

TOWN OF POMFRET, CONNECTICUT

Audited Financial Statements

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For the Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S 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, CT, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Pomfret, CT'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, CT, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 14 to the financial statements, the Town adopted new accounting guidance, GASBS No. 75, *Accounting and Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–8, budgetary comparison information on pages 38-41, and Teacher's Retirement and OPEB schedules on pages 45-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

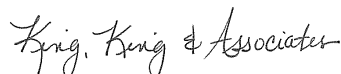
Other Information

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

The combining and individual general and nonmajor fund financial statements and supplemental schedules 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 general and nonmajor fund financial statements and supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the Town of Pomfret, CT's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Pomfret, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
November 30, 2018

TOWN OF POMFRET, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

As management of the Town of Pomfret, CT, we offer readers of the Town of Pomfret, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Pomfret, CT for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Pomfret, CT exceeded its liabilities at the close of the most recent fiscal year by \$11,363,083 (*net position*). Governmental activities reflect a negative unrestricted net position in the amount of (\$2,054,684) indicating that currently none of the net position may be used to meet ongoing obligations to citizens and creditors. Restricted Net Position of \$807,342 is restricted for various programs such as road and bridge improvements, sewer system, and other purposes.
- As of the close of the current fiscal year, the Town of Pomfret, CT's governmental funds reported combined ending fund balances of \$11,032,530, an increase of \$2,277,135 in comparison with the prior year. Of this amount, \$1,574,674 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,599,867 or 11.9 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Pomfret, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Pomfret, CT include education, public safety, general government, public works, human services, civic and cultural, and sundry. 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
June 30, 2018

The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Pomfret, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Pomfret, CT can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Town of Pomfret, CT, maintains seventeen (17) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

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

The basic governmental fund financial statements can be found on pages 11-14 of this report.

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

The basic fiduciary fund financial statements can be found on page 15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-40 of this report.

TOWN OF POMFRET, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Pomfret, CT, assets exceeded liabilities by \$11,363,083 at the close of the most recent fiscal year.

	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 11,593,820	\$ 9,220,006
Capital Assets	<u>16,784,261</u>	<u>16,589,470</u>
Total Assets	<u>\$ 28,378,081</u>	<u>\$ 25,809,476</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Long-Term Liabilities	\$ 16,506,168	\$ 13,658,737
Other Liabilities	<u>508,830</u>	<u>468,259</u>
Total Liabilities	<u>17,014,998</u>	<u>14,126,996</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	12,610,425	8,328,237
Restricted	807,342	5,091,060
Unrestricted	<u>(2,054,684)</u>	<u>(1,736,817)</u>
Total Net Position	<u>\$ 11,363,083</u>	<u>\$ 11,682,480</u>

The largest portion of the Town's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges). The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets increased by \$4,282,188 primarily due to a reclassification of Net Position for the large BAN taken out for sewer infrastructure and the infrastructure having not been purchased and capitalized yet, as of year-end.

The Town's unrestricted net position of (\$2,054,684) decreased by \$317,867 compared to last years unrestricted net position of (\$1,736,817). This decrease is primarily due to recognized OPEB expense for the government-wide financial statements.

The Town's restricted net position of \$807,342 decreased by \$4,283,718 compared to last years restricted net position of \$5,091,060. The decrease is primarily due to the BAN proceeds not being spent on the Infrastructure as of year-end.

TOWN OF POMFRET, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
<i>Program:</i>		
Charges for services	\$ 469,607	\$ 299,599
Operating grants and contributions	4,730,175	5,202,050
Capital grants and contributions	433,068	55,211
<i>General:</i>		
Property taxes	9,189,286	8,852,038
Grants and contributions, not restricted to specific programs	106,574	121,924
Unrestricted investment earnings	169,959	53,966
Other General Revenues	-	114,860
Gain on Sale of Assets	-	15,300
Total Revenues	<u>15,098,669</u>	<u>14,714,948</u>
EXPENSES		
<i>Governmental Activities:</i>		
General government	810,939	622,606
Public safety	214,185	28,682
Public works	1,270,516	1,016,933
Health and human services	112,363	69,786
Civic and cultural	295,740	199,508
Sundry	-	395,073
Capital outlay	-	41,533
Education	12,540,650	12,205,152
Interest on long-term debt	174,173	174,763
Total Expenses	<u>15,418,566</u>	<u>14,754,036</u>
Change in Net Position Before Contributions to Permanent Funds	(319,897)	(39,088)
Contributions to Permanent Funds	500	-
Change in Net Position	(319,397)	(39,088)
Beginning Net Position, as Restated	<u>11,682,480</u>	<u>11,721,568</u>
Ending Net Position	<u>\$ 11,363,083</u>	<u>\$ 11,682,480</u>

Governmental activities. Governmental activities decreased the Town of Pomfret, CT's net position by \$319,397.

Key elements of this decrease are as follows:

- Recognition of OPEB expense in the Government-wide financial statements.

Sixty-one percent (61%) of the revenues of the Town were derived from property taxes, followed by thirty-five percent (35%) from grants and contributions, three percent (3%) from charges for services and one percent (1%) of the Town's revenue in the fiscal year was derived from investment and other income.

TOWN OF POMFRET, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The focus of the Town of Pomfret, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Pomfret, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Pomfret, CT's governmental funds reported combined ending fund balances of \$11,032,530, an increase of \$2,277,135 in comparison with the prior year. Fourteen (14%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of Pomfret, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,599,867. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.9 percent of total General Fund expenditures.

The fund balance of the Town of Pomfret, CT's General Fund increased by \$60,058 during the current fiscal year. Key factors in this increase are as follows:

- Classification of a loan from Putnam for the industrial park as revenue for GAAP.
- Expenditures coming in less than budgeted.

GENERAL FUND BUDGETARY HIGHLIGHTS

- Revenue from property taxes came in lower than expected, but the Town was able to realize savings in expenditure line items.
- The Town's ability to maintain a responsible budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Pomfret, CT's reported value in capital assets for its governmental activities as of June 30, 2018, amounts to \$16,784,261 (net of accumulated depreciation). This reported value in capital assets includes land and buildings, vehicles, machinery and equipment, infrastructure, and intangible assets.

	<u>2018</u>	<u>2017</u>
Land	\$ 1,713,230	\$ 1,713,230
Construction in Progress	689,259	732,720
Intangible Assets	4,303,416	4,303,416
Buildings and Systems	5,843,025	6,048,887
Land Improvements	151,225	201,744
Machinery and Equipment	487,289	583,284
Infrastructure	3,596,817	3,006,189
Total	<u>\$ 16,784,261</u>	<u>\$ 16,589,470</u>

TOWN OF POMFRET, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

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

- Science and Resource Rooms furniture at the School
- New technology equipment at the School
- Speed monitor equipment
- Water storage tank improvements at the School
- Sewer connection work to connect to Town of Putnam
- Road improvements

Additional information on the Town of Pomfret, CT's capital assets can be found in Note 6 on page 27 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Pomfret, CT had long-term debt outstanding of \$16,506,168.

	<u>2018</u>	<u>2017</u>
G.O. Bonds	\$ 3,520,000	\$ 3,700,000
Bond Anticipation Notes	7,193,000	4,500,000
Loans Payable	76,000	-
Capital Lease Obligation	31,304	61,233
Compensated Absences	412,608	434,546
OPEB Liability, restated	5,273,256	4,962,958
Total	<u>\$ 16,506,168</u>	<u>\$ 13,658,737</u>

The Town of Pomfret, CT's total debt increased \$2,847,431 (20.8 percent) during the current fiscal year. Additional information on the Town of Pomfret, CT's long-term debt can be found in Note 7 on pages 28-30 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Increase in Woodstock Academy tuition and lack of State budget caused cuts to local school and town budgets.
- Increased threat of losing State funding will continue to be a variable in our local budget.
- Mill rate increase to offset loss of State funding and prevent large cuts to government and school budgets.

All of these factors were considered in preparing the Town of Pomfret, CT's budget for the 2019 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Pomfret, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Finance, Town of Pomfret, 5 Haven Road, Pomfret, CT 06259.

TOWN OF POMFRET, CONNECTICUT

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
Assets:	
Cash and Cash Equivalents	\$ 9,358,838
Investments	1,941,806
Receivables, Net	290,454
Prepaid Expenses	2,722
Capital Assets:	
Assets Not Being Depreciated	6,749,366
Assets Being Depreciated, Net	<u>10,034,895</u>
Total Assets	<u>\$ 28,378,081</u>
 Deferred Outflows of Resources	 <u>-</u>
Liabilities:	
Accounts Payable and Accrued Items	\$ 432,242
Accrued Interest Payable	52,941
Bond Anticipation Notes Payable	7,193,000
Unearned Revenue	23,647
Noncurrent Liabilities:	
Due Within One Year	289,596
Due In More Than One Year	<u>9,023,572</u>
Total Liabilities	<u>17,014,998</u>
 Deferred Inflows of Resources	 <u>-</u>
Net Position:	
Net Investment in Capital Assets	12,610,425
Restricted:	
Nonexpendable	161,127
Expendable	646,215
Unrestricted	<u>(2,054,684)</u>
Total Net Position	<u>\$ 11,363,083</u>

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

TOWN OF POMFRET, CONNECTICUT

Statement of Activities

For the Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Functions/Program Activities	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General Government	\$ 810,939	\$ 376,023	\$ -	\$ -	\$ (434,916)
Public Safety	214,185	12,138	-	179,432	(22,615)
Public Works	1,270,516	3,560	261,800	253,636	(751,520)
Health and Human Services	112,363	5,806	6,352	-	(100,205)
Civic and Cultural	295,740	28,978	7,220	-	(259,542)
Education	12,540,650	43,102	4,454,803	-	(8,042,745)
Interest on Long-Term Debt	174,173	-	-	-	(174,173)
Total Governmental Activities	15,418,566	469,607	4,730,175	433,068	(9,785,716)
General Revenues:					
					9,189,286
					106,574
					169,959
					500
					9,466,319
					(319,397)
					11,682,480
					\$ 11,363,083

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

TOWN OF POMFRET, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Capital Nonrecurring Fund	Road and Bridges Fund	Town Aid Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 511,838	\$ 7,698,129	\$ 229,856	\$ 606,153	\$ 312,862	\$ 9,358,838
Investments	1,941,806	-	-	-	-	1,941,806
Prepaid Expenditures	-	-	-	-	2,722	2,722
Receivables, Net of Allowance	126,646	163,808	-	-	-	290,454
Total Assets	<u>\$ 2,580,290</u>	<u>\$ 7,861,937</u>	<u>\$ 229,856</u>	<u>\$ 606,153</u>	<u>\$ 315,584</u>	<u>\$ 11,593,820</u>
Liabilities						
Accounts Payable and Accrued Items	\$ 114,705	\$ 91,474	\$ 33,236	\$ 190,854	\$ 1,973	\$ 432,242
Unearned Revenue	8,784	-	-	-	14,863	23,647
Total Liabilities	<u>123,489</u>	<u>91,474</u>	<u>33,236</u>	<u>190,854</u>	<u>16,836</u>	<u>455,889</u>
Deferred Inflows of Resources						
Unavailable Revenues:						
Property Taxes and Interest	105,401	-	-	-	-	105,401
Fund Balances						
Nonspendable	-	-	-	-	163,849	163,849
Restricted	-	6,656,407	10,078	415,299	134,899	7,216,683
Committed	198,925	1,139,249	186,542	-	-	1,524,716
Assigned	552,608	-	-	-	-	552,608
Unassigned	1,599,867	(25,193)	-	-	-	1,574,674
Total Fund Balances	<u>2,351,400</u>	<u>7,770,463</u>	<u>196,620</u>	<u>415,299</u>	<u>298,748</u>	<u>11,032,530</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,580,290</u>	<u>\$ 7,861,937</u>	<u>\$ 229,856</u>	<u>\$ 606,153</u>	<u>\$ 315,584</u>	<u>\$ 11,593,820</u>

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

TOWN OF POMFRET, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2018

Fund balances reported in governmental funds Balance Sheet	\$ 11,032,530
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	27,235,659
<i>Depreciation</i>	(10,451,398)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
<i>Property taxes, interest and liens receivable greater than 60 days</i>	105,401
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accrued interest payable</i>	(52,941)
<i>BANs payable</i>	(7,193,000)
<i>Bonds payable</i>	(3,520,000)
<i>Loans payable</i>	(76,000)
<i>Capital leases payable</i>	(31,304)
<i>Compensated absences</i>	(412,608)
<i>OPEB Liability</i>	<u>(5,273,256)</u>
Net position of governmental activities	<u>\$ 11,363,083</u>

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

TOWN OF POMFRET, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Capital Nonrecurring Fund	Road and Bridges Fund	Town Aid Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes, Interest and Lien Fees	\$ 9,188,426	\$ -	\$ -	\$ -	\$ -	\$ 9,188,426
Intergovernmental Revenues	4,002,778	339,959	-	243,310	246,357	4,832,404
Licenses, Permits, and Charges for Services	407,574	36,863	-	-	66,772	511,209
Investment Income	79,047	83,797	-	-	7,115	169,959
Other Revenue	-	-	-	-	13,885	13,885
Total Revenues	<u>13,677,825</u>	<u>460,619</u>	<u>-</u>	<u>243,310</u>	<u>334,129</u>	<u>14,715,883</u>
Expenditures						
Current:						
General Government	530,270	-	-	-	3,201	533,471
Public Safety	30,874	-	-	-	-	30,874
Public Works	518,570	-	466,173	272,052	-	1,256,795
Health and Human Services	75,006	-	-	-	8,598	83,604
Civic and Cultural	199,106	-	-	-	20,572	219,678
Sundry	433,488	-	-	-	-	433,488
Education	11,276,429	-	-	-	309,544	11,585,973
Debt Service	332,525	4,578,083	-	32,742	-	4,943,350
Capital Outlay	-	624,515	-	-	-	624,515
Total Expenditures	<u>13,396,268</u>	<u>5,202,598</u>	<u>466,173</u>	<u>304,794</u>	<u>341,915</u>	<u>19,711,748</u>
Excess/(Deficiency) of Revenues over Expenditures	281,557	(4,741,979)	(466,173)	(61,484)	(7,786)	(4,995,865)
Other Financing Sources/(Uses)						
Transfers In	3,401	154,400	270,369	-	538	428,708
Transfers Out	(304,900)	-	-	(120,369)	(3,439)	(428,708)
Loan Proceeds	80,000	-	-	-	-	80,000
BAN Proceeds	-	7,193,000	-	-	-	7,193,000
Total Other Financing Sources/(Uses)	<u>(221,499)</u>	<u>7,347,400</u>	<u>270,369</u>	<u>(120,369)</u>	<u>(2,901)</u>	<u>7,273,000</u>
Net Change in Fund Balances	60,058	2,605,421	(195,804)	(181,853)	(10,687)	2,277,135
Fund Balances at Beginning of Year, as Restated	<u>2,291,342</u>	<u>5,165,042</u>	<u>392,424</u>	<u>597,152</u>	<u>309,435</u>	<u>8,755,395</u>
Fund Balances at End of Year	<u>\$ 2,351,400</u>	<u>\$ 7,770,463</u>	<u>\$ 196,620</u>	<u>\$ 415,299</u>	<u>\$ 298,748</u>	<u>\$ 11,032,530</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 For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 2,277,135

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital expenditures</i>	857,515
<i>Depreciation expense</i>	(662,724)

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

<i>Property taxes, interest and liens collected accrual basis change</i>	860
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Proceeds from long-term debt - BANs</i>	(7,193,000)
<i>Proceeds from long-term debt - loans</i>	(80,000)
<i>Principal payments on long-term debt - general obligation bonds</i>	180,000
<i>Principal payments on long-term debt - loans</i>	4,000
<i>Principal payments on long-term debt - capital leases</i>	29,929
<i>Principal payments on long-term debt - BANs</i>	4,500,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

<i>Accrued interest</i>	55,248
<i>Compensated Absences</i>	21,938
<i>OPEB Liability</i>	<u>(310,298)</u>

Change in net position of governmental activities \$ (319,397)

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

TOWN OF POMFRET, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2018

	Agency Funds
Assets	
Cash and Cash Equivalents	\$ 606,747
Accounts Receivable	11,699
Total Assets	<u>\$ 618,446</u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	
Fiduciary Deposits	\$ 618,446
Total Liabilities	<u>\$ 618,446</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	<u>\$ -</u>

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Town was incorporated in 1713. It operates under a Board of Selectmen, Town Meeting, Board of Finance 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 selectman. 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 Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Pomfret (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Pomfret.

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 the 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

TOWN OF POMFRET, CONNECTICUT

Notes to the Financial 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

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

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.
- 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.
- 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.
- The *Town Aid Road Fund* is used to account for and report Town Aid Road grant receipts that are restricted for construction and maintenance of roads.

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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 or committed to expenditures for specific purpose other than debt service or capital projects. The non-major Special Revenue Funds of the Town are:

- The *Child Nutrition Fund* is used to account for and report the payments, government grants and related expenditures for meals provided to students at Pomfret Community School.
- The *Recreation Commission Fund* is used to account for and report the fees and donations that support the ongoing activities of the Recreation Commission.
- The *Town Celebration Fund* is used to account for and report the 300th anniversary of the Town in 2013 and other events.
- The *Miscellaneous Grants Fund* is used to account for and report monies received from miscellaneous grants, fundraisers, and donations for the general government.
- The *Pomfret Library Trusts Fund* is used to account for and report memorial monies received that must be used for the benefit of the library.
- The *Education Grants Fund* is used to account for and report financial resources that are restricted or committed 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 Fund*.

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

- The *Recreation Park Fund* is used to account for and report donations and related interest received for the purpose of developing a recreation park.

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):

- The *Cemetery Funds* are to be used for the care and maintenance of specific cemeteries.
- The *Library Funds* are to be used for the benefit of the libraries.
- The *Youth and PCS Scholarship Trust Funds* are to be used for various scholarships based on the donor's specific specifications.
- The *Woods Memorial Funds* are to be used for the benefit of the library.

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

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

Estimates

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

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

Cash and Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less.

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

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

Receivables- All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$29,807. Property taxes are assessed of October 1 and billed the following July. Real and personal property bills are payable in two installments, July 1 and January 1. Motor vehicle taxes are payable in one installment on July 1, with the Motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are filed within two years of the original due date.

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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 spending 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.

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.

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

Capital Assets - Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than the capitalization threshold 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. 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.

Intangible assets lack physical substance, are nonfinancial in nature and their useful lives extend beyond a single reporting period. They 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.

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

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports revenues which are unavailable for spending as deferred inflows of resources in the governmental funds balance sheet.

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.

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

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

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

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

TOWN OF POMFRET, CONNECTICUT

Notes to the Financial Statements

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

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

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.

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

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

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of Town Officials.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has adopted a fund balance policy to maintain a minimum General Fund unassigned Fund Balance of 10% of budgeted expenditures.

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

Fair Value of Financial Instruments

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

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

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

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

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

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

Certificates of Deposit and the investment in the industrial park are reported at amortized cost and are excluded from the fair value disclosures.

Review for Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through November 30, 2018, which represents the date that these statements were available to be issued.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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.
- **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.

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.

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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

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

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.

Fund Deficit

The Capital Nonrecurring Fund has an unassigned deficit of \$25,193 at June 30, 2018. This deficit is primarily the result of timing issues where the reimbursements were not received within 60 days.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”. The following is a summary of cash and cash equivalents at June 30, 2018.

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 9,358,838	\$ 606,747	\$ 9,965,585

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s 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. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash and Cash Equivalents	\$ 9,965,585
Less: Cash Equivalents (STIF)	(9,365,392)
Plus: Investments (CDs)	1,861,806
	\$ 2,461,999

TOWN OF POMFRET, CONNECTICUT

Notes to the Financial Statements

At year-end, the Town's carrying amount of deposits subject to custodial credit risk was \$2,461,999 and the bank balance was \$2,506,133. Of the bank balance, Federal Depository Insurance Corporation insured \$1,750,000.

As of June 30, 2018, \$756,133 of the Town's bank balance of \$2,506,133 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	151,449
Uninsured and collateral held by pledging bank's Trust department not in the Town's name		604,684
Total	\$	756,133

Cash Equivalents

At June 30, 2018, the Town's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$9,365,392. STIF is rated AAAM by Standard and Poor's and has an average maturity of under 60 days.

Investments

The following is a summary of investments at June 30, 2018:

		Governmental <u>Funds</u>
Certificates of Deposit	\$	1,861,806
Investment in Regional Technology Park (Reported at Cost)		80,000
Total Investments	\$	1,941,806

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

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

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

As of June 30, 2018, the Town had the following investments subject to interest rate risk:

		Investment Maturities (In Years)		
	<u>Total</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
Certificates of Deposit	\$ 1,861,806	\$ 263,464	\$ 1,598,342	\$ -

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

The Town has a 10% investment in the Quinebaug Regional Technology Park Development which is reported as an investment at initial cost. Currently, there is no annual net income. The other entities in the investment are the Towns of Putnam, Brooklyn, and Scotland.

NOTE 4 – RECEIVABLES

As of June 30, 2018, Town receivable balances were as follows:

	General Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total
Property Taxes	\$ 153,482	\$ -	\$ -	\$ 153,482
Intergovernmental	1,693	157,665	-	159,358
Other	1,278	6,143	-	7,421
Total Gross Receivables	<u>156,453</u>	<u>163,808</u>	<u>-</u>	<u>320,261</u>
Allowance for Collection Losses	<u>(29,807)</u>	<u>-</u>	<u>-</u>	<u>(29,807)</u>
Total Net Receivables	<u>\$ 126,646</u>	<u>\$ 163,808</u>	<u>\$ -</u>	<u>\$ 290,454</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Prepaid Taxes	\$ -	\$ 8,784
Property Taxes and Interest	105,401	-
Other Governmental Funds:		
Advances on Grants	<u>-</u>	<u>14,863</u>
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 105,401</u>	<u>\$ 23,647</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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, 2018, 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 back to the General Fund annually. Interfund transfers during the year ended June 30, 2018 were as follows:

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

	Transfers In:				<u>Total</u>
	<u>General Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
<u>Transfers Out:</u>					
General Fund	\$ -	\$ 154,400	\$ 150,000	\$ 500	\$ 304,900
Town Aid Road Fund	-	-	120,369	-	120,369
Other Governmental Funds	3,401	-	-	38	3,439
	\$ 3,401	\$ 154,400	\$ 270,369	\$ 538	\$ 428,708

NOTE 6 – CAPITAL ASSETS

The following is a summary of the change in capital assets as of June 30, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets, not being depreciated				
Land	\$ 1,713,230	\$ -	\$ -	\$ 1,713,230
Construction in Progress	732,720	140,839	(184,300)	689,259
Intangible Assets	4,303,416	-	-	4,303,416
Total capital assets, not being depreciated	6,749,366	140,839	(184,300)	6,705,905
Capital assets, being depreciated				
Buildings and Systems	11,828,669	24,118	-	11,852,787
Land Improvements	1,129,974	-	-	1,129,974
Machinery and Equipment	1,796,927	38,422	(82,942)	1,752,407
Infrastructure	4,956,150	838,436	-	5,794,586
Total capital assets, being depreciated	19,711,720	900,976	(82,942)	20,529,754
Less accumulated depreciation for:				
Buildings and Systems	5,779,782	229,980	-	6,009,762
Land Improvements	928,230	50,519	-	978,749
Machinery and Equipment	1,213,643	134,417	(82,942)	1,265,118
Infrastructure	1,949,961	247,808	-	2,197,769
Total accumulated depreciation	9,871,616	662,724	(82,942)	10,451,398
Total capital assets, being depreciated	9,840,104	238,252	-	10,078,356
<i>Capital assets, net</i>	\$ 16,589,470	\$ 379,091	\$ (184,300)	\$ 16,784,261

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

General Government	\$ 72,270
Public Works	299,066
Education	291,388
Total	\$ 662,724

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

NOTE 7 – LONG-TERM LIABILITIES

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

Governmental Activities	Restated Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
General Obligation Bonds	\$ 3,700,000	\$ -	\$ 180,000	\$ 3,520,000	\$ 230,000
Loans Payable	-	80,000	4,000	76,000	4,000
Capital Lease Obligation	61,233	-	29,929	31,304	31,304
Compensated Absences	434,546	-	21,938	412,608	24,292
OPEB Liability, Restated	4,962,958	310,298	-	5,273,256	N/A
Total	<u>\$ 9,158,737</u>	<u>\$ 390,298</u>	<u>\$ 235,867</u>	<u>\$ 9,313,168</u>	<u>\$ 289,596</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.

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. 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, 2018 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Outstanding June 30, 2018</u>
Land Acquisition and Solar Panels	2012	\$ 4,966,000	2.25 - 4.60%	2032	\$ 3,520,000

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

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 230,000	\$ 141,175	\$ 371,175
2020	230,000	133,700	363,700
2021	255,000	126,225	381,225
2022	255,000	117,938	372,938
2023	255,000	109,650	364,650
2024-2028	1,275,000	395,250	1,670,250
2029-2033	1,020,000	117,300	1,137,300
Total	<u>\$ 3,520,000</u>	<u>\$ 1,141,238</u>	<u>\$ 4,661,238</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2018 totaled \$147,025.

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

Loan Payable

The Town entered into an agreement with three other towns for the development of the Quinebaug Regional Technology Park. The Town has agreed to pay \$80,000 in exchange for a 10% interest in the technology park. The Town of Putnam has agreed to pay Pomfret's share up front and will be repaid by the Town of Pomfret over the next 20 years at an interest rate of 1.875%.

The annual debt service requirements of the Town's loan from Putnam are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 4,000	\$ 1,425	\$ 5,425
2020	4,000	1,350	5,350
2021	4,000	1,275	5,275
2022	4,000	1,200	5,200
2023	4,000	1,125	5,125
2024-2028	20,000	4,500	24,500
2029-2033	20,000	2,625	22,625
2034-2038	16,000	750	16,750
Total	<u>\$ 76,000</u>	<u>\$ 14,250</u>	<u>\$ 90,250</u>

Capital Leases

The Town has entered into a lease agreement as lessee for financing the acquisition of a backhoe tractor. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 93,976
Less accumulated depreciation	<u>(9,398)</u>
Total	<u>\$ 84,578</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

	<u>Governmental Activities</u>
Year ending June 30:	
2019	\$ 32,742
Less amount representing interest	<u>(1,438)</u>
Total	<u>\$ 31,304</u>

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 the Financial Statements

Bond Anticipation Notes

The Town uses bond anticipation notes to fund construction costs prior to issuance of bonds. The following table summarizes changes in the Town's Bond Anticipation Notes for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Anticipation Note	<u>\$ 4,500,000</u>	<u>\$ 7,193,000</u>	<u>\$ 4,500,000</u>	<u>\$ 7,193,000</u>

The outstanding bond anticipation note carries an interest rate of 1.69% and matures in December 2018. Total interest incurred and expensed on bond anticipation notes during the year was \$78,083. The bond anticipation note is being reported as a long-term obligation and not reported in the governmental funds because it will be replaced with a long-term obligation upon maturity in December 2018.

NOTE 8 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	General Fund	Capital Nonrecurring Fund	Road and Bridges Fund	Town Aid Road Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Trust Principal	\$ -	\$ -	\$ -	\$ -	\$ 161,127	\$ 161,127
Prepays	-	-	-	-	2,722	2,722
Total Nonspendable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,849</u>	<u>\$ 163,849</u>
Restricted for:						
General Government	\$ -	\$ -	\$ -	\$ -	\$ 31,775	\$ 31,775
Public Works	-	-	10,078	415,299	-	425,377
Health	-	-	-	-	54,689	54,689
Civic and Cultural	-	-	-	-	41,216	41,216
Education	-	-	-	-	499	499
Capital	-	6,656,407	-	-	6,720	6,663,127
Total Restricted	<u>\$ -</u>	<u>\$ 6,656,407</u>	<u>\$ 10,078</u>	<u>\$ 415,299</u>	<u>\$ 134,899</u>	<u>\$ 7,216,683</u>
Committed to:						
Public Works	\$ -	\$ -	\$ 186,542	\$ -	\$ -	\$ 186,542
Education	198,925	-	-	-	-	198,925
Capital	-	1,139,249	-	-	-	1,139,249
Total Committed	<u>\$ 198,925</u>	<u>\$ 1,139,249</u>	<u>\$ 186,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524,716</u>
Assigned:						
General Government	\$ 339,525	\$ -	\$ -	\$ -	\$ -	\$ 339,525
Education	2,533	-	-	-	-	2,533
Capital	210,550	-	-	-	-	210,550
Total Assigned	<u>\$ 552,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,608</u>
Unassigned:	<u>\$ 1,599,867</u>	<u>\$ (25,193)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,574,674</u>

The Board of Education Reserve, a component of the General Fund, is funded through unexpended funds of the school from the prior fiscal year's budgeted appropriation, not to exceed 1% of the BOE's adopted budget for the given fiscal year. The maximum amount that can be accumulated in the reserve is 2% of the current fiscal year BOE approved budget. The funds are to be used solely for capital nonrecurring, capital emergency, and unanticipated special education costs above the amount originally budgeted. Board of Finance approval is required to use money accumulated in the Reserve.

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

NOTE 9 – RETIREMENT BENEFITS

Defined Contribution Retirement Plan

The Town 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. For the year ended June 30, 2018, there were 12 active members in the Town plan and 28 active members in the BOE plan. Due to the nature of the benefit, which provides that contributions are made to employee owned accounts, there are no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, and the Town does not include a Pension Trust Fund in its financial statements and does not have a pension benefit obligation to employees. Contributions in this fiscal year were as follows:

	<u>Contributions</u>
General Government	\$ 55,000
Board of Education	47,140
	<u>\$ 102,140</u>

Connecticut State Teacher's Retirement System

Certified teachers in the Town are eligible to participate in the State of Connecticut's Teacher's *Plan Description*: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106. *Benefit Provisions*: The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary).

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

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% of average annual salary times years of credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability. The contributions made by the State on behalf of the District for the year ended June 30, 2018 were estimated to be \$704,209, and were recognized as revenues and expenditures in the General Fund.

Employees: Effective July 1, 1992, participants are required to contribute 7.25% of their annual salary to the System as required by the CGS Section 10-183b(7). Effective January 1, 2018, participants are required to contribute 8.25%. For the year ended June 30, 2018 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$226,406. Covered payroll for the town for the year ended June 30, 2018 was approximately \$2,882,282.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>9,394,205</u>
Total	\$	<u>9,394,205</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2018, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized benefits expense and contribution revenue of \$704,209 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,086,635 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2016. The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High-Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Cash	<u>6.00%</u>	0.40%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

TOWN OF POMFRET, CONNECTICUT

Notes to the Financial Statements

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.

Employees Covered by Benefit Terms: At June 30, 2018, the following employees were covered by the benefit terms:

Retired Members	5
Active Members	39
	<u>44</u>

Total OPEB Liability: The Town’s total OPEB liability of \$5,273,256 was measured as of June 30, 2018 and was determined using the Alternative Measurement Method (AMM).

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2018 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2018 for June 30, 2018 Reporting Date
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Salary Increases	2.00%
Discount Rate	3.50%
Mortality Rates	RP-2000 Mortality Table for Males and Females Projected 18 Years

Changes in the Total OPEB Liability:

	Total OPEB Liability
	<u>\$ 4,962,958</u>
Balance at 6/30/17 - Restated	
Changes for the year:	
Service Cost	125,734
Interest	184,564
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions or other Inputs	-
Benefit Payments	-
Net Changes	<u>310,298</u>
Balance at 6/30/18	<u>\$ 5,273,256</u>

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 6,258,039	\$ 5,273,256	\$ 4,487,199

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 4,555,294	\$ 5,273,256	\$ 6,191,760

OPEB Expense: For the year ended June 30, 2018, the Town recognized OPEB expense of \$310,298.

Connecticut Teachers' Retirement System - OPEB

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

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$13,861.

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

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	2.75%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.56%
Prior Measurement Date	3.01%

The projected fiduciary net position is projected to be depleted in 2018.

Single equivalent interest rate

Measurement Date	3.56%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.01%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022
Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%	2.79%
Price inflation		2.75%	
Expected rate of return (Rounded nearest 0.25%)		2.75%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	6.25%	7.25%	8.25%
Ultimate Healthcare Cost Trend Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 1,990,862	\$ 2,417,971	\$ 2,993,020

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

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

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB liability	\$ 2,914,042	\$ 2,417,971	\$ 2,027,916

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>2,417,971</u>
Total	<u>\$ 2,417,971</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$13,861 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$112,061 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 10 – TAX ABATEMENT

As authorized in the CT General Statutes and approved at Town Meeting, the Town entered into a property tax abatement with a local solar farm. There were no taxes abated during the current fiscal year as the agreement is to begin with the July 1, 2018 tax payment. The taxpayer will make payments according to an adapted schedule instead of regularly assessed amounts.

NOTE 11 – RISK MANAGEMENT

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

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

NOTE 12 – LITIGATION AND CONTINGENCIES

The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town's financial position.

Grants - The Town participates in several Federal and State assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2018 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

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 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.

NOTE 13 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

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

GASB Statement No. 83 - *Certain Asset Retirement Obligations* - This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84 - *Fiduciary Activities* - This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment funds, (3) private-purpose funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning December 15, 2018.

GASB Statement No. 87 – *Leases* - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use

TOWN OF POMFRET, CONNECTICUT
Notes to the Financial Statements

lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* - The primary objective of this statement is to improve the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

NOTE 14 – ADOPTION OF NEW ACCOUNTING STANDARD

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

The adoption of GASB Statement No. 75 requires the Town to report a Total OPEB liability. The Town's Net Position at June 30, 2017, has been restated for the effects of this liability, which reduces the Net Position by \$2,949,267 at July 1, 2017, in the Government-Wide Financial Statements. The Statement has also required additional footnote disclosures regarding OPEB.

NOTE 15 – PRIOR PERIOD RESTATEMENT

The beginning general fund balance was increased by \$100,353 and the beginning nonmajor governmental fund balance was decreased by \$100,353. This was to report the Education Reserve Fund as a component of the General Fund instead of as a special revenue fund. The overall beginning fund balance of the government did not change.

TOWN OF POMFRET, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
REVENUES				
Property Taxes				
Current Year	\$ 9,705,340	\$ 9,705,340	\$ 8,929,106	\$ (776,234)
Prior Year	45,000	45,000	67,006	22,006
Interest and Lien Fees	30,000	30,000	46,466	16,466
Supplemental Motor Vehicle Taxes	80,000	80,000	115,268	35,268
Miscellaneous Tax Fees	1,000	1,000	2,478	1,478
Overpayments and Refunds	12,000	12,000	28,102	16,102
Total Property Taxes	9,873,340	9,873,340	9,188,426	(684,914)
Funds and Reserves				
Surplus	166,000	166,000	-	(166,000)
Encumbrance Credits	-	-	720	720
Total Funds and Reserves	166,000	166,000	720	(165,280)
Intergovernmental				
State of Connecticut - Education				
Education Cost Sharing	1,498,056	1,498,056	2,685,205	1,187,149
Special Education	1,178,069	1,178,069	436,606	(741,463)
Total State of Connecticut - Education	2,676,125	2,676,125	3,121,811	445,686
Federal and State of Connecticut - Town				
Mashantucket Pequot	-	-	19,468	19,468
Elderly Homeowners	22,000	22,000	-	(22,000)
PILOT - State Owned Property	35,449	35,449	24,915	(10,534)
PILOT - Disability	400	400	277	(123)
Circuit Court	1,300	1,300	1,260	(40)
Library Grant	1,080	1,080	187	(893)
Municipal Purposes & Projects	-	-	27,820	27,820
Telephone Access	16,500	16,500	13,259	(3,241)
PILOT - Veterans Exemption	5,450	5,450	6,060	610
Local Capital Improvement Program	86,075	86,075	83,512	(2,563)
Total Federal and State of Connecticut - Town	168,254	168,254	176,758	8,504
Total Intergovernmental	2,844,379	2,844,379	3,298,569	454,190
Investment Income	55,000	55,000	75,666	20,666
Departmental Revenue				
School Fund	3	3	8	5
Hammond	35	35	101	66
Overlock	170	170	194	24
Averill	2,790	2,790	3,187	397
Miscellaneous Local	3,000	3,000	4,629	1,629

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Departmental Revenue (Continued)				
Contributions/Rent	25,000	25,000	13,515	(11,485)
Assessor	885	885	548	(337)
Selectmen	1,500	1,500	3,831	2,331
Pomfret Fire District	7,300	7,300	10,829	3,529
Yield Tax	100	100	-	(100)
Building Inspector	40,000	40,000	282,710	242,710
Cemeteries	14	14	34	20
Total Departmental Revenues	<u>80,797</u>	<u>80,797</u>	<u>319,586</u>	<u>238,789</u>
Town Clerk				
Conveyance	40,000	40,000	53,320	13,320
Recording	20,000	20,000	19,067	(933)
Photocopies	5,500	5,500	4,794	(706)
Vitals	4,000	4,000	5,806	1,806
Dog Fund Fees	1,300	1,300	1,309	9
Sport License	100	100	92	(8)
Miscellaneous	225	225	313	88
Map Filing	80	80	140	60
Land Declassification	5,000	5,000	2,459	(2,541)
Total Town Clerk	<u>76,205</u>	<u>76,205</u>	<u>87,300</u>	<u>11,095</u>
Commissions				
Planning Commission	3,000	3,000	3,390	390
Inland Wetlands	1,000	1,000	670	(330)
Recreation Commission	10,000	10,000	3,258	(6,742)
Zoning Board of Appeals	150	150	152	2
Total Commissions	<u>14,150</u>	<u>14,150</u>	<u>7,470</u>	<u>(6,680)</u>
Total Revenues	<u>\$ 13,109,871</u>	<u>\$ 13,109,871</u>	<u>\$ 12,977,737</u>	<u>\$ (132,134)</u>
EXPENDITURES				
General Government				
Board of Finance	17,016	17,516	17,428	88
Board of Selectmen	129,017	129,017	123,823	5,194
Treasurer	35,487	35,487	35,283	204
Tax Collector	73,660	91,660	87,784	3,876
Tax Assessor	65,556	65,556	60,733	4,823
Board of Assessment Appeals	875	875	779	96
Planning & Zoning Commission	17,822	17,822	15,021	2,801
Conservation Commission	400	400	172	228
Inland Wetlands Commission	16,822	16,822	11,226	5,596
Zoning Board of Appeals	1,455	1,455	280	1,175
Regional Grants	23,870	23,870	23,703	167

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government (Continued)				
Economic Development	2,625	2,625	2,370	255
Town Counsel	8,000	8,000	1,313	6,687
Probate Court	4,855	4,945	4,945	-
Town Clerk	83,495	83,495	74,457	9,038
Central Services	33,723	33,723	32,511	1,212
Elections & Primaries	12,200	10,700	7,065	3,635
Registrars of Voters	11,987	13,487	12,279	1,208
Town Hall	23,600	23,600	19,903	3,697
Total General Government	562,465	581,055	531,075	49,980
Public Safety				
Fire Marshal	16,990	16,990	16,024	966
Civil Preparedness	2,025	2,025	1,551	474
Canine Control	14,538	13,338	13,299	39
Total Public Safety	33,553	32,353	30,874	1,479
Public Works				
Roads & Drainage	285,734	312,734	312,733	1
Snow Removal	88,500	70,500	69,653	847
Town Garage	16,650	16,650	13,035	3,615
Fleet Maintenance	74,425	49,425	44,172	5,253
Bulky Waste/Recycling	27,200	33,218	33,218	-
Cemeteries	11,100	11,100	10,200	900
Grounds/Park Maintenance	33,040	21,731	19,011	2,720
Building Inspection	17,352	17,352	16,548	804
Total Public Works	554,001	532,710	518,570	14,140
Health and Human Services				
Health Supervision and Operation	24,664	24,664	24,664	-
Senior Services	53,030	53,030	50,342	2,688
Total Health and Human Services	77,694	77,694	75,006	2,688
Civic and Cultural				
Pomfret Public Library	118,434	118,434	110,992	7,442
Abington Social Library	23,000	23,000	23,000	-
Recreation	62,430	62,430	58,886	3,544
Community Programs	1,000	1,400	1,068	332
Pomfret Historical Society	5,660	5,660	5,660	-
Total Civic and Cultural	210,524	210,924	199,606	11,318

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
Debt and Sundry				
Employee Benefits and Insurance	400,420	400,420	391,359	9,061
Insurance	46,000	44,000	42,129	1,871
Bond and Note Principal	180,000	184,000	184,000	-
Bond and Note Interest	147,025	148,526	148,525	1
Capital and Nonrecurring	302,400	302,400	302,400	-
Total Debt and Sundry	<u>1,075,845</u>	<u>1,079,346</u>	<u>1,068,413</u>	<u>10,933</u>
Board of Education	<u>10,595,789</u>	<u>10,595,789</u>	<u>10,565,287</u>	<u>30,502</u>
Total Expenditures	<u>13,109,871</u>	<u>13,109,871</u>	<u>12,988,831</u>	<u>121,040</u>
Excess (Deficiency) of Revenues over				
Expenditures - Budgetary Basis	\$ <u>-</u>	\$ <u>-</u>	(11,094)	\$ <u>(11,094)</u>
Adjustments to Generally Accepted Accounting Principles (GAAP):				
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Teachers' Retirement			704,209	
Expenditures from Teachers' Retirement			(704,209)	
Encumbrances Recorded on a Budget Basis, but not on the Modified Accrual Basis:				
Prior Year Encumbrances			(7,653)	
Current Year Encumbrances			-	
Town Budgets for Payroll on a Cash Basis:				
Prior Year Accrued Payroll			13,246	
Current Year Accrued Payroll			(14,441)	
Other Financing Sources - Difference in Treatment of Loan Financing:				
Proceeds from Loan Financing for Industrial Park			<u>80,000</u>	
Excess (Deficiency) of Revenues and Other Financing Sources				
over Expenditures and Other Financing Uses - GAAP Basis			<u>\$ 60,058</u>	

Notes to Required Supplementary Information: 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. Encumbrances are treated as expenditures against the budget in the year committed; 3. Town payroll is budgeted on a cash basis; 4. 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.

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability
 June 30, 2018

Schedule of Proportionate Share of Net Pension Liability

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>9,394,205</u>	<u>9,910,958</u>	<u>7,990,178</u>	<u>7,375,746</u>
Total	<u>\$ 9,394,205</u>	<u>\$ 9,910,958</u>	<u>\$ 7,990,178</u>	<u>\$ 7,375,746</u>
Town's covered-employee payroll	<u>\$ 2,882,282</u>	<u>\$ 2,931,867</u>	<u>\$ 2,817,177</u>	<u>\$ 2,824,962</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Notes to Schedule

Changes in benefit terms	None
Changes in assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2016.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
 Other Post Employment Benefits (OPEB)
 Schedule of Changes in Net OPEB Liability
 For the Year Ended June 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 125,734
Interest	184,564
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	
Including Assumption Changes	-
Benefit Payments, Including Refunds of Member Contributions	-
Net Change in Total OPEB Liability	<u>310,298</u>
Total OPEB Liability - Beginning	<u>4,962,958</u>
Total OPEB Liability - Ending	<u><u>\$ 5,273,256</u></u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net OPEB Liability
 June 30, 2018

Schedule of Proportionate Share of Net OPEB Liability

	2018
Town's percentage of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	2,417,971
Total	\$ 2,417,971
Town's covered-employee payroll	\$ 2,882,282
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Combining Balance Sheet

General Fund

June 30, 2018

	General	Education	
	Fund	Reserve	
	Fund	Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 312,913	\$ 198,925	\$ 511,838
Investments	1,941,806	-	1,941,806
Receivables, Net of Allowance	<u>126,646</u>	<u>-</u>	<u>126,646</u>
Total Assets	<u>\$ 2,381,365</u>	<u>\$ 198,925</u>	<u>\$ 2,580,290</u>
Liabilities			
Accounts Payable and Accrued Items	\$ 114,705	\$ -	\$ 114,705
Unearned Revenue	<u>8,784</u>	<u>-</u>	<u>8,784</u>
Total Liabilities	<u>123,489</u>	<u>-</u>	<u>123,489</u>
Deferred Inflows of Resources			
Unavailable Revenues:			
Property Taxes and Interest	<u>105,401</u>	<u>-</u>	<u>105,401</u>
Fund Balances			
Committed	-	198,925	198,925
Assigned	552,608	-	552,608
Unassigned	<u>1,599,867</u>	<u>-</u>	<u>1,599,867</u>
Total Fund Balances	<u>2,152,475</u>	<u>198,925</u>	<u>2,351,400</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,381,365</u>	<u>\$ 198,925</u>	<u>\$ 2,580,290</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2018

	General Fund	Education Reserve Fund	Eliminations	Total
Revenues				
Property Taxes, Interest and Lien Fees	\$ 9,188,426	\$ -	\$ -	\$ 9,188,426
Intergovernmental Revenues	4,002,778	-	-	4,002,778
Licenses, Permits, and Charges for Services	407,574	-	-	407,574
Investment Income	79,047	-	-	79,047
Total Revenues	<u>13,677,825</u>	<u>-</u>	<u>-</u>	<u>13,677,825</u>
Expenditures				
Current:				
General Government	530,270	-	-	530,270
Public Safety	30,874	-	-	30,874
Public Works	518,570	-	-	518,570
Health and Human Services	75,006	-	-	75,006
Civic and Cultural	199,106	-	-	199,106
Sundry	433,488	-	-	433,488
Education	11,276,429	-	-	11,276,429
Debt Service	332,525	-	-	332,525
Total Expenditures	<u>13,396,268</u>	<u>-</u>	<u>-</u>	<u>13,396,268</u>
Excess/(Deficiency) of Revenues over Expenditures	281,557	-	-	281,557
Other Financing Sources/(Uses)				
Transfers In	3,401	98,572	(98,572)	3,401
Transfers Out	(403,472)	-	98,572	(304,900)
Loan Proceeds	80,000	-	-	80,000
Total Other Financing Sources/(Uses)	<u>(320,071)</u>	<u>98,572</u>	<u>-</u>	<u>(221,499)</u>
Net Change in Fund Balances	(38,514)	98,572	-	60,058
Fund Balances at Beginning of Year	<u>2,190,989</u>	<u>100,353</u>	<u>-</u>	<u>2,291,342</u>
Fund Balances at End of Year	<u>\$ 2,152,475</u>	<u>\$ 198,925</u>	<u>\$ -</u>	<u>\$ 2,351,400</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

SPECIAL REVENUE FUNDS

	Recreation Commission Fund	Town Celebrations Fund	Citizens Assistance Fund	Miscellaneous Grants Fund	Pomfret Library Trusts Fund	Education Grants Fund
Assets						
Cash and Cash Equivalents	\$ 28,891	\$ 2,879	\$ 54,689	\$ 2,142	\$ 12,614	\$ 14,954
Prepaid Expenditures	2,722	-	-	-	-	-
Receivables, Net	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	<u>\$ 31,613</u>	<u>\$ 2,879</u>	<u>\$ 54,689</u>	<u>\$ 2,142</u>	<u>\$ 12,614</u>	<u>\$ 14,954</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Items	\$ 289	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	14,863
Total Liabilities	<u>289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,863</u>
Fund Balances:						
Nonspendable	2,722	-	-	-	-	-
Restricted	28,602	2,879	54,689	2,142	12,614	91
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>31,324</u>	<u>2,879</u>	<u>54,689</u>	<u>2,142</u>	<u>12,614</u>	<u>91</u>
Total Liabilities and Fund Balances	<u>\$ 31,613</u>	<u>\$ 2,879</u>	<u>\$ 54,689</u>	<u>\$ 2,142</u>	<u>\$ 12,614</u>	<u>\$ 14,954</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	CAPITAL PROJECTS FUND	PERMANENT FUNDS					<u>Total</u>
	Recreation Park Fund	Cemetery Fund	Cemetery & Welfare Fund	Youth Fund	PCS Scholarship Trusts	Library E. Woods Memorial	
Assets							
Cash and Cash Equivalents	\$ 6,720	\$ 166,147	\$ 10,200	\$ 2,706	\$ 8,638	\$ 2,282	\$ 312,862
Prepaid Expenditures	-	-	-	-	-	-	2,722
Receivables, Net	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 6,720</u>	<u>\$ 166,147</u>	<u>\$ 10,200</u>	<u>\$ 2,706</u>	<u>\$ 8,638</u>	<u>\$ 2,282</u>	<u>\$ 315,584</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ -	\$ 1,684	\$ -	\$ -	\$ -	\$ -	\$ 1,973
Unearned Revenue	-	-	-	-	-	-	14,863
Total Liabilities	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,836</u>
Fund Balances:							
Nonspendable	-	138,392	10,200	2,706	8,230	1,599	163,849
Restricted	6,720	26,071	-	-	408	683	134,899
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>6,720</u>	<u>164,463</u>	<u>10,200</u>	<u>2,706</u>	<u>8,638</u>	<u>2,282</u>	<u>298,748</u>
Total Liabilities and Fund Balances	<u>\$ 6,720</u>	<u>\$ 166,147</u>	<u>\$ 10,200</u>	<u>\$ 2,706</u>	<u>\$ 8,638</u>	<u>\$ 2,282</u>	<u>\$ 315,584</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS						
	Child Nutrition Fund	Recreation Commission Fund	Town Celebrations Fund	Citizens Assistance Fund	Miscellaneous Grants Fund	Pomfret Library Trusts Fund	Education Grants Fund
Revenues							
Intergovernmental Revenues	\$ 766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,591
Licenses, Permits and Charges for Services	13,627	23,670	-	-	-	-	29,475
Investment Income	1	-	-	-	-	3,208	-
Other Revenue	-	3,500	-	5,951	401	3,533	-
Total Revenues	<u>14,394</u>	<u>27,170</u>	<u>-</u>	<u>5,951</u>	<u>401</u>	<u>6,741</u>	<u>275,066</u>
Expenditures							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Human Services	-	-	-	8,598	-	-	-
Civic and Cultural	-	20,412	-	-	-	160	-
Education	34,110	-	-	-	-	-	275,191
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>34,110</u>	<u>20,412</u>	<u>-</u>	<u>8,598</u>	<u>-</u>	<u>160</u>	<u>275,191</u>
Excess/(Deficiency) of Revenues Over Expenditures	(19,716)	6,758	-	(2,647)	401	6,581	(125)
Other Financing Sources/(Uses)							
Transfers In	-	38	500	-	-	-	-
Transfers Out	-	(3,258)	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(3,220)</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,716)	3,538	500	(2,647)	401	6,581	(125)
Fund Balances at Beginning of Year, as Restated	19,716	27,786	2,379	57,336	1,741	6,033	216
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 31,324</u>	<u>\$ 2,879</u>	<u>\$ 54,689</u>	<u>\$ 2,142</u>	<u>\$ 12,614</u>	<u>\$ 91</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	CAPITAL PROJECTS FUND	PERMANENT FUNDS					Total
	Recreation Park Fund	Cemetery Fund	Cemetery & Welfare Fund	Youth Fund	PCS Scholarship Trusts	Library E. Woods Memorial	
Revenues							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,357
Licenses, Permits and Charges for Services	-	-	-	-	-	-	66,772
Investment Income	-	2,302	143	38	123	1,300	7,115
Other Revenue	-	500	-	-	-	-	13,885
Total Revenues	-	2,802	143	38	123	1,300	334,129
Expenditures							
Current:							
General Government	-	2,584	-	-	-	617	3,201
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	8,598
Civic and Cultural	-	-	-	-	-	-	20,572
Education	-	-	-	-	243	-	309,544
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	-	2,584	-	-	243	617	341,915
Excess/(Deficiency) of Revenues Over Expenditures	-	218	143	38	(120)	683	(7,786)
Other Financing Sources/(Uses)							
Transfers In	-	-	-	-	-	-	538
Transfers Out	-	-	(143)	(38)	-	-	(3,439)
Total Other Financing Sources/(Uses)	-	-	(143)	(38)	-	-	(2,901)
Net Change in Fund Balances	-	218	-	-	(120)	683	(10,687)
Fund Balances at Beginning of Year, as Restated	6,720	164,245	10,200	2,706	8,758	1,599	309,435
Fund Balances at End of Year	<u>\$ 6,720</u>	<u>\$ 164,463</u>	<u>\$ 10,200</u>	<u>\$ 2,706</u>	<u>\$ 8,638</u>	<u>\$ 2,282</u>	<u>\$ 298,748</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Student Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 52,881	\$ 99,119	\$ 99,534	\$ 52,466
Total Assets	<u>52,881</u>	<u>99,119</u>	<u>99,534</u>	<u>52,466</u>
Liabilities:				
Fiduciary Deposits	<u>52,881</u>	<u>99,119</u>	<u>99,534</u>	<u>52,466</u>
Total Liabilities	<u>\$ 52,881</u>	<u>\$ 99,119</u>	<u>\$ 99,534</u>	<u>\$ 52,466</u>
 <u>Land Use Fees</u>				
Assets:				
Cash and Cash Equivalents	\$ 25,462	\$ 8,454	\$ 14,164	\$ 19,752
Accounts Receivable	<u>3,517</u>	<u>8,182</u>	<u>-</u>	<u>11,699</u>
Total Assets	<u>28,979</u>	<u>16,636</u>	<u>14,164</u>	<u>31,451</u>
Liabilities:				
Fiduciary Deposits	<u>28,979</u>	<u>16,636</u>	<u>14,164</u>	<u>31,451</u>
Total Liabilities	<u>\$ 28,979</u>	<u>\$ 16,636</u>	<u>\$ 14,164</u>	<u>\$ 31,451</u>
 <u>Escrow Accounts</u>				
Assets:				
Cash and Cash Equivalents	\$ 21,270	\$ 10	\$ -	\$ 21,280
Total Assets	<u>21,270</u>	<u>10</u>	<u>-</u>	<u>21,280</u>
Liabilities:				
Fiduciary Deposits	<u>21,270</u>	<u>10</u>	<u>-</u>	<u>21,280</u>
Total Liabilities	<u>\$ 21,270</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 21,280</u>
 <u>Pomfret Fire District</u>				
Assets:				
Cash and Cash Equivalents	\$ 491,255	\$ 362,925	\$ 340,931	\$ 513,249
Total Assets	<u>491,255</u>	<u>362,925</u>	<u>340,931</u>	<u>513,249</u>
Liabilities:				
Fiduciary Deposits	<u>491,255</u>	<u>362,925</u>	<u>340,931</u>	<u>513,249</u>
Total Liabilities	<u>\$ 491,255</u>	<u>\$ 362,925</u>	<u>\$ 340,931</u>	<u>\$ 513,249</u>
 <u>Total Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 590,868	\$ 470,508	\$ 454,629	\$ 606,747
Accounts Receivable	<u>3,517</u>	<u>8,182</u>	<u>-</u>	<u>11,699</u>
Total Assets	<u>594,385</u>	<u>478,690</u>	<u>454,629</u>	<u>618,446</u>
Liabilities				
Fiduciary Deposits	<u>594,385</u>	<u>478,690</u>	<u>454,629</u>	<u>618,446</u>
Total Liabilities	<u>\$ 594,385</u>	<u>\$ 478,690</u>	<u>\$ 454,629</u>	<u>\$ 618,446</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT

Schedule of Debt Limitation

June 30, 2018

Total Tax Collections, Including Interest and Lien Fees - Primary Government - Prior Fiscal Year	\$ 8,841,752
Total Tax Collections, Including Interest and Lien Fees - Coterminous Government - Prior Fiscal Year	352,512

Reimbursement for Revenue Loss on:

Tax Relief for Elderly and Disabled - Prior Fiscal Year	<u>22,772</u>
Base	<u>\$ 9,217,036</u>

	General Purposes <small>(2.25 x base)</small>	Schools <small>(4.50 x base)</small>	Sewers <small>(3.75 x base)</small>	Urban Renewal <small>(3.25 x base)</small>	Pension Deficit <small>(3.00 x base)</small>
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 20,738,331</u>	<u>\$ 41,476,662</u>	<u>\$ 34,563,885</u>	<u>\$ 29,955,367</u>	<u>\$ 27,651,108</u>
Indebtedness:					
Bonds Payable					
Town	3,100,000	420,000	7,193,000	-	-
Fire District	-	-	-	-	-
Total Indebtedness	<u>3,100,000</u>	<u>420,000</u>	<u>7,193,000</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 17,638,331</u>	<u>\$ 41,056,662</u>	<u>\$ 27,370,885</u>	<u>\$ 29,955,367</u>	<u>\$ 27,651,108</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$64,519,252.

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2018

	Outstanding July 1, 2017	Current Levy	Lawful Corrections		Collectible Taxes	Collections During the Year				Transfers to Suspense	Outstanding June 30, 2018
			Additions	Deductions		Taxes	Interest	Liens	Total		
List of 10/1:											
2016		\$ 9,162,104	\$ 11,351	\$ 32,375	\$ 9,141,080	\$ 9,043,051	\$ 29,689	\$ 269	\$ 9,073,009	\$ 945	\$ 97,084
2015	\$ 78,852	-	229	2,528	76,553	52,757	12,302	717	65,776	3,286	20,510
2014	19,584	-	8	147	19,445	5,242	1,888	379	7,509	5,216	8,987
2013	11,657	-	-	230	11,427	3,369	2,638	405	6,412	4,580	3,478
2012	6,082	-	-	-	6,082	2,529	1,926	200	4,655	3,274	279
2011	3,726	-	-	-	3,726	1,330	662	191	2,183	2,396	-
2010	250	-	-	-	250	250	286	80	616	-	-
	\$ 120,151	\$ 9,162,104	\$ 11,588	\$ 35,280	\$ 9,258,563	9,108,528	49,391	2,241	9,160,160	\$ 19,697	\$ 130,338
Net Grand List - October 1, 2016						580	795	216	1,591		
Tax Rate: 27.93 mills First Payment						\$ 9,109,108	\$ 50,186	\$ 2,457	\$ 9,161,751		
Tax Rate: 23.79 mills Second Payment											

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
Schedule of Changes in Fund Balance by Project
Capital Nonrecurring Fund
For the Year Ended June 30, 2018

	Beginning Fund Balance	Net Transfers In (Out)	Revenues and New Debt	Current Year Expenditures	Ending Fund Balance	Eliminating Deficits Per GASB 54	Reported Fund Balance
Restricted Fund Balance:							
Recreation Park							
Recreation Fields Fundraiser	\$ 29,030	\$ -	\$ 9,331	\$ 3,412	\$ 34,949	\$ -	\$ 34,949
Walking Trails	4,972	-	-	-	4,972	-	4,972
Emergency Vehicles and Equipment							
CL&P Bright Idea Grant	-	-	5,000	-	5,000	-	5,000
EMPG Grant - Homeland Security	-	-	3,000	3,000	-	-	-
Emergency Plan & Preparedness (DEMHS)	1,839	-	-	-	1,839	-	1,839
Town Buildings							
Rural Utilities/Sewer Project (USDA)	3,956,112	-	7,276,797	4,728,891	6,504,018	-	6,504,018
Energy Grant - Town Hall Renovation	150	-	-	-	150	-	150
Main Street Sidewalks - HUD Grant	-	-	148,058	148,058	-	-	-
Nutmeg Network Grant - OPM	23,185	-	-	1,500	21,685	-	21,685
Seely Brown Senior Housing - Improvement #3	(10,766)	-	22,066	22,291	(10,991)	10,991	-
Community Reinvestment Fees							
Town Clerk - Community Reinvestment Fees	9,243	-	1,152	-	10,395	-	10,395
LOCIP - Community Reinvestment Fees	24,578	-	1,589	-	26,167	-	26,167
Land Records and Historic Documents							
Restoration of Land Records/Indices	47,367	500	-	7,773	40,094	-	40,094
Town Clerk - Historic Document Fees	6,320	-	818	-	7,138	-	7,138
STEAP Grants							
Emergency Operations Center - Design Phase	-	-	16,567	16,567	-	-	-
PFD Building Expansion DECD Grant	(16)	-	162,866	162,850	-	-	-
Total Restricted Fund Balance	<u>4,092,014</u>	<u>500</u>	<u>7,647,244</u>	<u>5,094,342</u>	<u>6,645,416</u>	<u>10,991</u>	<u>6,656,407</u>
Committed Fund Balance:							
Recreation Park							
Recreation Park Road Resurfacing	28,803	15,000	-	-	43,803	-	43,803
Recreation Park - Development	23,645	5,000	175	-	28,820	-	28,820
Vehicles and Equipment							
Nonemergency Vehicles/Govt Surplus	31,205	5,000	-	-	36,205	-	36,205
Truck Replacement	-	25,000	-	-	25,000	-	25,000
Town Buildings							
Town Hall Additions/Renovations	23,327	1,800	-	-	25,127	-	25,127
Town Hall - Generator	19,392	-	-	-	19,392	-	19,392
Town Hall - Rewiring	(405)	-	-	-	(405)	405	-

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
 Schedule of Changes in Fund Balance by Project
 Capital Nonrecurring Fund
 For the Year Ended June 30, 2018

	Beginning Fund Balance	Net Transfers In (Out)	Revenues and New Debt	Current Year Expenditures	Ending Fund Balance	Eliminating Deficits Per GASB 54	Reported Fund Balance
Committed Fund Balance (Continued):							
Town Buildings (Continued)							
ADA Compliance	15,557	-	-	15,000	557	-	557
Library Drainage & Building Improvments	22,331	5,000	-	5,722	21,609	-	21,609
Library - Duct Work	1,580	-	-	-	1,580	-	1,580
Library - Rectory School Donation	9,413	-	-	-	9,413	-	9,413
PCS Parking Lot Resurfacing	420	-	-	-	420	-	420
PCS Carpet Replacement	907	9,000	-	3,416	6,491	-	6,491
PCS Duct Work and Engineering	(590)	-	-	-	(590)	590	-
PCS HVAC Work	22,000	31,000	-	3,000	50,000	-	50,000
PCS Kitchen Equipment	971	-	-	-	971	-	971
PCS Oil Tank Removal	4,711	-	-	5,200	(489)	489	-
PCS Technology	(6,044)	10,000	-	-	3,956	-	3,956
PCS Water Tank	(9,114)	-	-	-	(9,114)	9,114	-
PCS Water System Manifold	15,314	-	-	18,918	(3,604)	3,604	-
PCS Well	22,383	-	-	5,900	16,483	-	16,483
Murdock Property	11,579	2,000	-	3,400	10,179	-	10,179
Garage - Underground Tanks	13,220	11,000	-	24,220	-	-	-
Salt Shed/Booker Property	71,042	-	-	-	71,042	-	71,042
Senior Center - Building Improvements	2,712	5,000	-	5,583	2,129	-	2,129
Senior Center - Patio	1,500	-	-	-	1,500	-	1,500
Land Acquisition							
Pomfret Land Preservation Fund	71,635	100	6,200	-	77,935	-	77,935
Open Space Land Purchase/Bonds	532,352	-	-	-	532,352	-	532,352
Other							
Long Range Planning	65,000	9,500	-	-	74,500	-	74,500
Computer/Software/Web Design/Copier	27,126	8,500	-	4,875	30,751	-	30,751
Office Furniture	7,461	500	-	349	7,612	-	7,612
Office Equipment/Typewriter	4,823	-	-	-	4,823	-	4,823
Fire Marshal - FM Global Grant	548	-	-	-	548	-	548
UCOA - Server/Software/License	7,789	-	-	2,133	5,656	-	5,656
Revaluation	30,435	10,500	-	10,540	30,395	-	30,395
Total Committed Fund Balance	<u>1,073,028</u>	<u>153,900</u>	<u>6,375</u>	<u>108,256</u>	<u>1,125,047</u>	<u>14,202</u>	<u>1,139,249</u>
Unassigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,193)</u>	<u>(25,193)</u>
Total Fund Balance	<u>\$ 5,165,042</u>	<u>\$ 154,400</u>	<u>\$ 7,653,619</u>	<u>\$ 5,202,598</u>	<u>\$ 7,770,463</u>	<u>\$ -</u>	<u>\$ 7,770,463</u>

See accountant's report.

TOWN OF POMFRET, CONNECTICUT
Schedule of Changes in Fund Balance by Project
Road and Bridge Projects Fund
For the Year Ended June 30, 2018

	Beginning Fund Balance	Net Transfers In (Out)	Grant Revenues	Current Year Expenditures	Internal Fund Transfers	Ending Fund Balance	Eliminating Deficits Per GASB 54	Reported Fund Balance
Restricted Fund Balance:								
Road Projects								
Wolf Den Drive - FEMA Mitigation	\$ 10,078	\$ -	\$ -	\$ -	\$ -	\$ 10,078	\$ -	\$ 10,078
Total Restricted Fund Balance	<u>10,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,078</u>	<u>-</u>	<u>10,078</u>
Committed Fund Balance:								
Road Projects								
Babbitt Hill Road	(35,000)	35,000	-	-	-	-	-	-
Longmeadow Drive	257,202	170,369	-	431,173	3,602	-	-	-
Fox Hill Road	47,700	-	-	-	-	47,700	-	47,700
Freedley Road Overlay	62,312	20,000	-	-	-	82,312	-	82,312
Hamlet Hill Road	-	35,000	-	35,000	-	-	-	-
Holmes Road	10,000	10,000	-	-	(20,000)	-	-	-
Wolf Den Drive - FEMA Mitigation	24,271	-	-	-	-	24,271	-	24,271
Regrade Gravel Bank	15,934	-	-	-	-	15,934	-	15,934
Taft Pond Road	5,964	-	-	-	-	5,964	-	5,964
Kings Highway	10,361	-	-	-	-	10,361	-	10,361
Rich Road - Resurface	(16,398)	-	-	-	16,398	-	-	-
Total Committed Fund Balance	<u>382,346</u>	<u>270,369</u>	<u>-</u>	<u>466,173</u>	<u>-</u>	<u>186,542</u>	<u>-</u>	<u>186,542</u>
Unassigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>\$ 392,424</u>	<u>\$ 270,369</u>	<u>\$ -</u>	<u>\$ 466,173</u>	<u>\$ -</u>	<u>\$ 196,620</u>	<u>\$ -</u>	<u>\$ 196,620</u>

See accountant's report.