits	83	\$4,576,338.00	\$5,974.92
Heating Permits	4	\$36,400.00	\$325.00
Plumbing Permits	19	\$483,178.00	\$1,038.84
Mechanical Permits	55	\$3,77,388.52	\$4,071.12
Gas	19	\$35,155.00	\$364.00
Demolition	2	\$35,000.00	\$100.00

In order to improve customer service and streamline the application review and approval process, the Building Department moved to the Land Use office and the Building Official now receives clerical support from the Land Use Administrative Assistant. This change seems to have improved the process greatly by improving efficiency and providing staff available during regular business hours to receive applications and perform inspections.



ZONING ENFORCEMENT

Staff		Title	
Juliet Hodge		Planning, Development & Zoning Official	
Cheryl Konsavitch		Land Use Assistant/ ZEO Technician	
Cases opened in FY 2017 - 2018	19	Resolved	10
		Remain Open - Active	5
		Remains Open - Active - Referred to Attorney	1
		Remains Open - In litigation	1
		Remain Open - Inactive	2
Cases Opened in Previous Years	24	Resolved FY 17/18	6
		Still Open - Active	3
		Still Open - Active - Referred to Attorney	2
		In Litigation	1
		Still Open - with ongoing enforcement resolution/ Stipulated Agreements – Monitoring for compliance	4
		Still Open Inactive	6
		(3 of the 6 inactive cases are not likely to be resolved)	

Most of the zoning enforcement over the last year has focused on blight and resolving some long-standing enforcement cases. 19 new enforcement cases were opened this fiscal year, (4) of which involved junk and debris and unregistered/inoperable vehicles; (1) for too many chickens; (1) for infringement on designated Open Space; (5) unpermitted signage; (4) unpermitted use of a property; (1) Building without a permit; (1) unpermitted land disturbance; and (2) violations of Home Occupation conditions;

ZONING BOARD OF APPEALS

The ZBA had an Operating Budget of \$1,000 of which they spent \$729.11 or 97.2% (on meeting notices).

Member	Title	Staff	
Charlie Burger	Chairman	Cheryl Konsavitch	Land Use Assistant
James Lord	Vice Chairman	Juliet Hodge	Planning, Development & Zoning Official
Robin Hall	Secretary		
Mark Leonard	Regular Member		
Candy Palmer	Regular Member		
Shawn Murphy	Alternate		
Gary Thompson	Alternate		
Vacancy	Alternate		

Six (6) applications were received during FY 2017-2018 and 6 meetings were held. Three Applications were for Variances requesting relief from setbacks to allow for an addition in one case and for a residence on a lake property in another. These were both granted. The third setback relief application to bring a non-conforming structure built without permits into compliance was denied. Two Applications were appeals to a ZEO decision. Both appeals were unsuccessful – ZEO decisions were upheld, but applicants are now appealing to Superior Court. The final Application was a location approval for an auto-repair facility. This was approved.

AFFORDABLE HOUSING COMMITTEE

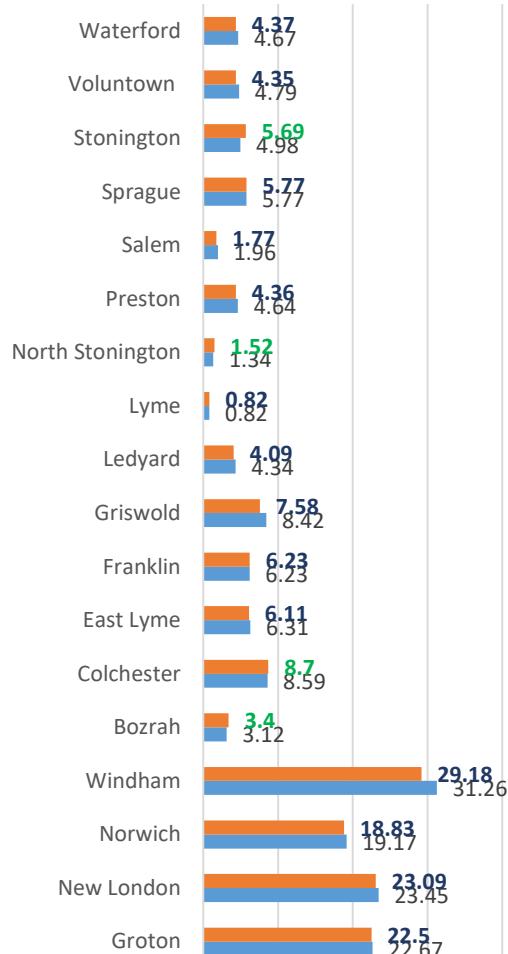
Member

Member	Title
Mary Ann Ricker	Chairman
Betty Ann Russ	Vice-Chairman
Margaret Leonard	Member
Ellen-Flannery-Schroeder	Member

The Affordable Housing Committee had an Operating Budget of \$1000 for FY 2017-2018 of which they spent \$1000. The Committee held 9 meetings several with guest speakers in attendance.



Housing Appeals List 2016 & 2017



The following chart shows the number of “affordable housing units” as determined by the CT Department of Housing and published on the Annual Affordable Housing Appeals List. The majority of units that qualify towards the state mandated 10% Affordable Units are units with CHFA or USDA Mortgages. We currently have 6 deed restricted units in town. Although North Stonington still falls very short of the 10% state mandate, it was one of only 4 towns in the region that increased its percentage of affordable units.

The Committee focused more on education and outreach this year with a planned effort to raise the public's understanding for the need for affordable housing. The NSAHC committed to a schedule of 4 public meetings to engage the community in conversations regarding housing needs in our community. Dates and venues were approved for the 2018-19 year. The Committee felt that the public sessions are intended to highlight the advantages of affordable housing development on town-owned parcels including a portion of the parcel on Wintechog Hill Road, with the goal of bringing the sale of these parcels with the intended development to a town referendum.

The South Eastern CT Council of Governments and South Eastern CT. Housing Alliance visited our committee meeting in June, 2018, offering to help with the Committee by providing educational materials that could be used in our outreach efforts. We were cited as an active committee and that we would be held up as an example to other towns in the region in hopes of convincing them to form their own affordable housing committees.

Keeping North Stonington Affordable, Inc.

The committee focused a great deal of effort on forming the non-profit organization “Keeping North Stonington Affordable, Inc.” or KNSA. They requested that the Board of Selectmen commit unused funds in the NSAHC budget to be used to pay the internal revenue 1023 tax exempt application fee for KNSA. The request was approved after a discussion with the BOS regarding the interface of the committee, town and the 501(c)(3), KNSA. The committee cited and discussed other communities with town appointed advisory committees and 501(c)(3) corporations whose mission is to develop affordable housing.

Many of the meetings of the affordable housing committee were devoted to filing out the 1023 application. This effort was deemed appropriate as it was contained in our implementation element in the housing plan to develop a “land trust,” which was open and seen by the board of selectmen changed to “housing trust.”

Although the committee sent a letter to the BOS in November urging the application for home rehabilitation funds from Community Development Block Grant, the request was never implemented and the application was not made. The committee regrets that action was not taken.

Meetings were held with the first selectman and the town planner to work out wordings for a town ordinance for tax abatement which would codify Ct. State Law 8-215 so that it could be brought to a town meeting. This work is ongoing.

New members were appointed to the committee in February and Margaret Leonard appointed as chairman at our June, 2018 meeting. Margaret created a video to be used in outreach efforts and events.
<https://www.facebook.com/NSAHC/videos/2785250264834491/>

Respectfully submitted,

Mary Ann Ricker, chairman

CONSERVATION COMMISSION

Member

Bill Ricker
 Mike Charnetski
 Dr. Steve Colgan
 Doug Farrand
 Dr. Arnie Vlieks
 Tony Rose

Title

Chairman
 Vice-Chairman
 Secretary
 Member
 Member
 Member

The Commission held 9 regular meetings, 1 special meeting. Members also met to inspect Town-owned Conservation Easement Areas.

Added near the end of the year; Robert Degoursey and Dr. Jason Mancini.

Achievements Fiscal Year 2017/18:

The Conservation Commission printed its 5th Community Calendar for 2018. The cost of printing was \$1127.88 of our budgeted funds and \$1651 have been turned over to the general fund.



The Pocket Park has been maintained by our commissioners with minor winter kill bush replacements completed - without town money as some \$800 remains in our all donations account. Now if we can keep cars (4) from crashing through the park it'll take less work.



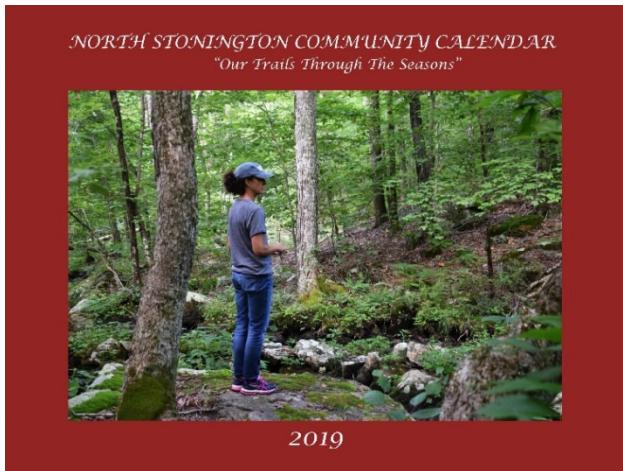
Money was included in the budget for signs for the completion of the Chester Maine Bridle Trail. As the town's people chose to return the trails usage to a newly and hastily formed homeowners' association the remaining \$649 was voted to transfer to the Hewitt Farm Committee to complete payment of the cement pad for the eventual erection of a community pavilion.



All 35 conservation easements and 17 open space parcels are currently up to date in their monitoring. Through research with both private land organizations and with the state, we have determined we can on-site monitor every 5 years. The BOS approved this procedure at their January 9, 2018 BOS meeting. A recently attended conference addressed the newly acceptable process of yearly monitoring with the improved resolution of Google Earth. This currently is being developed by us saving hundreds of hours of volunteers' time and Lyme Disease treatment expense. After two years of research, a packet entitled "Open Space / Conservation Easement Regulations 2018", has just been completed and will be presented to the BOS and P&Z before years end. This effort is, in part, to keep abreast of changes half way through the 10-year POCD cycle.

An interactive map of all the municipal, private and state owned trails in town has been produced. The stand-alone 3' x 5' map (total approximate cost: \$100) allows the user to identify the trail head signs pictured, and by pressing a button will have an LED light show

its location in town. It has already been displayed at NoSto Fest, is currently (November) on display at Chelsea-Groton Bank and will be transferred to the Historical Society at the state-wide annual meeting of the Land Conservation Council in December. It will further be displayed at the Wheeler Library and schools in the new year.



The 2019 Community Calendar theme, "The Trails of North Stonington" and this interactive trail display map are aides for the public to learn about, recognize the uses of, and appreciate the abundant 7,368 of our towns 35,160 acres, nearly 1/5, in conservation protection (not including 10,421 acres in temporary agricultural 490 Forest and Farm designations).

Lastly, the Conservation Commission took the lead in researching and bringing to the BOS, experts advocating the adoption of a fracking ordinance for North Stonington. These efforts were fulfilled with the passage of this ordinance at our October town meeting.

Gratifyingly, we have surpassed the goals we established for 2018.

Respectfully submitted,

~Bill Ricker, Chairman

INLAND WETLANDS & WATERCOURSES COMMISSION

Member	Title	Staff	
Mark Griggs	Vice-Chairman	Cheryl Konsavitch	Land Use Assistant
Ron Lewis	Member	Wayne Berardi	Wetlands Enforcement Officer
Cody Bill	Member		
Candy Palmer	Member		
Robert Miner	Member		
Mac Gray	Member		
Kevin Geary	Member		
Marvin Chase Jr.	Member		

The Inland Wetlands and Watercourses Commission held 9 meetings during FY 2017-2018. They reviewed 7 applications. Their operating budget was \$700. A total of \$436.19 was spent for the year on advertising (meeting notices).



HEWITT FARM COMMITTEE

Background

The 104-acre Hewitt Farm property was purchased by North Stonington in the fall of 2008 for \$622,890.00 and was fully paid for by January 2014. This was the town's first major purchase of open space.

In December 2008 a "Hewitt Property Committee" was appointed by the Board of Selectmen to define the rules and regulations for the use of the property. This committee's goal was completed when their 28 recommendations were approved at a December 15, 2010 Town Meeting.

In May 2011 a "Hewitt Farm Committee" was appointed by the Board of Selectmen to manage and oversee the property.

Members of this committee are appointed on an annual basis. The current members are Ellie Banker, Brian Banker, Jack Brown, Tim Chokas, Ed Harasimowitz, Nita Kincaid and Deirdre Tavares.



Sadly, in June 2017, the committee saw the passing of one of its original members, Dick Cooper. Coop was a dedicated steward of the farm who worked tirelessly to bring the facility to its present state. He greatly appreciated its beauty and peaceful character.

Our Mission

- Maintain the property as a fine representation of traditional New England beauty
- Encourage passive recreational use of the natural environment
- Initiate enhancements that fit New England traditions
- Continually encourage community appreciation of Hewitt Farm and seek public input

Accomplishments During Fiscal 2017/2018

Improvements to Hewitt Farm

- 1750 Farm House – A capital project to make important repairs to a weakened structural beam in the basement was completed by July 1, 2017. This work improved the strength of the frame under the first floor above. The project also identified where rainwater had been entering the kitchen and basement due to poorly constructed wooden outside steps. Removal of these steps revealed beautiful large stone steps still in place!
- Picnic Point – A 'CAN YOU HELP' sign that the committee posted on *That "Dam" Trail* resulted in members of the Doble and Gannotti families volunteering to create a picnic grove in the area of land near the northern end of the trail where a point juts out into Lower Hewitt Pond. At the beginning of July, the two fathers, each with 2 sons, teamed-up to clear the trail, remove brush and install a great homemade picnic table on the north shore of the pond. It was a fantastic job, providing a new view of the dam and a pleasant place to stop for lunch and rest.



- Nathan Cherenzia's Eagle Scout Project - The *Dew-Drop-In Trail* needed a 30' bridge that would cross over a small stream and connect to the rest of the trail, making it safer and more accessible. This was a complex project that required Wetlands Commission approval, considerable materials and the help of other scouts. Nathan's plans were of engineer caliber, clearly drawn and well executed. The project was completed in October 2017.



- Ethan Wiggins Eagle Scout Project – Ethan chose to build and erect fourteen Tree Markers on *That "Dam" Trail* in 2017. He identified appropriate trees and locations that would attract visitor attention. The signs on wooden posts provide meaningful information and the presence of a QR Code on each enables use of a smart phone to obtain additional facts. The project was creative, educational and nature-friendly. It contributes to Hewitt Farm's stated mission, which is use of the property by schools for science classes, field trips and other educational purposes.
- Meadow – Committee member, Brian Banker, once again used his farm tractor with a brush hog to groom the meadow behind the 1750 Farm, cutting back to the borders to maintain the trails.
- Butterfly Garden – A group of former Girl Scouts and their friends re-planted the Butterfly Garden in the spring of 2018.

Inviting Residents and Non-Profits to Enjoy Hewitt Farm

- Hewitt Farm LED Light Map – Committee members Dick Cooper and Ed Harasimowitz constructed a 3'x5' map on a stand to be used at the September 2017 NOSTO Fest. The purpose was to display the trails and other interesting areas at the farm, thereby encouraging more folks to visit. This map has become a very useful, eye-catching tool to attract visitors.
- A Party with the Parties – In the winter of 2018 the Democratic and Republican Town Committees decided to work together to host a June family-fun event at Hewitt Farm. This activity had two purposes: (1) to increase voter registration and turnout for the fall election and (2) to collect donations to build a Hewitt Farm Pavilion. The farm is all open space with no shelter for weather. On June 9th families came to enjoy hayrides, kayak rides, games and a cookout. A silent auction of high quality items was the primary source of



significant donations. This began the fundraising for the pavilion; committee members and friends continue working toward the necessary goal.

Harvesting the Hayfields

- On February 12, 2018, Farmers Ron Lewis and Mike Daniels delivered their annual report for 2017. Ron stated that they made only two harvest cuttings during the year owing to a very dry summer and the low yield of the second harvest. The first cutting, however, was very plentiful.

Growing the Community Garden

- 2018 was the sixth year of the Hewitt Farm Community Garden Association growing a wonderful garden full of vegetables, herbs and sunflowers. There was continued interest from new gardeners for plot rentals and it was a successful growing season.



Overseeing the Buildings

- A Town Meeting was held on September 18, 2017. Item 4 on the agenda asked, “Shall the Town of North Stonington empower the First Selectman to take action necessary to abate and demolish the structure known as Greene Gables located on the Hewitt Farm property owned by the Town?” After considerable discussion, it was voted unanimously to send this item to a referendum for townspeople to make the decision about abatement and demolition of the structure. On October 2, 2017, voters approved the question with 260 in favor and 182 against.
- During the winter and spring of 2018 the town worked with Eagle Environmental, Inc. to plan the Greene Gables abatement and demolition work. The RFP resulted in signing a contract with Murdock Asbestos and Deleading, Inc. on June 7, 2018. The work was scheduled during the summer.

Hewitt Farm Financial Overview

In 2012 the Hewitt Farm Committee requested that the town include a Hewitt Farm “Expense” line for \$5000.00 (Public Works/Highway/Hewitt Farm). The expense line was added to allow the committee to track expenses related to property maintenance and improvement.

A Hewitt Farm Income line already existed (Other Revenue/Rent for Hewitt Property) and this provides approximately \$40,000.00 in annual rental income.

PRIOR YEARS		
YEAR	INCOME	EXPENSE
2012/2013	\$41,286.00	\$5,254.00
2013/2014	\$41,292.00	\$3,327.00
2014/2015	\$37,965.00	\$1,739.00
2015/2016	\$39,287.00	\$3,280.00
2016/2017	\$42,287.00	\$1838.00

2017/2018 Actual Income and Expenses from Hewitt Farm

Sources	2017/2018 Actual Income
Buon Appetito	\$23,484.00 (7/1/17: monthly rent increased to \$1957)
1750 Farm House	\$10,450.00
SE CT Water Authority	\$7,586.00 (Next five year rate increase 7/1/2020, based on CPU-I)
Hayfields	\$501.00
TOTAL	\$42,021.00

2017/2018 Actual expenses from the Hewitt Farm line item were \$5,000.00.

The town has received \$353,192.00 in Rental Income from Hewitt Farm properties between October 2008 (purchase date of the property) and June 30, 2018.

It is important to record that two of the farm's leased properties have date-related escalation clauses:

- The **Southeastern CT Water Authority** has leased the Hewitt Farm well field since June 1965 with the right to renew for three successive periods of 25 years - 1990, 2015 and 2040. In addition, a rental increase is calculated every five years based on the Consumer Price Index Urban. In July 2015 the lease was renewed and income from the well was increased from \$6215 to \$7586, which will prevail until **2020**.
- The **Buon Appetito** lease was signed in June 2011 with an annual rent of \$19,800, locked in for five years through June 30, 2016. On July 1, 2016, the rate increased by 15% to \$22,800. As of July 1, 2017, the rent increased to \$23,484 (a 3% increase). Each year hereafter the rent will increase by 3% until termination on June 30, 2050.

2017/2018 Capital Budget Information

The 2017/2018 budget had a "Selectman Capital" funding line of \$60,000.00 entitled "Abatement and Demolition of Town Buildings" and this will be used for the abatement and demolition of Green Gables. As of June 30, 2018, \$6756.00 has been spent.

The Importance of Hewitt Farm Supporters

We are very pleased to have two new committee members, Deirdre Tavares and Tim Chokas, who jumped right in to help at the farm and in the meetings.

Also, on the very positive side, we have been fortunate that many improvements have been made at the Hewitt Farm without cost to the town. We greatly appreciate the support we have received in the past year from the Boy Scouts, non-profit groups, volunteers and our committee members.

Goals for Fiscal 2018/2019**The Hewitt Farm Committee identified the following priorities for 2018/2019:**

- Oversee the demolition of Greene Gables
- Continue to fundraise and move forward to add a Pavilion to Hewitt Farm. This will attract more visitors and enable hosting a greater variety of activities.
- Develop a plan for improvements to the 1750 Farm House and identify its best use
- Continue to encourage and support activities and events at the farm by working closely with the schools and town non-profits

Additional information about the Hewitt Farm is available on the town website at www.northstoningtonct.gov.

NORTH STONINGTON VOLUNTEER FIRE COMPANY INC.

Charles A. Steinhart V, Chief

Emergency Contact: 9-1-1

The volunteers of the North Stonington Volunteer Fire Company are extremely dedicated group of men and women. Without these volunteers, the Town would indeed be in dire straits. Our (40) volunteers are a precious, but perishable commodity. It is difficult to find volunteers, hard to train and develop volunteers, and harder still to retain volunteers as viable members. The 2017/2018 Fiscal Year has been another, increasingly busy period of time for the North Stonington (all) Volunteer Fire Company, Inc. (NSVFC). We continue the response of supplemental First Responder (Medical Calls) to assist our ambulance in town. By doing this it has increased our calls by nearly 71 incidents. This reporting period is lower than the last report due to the EMS responses going down due to NSAA being able to maintain a staffed crew. 2017/2018 we responded to a total of (310) emergency calls during the reporting period.

These calls consisted of:

- Motor vehicle accidents, some involving extrication
- Hazardous materials releases
- Combustibles/flammable releases
- Emergency medical service (EMS) responses
- Structure fires - Motor vehicle fires
- Brush/unauthorized outside fires
- False alarms, including malicious/mischiefous
- Lock-outs - Mutual aid assistance to other towns
- Medical assists
- Land-based search and rescue operations
- Water/ice-related rescues
- Residential flooding
- Smoke investigations



During this time our volunteers have taken many training classes to remain proficient in all skills and to become more educated in the services we provide. Our volunteers spend just as much if not more time training as they do responding to emergencies.

During this year we took delivery of our new company car and brush truck. This truck is serving in many functions for the town. It responds to brush fires, medical calls and is able to be used as a mini attack engine. This truck has advanced our current fire suppression tactics and give us many more usable features.

During the year we strived to provide the highest level of service to the Town and at the same time keep the cost for services to a minimum. As this is being submitted, we are working with the Town on a long range plan to establish a replacement cycle for all apparatus. This plan is to ensure vehicles are replaced in a timely manner as well as decrease the burden on the tax payer.

As always North Stonington Volunteer Fire Company is looking for new members willing to protect our community as well as those around us. We are especially looking for members that can volunteer during the day time hours. The day time is especially hard to maintain minimal staffing due to members needing to leave town to go to their jobs.

NORTH STONINGTON AMBULANCE ASSOCIATION

Samuel R Burdick

President

Emergency Contact: 9-1-1

www.northstoningtonambulance.org

Cody J Morgan

Vice President

Routine Business: 860-535-1145

North Stonington Ambulance Association (NSAA) is a private organization, established in 1970 by a group of individuals who recognized the need for a formal emergency medical system to provide first aid and stabilize patients, who needed immediate medical attention. Over the past 48 years, much has changed in the way we as an organization operate to provide top-notch service to our community. NSAA is a volunteer organization that has supplemented its staffing with part time “per-diem” staffing in an effort to provide a 24/7 coverage to respond to emergencies efficiently.

Entering this fiscal year, NSAA had reached an all-time low in its volunteer base, with only a small handful of active members still involved in its management, and even fewer actively responding to calls for help. Midway through the 2017 calendar year, the company hosted its first election of officers in several years, after the company recognized that they needed to change the way they operated in order to survive. NSAA has begun actively recruiting new volunteers, some of whom are dedicated members of the North Stonington Volunteer Fire Company who are looking for ways to further serve their community, and others who have come from the community at large who have a background in medicine and recognized the call for service. Since June 2017, we have grown from a small handful of members to over a dozen volunteers as of July 2018. We implore anyone interested in volunteering, whether they have experience or not, to reach out and apply to help regrow the organization, and aide in protecting their fellow residents.



North Stonington Emergency medical system was activated a total of **745** times during the fiscal year, with a wide variety of calls ranging from rescue responses along with the volunteer fire co, to medical emergencies across the town.

NSAA performed its first ever “boo boo” clinic – stemming from an idea one of our Volunteers came up with in May 2018 to raise awareness of emergency medical system in elementary age children.

One of the biggest issues NSAA has dealt with is the repair costs increasing to our aging fleet which we had previously not been able to upgrade due to the delays associated with the construction of the New Center for Emergency Services. (The

reason for the delay was our former headquarters located on Mains Crossing was unable to fit the new requirements of larger ambulances.)

Goals for Near Future.

- Continue to recruit volunteers to regrow our organization and increase its effectiveness moving forward.
- Eliminate missed calls as much as feasible.
- Place a new ambulance in service to replace our 1998 (one of the oldest operational in the state) Ford / Horton Ambulance that has served our community faithfully since the town purchased it second hand in 2002.
- Increase the partnership and training with the Volunteer Fire Company, and our mutual Aide Partners.
- Begin taking the steps to make North Stonington a Heart Safe Community

Importance of NSAA



It is of the upmost importance for the town to keep their own ambulance company. In the past, the town has considered outsourcing EMS services in an attempt to realize a cost savings for the town. It was discovered, however that the cost of hiring an outside contractor would actually be much more expensive than maintaining our current service.

Much like the Volunteer Fire Company, there is great benefit to this organization beyond low cost. Having a local ambulance service allows residents to build relationships with responders which in turn builds trust and a higher level of comfort during their time of need. In response to this trust and relationship, our responders show compassion for the residents while providing excellent emergency care.

PUBLIC WORKS DEPARTMENT

The Town of North Stonington covers fifty-five square miles with sixty-four miles of roadway to maintain. The Public Works Department also operates the Transfer Station and Bulky Waste Area located on Wintechog Hill Road.

Some of the projects the Highway Department performed this year.

- Snow removal of 18 storms, from December 4th, 2017 to April 2nd, 2018. Utilizing 358 tons of Road Salt and 1597 yards of sand. 3 storm caused major damage resulting in roads closed and power outages for several days.
- The town produced 3013 tons of household garbage to Preston incinerator, The Transfer station collected 1925 tons of recyclables, 1925 gallons of used oil, 1520 tires, 23.83 tons of electronics, 64.06 tons of metal, 261 appliances, 882 pounds of florescent light bulbs, 462 mattresses recycled, processed 228 pieces of furniture, 55,250 pounds of paint recycled and 97 propane tanks turned in. Gross income was \$13,503.95.
- House hold hazardous waste day was held on September 9th with 303 citizens utilizing the event which this year include paper shredding.
- Road drainage issues was completed on Pinecrest Rd, 1500 ft. of perforated pipe was installed to delineate water from residential yards to drains and Road surface was regraded and repaved.
- Chip seal was completed on Anna Farm East and West, Wyassup Rd and Main St.
- The Salt shed was reroofed after the solar panels were removed then replaced.
- The Caterpillar track loader at the transfer station was repaired after the bottom end was completely rebuilt.
- The highway crew maintains the grounds and assists in repairs within the recreation department. To include taking down setting up volleyball court, Basketball nets, tennis nets and Soccer nets.

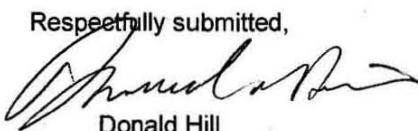
- The highway crew maintains the grounds at the North Stonington Fire Department, North Stonington Ambulance, Hewitt property, senior center, town property on Clarks Falls Rd and Church on Clarks Falls Rd.
- The highway crew assists the school department in maintaining equipment, generator maintenance, grounds cleanup and snow removal.
- Preparation / Assisting the memorial day parade, North Stonington Fair, 4H fair, and 4 charitable events
- Responded to 8 emergency calls for aid to include icy roads, tree removal and roadway closure issues.
- Purchase of new John Deere mower with sickle bar and flail mower attachment.

The Department's routine annual projects include road sweeping, basin and waterway drainage cleaning, roadside mowing, placing and replacing signs, painting of stop-bars and center lines, cutting and trimming trees and brush, maintenance of many of the town's cemeteries and chipping brush at the Transfer Station.

The Public Works Department Garage is located at 11 Wyassup Road. The staff works routinely between the hours of 7:00 AM and 3:00 PM, Monday through Friday. If you need to contact us, please feel free to do so at (860) 535-0924 or email highway@northstoningtonct.gov.

The Transfer Station is located at 215 Wintechog Hill Road. The staff works routinely Tuesday 7:00 AM to 3:00 PM, Wednesdays thru Saturday 8:00 AM to 4:00 PM. If you need to contact the transfer station, please feel free to do so at (860) 535-1048.

Transfer station is open to the public:
Wednesday, Friday 12:15 to 3:45
Thursday, Saturday 8:15 to 3:45

Respectfully submitted,

Donald Hill
Public Works Assistant Highway Foreman

RECREATION COMMISSION

Commission Members:

Emerson Rusich

Megan Perkins

Emily Mastroianni

Michael Delzer

Julie McGowan

(two vacancies)

Recreation Director: Thomas
Fabian

The North Stonington Recreation Commission holds regular monthly meetings on the first Thursday of each month at the Recreation Office (Holly Green 2nd Floor) located at 391 Norwich Westerly Road. The meetings begin at 6:15 p.m. and generally last for two hours. The public is welcome to attend these meetings. The meeting agendas & minutes are posted with the North Stonington Town Clerk. There are no scheduled meetings during the summer months (July & August).

The North Stonington Recreation Commission makes every effort to offer multiple programs and activities for both the adults and children of North Stonington and beyond throughout the year. These programs and activities include:

Multiple summer programs / activities such as Summer Playground / Kiddie Camp (6 weeks); several Basketball, Volleyball & Tennis clinics; Adult & Youth Golf lessons; Art Academy classes; Summer Science classes; Gymnastics, Soccer Camps, and several other summer fun group activities.

During the fall season there were Youth Soccer Programs (approx.. 150 participants) with multiple teams in different age groups; Tennis lessons; Basketball clinics; Adult Co-Ed Volleyball; Golf Instruction for youth & adults; and three (3) youth Dance programs which run throughout the school year. The annual Halloween Egg Hunt for children at the Elementary school during the PTO Fall Festival was a favorite.

Winter/Spring programs include: Youth Basketball League (approx. 200 participants) for boys & girls of various ages; Futsal (Indoor Soccer skill development at the Gymnatorium); Chess Instruction; Babysitting Certification classes, Youth & Adult Volleyball; Golf and Tennis clinics for all ages; as well as the annual Easter Egg Hunt for kids at the “Rec”.

There was a large turnout for the DEP Safe Boating certification class that was held at the Wheeler HS Media Center.

This is the third year that the North Stonington Recreation utilized a new website www.northstoningtonrec.com which posts all of the ongoing programs / activities and allows participants to register and / or pay on-line. The North Stonington Recreation still accepts program registrations and payments made via the recreation office. This website also allows the Recreation Commission to post announcements and send out email blasts to any or all of our members (presently 950 est. email accounts).

The Recreation Commission would like to thank the Board of Selectman, the Board of Finance, the Board of Education, the Highway Public Works Department, the North Stonington Public Schools Staff and Administration, as well as the Town Hall employees for their continued support over the years.

And most importantly, thank you to the citizens of North Stonington for your participation and support of our programs and activities.

Kind Regards,
Thomas Fabian
Recreation Director

MANAGEMENT AND FINANCIAL STATEMENTS

The following pages contain the auditor's findings for the year ending June 30, 2018

Sandra E. Welwood , LLC
Certified Public Accountant
46 Main Street, Danbury, CT 06810
(203) 730-0509 / Fax (203) 730-0509

sewonlake@aol.com
Website: www.sewelwoodcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of North Stonington, Connecticut

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Stonington, Connecticut, as of and for the year ended June 30, 2018, and have issued our report thereon dated December 4, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and governmental auditing standards as well as information related to the planned scope and timing of our audit. We have communicated such information in our letter dated December 12, 2017. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of North Stonington, Connecticut, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the required adoption of GASB Statement No. 75 as described in Note 16. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We applied certain limited procedures to the management's discussion and analysis and the required supplementary information (RSI) listed in the table of contents of the financial statements, which supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Restriction on Use

This information is intended solely for the use of the Board of Finance and management of the Town of North Stonington, Connecticut, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Certified Public Accountants

TOWN OF NORTH STONINGTON, CONNECTICUT

STATE SINGLE AUDIT

YEAR ENDED JUNE 30, 2018

with

INDEPENDENT AUDITORS' REPORTS

Sandra E. Welwood, LLC

Certified Public Accountants

TOWN OF NORTH STONINGTON, CONNECTICUT

STATE SINGLE AUDIT

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JUNE 30, 2018

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Sandra E. Welwood, LLC

sewonlake@aol.com
Website: www.sewelwoodcpa.com
(203) 730-0509 / Fax: (203) 730-0509

Certified Public Accountants
46 Main Street
Danbury, CT 06810

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

To the Board of Finance
Town of North Stonington, Connecticut

We have audited, 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Stonington, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of North Stonington, Connecticut's basic financial statements, and have issued our report thereon dated December 4, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of North Stonington, Connecticut's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Stonington, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of North Stonington, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of North Stonington, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of North Stonington, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of North Stonington, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Sandra E. Welwood, LLC".

Danbury, Connecticut
December 4, 2018

Sandra E. Welwood, LLC

sewonlake@aol.com
Website: www.sewelwoodcpa.com
(203) 730-0509 / Fax: (203) 730-0509

Certified Public Accountants
46 Main Street
Danbury, CT 06810

Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

Independent Auditors' Report

To the Board of Finance
Town of North Stonington, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of North Stonington, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of North Stonington, Connecticut's major state programs for the year ended June 30, 2018. Town of North Stonington, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of North Stonington, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of North Stonington, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of North Stonington, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the Town of North Stonington, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Town of North Stonington, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of North Stonington, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of North Stonington, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Stonington, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of North Stonington, Connecticut's basic financial statements. We have issued our report thereon dated December 4, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of North Stonington, Connecticut's basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is 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 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 Schedule of Expenditures of State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Danbury, Connecticut
December 4, 2018

TOWN OF NORTH STONINGTON, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2018**

State Grantor; Pass - Through Grantor Program Title	State Grant Program CORE-CT Number	Passed Through To Subrecipients	Expenditures
<u>Connecticut State Library</u>			
Historic document preservation grants	12060-CSL66094-35150	\$ - - - -	\$ 4,000 4,000 218,233 218,233
<u>Department of Public Health</u>			
Small town economic assistance program (STEAP)	12052-DPH48615-43410	- - -	218,233 218,233
<u>Department of Justice</u>			
Judicial fines and fees	34001-JUD95162-40001	- - -	6,290 6,290
<u>Department of Energy and Environmental Protection</u>			
State wide land acquisition	12060-DEP43153-22515	- - -	3,294 3,294
<u>Department of Economic and Community Development</u>			
Urban action grant - OPM	13019-ECD46210-41240	- - -	300,000 300,000
<u>Department of Transportation</u>			
Town aid road grants transportation fund	12052-DOT57131-43455	-	120,097
Town aid road grants transportation fund-STO	13033-DOT57131-43459	-	120,098
Improve state bridges	13033-DOT57191-41393	- - -	59,577 299,772
<u>Office of Policy and Management</u>			
Property tax relief on property of totally disabled persons	11000-OPM20600-17011	-	660
Local capital improvement program (LOCIP)	12050-OPM20600-40254	-	88,113
Property tax relief for veterans	11000-OPM20600-17024	-	6,696
Payments in lieu of taxes (PILOT) on State-owned property	11000-OPM20600-17004	- - -	200 95,669
<u>Department of Education</u>			
Child nutrition state matching grant	11000-SDE64370-16211	-	2,403
Healthy foods initiative	11000-SDE64370-16212	-	4,570
School breakfast program	11000-SDE64370-17046	-	2,894
Health services	11000-SDE64370-17034	-	4,240
Adult education	11000-SDE64370-17030	-	9,867
Summer EBT	12060-SDE64165-26130	- - -	774 24,748
Total state financial assistance before exempt programs		-	952,006
<u>Exempt programs:</u>			
<u>Department of Education</u>			
Education equalization grants	11000-SDE64370-17041	-	2,463,918
<u>Department of Administrative Services</u>			
School construction grants - principal	13010-DAS27635-40901	-	825,132
<u>Office of Policy and Management</u>			
Mashantucket Pequot and Mohegan fund grant	12009-OPM20600-17005	- - -	841,889 4,130,939
Total exempt programs		\$ -	\$ 5,082,945
Total state financial assistance		\$ -	\$ 5,082,945

See notes to schedule.

TOWN OF NORTH STONINGTON, CONNECTICUT

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2018

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of the Town of North Stonington, Connecticut, under programs of the State of Connecticut for the fiscal year ended June 30, 2018. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of North Stonington, Connecticut, through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education, transportation, property tax relief, local improvement, and public health.

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Town of North Stonington, Connecticut, conform to generally accepted accounting principles as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The financial statements contained in the Town of North Stonington, Connecticut's annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when cash is received or when measurable and available.
- Expenditures are recorded when the liability is incurred.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

TOWN OF NORTH STONINGTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

I. Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none

Noncompliance material to financial statements noted?

yes no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none

Type of auditor's opinion issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

yes no

- The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State CORE-CT Number</u>	<u>Expenditures</u>
<u>Department of Economic and Community Development</u> Urban action grant – OPM	13019-ECD46210-41240	\$ <u>300,000</u>
<u>Department of Public Health</u> Small town economic assistance program (STEAP)	2052-DPH48615-43410	\$ <u>218,233</u>
• Dollar threshold used to distinguish between type A and B programs		\$ <u>100,000</u>

TOWN OF NORTH STONINGTON, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

TOWN OF NORTH STONINGTON, CONNECTICUT

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Sandra E. Welwood, LLC

sewonlake@aol.com
Website: www.sewelwoodcpa.com
(203) 730-0509 / Fax: (203) 730-0509

Certified Public Accountants
46 Main Street
Danbury, CT 06810

INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of North Stonington, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Stonington, Connecticut (the "Town") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB), effective July 1, 2017. The net position of the Town at July 1, 2017 has been restated to recognize the total OPEB liability required in implementing GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 9 and the required supplementary information on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements, Statement of Debt Limitation, and the Report of the Tax Collector are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements, Statement of Debt Limitation, and the Report of the Tax Collector are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements, Statement of Debt Limitation, and the Report of the Tax Collector 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 4, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



Danbury, Connecticut
December 4, 2018

TOWN OF NORTH STONINGTON, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2018

Our discussion and analysis of the Town of North Stonington, Connecticut's (the "Town") financial performance provides an overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the Town's financial statements, which begin on page 10.

The Town's discussion and analysis is designed to:

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

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,239,945 (net position). This is an increase of \$2,279,482 from the prior fiscal year as restated for new accounting requirements.
- Government-wide revenues were \$23,790,352 and expenses were \$21,510,870. On a government-wide basis, revenues exceeded expenses by \$2,279,482.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$6,023,906, an increase of \$3,638,002 from the prior fiscal year. This represents the combined balances in the General Fund, Capital Nonrecurring Fund, Capital Projects Fund, Emergency Services Center Fund, School Modernization Project Fund, and other smaller funds.
- In the General Fund, revenues exceeded expenses and net transfers by \$655,500. The total General Fund balance of \$3,639,970 as of June 30, 2018, compares to a balance of \$2,984,470 in the prior year.
- At the end of the current fiscal year, the Unassigned General Fund balance was \$3,190,247. This represents 16.7% of total General Fund expenditures (on a budgetary basis) in the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector businesses. All of the resources, which the Town has at its disposal, are shown, including major assets such as buildings and infrastructure. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. One can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period (e.g., uncollected taxes and earned but unused compensated absences).

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position decreased by \$660,621 (before restatement for an accounting change) from a year ago. Our analysis below focuses on the net position and changes in net position of the Town.

	2018	<u>Change During Year</u>		2017
		Dollars	Percent	
<u>Assets</u>				
Current and other assets	\$ 7,444,515	\$ (2,962,753)	-28.5%	\$ 10,407,268
Capital assets	<u>21,743,587</u>	<u>8,991,478</u>	70.5%	<u>12,752,109</u>
Total assets	<u>29,188,102</u>	<u>6,028,725</u>	26.0%	<u>23,159,377</u>
<u>Liabilities</u>				
Long-term debt outstanding	14,301,809	12,555,353	718.9%	1,746,456
Other liabilities	<u>1,142,548</u>	<u>(6,363,807)</u>	-84.8%	<u>7,506,355</u>
Total liabilities	<u>15,444,357</u>	<u>6,191,546</u>	66.9%	<u>9,252,811</u>
<u>Deferred Inflows of Resources</u>				
OPEB related items	<u>503,800</u>	<u>503,800</u>	0.0%	-
<u>Net Position</u>				
Net investment in capital assets	11,970,025	6,411,916	115.4%	5,558,109
Restricted – expendable	266,410	(218,749)	-45.1%	485,159
Unrestricted	<u>1,003,510</u>	<u>(6,859,788)</u>	-87.2%	<u>7,863,298</u>
Total net position	<u>\$ 13,239,945</u>	<u>\$ (660,621)</u>	-4.8%	<u>\$ 13,906,566</u>

Capital Assets increased by \$8,991,478. The increase includes \$558,459 reduction for current year depreciation expense, which was more than offset the Town’s capital spending during the year.

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

At June 30, 2018, the Town had total long term obligations of \$14,301,809. The Town's debt increased from \$4,692,559 during the current fiscal year. The key factor in this increase was the increase in debt outstanding for the Emergency Services Center and the School Modernization projects. See Notes 7 and 8 to the financial statements for additional information.

	2018	Change During Year		2017
		Dollars	Percent	
Revenues				
Program revenues:				
Charges for services	\$ 520,508	\$ (50,209)	-8.8%	\$ 570,717
Operating grants and contributions	5,714,265	(371,503)	-6.1%	6,085,768
Capital grants and contributions	1,405,528	1,217,141	646.1%	188,387
General revenues:				
Property taxes	15,069,346	993,908	7.1%	14,075,438
Grants and contributions	919,362	(164,083)	-15.1%	1,083,445
Interest and investment earnings	4,609	307	7.1%	4,302
Other	156,734	105,897	208.3%	50,837
Total revenues	<u>23,790,352</u>	<u>1,731,458</u>	7.8%	<u>22,058,894</u>
Expenses				
General government	2,294,917	(175,704)	-7.1%	2,470,621
Public safety	1,167,030	105,604	9.9%	1,061,426
Public works	1,510,516	(123,995)	-7.6%	1,634,511
Education	16,332,980	435,927	2.7%	15,897,053
Interest on long-term debt	205,427	200,895	4432.8%	4,532
Total expenses	<u>21,510,870</u>	<u>442,727</u>	2.1%	<u>21,068,143</u>
Change in net position	<u>\$ 2,279,482</u>	<u>\$ 1,288,731</u>	130.1%	<u>\$ 990,751</u>

The following are the significant changes from the prior year:

- Property tax revenue increased \$993,908 (7.1%) primarily due to the increased mil rate.
- Operating grants revenue decreased \$371,503 (6.1%) because of a decrease in state aid.
- Capital grants revenue increased \$1,217,141 (646.1%) because the current year includes higher project reimbursement grants.
- Education expenses increased \$435,927 (2.7%) primarily from an increase in the current year other post employment benefit expense.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

Governmental Funds The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

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

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$6,023,906, an increase of \$3,638,002 from the prior year.

<u>Ending Fund Balance as of:</u>	<u>2018</u>	<u>2017</u>	<u>Change</u>
General Fund	\$ 3,639,970	\$ 2,984,470	\$ 655,500
Capital Nonrecurring Fund	174,398	205,866	(31,468)
Capital Projects Fund	878,012	1,200,291	(322,279)
Emergency Services Center	666,315	(686,682)	1,352,997
School Capital Project	521,616	(1,436,109)	1,957,725
Other Funds	<u>143,595</u>	<u>118,068</u>	<u>25,527</u>
Total	<u>\$ 6,023,906</u>	<u>\$ 2,385,904</u>	<u>\$ 3,638,002</u>

The General Fund is the operating fund of the Town. At the end of the current fiscal year, the Unassigned General Fund balance was \$3,190,247. As a measure of the General Fund's liquidity, it is useful to compare Unassigned fund balance to total fund revenues. Unassigned General Fund balance represents 16.7% of total General Fund expenditures (on a budgetary basis) in the current fiscal year. In the prior year, the Unassigned Fund Balance was 13.9% of the total General Fund expenditures (on a budgetary basis).

The Town's total General Fund balance increased by \$655,500 or 22.0% during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

			<u>Better (Worse)</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Than Budget</u>
Revenues:			
Property taxes	\$ 14,650,549	\$ 15,220,575	\$ 570,026
Interest and investment earnings	3,500	4,609	1,109
Intergovernmental	4,310,708	3,927,382	(383,326)
Licenses, fees, fines and charges	206,071	201,675	(4,396)
Other	<u>196,626</u>	<u>331,904</u>	<u>135,278</u>
Total revenues	<u>19,367,454</u>	<u>19,686,145</u>	<u>318,691</u>
Expenditures:			
General government	5,063,285	4,830,305	232,980
Debt service	935,390	935,388	2
Capital outlay	451,222	451,207	15
Education	<u>12,875,068</u>	<u>12,866,037</u>	<u>9,031</u>
Total expenditures	<u>19,324,965</u>	<u>19,082,937</u>	<u>242,028</u>
Increase in fund balance – budgetary basis	\$ 42,489	\$ 603,208	\$ 560,719

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Town had \$21,743,587 invested in capital assets. This amount represents a net increase (including additions and deductions) of \$8,991,478 from last year. This is primarily due to various infrastructure projects, which more than offset the current year's depreciation expense. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Debt

At June 30, 2018, the Town had bond anticipation notes outstanding of \$9,645,843. This debt was issued for the Emergency Services Center and the School Modernization projects. More detailed information about the Town's long-term obligations is presented in Notes 7 and 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Grand List for Fiscal Year 2017-2018 grew by approximately one point eight, (1.8%) percent. The Town had another successful year in its operations and our surplus increased to \$3,190,247, which is a \$632,482 increase or 16.0% of the Town's approved fiscal year 2018-2019 budget.

First Selectman Michael Urgo started the first year of his term along with new Selectmen Nita Kincaid and Robert Carlson and has begun work with all boards, commissions, and departments to streamline the governmental process and provide professional services to our residents and taxpayers. Work continues on encouraging new economic development and the town has gotten a new Dollar General Store at Exit 93 and confirmation of a new Trillium Brewery location in Clarks Falls.

Work was completed on the Center for Emergency Services which opened its doors as the new home for the North Stonington Volunteer Fire Company and North Stonington Ambulance Association.

The approved School Modernization Building Project is in full swing and the new Wheeler High School is scheduled to be operational in March 2019. The Committee continues to prepare for the renovations at the Elementary School, to begin early next year as well.

The Town is approaching the next fiscal year with the addition of a new Administrative and Financial Officer, Christine Dias, and has adopted a very conservative approach to spending and implementing new controls. The Board of Selectmen and all the Town officials and employees are determined to continue to provide our residents and commercial businesses the best services possible.

REQUESTS FOR INFORMATION

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

TOWN OF NORTH STONINGTON, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2018

Assets

Current assets:

Cash and cash equivalents	\$ 6,898,499
Receivables:	
Taxes and interest	430,224
Intergovernmental	32,637
Other	50,766
Prepaid expenses	2,276
Inventory	7,587
Due from fiduciary funds	22,526
Noncurrent assets:	
Capital assets:	
Not being depreciated	7,081,422
Being depreciated, net of accumulated depreciation	<u>14,662,165</u>
Total assets	<u>29,188,102</u>

Liabilities

Current liabilities:

Accounts payable	825,903
Accrued expenses	113,317
Accrued interest payable	85,719
Unearned revenue	117,609
Noncurrent liabilities:	
Due within one year	4,356,083
Due in more than one year	<u>9,945,726</u>
Total liabilities	<u>15,444,357</u>

Deferred Inflows of Resources

OPEB related items	<u>503,800</u>
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Net Position

Net investment in capital assets	11,970,025
Restricted:	
Expendable	266,410
Unrestricted	<u>1,003,510</u>
Total net position	<u>\$ 13,239,945</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, 2018**

	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	\$ (2,294,917)	\$ 372,462	\$ 4,000	\$ -	\$ (1,918,455)
Public safety	(1,167,030)	-	32,408	-	(1,134,622)
Public works	(1,510,516)	-	240,195	580,396	(689,925)
Education	(16,332,980)	148,046	5,437,662	825,132	(9,922,140)
Interest on debt	(205,427)	-	-	-	(205,427)
Total governmental activities	\$ (21,510,870)	\$ 520,508	\$ 5,714,265	\$ 1,405,528	(13,870,569)
General Revenues:					
Property taxes, interest, and lien fees					15,069,346
Grants and contributions not restricted to specific programs					919,362
Interest and investment earnings					4,609
Other					156,734
Total general revenues					16,150,051
Change in net position					2,279,482
Net position, beginning of year - as reported					13,906,566
Adjustment - Note 16					(2,946,103)
Net position, beginning of year - as restated					10,960,463
Net position, end of year					\$ 13,239,945

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

TOWN OF NORTH STONINGTON, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Capital Nonrecurring Fund	Capital Projects Fund	Emergency Services Center	School Modernization Project	Other Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,813,692	\$ 172,438	\$ -	\$ 1,187,122	\$ 571,009	\$ 154,238	\$ 6,898,499
Receivables:							
Taxes and interest	430,224	-	-	-	-	-	430,224
Intergovernmental	19,557	-	-	-	-	13,080	32,637
Other	48,761	-	-	-	-	2,005	50,766
Prepaid expenses	2,276	-	-	-	-	-	2,276
Due from other funds	3,488	1,960	878,012	-	-	112,050	995,510
Due from fiduciary funds	-	-	-	-	-	22,526	22,526
Inventory	-	-	-	-	-	7,587	7,587
Total assets	\$ 5,317,998	\$ 174,398	\$ 878,012	\$ 1,187,122	\$ 571,009	\$ 311,486	\$ 8,440,025
Liabilities							
Accounts payable	\$ 259,191	\$ -	\$ -	\$ 517,379	\$ 49,333	\$ -	\$ 825,903
Accrued expenses	62,326	-	-	-	-	50,991	113,317
Unearned revenue	709	-	-	-	-	116,900	117,609
Due to other funds	992,022	-	-	3,428	60	-	995,510
Total liabilities	1,314,248	-	-	520,807	49,393	167,891	2,052,339
Deferred Inflows of Resources							
Unavailable revenue - taxes	363,780	-	-	-	-	-	363,780
Fund Balances (Deficits)							
Nonspendable	2,276	-	-	-	-	7,587	9,863
Restricted	-	32,829	195,914	-	-	37,667	266,410
Committed	-	141,569	682,098	666,315	521,616	24,001	2,035,599
Assigned	447,447	-	-	-	-	79,910	527,357
Unassigned	3,190,247	-	-	-	-	(5,570)	3,184,677
Total fund balances (deficits)	3,639,970	174,398	878,012	666,315	521,616	143,595	6,023,906
Total liabilities, deferred inflows of resources, and fund balances (deficits)							
	5,317,998	174,398	878,012	1,187,122	571,009	311,486	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,743,587
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	363,780
Long-term and related liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Long-term debt outstanding	(9,783,019)
Compensated absences and OPEB related items	(4,980,590)
Accrued interest payable	(85,719)
Landfill costs	(42,000)
Net position	\$ 13,239,945

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

TOWN OF NORTH STONINGTON, CONNECTICUT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Capital Nonrecurring Fund	Capital Projects Fund	Emergency Services Center	School Modernization Project	Other Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 15,220,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,220,575
Intergovernmental	6,609,834	-	-	270,000	825,132	291,292	7,996,258
Local	541,731	-	-	-	-	183,017	724,748
Total revenues	22,372,140	-	-	270,000	825,132	474,309	23,941,581
Expenditures:							
Current:							
General government	2,166,329	-	-	-	-	30,557	2,196,886
Public safety	870,301	-	-	-	-	-	870,301
Public works	1,815,273	-	-	-	-	-	1,815,273
Education	15,474,599	-	-	-	-	418,225	15,892,824
Capital outlay	-	80,011	728,486	4,614,894	3,631,039	-	9,054,430
Debt service	-	-	-	77,497	42,211	-	119,708
Total expenditures	20,326,502	80,011	728,486	4,692,391	3,673,250	448,782	29,949,422
Excess of revenues over (under) expenditures	2,045,638	(80,011)	(728,486)	(4,422,391)	(2,848,118)	25,527	(6,007,841)
Other Financing Sources (Uses):							
Proceeds from issuance of notes/loans	-	-	-	5,340,000	4,305,843	-	9,645,843
Transfers in	-	48,543	406,207	435,388	500,000	-	1,390,138
Transfers out	(1,390,138)	-	-	-	-	-	(1,390,138)
Total other financing sources (uses)	(1,390,138)	48,543	406,207	5,775,388	4,805,843	-	9,645,843
Net change in fund balances	655,500	(31,468)	(322,279)	1,352,997	1,957,725	25,527	3,638,002
Fund balances (deficits), beginning of year	2,984,470	205,866	1,200,291	(686,682)	(1,436,109)	118,068	2,385,904
Fund balances (deficits), end of year	\$ 3,639,970	\$ 174,398	\$ 878,012	\$ 666,315	\$ 521,616	\$ 143,595	\$ 6,023,906

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, 2018**

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

Net change in fund balances - total governmental funds	\$ 3,638,002
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation expense in the current period:

Capital outlays (net of disposals) treated as expenditures	9,549,947
Depreciation expense not considered in the fund statements	<u>(558,459)</u>
	<u>8,991,488</u>

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

Principal repayments or refinanced (proceeds):	
Bond anticipation notes and construction loan	(9,645,843)
Capital lease	(137,186)
Post-closure landfill costs	<u>6,000</u>
	<u>(9,777,029)</u>

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

Revenues:	
Taxes, interest, and liens	(151,229)
Expenses:	
Compensated absences and OPEB related items	(336,031)
Accrued interest payable	<u>(85,719)</u>
	<u>(572,979)</u>

Change in net position	<u><u>\$ 2,279,482</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF NORTH STONINGTON, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

				Variance With Final Budget
		Budgeted Amounts		Positive (Negative)
		Original	Final	Actual
Revenues:				
Property taxes, interest, and lien fees	\$ 14,650,549	\$ 14,650,549	\$ 15,220,575	\$ 570,026
Interest and investment earnings	3,500	3,500	4,609	1,109
Intergovernmental	4,316,508	4,310,708	3,927,382	(383,326)
Licenses, fees, fines and charges	206,071	206,071	201,675	(4,396)
Other	196,626	196,626	331,904	135,278
Total revenues	19,373,254	19,367,454	19,686,145	318,691
Expenditures:				
Current:				
General government	259,313	217,385	198,706	18,679
Probate Court	6,315	6,315	6,352	(37)
Board of Finance	16,269	25,801	25,801	-
Assessor's Office	131,016	131,016	130,648	368
Board of Assessment Appeals	1,000	1,000	809	191
Tax Collector	68,771	68,771	68,655	116
Town Treasurer	7,200	7,200	7,200	-
Town Attorney	30,000	48,890	42,736	6,154
Annexation related	47,000	33,110	32,959	151
Town Clerk	66,527	66,527	65,278	1,249
Planning and Zoning Commission	135,789	135,789	129,450	6,339
Building Department	37,650	39,594	39,592	2
Zoning Board of Appeals	750	750	729	21
Affordable housing committee	500	500	500	-
School Building and Planning Committee	1	84,501	84,501	-
Economic Development Commission	11,159	11,159	9,988	1,171
Recreation Commission	105,688	105,688	97,837	7,851
Inland Wetlands Commission	8,011	8,011	7,747	264
Conservation Commission	2,100	2,100	2,100	-
Fixed charges	905,803	905,803	841,957	63,846
Elections and Town Meetings	37,120	37,120	34,749	2,371
Town Hall	70,150	70,150	70,425	(275)
Social Services/Welfare	42,475	42,475	35,315	7,160
Selectmen's Engineering Service	2,501	2,501	617	1,884
Information Technology	76,898	94,398	94,801	(403)
Public safety	1,032,318	1,018,350	953,837	64,513
Public works	1,742,796	1,742,796	1,697,332	45,464
Conservation of Health	38,033	38,728	38,504	224
Senior Citizens	61,081	61,081	59,255	1,826
Miscellaneous	54,051	55,776	51,032	4,744
Education	12,875,068	12,875,068	12,866,037	9,031
Capital outlay	451,222	451,222	451,207	15
Debt service	935,390	935,390	935,388	2
Total expenditures	19,259,965	19,324,965	19,082,937	242,028
Net change in fund balance	\$ 113,289	\$ 42,489	603,208	\$ 560,719
Fund balance, beginning of year				2,589,315
Fund balance, end of year				\$ 3,192,523

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

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	Pension Trust Funds	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ -	\$ 231,965
Investments	3,159,301	-
Other receivables	110,309	-
Total assets	3,269,610	231,965
<u>Liabilities</u>		
Due to students and developers	-	209,439
Due to governmental funds	-	22,526
Total liabilities	-	231,965
Net position held in trust for pension benefits	\$ 3,269,610	\$ -

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

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	Pension Trust Funds
Additions:	
Employer contributions	\$ 170,809
Investment earnings	<u>195,725</u>
Total additions	<u>366,534</u>
Deductions:	
Distributions	<u>311,716</u>
Total deductions	<u>311,716</u>
Change in net position	54,818
Net position, beginning of year	<u>3,214,792</u>
Net position, end of year	<u>\$ 3,269,610</u>

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

TOWN OF NORTH STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criterion provided by the Government Accounting Standards Board has been considered, and there are no agencies or entities, which should be presented as component units of the Town.

Government-Wide and Fund Financial Statements

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

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

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

Governmental Funds

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

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

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

Town of North Stonington, Connecticut

Notes to Financial Statement

June 30, 2018 (continued)

Fiduciary Funds

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The Town reports the following major governmental funds:

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

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

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

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

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

The **School Modernization Project** is used to record the activity and related bond anticipation notes outstanding for the school modernization project.

Additionally, the Town reports the following funds:

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

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

Cash, Cash Equivalents, and Investments

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

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

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

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

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

Receivables

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

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

Under Connecticut State Statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of 15 years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due. The Town establishes allowances for uncollectible taxes and interest based on historical collection experience and other factors. As of June 30, 2018, the Town has no allowance for uncollectible taxes and interest.

Interfund Transactions

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

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

Capital Assets

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

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

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

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

Assets	Years	Capitalization Threshold
Building 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

Unearned Revenue

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

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

Deferred Outflows/Inflows of Resources

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

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to OPEB changes of assumptions and other inputs in the government-wide Statement of Net Position. The Town also reports a deferred inflow of resources for unavailable revenues from property taxes in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

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

Long-Term Obligations

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

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

Encumbrances

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

Fund Equity and Net Position

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

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

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

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

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

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

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

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

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

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

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

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

Estimates

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

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

Note 2 – Budgets and Budgetary Accounting**Budgetary Basis**

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

- Teachers' Retirement and Connecticut State Teachers' OPEB – the Town does not recognize as income or expenditures payments made for teachers' retirement and OPEB by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement No. 68 and No. 75 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- Encumbrances – Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

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

	Fund Balance Beginning	Revenues	Expenditures	Other Uses	Fund Balance Ending
GAAP basis	\$ 2,984,470	\$ 22,372,140	\$ (20,326,502)	\$ (1,390,138)	\$ 3,639,970
Encumbrances:					
June 30, 2017	(395,155)	-	395,155	-	-
June 30, 2018	-	-	(447,447)	-	(447,447)
Reclassifications	-	(3,543)	(1,386,595)	1,390,138	-
Teachers' retirement system and OPEB on behalf payments	-	(2,682,452)	2,682,452	-	-
Budgetary basis	<u>\$ 2,589,315</u>	<u>\$ 19,686,145</u>	<u>\$ (19,082,937)</u>	<u>\$ -</u>	<u>\$ 3,192,523</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, 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 Financial Statements****June 30, 2018 (continued)**

Budget Control

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

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

Special Revenue Funds

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.

Capital Project Funds

Legal authorization for expenditures of the Capital Project Funds is provided by the related ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

Note 3 – Deposits and Investments**Cash and Cash Equivalents**

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

Governmental funds	\$ 6,898,499
Agency funds	<u>231,965</u>
Total cash and cash equivalents	<u>\$ 7,130,464</u>

Custodial Credit Risk on Deposits

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

Covered by Federal Depository Insurance	\$ 481,965
Uninsured and collateralized	1,340,865
Uninsured and uncollateralized	<u>5,672,026</u>
Total Deposits	<u>\$ 7,494,856</u>

Investments

As of June 30, 2018, the Town's investments consisted of the following:

	Fiduciary Funds
Equity mutual funds	<u>\$ 3,159,301</u>

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

Fair Value Measurements

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (“observable inputs”) and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (“unobservable inputs”) and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- **Level 1** - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- **Level 2** - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- **Level 3** - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town’s own assumptions about assumptions that market participants might use.

The Town’s investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2018.

Note 4 – Operating Lease

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

<u>Year Ending</u>	<u>Future Rental Payments</u>
2019	\$ 24,693
2020	25,413
2021	<u>250</u>
Total	<u>\$ 50,356</u>

Note 5 – Capital Assets

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

General government	\$ 67,181
Public works	121,747
Public safety	159,553
Education	<u>209,978</u>
Total depreciation expense	<u>\$ 558,459</u>

Town of North Stonington, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Capital asset activity for the year was as follows:

	Balance at July 1, 2017	Increases	Decreases	Balance at June 30, 2018
Capital assets not being depreciated:				
Construction in process	\$ 1,735,208	\$ 4,692,040	\$ 299,066	\$ 6,128,182
Land	<u>953,240</u>	<u>-</u>	<u>-</u>	<u>953,240</u>
	<u>2,688,448</u>	<u>4,692,040</u>	<u>299,066</u>	<u>7,081,422</u>
Capital assets being depreciated:				
Buildings and improvement	13,154,770	4,988,555	-	18,143,325
Furniture and equipment	6,231,479	183,812	182,050	6,233,241
Infrastructure	<u>3,185,995</u>	<u>-</u>	<u>-</u>	<u>3,185,995</u>
	<u>22,572,244</u>	<u>5,172,367</u>	<u>182,050</u>	<u>27,562,561</u>
Accumulated depreciation	<u>(12,508,583)</u>	<u>(558,459)</u>	<u>(166,646)</u>	<u>(12,900,396)</u>
Capital assets, net	<u>\$ 12,752,109</u>	<u>\$ 9,305,948</u>	<u>\$ 314,470</u>	<u>\$ 21,743,587</u>

Note 6 – Interfund Receivables, Payables, and Transfers

Interfund transfers are generally used to transfer monies raised in taxes to other funds. During the year, transfers from the General Fund are as follows:

	Transfers In				
	Capital Nonrecurring Fund	Capital Projects Fund	Emergency Services Center	School Modernization Fund	Total
Transfers out:					
General Fund	\$ 48,543	\$ 406,207	\$ 435,388	\$ 500,000	\$ 1,390,138
	<u>\$ 48,543</u>	<u>\$ 406,207</u>	<u>\$ 435,388</u>	<u>\$ 500,000</u>	<u>\$ 1,390,138</u>

As of June 30, 2018, interfund receivables and payables were as follows:

	Due From				
	General Fund	Emergency Services Funds	School Modernization Fund	Total	
Due To:					
General Fund	\$ -	\$ 3,428	\$ 60	\$ 3,488	
Capital Nonrecurring Fund	1,960	-	-	1,960	
Capital Projects Fund	878,012	-	-	878,012	
Other Funds	<u>112,050</u>	<u>-</u>	<u>-</u>	<u>112,050</u>	
	<u>\$ 992,022</u>	<u>\$ 3,428</u>	<u>\$ 60</u>	<u>\$ 995,510</u>	

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

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)****Note 7 – Bond Anticipation Notes**

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

Short-term obligation activity for the year ended June 30, 2018, was as follows:

	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2018</u>
Capital Projects	<u>\$ 7,146,000</u>	<u>\$ 10,110,000</u>	<u>\$ 17,256,000</u>	<u>\$ _____ -</u>

At June 30, 2018, a bond anticipation note of \$5,340,000 due July 12, 2018 was outstanding and has been reclassified to long-term obligations. Therefore, short-term obligations is zero at June 30, 2018.

Note 8 – Long-Term Obligations**Changes In Long-Term Obligations**

Long-term obligation activity for the year ended June 30, 2018, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bond anticipation notes	\$ -	\$ 9,645,843	\$ -	\$ 9,645,843	\$ 4,305,843
Capital lease obligation	- 187,176	187,176	50,000	137,176	44,240
Compensated absences	157,274	105,850	-	263,124	-
Post-closure landfill costs	48,000	-	6,000	42,000	6,000
Net OPEB liability	4,487,285	-	273,619	4,213,666	-
	<u>\$ 4,692,559</u>	<u>\$ 9,938,869</u>	<u>\$ 329,619</u>	<u>\$ 14,301,809</u>	<u>\$ 4,356,083</u>

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. At June 30, 2018, the Town was indebted under the following bond anticipation notes:

	<u>Issue</u>	<u>Date</u>	<u>Rate (%)</u>	<u>Issue</u>	<u>June 30, 2018</u>
School Modernization Project	4/11/2018	4/10/2019	2.75%	\$ 4,305,843	\$ 4,305,843
Emergency Services Center	7/13/2017	7/12/2018	1.39%	5,340,000	5,340,000
					<u>\$ 9,645,843</u>

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

On July 12, 2018, the Town paid off the \$5,340,000 bond anticipation note with General Fund appropriations, State of Connecticut grants, and issuance of general obligation bonds of \$4,798,768. The bonds bear annual interest of 2.75% with principal and interest due serially through July 12, 2038. The annual debt service requirements of these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 183,218	\$ 131,966	\$ 315,184
2020	188,256	126,928	315,184
2021	193,433	121,751	315,184
2022	198,753	116,431	315,184
2023	204,219	110,965	315,184
2024-2028	1,108,486	467,434	1,575,920
2029-2033	1,269,519	306,401	1,575,920
2034-2038	<u>1,452,884</u>	<u>121,972</u>	<u>1,574,856</u>
	<u>\$ 4,798,768</u>	<u>\$ 1,503,848</u>	<u>\$ 6,302,616</u>

Capital Lease Obligation

In December 2017, the Town entered into an equipment capital lease agreement. The agreement required a down payment of \$50,000 in January 2018 and requires annual payments of principal and interest of \$48,795 for three years beginning January 2019.

Authorized and Unissued Debt

At June 30, 2018, there was \$33,419,025 authorized and unissued bonds for the School Modernization Project.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2018.

Post-Closure Landfill Costs

The Town has a closed landfill. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for 30 years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in long-term obligations. The actual costs may vary based on actual events, inflation, changes in technology, and applicable laws and regulations.

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

Note 9 – Net Position and Fund Balances

Restricted Net Position

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

	<u>Expendable</u>
Sewer study (STEAP grant)	\$ 142,336
Water study (STEAP grant)	36,679
Village water line (STEAP grant)	16,899
Town Clerk document restoration	5,247
LOCIP capital improvements	27,582
Scholarships	<u>37,667</u>
	<u>\$ 266,410</u>

Fund Balances

As of June 30, 2018, governmental fund balances are composed of the following:

	General Fund	Capital Nonrecurring	Capital Projects Fund	Emergency Services Center	School Modernization Project	Other Funds	Total Governmental Funds
Nonspendable:							
Prepaid expenses	\$ 2,276	\$ -	\$ -	\$ -	\$ -	\$ 7,587	\$ 2,276
Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,587</u>	<u>7,587</u>
	<u>2,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,587</u>	<u>9,863</u>
Restricted:							
Capital projects	- 32,829	195,914	-	-	-	-	228,743
Education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,667</u>	<u>37,667</u>
	<u>32,829</u>	<u>195,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,667</u>	<u>266,410</u>
Committed:							
Capital projects	- 141,569	682,098	666,315	521,616	-	-	2,011,598
Inland Wetland mitigation	- -	- -	- -	- -	- -	13,274	13,274
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720</u>	<u>720</u>
Open space	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,007</u>	<u>10,007</u>
	<u>141,569</u>	<u>682,098</u>	<u>666,315</u>	<u>521,616</u>	<u>-</u>	<u>24,001</u>	<u>2,035,599</u>
Assigned:							
General government	29,907	-	-	-	-	1,500	31,407
Public safety	83,536	-	-	-	-	-	83,536
Public works	198,440	-	-	-	-	-	198,440
Education	<u>135,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,410</u>	<u>213,974</u>
	<u>447,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,910</u>	<u>527,357</u>
Unassigned	<u>3,190,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,570)</u>	<u>3,184,677</u>
	<u>\$ 3,639,970</u>	<u>\$ 174,398</u>	<u>\$ 878,012</u>	<u>\$ 666,315</u>	<u>\$ 521,616</u>	<u>\$ 143,595</u>	<u>\$ 6,023,906</u>

Note 10 – Deficit Fund Balance

The Education Grants fund has a deficit fund balance of \$5,570 and is expected to be funded by the General Fund and intergovernmental grants.

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

Note 11 – Employee Retirement Plans

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

Board of Education Pension Plans

At June 30, 2018, there were 15 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, 2018, the Town contributed \$61,046 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 10% 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 14% 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 Town Clerk, Tax Collector, members of the United Steelworkers of America (USWA), Municipal Employees Union Independent (MEUI), and Salaried Employees of North America (a division of the USWA) who have completed one year of service. Participants may voluntarily contribute to the plan. The Town's funding policy is as follows:

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

For the year ended June 30, 2018, the Town contributed \$149,990 to the plan all of which is allocated to the participants' individual retirement. The plan is administered by the Town. There were 24 participants in the plan.

Connecticut Teachers' Retirement System

Description of System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the Town does not have a liability related to participants in the System.

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

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

Benefits Provided

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

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

Early Retirement: A member with 25 years of Credited Service, including at least 20 years of Connecticut public school service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service. The early retirement factors currently in effect are 6% per year for the first five years by which early retirement precedes the minimum normal retirement age and 4% per year for the next five years by which early retirement precedes the minimum normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% for each year by which early retirement precedes the minimum retirement age.

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

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

Contribution Requirements

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

Participants are required to contribute 6% (7% effective January 1, 2018) of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2017/2018 school year, \$424,910 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The covered payroll for the Town is \$6,440,149. The Town had 89 active participants in the System at June 30, 2018.

Employers are not required to make contributions to the System. The Town makes no contribution to the plan.

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	<u>6.0%</u>	0.4%
Total	<u>100.0%</u>	

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease <u>(7.00%)</u>	Current Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
Sensitivity of the system's proportionate Share of the net pension liability related to the Town	\$ 26,313,892	\$ 21,022,437	\$ 16,548,843

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

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$21,022,437 and 100% of the collective net pension liability is allocated to the State.

June 30, 2016, is the actuarial valuation date upon which the total pension liability is based. The total pension liability is determined as of June 30, 2017, using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the expected investment rate of return for the year. The procedure was used to determine the System's total pension liability as of June 30, 2017, which is the measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$2,431,682 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 12 – Risk Management

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

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

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

Note 13 – Contingent Liabilities and Commitments

Grants

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

Various Lawsuits

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

Note 14 – North Stonington Other Post Employment Benefits (OPEB)

General Information about the OPEB Plan

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

Eligibility	Teachers and Administrators – A teacher or administrator retiring under the Connecticut State Teachers' Retirement System shall be eligible to receive health benefits for self and spouse. Normal retirement for teachers and administrators is the earlier of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earlier of age 60 with 10 years of service, any age with 25 years of service. All Others – A member retiring at age 55 years or older shall be eligible to continue health insurance coverage for self and spouse. Coverage is pre-65 only.
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Medical and Dental Benefits:	Teachers and Administrators – Employees and their spouses are eligible to continue medical and dental coverage upon retirement by paying the full cost of the applicable premium. Teachers and administrators eligible to participate in Medicare are allowed to continue coverage until age 65. Teachers and administrators hired prior to April 1, 1986, who are not eligible to participate in Medicare are allowed to continue coverage for their life and the life of their spouse.
Life Insurance:	Administrators receive \$50,000 from retirement until age 65 paid for by the Town.

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

At June 30, 2017, the following employees were covered by the benefit terms:

Retired members/beneficiaries receiving benefits	6
Active members	<u>132</u>
	<u><u>138</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 was \$4,213,666 as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2016 with a measurement date of June 30, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2016 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, 2017
Actuarial Cost Method	Entry Age Normal, level percent of salary
Salary increases	3.0 %
Discount rate	3.13% as of June 30, 2018 and 2.71% as of June 30, 2017, which is based on the 20-bond GO Index
Healthcare cost trend rates	7.35% percent for 2018, reduced by 0.15% per year, 4.5% ultimate rate
Mortality rates	Based on the RP-2014 (adjusted back to 2006) Employee and Healthy Annuitant Mortality Tables projected generationally with Scale MP-2017

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)****Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at 6/30/2017 - Restated	<u>\$ 4,487,285</u>
Changes for the year:	
Service cost	149,172
Interest	121,605
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(544,396)
Benefit payments (net)	-
Net changes	(273,619)
Balance at 6/30/2018	<u>\$ 4,213,666</u>

The following changes of assumptions were effective July 1, 2017:

- The discount rate was increased from 2.71% to 3.13%.
- The actuarial cost method was changed from the Projected Unit Credit method to the Entry Age Normal method.

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 (2.13%) or 1-percentage-point higher (4.13%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.13%)</u>	<u>Discount rate</u> <u>(3.13%)</u>	<u>1% Increase</u> <u>(4.13%)</u>
Total OPEB liability	\$ 4,914,035	\$ 4,213,666	\$ 3,639,726

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 3,557,922	\$ 4,213,666	\$ 5,026,472

Town of North Stonington, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

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

For the year ended June 30, 2018, the Town recognized OPEB expense of \$230,181. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	<u>-</u>	<u>503,800</u>
	<u>\$ -</u>	<u>\$ 3,595,508</u>

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

Year ended June 30,	
2019	\$ (40,596)
2020	(40,596)
2021	(40,596)
2022	(40,596)
2023	(40,596)
Thereafter	(300,820)

Note 15 – Connecticut State Teachers’ Other Post Employment Benefits (OPEB)

Description of the Plan

Teachers within the Town’s school system participate in a retirement system administered by the Connecticut State Teachers’ Retirement Board, which includes the Retiree Health Insurance Plan (Connecticut State Teachers’ OPEB). This Connecticut State Teachers’ OPEB is a cost sharing multiple employer defined benefit OPEB plan with a special funding situation. As such, the Town does not have a liability related to participants in the Connecticut State Teachers’ OPEB.

The Connecticut State Teachers’ OPEB is considered a part of the State of Connecticut financial reporting entity and is included in the State’s financial reports as a trust fund. Those reports may be obtained at www.ct.gov.

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

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

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 earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Not Certified – A retired employee shall be eligible to receive health benefits for self and spouse.

Benefit Provisions

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Connecticut State Teachers' OPEB. There are two types of the health care benefits offered. Subsidized Local School Town Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School Town Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 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 \$220 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 \$220 per month towards coverage under a local school district plan.

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

The Connecticut State Teachers' OPEB contributions made by the State are determined on an actuarial reserve basis.

Participants are required to contribute 1.25% of their annual salary rate to the Connecticut State Teachers' OPEB as required by CGS Section 10-183b (7). For the 2017/2018 school year, \$80,533 mandatory contributions were deducted from the salaries of teachers who were participants of the Connecticut State Teachers' OPEB during that school year. The covered payroll for the Town is \$6,440,149. The Town had 89 active participants in the Connecticut State Teachers' OPEB at June 30, 2018.

Employers are not required to make contributions to the Connecticut State Teachers' OPEB. The Town makes no contribution to the plan.

Town of North Stonington, Connecticut**Notes to Financial Statements****June 30, 2018 (continued)**

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Reporting Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal, level percent of salary
Salary increases	3.25% to 6.50%
Inflation rate	3.25%
Discount rate	3.56% as of June 30, 2018 and 3.01% as of June 30, 2017, which is based on the 20-bond Municipal Index as of the measurement date
Healthcare cost trend rates	7.25% for 2017 decreasing to an ultimate rate of 5.00% by 2022
Mortality rates	Based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. treasuries (cash equivalents)	<u>100.0%</u>	2.75%
Total	<u>100.0%</u>	

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

	<u>1% Decrease (2.56%)</u>	<u>Discount rate (3.56%)</u>	<u>1% Increase (4.56%)</u>
Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town	\$ 6,521,045	\$ 5,410,937	\$ 4,538,072

Sensitivity of the Net 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 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 the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town	\$ 4,455,153	\$ 5,410,937	\$ 6,697,783

OPEB liabilities, OPEB expense, and deferred inflows/outflows of resources related to OPEB

The State makes all contributions to the Connecticut State Teachers' OPEB on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 75 and the State is treated as a non-employer contributing entity in the Connecticut State Teachers' OPEB. Since the districts do not contribute directly to the Connecticut State Teachers' OPEB, there is no net OPEB liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the State's net OPEB liability that was associated with the Town was \$5,410,937 and 100 percent of the collective net OPEB liability is allocated to the State. The Town's proportionate share of the OPEB liability is zero.

June 30, 2016, is the actuarial valuation date upon which the total OPEB liability is based. The total OPEB liability is determined as of June 30, 2017, using standard roll forward techniques.

The Town recognized the OPEB expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective OPEB expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$250,770 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

Note 16 – Adoption of New Accounting Standard

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (GASB Statement No. 75). This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

The Town adopted GASB Statement No. 75 during the current fiscal year for the Town's OPEB plan and the Connecticut State Teachers' OPEB plan. The adoption of this statement requires the Town to report a Net OPEB Liability for the Town's OPEB plan. The Town's Net Position at June 30, 2017, has been restated for the effects of this liability, which reduces the Net Position \$2,946,103 at June 30, 2017, in the government-wide financial statements. The statement has also required significant additional footnote disclosures regarding OPEB.

Note 17 – Recently Issued Accounting Standards

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2018. The Town does not expect this statement to have a material effect on its financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2018. The Town does not expect this statement to have a material effect on its financial statements.

Town of North Stonington, Connecticut

Notes to Financial Statements

June 30, 2018 (continued)

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect the impact of this statement will be material to its financial statements.

Note 18 – Subsequent Events

On July 12, 2018, the Town paid off the \$5,340,000 Bond Anticipation Note with General Fund appropriations, State of Connecticut grants, and issuance of general obligation bonds of \$4,798,768. The bonds bear annual interest of 2.75% with principal and interest due serially through July 12, 2038.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF NORTH STONINGTON, CONNECTICUT

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

	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>21,022,437</u>	<u>22,178,866</u>	<u>16,369,155</u>	<u>15,130,003</u>
Total	<u><u>\$ 21,022,437</u></u>	<u><u>\$ 22,178,866</u></u>	<u><u>\$ 16,369,155</u></u>	<u><u>\$ 15,130,003</u></u>
Town's covered-employee payroll	<u><u>\$ 6,440,149</u></u>	<u><u>\$ 6,257,403</u></u>	<u><u>\$ 6,145,952</u></u>	<u><u>\$ 5,900,786</u></u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u><u>0.00%</u></u>	<u><u>0.00%</u></u>	<u><u>0.00%</u></u>	<u><u>0.00%</u></u>
System fiduciary net position as a percentage of the total pension liability	<u><u>55.93%</u></u>	<u><u>52.26%</u></u>	<u><u>59.50%</u></u>	<u><u>61.51%</u></u>

Notes to Connecticut State Teachers' Retirement System

Method and Assumptions used in Calculations of Actuarially Determined Contributions

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

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	20.4 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary increase	3.25-6.50 percent, including inflation
Investment rate of return	8.00 percent, net of investment related expense

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

NORTH STONINGTON OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS

	2018
Total OPEB Liability	
Service costs	\$ 149,172
Interest	121,605
Change in benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	(544,396)
Benefit payments, including refunds of contributions	-
Net change in total OPEB liability	(273,619)
Total OPEB liability, beginning	4,487,285
Total OPEB liability, ending (a)	\$ 4,213,666
 Plan Fiduciary Net Position	
Contributions - employer	\$ -
Contributions - members	64,495
Net investment income	-
Benefit payments (based on expected)	(64,495)
Administrative expenses	-
Net change in plan fiduciary net position	-
Total fiduciary net position, beginning	-
Total fiduciary net position, ending (b)	\$ -
 Net OPEB liability ending (a) - (b)	\$ 4,213,666
 Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
 Covered-employee payroll	N/A
 Net OPEB liability as a percentage of covered payroll	N/A

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

CONNECTICUT STATE TEACHERS' OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>5,410,937</u>
Total	<u>\$ 5,410,937</u>
Town's covered-employee payroll	<u>\$ 6,440,149</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>
System fiduciary net position as a percentage of the total OPEB liability	<u>1.79%</u>

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Revenues:					
Property taxes, interest and lien fees:					
General property taxes - current	\$ 14,325,549	\$ -	\$ 14,325,549	\$ 14,000,333	\$ (325,216)
General property taxes - past	100,000	-	100,000	910,005	810,005
Supplemental motor vehicles	125,000	-	125,000	143,841	18,841
Interest and lien fees	100,000	-	100,000	166,396	66,396
	14,650,549	-	14,650,549	15,220,575	570,026
Interest and investment earnings	3,500	-	3,500	4,609	1,109
Intergovernmental:					
Education cost sharing	2,692,747	-	2,692,747	2,463,918	(228,829)
Casino revenue	841,889	-	841,889	841,889	-
State aid for town road	240,036	-	240,036	240,195	159
Local and vocational transportation	1	-	1	-	(1)
Local capital improvement program	88,113	-	88,113	-	(88,113)
Police reimbursement	47,050	(5,800)	41,250	32,408	(8,842)
Telecommunications revenue share	25,000	-	25,000	11,494	(13,506)
PILOT program reimbursement	219	-	219	200	(19)
Elderly exemption reimbursement	40,000	-	40,000	-	(40,000)
Municipal revenue sharing	-	-	-	-	-
Regional adult education	9,502	-	9,502	9,867	365
Veterans exemption reimbursement	6,000	-	6,000	6,696	696
Records preservation	4,000	-	4,000	4,000	-
Non-public nurse reimbursement	4,345	-	4,345	4,240	(105)
Disabled exemption reimbursement	600	-	600	660	60
Tuition reimbursement	30,000	-	30,000	-	(30,000)
STEAP	225,000	-	225,000	218,234	(6,766)
Emergency management	3,000	-	3,000	1,419	(1,581)
Boombridge road	59,000	-	59,000	92,162	33,162
Other	6	-	6	-	(6)
	4,316,508	(5,800)	4,310,708	3,927,382	(383,326)
Licenses, fees, fines and charges:					
Licenses, permits, conveyance taxes	100,000	-	100,000	105,230	5,230
Recreation Commission	53,819	-	53,819	43,079	(10,740)
Building official	52,000	-	52,000	52,879	879
Town Clerk LOCIP	1	-	1	-	(1)
Town Clerk restoration fees	1	-	1	-	(1)
Sanitation	250	-	250	487	237
	206,071	-	206,071	201,675	(4,396)

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget	
	Original	Transfers	Final	Actual		
					Positive (Negative)	
Other:						
Contractor's tipping fees	\$ 101,100	\$ -	\$ 101,100	\$ 146,143	\$ 45,043	
Transfer stickers	1	-	1	-	(1)	
Rent Town Property	42,971	-	42,971	42,021	(950)	
Sale of town vehicles	1	-	1	63,573	63,572	
Sanitary landfill - sale of recyclables	9,000	-	9,000	15,264	6,264	
SCRRRA subsidy	11,000	-	11,000	14,030	3,030	
Miscellaneous	15,000	-	15,000	22,735	7,735	
Zoning Enforcement Officer	3,000	-	3,000	4,868	1,868	
Town engineering - road inspection	-	-	-	-	-	
Planning and Zoning	1,000	-	1,000	1,329	329	
Inland Wetlands	400	-	400	799	399	
Assessor's Office	300	-	300	320	20	
GIS services	1	-	1	66	65	
Conservation Commission	-	-	-	1,681	1,681	
Canine account	250	-	250	1,962	1,712	
Fire Marshall	100	-	100	180	80	
Resident trooper ticket revenue	10,000	-	10,000	6,190	(3,810)	
Sale of fixed assets	1	-	1	-	(1)	
Transfer in deobligated capital projects	1	-	1	-	(1)	
CIRMA credits	2,500	-	2,500	10,743	8,243	
Total revenues	\$ 196,626	-	196,626	331,904	135,278	
	\$ 19,373,254	\$ (5,800)	\$ 19,367,454	\$ 19,686,145	\$ 318,691	

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
General Government:					
Salaries:					
First Selectman	\$ 63,674	\$ -	\$ 63,674	\$ 63,674	\$ -
Second Selectman	2,650	-	2,650	2,631	19
Third Selectman	2,650	-	2,650	2,650	-
Secretary	56,744	72	56,816	56,816	-
Bookkeeper	51,106	-	51,106	51,106	-
Boards of Commissions clerical	1	-	1	-	1
Selectmen's expenditures	2,500	-	2,500	2,543	(43)
Office expenditures	1,000	-	1,000	1,463	(463)
Council of Small Towns	825	-	825	825	-
Certifications/seminars	250	5,000	5,250	5,185	65
SE CT Council of Governments	2,913	-	2,913	2,913	-
Admin and finance officer	75,000	(47,000)	28,000	8,900	19,100
	<u>259,313</u>	<u>(41,928)</u>	<u>217,385</u>	<u>198,706</u>	<u>18,679</u>
Probate Court	<u>6,315</u>	<u>-</u>	<u>6,315</u>	<u>6,352</u>	<u>(37)</u>
Board of Finance:					
Operating expenditures	1	100	101	101	-
Auditing	<u>16,268</u>	<u>9,432</u>	<u>25,700</u>	<u>25,700</u>	<u>-</u>
	<u>16,269</u>	<u>9,532</u>	<u>25,801</u>	<u>25,801</u>	<u>-</u>
Assessor's Office:					
Salaries:					
Assessor	69,247	-	69,247	69,247	-
Assessor assistant	47,424	-	47,424	47,424	-
Office expenditures	2,200	-	2,200	2,482	(282)
Seminars	400	-	400	400	-
Computer	11,395	-	11,395	11,095	300
Travel expenditures	250	-	250	-	250
Memberships	100	-	100	-	100
	<u>131,016</u>	<u>-</u>	<u>131,016</u>	<u>130,648</u>	<u>368</u>
Board of Assessment Appeals	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>809</u>	<u>191</u>
Tax Collector:					
Salaries:					
Tax Collector	44,060	-	44,060	44,062	(2)
Clerical	1	-	1	-	1
Office expenditures	9,000	-	9,000	9,069	(69)
Computer	9,060	-	9,060	8,942	118
Mil rate adjustment costs	6,500	-	6,500	6,500	-
Travel expenditures	150	-	150	82	68
	<u>68,771</u>	<u>-</u>	<u>68,771</u>	<u>68,655</u>	<u>116</u>
Town Treasurer:					
Salary	<u>7,200</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
	<u>7,200</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Town Attorney	<u>30,000</u>	<u>18,890</u>	<u>48,890</u>	<u>42,736</u>	<u>6,154</u>
Annexation Related:					
Annexation related	2,000	(2,000)	-	-	-
Tribal recognition	<u>45,000</u>	<u>(11,890)</u>	<u>33,110</u>	<u>32,959</u>	<u>151</u>
	<u>47,000</u>	<u>(13,890)</u>	<u>33,110</u>	<u>32,959</u>	<u>151</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts					Variance With Final Budget	
	Original	Transfers	Final	Actual			
						Positive (Negative)	
Town Clerk:							
Salaries:							
Town Clerk	\$ 47,340	\$ -	\$ 47,340	\$ 47,158	\$ 182		
Assistant	3,000	-	3,000	3,000	-		
Office expenditures	3,500	-	3,500	3,482	18		
Records restoration grant	4,000	-	4,000	4,000	-		
Land records	8,687	-	8,687	7,638	1,049		
	<u>66,527</u>	<u>-</u>	<u>66,527</u>	<u>65,278</u>	<u>1,249</u>		
Planning and Zoning Commission:							
Salaries:							
Zoning Officer	72,000	-	72,000	72,000	-		
Assistant	41,288	-	41,288	38,713	2,575		
Operating expenditures	6,000	-	6,000	4,690	1,310		
Travel expenditures	1,500	-	1,500	965	535		
Attorney	10,000	-	10,000	8,382	1,618		
Contracted consulting services	5,000	-	5,000	4,700	300		
Contracted planner	1	-	1	-	1		
	<u>135,789</u>	<u>-</u>	<u>135,789</u>	<u>129,450</u>	<u>6,339</u>		
Building Department:							
Salaries:							
Building Official	36,400	1,903	38,303	38,285	18		
Operating expenditures	500	41	541	560	(19)		
Travel expenditures	750	-	750	747	3		
	<u>37,650</u>	<u>1,944</u>	<u>39,594</u>	<u>39,592</u>	<u>2</u>		
Zoning Board of Appeals	<u>750</u>	<u>-</u>	<u>750</u>	<u>729</u>	<u>21</u>		
Affordable housing committee	<u>500</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>		
School Building and Planning Committee:							
Permanent School Building Committee	1	84,500	84,501	84,501	-		
	<u>1</u>	<u>84,500</u>	<u>84,501</u>	<u>84,501</u>	<u>-</u>		
Economic Development Commission:							
Operating expenditures	8,700	-	8,700	8,134	566		
CT Regional Economic Development	1,958	-	1,958	1,854	104		
Consulting	501	-	501	-	501		
	<u>11,159</u>	<u>-</u>	<u>11,159</u>	<u>9,988</u>	<u>1,171</u>		
Recreation Commission:							
Salaries:							
Administrative	24,343	-	24,343	24,343	-		
Camp Directors, etc.	13,916	-	13,916	13,916	-		
Program expenditures	50,103	-	50,103	42,231	7,872		
Maintenance	3,700	-	3,700	2,431	1,269		
Administrative expenditures	13,626	-	13,626	14,916	(1,290)		
	<u>105,688</u>	<u>-</u>	<u>105,688</u>	<u>97,837</u>	<u>7,851</u>		
Inland Wetlands Commission:							
Operating expenditures	700	-	700	436	264		
Wages - Enforcement Officer	7,311	-	7,311	7,311	-		
	<u>8,011</u>	<u>-</u>	<u>8,011</u>	<u>7,747</u>	<u>264</u>		
Conservation Commission	<u>2,100</u>	<u>-</u>	<u>2,100</u>	<u>2,100</u>	<u>-</u>		

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
	\$		\$	\$	
Water Pollution Control Authority:					
WPCA expenditures	\$ -	\$ -	\$ -	\$ 893	\$ (893)
	-	-	-	893	(893)
Fixed Charges:					
Town insurance	67,500	-	67,500	66,495	1,005
Volunteer fire co. insurance	26,800	-	26,800	25,000	1,800
Ambulance association insurance	11,160	-	11,160	10,837	323
Workers compensation insurance	20,640	-	20,640	20,640	-
Social security	120,717	-	120,717	108,110	12,607
Medical insurance	441,124	-	441,124	397,298	43,826
Employee benefits - pension	125,362	-	125,362	122,601	2,761
Volunteer incentive award - fire	33,000	-	33,000	33,000	-
Volunteer activity stipend - fire	52,000	-	52,000	52,000	-
Volunteer incentive ambulance	7,500	-	7,500	5,976	1,524
	905,803	-	905,803	841,957	63,846
Elections and Town Meetings:					
Salaries:					
Registrar of Voters	6,060	-	6,060	6,060	-
Registrar of Voters	6,060	-	6,060	6,060	-
Expenses	25,000	-	25,000	22,629	2,371
	37,120	-	37,120	34,749	2,371
Town Hall:					
Expenditures	48,550	-	48,550	49,509	(959)
Leasing equipment	10,000	-	10,000	9,775	225
Holly Green rental - nursing	7,200	-	7,200	6,996	204
Quarterly newsletter	4,400	-	4,400	4,145	255
	70,150	-	70,150	70,425	(275)
Social Services/Welfare:					
Welfare	4,000	-	4,000	1,140	2,860
New London Hospitality Center	600	-	600	600	-
Pawcatuck Neighborhood Center	25,000	-	25,000	25,000	-
Family services	1,000	-	1,000	-	1,000
American Red Cross	500	-	500	500	-
Women's Center	2,500	-	2,500	2,500	-
Frank Olean Regional Center	1,000	-	1,000	-	1,000
NL County ARC	1,575	-	1,575	1,575	-
Easter Seals Rehabilitation Center	1,000	-	1,000	-	1,000
TVCCA	1,500	-	1,500	1,500	-
Literacy volunteers	500	-	500	-	500
Salvation Army	500	-	500	-	500
Mystic Shelter	2,000	-	2,000	2,000	-
United Way of SE CT	500	-	500	500	-
Sex assault crisis center	300	-	300	-	300
	42,475	-	42,475	35,315	7,160
Selectmen's Engineering Service:					
Engineering for selectmen	2,500	-	2,500	617	1,883
Inspection of existing roads	1	-	1	-	1
	2,501	-	2,501	617	1,884

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Information Technology:					
Coordinator	\$ 48,438	\$ -	\$ 48,438	\$ 48,438	\$ -
Office expense	300	-	300	315	(15)
Digitized maintenance	11,225	-	11,225	11,115	110
Computer maintenance	16,935	17,500	34,435	34,933	(498)
	<u>76,898</u>	<u>17,500</u>	<u>94,398</u>	<u>94,801</u>	<u>(403)</u>
Public Safety:					
911 dispatching	52,819	-	52,819	52,819	-
Volunteer fire company	140,074	-	140,074	140,074	-
Fire Marshal	12,607	-	12,607	12,607	-
Fire Marshal operating expenditures	2,000	-	2,000	1,628	372
State troopers	464,995	(13,968)	451,027	410,762	40,265
State trooper DUI grant	55,000	-	55,000	35,509	19,491
State trooper rural road grant	1	-	1	-	1
State trooper citi grant	1	-	1	-	1
State trooper distracted driving	1	-	1	-	1
State trooper other grants	-	-	-	-	-
Civil preparedness agency stipend	6,500	-	6,500	6,500	-
Civil preparedness expenditures	2,800	-	2,800	2,800	-
Emergency generator service contract	1,500	-	1,500	1,407	93
Animal control salary	21,520	122	21,642	21,642	-
Animal control training	1,000	(122)	878	-	878
Animal control operating expenditures	6,500	-	6,500	2,955	3,545
Dog damages	-	-	-	-	-
Ambulance association	265,000	-	265,000	265,134	(134)
	<u>1,032,318</u>	<u>(13,968)</u>	<u>1,018,350</u>	<u>953,837</u>	<u>64,513</u>
Public Works:					
Highway:					
Local capital improvements	88,113	-	88,113	88,113	-
State aided - town roads	240,036	-	240,036	240,036	-
Town road maintenance	175,000	-	175,000	150,698	24,302
Town garage expenditures	22,500	-	22,500	22,788	(288)
Machinery and maintenance repairs	67,500	-	67,500	66,268	1,232
Street lights	10,000	-	10,000	9,395	605
Highway foreman	88,110	-	88,110	70,094	18,016
Labor	540,480	-	540,480	538,664	1,816
Supplies	36,000	-	36,000	33,042	2,958
Diesel and gas	52,250	-	52,250	47,039	5,211
Town property - maintenance	7,500	-	7,500	5,630	1,870
Town property - labor	31,840	-	31,840	28,616	3,224
Tree warden	1,500	-	1,500	1,500	-
Hewitt farm property	5,000	-	5,000	5,000	-
Tree maintenance	18,000	-	18,000	15,225	2,775
Contracted services	18,000	-	18,000	16,454	1,546
	<u>1,401,829</u>	<u>-</u>	<u>1,401,829</u>	<u>1,338,562</u>	<u>63,267</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Sanitary Landfill:					
Labor	\$ 118,529	\$ -	\$ 118,529	\$ 121,868	\$ (3,339)
Cover material	-	-	-	-	-
State mandated surveys	3,500	-	3,500	-	3,500
State license fees	3,200	-	3,200	2,635	565
SCRRA - tipping fees	168,500	-	168,500	187,326	(18,826)
SCRRA - membership fee	500	-	500	-	500
Hazardous waste collection	1,500	-	1,500	1,110	390
Water sampling /lab testing	16,128	-	16,128	16,014	114
Transfer station expenditures	11,110	-	11,110	11,119	(9)
Contractual services	18,000	-	18,000	18,698	(698)
	<u>340,967</u>	<u>-</u>	<u>340,967</u>	<u>358,770</u>	<u>(17,803)</u>
Total public works	1,742,796	-	1,742,796	1,697,332	45,464
Conservation of Health:					
Public Health Nursing/VNA	1,800	-	1,800	1,530	270
Hepatitis B vaccinations	1	-	1	-	1
Director of Health	1,657	-	1,657	1,656	1
Director of Health operating expenditures	1	-	1	-	1
Sanitarian food service wages	1,500	-	1,500	1,550	(50)
Sanitarian well and septic salary	4,020	695	4,715	4,715	-
Health district	29,054	-	29,054	29,053	1
	<u>38,033</u>	<u>695</u>	<u>38,728</u>	<u>38,504</u>	<u>224</u>
Senior Citizens:					
Agent for the Elderly wages	12,612	-	12,612	12,612	-
Agent for the Elderly operating expenditures	400	-	400	345	55
Senior Citizens Center Coordinator	22,369	-	22,369	22,369	-
Senior Citizens Center - operating expenditures	25,700	-	25,700	23,929	1,771
	<u>61,081</u>	<u>-</u>	<u>61,081</u>	<u>59,255</u>	<u>1,826</u>
Miscellaneous:					
Cemeteries	4,500	-	4,500	64	4,436
Tax refunds	1	1,725	1,726	1,770	(44)
Annual memberships and dues	3,800	-	3,800	3,395	405
Lake Association weed control	15,000	-	15,000	15,000	-
Wheeler Library	30,000	-	30,000	30,000	-
Miscellaneous	750	-	750	803	(53)
	<u>54,051</u>	<u>1,725</u>	<u>55,776</u>	<u>51,032</u>	<u>4,744</u>
Total general government expenditures	4,998,285	65,000	5,063,285	4,830,305	232,980

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget
	Original	Transfers	Final	Actual	
					Positive (Negative)
Redemption of Debt:					
ESC BAN principal	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -
ESC BAN principal	335,389	-	335,389	335,388	1
BAN principal	500,000	-	500,000	500,000	-
BAN principal	1	-	1	-	1
	935,390	-	935,390	935,388	2
Education	12,875,068	-	12,875,068	12,866,037	9,031
Capital Outlay:					
 Public Works:					
Dump truck refurbish	10,000	-	10,000	10,000	-
Miscellaneous equipment	5,000	-	5,000	5,000	-
Sweeper	1	-	1	-	1
CAT 963 refurbish	30,600	-	30,600	30,600	-
Salt & sand shed roof	63,987	-	63,987	63,987	-
	109,588	-	109,588	109,587	1
Transfer station/bulk waste area:					
Transfer station/bulky waste area	5,000	-	5,000	5,000	-
Transfer Station/Bulk Waste Area	5,000	-	5,000	5,000	-
Selectmen:					
Ambulance equipment	50,820	-	50,820	50,820	-
Computer - Town Hall	13,500	-	13,500	13,500	-
Town Hall boiler	22,000	-	22,000	22,000	-
Recreation pavilion & fields	2,500	-	2,500	2,500	-
Open space acquisition	10,000	-	10,000	10,000	-
Selectmen's office equipment and furniture	1,500	-	1,500	1,500	-
Town buildings maintenance	20,000	-	20,000	20,000	-
Town clerk - records preservation	1	-	1	-	1
Fire company - equipment/hose	4,500	-	4,500	4,500	-
Fire company - auto	55,000	-	55,000	55,000	-
Fire company - turnout gear	16,000	-	16,000	16,000	-
Fire company - forestry	1	-	1	-	1
Abate & demo Town buildings	40,000	-	40,000	40,000	-
Civil preparedness	1,000	-	1,000	1,000	-
Other	8	-	8	-	8
Fire company breathing apparatus	50,000	-	50,000	50,000	-
Hurst tool replacement	6,000	-	6,000	6,000	-
Fire company - other	3	-	3	-	3
Fire company - scuba	8,800	-	8,800	8,800	-
	301,633	-	301,633	301,620	13
Assessor Revaluation Expense	35,000	-	35,000	35,000	-
ESC capital	1	-	1	-	1
Total capital outlay	451,222	-	451,222	451,207	15
Total expenditures	\$ 19,259,965	\$ 65,000	\$ 19,324,965	\$ 19,082,937	\$ 242,028

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	School Lunch Fund	Education Grants	Inland Wetland Mitigation	Open Space	C-PACE	Scholarships Held by School	Recreation Gift Fund	Total
Assets								
Cash and cash equivalents	\$ 115,071	\$ -	\$ -	\$ -	\$ 1,500	\$ 37,667	\$ -	\$ 154,238
Receivables	14,330	-	-	-	-	-	-	14,330
Inventory	7,587	-	-	-	-	-	-	7,587
Due from other funds	-	111,330	13,274	10,007	-	-	720	135,331
Total assets	\$ 136,988	\$ 111,330	\$ 13,274	\$ 10,007	\$ 1,500	\$ 37,667	\$ 720	\$ 311,486
Liabilities and Fund Balances (Deficits)								
Liabilities:								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	50,991	-	-	-	-	-	-	50,991
Deferred grant revenue	-	116,900	-	-	-	-	-	116,900
Total liabilities	50,991	116,900	-	-	-	-	-	167,891
Fund Balances (Deficits):								
Nonspendable	7,587	-	-	-	-	-	-	7,587
Restricted	-	-	-	-	-	37,667	-	37,667
Committed	-	-	13,274	10,007	-	-	720	24,001
Assigned	78,410	-	-	-	1,500	-	-	79,910
Unassigned	-	(5,570)	-	-	-	-	-	(5,570)
Total fund balances (deficits)	85,997	(5,570)	13,274	10,007	1,500	37,667	720	143,595
Total liabilities and fund balances (deficits)	\$ 136,988	\$ 111,330	\$ 13,274	\$ 10,007	\$ 1,500	\$ 37,667	\$ 720	\$ 311,486

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2018

	School Lunch Fund	Education Grants	Inland Wetland Mitigation	Open Space	C-PACE	Scholarships Held by School	Recreation Gift Fund	Total
Revenues:								
Intergovernmental	\$ 65,833	\$ 225,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,292
Local	148,046	-	18	10	31,057	3,166	720	183,017
Total revenues	213,879	225,459	18	10	31,057	3,166	720	474,309
Expenditures:								
Current:								
General government	-	-	-	-	30,557	-	-	30,557
Education	189,266	225,459	-	-	-	3,500	-	418,225
Total expenditures	189,266	225,459	-	-	30,557	3,500	-	448,782
Excess of revenues over (under) expenditures	24,613	-	18	10	500	(334)	720	25,527
Other Financing Sources (Uses):								
Transfers in (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances (deficits)	24,613	-	18	10	500	(334)	720	25,527
Fund balances (deficits), beginning of year	61,384	(5,570)	13,256	9,997	1,000	38,001	-	118,068
Fund balances (deficits), end of year	\$ 85,997	\$ (5,570)	\$ 13,274	\$ 10,007	\$ 1,500	\$ 37,667	\$ 720	\$ 143,595

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	<u>General Government Retirement</u>	<u>Board of Education Retirement</u>	<u>Total</u>
<u>Assets</u>			
Investments	\$ 1,997,930	\$ 1,161,371	\$ 3,159,301
Other receivables	<u>110,309</u>	<u>-</u>	<u>110,309</u>
Total assets	<u>\$ 2,108,239</u>	<u>\$ 1,161,371</u>	<u>\$ 3,269,610</u>
<u>Fund Balances</u>			
Fund Balances:			
Held in trust for pension benefits and other purposes	\$ 2,108,239	\$ 1,161,371	\$ 3,269,610
Total fund balances	<u>\$ 2,108,239</u>	<u>\$ 1,161,371</u>	<u>\$ 3,269,610</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**FIDUCIARY FUNDS
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Government Retirement</u>	<u>Board of Education Retirement</u>	<u>Total</u>
<u>Additions:</u>			
Employer contributions	\$ 149,990	\$ 20,819	\$ 170,809
Investment earnings	134,679	61,046	195,725
Total additions	284,669	81,865	366,534
<u>Deductions:</u>			
Distributions	307,579	4,137	311,716
Total deductions	307,579	4,137	311,716
Net increase (decrease)	(22,910)	77,728	54,818
Fund balances, beginning of year	2,131,149	1,083,643	3,214,792
Fund balances, end of year	\$ 2,108,239	\$ 1,161,371	\$ 3,269,610

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

FIDUCIARY FUNDS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018

	Student Activity Fund	Performance Bonds	Total
<u>Assets</u>			
Beginning balance - cash	\$ 72,937	\$ 130,108	\$ 203,045
Additions	188,433	11,499	199,932
Deductions	161,622	9,390	171,012
Ending balance - cash	<u>99,748</u>	<u>132,217</u>	<u>231,965</u>
 Total assets	 <u>99,748</u>	 <u>132,217</u>	 <u>231,965</u>
 <u>Liabilities</u>			
Beginning balance - due to student groups	\$ 72,937	\$ -	\$ 72,937
Additions	188,433	-	188,433
Deductions	161,622	-	161,622
Ending balance - due to student groups	<u>99,748</u>	<u>-</u>	<u>99,748</u>
 Beginning balance - due to developers	 -	 106,855	 106,855
Additions	-	11,446	11,446
Deductions	-	8,610	8,610
Ending balance - due to developers	<u>-</u>	<u>109,691</u>	<u>109,691</u>
 Beginning balance - due to other funds	 -	 23,253	 23,253
Additions	-	53	53
Deductions	-	780	780
Ending balance - due to other funds	<u>-</u>	<u>22,526</u>	<u>22,526</u>
 Total liabilities	 <u>99,748</u>	 <u>132,217</u>	 <u>231,965</u>

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**CAPITAL NONRECURRING FUND
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ 4,358	\$ 1,209	\$ -	\$ -	\$ -	\$ 5,567	\$ 320	\$ 5,247
LOCIP capital improvements	25,248	2,334	-	-	-	27,582	-	27,582
Total restricted	29,606	3,543	-	-	-	33,149	320	32,829
Committed fund balance								
Revaluation	95,538	35,000	-	-	-	130,538	-	130,538
Town equipment	15,298	5,000	-	-	-	20,298	15,298	5,000
Nonrecurring school funds	64,393	-	-	-	-	64,393	64,393	-
Transfer station improvements	-	5,000	-	-	-	5,000	-	5,000
Town Clerk preservation	1,031	-	-	-	-	1,031	-	1,031
Total committed	176,260	45,000	-	-	-	221,260	79,691	141,569
Total	\$ 205,866	\$ 48,543	\$ -	\$ -	\$ -	\$ 254,409	\$ 80,011	\$ 174,398

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**CAPITAL PROJECTS FUND
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	Beginning Balance	General Fund Budget	Additional Transfers	Internal Transfers	Revenues	Total Available	Expenditures	Ending Balance
Restricted fund balance								
Water study 1-95 (STEAP)	\$ 36,679	\$ -	\$ -	\$ -	\$ -	\$ 36,679	\$ -	\$ 36,679
Sewer study (STEAP)	144,818	-	-	-	-	144,818	2,482	142,336
Village water line (STEAP)	236,055	-	-	-	-	236,055	219,156	16,899
Total restricted	417,552	-	-	-	-	417,552	221,638	195,914
Committed fund balance								
Boombridge	131,169	-	-	-	-	131,169	59,577	71,592
Ambulance Association equipment	2,507	50,820	-	-	-	53,327	6,700	46,627
Town Hall computer	-	13,500	-	-	-	13,500	12,244	1,256
Selectmen furniture	1,314	1,500	-	-	-	2,814	2,814	-
CAT 963 bottom refurbish	-	30,600	-	-	-	30,600	29,450	1,150
Salt & sand building roof	-	63,987	-	-	-	63,987	-	63,987
Town boiler	-	22,000	-	-	-	22,000	-	22,000
Fire Department auto	-	55,000	-	-	-	55,000	55,000	-
Land acquisition	50,000	10,000	-	-	-	60,000	-	60,000
Town building repair	40,665	20,000	-	13,856	-	74,521	74,486	35
Civil preparedness	1,000	1,000	-	-	-	2,000	1,000	1,000
Narrow band radio upgrade	101,295	-	-	-	-	101,295	-	101,295
Recreation pavilion & fields	2,242	2,500	-	-	-	4,742	2,811	1,931
Town buildings - abate and demolish	59,650	40,000	-	-	-	99,650	6,406	93,244
Farm house	450	-	-	-	-	450	-	450
NSAA ambulance	213,900	-	-	-	-	213,900	-	213,900
Recreation area light	13,856	-	-	(13,856)	-	-	-	-
Fire Department training, rescue, scuba gear, hose	-	35,300	-	-	-	35,300	35,300	-
Capital lease - breathing apparatus	-	50,000	-	-	-	50,000	50,000	-
Forestry truck	154,591	-	-	-	-	154,591	154,264	327
Bucket truck (used)	10,100	10,000	-	-	-	20,100	16,796	3,304
Total committed	782,739	406,207	-	-	-	1,188,946	506,848	682,098
Total	\$ 1,200,291	\$ 406,207	\$ -	\$ -	\$ -	\$ 1,606,498	\$ 728,486	\$ 878,012

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts				Variance With Final Budget	
	Original	Transfers	Final	Actual		
Salaries:						
Central office	\$ 668,995	\$ -	\$ 668,995	\$ 663,484	\$ 5,511	
Administrators	390,731	-	390,731	390,731	-	
Teachers	5,842,508	-	5,842,508	5,917,401	(74,893)	
Guidance	125,282	-	125,282	125,282	-	
Secretarial	169,051	-	169,051	163,217	5,834	
Teacher assistants	320,050	-	320,050	328,501	(8,451)	
Library/media	135,303	-	135,303	129,207	6,096	
Custodial/grounds	427,245	-	427,245	401,321	25,924	
Central office	131,815	-	131,815	158,810	(26,995)	
Contracted services	64,000	-	64,000	83,615	(19,615)	
Instructional supplies	2,000	686	2,686	19,926	(17,240)	
Other expenses, schools	120,352	-	120,352	150,666	(30,314)	
Supplies, health	4,000	-	4,000	2,371	1,629	
Transportation	975,807	-	975,807	982,362	(6,555)	
Heat	110,350	-	110,350	80,156	30,194	
Utilities	200,132	-	200,132	165,947	34,185	
Custodial supplies	39,000	-	39,000	40,162	(1,162)	
Postage	9,000	-	9,000	506	8,494	
Maintenance services	224,139	-	224,139	174,684	49,455	
Lease of equipment	30,665	-	30,665	37,762	(7,097)	
Replacement of equipment	-	-	-	100,675	(100,675)	
Social security	207,838	-	207,838	202,161	5,677	
Employee benefits	2,164,280	-	2,164,280	2,091,198	73,082	
Employee retirement	75,847	-	75,847	75,435	412	
Student activities	83,575	(686)	82,889	61,483	21,406	
Equipment	-	-	-	15,853	(15,853)	
Tuition	353,103	-	353,103	303,121	49,982	
Total expenditures	\$ 12,875,068	\$ -	\$ 12,875,068	\$ 12,866,037	\$ 9,031	

See accompanying Independent Auditors' Report.

TOWN OF NORTH STONINGTON, CONNECTICUT

**STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2018**

Total tax collections including interest and
lien fees for the year ended June 30, 2017 \$ 14,009,380

Reimbursement for revenue loss on:

Tax Relief for Elderly (CGS 12-129d)

Base

\$ 14,009,380

Debt Limitation:

2 1/4 times base

4 1/2 times base

3 3/4 times base

3 1/4 times base

3 times base

<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
\$ 31,521,105	\$ 63,042,210	\$ 52,535,175	\$ 45,530,485	\$ 42,028,140
31,521,105	63,042,210	52,535,175	45,530,485	42,028,140

Indebtedness:

Bond anticipation notes payable

Authorized but unissued

5,340,000	4,305,843	-	-	-
<u>-</u>	<u>33,419,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,340,000	37,724,868	-	-	-

Total indebtedness

Debt limitation in excess of outstanding and authorized debt

\$ 26,181,105 \$ 25,317,342 \$ 52,535,175 \$ 45,530,485 \$ 42,028,140

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

TOWN OF NORTH STONINGTON, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List October 1,	Taxes Receivable		Lawful Corrections		Suspense Transfers	Taxes Receivable	Collections			Taxes Receivable	
	July 1, 2017		Additions	Deductions			Taxes	Interest and Liens	Total	June 30, 2018	
2016	\$ 14,717,071	\$ 5,391	\$ 28,857	\$ (2,777)	\$ 14,690,828	\$ 14,494,097	\$ 51,610	\$ 14,545,707	\$ 196,731		
2015	306,060	171	3,099	(8,357)	294,775	241,461	58,108	299,569	53,314		
2014	211,137	512	249	(13,790)	197,610	180,996	71,199	252,195	16,614		
2013	157,599	-	-	(10,998)	146,601	126,855	76,869	203,724	19,746		
2012	15,730	-	-	(6,428)	9,302	759	-	759	8,543		
2011	6,539	-	-	(532)	6,007	-	-	-	6,007		
2010	7,368	-	-	(53)	7,315	-	-	-	7,315		
2009	4,181	-	488	(47)	3,646	-	-	-	3,646		
2008	5,657	-	482	(3,027)	2,148	-	-	-	2,148		
2007	2,571	-	471	-	2,100	-	-	-	2,100		
2006	2,292	-	449	-	1,843	-	-	-	1,843		
2005	2,281	-	449	-	1,832	-	-	-	1,832		
2004	1,225	-	477	-	748	-	-	-	748		
2003	1,029	-	-	-	1,029	-	-	-	1,029		
2002	955	-	-	-	955	-	-	-	955		
	\$ 15,441,695	\$ 6,074	\$ 35,021	\$ (46,009)	\$ 15,366,739	\$ 15,044,168	\$ 257,786	\$ 15,301,954	\$ 322,571		

See accompanying Independent Auditors' Report.