

**Annual Financial Report**  
**of the**  
**Town of Stonington, Connecticut**  
**For the Year Ended June 30, 2019**

**Town of Stonington, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2019**

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Principal Officials	1
<u>Financial Section</u>	
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-13
<u>Exhibits</u>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	14-15
B Statement of Activities	16
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position of Governmental Activities	17-18
D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
E Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities	20-21
F Statement of Fund Net Position - Proprietary Funds	22
G Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	23
H Statement of Cash Flows - Proprietary Funds	24
I Statement of Fiduciary Net Position - Fiduciary Funds	25
J Statement of Changes in Fiduciary Net Position - Fiduciary Funds	26
K Notes to Financial Statements	27-74

**Town of Stonington, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2019**

Table of Contents

<u>RSI</u>		<u>Page</u>
	<u>Required Supplementary Information</u>	
1A	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	75
1B	Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	76-77
1C	Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	78-87
1D	Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund Department of Education	88-89
1E	Notes to Required Supplementary Information – Budgets and Budgetary Accounting	90-91
	<u>Employees' Pension Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	92
2B	Schedule of Contributions	93
2C	Notes to Required Supplementary Information	94
	<u>Connecticut Municipal Employees' Retirement System</u>	
3A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	95
3B	Notes to Required Supplementary Information	96
	<u>Connecticut State Teachers' Retirement System</u>	
4A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	97
4B	Notes to Required Supplementary Information	98
	<u>Other Post-Employment Benefit Plan</u>	
5A	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns	99
5B	Schedule of Contributions	100
5C	Notes to Required Supplementary Information	101

**Town of Stonington, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2019**

Table of Contents

		<u>Page</u>
<u>RSI</u>		
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
6A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	102
6B	Notes to Required Supplementary Information	103
<u>Schedules</u>	<u>Supplemental Schedules</u>	
	<u>General Fund</u>	
1	Report of Tax Collector	104
	<u>Other Governmental Funds</u>	
2	Combining Balance Sheet	105-107
3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108-110
	<u>Internal Service Funds</u>	
4	Combining Statement of Fund Net Position	111
5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	112
6	Combining Statement of Cash Flows	113
<u>Tables</u>	<u>Trend Information</u>	
1	Net Position by Component	114
2	Changes in Net Position	115
3	Schedule of Debt Limitation	116

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## **Introductory Section**

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**Town of Stonington, Connecticut**

**Principal Officials**

**June 30, 2019**

**Board of Selectmen**

Danielle Chesebrough, First Selectman  
June Strunk, Selectwoman  
Deborah Downie, Selectwoman

**Board of Finance**

Timothy O'Brien, Chairman  
Glenn Frishman  
Michael Fauerbach  
Lynn Young  
Deborah Norman  
Robert Statchen  
David L. Motherway, Jr.

**Town Departments**

James Sullivan, CPA, Director of Finance  
Samuel Grimes, Treasurer  
Gary Shettle, Board of Education Director of Finance  
Marsha Standish, Assessor  
Linda Carmelio, Tax Collector  
Dr. Van W. Riley, Superintendent of Schools  
Barbara McKrell, Public Works Director  
Douglas Nettleton, Director - W.P.C.A.  
Cynthia Costa Ladwig, Town Clerk  
J. Darren Stewart, Chief of Police  
Lawrence Stannard, Building Official  
Scot Deledda, Town Engineer  
Vincent Pacileo III, Director of Administrative Services  
John Phetteplace - Solid Waste Manager  
Leanne Theodore, Director of Human Services

**Auditors**

PKF O'Connor Davies, LLP

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## **Financial Section**

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## **Independent Auditors' Report**

**Board of Finance**  
**Town of Stonington, Connecticut**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut ("Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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



**Board of Finance  
Town of Stonington, Connecticut**

Page 2

***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 Stonington, Connecticut, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons and the pension plan and other post-employment benefit plan schedules as listed in the table of contents, respectively, 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.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements

The 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 supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Board of Finance  
Town of Stonington, Connecticut**

Page 3

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
January 27, 2020



# TOWN OF STONINGTON

152 Elm Street • Stonington, Connecticut 06378

Tel: 860 535-5070

Fax: 860 535-0602

## **Management's Discussion and Analysis For the Year Ended June 30, 2019**

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As management of the Town of Stonington, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. Please read it in conjunction with the Town's financial statements immediately following this section.

### **Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$128,450,311 (net position). Of this amount, \$11,584,828 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$2,319,019. The increase is due to the, positive operation of the internal service funds of \$1,300,801, as well as the net effect from the net increase in capital asset activity of \$20,716,650 and net debt activity of \$(6,131,137) resulting from the conversion from the modified accrual basis of accounting to the accrual method of accounting as detailed on Exhibit E, offset by negative operations of the general fund of \$1,412,794, the negative operations of the Pre K-5 School Construction fund of \$11,893,136, and negative operations of the capital nonrecurring fund of \$1,064,217.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$29,068,3370 a decrease of \$13,943,226 in comparison with the prior year. The majority of the decrease is due to the negative operations of the Pre K-5 School Construction fund of \$11,893,136 offset by positive operations of the General Fund of \$1,684,525 before transfers.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,944,361, or 18.52% of total general fund budgetary expenditures and transfers.
- The Town's bonded debt and notes payable decreased by \$378,149 due to the pay down of bonded debt and notes payable of \$6,135,369 during the current fiscal year offset by the permanent financing of \$5,200,000 of bond anticipation notes for the Pre K-5 construction projects and \$557,220 of new equipment financing notes.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Stonington's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others.

### **Government-wide financial statements**

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

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All 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 reported in this statement are for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, highway department, sanitation and waste removal, human services, library, recreation and education.

### **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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary 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 Town's near-term financing requirements.

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

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, Sewer Usage Fund and PreK-5 School Construction Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining statements on Schedules 2 and 3.

### **Proprietary funds**

The Town maintains two proprietary funds, both of which are internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The Town also maintains a Self-Insurance fund to partially self-insure the Town Dock against a catastrophic event.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### **Notes to 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.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparisons and the Town's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The Town adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The combining statements referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information on pensions and other post-employment benefits.

### **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, assets exceeded liabilities by \$128,450,311 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (88.81%) reflects its investment in capital assets (e.g., land, construction in progress, land and building improvements, buildings, machinery, equipment, infrastructure and vehicles), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Government-Wide Financial Analysis**

**Statements of Net Position  
June 30**

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 44,618,243	\$ 71,384,308
Capital assets (net)	<u>187,358,714</u>	<u>166,659,185</u>
Total assets	<u>231,976,957</u>	<u>238,043,493</u>
Deferred outflows of resources	<u>6,015,573</u>	<u>3,687,882</u>
Other liabilities	16,952,816	29,639,158
Long-term liabilities	<u>90,148,564</u>	<u>83,990,454</u>
Total liabilities	<u>107,101,380</u>	<u>113,629,612</u>
Deferred inflows of resources	<u>2,440,839</u>	<u>1,970,471</u>
Net position:		
Net investment in capital assets	114,079,006	91,526,714
Restricted	2,786,477	2,226,040
Unrestricted	<u>11,584,828</u>	<u>32,378,538</u>
Total net position	<u>\$ 128,450,311</u>	<u>\$ 126,131,292</u>

A small portion of the Town's net position, 2.17%, represents resources that are subject to external restrictions on how they may be used.

The unrestricted balance is 9.02%, and may be used to meet the Town's ongoing obligations to citizens and creditors.

**Government-Wide Financial Analysis (continued)**
**Statements of Changes in Net Position  
For the Years Ended June 30**

	<b>2019</b>	<b>2018</b>
Revenues:		
Program revenues:		
Charges for services	\$ 7,640,678	\$ 6,703,800
Operating grants and contributions	8,966,367	10,719,048
Capital grants and contributions	5,744,491	10,284,845
General revenues:		
Property taxes	63,416,118	61,540,895
Grants and contributions not restricted to specific programs	337,430	322,486
Income from investments	765,680	481,983
Other	50,439	103,366
Total revenues	<u>86,921,203</u>	<u>90,156,423</u>
Expenses:		
General government	7,745,281	7,359,321
Public safety	13,762,509	7,000,085
Highway department	4,717,667	4,708,936
Sanitation and waste removal	6,094,042	5,696,852
Human services	955,606	959,903
Libraries	330,500	330,500
Recreation	426,209	311,665
Education	48,294,352	47,503,219
Interest expense	2,276,018	2,317,055
Total expenses	<u>84,602,184</u>	<u>76,187,536</u>
Increase in net position	2,319,019	13,968,887
Net position - July 1	<u>126,131,292</u>	<u>112,162,405</u>
Net position - June 30	<u><u>\$ 128,450,311</u></u>	<u><u>\$ 126,131,292</u></u>

Property taxes comprise 72.96% of revenues, followed by grants and contributions 17.31%, charges for services 8.79% and investment earnings/miscellaneous 0.94%.

Significant revenue related changes are as follows:

- Operating grants and contributions decreased by \$1,752,681 primarily due to a decrease in the figure of on-behalf amounts recorded for the State Teachers' pension and OPEB plans of \$1,942,749, offset by increases in various education grants.
- Capital grants and contributions decreased by \$4,540,345 primarily due a \$4,848,432 decrease in the amount received for the school construction grant for the PreK-5 school construction project from the prior year, netted against a \$313,525 increase in State LOCIP grant.

### **Government-Wide Financial Analysis (continued)**

With respect to expenses, 57.08% of the Town's expenses relates to education, followed by 16.27% to public safety, 9.15% to general government, 7.20% to sanitation and waste removal, 5.58% to highway department, 2.69% to interest on long-term debt, 1.13% to human services, 0.50% to recreation, and 0.39% to library.

- Public safety expenses increased by \$6,762,424 primarily due to an increase in MERS pension expense of \$6,016,493 and an increase in heart and hypertension expense of \$554,403.
- Education expenses increased by \$791,133 primarily due to increase in the operational budget of \$995,713.

### **Financial Analysis of the Town's Funds**

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

#### **Governmental funds**

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

The Town reports fund balance in 5 categories. The following are the categories and definitions:

- Nonspendable fund balance – not in spendable format such as inventories and prepaid expenses.
- Restricted fund balance - limitations imposed by external parties, grantors or by legislation.
- Committed fund balance - can only be spent for specific purposes as established by the government's highest level of decision-making authority or contractual obligations.
- Assigned fund balance - amounts that are intended for a specific purpose but do not meet the definition of restricted or committed (i.e., designated for subsequent year's budget).
- Unassigned fund balance - amounts available for any purpose.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$29,068,370, a decrease of \$13,943,226 in comparison with the prior year. \$12,944,361, or 44.53% of this total amount constitutes unassigned fund balance.



**Governmental funds (continued)**

The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending due to the following:

1. Restricted due to grant restrictions or legal requirements (\$2,786,477).
2. Committed for capital projects (\$8,336,413).
3. Assigned for subsequent year's budget, encumbrances or specific purposes (\$5,001,119).

**General Fund.** The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,944,361, while total fund balance reached \$16,533,677. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.52% of total general fund budgetary expenditures and transfers out, while total fund balance represents 23.66% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund decreased by \$1,412,794. The decrease was primarily due to the planned use of fund balance of \$2,850,000 for fiscal 18/19, however that planned decrement to fund balance was offset by property tax revenues exceeding the amount budgeted by \$457,678 and charges for services exceeding the amount budgeted by \$444,532. In addition, expenditures were underspent by a total of \$1,296,926, led by general government underspent by \$1,113,036 due to the under expending of several salary line items and associated benefits as well as not using the \$700,000 contingency line for loss of State education grants.

These items were partially offset by the Town budgeting the use of fund balance of \$2,850,000 and additional appropriations of \$926,275 which are discussed under budgetary highlights.

**Sewer Usage Fund.** The fund accounts for the Town's sewer usage operations. During the year, expenditures exceeded revenues and transfers in by \$141,770, due to an increase in repairs and maintenance of approximately \$40,000 and write off of accounts receivable of approximately \$70,000. Net position at year end was \$474,965.

**PreK-5 School Construction.** The fund accounts for financial resources to be used for two PreK - 5 school construction projects. During the year, the fund had expenditures of \$22,571,035. Funding sources include a debt issuance totaling \$5,200,000 with a related bond premium of \$189,604. This effectively decreased the fund balance of \$15,835,759 in the prior year to fund balance of \$3,942,623, a decrease of \$11,893,136.

**Proprietary Funds**

The medical self-insurance internal service fund and the Town dock self-insurance fund are the Town's only proprietary funds. Unrestricted net position for the medical self-insurance Fund at year end was \$3,710,151, an increase of \$1,231,545 from the prior year, due to claims coming in less than anticipated. Unrestricted net position for the Town Dock Self-Insurance Fund at year end was \$725,033, an increase of \$69,256 from the prior year due to there being no claims.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$926,275. The significant additional appropriations and budget transfers were as follows:

- Increase of \$180,600 of transfers out to capital nonrecurring fund Town Dock UST project, Police cameras, and Town Hall emergency generator.
- Appropriation of fund balance of \$725,00 for the emergency remediation and demolition of the property at 75 Stillman Avenue, Pawcatuck, CT.
- Other departmental appropriations of \$20,675 for bus service and boat ramp repairs.

### **Capital Assets and Debt Administration**

#### **Capital assets**

The Town's investment in capital assets amounts to \$187,358,714 (net of accumulated depreciation). This investment in capital assets is as follows:

#### **Capital Assets (Net of Depreciation)**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Land	\$ 12,709,836	\$ 12,709,836
Construction in progress	83,190,862	60,734,351
Land and building improvements	7,026,157	6,079,969
Buildings	29,840,912	31,116,496
Machinery and equipment	2,164,144	2,162,507
Infrastructure	50,846,736	51,990,329
Vehicles	<u>1,580,067</u>	<u>1,865,697</u>
Total	<b><u>\$ 187,358,714</u></b>	<b><u>\$ 166,659,185</u></b>

The capital assets (net of depreciation) increased in the current year by \$20,699,529. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$27,281,797 and deductions totaling \$2,173,104. Major capital asset additions and deductions consisted of the following:

- PreK-5 construction projects, \$22,319,408 of additional construction in progress.
- Pawcatuck middle school roof improvements additions of \$1,251,841 from construction in progress.
- Police radio system replacement of \$682,360 in construction in progress.
- Approximately \$530,000 of additions for sewer infrastructure.
- Various machinery and equipment purchases of \$650,717, including fire alarm system, playground equipment, and generators.
- Police vehicles of \$171,134 to replace disposals of \$120,690.

Additional information on the Town's capital assets can be found in Note III D.

### **Long-term debt**

At the end of the fiscal year, the Town had total long-term debt outstanding of \$75,999,765. All debt is backed by the full faith and credit of the Town.

#### **Long-Term Debt**

	<b><u>2019</u></b>	<b><u>2018</u></b>
General obligation bonds	\$ 69,305,000	\$ 67,515,000
Bond anticipation notes	5,200,000	7,000,000
Notes	<u>1,494,765</u>	<u>1,862,914</u>
Totals	<b><u>\$ 75,999,765</u></b>	<b><u>\$ 76,377,914</u></b>

During the current fiscal year, the Town's total long-term debt decreased by a net \$378,149. The decrease was due to the permanent financing of \$5,200,000 of bond anticipation notes for the Pre K-5 construction projects and \$557,220 of various equipment financing notes, offset by scheduled principle payments on outstanding long-term debt of \$6,135,369.

The Town maintains an "Aa1" credit rating from Moody's Investor Service, and a rating from Standard and Poor's of AAA.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$436,350,803, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III G.

### **Economic Factors and Next Year's Budgets and Rates**

As of June 2019, the unemployment rate for the Town was at 2.9%, which compares favorably to the state's average unemployment rate of 3.9% and a national unemployment rate of 3.7%.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town'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 Director of Finance, James P. Sullivan, CPA, Town of Stonington, 152 Elm Street, Stonington, CT 06378.

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## **Basic Financial Statements**

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**Town of Stonington, Connecticut**

**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2019**

<u>Assets</u>	
Current assets:	
Cash	\$ 18,111,440
Investments	23,154,679
Receivables:	
Property taxes	308,258
Assessments/user charges	898,780
Intergovernmental	436,982
Loans	12,049
Other	530,919
Other	19,798
Total current assets	<u>43,472,905</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	121,002
Investments	601,848
Total restricted assets	<u>722,850</u>
Receivables (net):	
Property taxes	67,238
Loans	195,602
Assessments/user charges	159,648
Total receivables (net)	<u>422,488</u>
Capital assets (net of accumulated depreciation):	
Land	12,709,836
Construction in progress	83,190,862
Land and building improvements	7,026,157
Buildings	29,840,912
Machinery and equipment	2,164,144
Infrastructure	50,846,736
Vehicles	1,580,067
Total capital assets	<u>187,358,714</u>
Total noncurrent assets	<u>188,504,052</u>
Total assets	<u>231,976,957</u>

Deferred Outflows of Resources

Deferred charges on refunding	1,094,683
Deferred outflows related to pensions	4,692,772
Deferred outflows related to OPEB	228,118
Total deferred outflows of resources	<u>6,015,573</u>

(Continued)

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

**Town of Stonington, Connecticut**

**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2019**

	<u>Liabilities</u>	
Current liabilities:		
Accounts payable		\$ 4,082,323
Retainage payable		2,310,848
Accrued payroll and related liabilities		351,924
Accrued interest payable		498,029
Unearned revenue		468,820
Performance bonds and customer deposits		722,850
Claims payable		444,000
Bond anticipation notes		1,300,000
Bonds and notes payable		6,309,347
Compensated absences		439,675
Landfill postclosure costs		25,000
		<hr/>
Total current liabilities		16,952,816
		<hr/>
Noncurrent liabilities:		
Bonds, notes, and related liabilities		73,450,287
Compensated absences		1,319,025
Landfill postclosure costs		125,000
Heart and hypertension		352,183
Net pension liability		11,350,951
Net OPEB liability		3,551,118
		<hr/>
Total noncurrent liabilities		90,148,564
		<hr/>
Total liabilities		107,101,380
		<hr/>
	<u>Deferred Inflows of Resources</u>	
Deferred inflows related to pension		827,109
Deferred inflows related to OPEB		1,613,730
		<hr/>
Total deferred inflows of resources		2,440,839
		<hr/>
	<u>Net Position</u>	
Net investment in capital assets		114,079,006
Restricted for:		
Public safety		9,679
Highway department		308,837
Sanitation and waste removal		2,154,209
Human services		15,141
Housing rehabilitation programs		222,051
Education		76,560
Unrestricted		11,584,828
		<hr/>
Total net position		\$128,450,311
		<hr/>

(Concluded)

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

## Town of Stonington, Connecticut

**Statement of Activities**  
**Governmental Activities**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 7,745,281	\$ 1,101,618	\$ 4,500	\$ 26,617	\$ (6,612,546)
Public safety	13,762,509	542,641	135,369	-	(13,084,499)
Highway	4,717,667	435,753	-	624,005	(3,657,909)
Sanitation and waste removal	6,094,042	4,744,231	-	-	(1,349,811)
Human services	955,606	-	21,634	-	(933,972)
Libraries	330,500	-	-	-	(330,500)
Recreation	426,209	276,539	18,150	-	(131,520)
Education	48,294,352	539,896	8,786,714	5,093,869	(33,873,873)
Interest	2,276,018	-	-	-	(2,276,018)
Total	<u>\$ 84,602,184</u>	<u>\$ 7,640,678</u>	<u>\$ 8,966,367</u>	<u>\$ 5,744,491</u>	<u>(62,250,648)</u>
General revenues:					
Property taxes					63,416,118
Grants and contributions not restricted to specific programs					337,430
Use of money and property					765,680
Other					<u>50,439</u>
Total general revenues					<u>64,569,667</u>
Change in net position					2,319,019
Net position - July 1, 2018					<u>126,131,292</u>
Net position - June 30, 2019					<u>\$ 128,450,311</u>

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

Town of Stonington, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Sewer Usage Fund	Pre K-5 School Construction Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 6,035,545	\$ 822,251	\$ -	\$ 7,363,051	\$ 14,220,847
Restricted cash	121,002	-	-	-	121,002
Investments	23,154,679	-	-	-	23,154,679
Restricted investments	591,689	10,159	-	-	601,848
Receivables (net):					
Property taxes	375,704	-	-	-	375,704
Loans	-	-	-	207,651	207,651
Assessments/use charges	-	1,056,771	-	1,657	1,058,428
Intergovernmental	17,012	-	-	419,970	436,982
Other	401,013	3,504	-	126,402	530,919
Due from other funds	433,172	-	8,259,201	1,322,337	10,014,710
Other	19,798	-	-	-	19,798
Total assets	<u>\$ 31,149,614</u>	<u>\$ 1,892,685</u>	<u>\$ 8,259,201</u>	<u>\$ 9,441,068</u>	<u>\$ 50,742,568</u>
<u>Liabilities</u>					
Accounts payable	\$ 2,711,118	\$ 323,255	721,310	\$ 326,640	\$ 4,082,323
Accrued payroll and related liabilities	351,924	-	-	-	351,924
Retainage payable	-	-	2,295,268	15,580	2,310,848
Due to other funds	10,464,500	13,792	-	525,009	11,003,301
Unearned revenue	-	13,743	-	455,077	468,820
Performance bonds and customer deposits	712,691	10,159	-	-	722,850
Bond anticipation notes payable	-	-	1,300,000	-	1,300,000
Total liabilities	<u>14,240,233</u>	<u>360,949</u>	<u>4,316,578</u>	<u>1,322,306</u>	<u>20,240,066</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	375,704	-	-	-	375,704
Sewer charges and assessments	-	1,056,771	-	1,657	1,058,428
Total deferred inflows of resources	<u>375,704</u>	<u>1,056,771</u>	<u>-</u>	<u>1,657</u>	<u>1,434,132</u>
<u>Fund Balances</u>					
Restricted	-	474,965	-	2,311,512	2,786,477
Committed	-	-	3,942,623	4,393,790	8,336,413
Assigned	3,589,316	-	-	1,411,803	5,001,119
Unassigned	12,944,361	-	-	-	12,944,361
Total fund balances	<u>16,533,677</u>	<u>474,965</u>	<u>3,942,623</u>	<u>8,117,105</u>	<u>29,068,370</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,149,614</u>	<u>\$ 1,892,685</u>	<u>\$ 8,259,201</u>	<u>\$ 9,441,068</u>	<u>\$ 50,742,568</u>

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

(Continued)



**Town of Stonington, Connecticut**

**Reconciliation of Fund Balances to Net Position**  
**June 30, 2019**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balances (Exhibit C, Page 1)	\$ 29,068,370
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	166,659,185
Current year additions (net of construction in progress decreases)	25,262,403
Depreciation expense	(4,545,753)
Disposal of capital assets	(17,121)

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	60,792
Allowance for doubtful accounts	(61,000)
Deferred charges on refunding	1,094,683
Deferred outflows related to pensions	4,692,772
Deferred outflows related to OPEB	228,118

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

Property tax and sewer assessments receivable-accrual basis change	1,434,132
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Internal service funds are used by management to charge the cost of medical insurance premiums and general liability and property damage premiums to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	4,435,184
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in current period and, therefore, are not reported in the funds:

Bonds and notes payable	(75,999,765)
Premium	(3,759,869)
Compensated absences	(1,758,700)
Landfill postclosure costs	(150,000)
Heart and hypertension	(352,183)
Net pension liability	(11,350,951)
Net OPEB liability	(3,551,118)
Accrued interest payable	(498,029)
Deferred inflows related to pensions	(827,109)
Deferred inflows related to OPEB	(1,613,730)

Net position (Exhibit A)	<u>\$ 128,450,311</u>
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(Concluded)

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

## Town of Stonington, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General Fund	Sewer Usage Fund	Pre K-5 School Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 63,288,219	\$ -	\$ -	\$ -	\$ 63,288,219
Intergovernmental	6,877,391	-	5,093,869	3,077,028	15,048,288
Charges for services	3,453,632	2,270,237	-	1,840,201	7,564,070
Use of money and property	465,373	-	194,426	105,881	765,680
Other	-	4,757	-	45,682	50,439
Total revenues	<u>74,084,615</u>	<u>2,274,994</u>	<u>5,288,295</u>	<u>5,068,792</u>	<u>86,716,696</u>
Expenditures:					
Current:					
General government	8,323,624	-	-	66,171	8,389,795
Public safety	5,693,514	-	-	507,530	6,201,044
Highway	2,429,451	-	-	324,422	2,753,873
Sanitation and waste removal	2,619,381	2,716,764	-	-	5,336,145
Human services	435,920	-	-	59,591	495,511
Social services	320,180	-	-	-	320,180
Recreation	121,425	-	-	304,784	426,209
Libraries	330,500	-	-	-	330,500
Payments to other civic divisions	192,950	-	-	-	192,950
Education	43,792,164	-	-	2,800,270	46,592,434
Debt service	8,140,981	-	-	925,369	9,066,350
Capital outlay	-	-	22,571,035	3,951,220	26,522,255
Total expenditures	<u>72,400,090</u>	<u>2,716,764</u>	<u>22,571,035</u>	<u>8,939,357</u>	<u>106,627,246</u>
Excess (deficiency) of revenues over expenditures	<u>1,684,525</u>	<u>(441,770)</u>	<u>(17,282,740)</u>	<u>(3,870,565)</u>	<u>(19,910,550)</u>
Other financing sources (uses):					
Issuance of debt	-	-	5,200,000	557,220	5,757,220
Premium	-	-	189,604	-	189,604
Sale of capital assets	500	-	-	20,000	20,500
Transfers in	45,000	300,000	-	2,842,819	3,187,819
Transfers out	(3,142,819)	-	-	(45,000)	(3,187,819)
Net other financing sources (uses)	<u>(3,097,319)</u>	<u>300,000</u>	<u>5,389,604</u>	<u>3,375,039</u>	<u>5,967,324</u>
Net change in fund balances	<u>(1,412,794)</u>	<u>(141,770)</u>	<u>(11,893,136)</u>	<u>(495,526)</u>	<u>(13,943,226)</u>
Fund balances - July 1, 2018	<u>17,946,471</u>	<u>616,735</u>	<u>15,835,759</u>	<u>8,612,631</u>	<u>43,011,596</u>
Fund balances - June 30, 2019	<u>\$ 16,533,677</u>	<u>\$ 474,965</u>	<u>\$ 3,942,623</u>	<u>\$ 8,117,105</u>	<u>\$ 29,068,370</u>

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

Town of Stonington, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2019**

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (13,943,226)</u>
--	------------------------

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

Capital outlay	25,262,403
Depreciation expense	<u>(4,545,753)</u>
Total	<u>20,716,650</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(17,121)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not reported in the statement of activities:

Change in property tax, sewer assessments and CDBG loans receivable - accrual basis change	186,742
Change in property tax interest and lien revenue	<u>17,765</u>
Total	<u>204,507</u>

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

Debt issued or incurred:	
Bonds, notes and bond anticipation notes (permanently financed)	(5,757,220)
Premium	(189,604)
Principal payments:	
General obligation bonds and notes	<u>6,135,369</u>
Total	<u>188,545</u>

(Continued)

**Town of Stonington, Connecticut**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2019**

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

Amortization of premium	\$ 355,122
Change in:	
Compensated absences	(2,096)
Landfill postclosure costs	25,000
Heart and hypertension	696
Pension expense	(7,176,875)
OPEB expense	146,919
Net pension asset	(1,721,274)
Accrued interest payable	384,048
Amortization of deferred charges	(84,207)
Amortization of deferred outflows related to pension	2,308,823
Amortization of deferred inflows related to pension	(627,041)
Amortization of deferred outflows related to OPEB	103,075
Amortization of deferred inflows related to OPEB	156,673
Total	<u>(6,131,137)</u>
Internal service funds are used by management to charge costs of medical insurance premiums and general liability and property damage premiums to individual departments (change in net position)	<u>1,300,801</u>
Change in net position (Exhibit B)	<u><u>\$ 2,319,019</u></u>
	(Concluded)

## Town of Stonington, Connecticut

Statement of Fund Net Position  
 Proprietary Funds  
 June 30, 2019

	<u>Internal Service Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 3,890,593
Due from other funds	<u>988,591</u>
Total current assets	<u>4,879,184</u>
<u>Liability</u>	
Current liability:	
Claims payable	<u>444,000</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 4,435,184</u></u>

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

## Town of Stonington, Connecticut

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	<u>\$ 7,692,624</u>
Operating expenses:	
Medical claims	5,309,436
Administration and insurance	<u>1,137,233</u>
Total operating expenses	<u>6,446,669</u>
Operating income (loss)	1,245,955
Nonoperating revenues:	
Income from investments	<u>54,846</u>
Change in net position	1,300,801
Net position - July 1, 2018	<u>3,134,383</u>
Net position - June 30, 2019	<u><u>\$ 4,435,184</u></u>

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

## Town of Stonington, Connecticut

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<u>Internal Service Fund</u>
Cash flows from operating activities:	
Cash received for premiums	\$ 8,300,411
Cash paid for claims and other	(5,375,436)
Cash paid for administration	<u>(1,137,233)</u>
Net cash from operating activities	1,787,742
Cash flows from investing activities:	
Income from investments	<u>54,846</u>
Net increase (decrease) in cash	1,842,588
Cash - July 1, 2018	<u>2,048,005</u>
Cash - June 30, 2019	<u><u>\$ 3,890,593</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ 1,245,955
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
(Increase) decrease in:	
Due from other funds	607,787
Increase (decrease) in:	
Claims payable	<u>(66,000)</u>
Net cash from operating activities	<u><u>\$ 1,787,742</u></u>

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

## Town of Stonington, Connecticut

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund	Custodial Funds
<u>Assets</u>			
Cash	\$ 139,491	\$ 18,904	\$ 456,092
Contributions receivable	134,258	-	-
Investments:			
Mutual funds:			
Money market	259,998	-	-
Fixed income	764,699	-	-
Bond	12,531,438	-	-
Equity	22,804,609	-	-
Certificates of deposit	573,875	107,820	-
Equities	490,249	-	-
Municipal bonds	201,273	-	-
Corporate bonds	335,318	-	-
Total investments	37,961,459	107,820	-
Total assets	38,235,208	126,724	456,092
<u>Net Position</u>			
Restricted for:			
Pensions	34,688,289	-	-
OPEB	3,546,919	-	-
Individuals and organizations	-	126,724	456,092
Total net position	\$ 38,235,208	\$ 126,724	\$ 456,092

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



## Town of Stonington, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Additions:			
Contributions:			
Employer	\$ 1,699,373	\$ -	\$ -
Employee	270,074	-	-
Private	<u>-</u>	<u>3,795</u>	<u>-</u>
Total contributions	<u>1,969,447</u>	<u>3,795</u>	<u>-</u>
Activity fees	<u>-</u>	<u>-</u>	<u>541,155</u>
Investment income (loss):			
Net change in fair value of investments	1,128,574	-	-
Interest and dividends	<u>834,759</u>	<u>-</u>	<u>-</u>
Total investment income (loss)	1,963,333	-	-
Less investment expense	<u>52,849</u>	<u>-</u>	<u>-</u>
Net investment income (loss)	<u>1,910,484</u>	<u>-</u>	<u>-</u>
Total additions	<u>3,879,931</u>	<u>3,795</u>	<u>541,155</u>
Deductions:			
Benefits	2,258,758	-	-
Administration	84,753	-	-
Activities and events	<u>-</u>	<u>3,200</u>	<u>489,138</u>
Total deductions	<u>2,343,511</u>	<u>3,200</u>	<u>489,138</u>
Change in net position	1,536,420	595	52,017
Net position - July 1, 2018	<u>36,698,788</u>	<u>126,129</u>	<u>404,075</u>
Net position - June 30, 2019	<u><u>\$ 38,235,208</u></u>	<u><u>\$ 126,724</u></u>	<u><u>\$ 456,092</u></u>

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

## Town of Stonington, Connecticut

### Notes to Financial Statements As of and for the Year Ended June 30, 2019

#### History and organization

The Town of Stonington, Connecticut ("Town") is located in the southeastern corner of Connecticut, bordering Rhode Island to the east, Long Island Sound to the south and Groton, Ledyard and North Stonington to the west and north. The Town, which covers 42.7 square miles, was settled in 1649. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 7, 1989. The Town provides the following services as authorized by its charter: public safety, public works (streets and highways), sanitation, culture and recreation, planning, zoning, public health and social services, sewers and education encompassing grades Pre-K through 12.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town does not report any component units.

#### I. Summary of significant accounting policies

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

##### B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges, transfers, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Sewer Usage Fund* accounts for the Town's sewer use operations.

The *Pre K-5 School Construction Fund* accounts for the financial revenues to be used for the renovation and expansion of West Vine Street and Deans Mill elementary schools.

Additionally, the Town reports the following fund types:

*Special Revenue Funds* are used to account for and report the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.

*The Capital Project Funds* are used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits and for general liability and property claim related to the Town dock as allowed by GASB Statement No. 10.

The *Pension Trust Funds* account for the activities of the Stonington Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB Trust Funds* account for the activities of the Town OPEB Plan and Police OPEB Plan, which accumulate resources for OPEB benefits.

The *Private-Purpose Trust Fund* accounts for the activities of the Town's scholarships, which accumulates resources for local student education.

*Custodial Funds* account for monies held on behalf of student groups.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Stonington plans, the Connecticut Municipal Employees Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity****1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits,

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

**b. 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 (as defined), 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. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension funds are regulated by an approved investment policy, which is reviewed annually by the pension committee. The Town has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension fund assets. Investments for the Town are reported at fair value.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)**

<u>Asset Class</u>	<u>Pension</u>	<u>OPEB</u>
Equities	60.00%	39.00%
Fixed income	37.00%	54.00%
Cash	-	7.00%
Commodities	3.00%	-

**c. Methods used to value investments**

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Fair value of investments**

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

*Level 1:* Quoted prices for identical investments in active markets;

*Level 2:* Quoted prices for identical investments in markets that are not active; and

*Level 3:* Unobservable inputs.

**d. Risk policies**

**Interest rate risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit risk** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

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

**Custodial credit risk** – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.

## Town of Stonington, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)**

Foreign currency risk – Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect the foreign currency risk.

**2. Receivables and payables****a. Interfunds**

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

**b. Property taxes and other receivables**

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 50% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicles taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Loan receivables consist of Community Development grant loans. The Town provides the low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

**3. Restricted assets**

The restricted assets for the Town are restricted for performance bonds and sewer customer deposits. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. Deposits are required to setup sewer user accounts.

**4. Capital assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for equipment, \$10,000 for improvements and \$50,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)**

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

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

<u>Assets</u>	<u>Years</u>
Land and building improvements	20-50
Buildings	50
Machinery and equipment	5-15
Infrastructure	20-65
Vehicles	5-10

**5. Deferred outflows/inflows of resources**

In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net 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 deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), sewer assessment and use charges. These amounts are recognized as an inflow of resources in the period that the amounts become available.

## Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)****6. Compensated absences**

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The vesting method, using historical data, was used to calculate the liability.

**7. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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, are reported as debt service expenditures.

**8. Net position and fund balances**

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

Net investment in Capital Assets

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Town which is not restricted.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted net position is applied.



**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)**

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by Town Meeting.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or by a properly approved purchase order.

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

**9. Use of estimates**

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

**10. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**II. Stewardship, compliance and accountability**

**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Donor-restricted endowments**

The Town has received certain endowments for various scholarship purposes. The amounts are reflected in net position as restricted for endowments. Investment income for scholarship funds is approved for expenditure by the individual Boards of the benefiting activities and is included in restricted net position.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

**C. Capital projects authorizations**

The following is a summary of certain capital projects:

Project Name	Project Authorization	Cumulative Expenditures	Project Balance
Waste water treatment facilities improvements	\$18,325,000	\$17,788,173	\$ 536,827
Various school renovations	69,000,000	61,847,941	7,152,059
Mystic River Boathouse Park	2,216,164	1,797,529	418,635
Totals	<u>\$89,541,164</u>	<u>\$81,433,643</u>	<u>\$8,107,521</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**III. Detailed notes**

**A. Cash and investments**

**1. Deposits – custodial credit risk**

At year end, the Town's bank balance, including certificates of deposits classified as investments, was \$38,951,952 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,391,286
Uninsured and collateral held by pledging bank's trust department not in the Town's name	<u>13,429,831</u>
Total amount subject to custodial credit risk	<u>\$ 20,821,117</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

**2. Investments**

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Over 10
Mutual funds:						
Money market	\$ 5,009,529	\$ -	\$ 5,009,529	\$ -	\$ -	\$ -
Fixed income	764,699	-	764,699	-	-	-
Bond	12,531,438	-	-	2,791,445	9,739,993	-
Equity	22,804,609	22,804,609	-	-	-	-
Certificates of deposit	19,178,340	-	18,604,465	573,875	-	-
Pooled fixed income	510,351	-	510,351	-	-	-
Equities	490,249	490,249	-	-	-	-
Municipal bonds	201,273	-	-	105,059	45,695	50,519
Corporate bonds	335,318	-	-	335,318	-	-
Total	<u>\$ 61,825,806</u>	<u>\$ 23,294,858</u>	<u>\$ 24,889,044</u>	<u>\$ 3,805,697</u>	<u>\$ 9,785,688</u>	<u>\$ 50,519</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Cash and investments (continued)**

b. The Town had the following recurring fair value measurements:

	Amount	Quoted Market Prices in Active Markets Level 1	Significant Observable Inputs Level 2
<u>Investments by Fair Value Level</u>			
Mutual funds:			
Money market	\$ 5,009,529	\$ 5,009,529	\$ -
Fixed income	764,699	764,699	-
Bond	12,531,438	12,531,438	-
Equity	22,804,609	22,804,609	-
Equities	490,249	490,249	-
Municipal bonds	201,273	-	201,273
Corporate bonds	335,318	-	335,318
Total investments by fair value level	<u>42,137,115</u>	<u>\$ 41,600,524</u>	<u>\$ 536,591</u>
<u>Other Investments</u>			
Certificates of deposit	19,178,340		
Pooled fixed income	<u>510,351</u>		
Total other investments	<u>19,688,691</u>		
Total investments	<u>\$ 61,825,806</u>		

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs using quoted prices for identical securities in markets that are not active

The market approach was used to determine the value of bonds.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings					Totals
	AAA	AA	A	BBB	BB	
Mutual funds:						
Money market	\$5,009,529	\$ -	\$ -	\$ -	\$ -	\$ 5,009,529
Fixed income	764,699	-	-	-	-	764,699
Bonds	-	988,624	-	9,739,993	1,802,821	12,531,438
Pooled fixed income	510,351	-	-	-	-	510,351
Municipal bonds	-	149,604	51,669	-	-	201,273
Corporate bonds	-	335,318	-	-	-	335,318
Total	<u>\$6,284,579</u>	<u>\$1,473,546</u>	<u>\$ 51,669</u>	<u>\$ 9,739,993</u>	<u>\$ 1,802,821</u>	<u>\$19,352,608</u>

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Cash and investments (continued)**

- d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Equities	\$ 490,249	\$ 164,682	\$ 325,567
Municipal bonds	201,273	-	201,273
Corporate bonds	335,318	335,318	-
Total	<u>\$ 1,026,840</u>	<u>\$ 500,000</u>	<u>\$ 526,840</u>

**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property taxes				
	Taxes	Interest and lien fees	Total	CDBG loans	Police outside services
Current portion	<u>\$ 283,362</u>	<u>\$ 24,896</u>	<u>\$ 308,258</u>	<u>\$ -</u>	<u>\$ 139,074</u>
Long-term portion	\$ 92,342	\$ 35,896	\$ 128,238	\$ 212,151	\$ -
Less allowance for uncollectibles	<u>(50,000)</u>	<u>(11,000)</u>	<u>(61,000)</u>	<u>(4,500)</u>	<u>(15,000)</u>
Net long-term portion	<u>\$ 42,342</u>	<u>\$ 24,896</u>	<u>\$ 67,238</u>	<u>\$ 207,651</u>	<u>\$ 124,074</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Receivables (continued)**

	Sewer use			Sewer assessment	Total
	Use	Interest and lien fees	Total		
Current portion	\$ 894,453	\$ 2,670	\$ 897,123	\$ 1,657	\$ 898,780
Long-term portion	\$ 177,978	\$ 2,670	\$ 180,648	\$ -	\$ 180,648
Less allowance for uncollectibles	(21,000)	-	(21,000)	-	(21,000)
Net long-term portion	\$ 156,978	\$ 2,670	\$ 159,648	\$ -	\$ 159,648

**C. Interfund accounts****1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due to
General fund:			
Sewer usage fund	N/A	\$ 13,792	\$ -
Pre K-5 school construction fund	N/A	-	8,259,201
Shellfish fund	N/A	3,217	-
Town aid road fund	N/A	-	309,750
Dog license fund	N/A	-	10,307
Youth service activity fund	N/A	26,223	-
Planning and development grant fund	N/A	-	497,372
Recreation commission fund	N/A	83,092	-
Sewer development and maintenance fund	N/A	126	-
Human service grants fund	N/A	-	44,213
Prepaid education grants fund	N/A	35,809	-
Miscellaneous fund	N/A	-	127,584
Stonington Harbor management fund	N/A	-	47,440
Mystic Harbor management fund	N/A	-	39,336
Capital nonrecurring fund	N/A	270,913	-
Bonded capital projects fund	N/A	-	140,706
Town medical fund	N/A	-	928,591
Town dock fund	N/A	-	60,000
Total general fund		433,172	10,464,500
Sewer usage fund	General fund	-	13,792
Pre K-5 school construction fund	General fund	8,259,201	-

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Interfund accounts (continued)**

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due to</u>
Other governmental funds:			
Special revenue funds:			
Shellfish fund	General fund	\$ -	\$ 3,217
Town aid road fund	General fund	309,750	-
Dog license fund	General fund	10,307	-
Youth service activity fund	General fund	-	26,223
Youth service activity fund	Recreation commission fund	-	105,272
Youth service activity fund	Human services grant fund	217	-
Planning and development grant fund	Bonded capital projects fund	140	-
Planning and development grant fund	General fund	497,372	-
Recreation commission fund	General fund	-	83,092
Recreation commission fund	Youth service activity fund	105,272	-
Sewer development and maintenance fund	General fund	-	126
Human services grant fund	General fund	44,213	-
Human services grant fund	Youth service activity fund	-	217
Prepaid education grants fund	General fund	-	35,809
Miscellaneous fund	General fund	127,584	-
Stonington Harbor management fund	General fund	47,440	-
Mystic Harbor management fund	General fund	39,336	-
Total special revenue funds		<u>1,181,631</u>	<u>253,956</u>
Capital projects funds:			
Capital nonrecurring fund	General fund	-	270,913
Bonded capital projects fund	Planning and development grant fund	-	140
Bonded capital projects fund	General fund	140,706	-
Total capital projects funds		<u>140,706</u>	<u>271,053</u>
Total other governmental funds		<u>1,322,337</u>	<u>525,009</u>
Internal service fund:			
Town medical fund	General fund	928,591	-
Town dock fund	General fund	60,000	-
Total internal service fund		<u>988,591</u>	<u>-</u>
Grand total		<u><u>\$ 11,003,301</u></u>	<u><u>\$11,003,301</u></u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Interfund accounts (continued)****2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	<u>Corresponding Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund:			
Sewer usage fund	N/A	\$ -	\$ 300,000
Sewer assessment fund	N/A	45,000	-
Miscellaneous fund	N/A	-	152,155
Capital nonrecurring fund	N/A	-	2,690,664
Total general fund		<u>45,000</u>	<u>3,142,819</u>
Sewer usage fund:			
General fund	N/A	<u>300,000</u>	<u>-</u>
Other governmental funds:			
Sewer assessment fund	General fund	-	45,000
Miscellaneous fund	General fund	152,155	-
Capital nonrecurring	General fund	<u>2,690,664</u>	<u>-</u>
Total other governmental funds		<u>2,842,819</u>	<u>45,000</u>
Grand total		<u><u>\$ 3,187,819</u></u>	<u><u>\$ 3,187,819</u></u>

Transfers are used to account for the financing by the general fund of various program and activities in other funds as well as sewer assessment contributions to the general fund.



**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 12,709,836	\$ -	\$ -	\$ 12,709,836
Construction in progress	60,734,351	24,475,905	2,019,394	83,190,862
Total capital assets, not being depreciated	73,444,187	24,475,905	2,019,394	95,900,698
Capital assets, being depreciated:				
Land and building improvements	11,104,962	1,251,842	-	12,356,804
Buildings	66,497,368	-	-	66,497,368
Machinery and equipment	8,568,406	650,717	8,960	9,210,163
Infrastructure	89,981,274	694,950	-	90,676,224
Vehicles	4,582,223	208,383	144,750	4,645,856
Total capital assets, being depreciated	180,734,233	2,805,892	153,710	183,386,415
Total capital assets	254,178,420	27,281,797	2,173,104	279,287,113
Less accumulated depreciation for:				
Land and building improvements	5,024,993	305,654	-	5,330,647
Buildings	35,380,872	1,275,584	-	36,656,456
Machinery and equipment	6,405,899	649,080	8,960	7,046,019
Infrastructure	37,990,945	1,838,543	-	39,829,488
Vehicles	2,716,526	476,892	127,629	3,065,789
Total accumulated depreciation	87,519,235	4,545,753	136,589	91,928,399
Total capital assets, being depreciated, net	93,214,998	(1,739,861)	17,121	91,458,016
Capital assets, net	<u>\$166,659,185</u>	<u>\$ 22,736,044</u>	<u>\$2,036,515</u>	<u>\$187,358,714</u>

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

General government	\$ 1,668,727
Highway	357,695
Public safety	264,356
Education	1,713,753
Human services	7,827
Sanitation and waste removal	533,395
Total	<u>\$4,545,753</u>

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Construction commitments**

The Town had the following construction commitments:

Pre K-5 construction project                      \$ 1,146,738

**F. Short-term obligations – Bond anticipation notes**

The Town uses bond anticipation notes (“BANs”) during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the fiscal year was as follows:

Purpose	Balance July 1, 2018	Additions	Deductions	Permanently Financed	Balance June 30, 2019
Pre K-5 construction project	<u>\$ 13,000,000</u>	<u>\$ 6,500,000</u>	<u>\$ 13,000,000</u>	<u>\$ 5,200,000</u>	<u>\$ 1,300,000</u>

The bond anticipation notes mature in October 2019, and carry a coupon interest rate of 3.0%. In October 2019, the Town issued \$5,200,000 of general obligation bonds. The bonds permanently financed a portion of the bond anticipation notes outstanding at fiscal year end. These bonds mature through 2039 and carry interest rates of 2.00% - 5.00%.

In December 2019, the Town issued \$6,525,000 of general obligation refunding bonds that mature in April 2032, and carry a coupon interest rates of 3.00% - 5.00%. These refund the debt issuances from 2012.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations****1. Summary of changes**

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion	Long-term Portion
<u>Bonds:</u>										
General purpose:										
Refunding bond	\$ 4,525,000	02/15/09	05/15/20	2.0%-5.0%	\$ 765,800	\$ -	\$ 306,663	\$ 459,137	\$ 459,137	\$ -
Refunding bond	1,192,000	02/23/12	09/01/24	2.25%-4.0%	752,000	-	110,424	641,576	111,650	529,926
Improvement bond	4,285,000	08/14/13	08/15/33	2.5%-4.25%	3,425,000	-	215,000	3,210,000	215,000	2,995,000
Road Improvement bond	1,915,000	08/22/14	08/15/34	2.0%-4.0%	1,624,000	-	96,446	1,527,554	95,450	1,432,104
Mystic River Park	2,216,164	11/01/16	11/01/36	2.0%-5.0%	2,105,000	-	115,000	1,990,000	115,000	1,875,000
Total general purpose					8,671,800	-	843,533	7,828,267	996,237	6,832,030
School:										
Refunding bond	3,000,000	02/15/09	05/15/20	2.0%-5.0%	249,200	-	203,337	45,863	45,863	-
Refunding bond	16,128,000	02/23/12	09/01/26	2.0%-4.0%	10,573,000	-	1,494,576	9,078,424	1,483,350	7,595,074
Pre K-5 School Project	15,003,836	11/01/16	11/01/36	2.0%-5.0%	14,250,000	-	750,000	13,500,000	750,000	12,750,000
Pre K-5 School Project	20,000,000	11/01/17	11/01/38	2.5%-5.0%	20,000,000	-	1,000,000	19,000,000	1,000,000	18,000,000
Pre K-5 School Project	7,000,000	10/18/18	10/15/38	3.5%-5.0%	7,000,000	-	-	7,000,000	350,000	6,650,000
Total school					52,072,200	-	3,447,913	48,624,287	3,629,213	44,995,074
Sewer:										
Improvement bond	12,000,000	04/05/12	04/01/32	4.125%-5.5%	8,400,000	-	600,000	7,800,000	600,000	7,200,000
Improvement bond	6,325,000	08/22/14	08/15/34	2.0%-4.0%	5,371,000	-	318,554	5,052,446	319,550	4,732,896
Total sewer					13,771,000	-	918,554	12,852,446	919,550	11,932,896
Total bonds					74,515,000	-	5,210,000	69,305,000	5,545,000	63,760,000
Bond anticipation notes (permanently financed)					-	5,200,000	-	5,200,000	-	5,200,000
<u>Notes:</u>										
Energy notes	54,064	06/16/17	06/16/21	0.00%	40,547	-	13,517	27,030	13,515	13,515
Lighting project note	32,467	11/15/18	11/15/22	3.50%	-	32,467	3,382	29,085	8,117	20,968
Equipment financing notes:										
Computer equipment	144,148	08/31/16	08/31/18	3.65%	48,032	-	48,032	-	-	-
Phone equipment	111,213	09/04/16	09/04/18	3.25%	38,167	-	38,167	-	-	-
Computer equipment	1,126,178	04/27/16	04/27/20	3.25%	581,675	-	286,036	295,639	295,639	-
Town vehicles	937,720	06/07/16	06/07/21	1.25%-2.50%	483,572	-	214,346	269,226	133,467	135,759
Computer equipment	160,550	10/30/17	10/30/21	3.65%	117,259	-	37,093	80,166	39,054	41,112
Town vehicles	727,497	12/06/17	12/06/21	1.40%	553,662	-	158,102	395,560	163,241	232,319
Tractor	42,632	11/02/18	11/02/22	4.50%	-	42,632	9,297	33,335	7,789	25,546
Town vehicles	104,436	01/10/19	01/10/21	3.99%	-	104,436	36,183	68,253	33,459	34,794
Dump truck	53,696	01/14/19	01/14/22	4.50%	-	53,696	11,696	42,000	9,823	32,177
IT servers computer equipment	323,989	06/21/19	06/30/22	3.93%	-	323,989	69,518	254,471	60,243	194,228
Total notes					1,862,914	557,220	925,369	1,494,765	764,347	730,418
Total bond and notes					76,377,914	5,757,220	6,135,369	75,999,765	6,309,347	69,690,418
Premiums					3,925,387	189,604	355,122	3,759,869	-	3,759,869
Total bonds, notes and related liabilities					80,303,301	5,946,824	6,490,491	79,759,634	6,309,347	73,450,287
Compensated absences					1,756,604	66,089	63,993	1,758,700	439,675	1,319,025
Landfill postclosure costs					175,000	-	25,000	150,000	25,000	125,000
Heart and hypertension					352,879	-	696	352,183	-	352,183
Net pension liability					4,174,076	12,878,688	5,701,813	11,350,951	-	11,350,951
Net OPEB liability					3,698,037	573,902	720,821	3,551,118	-	3,551,118
Total long-term obligations					\$ 90,459,897	\$ 19,465,503	\$ 13,002,814	\$ 96,922,586	\$ 6,774,022	\$ 90,148,564

All long-term liabilities are generally liquidated by the general fund.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations (continued)**

The annual requirements to amortize bonds and loans payable are as follows:

Fiscal Year End June 30	Bonds			Notes		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 5,545,000	\$ 2,496,407	\$ 8,041,407	\$ 764,347	\$ 44,770	\$ 809,117
2021	5,040,000	2,132,280	7,172,280	428,999	20,828	449,827
2022	4,930,000	1,927,531	6,857,531	209,519	9,224	218,743
2023	4,930,000	1,729,131	6,659,131	91,900	3,347	95,247
2024	4,920,000	1,543,119	6,463,119	-	-	-
2025	4,668,926	1,369,298	6,038,224	-	-	-
2026	4,090,000	1,218,932	5,308,932	-	-	-
2027	3,611,074	1,092,813	4,703,887	-	-	-
2028	3,435,000	974,794	4,409,794	-	-	-
2029	3,435,000	858,363	4,293,363	-	-	-
2030	3,435,000	739,726	4,174,726	-	-	-
2031	3,435,000	627,932	4,062,932	-	-	-
2032	3,430,000	522,913	3,952,913	-	-	-
2033	2,830,000	414,502	3,244,502	-	-	-
2034	2,830,000	323,982	3,153,982	-	-	-
2035	2,620,000	237,232	2,857,232	-	-	-
2036	2,210,000	161,388	2,371,388	-	-	-
2037	2,210,000	92,463	2,302,463	-	-	-
2038	1,350,000	36,000	1,386,000	-	-	-
2039	350,000	7,000	357,000	-	-	-
Totals	<u>\$ 69,305,000</u>	<u>\$ 18,505,806</u>	<u>\$ 87,810,806</u>	<u>\$ 1,494,765</u>	<u>\$ 78,169</u>	<u>\$ 1,572,934</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations (continued)**

**2. Statutory debt limitations**

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limitation</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 140,255,615	\$ 9,758,983	\$ 130,496,632
Schools	280,511,231	55,124,287	225,386,944
Sewers	233,759,359	12,852,446	220,906,913
Urban renewal	202,591,444	-	202,591,444
Pension deficit	187,007,487	-	187,007,487

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, \$436,350,803.

**3. Authorized/unissued bonds**

The amount of authorized unissued bonds for improvements to the Town's school building renovations is \$21,796,164.

**4. Landfill closure and postclosure care costs**

The Town closed its landfill in 1995. State and Federal laws and regulations require landfill closures to meet certain standards. Monitoring costs and estimated repairs and maintenance for the next 6 years at \$25,000 per year are \$150,000. These amounts are based on estimates which are subject to change due to inflation technology or applicable laws and regulations.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**H. Fund balances and restricted net position**

Fund balances are composed of the following:

Fund Balance Component	General Fund	Sewer Usage Fund	Pre K-5 School Construction	Other Governmental Funds	Total
Restricted:					
Public safety	\$ -	\$ -	\$ -	\$ 9,679	\$ 9,679
Highway department	-	-	-	308,837	308,837
Sanitation and waste removal	-	474,965	-	1,679,244	2,154,209
Human services	-	-	-	15,141	15,141
Housing rehabilitation programs	-	-	-	222,051	222,051
Education	-	-	-	76,560	76,560
Total restricted	-	474,965	-	2,311,512	2,786,477
Committed:					
General government	-	-	-	230,864	230,864
Approved CNR projects	-	-	3,942,623	4,162,926	8,105,549
Total committed	-	-	3,942,623	4,393,790	8,336,413
Assigned:					
Subsequent years' budget	3,065,497	-	-	-	3,065,497
General government	295,589	-	-	1,021,260	1,316,849
Public safety	-	-	-	1,219	1,219
Sanitation and waste removal	-	-	-	31,366	31,366
Recreation	-	-	-	140,668	140,668
Education	228,230	-	-	217,290	445,520
Total assigned	3,589,316	-	-	1,411,803	5,001,119
Unassigned	12,944,361	-	-	-	12,944,361
Total	<u>\$ 16,533,677</u>	<u>\$ 474,965</u>	<u>\$ 3,942,623</u>	<u>\$ 8,117,105</u>	<u>\$ 29,068,370</u>

General Fund encumbrances totaled \$288,230.

The amount of restricted net position which was restricted by enabling legislation totaled \$2,230,769.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**IV. Other information**

**A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town established as an internal service fund account for and finance the retained risk of loss for Town employees. A third party administers the plan for which the fund pays a fee. The self-insurance fund provides coverage for all eligible Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$100,000 for hospital and major medical.

Only the Town participates in this health insurance program and payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statements No. 10 and 30 which require that a liability for estimated claims incurred but not reported be recorded.

The Town has also established an internal service fund to account for the general liability and property damage claims for the Town Dock.

The internal service fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards the process used to compute claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims including the effects of specific incremental claim adjustment expenditures, salvage and subrogation; allocated claim adjustment expenditures are not included.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<u>Medical Insurance</u>				
2017-2018	\$ 585,000	\$ 5,838,606	\$ 5,913,606	\$ 510,000
2018-2019	510,000	5,309,436	5,375,436	444,000

The Town is currently a member in Connecticut Interlocal Risk Management Agency ("CIRMA") an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47-a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Risk management (continued)**

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town purchases commercial insurance for all other risks of loss including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there have not been any significant reductions in insurance coverage from amounts held in prior years.

**B. Commitments and litigation**

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

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

**V. Pensions and other post-employment benefit plans**

**A. Town pension plans**

**1. Plan description**

**a. Plan administration**

The Town contributes to two single employer Public Employee Retirement Systems ("PERS"), The Town of Stonington Noncontributory Pension Program and the Town of Stonington Contributory Pension Program. The plans are administered by a Selectmen appointed five-member retirement board. The responsibility for the holding and investment of plan assets lies with the trustee appointed by the Selectmen. The PERS is considered part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. All full time employees including the First Selectman, Town Clerk and Tax Collector, but excluding police officers, teachers and other elected officials are eligible to participate. These plans do not issue separate stand-alone financial reports.

**b. Plan membership**

At July 1, 2018, PERS membership is comprised of the following:

Active members	136
Terminated employees entitled to benefits	49
Retirees, disabled employees, and beneficiaries receiving benefits	150
	<hr/>
Total	335
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**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Town pension plans (continued)****2. Benefit provisions**

	Noncontributory	Contributory
Normal retirement	Normal retirement is the earlier of the member having reached his 62 <sup>nd</sup> birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits.	Normal retirement is the earlier of the member having reached his 62 <sup>nd</sup> birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits.
Benefit calculation	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.50% of such member's final average earnings multiplied by such member's years of credited service. Final average earnings are determined by the member's 60 highest consecutive calendar months before retirement or termination if earlier.	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.75% of such member's final average earnings multiplied by such member's years of credited service.
Vesting Service	50% vested after 10 years of service, fully vested after 15 years of service.	50% vested after 5 years of service, fully vested after 10 years of service.

**3. Contributions**

	Noncontributory	Contributory
Contributions	Participants are not required to contribute.	Participants are required to contribute 3% of their annual salary.

**4. Investments****a. Investment policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Town of Stonington Pension Board by a majority vote of its members. It is the policy of the Town of Stonington Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Board periodically reviews the asset allocation and strategic objectives in light of market conditions, benefit payments expenses and expected contributions from the Town.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Town pension plans (continued)**

The Pension Board adopted an asset allocation policy which is a blend of higher risk, lower risk and liquid assets. These blends translate into the following allocation:

Asset Class	Target Allocation	Long-Term Expected Real Rate of
Core plus fixed income	30.50%	1.65%
Global fixed income	6.50%	1.85%
Large cap	27.50%	5.55%
Small cap	7.50%	6.00%
Developed international equities	19.00%	5.55%
Emerging international equities	6.00%	6.50%
Commodities	3.00%	2.40%
Total	<u>100.00%</u>	
Long-term inflation expectation		2.60%
Long-term expected nominal return		6.71%

**b. Concentrations**

There were no investments in any one organization that represented 5% or more of the pension plan's net position.

**c. Rate of return**

Best estimates of geometric nominal rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized in the preceding table.

**d. Annual money-weighted rate of return**

The annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 5.20%. The money-weighted rate of return expresses investment performance net of investment expense adjusted for the changing amounts actually invested.

**5. Net pension liability**

The Town's net pension liability is \$4,683,029. The components of the net pension liability were as follows:

Total pension liability	\$ 39,371,318
Plan fiduciary net position	<u>34,688,289</u>
Net pension liability	<u>\$ 4,683,029</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.11%</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Town pension plans (continued)**

**6. Actuarial methods and significant assumptions**

The total pension liability was determined based upon a July 1, 2018, actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.625%
Inflation	2.60%
Salary increases	Graded from 6.25% to 2.75%
Cost of living adjustments	None
Mortality rates	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

**7. Changes from prior year**

**a. Changes in assumptions**

- The expected rate of return reduced from 6.75% to 6.625%.
- The inflation rate was reduced from 2.75% to 2.60%.
- Mortality was updated to RP-2014 (adjusted back to 2006) Total Dataset Mortality Tables, projected to valuation date with Scale MP-2018 from RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB.

**b. Changes in benefit terms**

There were no changes in benefit terms.

**8. Discount rate**

The discount rate used to measure the total pension liability was 6.625%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on the plan's current net pension liability and current contribution policy the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Town pension plans (continued)****9. Changes in net position liability**

The Town's net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2018	\$ 37,775,353	\$ 33,601,277	\$4,174,076
Service cost	657,076	-	657,076
Interest	2,534,914	-	2,534,914
Differences between expected and actual experience	(326,759)	-	(326,759)
Changes in assumptions	516,186	-	516,186
Contributions - employer	-	974,686	(974,686)
Contributions - member	-	207,951	(207,951)
Net investment income	-	1,736,708	(1,736,708)
Benefit payments, including refunds of member contributions	(1,785,452)	(1,785,452)	-
Administrative expenses	-	(46,881)	46,881
Net change	1,595,965	1,087,012	508,953
Balance at June 30, 2019	\$39,371,318	\$ 34,688,289	\$4,683,029

**10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability calculated using the discount rate as well as what the Town's net pension 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 (5.625%)	Current Discount Rate (6.625%)	1% Increase (7.625%)
Net pension liability	\$ 9,070,664	\$ 4,683,029	\$ 953,458

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Town pension plans (continued)****11. Pension expense and deferred outflows and inflows of resources**

The Town recognized pension expense of \$1,697,953.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,698	\$ (323,674)
Changes in assumptions	490,790	-
Net difference between projected and actual earnings on pension plan investments	288,124	-
Total	<u>\$ 796,612</u>	<u>\$ (323,674)</u>
Net amount of deferred inflows and outflows		<u>\$ 472,938</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees, which was 2.9 years.

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2020	\$ 409,679
2021	(120,781)
2022	82,078
2023	<u>101,962</u>
Total	<u>\$ 472,938</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Connecticut Municipal Employees' Retirement System**

**1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

**2. Benefit provisions**

The plan provides retirement, disability and death benefits.

General Employees

Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service.

Policemen and Firemen

Compulsory retirement age for police and fire members is age 65.

Normal Retirement: For members not covered by social security, the benefit is 2% of average final compensation, times years of service.

For members covered by social security, the benefit is 1 ½% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.

If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

## Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Connecticut Municipal Employees' Retirement System (continued)**

Early Retirement: Employees are eligible after 5 years of continuous service or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement: Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for nonservice-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest if vested and married, the surviving spouse will receive a lifetime benefit.

**3. Contributions**Employer

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 5% of compensation.

For employees covered by social security, each person is required to contribute 2¼% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The Town reported \$6,667,922 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town's proportionate share of the net pension liability was based upon the Town's 2018 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 2.447326% for the Police sub plan.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Connecticut Municipal Employees' Retirement System (continued)**

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of net pension liability.

For the fiscal year, the Town recognized pension expense of \$7,281,084. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 359,829	\$ -
Change in assumptions	2,330,175	-
Change in proportional share	60,844	(197,409)
Differences between expected and actual experience	492,533	(306,026)
Town contributions subsequent to measurement date	<u>652,779</u>	<u>-</u>
Total	<u>\$ 3,896,160</u>	<u>\$ (503,435)</u>
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		<u>\$ 2,739,946</u>

The \$652,779 amount reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2020	\$ 1,012,427
2021	836,017
2022	385,322
2023	<u>506,180</u>
Total	<u>\$ 2,739,946</u>



**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Connecticut Municipal Employees' Retirement System (continued)**

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%, the maximum is 6%.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core plus fixed income	30.0%	1.75%
Global fixed income	7.0%	2.00%
Large cap	29.0%	5.60%
Small cap	6.0%	5.90%
Developed international equities	20.0%	5.80%
Emerging international equities	5.0%	6.85%
Commodities	3.0%	2.25%
Total	<u>100.0%</u>	

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Connecticut Municipal Employees' Retirement System (continued)**

**6. Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**7. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Town's proportional share of the net pension (asset) liability of MERS, calculated using the discount rate, as well as what the net pension 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 (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Town's proportional share of the net pension liability	<u>\$ 9,819,992</u>	<u>\$ 6,667,922</u>	<u>\$ 3,711,785</u>

**8. Plan Fiduciary Net Position**

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

**C. Connecticut State Teachers' Retirement System**

**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("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](http://www.ct.gov).

**2. Benefit provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

## Town of Stonington, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****C. Connecticut State Teachers' Retirement System (continued)**

**Normal Retirement:** Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest 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. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

**Disability Retirement:** Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.

**Pre-Retirement Death Benefit:** The Plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**3. Contributions****State of Connecticut**

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 State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, 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.

**Employer (School Districts)**

School district employers are not required to make contributions to the plan.

**Employees**

Effective January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Connecticut State Teachers' Retirement System (continued)****4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

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 amounts 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>52,440,472</u>
Total	<u><u>\$ 52,440,472</u></u>

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

During the year the Town recognized pension expense and revenue of \$5,068,255 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-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 teachers who retired prior to September 1, 1992, pension benefit adjustments 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%.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Connecticut State Teachers' Retirement System (continued)**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bond	5.00%	3.70%
Inflation linked bond fund	3.00%	1.00%
Cash	6.00%	0.40%
Total	<u>100.00%</u>	

**6. Discount rate**

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

**7. 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.

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan****1. Plan description****a. Plan administration**

The Town administers a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions ("OPEB") for certain full-time employees. Management of the plan is vested in the Board of Finance. The plan does not issue stand-alone financial reports.

**b. Plan membership**

As of July 1, 2017, the following employees are covered by the benefit terms:

Active members	443
Retirees, disabled employees, and beneficiaries receiving benefits	<u>44</u>
Total	<u><u>487</u></u>

**2. Benefit provisions**

The Town plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Benefits are provided by a third party insurer and the full cost of benefits is covered by the plan.

**3. Contributions**

The Town's contributions are actuarially determined on an annual basis using the entry age normal method. The Town's total contribution to the plan was \$662,564. There are no required employee contributions. Retired teachers are required to contribute 100% of the premium.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)****4. Investments****a. Investment Policy**

The OPEB plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy for the OPEB plan:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US cash	6.50%	0.50%
US core fixed income	51.10%	1.75%
US government bonds	2.45%	2.25%
US equity market	39.05%	5.75%
Global equity	0.90%	5.80%
Total	<u>100.0%</u>	
Long-term inflation expectation	2.60%	
Long-term expected nominal return	5.8%	

**b. Concentrations**

There were no investments in any one organization that represents 5% or more of the OPEB plans' net position.

**c. Rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric means real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the preceding table.

**d. Annual money-weighted rate of return**

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 5.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)**

**5. Net OPEB Liability**

The Town's net OPEB liability of \$3,551,118 was measured as of June 30, 2019, and was determined by an actuarial valuation as July 1, 2017.

Total OPEB liability	\$ 5,111,155
Plan fiduciary net position	<u>1,560,037</u>
Net OPEB liability	<u>\$ 3,551,118</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>30.52%</u>

**6. Actuarial methods and significant assumptions**

The total OPEB liability was determined based upon a July 1, 2017 actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Discount rate	6.25%
Salary increases	2.60%
Inflation	2.60%
Healthcare cost trend rates:	
Initial medical trend rate	7.00%
Ultimate medical trend rate	4.60%
Mortality rates	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018

The valuation results provided in this report reflect a best estimate of the potential impact of the Patient Protection and Affordable Care Act (PPACA). Consideration has been made for provisions of the law that are effective as of the valuation date as well as those provisions that will take effect in the future.

**7. Changes from prior year**

**a. Changes in assumptions**

There were no changes in assumptions.

**b. Changes in benefit terms**

There were no changes in benefit terms.



## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)****8. Discount rate**

The discount rate used to measure the total OPEB liability was 6.25% for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**9. Changes in the net OPEB liability**

The Town's OPEB liabilities were measured at June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2018	\$ 5,016,786	\$ 1,318,749	\$ 3,698,037
Service cost	133,370	-	133,370
Interest	307,635	-	307,635
Differences between expected and actual experience	116,397	-	116,397
Contributions - employer	-	623,096	(623,096)
Contributions - TRB subsidy	-	39,468	(39,468)
Net investment income	-	58,257	(58,257)
Benefit payments, including refunds of member contributions	(463,033)	(463,033)	-
Administrative expenses	-	(16,500)	16,500
Net change	94,369	241,288	(146,919)
Balance at June 30, 2019	<u>\$ 5,111,155</u>	<u>\$ 1,560,037</u>	<u>\$ 3,551,118</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)**

**10. Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability 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 discount rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB liability	<u>\$ 4,038,598</u>	<u>\$ 3,551,118</u>	<u>\$ 3,127,981</u>

**11. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate**

The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	1% Decrease (6.00% decreasing to 3.60%)	Current Trend Rates (7.00% decreasing to 4.60%)	1% Increase (8.00% decreasing to 5.60%)
Net OPEB liability	<u>\$ 3,017,000</u>	<u>\$ 3,551,118</u>	<u>\$ 4,175,810</u>

**12. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the fiscal year the Town recognized OPEB expense of \$199,966. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 106,934	\$ (1,613,730)
Changes in assumptions	92,995	-
Net difference between projected and actual earnings on OPEB plan investments	<u>28,189</u>	<u>-</u>
Total	<u>\$ 228,118</u>	<u>\$ (1,613,730)</u>
Net amount of deferred inflows and outflows		<u>\$ (1,385,612)</u>

Changes in assumptions and differences between expected and actual experience are amortized over 12.3 years. Actual investment earnings below (or above) projected earnings are amortized over 5 years.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Other Post-Employment Benefit Plan (continued)**

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

Year Ending June 30,	
2020	\$ (130,522)
2021	(130,520)
2022	(127,877)
2023	(135,616)
2024	(138,181)
Thereafter	<u>(722,896)</u>
Total	<u>\$ (1,385,612)</u>

**E. Retiree health care defined contribution plan**

The Town has a defined contribution healthcare plan covering police officers that was established in July 2017. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2% of base pay with an equivalent Town match. Upon normal retirement the participant's account balance shall be a minimum of \$32,000. If the account balance is less than \$32,000 the Town shall make contributions necessary to bring the account balance to \$32,000. Total Town and employee contributions for the year were \$62,123 and \$62,123 respectively.

**F. Connecticut State Teacher's Retirement Board Retiree Health Insurance Plan****1. Plan description**

Teachers, principals, superintendents, supervisors and professional employees at State schools of higher education if they choose to be covered that are currently receiving a retirement or disability benefit are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

- **Normal Retirement:** Eligibility - 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.
- **Early Retirement:** Eligibility - 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.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**F. Connecticut State Teacher's Retirement Board Retiree Health Insurance Plan (continued)**

- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

**Retiree health care coverage**

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

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

**Survivor health care coverage**

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**F. Connecticut State Teacher's Retirement Board Retiree Health Insurance Plan (continued)**

**Employer (School Districts)**

School district employers are not required to make contributions to the plan.

**Employees**

Each member is required to contribute 1.25% of their annual salary.

**4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB**

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 amounts 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>10,483,150</u>
Total	<u><u>\$ 10,483,150</u></u>

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

The Town recognized OPEB expense and revenue of \$140,617 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care cost trend rate	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.87%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

## Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**F. Connecticut State Teacher's Retirement Board Retiree Health Insurance Plan (continued)****Changes in assumptions and inputs**

As a result of the experience study for the five-year period ending June 30, 2015:

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate has been increased from 3.56% to 3.87% based upon the increase in the municipal bond index.

Additionally, the assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised.

**Long-term expected rate of return**

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

**Affordable Care Act (ACA)**

The impact of the Affordable Care Act (ACA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

## Town of Stonington, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****F. Connecticut State Teacher's Retirement Board Retiree Health Insurance Plan (continued)**

Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

**7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate**

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

## Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

## G. Pension and other post-employment benefit plan statements

**Pension and OPEB Trust Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2019**

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
<u>Assets</u>				
Cash	\$ -	\$ 46,608	\$ 92,883	\$ 139,491
Contributions receivable	134,258	-	-	134,258
Investments:				
Mutual funds:				
Money market	259,998	-	-	259,998
Fixed income	-	309,203	455,496	764,699
Bond	12,531,438	-	-	12,531,438
Equity	21,762,595	582,152	459,862	22,804,609
Certificates of deposit	-	-	573,875	573,875
Equities	-	344,956	145,293	490,249
Municipal bonds	-	20,275	180,998	201,273
Corporate bonds	-	256,843	78,475	335,318
Total investments	34,554,031	1,513,429	1,893,999	37,961,459
Total assets	34,688,289	1,560,037	1,986,882	38,235,208
<u>Net Position</u>				
Restricted for:				
Pension benefits	34,688,289	-	-	34,688,289
OPEB benefits	-	1,560,037	1,986,882	3,546,919
Total net position	<u>\$ 34,688,289</u>	<u>\$ 1,560,037</u>	<u>\$ 1,986,882</u>	<u>\$ 38,235,208</u>



## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Pension and other post-employment benefit plan statements (continued)**

**Pension and OPEB Trust Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2019**

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
Additions:				
Contributions:				
Employer	\$ 974,686	\$ 662,564	\$ 62,123	\$ 1,699,373
Employee	207,951	-	62,123	270,074
Total contributions	1,182,637	662,564	124,246	1,969,447
Investment income (loss):				
Net change in fair value of investments	990,255	72,786	65,533	1,128,574
Interest and dividends	784,773	-	49,986	834,759
Total investment income (loss)	1,775,028	72,786	115,519	1,963,333
Less investment expense	38,320	14,529	-	52,849
Net investment income (loss)	1,736,708	58,257	115,519	1,910,484
Total additions	2,919,345	720,821	239,765	3,879,931
Deductions:				
Benefits	1,785,452	463,033	10,273	2,258,758
Administration	46,881	16,500	21,372	84,753
Total deductions	1,832,333	479,533	31,645	2,343,511
Change in net position	1,087,012	241,288	208,120	1,536,420
Net position - July 1, 2018	33,601,277	1,318,749	1,778,762	36,698,788
Net position - June 30, 2019	<u>\$ 34,688,289</u>	<u>\$ 1,560,037</u>	<u>\$ 1,986,882</u>	<u>\$ 38,235,208</u>

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**Required  
Supplementary  
Information**

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## Town of Stonington, Connecticut

## Required Supplementary Information

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 62,830,541	\$ -	\$ 62,830,541	\$ 63,288,219	\$ 457,678
Intergovernmental	1,342,345	-	1,342,345	1,668,519	326,174
Charges for services	3,006,100	3,000	3,009,100	3,453,632	444,532
Use of money and property	167,500	-	167,500	465,373	297,873
Total revenues	67,346,486	3,000	67,349,486	68,875,743	1,526,257
Expenditures:					
Current:					
General government	9,026,369	716,478	9,742,847	8,609,811	1,133,036
Public safety	5,648,014	47,238	5,695,252	5,693,514	1,738
Highway	2,516,115	(16,277)	2,499,838	2,429,451	70,387
Sanitation and waste removal	2,660,762	-	2,660,762	2,619,381	41,381
Human services	440,706	-	440,706	435,920	4,786
Social services	320,180	-	320,180	320,180	-
Recreation	120,354	1,236	121,590	121,425	165
Libraries	330,500	-	330,500	330,500	-
Payments to other civic divisions	192,950	-	192,950	192,950	-
Education	37,946,336	(60,000)	37,886,336	37,846,903	39,433
Debt service	8,146,981	-	8,146,981	8,140,981	6,000
Total expenditures	67,349,267	688,675	68,037,942	66,741,016	1,296,926
Excess (deficiency) of revenues over expenditures	(2,781)	(685,675)	(688,456)	2,134,727	2,823,183
Other financing sources (uses):					
Appropriation of fund balance	2,850,000	926,275	3,776,275	-	(3,776,275)
Cancellation of prior year encumbrances	10,000	-	10,000	93,845	83,845
Sale of capital assets	-	-	-	500	500
Transfers in	45,000	-	45,000	45,000	-
Transfers out	(2,902,219)	(240,600)	(3,142,819)	(3,142,819)	-
Net other financing sources (uses)	2,781	685,675	688,456	(3,003,474)	(3,691,930)
Net change in fund balance	\$ -	\$ -	\$ -	(868,747)	\$ (868,747)
Fund balance - July 1, 2018				16,878,605	
Fund balance - June 30, 2019				<u>\$ 16,009,858</u>	

**Reconciliation to Exhibit D**

	Revenues	Expenditures	Fund Balance
Budgetary Basis - RSI-1	\$ 68,875,743	\$ 66,741,016	\$ 16,009,858
Prior year encumbrances liquidated in the current year	-	974,021	-
Encumbrances outstanding at year end charged to budgetary expenditures	-	(523,819)	523,819
State Teachers' pension on behalf amount	5,068,255	5,068,255	-
State Teachers' OPEB on behalf amount	140,617	140,617	-
GAAP Basis - Exhibit D	<u>\$ 74,084,615</u>	<u>\$ 72,400,090</u>	<u>\$ 16,533,677</u>

**Town of Stonington, Connecticut**

**Required Supplementary Information**

**General Fund**  
**Schedule of Revenues and Other Financing Sources -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current levy	\$ 61,480,541	\$ -	\$ 61,480,541	\$ 62,022,848	\$ 542,307
Prior year taxes	600,000	-	600,000	468,609	(131,391)
Motor vehicle supplement	375,000	-	375,000	458,614	83,614
Interest and lien fees	315,000	-	315,000	291,881	(23,119)
Telephone access line	60,000	-	60,000	46,267	(13,733)
Total property taxes	62,830,541	-	62,830,541	63,288,219	457,678
Intergovernmental:					
Intergovernmental revenues - State grants for education:					
Education cost sharing grant	1,303,345	-	1,303,345	1,284,257	(19,088)
Nonpublic health services	5,000	-	5,000	8,094	3,094
Total intergovernmental revenues - State grants for education	1,308,345	-	1,308,345	1,292,351	(15,994)
State grants for reimbursement on revenue loss:					
Reimbursement disabled	-	-	-	1,562	1,562
Veterans' exemption	-	-	-	15,415	15,415
Municipal revenue sharing	-	-	-	100,332	100,332
Municipal stabilization grant	-	-	-	218,992	218,992
Grant proceeds - Federal	-	-	-	1,129	1,129
Total state grants for reimbursement on revenue loss	-	-	-	337,430	337,430
State grants for other purposes:					
Parking ticket surcharge	10,000	-	10,000	11,332	1,332
Youth services	15,000	-	15,000	18,150	3,150
Civil preparedness	9,000	-	9,000	9,256	256
Total state grants for other purposes	34,000	-	34,000	38,738	4,738
Total intergovernmental	1,342,345	-	1,342,345	1,668,519	326,174
Charges for services:					
Town hall bags	-	-	-	476,679	476,679
Solid waste disposal fees	1,440,000	-	1,440,000	1,082,203	(357,797)
SCRRA transportation	90,000	-	90,000	90,368	368
Landfill recycling	50,000	-	50,000	59,796	9,796
Tipping fees	130,000	-	130,000	155,350	25,350
Building rental/miscellaneous	2,000	-	2,000	-	(2,000)
Tuition other Town	14,000	-	14,000	29,899	15,899
Miscellaneous revenue	10,000	3,000	13,000	63,678	50,678
Accident reports	1,500	-	1,500	1,703	203
Data processing revenue	23,000	-	23,000	29,560	6,560
In lieu of taxes housing authority	2,600	-	2,600	4,497	1,897
Payment in lieu of taxes	260,000	-	260,000	244,494	(15,506)
GIS revenues	500	-	500	530	30
Animal control facility	-	-	-	600	600
Utility billing revenue offset	12,000	-	12,000	12,000	-
Vehicle use outside jobs	75,000	-	75,000	102,938	27,938
Admin / miscellaneous fees	12,000	-	12,000	19,521	7,521
Total charges for services	2,122,600	3,000	2,125,600	2,373,816	248,216

(Continued)

Town of Stonington, Connecticut

Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources -  
Budget and Actual  
For the Year Ended June 30, 2019

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Licenses and permits:					
Building permits	\$ 250,000	\$ -	\$ 250,000	\$ 435,753	\$ 185,753
Conveyance taxes	380,000	-	380,000	364,280	(15,720)
Town clerk's fees	180,000	-	180,000	186,011	6,011
Alarm registration	6,000	-	6,000	5,220	(780)
Wetlands permits	2,000	-	2,000	2,700	700
P & Z and zoning board fees	60,000	-	60,000	78,288	18,288
Total licenses and permits	878,000	-	878,000	1,072,252	194,252
Fines and forfeits:					
Parking fines	4,000	-	4,000	5,500	1,500
Alarm penalties	1,500	-	1,500	2,064	564
Total fines and forfeits	5,500	-	5,500	7,564	2,064
Total charges for services	3,006,100	3,000	3,009,100	3,453,632	444,532
Use of money and property:					
Interest income	100,000	-	100,000	395,300	295,300
Rental	55,000	-	55,000	57,573	2,573
Loan repayment SNEFLA	12,500	-	12,500	12,500	-
Total use of money and property	167,500	-	167,500	465,373	297,873
Total revenues	67,346,486	3,000	67,349,486	68,875,743	1,526,257
Other financing sources:					
Appropriation of fund balance	2,850,000	926,275	3,776,275	-	(3,776,275)
Cancellation of prior year encumbrances	10,000	-	10,000	93,845	83,845
Sale of capital assets	-	-	-	500	500
Transfers in - sewer assessment fund	45,000	-	45,000	45,000	-
Other financing sources (uses)	2,905,000	926,275	3,831,275	139,345	(3,691,930)
Total revenues and other financing sources	\$ 70,251,486	\$ 929,275	\$ 71,180,761	\$ 69,015,088	\$ (2,165,673)

(Concluded)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of first selectman					
Office of selectman:					
First selectman	\$ 91,876	\$ -	\$ 91,876	\$ 91,876	\$ -
Second selectman	13,222	-	13,222	13,222	-
Third selectman	13,222	-	13,222	12,250	972
Town attorney	50,000	-	50,000	50,000	-
Examination of indices	2,500	-	2,500	2,500	-
Mosquito abatement	30,000	-	30,000	30,000	-
Legal services and courts	40,000	-	40,000	39,982	18
Professional associations and publications	1,000	-	1,000	565	435
Furniture and equipment	1,000	(316)	684	-	684
Tree warden stipend	1,000	-	1,000	1,000	-
Tree warden expenses	750	316	1,066	1,066	-
Town wide	20,000	(4,898)	15,102	2,406	12,696
Total Office of selectman	264,570	(4,898)	259,672	244,867	14,805
Programs and agencies:					
S.E.A.T.	10,000	14,675	24,675	24,675	-
Sector	6,166	-	6,166	6,166	-
CT Conference of Municipalities	12,500	-	12,500	12,032	468
Southeastern CT Council of Government	9,689	-	9,689	9,689	-
Mystic river park public restrooms	10,609	-	10,609	10,609	-
CT council of small towns	1,025	-	1,025	1,025	-
Probate court occupancy	3,700	-	3,700	3,468	232
Probate court	6,301	-	6,301	6,301	-
Connecticut tourism coalition	1,500	-	1,500	1,500	-
Plastic bags and straws	-	1,000	1,000	-	1,000
Total programs and agencies	61,490	15,675	77,165	75,465	1,700
Waterfront commission:					
Clerical services	1,000	100	1,100	1,100	-
Postage	75	(75)	-	-	-
Consumable supplies	25	(25)	-	-	-
Miscellaneous	75	-	75	-	75
Total waterfront commission	1,175	-	1,175	1,100	75
Pawcatuck river harbor management:					
Clerical services	990	-	990	-	990
Postage	100	-	100	-	100
Advertising	100	-	100	-	100
Consumable supplies	100	-	100	-	100
Reproduction and printing	100	-	100	-	100
Miscellaneous	100	-	100	-	100
Total Pawcatuck River Harbor management	1,490	-	1,490	-	1,490
Shellfish commission:					
Expenses	50	-	50	-	50
Economic development commission:					
Consulting services	5,000	4,907	9,907	9,798	109
Postage	200	(200)	-	-	-
Advertising	500	(500)	-	-	-
Consumable supplies	1,000	(137)	863	863	-
Travel	270	(270)	-	-	-
Professional association and publication	800	(800)	-	-	-
Total economic development commission	7,770	3,000	10,770	10,661	109
Emergency management:					
Emergency management director	13,554	-	13,554	13,554	-
Clerical salaries	2,000	-	2,000	1,923	77
Consumable supplies	1,250	-	1,250	590	660
Equipment	3,500	-	3,500	-	3,500
Development of emergency plan	1	-	1	-	1
Miscellaneous	100	-	100	-	100
Furniture and equipment	750	(130)	620	-	620
Generator maintenance	1	-	1	-	1
Water testing	400	-	400	-	400
Communications	1	-	1	-	1
Training and education	-	130	130	130	-
Mass notification system	5,000	-	5,000	4,860	140
Total emergency management	26,557	-	26,557	21,057	5,500

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
<b>Elections:</b>					
Referenda/election personnel	\$ 50,000	\$ -	\$ 50,000	\$ 41,400	\$ 8,600
Registrars' salaries	37,298	-	37,298	37,296	2
Postage	5,000	-	5,000	344	4,656
Advertising	1,000	-	1,000	780	220
Consumable supplies	1,500	-	1,500	711	789
Telephone	3,500	-	3,500	1,645	1,855
Equipment	4,000	-	4,000	3,996	4
Reproduction and printing	700	-	700	541	159
Professional associations and publications	500	-	500	350	150
Voting canvas	500	-	500	141	359
Miscellaneous	1,000	-	1,000	231	769
Ballot printing / programming	15,000	-	15,000	10,895	4,105
Furniture and equipment	1,500	-	1,500	793	707
Training and education	1,000	-	1,000	-	1,000
Voting machine	3,000	-	3,000	2,200	800
<b>Total elections</b>	<b>125,498</b>	<b>-</b>	<b>125,498</b>	<b>101,323</b>	<b>24,175</b>
<b>Town clerk:</b>					
Salary of Town clerk	81,004	-	81,004	81,004	-
Clerical salaries	102,720	1	102,721	102,721	-
Longevity	5,580	-	5,580	5,580	-
Postage	1,500	-	1,500	1,455	45
Advertising	2,500	(5)	2,495	1,705	790
Consumable supplies	3,000	-	3,000	2,768	232
Telephone	475	4	479	478	1
Equipment	3,500	-	3,500	3,493	7
Professional associations and publications	275	-	275	275	-
Training and education	1,500	-	1,500	1,040	460
Land records and data processing	28,000	-	28,000	24,322	3,678
Vital statistics	500	-	500	205	295
<b>Total Town clerk</b>	<b>230,554</b>	<b>-</b>	<b>230,554</b>	<b>225,046</b>	<b>5,508</b>
<b>Town meeting and referenda:</b>					
Town meeting personnel	200	-	200	-	200
Advertising	6,000	-	6,000	3,560	2,440
<b>Total Town meeting and referenda</b>	<b>6,200</b>	<b>-</b>	<b>6,200</b>	<b>3,560</b>	<b>2,640</b>
<b>Payment/other civil divisions:</b>					
Borough of Stonington	192,950	-	192,950	192,950	-
<b>Total department of first selectman</b>	<b>918,304</b>	<b>13,777</b>	<b>932,081</b>	<b>876,029</b>	<b>56,052</b>
<b>Department of administrative services:</b>					
<b>Administration:</b>					
Director of administrative services	97,204	-	97,204	97,204	-
Administrative support staff	176,245	15,000	191,245	181,073	10,172
Longevity	3,080	-	3,080	3,080	-
Postage	1,000	-	1,000	825	175
Advertising	11,500	(1,500)	10,000	5,091	4,909
Consumable supplies	3,200	1,500	4,700	4,111	589
Reproduction and printing	1,500	1,500	3,000	2,761	239
Telephone	250	-	250	115	135
Equipment	5,400	(1,500)	3,900	2,326	1,574
Professional associations and publications	3,500	(454)	3,046	1,680	1,366
Database expenses	8,250	-	8,250	7,884	366
Miscellaneous	700	-	700	164	536
Furniture and equipment	1,970	454	2,424	2,424	-
Training and education	1,580	-	1,580	1,057	523
Technical and professional services	7,500	-	7,500	-	7,500
Memorial observances	10,000	-	10,000	9,800	200
Columbus day observances	5,000	-	5,000	5,000	-
<b>Total administration</b>	<b>337,879</b>	<b>15,000</b>	<b>352,879</b>	<b>324,595</b>	<b>28,284</b>

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Information systems:					
IT manager	\$ 91,777	\$ -	\$ 91,777	\$ 90,977	\$ 800
Technology support specialist	63,588	-	63,588	63,144	444
Longevity	850	100	950	950	-
Postage	200	-	200	-	200
Consumable supplies	1,500	-	1,500	1,420	80
Reproduction and printing	50	61	111	110	1
Telephone	1,500	-	1,500	1,453	47
Professional associations and publications	250	-	250	235	15
Equipment and licensing	46,770	-	46,770	46,480	290
Internet hosting expense	7,500	1,501	9,001	9,001	-
Miscellaneous	50	-	50	18	32
Training and education	5,000	(1,662)	3,338	1,600	1,738
GIS	30,000	-	30,000	27,066	2,934
Telecommunications	61,000	-	61,000	57,131	3,869
Technical assistance	5,000	-	5,000	4,850	150
Total information systems	315,035	-	315,035	304,435	10,600
Human resources:					
Employee training/education	10,000	-	10,000	7,081	2,919
Labor negotiations	55,000	-	55,000	59,052	(4,052)
Labor Counsel	80,000	-	80,000	80,000	-
Pension plan-DB	480,000	-	480,000	480,000	-
Pension plan-DC 401A	102,817	-	102,817	97,747	5,070
Social security	516,660	(2,227)	514,433	484,241	30,192
Unemployment	20,000	(15,000)	5,000	3,240	1,760
Employee assistance program	2,750	-	2,750	1,725	1,025
Employee screening	3,000	-	3,000	1,984	1,016
Additional manpower	5,000	-	5,000	4,250	750
Employee travel expense	24,000	-	24,000	21,652	2,348
Accrued leave payout	2,845	-	2,845	2,845	-
Retiree health care	75,000	-	75,000	62,123	12,877
Health insurance	1,900,000	-	1,900,000	1,810,667	89,333
Life insurance	24,650	2,227	26,877	26,877	-
Rx eyewear reimbursement	2,000	-	2,000	1,550	450
Professional and technical services	15,450	-	15,450	15,099	351
Total human resources	3,319,172	(15,000)	3,304,172	3,160,133	144,039
Health officer, sanitation and EMS:					
Ledge light health district	137,438	-	137,438	137,428	10
Consumable supplies	150	-	150	31	119
Total health officer, sanitation and EMS	137,588	-	137,588	137,459	129
Community development:					
Clerical salaries	15,000	-	15,000	14,828	172
Total department of administrative services	4,124,674	-	4,124,674	3,941,450	183,224

(Continued)



**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of Assessment:					
Assessor's office:					
Director of assessment	\$ 97,209	\$ -	\$ 97,209	\$ 97,210	\$ (1)
Deputy assessor	80,031	-	80,031	80,031	-
Clerical salaries	102,721	425	103,146	103,146	-
Longevity	4,490	-	4,490	4,490	-
Postage	1,380	(88)	1,292	1,292	-
Consumable supplies	2,500	(970)	1,530	1,495	35
Reproduction and printing	980	-	980	959	21
Telephone	250	-	250	68	182
Equipment	1,500	231	1,731	1,731	-
Professional associations and publications	3,035	341	3,376	3,355	21
Database expenses	17,825	(328)	17,497	17,239	258
Miscellaneous	990	(500)	490	459	31
Clothing allowance	400	-	400	400	-
Furniture and equipment	250	-	250	180	70
Training and education	1,980	689	2,669	2,668	1
Special audit personal property	3,400	200	3,600	3,600	-
Total assessor's office	318,941	-	318,941	318,323	618
Board of Assessment Appeals	4,150	-	4,150	2,417	1,733
Total department of assessment	323,091	-	323,091	320,740	2,351
Department of Finance:					
Finance office:					
Director of finance	113,405	-	113,405	113,405	-
Senior accountant	90,299	-	90,299	90,296	3
Clerical salaries	161,532	-	161,532	155,636	5,896
Longevity	4,410	-	4,410	4,410	-
Postage	2,500	-	2,500	2,474	26
Advertising	-	156	156	156	-
Consumable supplies	3,600	-	3,600	3,336	264
Reproduction and printing	800	150	950	941	9
Telephone	150	-	150	73	77
Professional associations and publication	1,800	-	1,800	1,455	345
Payroll services	23,000	169	23,169	23,168	1
Equipment and software support	23,100	50	23,150	23,391	(241)
Furniture and equipment	500	13	513	512	1
Training and education	1,000	(538)	462	120	342
Technical and professional	3,500	-	3,500	2,714	786
Total finance office	429,596	-	429,596	422,087	7,509
Office of the Treasurer:					
Salary of treasurer	4,345	-	4,345	4,346	(1)
Expenses	100	-	100	-	100
Total office of the Treasurer	4,445	-	4,445	4,346	99
Office of the tax collector:					
Salary of tax collector	78,303	-	78,303	78,303	-
Clerical salaries	106,416	-	106,416	94,300	12,116
Longevity	800	-	800	800	-
Postage	15,000	700	15,700	14,639	1,061
Advertising	1,500	(785)	715	-	715
Consumable supplies	1,200	(276)	924	822	102
Reproduction and printing	7,000	276	7,276	7,193	83
Telephone	150	-	150	46	104
Equipment	1,000	-	1,000	541	459
Professional associations and publications	150	85	235	235	-
Miscellaneous	100	-	100	-	100
Equipment and software support	9,000	-	9,000	7,700	1,300
Furniture and equipment	1	-	1	-	1
Training and education	1,925	-	1,925	685	1,240
Total office of the tax collector	222,545	-	222,545	205,264	17,281

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Board of Finance:					
Clerical salaries	\$ 3,200	\$ 401	\$ 3,601	\$ 3,600	\$ 1
Postage	400	10	410	409	1
Advertising	750	-	750	617	133
Consumable supplies	250	-	250	200	50
Professional services	12,000	(2,144)	9,856	-	9,856
Legal support	34,000	-	34,000	5,990	28,010
Accounting and auditing	66,635	1,733	68,368	68,368	-
Special audit	5,000	-	5,000	-	5,000
Contingency for loss of state education aid	700,000	-	700,000	-	700,000
GASB 75 (OPEB)	106,000	-	106,000	106,000	-
Total Board of Finance	928,235	-	928,235	185,184	743,051
Risk management:					
Risk management stipend	6,481	-	6,481	6,480	1
Property and liability insurance	691,483	(98,536)	592,947	576,040	16,907
Claims and damages	10,000	751,611	761,611	761,605	6
Safety program	2,200	-	2,200	1,414	786
Technical and professional	21,000	-	21,000	-	21,000
Total risk management	731,164	653,075	1,384,239	1,345,539	38,700
Total department of finance	2,315,985	653,075	2,969,060	2,162,420	806,640
Department of planning:					
Planning office:					
Director of planning	108,005	-	108,005	108,005	-
Planner	84,654	-	84,654	84,654	-
Zoning & wetlands officer	66,303	-	66,303	66,303	-
Clerical salaries	98,566	-	98,566	97,428	1,138
Clerical meeting	5,500	(1,600)	3,900	3,900	-
Longevity	1,620	350	1,970	1,970	-
Consumable supplies	2,000	-	2,000	980	1,020
Reproduction and printing	3,000	(693)	2,307	1,304	1,003
Telephone	200	-	200	113	87
Equipment	4,500	-	4,500	4,347	153
Professional associations and publications	1,500	343	1,843	1,843	-
Clothing allowance	400	-	400	400	-
Furniture and equipment	1,000	(650)	350	150	200
Training and education	2,000	-	2,000	1,849	151
Professional services	1,500	2,250	3,750	3,569	181
Total planning office	380,748	-	380,748	376,815	3,933
Planning and zoning commission:					
Postage	3,500	-	3,500	3,500	-
Advertising and court steno	15,000	14,845	29,845	29,844	1
Total planning and zoning commission	18,500	14,845	33,345	33,344	1
Zoning board of appeals:					
Postage	725	-	725	725	-
Advertising	5,500	3,633	9,133	9,132	1
Total zoning board of appeals	6,225	3,633	9,858	9,857	1
Conservation commission:					
Professional associations and publication	600	(600)	-	-	-
Barn island field trips	4,500	660	5,160	5,153	7
Total conservation commission	5,100	60	5,160	5,153	7
Inland wetlands commission:					
Postage	250	-	250	250	-
Advertising	2,000	473	2,473	2,473	-
Total inland wetlands commission	2,250	473	2,723	2,723	-

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Climate change task force:					
Clerical meetings	\$ 1	\$ -	\$ 1	\$ -	\$ 1
Seminars and programs (training and education)	999	-	999	-	999
Professional services	1,000	-	1,000	-	1,000
Total climate change task force	2,000	-	2,000	-	2,000
Total department of planning	414,823	19,011	433,834	427,892	5,942
Department of public works:					
Highway department:					
Public works director	101,926	-	101,926	101,926	-
Labor salaries	1,179,039	(19,025)	1,160,014	1,126,405	33,609
Highway supervisor	82,684	-	82,684	82,684	-
Clerical salaries	52,475	-	52,475	51,583	892
Longevity	20,190	-	20,190	20,190	-
Postage	400	-	400	15	385
Consumable supplies	2,400	300	2,700	2,601	99
Telephone	550	-	550	541	9
Hardware	16,400	500	16,900	16,721	179
Miscellaneous	1,500	650	2,150	2,024	126
Clothing allowance	9,800	-	9,800	9,793	7
Training and education	3,500	450	3,950	3,703	247
Safety and protective	15,000	4,481	19,481	19,629	(148)
Land damage	2,000	-	2,000	1,807	193
Sidewalk repairs	68,000	-	68,000	68,000	-
Street signs	7,000	11,332	18,332	8,730	9,602
Tree trimming	17,000	-	17,000	17,000	-
Tree removal	16,000	-	16,000	14,309	1,691
Highway equipment	15,000	8,500	23,500	23,338	162
Road maintenance	10,000	-	10,000	7,924	2,076
Material disposal	20,000	-	20,000	18,790	1,210
Cemetery upkeep	1,000	-	1,000	515	485
Catch basin cleaning	25,000	-	25,000	23,988	1,012
Garage diagnostic equipment and tools	3,000	-	3,000	2,467	533
Leaf program	1	-	1	-	1
Bridge maintenance	1,000	-	1,000	-	1,000
Tree planting	500	-	500	-	500
Unleaded gasoline	10,000	7,996	17,996	17,373	623
Diesel fuel	50,000	-	50,000	43,587	6,413
Oil and lubrication	5,500	-	5,500	5,280	220
Repairs and maintenance (gas system)	4,000	-	4,000	826	3,174
Repairs and maintenance	153,000	-	153,000	152,772	228
Miscellaneous materials	1,250	-	1,250	319	931
Bituminous concrete	30,000	7,954	37,954	37,954	-
Drainage materials	21,000	-	21,000	19,391	1,609
Sand and gravel	20,000	-	20,000	19,721	279
Lumber	8,000	-	8,000	7,986	14
Pavement treatments	160,000	-	160,000	160,000	-
Annual fertilization program	34,000	-	34,000	34,000	-
Seasonal help	32,000	-	32,000	28,815	3,185
Materials, equipment, maintenance	27,000	32,133	59,133	59,043	90
Field work	15,000	-	15,000	14,750	250
Snow removal labor	125,000	(35,614)	89,386	89,386	-
Materials	145,000	(33,542)	111,458	111,957	(499)
Meal allowance	4,000	(2,392)	1,608	1,608	-
Total highway department	2,516,115	(16,277)	2,499,838	2,429,451	70,387
Sanitation and waste removal:					
Salary of recycling/solid waste manager	89,347	-	89,347	89,347	-
General labor	376,907	(3,455)	373,452	359,563	13,889
Clerical salaries	51,360	-	51,360	51,103	257
Longevity	4,800	-	4,800	4,800	-
Postage	3,000	-	3,000	1,000	2,000
Advertising	300	-	300	-	300
Consumable supplies	1,300	-	1,300	1,296	4
Reproduction and printing	700	-	700	649	51

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Equipment	\$ 100	\$ -	\$ 100	\$ -	\$ 100
Professional associations and publications	200	-	200	175	25
Clothing allowance	3,100	-	3,100	3,100	-
Training and education	900	-	900	900	-
Unleaded gasoline	3,500	-	3,500	3,291	209
Diesel fuel	7,000	-	7,000	7,000	-
Road maintenance	2,000	-	2,000	2,000	-
Utilities	6,500	-	6,500	6,398	102
General operations	52,000	(8,000)	44,000	36,067	7,933
Parts and labor	30,000	(6,378)	23,622	20,586	3,036
Grading and seeding	500	-	500	30	470
Water testing and monitoring	25,000	-	25,000	23,950	1,050
Cap maintenance	4,000	(3,400)	600	535	65
Disposal fees (SCRRA)	738,000	(30,000)	708,000	700,901	7,099
Residential collection (SCRRA)	510,000	10,300	520,300	520,266	34
Commercial collection and rentals (SCRRA)	520,000	27,455	547,455	547,454	1
SCRRA consulting	1	-	1	-	1
SCRRA contribution	1	-	1	-	1
Diesel fuel (SCRRA)	11,000	2,000	13,000	12,800	200
Repairs and maintenance (SCRRA)	16,000	(5,900)	10,100	9,204	896
SCRRA receptacle costs	112,000	17,378	129,378	129,378	-
Furniture and equipment	1	-	1	-	1
<b>Total sanitation and waste removal</b>	<b>2,569,517</b>	<b>-</b>	<b>2,569,517</b>	<b>2,531,793</b>	<b>37,724</b>
Engineering services:					
Town engineer	86,430	-	86,430	86,429	1
Flood plain manager	4,000	-	4,000	4,000	-
Longevity	200	-	200	200	-
Phase II storm water	91,700	430	92,130	92,129	1
Community rating system	3,500	-	3,500	3,500	-
Expenses	2,500	(196)	2,304	1,364	940
Clothing allowance	400	-	400	400	-
Professional services	15,000	(234)	14,766	14,765	1
<b>Total engineering services</b>	<b>203,730</b>	<b>-</b>	<b>203,730</b>	<b>202,787</b>	<b>943</b>
Operation and maintenance Town building/property:					
Janitorial/maintenance salary	64,376	16,000	80,376	75,889	4,487
Longevity	720	-	720	720	-
Miscellaneous	3,000	35	3,035	3,034	1
Heating oil	41,500	4,579	46,079	44,232	1,847
Electricity	128,500	3,312	131,812	105,046	26,766
Water	7,000	139	7,139	5,614	1,525
Sewer use	2,350	119	2,469	2,310	159
General maintenance	178,800	33,548	212,348	193,378	18,970
Street lighting	258,000	(31,557)	226,443	204,089	22,354
<b>Total operation and maintenance Town building/property</b>	<b>684,246</b>	<b>26,175</b>	<b>710,421</b>	<b>634,312</b>	<b>76,109</b>
Building official:					
Building official	83,161	207	83,368	83,367	1
Assistant building official	66,303	328	66,631	66,631	-
Clerical salaries	73,391	3,905	77,296	77,296	-
Longevity	1,860	-	1,860	1,860	-
Postage	500	-	500	500	-
Consumable supplies	500	-	500	316	184
Reproduction and printing	750	-	750	438	312
Telephone	200	-	200	118	82
Equipment	4,000	(504)	3,496	2,630	866
Professional associations and publications	1,000	430	1,430	1,429	1
Clothing allowance	800	-	800	800	-
Training and education	1,000	74	1,074	1,074	-
Furniture and equipment	1	-	1	-	1
Technical assistance	1,000	-	1,000	672	328
<b>Total building official</b>	<b>234,466</b>	<b>4,440</b>	<b>238,906</b>	<b>237,131</b>	<b>1,775</b>

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Water Pollution Control Authority:					
Clerical salaries	\$ 72,645	\$ 340	\$ 72,985	\$ 72,985	\$ -
Longevity	1,800	-	1,800	1,800	-
Consulting services	-	1,344	1,344	1,344	-
Postage	6,300	(3,277)	3,023	2,300	723
Advertising	600	-	600	133	467
Consumable supplies	2,500	-	2,500	1,391	1,109
Reproduction and printing	1,300	1,500	2,800	1,483	1,317
Telephone	100	-	100	60	40
Equipment	6,000	93	6,093	6,092	1
Total Water Pollution Control Authority	91,245	-	91,245	87,588	3,657
Total department of public works	6,299,319	-	6,313,657	6,123,062	190,595
Department of public safety:					
Police services:					
Salary of chief	118,360	-	118,360	118,360	-
Salary of captain	110,088	-	110,088	110,088	-
Salary of lieutenants	192,636	1	192,637	192,636	1
Salary of sergeants	521,781	1	521,782	521,782	-
Salary of regular officers	2,134,569	61,398	2,195,967	2,195,966	1
Janitorial/maintenance salary	81,582	477	82,059	82,058	1
Boating safety personnel	15,000	2,640	17,640	17,640	-
Training personnel services	105,000	(1,213)	103,787	103,786	1
Communications specialist	416,649	(22,556)	394,093	394,092	1
Communications specialist - overtime	23,000	(10,379)	12,621	12,621	-
Communications specialist - uniforms	3,800	(650)	3,150	3,150	-
Community service officers	26,000	(13,553)	12,447	12,447	-
Special officers	22,500	(9,138)	13,362	13,362	-
Police commission clerical	1,500	-	1,500	1,500	-
School crossing guards	45,000	3,413	48,413	48,413	-
Animal control salaries	62,959	(10,151)	52,808	52,808	-
School safety personnel	20,500	(3,580)	16,920	16,919	1
Clerical salaries	143,234	(504)	142,730	142,729	1
Regular overtime	160,000	30,792	190,792	190,792	-
Longevity	40,110	-	40,110	40,110	-
Paid holidays	165,000	9,732	174,732	174,732	-
Postage	1,500	(69)	1,431	1,431	-
Advertising	1,200	(82)	1,118	1,118	-
Consumable supplies	15,000	(1,063)	13,937	13,937	-
Reproduction and printing	5,000	(1,741)	3,259	3,258	1
Equipment	12,000	(2,345)	9,655	9,655	-
Professional associations and publications	1,500	591	2,091	2,091	-
Miscellaneous	7,000	(2,473)	4,527	4,526	1
Canine program	4,800	(702)	4,098	4,098	-
Service officer's equipment	1,500	336	1,836	1,836	-
Boating safety expenses	13,000	750	13,750	13,750	-
Building maintenance	26,000	636	26,636	26,636	-
Maintenance/operations/radios	30,000	(11,086)	18,914	18,914	-
Traffic signs and signals	44,000	(4,715)	39,285	39,285	-
Law enforcement council	13,126	-	13,126	13,126	-
Drug program	5,500	(1,533)	3,967	3,966	1
Regular officers - uniforms	28,000	10	28,010	28,009	1
Special officers - uniforms	1,000	(799)	201	201	-
Outfitting new officers	6,500	(3,363)	3,137	3,137	-
Furniture and equipment	3,000	(2,823)	177	177	-
Telecommunications	113,000	2,211	115,211	115,211	-
Retirement fund	580,000	50,550	630,550	630,549	1
Physicals	6,000	(3,830)	2,170	2,170	-
Educational incentive	2,500	322	2,822	2,821	1
Postage	100	-	100	100	-
Advertising	370	(370)	-	-	-
Consumable supplies	300	(300)	-	-	-
Miscellaneous	750	-	750	750	-
Consumable supplies	12,000	(466)	11,534	11,533	1

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Miscellaneous	\$ 1,500	\$ (1,500)	\$ -	\$ -	\$ -
Training	18,000	(4,547)	13,453	13,452	1
Telephone	600	(58)	542	542	-
Clothing allowance	1,000	(400)	600	600	-
Professional services	2,000	(1,526)	474	473	1
Building maintenance	2,000	60	2,060	2,060	-
Equipment (emergency vehicles)	6,000	1,091	7,091	7,091	-
Unleaded gasoline	75,000	153	75,153	75,153	-
Oil and lubrication	3,000	(1,851)	1,149	1,149	-
Parts and labor	40,000	1,051	41,051	41,051	-
Tires	6,500	389	6,889	6,888	1
<b>Total department of public safety</b>	<b>5,499,514</b>	<b>47,238</b>	<b>5,546,752</b>	<b>5,546,735</b>	<b>17</b>
Department of human services:					
Office of human services:					
Human services director	81,124	-	81,124	81,123	1
Social services administrator	76,753	3,128	79,881	76,752	3,129
Youth and family services administrator	60,650	-	60,650	63,777	(3,127)
Youth services program coordinator	39,594	-	39,594	39,493	101
Counseling services	36,000	(3,621)	32,379	28,121	4,258
Clerical salaries	85,995	493	86,488	86,488	-
Longevity	3,340	-	3,340	3,340	-
Postage	3,500	-	3,500	3,500	-
Consumable supplies	1,500	-	1,500	1,500	-
Telephone	2,200	-	2,200	2,200	-
Equipment	3,000	-	3,000	3,000	-
Reproduction and printing	5,150	-	5,150	5,150	-
Professional associations and publications	1,100	-	1,100	1,061	39
Youth and family services program	8,000	-	8,000	8,000	-
General assistance	30,000	-	30,000	29,808	192
Furniture and equipment	1,300	-	1,300	1,300	-
Training and education	1,500	-	1,500	1,307	193
<b>Total office of human services</b>	<b>440,706</b>	<b>-</b>	<b>440,706</b>	<b>435,920</b>	<b>4,786</b>
Commission on aging:					
Postage	3,000	-	3,000	3,000	-
Reproduction and printing	1,100	-	1,100	1,100	-
Program costs	2,200	-	2,200	2,200	-
<b>Total commission on aging</b>	<b>6,300</b>	<b>-</b>	<b>6,300</b>	<b>6,300</b>	<b>-</b>
Recreation:					
Salary of director	62,988	-	62,988	62,988	-
Recreation program coordinator	33,616	1,010	34,626	34,626	-
Longevity	-	150	150	150	-
Consumable supplies	3,050	-	3,050	3,050	-
Program expense	7,500	-	7,500	7,500	-
Equipment and trophies	3,200	-	3,200	3,200	-
Parts and labor	4,500	76	4,576	4,576	-
Utilities	4,500	-	4,500	4,377	123
Professional association / training	1,000	-	1,000	958	42
<b>Total recreation</b>	<b>120,354</b>	<b>1,236</b>	<b>121,590</b>	<b>121,425</b>	<b>165</b>
Libraries:					
Westerly public library	93,000	-	93,000	93,000	-
Stonington free library	147,000	-	147,000	147,000	-
Mystic and Noank library	86,500	-	86,500	86,500	-
Stonington historical society	4,000	-	4,000	4,000	-
<b>Total libraries</b>	<b>330,500</b>	<b>-</b>	<b>330,500</b>	<b>330,500</b>	<b>-</b>

(Continued)

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Outside agencies:					
Westerly pops concert	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -
Public health and nursing	29,880	-	29,880	29,880	-
Pawcatuck neighborhood center	185,000	-	185,000	185,000	-
Como senior citizens center	62,500	-	62,500	62,500	-
Mystic area shelter and hospital	5,000	-	5,000	5,000	-
Westerly area rest and meal	6,000	-	6,000	6,000	-
Westerly adult day services	8,000	-	8,000	8,000	-
Community vocational services	4,000	-	4,000	4,000	-
T.V.C.C.A.	1,000	-	1,000	1,000	-
Stonington prevention council	1,000	-	1,000	1,000	-
New London homeless hospitality	2,000	-	2,000	2,000	-
Safe futures, inc.	2,000	-	2,000	2,000	-
Denison Pequotsepos nature center	3,000	-	3,000	3,000	-
Ocean community chamber foundation	2,000	-	2,000	2,000	-
Stonington arms	500	-	500	500	-
Total outside agencies	313,880	-	313,880	313,880	-
Ambulances:					
Stonington ambulance	37,500	-	37,500	37,500	-
Mystic river ambulance	37,500	-	37,500	37,500	-
Westerly ambulance	37,500	-	37,500	37,500	-
Fire department dispatch	36,000	-	36,000	34,279	1,721
Total ambulances	148,500	-	148,500	146,779	1,721
Total department of human services	1,360,240	1,236	1,361,476	1,354,804	6,672
Debt service:					
Debt service interest:					
Series 2009 refunding	50,750	-	50,750	50,750	-
Series 2012 refunding	386,006	-	386,006	386,006	-
Series 2012 G.O. bonds (WPCA)	280,500	-	280,500	280,500	-
Series 2013 G.O. bonds	117,350	-	117,350	117,350	-
Series 2014 G.O. bonds	210,925	-	210,925	210,925	-
Series 2016 G.O. bonds- school	450,000	-	450,000	450,000	-
Series 2016 G.O. bonds- Mystic Park	66,450	-	66,450	66,450	-
Series 2017 G.O. bonds- school	1,145,000	-	1,145,000	1,145,000	-
2017 Bond anticipation notes	224,000	-	224,000	224,000	-
Total debt service interest	2,930,981	-	2,930,981	2,930,981	-
Debt service principal:					
Series 2009 refunding	510,000	-	510,000	510,000	-
Series 2012 refunding	1,605,000	-	1,605,000	1,605,000	-
Series 2012 G.O. bonds (wpca)	600,000	-	600,000	600,000	-
Series 2013 G.O. bonds	215,000	-	215,000	215,000	-
Series 2014 G.O. bonds	415,000	-	415,000	415,000	-
Series 2016 G.O. bonds- school	750,000	-	750,000	750,000	-
Series 2016 G.O. bonds- Mystic Park	115,000	-	115,000	115,000	-
Series 2017 G.O. bonds- school	1,000,000	-	1,000,000	1,000,000	-
Bonding costs	6,000	-	6,000	-	6,000
Total debt service principal	5,216,000	-	5,216,000	5,210,000	6,000
Total debt service	8,146,981	-	8,146,981	8,140,981	6,000
Education	37,946,336	(60,000)	37,886,336	37,846,903	39,433
Total expenditures	67,349,267	688,675	68,037,942	66,741,016	1,296,926
Other financing uses:					
Transfers out:					
Miscellaneous fund	92,155	60,000	152,155	152,155	-
Capital nonrecurring	2,510,064	180,600	2,690,664	2,690,664	-
Sewer usage fund	300,000	-	300,000	300,000	-
Total other financing uses	2,902,219	240,600	3,142,819	3,142,819	-
Total expenditures and other financing uses	\$ 70,251,486	\$ 929,275	\$ 71,180,761	\$ 69,883,835	\$ 1,296,926

(Concluded)

## Town of Stonington, Connecticut

## Required Supplementary Information

**General Fund**  
**Department of Education**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Building admin salary	\$ 2,188,335	\$ -	\$ 2,188,335	\$ 2,309,324	\$ (120,989)
Teacher salary	14,772,338	-	14,772,338	14,350,588	421,750
Building admin secretary salary	847,997	-	847,997	964,382	(116,385)
Maintenance/custodial salary	1,313,349	-	1,313,349	1,318,069	(4,720)
Nurse salary	365,698	-	365,698	318,693	47,005
Aide salary	1,873,778	-	1,873,778	1,854,713	19,065
Noncertified professionals	651,699	-	651,699	640,950	10,749
Substitute/Temp instructor salary	290,063	-	290,063	341,440	(51,377)
Substitute secretary salary	16,000	-	16,000	22,297	(6,297)
Substitute maintenance/custodial salary	40,500	-	40,500	15,611	24,889
Health services PT/substitute nurse	132,200	-	132,200	188,230	(56,030)
Substitute instructor aide	45,100	-	45,100	84,417	(39,317)
Extra curricular/athletics/curriculum	447,149	14,424	461,573	386,038	75,535
Secretary overtime	10,500	-	10,500	17,435	(6,935)
Custodial/maintenance overtime salary	-	-	-	71,922	(71,922)
Health services nurse overtime	-	-	-	972	(972)
Aide overtime	-	-	-	289	(289)
Tutor	67,902	-	67,902	163,972	(96,070)
OPEB benefits	-	-	-	77,070	(77,070)
Health insurance	4,538,045	-	4,538,045	4,511,912	26,133
Flex plan	18,000	-	18,000	-	18,000
Life insurance	33,000	-	33,000	25,449	7,551
Long-term disability insurance	6,720	-	6,720	6,969	(249)
Pension	482,259	-	482,259	428,007	54,252
FICA	253,202	-	253,202	233,361	19,841
Medicare	337,354	-	337,354	310,180	27,174
Workers compensation	187,618	-	187,618	184,296	3,322
Unemployment	81,341	(60,000)	21,341	1,925	19,416
Course credit	31,200	-	31,200	24,500	6,700
Retirement	-	-	-	260,335	(260,335)
Student enrichment	20,520	(275)	20,245	17,607	2,638
Professional development instructor consultant	9,300	25,000	34,300	26,457	7,843
Professional tech	173,400	-	173,400	153,541	19,859
Other professional and tech services	332,228	67,400	399,628	463,217	(63,589)
In town travel	18,543	-	18,543	15,527	3,016
Referees	44,481	668	45,149	41,136	4,013
Police services	52,550	(7,000)	45,550	47,742	(2,192)
Public utility	1,178,865	(38,000)	1,140,865	816,142	324,723
Repairs and maintenance	460,816	(57,549)	403,267	453,293	(50,026)
Rentals	123,450	-	123,450	81,968	41,482
Regular bus transportation	1,355,245	-	1,355,245	1,402,760	(47,515)
SE Special needs transportation	465,345	-	465,345	531,601	(66,256)
Field trips	86,124	203	86,327	78,558	7,769
Property and liability insurance	326,556	-	326,556	239,071	87,485
Communication	142,467	(5,000)	137,467	143,029	(5,562)
Advertising	2,500	-	2,500	2,089	411
Printing and binding	18,974	-	18,974	11,428	7,546
Tuition	2,386,519	-	2,386,519	2,079,608	306,911
Public tuition	-	-	-	297,376	(297,376)
Conferences	87,575	(7,500)	80,075	65,822	14,253
Noninstructional supplies	85,228	(40)	85,188	123,865	(38,677)
Instructional supplies	266,748	(923)	265,825	282,638	(16,813)

(Continued)



## Town of Stonington, Connecticut

## Required Supplementary Information

**General Fund**  
**Department of Education**  
**Schedule of Expenditures and Other Financing Uses -**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
District technical supplies	\$ 600	\$ 4,000	\$ 4,600	\$ 4,340	\$ 260
Maintenance supplies	244,550	(7,000)	237,550	221,513	16,037
Transportation fuel	209,405	7,000	216,405	135,205	81,200
Heat energy	309,500	-	309,500	284,051	25,449
Bid supplies	78,187	-	78,187	69,979	8,208
Classroom books	53,317	(10,000)	43,317	37,222	6,095
Library and media books	22,050	-	22,050	17,094	4,956
Media supplies	3,400	-	3,400	1,766	1,634
Professional materials	18,850	-	18,850	16,070	2,780
New equipment instructional	29,000	-	29,000	69,965	(40,965)
New equipment noninstructional	6,900	-	6,900	92,151	(85,251)
Replacement equipment instructional	62,175	(1,236)	60,939	71,063	(10,124)
Replacement equipment non-instructional	15,915	1,920	17,835	91,082	(73,247)
Dues and fees	89,840	8,908	98,748	107,578	(8,830)
Curriculum district technical/licences	133,866	5,000	138,866	140,003	(1,137)
Total expenditures	37,946,336	(60,000)	37,886,336	37,846,903	39,433
Amount reported as transfer out on RSI 1C	70,000	60,000	130,000	130,000	-
Totals	<u>\$ 38,016,336</u>	<u>\$ -</u>	<u>\$ 38,016,336</u>	<u>\$ 37,976,903</u>	<u>\$ 39,433</u>

(Concluded)

**Town of Stonington, Connecticut**

**Notes to Required Supplementary Information**

**Budgets and Budgetary Accounting  
For the Year Ended June 30, 2019**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

The 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 revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (RSI-1) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end.

No later than January 1, each Department, Office, Board or Commission of the Town, supported wholly or in part by Town funds, or for which a specific Town appropriation is made, except the Board of Education, shall prepare and submit to the First Selectman a detailed estimate of the expenditures to be made and the anticipated revenue other than tax revenue to be received during the ensuing fiscal year. The Board of Education shall submit its budget request by March 1st to the Board of Finance. The First Selectman, after consultation with the Director of Finance, shall prescribe the format for budget presentation which shall include, at a minimum, comparative statistics for the current and preceding fiscal year operations.

No later than March 15<sup>th</sup>, the First Selectman shall present to the Board of Finance an itemized annual operating budget, including the Board of Education budget.

The Board of Finance shall hold one (1) or more public hearings no later than the first Monday of May, at which time any elector or taxpayer may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following receipt of the estimates from the First Selectman, the Board of Finance shall cause said estimates to be made available for review in the office of the Town Clerk. At least five (5) days before the aforementioned public hearing, the Board of Finance shall cause to be published in a newspaper having a substantial circulation in the Town, a notice of such public hearing and a summary of said proposed budget estimates which show the amount to be raised by taxation.

The Board of Finance shall have the authority to increase or decrease the budget submitted by the First Selectman. Within fifteen (15) days after holding the final such public hearing, the Board of Finance shall approve an operating budget and file the same with the Town Clerk for submission to the Annual Town Budget Meeting. There shall be a Town Meeting for the consideration of the budget to be held no later than the third Monday in May and at such place and time as the Board of Selectmen may determine. Said meeting may be recessed as necessary. The budget adoption procedure shall be the following:

If the budget has not been submitted or petitioned to a Referendum, the budget as presented may be adopted by a majority vote of those present and voting thereon.

If the budget is rejected, it shall be returned to the Board of Finance who shall reconsider the budget and resubmit a budget to the recessed Town Meeting to be held no more than three (3) weeks after said rejection with at least (5) days published notice thereof.

The same steps and procedures, including published notices of meetings, shall be followed as outlined above until a budget has been adopted.

Any resubmitted budget may be submitted or petitioned to a Referendum.

(Continued)

**Town of Stonington, Connecticut**

**Notes to Required Supplementary Information**

**Budgets and Budgetary Accounting  
For the Year Ended June 30, 2019**

In the event a budget has not been approved by June 15, the Board of Selectmen shall be empowered to set a mill rate in order to facilitate the preparation and mailing of tax bills at a level that in its best judgment will meet the needs of the Town for the ensuing year. In the event a budget has been adopted prior to June 15, the Board of Finance shall meet and set the mill rate at a level sufficient to meet the needs of the Town for the ensuing year.

The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Management may not authorize any additional appropriations. The Board of Selectmen and the Board of Finance may approve additional appropriations cumulating no more than 0.5% of the current year operating budget.

There were additional appropriations of \$929,275 made during the year, \$3,000 from additional revenue appropriations and \$926,275 from fund balance.

Formal budgetary integration is employed as a management control device during the year.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval.

(Concluded)

## Town of Stonington, Connecticut

## Required Supplementary Information

Employees' Pension Plan  
Last Six Years (1)

2019

2018

2017

2016

2015

2014

**Schedule of Changes in Net Pension Liability and Related Ratios**

## Total pension liability:

Service cost	\$ 657,076	\$ 716,716	\$ 785,169	\$ 807,690	\$ 784,165	\$ 761,325
Interest	2,534,914	2,460,694	2,299,512	2,223,435	2,337,106	2,210,832
Change of benefit terms	-	-	-	-	783,451	-
Differences between expected and actual experience	(326,759)	(278,195)	106,186	(365,705)	(504,935)	-
Change of assumptions	516,186	-	915,592	-	(253,207)	-
Benefit payments, including refunds of member contributions	<u>(1,785,452)</u>	<u>(1,696,075)</u>	<u>(1,605,602)</u>	<u>(1,428,980)</u>	<u>(1,353,367)</u>	<u>(1,270,805)</u>

Net change in total pension liability	1,595,965	1,203,140	2,500,857	1,236,440	1,793,213	1,701,352
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Total pension liability - July 1	<u>37,775,353</u>	<u>36,572,213</u>	<u>34,071,356</u>	<u>32,834,916</u>	<u>31,041,703</u>	<u>29,340,351</u>
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Total pension liability - June 30 (a)	<u><u>\$ 39,371,318</u></u>	<u><u>\$ 37,775,353</u></u>	<u><u>\$ 36,572,213</u></u>	<u><u>\$ 34,071,356</u></u>	<u><u>\$ 32,834,916</u></u>	<u><u>\$ 31,041,703</u></u>
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62

## Plan fiduciary net position:

Contributions - employer	\$ 974,686	\$ 1,009,822	\$ 997,631	\$ 1,029,505	\$ 1,103,588	\$ 1,147,449
Contributions - member	207,951	206,501	205,299	216,143	219,235	257,396
Net investment income (loss)	1,736,708	2,234,636	3,137,730	(79,775)	233,513	3,765,012
Benefit payments, including refunds of member contributions	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)	(1,270,805)
Administration expenses	<u>(46,881)</u>	<u>(44,181)</u>	<u>(37,332)</u>	<u>(34,399)</u>	<u>(32,251)</u>	<u>(47,133)</u>

Net change in plan fiduciary net position	1,087,012	1,710,703	2,697,726	(297,506)	170,718	3,851,919
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Plan fiduciary net position - July 1	<u>33,601,277</u>	<u>31,890,574</u>	<u>29,192,848</u>	<u>29,490,354</u>	<u>29,319,636</u>	<u>25,467,717</u>
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Plan fiduciary net position - June 30 (b)	<u><u>\$ 34,688,289</u></u>	<u><u>\$ 33,601,277</u></u>	<u><u>\$ 31,890,574</u></u>	<u><u>\$ 29,192,848</u></u>	<u><u>\$ 29,490,354</u></u>	<u><u>\$ 29,319,636</u></u>
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Net pension liability (asset) - June 30 (a)-(b)	<u><u>\$ 4,683,029</u></u>	<u><u>\$ 4,174,076</u></u>	<u><u>\$ 4,681,639</u></u>	<u><u>\$ 4,878,508</u></u>	<u><u>\$ 3,344,562</u></u>	<u><u>\$ 1,722,067</u></u>
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Plan fiduciary net position as a percentage of the total pension liability	<u>88.11%</u>	<u>88.95%</u>	<u>87.20%</u>	<u>85.68%</u>	<u>89.81%</u>	<u>94.45%</u>
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Covered payroll	<u><u>\$ 7,474,353</u></u>	<u><u>\$ 7,665,442</u></u>	<u><u>\$ 8,441,906</u></u>	<u><u>\$ 8,535,124</u></u>	<u><u>\$ 9,007,063</u></u>	<u><u>\$ 9,124,324</u></u>
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Net pension liability as a percentage of covered payroll	<u>62.65%</u>	<u>54.45%</u>	<u>55.46%</u>	<u>57.16%</u>	<u>37.13%</u>	<u>18.87%</u>
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**Schedule of Investment Returns**

Annual money weighted rate of return, net of investment expense	<u>5.20%</u>	<u>7.07%</u>	<u>10.89%</u>	<u>(28.00%)</u>	<u>83.00%</u>	<u>15.07%</u>
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(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Stonington, Connecticut

## Required Supplementary Information

**Employees' Pension Plan  
Schedule of Contributions  
Last Ten Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 952,476	\$1,015,388	\$ 927,734	\$1,044,301	\$1,083,331	\$1,108,457	\$1,119,643	\$1,171,692	\$1,163,837	\$1,010,472
Contributions in relation to the actuarially determined contribution	<u>974,686</u>	<u>1,009,822</u>	<u>997,631</u>	<u>1,029,505</u>	<u>1,103,588</u>	<u>1,147,449</u>	<u>1,130,478</u>	<u>1,342,122</u>	<u>1,471,967</u>	<u>1,010,472</u>
Contribution excess (deficiency)	<u>\$ 22,210</u>	<u>\$ (5,566)</u>	<u>\$ 69,897</u>	<u>\$ (14,796)</u>	<u>\$ 20,257</u>	<u>\$ 38,992</u>	<u>\$ 10,835</u>	<u>\$ 170,430</u>	<u>\$ 308,130</u>	<u>\$ -</u>
Covered payroll	<u>\$7,474,353</u>	<u>\$7,665,442</u>	<u>\$8,441,906</u>	<u>\$8,535,124</u>	<u>\$9,007,063</u>	<u>\$9,124,324</u>	<u>\$8,958,441</u>	<u>\$9,071,534</u>	<u>\$9,342,487</u>	<u>\$8,843,202</u>
Contributions as a percentage of covered payroll	<u>13.04%</u>	<u>13.17%</u>	<u>11.82%</u>	<u>12.06%</u>	<u>12.25%</u>	<u>12.58%</u>	<u>12.62%</u>	<u>14.79%</u>	<u>15.76%</u>	<u>11.43%</u>

## Town of Stonington, Connecticut

## Notes to Required Supplementary Information

**Employees' Pension Plan**  
**Notes to Required Supplementary Information**  
**Schedule of Contributions**  
**Last Six Years (1)**

	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level dollar, open	Level dollar, open	Level dollar, open
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	3.00%	1.25%	1.25%
Salary Increases	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation
Investment Rate of Return	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%
Mortality Rate	RP-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.	RP-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.	RP-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.	RP-2014 Table Dataset Mortality Table projected to valuation date with Scale MP-2015. Blue Collar adjustment included for Custodians and Public Works.	RP-2014 Table Dataset Mortality Table projected to valuation date with Scale MP-2015. Blue Collar adjustment included for Custodians and Public Works.	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table of non-annuitants and annuitants, projected to the valuation date with Scale AA. Blue Collar adjustment included for Custodians and Public Works.

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Stonington, Connecticut

## Required Supplementary Information

Connecticut Municipal Employees' Retirement System  
Last Five Years (1)20192018201720162015**Schedule of Proportionate Share of the Net Pension Liability**

Town's proportion of the net pension liability for the general employees without social security sub plan	<u>2.447326%</u>	<u>2.242232%</u>	<u>2.242232%</u>	<u>2.376509%</u>	<u>2.464900%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 6,667,922</u>	<u>\$(1,721,274)</u>	<u>\$(1,262,985)</u>	<u>\$(1,999,744)</u>	<u>\$(2,353,578)</u>
Town's covered payroll	<u>\$ 4,101,836</u>	<u>\$ 3,428,033</u>	<u>\$ 3,428,033</u>	<u>\$ 3,351,915</u>	<u>\$ 3,215,266</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>162.56%</u>	<u>(50.21)%</u>	<u>(36.84)%</u>	<u>(59.66)%</u>	<u>(73.20)%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

**Schedule of Contributions**

Contractually required contribution	<u>\$ 652,779</u>	<u>\$ 577,686</u>	<u>\$ 513,519</u>	<u>\$ 494,982</u>	<u>\$ 457,302</u>
Contributions in relation to the contractually required contribution	<u>652,779</u>	<u>577,686</u>	<u>513,519</u>	<u>494,982</u>	<u>457,302</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 4,101,836</u>	<u>\$ 3,428,033</u>	<u>\$ 3,428,033</u>	<u>\$ 3,351,915</u>	<u>\$ 3,215,266</u>
Contributions as a percentage of covered payroll	<u>15.91%</u>	<u>16.85%</u>	<u>14.98%</u>	<u>14.77%</u>	<u>14.22%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

## Town of Stonington, Connecticut

## Notes to Required Supplementary Information

**Connecticut Municipal Employees' Retirement System**  
**Schedule of Contributions**  
**Last Five Years (1)**

	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return	7.00%	8.00%	8.00%	8.00%	8.00%

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.



## Town of Stonington, Connecticut

## Required Supplementary Information

Connecticut State Teachers' Retirement System  
Last Five Years (3)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>					
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net pension liability associated with Town	<u>52,440,472</u>	<u>56,047,411</u>	<u>59,130,448</u>	<u>45,293,369</u>	<u>41,864,643</u>
Total	<u>\$52,440,472</u>	<u>\$56,047,411</u>	<u>\$59,130,448</u>	<u>\$45,293,369</u>	<u>\$41,864,643</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

**Schedule of Contributions**

Contractually required contribution (1)	(1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll		<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll		<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Stonington, Connecticut

## Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System  
Schedule of Contributions  
Last Five Years (1)

	2019	2018	2017	2016	2015
Changes of Benefit Terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Stonington, Connecticut

## Required Supplementary Information

Other Post-Employment Benefit Plan  
Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in Net OPEB Liability and Related Ratios</u></b>			
Total OPEB liability:			
Service cost	\$ 133,370	\$ 150,317	\$ 143,707
Interest	307,635	412,772	401,263
Differences between expected and actual experience	116,397	(1,927,076)	-
Changes in assumptions	-	111,053	-
Benefit payments, including refunds of member contributions	<u>(463,033)</u>	<u>(363,114)</u>	<u>(371,649)</u>
Net change in total OPEB liability	94,369	(1,616,048)	173,321
Total OPEB liability - July 1	<u>5,016,786</u>	<u>6,632,834</u>	<u>6,459,513</u>
Total OPEB liability - June 30 (a)	<u>\$ 5,111,155</u>	<u>\$ 5,016,786</u>	<u>\$ 6,632,834</u>
Plan fiduciary net position:			
Contributions - employer	\$ 623,096	\$ 403,013	\$ 461,649
Contributions - TRB subsidy	39,468	66,101	-
Net investment income (loss)	58,257	39,373	67,145
Benefit payments, including refunds of member contributions	(463,033)	(363,114)	(371,649)
Administration expenses	<u>(16,500)</u>	<u>(8,590)</u>	<u>(2,000)</u>
Net change in plan fiduciary net position	241,288	136,783	155,145
Plan fiduciary net position - July 1	<u>1,318,749</u>	<u>1,181,966</u>	<u>1,026,821</u>
Plan fiduciary net position - June 30 (b)	<u>1,560,037</u>	<u>1,318,749</u>	<u>1,181,966</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 3,551,118</u>	<u>\$ 3,698,037</u>	<u>\$ 5,450,868</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>30.52%</u>	<u>26.29%</u>	<u>17.82%</u>
Covered payroll	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>
Net OPEB liability as a percentage of covered payroll	<u>11.84%</u>	<u>12.65%</u>	<u>21.54%</u>
<b><u>Schedule of Investment Returns</u></b>			
Annual money weighted rate of return, net investment expense	<u>5.31%</u>	<u>3.04%</u>	<u>7.45%</u>

(1) These schedules are intended to present information for 10 years.  
Additional years will be presented as the information becomes available.

## Town of Stonington, Connecticut

## Required Supplementary Information

Other Post-Employment Benefits Plan  
Schedule of Contributions  
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 458,274	\$ 453,445	\$ 446,489	\$ 431,821	\$ 412,037	\$ 731,000	\$ 699,000	\$ 729,000	\$ 698,000	\$ 687,000
Contributions in relation to the actuarially determined contribution	<u>623,096</u>	<u>469,114</u>	<u>461,649</u>	<u>349,443</u>	<u>327,071</u>	<u>694,000</u>	<u>668,000</u>	<u>1,070,000</u>	<u>671,000</u>	<u>603,000</u>
Contribution excess (deficiency)	<u>\$ 164,822</u>	<u>\$ 15,669</u>	<u>\$ 15,160</u>	<u>\$ (82,378)</u>	<u>\$ (84,966)</u>	<u>\$ (37,000)</u>	<u>\$ (31,000)</u>	<u>\$ 341,000</u>	<u>\$ (27,000)</u>	<u>\$ (84,000)</u>
Covered payroll	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>	<u>\$ 28,389,610</u>	<u>\$ 28,389,610</u>	<u>\$ 26,065,000</u>	<u>\$ 26,065,000</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>2.08%</u>	<u>1.60%</u>	<u>1.82%</u>	<u>1.23%</u>	<u>1.15%</u>	<u>2.66%</u>	<u>2.56%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A - Not available

**Town of Stonington, Connecticut**  
**Notes to Required Supplementary Information**  
**Other Post-Employment Benefit (OPEB) Plan**  
**Schedule of Contributions**  
**Last Six Years (1)**

	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Healthcare inflation Rate - Initial	7.00%	6.26%	6.26%	6.80%	6.80%	6.80%
Healthcare inflation Rate - Ultimate	4.60%	4.60%	4.60%	4.70%	4.70%	4.70%
Investment Rate of Return	6.25%	6.25%	6.25%	7.50%	7.50%	7.50%
Mortality Rate	Mortality rates were based on the RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2018.	Mortality rates were based on the RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2015.	Mortality rates were based on the RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2015.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Based on the 1983 Group Mortality Table 50% male 50% female

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Stonington, Connecticut

## Required Supplementary Information

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan  
Last Two Years (3)**

	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>		
Town's proportionate share of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>10,483,150</u>	<u>14,425,979</u>
Total	<u>\$10,483,150</u>	<u>\$ 14,425,979</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>

**Schedule of Contributions**

Contractually required contribution	(1) \$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Stonington, Connecticut

## Notes to Required Supplementary Information

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan**  
**Schedule of Contributions**  
**Last Two Years (1)**

	2019	2018
Changes of Benefit Terms	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:		
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value
Inflation	2.75%	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

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## **Supplemental Schedules**

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## **General Fund**

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The general fund is the principal fund of the Town and is used to account for all activities of the Town except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e. general government public safety, highway sanitation, and waste removal, human services and social services, recreation, education etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

## Town of Stonington, Connecticut

Report of Tax Collector  
For the Year Ended June 30, 2019

Grand List Year	Uncollected Taxes July 1, 2018	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Taxes	Interest and Liens	Total	
2011	\$ 124	\$ -	\$ -	\$ -	\$ -	\$ 124	\$ 124	\$ 130	\$ 254	\$ -
2012	4,275	-	180	53	1,669	2,733	325	135	460	2,408
2013	7,124	-	123	186	1,785	5,276	117	67	184	5,159
2014	10,244	-	250	215	2,455	7,824	2,794	992	3,786	5,030
2015	50,874	-	30,330	1,006	8,994	71,204	60,522	18,180	78,702	10,682
2016	<u>403,180</u>	<u>-</u>	<u>71,056</u>	<u>32,331</u>	<u>17,791</u>	<u>424,114</u>	<u>388,351</u>	<u>64,644</u>	<u>452,995</u>	<u>35,763</u>
Total Prior Years	475,821	-	101,939	33,791	32,694	511,275	452,233	84,148	536,381	59,042
2017	<u>-</u>	<u>63,168,517</u>	<u>122,547</u>	<u>251,205</u>	<u>32,506</u>	<u>63,007,353</u>	<u>62,690,691</u>	<u>196,926</u>	<u>62,887,617</u>	<u>316,662</u>
Totals	<u>\$ 475,821</u>	<u>\$ 63,168,517</u>	<u>\$ 224,486</u>	<u>\$ 284,996</u>	<u>\$ 65,200</u>	<u>\$ 63,518,628</u>	<u>\$ 63,142,924</u>	<u>\$ 281,074</u>	<u>\$ 63,423,998</u>	<u>\$ 375,704</u>

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## Other Governmental Funds

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### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are restricted, committed or assigned for particular purposes.

### **Capital Project Funds**

Capital project funds are used to account for the acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Town of Stonington, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2019

	Special Revenue Funds						
	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	SNEFLA Reserve Fund	Youth Service Activity Fund	Community Development Block Grant Fund
<u>Assets</u>							
Cash	\$ 28,277	\$ 38,370	\$ -	\$ 19,622	\$ 195,836	\$ 339,707	\$ 14,400
Receivables (net):							
Loans	-	-	-	-	-	-	207,651
Assessments/use charges	1,657	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	21,270
Other	-	-	-	-	-	2,113	-
Due from other funds	-	-	309,750	10,307	-	217	-
Total assets	<u>\$ 29,934</u>	<u>\$ 38,370</u>	<u>\$ 309,750</u>	<u>\$ 29,929</u>	<u>\$ 195,836</u>	<u>\$ 342,037</u>	<u>\$ 243,321</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 125	\$ 913	\$ 11,098	\$ -	\$ 3,945	\$ 21,270
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	3,217	-	-	-	131,495	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,342</u>	<u>913</u>	<u>11,098</u>	<u>-</u>	<u>135,440</u>	<u>21,270</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue-sewer charges and assessments	<u>1,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>							
Restricted	28,277	-	308,837	-	-	-	222,051
Committed	-	35,028	-	-	195,836	-	-
Assigned	-	-	-	18,831	-	206,597	-
Total fund balances	<u>28,277</u>	<u>35,028</u>	<u>308,837</u>	<u>18,831</u>	<u>195,836</u>	<u>206,597</u>	<u>222,051</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,934</u>	<u>\$ 38,370</u>	<u>\$ 309,750</u>	<u>\$ 29,929</u>	<u>\$ 195,836</u>	<u>\$ 342,037</u>	<u>\$ 243,321</u>

(Continued)

## Town of Stonington, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2019

## Special Revenue Funds

	Planning And Development Grant Fund	Recreation Commission Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Human Services Grant Fund	Prepaid Education Grants Fund	Hot Lunch Program Fund
<u>Assets</u>							
Cash	\$ -	\$ 137,424	\$ 31,366	\$ 1,651,093	\$ -	\$ 90,974	\$ 10,058
Receivables (net):							
Loans	-	-	-	-	-	-	-
Assessments/use charges	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	72,552
Other	-	215	-	-	-	-	-
Due from other funds	497,512	105,272	-	-	44,213	-	-
Total assets	<u>\$ 497,512</u>	<u>\$ 242,911</u>	<u>\$ 31,366</u>	<u>\$ 1,651,093</u>	<u>\$ 44,213</u>	<u>\$ 90,974</u>	<u>\$ 82,610</u>
<u>Liabilities</u>							
Accounts payable	\$ 26,617	\$ 19,151	\$ -	\$ -	\$ 763	\$ -	\$ -
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	83,092	-	126	217	35,809	-
Unearned revenue	363,383	-	-	-	28,092	44,472	6,050
Total liabilities	<u>390,000</u>	<u>102,243</u>	<u>-</u>	<u>126</u>	<u>29,072</u>	<u>80,281</u>	<u>6,050</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue-sewer charges and assessments	-	-	-	-	-	-	-
<u>Fund Balances</u>							
Restricted	-	-	-	1,650,967	15,141	-	76,560
Committed	-	-	-	-	-	-	-
Assigned	107,512	140,668	31,366	-	-	10,693	-
Total fund balances	<u>107,512</u>	<u>140,668</u>	<u>31,366</u>	<u>1,650,967</u>	<u>15,141</u>	<u>10,693</u>	<u>76,560</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 497,512</u>	<u>\$ 242,911</u>	<u>\$ 31,366</u>	<u>\$ 1,651,093</u>	<u>\$ 44,213</u>	<u>\$ 90,974</u>	<u>\$ 82,610</u>

(Continued)

Town of Stonington, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2019

	Special Revenue Funds				Capital Projects Funds		Total Other Governmental Funds
	Miscellaneous Fund	Stonington Harbor Management Fund	Mystic Harbor Management Fund	Total	Capital Nonrecurring Fund	Bonded Capital Projects Fund	
<u>Assets</u>							
Cash	\$ 595,795	\$ 300	\$ -	\$ 3,153,222	\$ 4,209,829	\$ -	\$ 7,363,051
Receivables (net):							
Loans	-	-	-	207,651	-	-	207,651
Assessments/use charges	-	-	-	1,657	-	-	1,657
Intergovernmental	2,315	-	-	96,137	323,833	-	419,970
Other	124,074	-	-	126,402	-	-	126,402
Due from other funds	127,584	47,440	39,336	1,181,631	-	140,706	1,322,337
Total assets	<u>\$ 849,768</u>	<u>\$ 47,740</u>	<u>\$ 39,336</u>	<u>\$ 4,766,700</u>	<u>\$ 4,533,662</u>	<u>\$ 140,706</u>	<u>\$ 9,441,068</u>
<u>Liabilities</u>							
Accounts payable	\$ 14,325	\$ 3,483	\$ 141	\$ 101,831	\$ 180,863	\$ 43,946	\$ 326,640
Retainage payable	-	-	-	-	-	15,580	15,580
Due to other funds	-	-	-	253,956	270,913	140	525,009
Unearned revenue	13,080	-	-	455,077	-	-	455,077
Total liabilities	<u>27,405</u>	<u>3,483</u>	<u>141</u>	<u>810,864</u>	<u>451,776</u>	<u>59,666</u>	<u>1,322,306</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue-sewer charges and assessments	-	-	-	1,657	-	-	1,657
<u>Fund Balances</u>							
Restricted	9,679	-	-	2,311,512	-	-	2,311,512
Committed	-	-	-	230,864	4,081,886	81,040	4,393,790
Assigned	812,684	44,257	39,195	1,411,803	-	-	1,411,803
Total fund balances	<u>822,363</u>	<u>44,257</u>	<u>39,195</u>	<u>3,954,179</u>	<u>4,081,886</u>	<u>81,040</u>	<u>8,117,105</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 849,768</u>	<u>\$ 47,740</u>	<u>\$ 39,336</u>	<u>\$ 4,766,700</u>	<u>\$ 4,533,662</u>	<u>\$ 140,706</u>	<u>\$ 9,441,068</u>

(Concluded)

**Town of Stonington, Connecticut**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

Special Revenue Funds

	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	SNEFLA Reserve Fund	Youth Service Activity Fund	Community Development Block Grant Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 300,172	\$ -	\$ -	\$ -	\$ 21,270
Charges for services	2,690	10,908	-	7,363	12,500	76,180	-
Use of money and property	-	128	-	-	645	1,016	29
Other	-	-	-	-	-	27,932	-
Total revenues	<u>2,690</u>	<u>11,036</u>	<u>300,172</u>	<u>7,363</u>	<u>13,145</u>	<u>105,128</u>	<u>21,299</u>
Expenditures:							
Current:							
General government	-	8,659	-	-	-	-	-
Public safety	-	-	-	4,969	-	-	-
Highway	-	-	324,422	-	-	-	-
Human services	-	-	-	-	-	-	25,769
Recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	96,770	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>8,659</u>	<u>324,422</u>	<u>4,969</u>	<u>-</u>	<u>96,770</u>	<u>25,769</u>
Excess (deficiency) of revenues over expenditures	<u>2,690</u>	<u>2,377</u>	<u>(24,250)</u>	<u>2,394</u>	<u>13,145</u>	<u>8,358</u>	<u>(4,470)</u>
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	-
Sale of capital asset	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(45,000)	-	-	-	-	-	-
Net other financing sources (uses)	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(42,310)	2,377	(24,250)	2,394	13,145	8,358	(4,470)
Fund balances - July 1, 2018	<u>70,587</u>	<u>32,651</u>	<u>333,087</u>	<u>16,437</u>	<u>182,691</u>	<u>198,239</u>	<u>226,521</u>
Fund balances - June 30, 2019	<u>\$ 28,277</u>	<u>\$ 35,028</u>	<u>\$ 308,837</u>	<u>\$ 18,831</u>	<u>\$ 195,836</u>	<u>\$ 206,597</u>	<u>\$ 222,051</u>

(Continued)

## Town of Stonington, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue Funds						
	Planning and Development Grant Fund	Recreation Commission Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Human Services Grant Fund	Prepaid Education Grants Fund	Hot Lunch Program Fund
Revenues:							
Intergovernmental	\$ 26,617	\$ -	\$ -	\$ -	\$ 40,357	\$ 1,952,025	\$ 333,466
Charges for services	-	234,029	-	530,300	-	-	433,817
Use of money and property	-	439	105	4,344	-	-	-
Other	-	17,500	-	-	-	-	-
Total revenues	<u>26,617</u>	<u>251,968</u>	<u>105</u>	<u>534,644</u>	<u>40,357</u>	<u>1,952,025</u>	<u>767,283</u>
Expenditures:							
Current:							
General government	26,617	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-
Human services	-	-	-	-	33,822	-	-
Recreation	-	304,784	-	-	-	-	-
Education	-	-	-	-	-	1,946,006	757,494
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,574	-	-	-
Total expenditures	<u>26,617</u>	<u>304,784</u>	<u>-</u>	<u>2,574</u>	<u>33,822</u>	<u>1,946,006</u>	<u>757,494</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(52,816)</u>	<u>105</u>	<u>532,070</u>	<u>6,535</u>	<u>6,019</u>	<u>9,789</u>
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	-
Sale of capital asset	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(52,816)	105	532,070	6,535	6,019	9,789
Fund balances - July 1, 2018	<u>107,512</u>	<u>193,484</u>	<u>31,261</u>	<u>1,118,897</u>	<u>8,606</u>	<u>4,674</u>	<u>66,771</u>
Fund balances - June 30, 2019	<u>\$ 107,512</u>	<u>\$ 140,668</u>	<u>\$ 31,366</u>	<u>\$ 1,650,967</u>	<u>\$ 15,141</u>	<u>\$ 10,693</u>	<u>\$ 76,560</u>

(Continued)



**Town of Stonington, Connecticut**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds				Capital Projects Funds		
	Miscellaneous Fund	Stonington Harbor Management Fund	Mystic Harbor Management Fund	Total	Capital Nonrecurring Fund	Bonded Capital Projects Fund	Total Other Governmental Funds
Revenues:							
Intergovernmental	\$ 79,288	\$ -	\$ -	\$ 2,753,195	\$ 323,833	\$ -	\$ 3,077,028
Charges for services	423,353	27,160	15,350	1,773,650	66,551	-	1,840,201
Use of money and property	7,435	-	-	14,141	91,740	-	105,881
Other	150	100	-	45,682	-	-	45,682
Total revenues	510,226	27,260	15,350	4,586,668	482,124	-	5,068,792
Expenditures:							
Current:							
General government	5,311	17,497	8,087	66,171	-	-	66,171
Public safety	502,561	-	-	507,530	-	-	507,530
Highway	-	-	-	324,422	-	-	324,422
Human services	-	-	-	59,591	-	-	59,591
Recreation	-	-	-	304,784	-	-	304,784
Education	-	-	-	2,800,270	-	-	2,800,270
Debt service	-	-	-	-	925,369	-	925,369
Capital outlay	-	-	-	2,574	3,888,856	59,790	3,951,220
Total expenditures	507,872	17,497	8,087	4,065,342	4,814,225	59,790	8,939,357
Excess (deficiency) of revenues over expenditures	2,354	9,763	7,263	521,326	(4,332,101)	(59,790)	(3,870,565)
Other financing sources (uses):							
Issuance of debt	-	-	-	-	557,220	-	557,220
Sale of capital asset	-	-	-	-	20,000	-	20,000
Transfers in	152,155	-	-	152,155	2,690,664	-	2,842,819
Transfers out	-	-	-	(45,000)	-	-	(45,000)
Net other financing sources (uses)	152,155	-	-	107,155	3,267,884	-	3,375,039
Net change in fund balances	154,509	9,763	7,263	628,481	(1,064,217)	(59,790)	(495,526)
Fund balances - July 1, 2018	667,854	34,494	31,932	3,325,698	5,146,103	140,830	8,612,631
Fund balances - June 30, 2019	\$ 822,363	\$ 44,257	\$ 39,195	\$ 3,954,179	\$ 4,081,886	\$ 81,040	\$ 8,117,105

(Concluded)

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## **Internal Service Funds**

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Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

### **Town Medical Fund**

To account for medical claims of the Town employees.

### **Town Dock Fund**

To account for the general liability and property damage claims for the Town's dock.

## Town of Stonington, Connecticut

**Internal Service Funds**  
**Combining Statement of Fund Net Position**  
**June 30, 2019**

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 3,225,560	\$ 665,033	\$ 3,890,593
Due from other funds	<u>928,591</u>	<u>60,000</u>	<u>988,591</u>
Total current assets	<u>4,154,151</u>	<u>725,033</u>	<u>4,879,184</u>
<u>Liability</u>			
Current liability:			
Claims payable	<u>444,000</u>	<u>-</u>	<u>444,000</u>
<u>Net Position</u>			
Unrestricted	<u><u>\$ 3,710,151</u></u>	<u><u>\$ 725,033</u></u>	<u><u>\$ 4,435,184</u></u>

## Town of Stonington, Connecticut

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2019**

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	<u>\$ 7,632,624</u>	<u>\$ 60,000</u>	<u>\$ 7,692,624</u>
Operating expenses:			
Medical claims	5,309,436	-	5,309,436
Administration and insurance	<u>1,137,233</u>	<u>-</u>	<u>1,137,233</u>
Total operating expenses	<u>6,446,669</u>	<u>-</u>	<u>6,446,669</u>
Operating income (loss)	1,185,955	60,000	1,245,955
Nonoperating revenues:			
Income from investments	<u>45,590</u>	<u>9,256</u>	<u>54,846</u>
Change in net position	1,231,545	69,256	1,300,801
Net position - July 1, 2018	<u>2,478,606</u>	<u>655,777</u>	<u>3,134,383</u>
Net position - June 30, 2019	<u><u>\$ 3,710,151</u></u>	<u><u>\$ 725,033</u></u>	<u><u>\$ 4,435,184</u></u>

## Town of Stonington, Connecticut

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received for charges	\$ 8,240,411	\$ 60,000	\$ 8,300,411
Cash paid for claims and other	(5,375,436)	-	(5,375,436)
Cash paid for administration	(1,137,233)	-	(1,137,233)
Net cash from operating activities	1,727,742	60,000	1,787,742
Cash flows from investing activities:			
Income from investments	45,590	9,256	54,846
Net increase (decrease) in cash	1,773,332	69,256	1,842,588
Cash - July 1, 2018	1,452,228	595,777	2,048,005
Cash - June 30, 2019	<u>\$ 3,225,560</u>	<u>\$ 665,033</u>	<u>\$ 3,890,593</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 1,185,955	\$ 60,000	\$ 1,245,955
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
(Increase) decrease in:			
Due from other funds	607,787	-	607,787
Increase (decrease) in:			
Claims payable	(66,000)	-	(66,000)
Net cash from operating activities	<u>\$ 1,727,742</u>	<u>\$ 60,000</u>	<u>\$ 1,787,742</u>

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## **Trend Information**

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Table 1

## Town of Stonington, Connecticut

**Net Position by Component  
Last Ten Years  
(Unaudited)**

	June 30									
	2019	2018	2017 (as restated)	2016 (as restated)	2015 (as restated)	2014	2013	2012	2011	2010
Net investment in capital assets	\$ 114,079,006	\$ 91,526,714	\$ 90,224,341	\$ 90,575,409	\$ 88,407,197	\$ 89,847,001	\$ 92,169,328	\$ 89,588,921	\$ 88,872,739	\$ 86,773,619
Restricted for:										
Public safety	9,679	9,036	7,469	5,133	5,125	5,822	5,146	5,145	6,248	-
Highway	308,837	333,087	410,392	593,636	280,488	280,488	289,784	161,772	103,222	-
Sanitation and waste removal	2,154,209	1,806,219	1,130,388	888,463	181,673	215,378	203,662	120,534	88,972	-
Human services	15,141	8,606	8,949	10,328	10,133	8,933	18,031	5,934	4,525	-
Housing rehabilitation programs	222,051	2,321	-	-	-	-	-	-	-	-
Education	76,560	66,771	13,623	58,858	106,255	127,699	139,827	141,620	147,265	-
Unrestricted	11,584,828	32,378,538	20,367,243	32,378,538	24,812,582	21,079,550	21,431,285	21,800,934	18,794,839	16,990,964
Total net position	<u>\$ 128,450,311</u>	<u>\$ 126,131,292</u>	<u>\$ 112,162,405</u>	<u>\$ 124,510,365</u>	<u>\$ 113,803,453</u>	<u>\$ 111,564,871</u>	<u>\$ 114,257,063</u>	<u>\$ 111,824,860</u>	<u>\$ 108,017,810</u>	<u>\$ 103,764,583</u>

Table 2

## Town of Stonington, Connecticut

Changes in Net Position  
Last Ten Years  
(Unaudited)

Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
General government	\$ 7,745,281	\$ 7,359,321	\$ 7,980,223	\$ 8,330,574	\$ 7,453,587	\$ 7,433,041	\$ 6,683,580	\$ 5,853,817	\$ 5,760,338	\$ 8,017,134
Public safety	13,762,509	7,554,488	5,436,321	6,772,583	5,665,553	5,422,414	5,521,224	5,581,519	5,315,579	4,169,223
Highway	4,717,667	4,708,936	4,613,473	4,287,328	4,218,571	4,400,717	3,664,057	3,511,527	3,643,021	3,083,424
Sanitation and waste removal	6,094,042	5,142,449	5,652,720	5,436,017	5,324,794	5,743,250	5,393,478	5,326,217	5,773,771	5,178,102
Human services	955,606	959,903	1,652,941	936,054	727,211	725,329	720,024	777,536	803,803	343,692
Libraries	330,500	330,500	329,500	319,500	304,810	284,810	284,810	269,810	269,810	189,979
Recreation	426,209	311,665	250,966	274,055	185,163	171,977	174,252	297,402	225,268	183,653
Education	48,294,352	47,503,219	44,882,290	42,323,983	42,278,343	40,881,875	38,918,207	37,414,978	36,114,479	36,917,998
Interest	2,276,018	2,317,055	2,112,956	1,290,904	1,494,879	1,326,010	1,473,813	888,461	907,607	1,439,712
Total expenses	84,602,184	76,187,536	72,911,390	69,970,998	67,652,911	66,389,423	62,833,445	59,921,267	58,813,676	59,522,917
Program revenues:										
Charges for services:										
General government	1,101,618	1,067,646	888,589	1,154,923	729,068	851,715	750,359	711,631	741,220	803,809
Public safety	542,641	512,811	400,093	420,309	49,590	113,262	112,167	77,259	98,889	286,534
Highway	435,753	511,127	366,819	454,001	277,393	235,360	199,124	244,472	204,970	256,784
Sanitation and waste removal	4,744,231	3,807,802	4,019,320	3,877,318	3,967,686	3,887,694	4,091,222	3,986,437	4,384,108	2,189,143
Human services	-	-	-	97,750	79,759	96,818	74,649	96,865	78,270	33,825
Libraries	-	-	-	-	-	-	-	-	-	25,385
Recreation	276,539	257,906	149,830	137,230	111,142	127,833	96,406	113,050	103,883	19,328
Education	539,896	546,508	605,623	503,657	526,982	607,743	675,144	601,777	646,736	2,308,078
Operating grants and contributions	8,966,367	10,719,048	7,911,926	6,731,104	6,542,596	8,208,821	7,746,843	7,436,627	6,795,674	7,386,033
Capital grants and contributions	5,744,491	10,284,845	1,676,993	427,362	200,392	403,710	647,508	425,334	1,560,955	1,937,799
Total program revenues	22,351,536	27,707,693	16,019,193	13,803,654	12,484,608	14,532,956	14,393,422	13,693,452	14,614,705	15,246,718
Net expenses	(62,250,648)	(48,479,843)	(56,892,197)	(56,167,344)	(55,168,303)	(51,856,467)	(48,440,023)	(46,227,815)	(44,198,971)	(44,276,199)
General revenues:										
Property taxes	63,416,118	61,540,895	58,995,604	56,279,632	53,659,623	51,881,485	50,686,298	49,810,644	48,620,326	47,505,735
Grants and contributions not restricted to specific programs	337,430	322,486	461,343	357,458	294,518	417,790	-	-	-	-
Income from investments	765,680	481,983	155,775	138,095	194,228	196,867	171,959	167,948	196,671	222,137
Other	50,439	103,366	42,828	48,953	16,464	58,151	13,969	56,273	(364,799)	441,549
Total general revenues	64,569,667	62,448,730	59,655,550	56,824,138	54,164,833	52,554,293	50,872,226	50,034,865	48,452,198	48,169,421
Change in net position	\$ 2,319,019	\$13,968,887	\$ 2,763,353	\$ 656,794	\$ (1,003,470)	\$ 697,826	\$ 2,432,203	\$ 3,807,050	\$ 4,253,227	\$ 3,893,222



Table 3

**Town of Stonington, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**June 30, 2019**  
**(Unaudited)**

Base:

Total tax collections (including interest and lien fees) for prior year \$ 61,520,902

Total tax collections (including interest and lien fees) for prior year  
of the Town, Borough, and all other taxing districts within the Town 814,927

Base for debt limitation computation \$ 62,335,829

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 140,255,615	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	280,511,231	-	-	-
3 3/4 times base	-	-	233,759,359	-	-
3 1/4 times base	-	-	-	202,591,444	-
3 times base	-	-	-	-	187,007,487
Total debt limitation	<u>140,255,615</u>	<u>280,511,231</u>	<u>233,759,359</u>	<u>202,591,444</u>	<u>187,007,487</u>
Indebtedness:					
Bonds payable	7,828,267	48,624,287	12,852,446	-	-
Bond anticipation notes - short-term	-	1,300,000	-	-	-
Bond anticipation notes - long-term	-	5,200,000	-	-	-
Fire District Debt	<u>1,930,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net indebtedness (1)	<u>9,758,983</u>	<u>55,124,287</u>	<u>12,852,446</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 130,496,632</u></u>	<u><u>\$ 225,386,944</u></u>	<u><u>\$ 220,906,913</u></u>	<u><u>\$ 202,591,444</u></u>	<u><u>\$ 187,007,487</u></u>

Notes:

(1) The total of the above net indebtedness amounts to: \$ 77,735,716

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 436,350,803