

TOWN OF POMFRET, CONNECTICUT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2015

TOWN OF POMFRET
TABLE OF CONTENTS
JUNE 30, 2015

| | <u>Page</u> |
|--|-------------|
| <u>FINANCIAL SECTION</u> | |
| INDEPENDENT AUDITORS' REPORT | 1-3 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 4-10 |
| <u>Exhibits</u> BASIC FINANCIAL STATEMENTS | |
| Government-wide Financial Statements: | |
| 1 Statement of Net Position | 11 |
| 2 Statement of Activities | 12 |
| Governmental Funds: | |
| 3 Balance Sheet | 13 |
| 3a Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 14 |
| 4 Statement of Revenues, Expenditures and Changes in Fund Balances | 15 |
| 4a Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 16 |
| Fiduciary Funds: | |
| 5 Statement of Net Position | 17 |
| NOTES TO FINANCIAL STATEMENTS | 18-41 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| RSI-1 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual | 42-45 |
| RSI-2a Schedule of Funding Progress – Other Post-Employment Benefits Trust Fund | 46 |
| RSI-2b Schedule of Employer Contributions – Other Post-Employment Benefits Trust Fund | 47 |

TOWN OF POMFRET
TABLE OF CONTENTS (Continued)
JUNE 30, 2015

| <u>Statements</u> | OTHER SUPPLEMENTARY INFORMATION | <u>Page</u> |
|-------------------|---|-------------|
| | Combining and Individual Fund Statements and Schedules: | |
| | Other Governmental Funds: | |
| 1 | Combining Balance Sheet | 48 |
| 2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 49 |
| | Special Revenue Funds: | |
| 3 | Combining Balance Sheet | 50 |
| 4 | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 51 |
| | Capital Projects Funds: | |
| 5 | Combining Balance Sheet | 52 |
| 6 | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 53 |
| | Permanent Funds | |
| 7 | Combining Balance Sheet | 54 |
| 8 | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 55 |
| | Agency Funds | |
| 9 | Combining Statement of Net Position | 56 |
| <u>Schedules</u> | | |
| 1 | Report of the Property Tax Collector | 57 |
| | Capital Nonrecurring Fund: | |
| 2 | Statement of Changes in Fund Balance by Project | 58-59 |
| | Road and Bridge Projects Fund: | |
| 3 | Statement of Changes in Fund Balance by Project | 60 |

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INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Pomfret, 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 Pomfret, Connecticut (the "Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and the Schedule of Funding Progress for Pensions and Other Post-Employment Benefits 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, which 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining fund financial statements and supplementary schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

O'Connell, Pace, & Company PC

O'CONNELL, PACE, & COMPANY, P.C.
Certified Public Accountants

March 23, 2016

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

Our discussion and analysis of Town of Pomfret's (the Government) financial performance provides an overview of the Government's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Government's financial statements, which begin with Exhibit 1.

FINANCIAL HIGHLIGHTS

- The Town of Pomfret, Connecticut's net assets increased by \$242,058. The net assets are a measure of the Town's long term health. They are reported in exhibits 1 and 2.
- An increase in the general fund was seen in the fiscal year ending June 2015. This was due to the General Government's expenditures coming in under budget. Revenues in excess of plan also led to the increase in the General Fund.
- The Board of Education's expenditures also came in below budget. This surplus was put into a designated fund for use by the BOE for capital expenditures in the coming years.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2) provide information about the activities of the Government as a whole and present a longer-term view of the Government's finances. Fund financial statements start with Exhibit 3. 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 Government's operations in more detail than the government-wide statements by providing information about the Government's most significant funds. The remaining statements provide financial information about activities for which the Government acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Government as a Whole

Our analysis of the Government as a whole begins with Exhibit 1. One of the most important questions asked about the Government's finances is, "Is the Government as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Government as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Government's *net position* and changes in them. You can think of the Government's net position—the difference between assets and liabilities—as one way to measure the Government's financial health, or *financial position*. Over time, *increases or decreases* in the Government's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Government's property tax base and the condition of the Government's roads, to assess the *overall health* of the Government.

In the Statement of Net Position and the Statement of Activities, the Government shows the following activity:

- Governmental activities—The Government's basic services are reported here, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues such as fees and licenses finance most of these activities.

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

Reporting the Government's Most Significant Funds

Our analysis of the Government's major funds begins in the section titled "The Government's Funds". The fund financial statements begin with Exhibit 3 and provide detailed information about the most significant funds—not the Government as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Finance establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- *Governmental funds*—The Government's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified* accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Government's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Government's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

The Government as Trustee

The Government is the trustee, or *fiduciary*, for the activity funds at the school. These funds do not belong to the Government. The Government's fiduciary activities are reported in separate Statements of Fiduciary Net Position in Exhibit 5. We exclude these activities from the Government's other financial statements because the Government cannot use these assets to finance its operations. The Government is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

The Government's *combined* net position increased by \$242,058 from a year ago—*increasing* from \$14,250,866 to \$14,492,924. Last year net position *increased* by \$218,211. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Government.

Table 1

| | <u>Change during Year</u> | | | Restated 2014 |
|----------------------------------|---------------------------|-------------------|---------|----------------------|
| | 2015 | Dollars | Percent | |
| Current and other assets | \$ 5,548,081 | \$ 261,775 | 4.95% | \$ 5,286,306 |
| Capital assets | 15,735,857 | (122,696) | -0.77% | 15,858,553 |
| Total assets | <u>21,283,938</u> | <u>139,079</u> | 0.66% | <u>21,144,859</u> |
| Long-term debt outstanding | 6,020,269 | (85,661) | -1.40% | 6,105,930 |
| Other liabilities | 770,745 | (17,318) | -2.20% | 788,063 |
| Total liabilities | <u>6,791,014</u> | <u>(102,979)</u> | -1.49% | <u>6,893,993</u> |
| Net position | | | | |
| Net investment in capital assets | 11,529,857 | 130,304 | 1.14% | 11,399,553 |
| Restricted | | | | |
| Expendable | 1,025,868 | 269,051 | 35.55% | 756,817 |
| Nonexpendable | 260,840 | (30) | -0.01% | 260,870 |
| Unrestricted | <u>1,676,359</u> | <u>(157,267)</u> | -8.58% | <u>1,833,626</u> |
| Total net position | <u>\$ 14,492,924</u> | <u>\$ 242,058</u> | 1.70% | <u>\$ 14,250,866</u> |

Capital assets decreased by \$122,696 due to items that include \$628,336 in depreciation expense and additions from the purchase of Land and Development Rights.

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

Table 2

| | <u>Change during Year</u> | | | 2014 |
|--|---------------------------|------------------|---------------|-------------------|
| | 2015 | Dollars | Percent | |
| Revenue | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 286,512 | \$ (14,697) | -4.88% | \$ 301,209 |
| Operating grants and contributions | 5,195,536 | 132,883 | 2.62% | 5,062,653 |
| Capital grants and contributions | 125,000 | 52,649 | 72.77% | 72,351 |
| General Revenues: | | | | |
| Property taxes | 8,788,928 | 60,204 | 0.69% | 8,728,724 |
| Grants and contributions | 146,252 | 37,501 | 34.48% | 108,751 |
| Interest and investment earnings | 34,036 | (6,159) | -15.32% | 40,195 |
| Other general revenues | 54,207 | 17,143 | 46.25% | 37,064 |
| Total Revenues | <u>14,630,471</u> | <u>279,524</u> | <u>1.95%</u> | <u>14,350,947</u> |
| Program Expenses | | | | |
| General government | 677,154 | (645,397) | -48.80% | 1,322,551 |
| Public safety | 23,533 | (103,133) | -81.42% | 126,666 |
| Public works | 806,615 | 29,142 | 3.75% | 777,473 |
| Human services | 54,934 | 54,934 | | 0 |
| Civic and cultural | 159,685 | 159,685 | | 0 |
| Sundry | 359,888 | 359,888 | | 0 |
| Capital outlay | 57,015 | 57,015 | | 0 |
| Education | 12,089,787 | 298,121 | 2.53% | 11,791,666 |
| Interest on long-term debt | 159,802 | (7,902) | -4.71% | 167,704 |
| Total Expenses | <u>14,388,413</u> | <u>202,353</u> | <u>1.43%</u> | <u>14,186,060</u> |
| Increase (decrease) in net position | <u>\$ 242,058</u> | <u>\$ 77,171</u> | <u>46.80%</u> | <u>\$ 164,887</u> |

- Capital grants - \$147,288 more in grants received into CNR.
- Title education grants decreased by \$65,583
- Property taxes – 0.34 increase in the mil rate and higher collections.
- Education expense – budget was \$180,076 higher than last year.

Governmental Activities

Table 3 presents the cost of each of the Government's governmental programs as well as each governmental program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Government's taxpayers by each of these functions.

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

Table 3

| | Total Cost of Services | | | Incr. Decr. | Net Cost of Services | | Incr. Decr. |
|----------------------------|---------------------------|----------------------|--------------|---------------------|-------------------------|--------------|----------------|
| | 2015 | 2014 | | | 2015 | 2014 | |
| General government | \$ 677,154 | \$ 1,322,551 | -48.80% | \$ 592,205 | \$ 1,046,799 | -43.43% | |
| Public safety | 23,533 | 126,666 | -81.42% | 18,883 | 126,666 | -85.09% | |
| Public works | 806,615 | 777,473 | 3.75% | 298,952 | 534,823 | -44.10% | |
| Human services | 54,934 | 0 | N/A | 54,934 | 0 | N/A | |
| Civic and cultural | 159,685 | 0 | N/A | 131,234 | 0 | N/A | |
| Sindry | 359,888 | 0 | N/A | 348,251 | 0 | N/A | |
| Capital outlay | 57,015 | 0 | N/A | 57,015 | 0 | N/A | |
| Education | 12,089,787 | 11,791,666 | 2.53% | 7,120,089 | 6,873,855 | 3.58% | |
| Interest on long-term debt | 159,802 | 167,704 | -4.71% | 159,802 | 167,704 | -4.71% | |
| Total Expenses | \$ 14,388,413 | \$ 14,186,060 | 1.43% | \$ 8,781,365 | \$ 8,749,847 | 0.36% | |

Changes are discussed above.

THE GOVERNMENT'S FUNDS

Fund balance increased overall by \$365,910. The biggest change was in the general fund, as there was an increase of \$241,741.

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 State Statute to make one additional appropriations 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 pull appropriations from one department that needs additional funding from other departments that might have excess funding. State Statutes allow these transfers to be made by the Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

Table 4

| Revenue | Final | | Variance |
|------------------------------|--------------------|-------------------|-------------------|
| | Budget | Actual | |
| Property Taxes | \$ 8,690,843 | \$ 8,871,446 | \$ 180,603 |
| Funds and Revenues | 53,403 | 64,948 | 11,545 |
| Intergovernmental | 3,378,109 | 3,382,718 | 4,609 |
| Local revenue | 166,103 | 194,323 | 28,220 |
| Total Revenues | 12,288,458 | 12,513,435 | 224,977 |
| Expenditures | | | |
| General Government | 2,465,580 | 2,410,065 | 55,515 |
| Education | 9,886,878 | 9,861,629 | 25,249 |
| Total Expenditures | 12,352,458 | 12,271,694 | 80,764 |
| Increase (Decrease) | | | |
| in Fund Balance | \$ (64,000) | \$ 241,741 | \$ 305,741 |

The Overall Fund Balance was positively influenced by under expenditures relative to budget for the Board of Education and the General Government. Revenues above plan also added to the increase in the Fund Balance.

Significant variances are summarized as follows:

- Property tax collections are over budget because of an increase in the grand list and prior taxes collected
- Local Revenue – building permits are up (\$15,461 over budget). Conveyance taxes were also over budget by \$13,792.
- Expenditures – general government \$55,515 under budget, BOE \$25,249 under budget
 - a. General Government activities \$34,696 under budget – various line items
 - b. Public Works – Fleet maintenance \$14,470 under budget

TOWN OF POMFRET, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING JUNE 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Government had \$15,735,857 invested government activity capital assets. This amount represents a net decrease (including additions and deductions) of \$69,372 from last year. This is primarily due to depreciation expense and fewer assets capitalized this year. Depreciation expense of \$628,336, new assets including Road work, \$81,525 Pomfret Land Preservation, Open Space/Land Purchase \$125,900. More detailed information about the Government's capital assets is presented in Note 3D to the financial statements.

Debt

At year end, the Government had \$4,206,000 in bonds and notes outstanding. This is a decrease of \$253,000 from last year. The Government's general obligation bond rating is currently not listed. More detailed information about the Government's long-term liabilities is presented in Note 3E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Government's elected and appointed officials considered many factors when setting the fiscal-year 2015 budget and tax rate. The improvement in the General Fund balance budget has improved the overall fiscal health of the Town. We are seeing steadily improving job market conditions and economic growth along with improvements in the real estate market (there was roughly a 1.3 % drop in the unemployment rate comparing June 2014 with June 2013). The rate of taxation in Pomfret per capita was reported to be 75.8% of the Connecticut average in 2014.

CONTACTING THE GOVERNMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Government's finances and to show the Government'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 Pomfret, 5 Haven Road, Pomfret Center, Connecticut 06259.

TOWN OF POMFRET, CONNECTICUT
BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

TOWN OF POMFRET, CONNECTICUT
STATEMENT OF NET POSITION
YEAR ENDING JUNE 30, 2015

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Cash and equivalents | \$ 3,607,433 |
| Investments | 1,675,309 |
| Receivables | |
| Taxes, net | 162,260 |
| Accounts | 31,597 |
| Intergovernmental | 69,881 |
| Inventory | 1,601 |
| Capital assests | |
| Nondepreciable | 6,019,821 |
| Depreciable, net of accumulated depreciation | <u>9,716,036</u> |
| Total Assets | <u>21,283,938</u> |
| LIABILITIES | |
| Accounts payable | 230,231 |
| Accrued payroll and related | 31,180 |
| Intergovernmental payable | 445,905 |
| Unearned revenues - performance | 6,160 |
| Accrued interest payable | 57,269 |
| Non-current liabilities | |
| Due within one year | 271,190 |
| Due in more than one year | <u>5,749,079</u> |
| Total Liabilities | <u>6,791,014</u> |
| NET POSITION | |
| Net investment in capital assets | 11,529,857 |
| Restricted | |
| Expendable | 1,025,868 |
| Nonexpendable | 260,840 |
| Unrestricted | <u>1,676,359</u> |
| Total Net Position | <u>\$ 14,492,924</u> |

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

TOWN OF POMFRET, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDING JUNE 30, 2015

| Functions/Programs | Expenses | Program Revenues | | | Net(Expense) |
|-------------------------------|------------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Governmental Activities |
| Governmental activities | | | | | |
| General government | \$ (677,154) | \$ 84,949 | \$ - | \$ - | (592,205) |
| Public safety | (23,533) | 4,650 | - | - | (18,883) |
| Public works | (806,615) | 48,955 | 333,708 | 125,000 | (298,952) |
| Human services | (54,934) | - | - | - | (54,934) |
| Civic and cultural | (159,685) | 28,451 | - | - | (131,234) |
| Sundry | (359,888) | 11,637 | - | - | (348,251) |
| Capital outlay | (57,015) | - | - | - | (57,015) |
| Education | (12,089,787) | 107,870 | 4,861,828 | - | (7,120,089) |
| Interest on long-term debt | (159,802) | - | - | - | (159,802) |
| Total Governmental Activities | \$ <u>(14,388,413)</u> | \$ <u>286,512</u> | \$ <u>5,195,536</u> | \$ <u>125,000</u> | <u>(8,781,365)</u> |

General Revenues

| | |
|---|----------------------|
| Property Taxes, payments in lieu of taxes, interest and liens | 8,788,928 |
| Grants and contributions not restricted to specific programs | 146,252 |
| Unrestricted interest and investment earnings | 34,036 |
| Other general revenues | 54,207 |
| Total General Revenues | <u>9,023,423</u> |
| Change in Net Position | 242,058 |
| Net Position - Beginning of Year (Restated) | <u>14,250,866</u> |
| Net Position - End of Year | <u>\$ 14,492,924</u> |

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

TOWN OF POMFRET, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDING JUNE 30, 2015

| | General Fund | Capital Nonrecurring Fund | Road and Bridges Fund | Town Aid Road Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and Equivalents | \$ 703,676 | \$ 1,122,897 | \$ 509,939 | \$ 719,246 | \$ 552,175 | \$ 3,607,493 |
| Investments | 1,675,309 | - | - | - | - | 1,675,309 |
| Taxes Receivable, Net of Allowance for Uncollectible Amounts | 162,260 | - | - | - | - | 162,260 |
| Other Receivables | | | | | | |
| Accounts | 31,597 | - | - | - | - | 31,597 |
| Intergovernmental | 61,246 | 556 | - | - | 8,079 | 69,881 |
| Inventories | - | - | - | - | 1,601 | 1,601 |
| Due from Other Funds | - | - | - | - | 6,374 | 6,374 |
| Total Assets | <u>\$ 2,634,088</u> | <u>\$ 1,122,953</u> | <u>\$ 509,939</u> | <u>\$ 719,246</u> | <u>\$ 568,229</u> | <u>\$ 5,554,455</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 194,207 | \$ 21,764 | \$ - | \$ - | \$ 14,260 | \$ 280,231 |
| Accrued Payroll and Related | 31,180 | - | - | - | - | 31,180 |
| Intergovernmental Payable | 445,905 | - | - | - | - | 445,905 |
| Unearned Revenues - Performance | - | - | - | - | 6,160 | 6,160 |
| Due to Other Funds | 6,374 | - | - | - | - | 6,374 |
| Total Liabilities | <u>677,666</u> | <u>21,764</u> | <u>-</u> | <u>-</u> | <u>20,420</u> | <u>719,850</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Revenues - Unavailable | <u>128,355</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>128,355</u> |
| Fund Balances (Deficits) | | | | | | |
| Nonspendable | - | - | - | - | 262,441 | 262,441 |
| Restricted | - | 97,067 | 10,078 | 719,246 | 199,477 | 1,025,868 |
| Committed | - | 1,017,495 | 499,861 | - | - | 1,517,356 |
| Assigned | 307,550 | - | - | - | 85,893 | 393,443 |
| Unassigned | 1,520,517 | (13,373) | - | - | (2) | 1,507,142 |
| Total Fund Balances | <u>1,828,067</u> | <u>1,101,189</u> | <u>509,939</u> | <u>719,246</u> | <u>547,809</u> | <u>4,706,250</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 2,634,088</u> | <u>\$ 1,122,953</u> | <u>\$ 509,939</u> | <u>\$ 719,246</u> | <u>\$ 568,229</u> | <u>\$ 5,554,455</u> |

See independent auditors' report

TOWN OF POMFRET, CONNECTICUT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT WIDE STATEMENT OF NET POSITION – GOVERNMENT ACTIVITIES
YEAR ENDING JUNE 30, 2015

| | | |
|---|----|-------------------|
| Fund Balances - Total Governmental Funds | \$ | 4,706,250 |
| Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because: | | |
| Capital Assets Used in Governmental Activities are not Financial Resources and, therefore, are not Reorted in the Funds. | | 15,735,857 |
| Other Long-Term Assets are not Avialable to Pay for Current-Period Expenditures and, therefore, are Deferred in the Funds. | | 128,355 |
| Long-Term Liabilities are not Due and Payable in the Current Period and, therefore, are are not Reported in the Funds. | | |
| General Obligation Bonds | | (4,206,000) |
| Compensated Absences | | (363,830) |
| Other Post Employment Benefits | | (1,450,439) |
| Accrued Interest Payable | | (57,269) |
| | | <hr/> |
| Net Position of Governmental Activities | \$ | <u>14,492,924</u> |

See independent auditors' report

TOWN OF POMFRET, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDING JUNE 30, 2015

| | General Fund | Capital Nonrecurring Fund | Road and Bridges Fund | Town Aid Road Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 8,871,446 | \$ - | \$ - | \$ - | \$ - | \$ 8,871,446 |
| Intergovernmental | 4,760,838 | 163,882 | - | 242,643 | 307,858 | 5,475,221 |
| Local Revenue | 187,554 | 15,582 | 8,629 | - | 163,125 | 374,890 |
| Total Revenues | <u>13,819,838</u> | <u>179,464</u> | <u>8,629</u> | <u>242,643</u> | <u>470,983</u> | <u>14,721,557</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | 520,370 | - | - | - | 39,919 | 560,289 |
| Public Safety | 23,533 | - | - | - | - | 23,533 |
| Public Works | 497,620 | - | 142,206 | 24,707 | - | 664,533 |
| Human Services | 54,934 | - | - | - | - | 54,934 |
| Civic and Cultural | 168,775 | - | - | - | - | 168,775 |
| Sundry | 359,888 | - | - | - | - | 359,888 |
| Education | 11,246,794 | - | - | - | 433,896 | 11,680,690 |
| Debt Service | - | - | - | - | - | - |
| Principal Retirement | 253,000 | - | - | - | - | 253,000 |
| Interest and Fiscal Charges | 164,071 | - | - | - | - | 164,071 |
| Capital Outlay | - | 425,934 | - | - | - | 425,934 |
| Total Expenditures | <u>13,288,985</u> | <u>425,934</u> | <u>142,206</u> | <u>24,707</u> | <u>473,815</u> | <u>14,355,647</u> |
| Excess (deficiency) of Revenues Over Expenditures | <u>530,853</u> | <u>(246,470)</u> | <u>(133,577)</u> | <u>217,936</u> | <u>(2,832)</u> | <u>365,910</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | 71,716 | 173,800 | 180,000 | - | 56,633 | 482,149 |
| Transfers Out | (410,422) | (52,103) | - | - | (19,624) | (482,149) |
| Total Other Financing Sources (Uses) | <u>(338,706)</u> | <u>121,697</u> | <u>180,000</u> | <u>-</u> | <u>37,009</u> | <u>-</u> |
| Net Changes in Fund Balances | 192,147 | (124,773) | 46,423 | 217,936 | 34,177 | 365,910 |
| Fund Balances - Beginning of Year | <u>1,635,920</u> | <u>1,225,962</u> | <u>463,516</u> | <u>501,310</u> | <u>513,632</u> | <u>4,340,340</u> |
| Fund Balances - End of Year | <u>\$ 1,828,067</u> | <u>\$ 1,101,189</u> | <u>\$ 509,939</u> | <u>\$ 719,246</u> | <u>\$ 547,809</u> | <u>\$ 4,706,250</u> |

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

TOWN OF POMFRET, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDING JUNE 30, 2015

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

| | |
|---|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | <u>\$ 365,910</u> |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period</p> | |
| Capital outlay expenditures | 505,640 |
| Depreciation expense | <u>(628,336)</u> |
| | <u>(122,696)</u> |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | |
| Real Property taxes and other revenues in the General Fund | (82,518) |
| Revenues in the Capital Nonrecurring Fund | (8,433) |
| Revenues in the Recreation Commission Fund | <u>(135)</u> |
| | <u>(91,086)</u> |
| <p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p> | |
| Principal payments on long-term debt | <u>253,000</u> |
| | <u>253,000</u> |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including the change in</p> | |
| Accrued interest | 4,269 |
| Claims | 2,636 |
| Compensated absences | 76,195 |
| Other post employment benefits obligations | <u>(246,170)</u> |
| | <u>(163,070)</u> |
| Change in Net Position of Governmental Activities | <u>\$ 242,058</u> |

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

TOWN OF POMFRET, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
YEAR ENDING JUNE 30, 2015

| | <u>Agency Funds</u> |
|----------------------------|-------------------------|
| ASSETS | |
| Cash | \$ 130,027 |
| Accounts Receivable | <u>7,168</u> |
| Total Assets | \$ <u>137,195</u> |
| LIABILITIES | |
| Due to Students and Others | \$ <u>137,195</u> |

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

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies

The Town of Pomfret, Connecticut ("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. The elected Board of Finance is the budget making authority and supervises the town financial matters.

The accounting policies conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government; b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of inter-fund activity has been removed from these statements, except for inter-fund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which 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 or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. **Summary of Significant Accounting Policies (Continued)**

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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 are reported as separate columns in the fund financial statements.

The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Nonrecurring Fund - The Capital Nonrecurring Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Road and Bridge Projects Fund — The Road and Bridge Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for large infrastructure projects.

Town Aid Road — The Town Aid Road fund accounts for a Connecticut grant for roads.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds:

Special Revenue Funds — Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purpose other than debt service or capital projects. The non-major Special Revenue Funds of the Town are:

Child Nutrition — The payments, government grants and related expenditures for meals provided to students at Pomfret Community School are included in this fund.

Recreation Commission — This fund is used for fees and donations that support the ongoing activities of the Recreation Commission.

Town Celebration Fund — This fund is used for donations that support the 300th anniversary of the Town in 2013 and other events.

Citizens' Assistance Fund — This fund was established by donations to provide aid to residents who have trouble paying the cost to heat their homes.

Reserve Fund — This fund consists of monies received from miscellaneous grants, fundraisers, and donations for the general government and Board of Education.

Aicher Memorial and Pomfret Library Trusts — These funds consist of primarily memorial monies received that must be used for the benefit of the library.

Education Grants Fund - The Education Grants Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for educational purposes which are funded by various Federal and State grants. These funds are required by State Statute to be accounted for separately from the General Funds.

The following are the Town's non-major capital projects funds:

School Building Committee — This fund accounts for preliminary transactions of the school building committee.

Recreation Park — This fund holds a donation and related interest received for the purpose of developing a recreation park.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

The following are the Town's permanent funds (the principal portion cannot be spent; the interest can be spent as allowed in the trust agreements):

Cemetery Funds — These funds are for the care and maintenance of specific cemeteries.

Library Funds — These funds are for the benefit of the libraries.

Youth and PCS Scholarship Trust Funds — These funds are to be used for various scholarships based on the donor's specific specifications.

Woods Memorial — This fund is to be used for the benefit of the Library.

- b. Fiduciary Funds (Not included in government-wide financial statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is primarily utilized to account for monies held as custodian for outside groups and agencies.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. 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.

Property taxes and certain other revenues are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut Treasurer's Short-Term Investment Fund, Tax Exempt Proceeds Funds and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Investments are stated at fair value, based on quoted market prices.

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

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. **Summary of Significant Accounting Policies (Continued)**

Interest Rate Risk - 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.

Custodial Credit Risk — 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 as described previously.

Credit Risk — 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.

Concentration of Credit Risk — 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.

Taxes Receivable - 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. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statute, 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 fifteen 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.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by non-spendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Inventories - Inventories in the governmental funds are valued at cost on a first-in, first-out basis. The cost is recorded as inventory at the time individual items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by non-spendable fund balance in governmental funds, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2014, balances of inter-fund amounts receivable or payable have been recorded in the fund financial statements.

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

Intangible assets lack physical substance, is nonfinancial in nature and its useful life extends beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

| Assets | Years | Capitalization Threshold |
|----------------------------|----------------|-----------------------------|
| Land | N/A | \$ 10,000 |
| Intangible assets | Varies, if any | \$ 10,000 |
| Buildings and systems | 50 | \$ 25,000 |
| Land Improvements | 10 | \$ 10,000 |
| Machinery and Equipment | | |
| Light vehicles | 5 | \$ 10,000 |
| Trucks | 10 | \$ 10,000 |
| Heavy vehicles | 10 | \$ 10,000 |
| Other | 5 | \$ 10,000 |
| Infrastructure: | | |
| Bridges (per unit) | 20 | \$ 50,000 |
| Roads (per land mile) | 20 | \$ 15,000 |
| Traffic signals (per unit) | 10 | \$ 10,000 |
| Drainage (per project) | 20 | \$ 15,000 |

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Also, deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

Net Position - Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets and restricted. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.
- Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. A motion at a Town Meeting is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of Significant Accounting Policies (Continued)

- Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Finance for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying non-spendable, restricted or committed fund balance amounts.
- Unassigned fund balance, in the General Fund, represents amounts not classified as non-spendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows, together with amounts already classified as non-spendable, restricted and committed would exceed the fund's assets and deferred outflows.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the Town considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 23, 2016.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

2. **Stewardship, Compliance and Accountability**

A. Budget Basis

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

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 24 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.
- **Excess Cost Grant** - The State reimburses the Town for certain costs incurred for special educational needs of students that exceed a set multiple of a student in the regular program. This reimbursement is the Excess Cost Grant — Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as revenue.
- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures expected.
- **Cash Basis Payroll** - Payroll is budgeted based on when it is expected to be paid. On the statements prepared under Generally Accepted Accounting Principles, payroll is charged to the fiscal year in which it is earned.
- **Tuition Revenues** — Tuition revenues from the preschool program are netted with the Board of Education expenditures on the budget basis.

B. Budget Calendar

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

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

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

2. Stewardship, Compliance and Accountability (Continued)

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

C. Budget Control

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

D. Fund Deficit

The Capital Nonrecurring Fund has an unassigned deficit of \$13,373 at June 30, 2015. This deficit is primarily the result of timing issues where the reimbursements were not received within 60 days.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following at June 30, 2015:

| | |
|----------------------------------|---------------------|
| Statement of Net Position | |
| Cash and equivalents | \$ 3,607,433 |
| Investments | <u>1,675,309</u> |
| | 5,282,742 |
| | |
| Fiduciary Funds | |
| Cash and equivalents | - |
| Total Cash and Investments | <u>\$ 5,282,742</u> |

Cash and Cash Equivalents - As of June 30, 2015 the carrying amount of the Town's deposits with financial institutions was:

| | |
|--|---------------------|
| Cash and Cash Equivalents | |
| Deposits with financial institutions | \$ 2,220,829 |
| Plus external investment pools | 3,061,913 |
| Less Certificates of deposits (in investments) | <u>(1,675,309)</u> |
| | <u>\$ 3,607,433</u> |

The bank balance of the deposits was \$2,462,721 and was exposed to custodial credit risk as follows:

| | |
|--|---------------------|
| Covered by Federal Depository Insurance | \$ 1,444,063 |
| Collateralized by securities held in trust | |
| Not in the Town's name | 237,911 |
| Uninsured and uncollateralized | <u>780,747</u> |
| | <u>\$ 2,462,721</u> |

Investments — The General Fund had investments of \$1,675,309. Below is a summary of the interest rate risk and credit risk as of June 30, 2015:

| <u>Type of Investment</u> | Average Credit <u>Rating</u> | Fair <u>Value</u> | <u>Investment Maturities (in Years)</u> | | |
|---------------------------|------------------------------------|----------------------|---|---------------------|------------------------|
| | | | Less Than <u>1 Year</u> | 1-5 <u>Years</u> | Over <u>5 Years</u> |
| Certificates of deposit | * | <u>\$1,675,309</u> | <u>\$828,964</u> | <u>\$846,345</u> | <u>\$ -</u> |

* **Certificates of Deposit** — The Town invests in nonparticipating interest-earning investment contracts in the form of certificates of deposit. These do not capture the market (interest rate) changes through the investment's negotiability or transferability, or redemption terms that consider market rates. This exposes the Town to interest rate risks.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

B. Receivables, Deferred Revenue and Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. The following were reported as *deferred revenue* because they were not received within 60 days of the year end:

| | General Fund | Capital Nonrecurring Fund | Other Governmental Funds |
|---------------------------|------------------|---------------------------------|--------------------------------|
| Property taxes | \$128,355 | \$ - | \$ - |
| Intergovernmental revenue | - | - | - |
| Other | - | - | - |
| | <u>\$128,355</u> | <u>\$ -</u> | <u>\$ -</u> |

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. This is recorded as the liability *unearned revenue* at June 30, 2014.

| | Other Governmental Funds |
|--------------------|--------------------------------|
| Advances on grants | <u>\$ 6,160</u> |

C. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) inter-fund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2015 there were no outstanding balances between funds.

Fund transfers are generally used to fund special projects with general fund revenues. In addition, the Town has a policy to transfer certain operating profits from the Recreation Commission and Dog Fund back to the General Fund annually. Transfers during the year ended June 30, 2015 were as follows:

| | Transfers into | | | | Total |
|--------------------------|-----------------|---------------------------------|--------------------------------|--------------------------------|------------------|
| | General Fund | Capital Nonrecurring Fund | Road and Bridge Projects | Other Governmental Funds | |
| Transfers out of | | | | | |
| General Fund | \$ - | \$173,800 | \$180,000 | \$56,622 | \$410,422 |
| Capital Nonrecurring | 52,103 | - | - | - | 52,103 |
| Other governmental funds | 19,613 | - | - | 11 | 19,624 |
| | <u>\$71,716</u> | <u>\$173,800</u> | <u>\$180,000</u> | <u>\$56,633</u> | <u>\$482,149</u> |

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

D. Capital Assets

Changes in the Town's capital assets used in the governmental activities are as follows:

| | <u>Restated</u> <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending</u> <u>Balance</u> |
|--------------------------------------|---|--------------------|------------------|---------------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 1,632,005 | \$ 81,225 | \$ - | \$ 1,713,230 |
| Construction in progress | - | 3,175 | - | 3,175 |
| Intangible assets | <u>4,053,416</u> | <u>250,000</u> | - | <u>4,303,416</u> |
| | <u>5,685,421</u> | <u>334,400</u> | - | <u>6,019,821</u> |
| Capital assets being depreciated | | | | |
| Buildings and systems | 11,559,563 | 37,694 | - | 11,597,257 |
| Land improvements | 1,129,974 | - | - | 1,129,974 |
| Machinery and equipment | 1,407,875 | 11,542 | (12,461) | 1,406,956 |
| Infrastructure | <u>4,256,523</u> | <u>122,004</u> | - | <u>4,378,527</u> |
| | 18,353,935 | 171,240 | (12,461) | 18,512,714 |
| Less accumulated depreciation | <u>(8,180,803)</u> | <u>(628,336)</u> | <u>12,461</u> | <u>(8,796,678)</u> |
| | <u>\$15,858,553</u> | <u>\$(122,696)</u> | <u>\$ -</u> | <u>\$15,735,857</u> |

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

| | |
|--------------------|-------------------|
| General government | \$ 110,780 |
| Public works | 271,258 |
| Education | <u>246,298</u> |
| | <u>\$ 628,336</u> |

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2014:

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Due Within</u> <u>One Year</u> |
|--------------------------|------------------------------------|------------------|--------------------|---------------------------------|--------------------------------------|
| General obligation bonds | \$4,459,000 | \$ - | \$(253,000) | \$4,206,000 | \$253,000 |
| Claims and judgments | 2,636 | | (2,636) | - | - |
| Compensated absences | 440,025 | | (76,195) | 363,830 | 18,190 |
| OPEB obligations | <u>1,204,269</u> | <u>298,118</u> | <u>(51,948)</u> | <u>1,450,439</u> | - |
| | <u>\$6,105,930</u> | <u>\$298,118</u> | <u>\$(383,779)</u> | <u>\$6,020,269</u> | <u>\$271,190</u> |

Each governmental funds liability is liquidated by the respective fund, primarily the General Fund. Interest on these obligations is expensed in the respective fund, primarily the General Fund.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2015 consisted of the following:

| <u>Purpose</u> | <u>Year of Issue</u> | <u>Original Amount</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Amount Outstanding</u> |
|--------------------------------------|----------------------|------------------------|-----------------------|-----------------------|---------------------------|
| Landing acquisition and solar panels | 2012 | \$4,966,000 | 2032 | 2.25 – 4.60% | <u>\$4,206,000</u> |

Payments to maturity on the general obligation bonds are as follows:

| <u>Year End</u> | <u>General Obligation Bonds</u> | | <u>Year End</u> | <u>General Obligation Bonds</u> | |
|-----------------|---------------------------------|-----------------|-----------------|---------------------------------|--------------------|
| | <u>Principal</u> | <u>Interest</u> | | <u>Principal</u> | <u>Interest</u> |
| 2016 | \$253,000 | \$158,410 | 2025 | \$ 255,000 | \$ 89,250 |
| 2017 | 253,000 | 152,718 | 2026 | 255,000 | 79,050 |
| 2018 | 180,000 | 147,025 | 2027 | 255,000 | 68,850 |
| 2019 | 230,000 | 141,175 | 2028 | 255,000 | 58,650 |
| 2020 | 230,000 | 133,700 | 2029 | 255,000 | 46,920 |
| 2021 | 255,000 | 126,225 | 2030 | 255,000 | 35,190 |
| 2022 | 255,000 | 117,938 | 2031 | 255,000 | 23,460 |
| 2023 | 255,000 | 109,650 | 2032 | 255,000 | 11,730 |
| 2024 | 255,000 | 99,450 | | | |
| | | | | <u>\$4,206,000</u> | <u>\$1,599,391</u> |

Interest paid and expensed on general obligation bonds for the year ended June 30, 2015 totaled \$164,103.

Claims and Judgments

The Town had a structured settlement to pay a supplemental premium assessment to the Municipal Interlocal Risk Management Agency (MIRMA). An outstanding balance of \$2,636 was paid on July 1, 2014.

Compensated Absences

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

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

Legal Debt Limit

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town. The limitations for the Town are as follows:

| | |
|---|---------------------|
| Total tax collections (including interest and lien fees) for the year – primary government | \$ 8,871,446 |
| Total tax collections (including interest and lien fees) for the year – coterminous governments | <u>372,063</u> |
| Debt limitation base | <u>\$ 9,243,509</u> |

| | <u>General Purpose</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Deficit</u> |
|--|------------------------|---------------------|---------------------|----------------------|------------------------|
| Debt limitation | | | | | |
| 2¼ times base | \$20,797,895 | \$ - | \$ - | \$ - | \$ - |
| 4½ times base | - | 41,595,791 | - | - | - |
| 3¾ times base | - | - | 34,663,159 | - | - |
| 3¼ times base | - | - | - | 30,041,404 | - |
| 3 times base | - | - | - | - | <u>27,730,527</u> |
| Total debt limitation | <u>20,797,895</u> | <u>41,595,791</u> | <u>34,663,159</u> | <u>30,041,404</u> | <u>27,730,527</u> |
| Indebtedness | | | | | |
| Bonds payable | | | | | |
| Town | 3,696,000 | 510,000 | - | - | - |
| Fire District | <u>366,990</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total indebtedness | <u>4,062,990</u> | <u>510,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt limitation in excess of debt outstanding and authorized | <u>\$16,734,905</u> | <u>\$41,085,791</u> | <u>\$34,663,159</u> | <u>\$30,041,404</u> | <u>\$27,730,527</u> |

In no case shall total indebtedness exceed seven times the annual receipts from taxation \$64,704,563

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

Restricted Net Position - Nonexpendable - the component of net position that reflects funds set aside in accordance with laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of:

| | |
|-----------------|------------------|
| Trust principal | <u>\$260,840</u> |
|-----------------|------------------|

Restricted Net Position — Expendable - the component of net position that reflects funds that can only be spent subject to the laws, regulations, grants and other agreements relating to these funds. This is made up of:

| | |
|------------------------|--------------------|
| General Government | \$ 38,365 |
| Education | 8,349 |
| Public Works | 729,324 |
| Culture and Recreation | 152,763 |
| Capital Projects | <u>97,067</u> |
| | <u>\$1,025,868</u> |

Unrestricted - all other amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

G. Fund Balances

As discussed in Note 1, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

| | Town Aid Road <u>Fund</u> | Capital Nonrecurring <u>Fund</u> | Road and Bridge <u>Projects</u> | Other Governmental <u>Funds</u> |
|---------------------------|---------------------------------|--|---------------------------------------|---------------------------------------|
| Nonspendable | | | | |
| Not in spendable form | | | | |
| Inventories | \$ - | \$ - | \$ - | \$ 1,601 |
| Required to be maintained | | | | |
| Trust principal | <u>-</u> | <u>-</u> | <u>-</u> | <u>260,840</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$262,441</u> |
| Restricted | | | | |
| General Government | \$ - | \$ - | \$ - | \$ 38,365 |
| Education | - | - | - | 8,349 |
| Public Works | 719,246 | - | 10,078 | 729,324 |
| Culture and Recreation | - | - | - | 152,763 |
| Capital Projects | <u>-</u> | <u>97,067</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 719,246</u> | <u>\$ 97,067</u> | <u>\$ 10,078</u> | <u>\$928,801</u> |

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

| | General Fund | Capital Nonrecurring Fund | Road and Bridge Projects | Other Governmental Funds |
|------------------------|-------------------|---------------------------------|--------------------------------|--------------------------------|
| Committed | | | | |
| Public Work | \$ - | \$ - | \$ 499,861 | \$ - |
| Capital Projects | - | 1,017,495 | - | - |
| | <u>\$ -</u> | <u>\$1,017,495</u> | <u>\$ 499,861</u> | <u>\$ -</u> |
| Assigned: | | | | |
| General Government | \$ 210,550 | \$ - | \$ - | \$ 57,659 |
| Education | - | - | - | - |
| Public Works | - | - | - | - |
| Culture and Recreation | - | - | - | 28,234 |
| Capital Projects | 97,000 | - | - | - |
| | <u>\$ 307,550</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 85,893</u> |

H. Employee Retirement Systems and Pension Plans

Teachers Retirement System

Teachers and certain other certified personnel in the Town are eligible to participate in the State of Connecticut Teachers' Retirement System, a multiple employer public employees retirement system described in the Connecticut General Statutes, Chapter 167a.

The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. A member is eligible to receive a normal retirement benefit when he or she (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut. The financial report may be obtained through the State Teachers Retirement Board.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary, or be less than \$3,600. Benefits are fully vested after ten years of service.

The funding of the system is provided by required member contributions (seven percent of their annual salary) and by amounts appropriated by the State of Connecticut General Assembly. For the year ended June 30, 2015, the State contributed \$797,230 into the pension plan on behalf of the Town. This was recorded on the GAAP statements as revenue and expenditures in the General Fund. The Town's total payroll for all employees for the fiscal year ending June 30, 2015 was \$4,143,787 of which \$2,824,962 was covered under this pension plan.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

Defined Contribution Plan

The Town of Pomfret, Connecticut has a defined contribution plan for general government employees and certain Board of Education employees under Internal Revenue Code 401(a). This is administered through the Aetna Life Insurance and Annuity Company. Provisions are made and amended as necessary by the Retirement Board. Contributions are based on the approved annual budget and are allocated to eligible participants on a pro rata share of their compensation compared to the total compensation for all eligible participants. Contributions in this fiscal year were as follows:

| | <u>Covered</u> <u>Salaries</u> | <u>Contributions</u> | <u>Percent</u> <u>Covered</u> |
|--------------------|-----------------------------------|----------------------|----------------------------------|
| General Government | \$ 597,225 | \$ 55,000 | 9.2% |
| Board of Education | 881,771 | 44,221 | 5.0% |
| | <u>\$1,478,996</u> | <u>\$ 99,221</u> | <u>6.7%</u> |

I. Other Post-Employment Benefits

Plan Description - The Town provides certain health care benefits for retired employees through the Pomfret Public Schools Other Post Employment Benefit Program ("OPEB") which is a single-employer defined benefit plan administered by the Town in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement.

Funding Policy

Retired teachers and administrators and their spouses must be allowed to continue their health insurance benefits, in the same health insurance plan offered to active teachers, through their last employing town. The contribution requirements of plan members and the Town are established and may be amended by the Town. All retirees are required to pay 100% of the premiums less the amount paid to the town by the Teachers' Retirement Board. The Town is not required to fund the plan.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

Annual OPEB Cost ("AOC") and Net OPEB Obligation ("N00")

| | |
|---|--------------------|
| Amortization Components: | |
| Actuarial Accrued Liability as of June 30, 2013 | \$2,852,274 |
| Assets at Market Value | - |
| Unfunded Actuarial Accrued Liability | <u>\$2,852,274</u> |
| Funded Ratio | <u>0.00%</u> |
| Covered Payroll (Active plan members) | <u>\$3,401,240</u> |
| UAAL as a percentage of Covered Payroll | <u>83.86%</u> |
| | |
| Annual required contributions | \$ 299,840 |
| Interest on net OPEB obligation | 42,149 |
| Adjustment to Annual Required Contribution | <u>(43,872)</u> |
| Annual OPEB cost | 298,118 |
| Age adjusted contributions made | <u>(51,948)</u> |
| Increase in net OPEB obligation | 246,170 |
| Net OPEB obligation – beginning of ye year | <u>1,204,269</u> |
| | <u>\$1,450,439</u> |

Three year trend information is as follows:

| Year Ended | Annual OPEB | Actual Contribution | Percentage of AOC | Net OPEB |
|----------------|----------------|------------------------|----------------------|-------------------|
| <u>June 30</u> | <u>Cost</u> | <u>Made</u> | <u>Contributed</u> | <u>Obligation</u> |
| 2015 | \$ 298,118 | \$ 51,948 | 17.43% | \$1,450,439 |
| 2014 | \$ 290,049 | \$ 23,088 | 7.96% | \$1,204,269 |
| 2013 | \$ 282,211 | \$ 20,202 | 7.16% | \$ 937,308 |

Actuarial Methods and Signification Assumptions - The Town's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities is using a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Detailed Notes on All Funds (Continued)

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.

The government has elected to use the alternative approach to calculate OPEB related benefits. This allows financial statement preparers to use certain simplifying assumptions to project benefits without the use of an actuary. The significant assumptions to apply this method were developed by the Board of Education with the use of an outside vendor.

Other actuarial methods and significant assumptions are summarized as follows:

| | |
|-------------------------|--|
| Latest Actuarial Date | June 30, 2013 |
| Actuarial Cost Method | Entry Age |
| Discount Rate | 3.5% |
| Payroll Growth Rate | 2.90% |
| Medical Inflation | Initial rate of 8.0% grading down to an ultimate inflation rate of 4.7% in 2020 and later. |
| Amortization Method | Level percentage of payroll amortization |
| Remaining Amortization | 30 years, closed |
| Mortality | RP-2000 Mortality Table for males and females projected 10 years. |
| Turnover | Standard Turnover Assumptions – GASB 45 Paragraph 35b |
| Retirement | Average retirement age of 65 |
| Future Retiree Coverage | 100% are assumed to elect coverage at retirement |

Schedule of Funding Progress

As of the last valuation date, June 30, 2013, the actuarial valuation of the plan assets was \$0. The actuarial accrued liability was \$2,852,274. The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no requirement for funding and the plan has not been funded.

4. Other Information

A. Litigation

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.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

4. Other Information (Continued)

B. Contingencies

Grants - The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

School Building Grants - Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, will owe a portion of the State funding back to the State.

For projects with a cost of over two million dollars, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

C. 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 three prior years.

D. Restatement of Beginning Net Position

Accumulated depreciation on capital assets was overstated by \$53,324 which increases the Town's beginning net position.

E. GASB Pronouncements Issued, But Not yet Effective

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 72 – *Fair Value Measurement and Application* – This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement is effective for fiscal years beginning after June 15, 2015.
- GASB Statement 74 – *Financial Reporting for Post-Employment Benefit Plans other Than Pensions* – This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post-Employment Benefits (OPEB), as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This is effective for fiscal years beginning after June 15, 2016.

TOWN OF POMFRET, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

E. GASB Pronouncements Issued, But Not yet Effective (Continued)

- GASB Statement 75 – *Accounting and Financial Reporting for Post-Employment Benefits (OPEB) Other than Pensions* – This statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) and applies to all governments whose employees are provided with OPEB. The requirements of this statement are effective for fiscal years beginning after June 15, 2017.
- GASB Statement 76- *The Hierarchy of Generally Accepted Accounting Principles (GAAP) for State and Local Governments* – This statement identifies the current hierarchy of GAAP. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015
- GASB Statement 77 – *Tax Abatement Disclosures* – This statement requires governments to disclose information about their tax abatements and agreements and is effective for periods beginning after December 15, 2015.

TOWN OF POMFRET, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

TOWN OF POMFRET, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|--|------------------|---|------------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| | \$ | \$ | \$ | \$ | \$ |
| REVENUES | | | | | |
| Taxation Effort | | | | | |
| Property Taxes | 8,480,343 | - | 8,480,343 | 8,513,474 | 33,131 |
| Prior Taxes | 70,000 | - | 70,000 | 139,363 | 69,363 |
| Interest and Lein Fees | 50,000 | - | 50,000 | 117,118 | 67,118 |
| Supplemental Motor Vehicle Taxes | 75,000 | - | 75,000 | 89,646 | 14,646 |
| Miscellaneous Tax Fees | 3,500 | - | 3,500 | 3,841 | 341 |
| Overpayments and Refunds | 12,000 | - | 12,000 | 8,004 | (3,996) |
| | <u>8,690,843</u> | <u>-</u> | <u>8,690,843</u> | <u>8,871,446</u> | <u>180,603</u> |
| Funds and Reserves | | | | | |
| Capital | 52,103 | - | 52,103 | 52,103 | - |
| Canine Control | 1,300 | - | 1,300 | 1,215 | (85) |
| School Building Committee | - | - | - | 11,630 | 11,630 |
| | <u>53,403</u> | <u>-</u> | <u>53,403</u> | <u>64,948</u> | <u>11,545</u> |
| Intergovernmental Revenue - Education | | | | | |
| Education Cost Sharing | 3,136,587 | - | 3,136,587 | 3,136,587 | - |
| Special Education | 5,526 | - | 5,526 | - | (5,526) |
| Transportation Aid | 42,612 | - | 42,612 | 39,263 | (3,349) |
| | <u>3,184,725</u> | <u>-</u> | <u>3,184,725</u> | <u>3,175,850</u> | <u>(8,875)</u> |
| Intergovernmental Revenue - Town | | | | | |
| Mashantucket Pequot Grant | 21,093 | - | 21,093 | 22,648 | 1,555 |
| Circuit Breaker | 23,000 | - | 23,000 | 20,770 | (2,230) |
| PILOT - State Owned Property | 45,101 | - | 45,101 | 48,075 | 2,974 |
| PILOT - Disability | - | - | - | 411 | 411 |
| Circuit Court | 2,000 | - | 2,000 | 1,690 | (310) |
| Library Grant | 1,200 | - | 1,200 | 1,356 | 156 |
| Municipal Revenue Sharing | 26,165 | - | 26,165 | 26,165 | - |
| FEMA | - | - | - | 13,796 | 13,796 |
| Telephone Access | 22,000 | - | 22,000 | 19,527 | (2,473) |
| PILOT - Veterans Exemption | 5,500 | - | 5,500 | 5,610 | 110 |
| Local Capital Improvement Program | 47,325 | - | 47,325 | 46,820 | (505) |
| | <u>193,384</u> | <u>-</u> | <u>193,384</u> | <u>206,868</u> | <u>13,484</u> |
| Departmental Revenue | | | | | |
| Investment Income | 30,000 | - | 30,000 | 31,530 | 1,530 |
| School fund | 3 | - | 3 | 3 | - |
| Hammond | 45 | - | 45 | 42 | (3) |
| Overlock | 30 | - | 30 | 32 | 2 |
| Averill | 515 | - | 515 | 518 | 3 |
| Miscellaneous Local | 5,000 | - | 5,000 | 1,249 | (3,751) |
| Contributions/Rent | 23,000 | - | 23,000 | 25,000 | 2,000 |
| Assessor | 400 | - | 400 | 791 | 391 |
| Selectmen | 1,500 | - | 1,500 | 2,100 | 600 |
| Pomfret Fire District | 4,650 | - | 4,650 | 4,650 | - |
| Yield Tax | 300 | - | 300 | - | (300) |
| Building Inspector | 25,000 | - | 25,000 | 40,461 | 15,461 |
| Cemeteries | 15 | - | 15 | 16 | 1 |
| | <u>90,458</u> | <u>-</u> | <u>90,458</u> | <u>106,392</u> | <u>15,934</u> |

(Continued)

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

TOWN OF POMFRET, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|------------------------------|-------------------|---|-------------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| Town Clerk | \$ | \$ | \$ | \$ | \$ |
| Conveyance | 23,000 | - | 23,000 | 36,792 | 13,792 |
| Recording | 20,000 | - | 20,000 | 19,076 | (924) |
| Photocopies | 3,500 | - | 3,500 | 4,477 | 977 |
| Vitals | 3,500 | - | 3,500 | 3,839 | 339 |
| Dog Fund Fees | 375 | - | 375 | 368 | (7) |
| Sport License | 120 | - | 120 | 109 | (11) |
| Miscellaneous | 200 | - | 200 | 240 | 40 |
| Map Filing | 150 | - | 150 | 60 | (90) |
| Land Desclassification | 5,000 | - | 5,000 | 10,836 | 5,836 |
| | <u>55,845</u> | <u>-</u> | <u>55,845</u> | <u>75,797</u> | <u>19,952</u> |
| Commissions | | | | | |
| Planning Commission | 2,500 | - | 2,500 | 3,399 | 899 |
| Inland Wetlands | 1,000 | - | 1,000 | 1,362 | 362 |
| Recreation Commission | 16,000 | - | 16,000 | 7,373 | (8,627) |
| Zoning Board of Appeals | 300 | - | 300 | - | (300) |
| | <u>19,800</u> | <u>-</u> | <u>19,800</u> | <u>12,134</u> | <u>(7,666)</u> |
| Total Revenues | <u>12,288,458</u> | <u>-</u> | <u>12,288,458</u> | <u>12,513,435</u> | <u>224,977</u> |
| EXPENDITURES | | | | | |
| General Government | | | | | |
| Board of Finance | 25,325 | - | 25,325 | 19,714 | 5,611 |
| Board of Selectmen | 122,481 | - | 122,481 | 118,228 | 4,253 |
| Treasurer | 33,084 | - | 33,084 | 33,003 | 81 |
| Tax Collector | 76,739 | (10,549) | 66,190 | 65,393 | 797 |
| Tax Assessor | 61,491 | - | 61,491 | 59,587 | 1,904 |
| Board of Assessment Appeals | 900 | - | 900 | 750 | 150 |
| Planning & Zoning Commission | 27,950 | 2,963 | 30,913 | 30,912 | 1 |
| Conservation Commission | 900 | - | 900 | 454 | 446 |
| Inland Wetlands Commission | 20,750 | 9,367 | 30,117 | 30,116 | 1 |
| Zoning Board of Appeals | 950 | - | 950 | 532 | 418 |
| Regional Grants | 18,749 | - | 18,749 | 18,684 | 65 |
| Water Pollution Control | 1,100 | - | 1,100 | - | 1,100 |
| Economic Development | 700 | - | 700 | 653 | 47 |
| Town Counsel | 10,000 | - | 10,000 | 3,075 | 6,925 |
| Probate Court | 4,550 | 82 | 4,632 | 4,632 | - |
| Town Clerk | 71,852 | - | 71,852 | 69,813 | 2,039 |
| Central Services | 32,460 | - | 32,460 | 26,535 | 5,925 |
| Elections & Primaries | 10,750 | - | 10,750 | 7,317 | 3,433 |
| Registrars of Voters | 10,686 | 1,838 | 12,524 | 12,523 | 1 |
| Town Hall | 37,725 | (545) | 37,180 | 32,523 | 4,657 |
| | <u>569,142</u> | <u>3,156</u> | <u>572,298</u> | <u>534,444</u> | <u>37,854</u> |

(Continued)

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

TOWN OF POMFRET, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)

GENERAL FUND
YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|--|-------------------|---|-------------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| Public Safety | \$ | \$ | \$ | \$ | \$ |
| Fire Marshal | 10,300 | - | 10,300 | 9,674 | 626 |
| Civil Preparedness | 1,475 | - | 1,475 | 988 | 487 |
| Canine Control | 13,030 | - | 13,030 | 12,871 | 159 |
| | <u>24,805</u> | <u>-</u> | <u>24,805</u> | <u>23,533</u> | <u>1,272</u> |
| Public Works | | | | | |
| Roads & Drainage | 256,919 | 2,913 | 259,832 | 259,832 | - |
| Snow Removal | 87,800 | 2,104 | 89,904 | 89,903 | 1 |
| Town Garage | 16,575 | 4,188 | 20,763 | 20,762 | 1 |
| Fleet Maintenance | 81,925 | (14,679) | 67,246 | 67,185 | 61 |
| Bulky Waste/Recycling | 24,200 | - | 24,200 | 18,607 | 5,593 |
| Cemeteries | 8,650 | - | 8,650 | 8,300 | 350 |
| Grounds/Park Maintenance | 26,250 | (8,443) | 17,807 | 17,807 | - |
| Building Inspection | 14,550 | 674 | 15,224 | 15,224 | - |
| | <u>516,869</u> | <u>(13,243)</u> | <u>503,626</u> | <u>497,620</u> | <u>6,006</u> |
| Human Services | | | | | |
| Health Supervision and Operation | 22,764 | 406 | 23,170 | 23,169 | 1 |
| Senior Services | 31,650 | 115 | 31,765 | 31,765 | - |
| | <u>54,414</u> | <u>521</u> | <u>54,935</u> | <u>54,934</u> | <u>1</u> |
| Civic and Cultural | | | | | |
| Pomfret Public Library | 91,341 | 476 | 91,817 | 91,817 | - |
| Abington Social Library | 21,000 | - | 21,000 | 21,000 | - |
| Recreation | 56,281 | - | 56,281 | 51,307 | 4,974 |
| Community Programs | 1,550 | 102 | 1,652 | 1,651 | 1 |
| Pomfret Historical Society | 3,500 | - | 3,500 | 3,500 | - |
| | <u>173,672</u> | <u>578</u> | <u>174,250</u> | <u>169,275</u> | <u>4,975</u> |
| Debt and Sundry | | | | | |
| Employment Expense and Insurance | 311,275 | 8,988 | 320,263 | 320,263 | - |
| Insurance | 40,000 | - | 40,000 | 39,625 | 375 |
| Bond and Note Retirement | 253,000 | - | 253,000 | 253,000 | - |
| Bond and Note Interest | 164,103 | - | 164,103 | 164,071 | 32 |
| Contingency | 5,000 | - | 5,000 | - | 5,000 |
| Capital and Non-Recurring | 353,300 | - | 353,300 | 353,300 | - |
| | <u>1,126,678</u> | <u>8,988</u> | <u>1,135,666</u> | <u>1,130,259</u> | <u>5,407</u> |
| Total General Government Expenditures | 2,465,580 | - | 2,465,580 | 2,410,065 | 55,515 |
| Board of Education | 9,847,878 | 39,000 | 9,886,878 | 9,861,629 | 25,249 |
| Total Expenditures | <u>12,313,458</u> | <u>39,000</u> | <u>12,352,458</u> | <u>12,271,694</u> | <u>80,764</u> |

(Continued)

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

TOWN OF POMFRET, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|--|------------------|---|-----------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| Excess (Deficiency) of Revenues | \$ | \$ | \$ | \$ | \$ |
| Over Expenditures - Budgetary Basis | <u>(25,000)</u> | <u>(39,000)</u> | <u>(64,000)</u> | 241,741 | <u>305,741</u> |
| Adjustments to Generally Accepted Accounting Principles (GAAP): | | | | | |
| Payments on Behalf of the Town not Recorded on a Budgetary Basis: | | | | | |
| Revenues from Teachers' Retirement | | | | 797,230 | |
| Expenditures for Teachers' Retirement | | | | (797,230) | |
| Revenues Netted with Expenditures In the Budget: | | | | | |
| Revenues from Student Tuition | | | | 31,300 | |
| Expenditures for Board of Education | | | | (31,300) | |
| Revenues from Excess Cost Grant | | | | 580,890 | |
| Expenditures for Board of Education | | | | (580,890) | |
| Reclass Designated School Surplus Fund to Non-Lapsing BOE Surplus Fund | | | | (56,122) | |
| General Government and Board of Education Employees - Change In Accrued Payroll | | | | <u>6,528</u> | |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis (Exhibit 4) | | | | <u>\$ 192,147</u> | |

Notes to Required Supplementary Information: A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf; 2. Revenues and expenditures from capital leasing and for renewing or refunding long-term debt are included in the budget as the net revenue or expenditure expected; 3. Encumbrances are treated as expenditures against the budget in the year committed; 4. Payroll is budgeted on a cash basis; 5. The budget for the Board of Education expenditures are net with the "excess cost grant" received from the State of Connecticut as per Connecticut General Statutes 10-76g; 6. Student tuition revenue is netted in the budget with expenditures.

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

TOWN OF POMFRET, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF FUNDING PROGRESS
SINCE INCEPTION

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL | Funded Ratio | Covered Payroll | Excess UAAL as a % of Covered Payroll |
|--------------------------------|---------------------------------|---|-----------------|-----------------|--------------------|---|
| 6/30/2013 | \$ | \$ 2,852,274 | \$ 2,852,274 | 0.00% | \$ 3,340,489 | 85.38% |
| 6/30/2010 | \$ | \$ 2,805,531 | \$ 2,805,531 | 0.00% | \$ 3,306,587 | 84.85% |

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

TOWN OF POMFRET, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINCE INCEPTION

| Fiscal Year Ended | Annual Required Contribution | Actual Contribution | Percentage Contribution |
|-------------------------|------------------------------------|------------------------|----------------------------|
| 6/30/2014 | \$ 291,390 | \$ 23,088 | 7.92% |
| 6/30/2013 | \$ 283,178 | \$ 20,202 | 7.13% |
| 6/30/2012 | \$ 275,657 | \$ 86,480 | 31.37% |
| 6/30/2011 | \$ 275,657 | \$ 28,364 | 10.29% |
| 6/30/2010 | \$ 267,888 | \$ 28,364 | 10.59% |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING FUND FINANCIAL STATEMENTS
JUNE 30, 2015

TOWN OF POMFRET, CONNECTICUT
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2015

| | Special Revenue Funds | Capital Projects Funds | Permanent Funds | Total Other Governmental Funds |
|---|-----------------------------|------------------------------|--------------------|--------------------------------------|
| ASSETS | | | | |
| Cash and Equivalents | \$ 237,648 | \$ 6,704 | \$ 307,823 | \$ 552,175 |
| Other Receivables | | | | |
| Intergovernmental | 8,079 | - | - | 8,079 |
| Inventories | 1,601 | - | - | 1,601 |
| Due from Other Funds | 6,374 | - | - | 6,374 |
| Total Assets | <u>\$ 253,702</u> | <u>\$ 6,704</u> | <u>\$ 307,823</u> | <u>\$ 568,229</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts Payable | \$ 13,775 | \$ - | \$ 485 | \$ 14,260 |
| Intergovernmental Payable | - | - | - | - |
| Unearned Revenues | 6,160 | - | - | 6,160 |
| Total Liabilities | <u>19,935</u> | <u>-</u> | <u>485</u> | <u>20,420</u> |
| Deferred inflows of resources | | | | |
| Deferred revenues | - | - | - | - |
| Fund balances | | | | |
| Nonspendable | 1,601 | - | 260,840 | 262,441 |
| Restricted | 152,979 | - | 46,498 | 199,477 |
| Committed | - | - | - | - |
| Assigned | 79,189 | 6,704 | - | 85,893 |
| Unassigned | (2) | - | - | (2) |
| Total Fund Balances | <u>233,767</u> | <u>6,704</u> | <u>307,338</u> | <u>547,809</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | | | | |
| | <u>\$ 253,702</u> | <u>\$ 6,704</u> | <u>\$ 307,823</u> | <u>\$ 568,229</u> |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2015

| | Special Revenue Funds | Capital Projects Funds | Permanent Funds | Total Other Governmental Funds |
|--|-----------------------------|------------------------------|--------------------|--------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 307,858 | \$ - | \$ - | \$ 307,858 |
| Local Revenue | <u>158,509</u> | <u>23</u> | <u>4,593</u> | <u>163,125</u> |
| Total Revenues | <u>466,367</u> | <u>23</u> | <u>4,593</u> | <u>470,983</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 37,855 | - | 2,064 | 39,919 |
| Public Works | - | - | - | - |
| Education | <u>433,735</u> | <u>-</u> | <u>161</u> | <u>433,896</u> |
| Total Expenditures | <u>471,590</u> | <u>-</u> | <u>2,225</u> | <u>473,815</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(5,223)</u> | <u>23</u> | <u>2,368</u> | <u>(2,832)</u> |
| OTHER FINANCING SOURCES (USUES) | | | | |
| Transfers in | 56,633 | - | - | 56,633 |
| Transfers Out | <u>(7,373)</u> | <u>(11,630)</u> | <u>(621)</u> | <u>(19,624)</u> |
| Total Other Financing Sources (Uses) | <u>49,260</u> | <u>(11,630)</u> | <u>(621)</u> | <u>37,009</u> |
| Net Changes in Fund Balances | 44,037 | (11,607) | 1,747 | 34,177 |
| Fund Balances - Beginning of Year | <u>189,730</u> | <u>18,311</u> | <u>305,591</u> | <u>513,632</u> |
| Fund Balances - End of Year | \$ <u>233,767</u> | \$ <u>6,704</u> | \$ <u>307,338</u> | \$ <u>547,809</u> |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2015

| | Child Nutrition Fund | Recreation Commission Fund | Town Celebrations Fund | Citizens Assistance Fund | Reserve Fund | Acher Memorial Fund | Pomfret Library Trusts Fund | Education Grants Fund | Total Special Revenue Funds |
|---|----------------------|----------------------------|------------------------|--------------------------|--------------|---------------------|-----------------------------|-----------------------|-----------------------------|
| ASSETS | | | | | | | | | |
| Cash and Equivalents | \$ 11 | \$ 26,097 | \$ 8,898 | \$ 49,030 | \$ 60,121 | \$ 4,684 | \$ 83,391 | \$ 5,416 | \$ 237,648 |
| Other Receivables | | | | | | | | | |
| Intergovernmental Inventories | 7,119 | | | | | | | 960 | 8,079 |
| Due from Other Funds | 1,601 | | | | | | | | 1,601 |
| | 6,374 | | | | | | | | 6,374 |
| Total Assets | \$ 15,105 | \$ 26,097 | \$ 8,898 | \$ 49,030 | \$ 60,121 | \$ 4,684 | \$ 83,391 | \$ 6,376 | \$ 253,702 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ 13,506 | \$ | \$ | \$ 269 | \$ | \$ | \$ | \$ | \$ 13,775 |
| Intergovernmental Payable | | | | | | | | | |
| Unearned Revenues | | | | | | | | 6,160 | 6,160 |
| Total Liabilities | \$ 13,506 | \$ | \$ | \$ 269 | \$ | \$ | \$ | \$ 6,160 | \$ 19,935 |
| Deferred Inflows of Resources | | | | | | | | | |
| Deferred Revenues | | | | | | | | | |
| Fund balances | | | | | | | | | |
| Nonspendable | 1,601 | | | | | | | | 1,601 |
| Restricted | | 4,567 | | | 60,121 | 4,684 | 83,391 | 216 | 152,979 |
| Committed | | | | | | | | | |
| Assigned | | 21,530 | 8,898 | 48,761 | | | | | 79,189 |
| Unassigned | (2) | | | | | | | | (2) |
| Total Fund Balances | \$ 1,599 | \$ 26,097 | \$ 8,898 | \$ 48,761 | \$ 60,121 | \$ 4,684 | \$ 83,391 | \$ 216 | \$ 233,767 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 15,105 | \$ 26,097 | \$ 8,898 | \$ 49,030 | \$ 60,121 | \$ 4,684 | \$ 83,391 | \$ 6,376 | \$ 253,702 |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
JUNE 30, 2015

| | Child Nutrition Fund | Recreation Commission Fund | Town Celebrations Fund | Citizens Assistance Fund | Reserve Fund | Alcher Memorial Fund | Pomfret Library Trusts Fund | Education Grants Fund | Total Special Revenue Funds |
|---|----------------------|----------------------------|------------------------|--------------------------|--------------|----------------------|-----------------------------|-----------------------|-----------------------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | \$ 41,518 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 266,340 | \$ 307,858 |
| Local Revenue | 76,570 | 27,964 | 487 | 8,707 | 2,210 | 29 | 1,242 | 41,300 | 158,509 |
| Total Revenues | 118,088 | 27,964 | 487 | 8,707 | 2,210 | 29 | 1,242 | 307,640 | 466,367 |
| EXPENDITURES | | | | | | | | | |
| Current Expenditures | | | | | | | | | |
| General Government | - | 20,241 | 6,205 | 8,570 | 390 | - | 2,509 | - | 37,855 |
| Public Works | - | - | - | - | - | - | - | - | - |
| Education | 118,095 | - | - | - | - | - | - | 315,640 | 433,735 |
| Total Expenditures | 118,095 | 20,241 | 6,205 | 8,570 | 330 | - | 2,509 | 315,640 | 471,590 |
| Excess (Deficiency) of Revenues Over Expenditures | (7) | 7,723 | (5,718) | 137 | 1,880 | 29 | (1,267) | (8,000) | (5,223) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | 11 | 500 | - | 56,122 | - | - | - | 56,633 |
| Transfers Out | - | (7,373) | - | - | - | - | - | - | (7,373) |
| Total Other Financing Sources (Uses) | - | (7,362) | 500 | - | 56,122 | - | - | - | 49,260 |
| Net Changes in Fund Balances | (7) | 361 | (5,218) | 137 | 58,002 | 29 | (1,267) | (8,000) | 44,037 |
| Fund Balances-Beginning of Year | 1,606 | 25,736 | 14,116 | 48,624 | 2,119 | 4,655 | 84,658 | 8,216 | 189,730 |
| Fund Balances-End of Year | 1,599 | 26,097 | 8,898 | 48,761 | 60,121 | 4,684 | 83,391 | 216 | 233,767 |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2015

| | School Building Committee | Recreation Park | Total Capital Projects Fund |
|---|---------------------------------|--------------------|--------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and Equivalents | \$ - | \$ 6,704 | \$ 6,704 |
| Other Receivables | | | |
| Intergovernmental | - | - | - |
| Inventories | - | - | - |
| Due from Other Funds | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 6,704</u> | <u>\$ 6,704</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Intergovernmental Payable | - | - | - |
| Unearned Revenues | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | |
| Deferred Revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Nonspendable | - | - | - |
| Restricted | - | - | - |
| Committed | - | - | - |
| Assigned | - | 6,704 | 6,704 |
| Unassigned | - | - | - |
| Total Fund Balances | <u>-</u> | <u>6,704</u> | <u>6,704</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ -</u> | <u>\$ 6,704</u> | <u>\$ 6,704</u> |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
JUNE 30, 2015

| | School Building Committee | Recreation Park | Total Capital Projects Funds |
|--|---------------------------------|--------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Local Revenue | - | 23 | 23 |
| Total Revenues | <u>-</u> | <u>23</u> | <u>23</u> |
| EXPENDITURES | | | |
| Current | | | |
| General Government | - | - | - |
| Public Works | - | - | - |
| Education | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>23</u> | <u>23</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | (11,630) | - | (11,630) |
| Total Other Financing Sources (Uses) | <u>(11,630)</u> | <u>-</u> | <u>(11,630)</u> |
| Net Changes in Fund Balances | (11,630) | 23 | (11,607) |
| Fund Balances - Beginning of Year | <u>11,630</u> | <u>6,681</u> | <u>18,311</u> |
| Fund Balances - End of Year | \$ <u>-</u> | \$ <u>6,704</u> | \$ <u>6,704</u> |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING BALANCE SHEET
PERMANENT FUNDS
JUNE 30, 2015

| | Cemetery Fund | Library Fund | Youth Fund | PCS Scholarship Trusts | Library E. Woods Memorial | Total Permanent Funds |
|---|-------------------|------------------|-----------------|------------------------|---------------------------|-----------------------|
| ASSETS | | | | | | |
| Cash and Equivalents | \$ 165,144 | \$ 97,200 | \$ 1,801 | \$ 8,747 | \$ 34,931 | \$ 307,823 |
| Other Receivables | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - |
| Total Assets | <u>165,144</u> | <u>97,200</u> | <u>1,801</u> | <u>8,747</u> | <u>34,931</u> | <u>307,823</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | 415 | - | - | 70 | - | 485 |
| Intergovernmental Payable | - | - | - | - | - | - |
| Unearned Revenues | - | - | - | - | - | - |
| Total Liabilities | <u>415</u> | <u>-</u> | <u>-</u> | <u>70</u> | <u>-</u> | <u>485</u> |
| Deferred inflows of resources | - | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - | - |
| Fund balances | | | | | | |
| Nonspendable | 134,062 | 97,200 | 1,801 | 544 | 27,233 | 260,840 |
| Restricted | 30,667 | - | - | 8,133 | 7,698 | 46,498 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | <u>164,729</u> | <u>97,200</u> | <u>1,801</u> | <u>8,677</u> | <u>34,931</u> | <u>307,338</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ <u>165,144</u> | \$ <u>97,200</u> | \$ <u>1,801</u> | \$ <u>8,747</u> | \$ <u>34,931</u> | \$ <u>307,823</u> |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
JUNE 30, 2015

| | Cemetery Fund | Library Fund | Youth Fund | PCS Scholarship Trusts | Library E. Woods Memorial | Total Permanent Funds |
|---|---------------|--------------|------------|------------------------|---------------------------|-----------------------|
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local Revenue | 2,538 | 610 | 11 | 54 | 1,380 | 4,593 |
| Total Revenues | 2,538 | 610 | 11 | 54 | 1,380 | 4,593 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | 2,064 | - | - | - | - | 2,064 |
| Public Works | - | - | - | - | - | - |
| Education | - | - | - | 161 | - | 161 |
| Total Expenditures | 2,064 | - | - | 161 | - | 2,225 |
| Excess (Deficiency) of Revenues Over Expenditures | 474 | 610 | 11 | (107) | 1,380 | 2,368 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | - | - | - | - | - |
| Transfers Out | - | (610) | (11) | - | - | (621) |
| Total Other Financing Sources (Uses) | - | (610) | (11) | - | - | (621) |
| Net Changes in Fund Balances | 474 | - | - | (107) | 1,380 | 1,747 |
| Fund Balances - Beginning of Year | 164,255 | 97,200 | 1,801 | 8,784 | 33,551 | 305,591 |
| Fund Balances - End of Year | \$ 164,729 | \$ 97,200 | \$ 1,801 | \$ 8,677 | \$ 34,931 | \$ 307,338 |

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

TOWN OF POMFRET, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
JUNE 30, 2015

| | <u>Balance</u> <u>Beginning</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>Ending</u> |
|------------------------------|------------------------------------|------------------|--------------------|---------------------------------|
| Student Activity Fund | | | | |
| Assets | | | | |
| Cash | \$ <u>60,399</u> | \$ <u>16,807</u> | \$ <u>16,807</u> | \$ <u>94,013</u> |
| Liabilities | | | | |
| Due to Students | \$ <u>60,399</u> | \$ <u>16,807</u> | \$ <u>16,807</u> | \$ <u>94,013</u> |
| | | | | |
| Land Use Fees | | | | |
| Assets | | | | |
| Cash | \$ 7,742 | \$ 16,889 | \$ (9,865) | \$ 14,766 |
| Accounts Receivable | <u>5,084</u> | <u>30,932</u> | <u>(28,848)</u> | <u>7,168</u> |
| Total Assets | \$ <u>12,826</u> | \$ <u>47,821</u> | \$ <u>(38,713)</u> | \$ <u>21,934</u> |
| Liabilities | | | | |
| Due to Others | \$ <u>12,826</u> | \$ <u>47,821</u> | \$ <u>(38,713)</u> | \$ <u>21,934</u> |
| | | | | |
| Escrow Accounts | | | | |
| Assets | | | | |
| Cash | \$ <u>21,905</u> | \$ <u>20</u> | \$ <u>(677)</u> | \$ <u>21,248</u> |
| Liabilities | | | | |
| Due to Others | \$ <u>21,905</u> | \$ <u>20</u> | \$ <u>(677)</u> | \$ <u>21,248</u> |
| | | | | |
| Combined Total | | | | |
| Assets | | | | |
| Cash | \$ 90,046 | \$ 33,716 | \$ 6,265 | \$ 130,027 |
| Accounts Receivable | <u>5,084</u> | <u>30,932</u> | <u>(28,848)</u> | <u>7,168</u> |
| Total Assets | \$ <u>95,130</u> | \$ <u>64,648</u> | \$ <u>(22,583)</u> | \$ <u>137,195</u> |
| Liabilities | | | | |
| Due to Students and Others | \$ <u>95,130</u> | \$ <u>64,648</u> | \$ <u>(22,583)</u> | \$ <u>137,195</u> |

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

TOWN OF POMFRET, CONNECTICUT
SUPPLEMENTARY SCHEDULES
JUNE 30, 2015

TOWN OF POMFRET, CONNECTICUT
REPORT OF THE PROPERTY TAX COLLECTOR
YEAR ENDED JUNE 30, 2015

| Grand List Year | Beginning Receivable Balance | Current Year Levy | Lawfull Corrections | | Net Taxes Collectible | Collections During the Year | | Transfer to Suspense | Net Ending Receivable Balance | | |
|-----------------|------------------------------|-------------------|---------------------|---------------|-----------------------|-----------------------------|---------------|----------------------|-------------------------------|------------|----------------|
| | | | Additions | Deductions | | Taxes | Interest | | | Leins | Total |
| 2013 | - | 8,713,403 | 7,966 | 22,418 | 8,698,951 | 8,611,645 | 40,585 | 2,113 | 8,654,343 | 71 | 87,235 |
| 2012 | 129,932 | - | 5 | 2,136 | 127,801 | 80,761 | 22,830 | 1,052 | 104,643 | 57 | 46,983 |
| 2011 | 69,365 | - | 170 | 407 | 69,128 | 53,299 | 21,814 | 420 | 75,533 | - | 15,829 |
| 2010 | 27,844 | - | - | 134 | 27,710 | 22,870 | 10,583 | 144 | 33,597 | - | 4,840 |
| 2009 | 5,129 | - | 1 | 129 | 5,001 | 3,334 | 2,451 | 48 | 5,833 | - | 1,667 |
| 2008 | 1,105 | - | - | 123 | 982 | 982 | 412 | 20 | 1,414 | - | - |
| 2007 | - | - | - | - | - | - | - | - | - | - | - |
| 2006 | - | - | - | - | - | - | - | - | - | - | - |
| 1997 | 207 | - | - | - | 207 | - | - | - | - | - | 207 |
| | <u>233,582</u> | <u>8,713,403</u> | <u>8,142</u> | <u>25,347</u> | <u>8,929,780</u> | <u>8,772,891</u> | <u>98,675</u> | <u>3,797</u> | <u>8,875,363</u> | <u>128</u> | <u>156,761</u> |

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

TOWN OF POMFRET, CONNECTICUT
STATEMENT OF CHANGES IN FUND BALANCE BY PROJECT
CAPITAL NONRECURRING FUND
YEAR ENDED JUNE 30, 2015

| | Beginning Balance | Approved Transfers Net | Revenues and New Debt | Current Year Expenditures | Internal Transfers | Ending Fund Balance | Eliminating deficits per GASB 54 | Reported Fund Balance |
|--|-------------------|------------------------|-----------------------|---------------------------|--------------------|---------------------|----------------------------------|-----------------------|
| RESTRICTED FUND BALANCE: | | | | | | | | |
| Recreation Park | | | | | | | | |
| Recreation Fields Fundraiser | \$ 12,937 | \$ - | \$ 9,219 | \$ (4,107) | \$ - | \$ 18,049 | \$ - | \$ 18,049 |
| Walking Trails | 4,972 | - | - | - | - | 4,972 | - | 4,972 |
| Emergency Vehicles and Equipment | | | | | | | | |
| EMPG Grant | 3,000 | - | - | (3,000) | - | - | - | - |
| Emergency Plan & Preparedness (DEMHS) | 1,839 | - | - | - | - | 1,839 | - | 1,839 |
| Town Buildings | | | | | | | | |
| PCS - School Security Grant | (13,332) | - | 35,826 | (22,494) | - | - | - | - |
| PCS - Technology Grant | - | - | - | (6,784) | - | (6,784) | 6,784 | - |
| Rural Utilities/Sewer Project (USDA) | - | - | 225 | (225) | - | - | - | - |
| Energy Grant - Town Hall Renovation | 150 | - | - | - | - | 150 | - | 150 |
| Community Reinvestment Fees | | | | | | | | |
| Town Clerk-Community Reinvestment Fees | 6,474 | - | 924 | (400) | - | 6,998 | - | 6,998 |
| LoCip-Community Reinvestment Fees | 19,713 | - | 1,572 | - | - | 21,285 | - | 21,285 |
| Land Records & Historic Documents | | | | | | | | |
| Restoration of Land Records/Indices | 42,464 | 3,000 | - | - | - | 45,464 | - | 45,464 |
| Town clerk-Historic Documents Fees | 5,518 | - | 524 | (250) | - | 5,792 | - | 5,792 |
| STEAP Grants | | | | | | | | |
| Emergency Operations Center-Design Phase | - | - | 2,620 | (2,620) | - | - | - | - |
| PFD Building Expansion DECD Grant | - | 211 | - | (211) | - | - | - | - |
| Old Townhouse Renovation (STEAP) | (41) | - | - | - | - | (41) | 41 | - |
| Total Restricted Fund Balances | 83,694 | 3,211 | 50,910 | (40,091) | - | 97,724 | 6,825 | 104,549 |
| COMMITTEE FUND BALANCES | | | | | | | | |
| Recreation Park | | | | | | | | |
| Recreation Park Road Resurfacing | - | 10,000 | - | - | - | 10,000 | - | 10,000 |
| Recreation Park - Development | 13,609 | 10,000 | - | (1,399) | - | 22,210 | - | 22,210 |
| Vehicles and Equipment | | | | | | | | |
| Nonemergency Vehicles/Govt Surplus | 35,935 | 5,000 | - | - | - | 40,935 | - | 40,935 |
| Nonemergency Truck Replacement | 10,836 | 25,000 | - | - | - | 35,836 | - | 35,836 |
| Nonemergency Plows/Sander | 8,106 | - | - | - | - | 8,106 | - | 8,106 |

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

TOWN OF POMFRET, CONNECTICUT
STATEMENT OF CHANGES IN FUND BALANCE BY PROJECT
CAPITAL NONRECURRING FUND
YEAR ENDED JUNE 30, 2015

| | Beginning Balance | Approved Transfers Net | Revenues and New Debt | Current Year Expenditures | Internal Transfers | Ending Fund Balance | Eliminating deficits per GASB 54 | Reported Fund Balance |
|---------------------------------------|-------------------|------------------------|-----------------------|---------------------------|--------------------|---------------------|----------------------------------|-----------------------|
| Town Buildings | | | | | | | | |
| Town Hall Additions/Renovations | \$ 6,430 | \$ 5,000 | \$ - | (208) | \$ - | 11,222 | \$ - | 11,222 |
| Town Hall - Generator | - | 15,000 | - | - | - | 15,000 | - | 15,000 |
| ADA Compliance | 12,657 | 2,900 | - | - | - | 15,557 | - | 15,557 |
| School Parking Lot Resurfacing | 1,380 | - | - | - | - | 1,380 | - | 1,380 |
| School Carpet Replacement | - | 5,000 | - | (4,943) | - | 57 | - | 57 |
| School Duct Work and Engineering | - | 3,000 | - | - | - | 3,000 | - | 3,000 |
| School Equipment | 1,669 | - | - | (1,669) | - | - | - | - |
| School Oil Tank Monitoring | - | 5,000 | - | (5,000) | - | - | - | - |
| School Technology | 252 | 20,000 | - | (13,594) | - | 6,658 | - | 6,658 |
| School Water Tank | 721 | 10,000 | - | - | - | 10,721 | - | 10,721 |
| School Well | 37,173 | 10,000 | - | - | - | 47,173 | - | 47,173 |
| Library Drain/BLDG Improvements | 9,377 | 5,000 | - | (300) | - | 14,077 | - | 14,077 |
| Library - Duct Work | - | 3,000 | - | (1,420) | - | 1,580 | - | 1,580 |
| Murdock Property | 9,428 | 500 | - | - | - | 9,928 | - | 9,928 |
| Garage - Underground Tanks | - | 2,300 | - | - | - | 2,300 | - | 2,300 |
| Salt Shed/Booker Property | 71,042 | - | - | - | - | 71,042 | - | 71,042 |
| Senior Center - Building Improvements | - | 7,000 | - | (9,940) | - | (2,940) | 2,940 | - |
| Senior Center - Patio | 1,500 | - | - | (222) | - | 1,278 | - | 1,278 |
| Land Acquisition | | | | | | | | |
| Pomfret Land Preservation Fund | 107,360 | 100 | 1,300 | (81,525) | - | 27,235 | - | 27,235 |
| Open Space Land Purchase/Bonds | 661,350 | - | - | (125,900) | - | 535,450 | - | 535,450 |
| Other | | | | | | | | |
| Long Range Planning | 35,000 | - | - | - | - | 35,000 | - | 35,000 |
| Computer/Software/WEB Design/Copier | 10,851 | 11,000 | - | (2,382) | - | 19,469 | - | 19,469 |
| Office Furniture | - | 1,000 | - | - | - | 1,000 | - | 1,000 |
| Office Equipment/Typewriter | 5,667 | - | - | - | - | 5,667 | - | 5,667 |
| Fire Marshall - FM Global Grant | - | - | 2,042 | - | - | 2,042 | - | 2,042 |
| Revaluation | 23,357 | 15,000 | - | (12,342) | - | 26,015 | - | 26,015 |
| Loan Consolidation/Interest | 78,568 | (52,103) | - | - | - | 26,465 | - | 26,465 |
| Total Committed Fund Balances | 1,142,268 | 118,697 | 3,342 | (260,844) | - | 1,003,463 | 2,940 | 1,006,403 |
| UNASSIGNED FUND BALANCE | | | | | | | | |
| Total Fund Balance | \$ 1,225,962 | \$ 121,908 | \$ 54,252 | \$ (300,935) | \$ - | \$ 1,101,187 | (9,765) | \$ 1,101,187 |

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

TOWN OF POMERET, CONNECTICUT
STATEMENT OF CHANGES IN FUND BALANCE BY PROJECT
ROAD AND BRIDGE PROJECTS FUND
YEAR ENDED JUNE 30, 2015

| | Beginning Balance | Transfers In/Out | Annual Expenditures | Ending Fund Balance |
|---|----------------------|---------------------|------------------------|---------------------------|
| Restricted Fund Balances | | | | |
| Road Projects | | | | |
| Covell Road Bridge Replacement | \$ - | \$ 8,629 | \$ (8,629) | \$ - |
| Wolf Den Drive - FEMA Mitigation | 10,078 | - | - | 10,078 |
| Total Restricted Fund Balances | <u>10,078</u> | <u>8,629</u> | <u>(8,629)</u> | <u>10,078</u> |
| Committed Fund Balances | | | | |
| Road Projects | | | | |
| Longmeadow Drive | 133,611 | 100,000 | - | 233,611 |
| Fox Hill Road | 47,700 | - | - | 47,700 |
| Freedley Road Overlay | 29,729 | 20,000 | (27,417) | 22,312 |
| Holmes Road | 50,000 | 20,000 | (3,175) | 66,825 |
| River Road Drainage | 45,319 | - | (45,319) | - |
| River Road - 2014-2015 | - | 49,036 | (49,036) | - |
| Wolf Den Drive - FEMA Mitigation | 24,271 | - | - | 24,271 |
| Regrade gravel bank | 15,935 | - | (1) | 15,934 |
| Taft Pond Road | 15,000 | (9,036) | - | 5,964 |
| Covell Road | 1,651 | - | - | 1,651 |
| Bridge Projects | | | | |
| Covell Road Bridge Replacement | 90,222 | (8,629) | - | 81,593 |
| Total Committed Fund Balances | <u>453,438</u> | <u>171,371</u> | <u>(124,948)</u> | <u>499,861</u> |
| Total Road and Brige Projects Fund Balance | <u>\$ 463,516</u> | <u>\$ 180,000</u> | <u>\$ (133,577)</u> | <u>\$ 509,939</u> |

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