

Town of New Canaan, Connecticut

Financial Statements and
Supplementary Information

Year Ended June 30, 2015

Town of New Canaan, Connecticut

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Independent Auditors' Report

**The Town Council
Town of New Canaan, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Canaan, Connecticut ("Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 Management's Discussion and Analysis, budgetary comparison information and pension and other post-employment benefit schedules 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 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 combining and individual fund financial statements and supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and supplementary 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the Town's internal control over financial reporting and 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 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.

O'Connor Davies, LLP

December 21, 2015

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

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

FINANCIAL HIGHLIGHTS

- A full tax assessment revaluation was completed resulting in a lower Net Taxable Grand List for 2013 of \$8,052,488,253 an approximate 3% decrease from 2012's Grand List of \$8,301,919,279. The main decrease was in the Real Estate Grand List which decreased from \$7,988,107,197 to \$7,728,589,570 or a decrease of \$259,517,627 in Real Property assessments. This decrease was due to the market change on large properties that lost value and the lost assessment of the Grace Church property which was approximately \$22,000,000 in assessed value. Personal Property Grand List increased from \$66,826,230 to \$69,990,000 up 4.7%. The Motor Vehicle Grand List increased from \$246,985,852 to \$253,908,683 an increase of 2.8%. The Town's next scheduled revaluation will be October 1, 2018 which will be effective for fiscal year 2019-2020.
- The Sewer District total for the Grand List 2013 has shown a slight increase from last year's list of \$1,978,737,042 to \$2,016,619,129 after all adjustments from the Board of Assessment Appeals ("BAA") or slightly under 2%. The Sewer District number applies to only Real Estate.
- A large portion of the Town's net position is its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets still outstanding. The Town uses these capital assets to provide services to citizens.
- The Town maintained a strong governmental unrestricted net position of \$51,488,216 which may be used to meet the Town's ongoing obligations to citizens and creditors. Total net position, which includes net investment in capital assets, restricted, expendable, non-expendable and the aforementioned unrestricted net position increased by \$2,523,348 over prior year to \$164,920,872. This increase was mainly due to a reduction in long-term liabilities and an increase in net investments in capital assets, as the Town completed its \$17.9 million Town Hall renovation project in the Spring of 2015.
- The Town had a slight reduction in net position for Business-Type activities of \$95,008, bringing the ending net position down to a total net position of \$743,857. This slight decrease was due to lower cash and equivalents, coupled with an increase in the net investments in capital assets, within the Enterprise Funds.
- The General Fund resulted in a total net position net decrease of \$1,633,171 resulting in an end of year balance of \$31,707,110 or an approximate 4% decrease. This decrease was mainly due to a 33% reduction in investments with the close out of the Northern Capital CD's that held some of the Board of Education's Health Benefit Fund money (the Internal Service Fund), these funds were used to cover insurance claims cost throughout the fiscal year.

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

- On a budgetary basis more than \$126.2 million or about 92% of the revenues were derived from tax collections. A total of \$4,509,783 or 3% of the revenues were derived from charges for services. A total of \$3,797,905 or 3% of revenue was from Intergovernmental and Reimbursement/Refunds. \$2,735,363 or 2% of revenues were derived by Licenses/Permits and Use of Money/Property.
- On a budgetary basis the main expenditures in fiscal year 2014-2015 were within the Board of Education with \$80,352,342 or 58% of the total. Debt came in at 11% or \$15,727,104. The General Government had expenditures of \$12,414,213 or 9% and Public Safety had \$11,134,218 or 8% of the total, respectively.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2 in the Financial Statements) provide information about the activities of the Town, as a whole, and present an extended view of the Town's finances. Fund financial statements start with Exhibit 3. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town.

Reporting the Town as a Whole

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

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

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

In the Statement of Net Position and the Statement of Activities, the Town is divided into two types of activities:

- **Governmental activities**—Most of the Town's basic services are reported here, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues (such as fees and licenses) finance most of these activities.
- **Business-type activities**—The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Reporting the Town's Most Significant Funds

The analysis of the Town's major funds begins with the fund financial statements in Exhibit 3 of the Financial Statements; which provides detailed information about the most significant funds, not the Town as a whole. State law and/or bond covenants mandate the establishment of some funds; however, the Town establishes many other funds to help it control and manage money for particular purposes (or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money).

- **Governmental funds**—The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified* accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- **Proprietary funds**—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information (such as cash flows, for proprietary funds).

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

The Town as Trustee

The Town is the trustee, or *fiduciary*, for the pension trust funds, private purpose trust funds and certain agency funds. These funds do not belong to the Town. The Town's fiduciary activities are reported in separate statements in Exhibits 8 and 9. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWN AS A WHOLE

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 68,475,650	\$ 81,009,402	\$ 1,351,649	\$ 1,603,919	\$ 69,827,299	\$ 82,613,321
Capital assets	237,619,885	227,583,332	1,342,254	1,390,961	238,962,139	228,974,293
Total assets	306,095,535	308,592,734	2,693,903	2,994,880	308,789,438	311,587,614
Deferred outflows of resources	3,659,080	-	-	-	3,659,080	-
Long-term debt outstanding	129,800,995	133,274,924	1,499,603	1,656,643	131,300,598	134,931,567
Other liabilities	13,228,777	12,920,286	450,443	499,376	13,679,220	13,419,662
Total liabilities	143,029,772	146,195,210	1,950,046	2,156,019	144,979,818	148,351,229
Deferred inflows of resources	1,803,971	-	-	-	1,803,971	-
Net position						
Net investment in						
capital assets	112,332,577	97,437,742	(157,349)	(265,682)	112,175,228	97,172,060
Restricted	1,100,079	1,095,042	-	-	1,100,079	1,095,042
Unrestricted	51,488,216	63,864,740	901,206	1,104,543	52,389,422	64,969,283
Total net position	\$ 164,920,872	\$ 162,397,524	\$ 743,857	\$ 838,861	\$ 165,664,729	\$ 163,236,385

The above table focuses on the net position and the comparison of prior fiscal year to current fiscal year. The figures presented are extracted from Exhibit 1 in the Financial Statements.

The Town's *combined* net position increased by \$2,428,344 from a year ago—*increasing* from \$163,236,385 to \$165,664,729 as Governmental Activities contributed to most of this increase, with \$2,545,724 in total net position increase. The Net Investment in Capital Assets increased approximately \$15 million mainly due to completion of the \$17.9 million town hall renovation project. Our long term debt decreased over \$3.6 million with the repayment of our General Obligation Bonds over the fiscal year.

Business-type activities – Business activities overall have continued to cover their full costs. The net position through June 30, 2015 for business type activities totaled \$743,857. Net total assets were slightly lower than last year, as well as net total liabilities, resulting in a net decrease of \$95,008. This decrease was mainly due to the Parking Fund being moved into the Governmental Activities and out of the Business-Type Activities.

Town of New Canaan, Connecticut

Management's Discussion and Analysis June 30, 2015

The net investment in capital assets, showed an increase of \$108,333 to a negative \$157,349. This negative net investment in capital assets means that the debt on the capital assets is higher than the depreciated cost. This is expected to turn around in the next few years as the debt is paid down faster than the asset is depreciated.

Throughout the course of the fiscal year \$11,202,398 of general obligation bonds was paid down, plus the reduction in deferred refunding amounts of \$274,618. The remaining change in long-term debt represents changes in various items (such as capital lease additions and payments, compensated absences, landfill costs, pension obligations). The total investment in capital asset increased \$15,003,168, primarily due to the completion of the Town Hall building project.

Table 2
Change in Net Position (on Exhibit 2)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 10,678,718	\$ 11,286,608	\$ 810,055	\$ 801,486	\$ 11,488,773	\$ 12,088,094
Operating grants and contributions	14,792,060	14,642,531	-	-	14,792,060	14,642,531
Capital grants and contributions	1,829,246	804,367	28,582	45,677	1,857,828	850,044
General revenues:						
Property taxes	125,708,130	121,713,956	-	-	125,708,130	121,713,956
Grants and contributions	162,671	14,628	-	-	162,671	14,628
Interest and investment earnings	244,233	297,591	631	579	244,864	298,170
Gain (loss) on disposal of equipment	(621,754)	118,360	-	-	(621,754)	118,360
Other general revenues	1,112,256	1,036,166	-	-	1,112,256	1,036,166
Total revenues	153,905,560	149,914,207	839,268	847,742	154,744,828	150,761,949
Program expenses						
General government	15,058,437	13,690,774			15,058,437	13,690,774
Public safety and protection	12,875,444	7,439,180			12,875,444	7,439,180
Operation of plant	1,296,224	1,210,846			1,296,224	1,210,846
Public works	10,965,881	9,975,712			10,965,881	9,975,712
Social services	588,735	472,580			588,735	472,580
Education	101,929,112	92,072,085			101,929,112	92,072,085
Payments to other agencies	2,814,388	2,698,495			2,814,388	2,698,495
Parks and recreation	1,925,203	1,845,191			1,925,203	1,845,191
Interest on long-term debt	4,252,098	4,074,541			4,252,098	4,074,541
Railroad			164,554	170,928	164,554	170,928
Property rental			4,136	5,747	4,136	5,747
Waveny pool			360,848	314,484	360,848	314,484
Movie theatre			81,421	31,317	81,421	31,317
Parking			-	98,653	-	98,653
Total expenses	151,705,522	133,479,404	610,959	621,129	152,316,481	134,100,533
Excess (deficiency) before transfers	2,200,038	16,434,803	228,309	226,613	2,428,347	16,661,416
Transfers	323,317	(75,259)	(323,317)	75,259	-	-
Increase (decrease) in net position	\$ 2,523,355	\$ 16,359,544	\$ (95,008)	\$ 301,872	\$ 2,428,347	\$ 16,661,416

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

The above table reflects the changes in Net Position for the governmental and the business-type activities. The information in this table is extracted from Exhibit 2 in the Financial Statements. The significant changes from last fiscal year to this fiscal year are discussed below:

Governmental activities - The Town made a profit of \$2523,355 on the full accrual basis for all the governmental activities.

Governmental Activities

Table 2 reflects total governmental revenues which have increased by \$3,991,353 from fiscal year 2014 to 2015. The primary causes of the increased revenues are:

- Operating grants and contributions increased \$149,529 and Capital grants and contributions increased \$1,024,879.
- Property tax collections payments in lieu of taxes, interest and liens increased by \$3,994,174 or approximately 3%, a result from an increase in the mill rate.
- Other revenue increased \$76,090 from \$1,036,166 to \$1,112,256 which consisted mostly of employee and retiree insurance contributions.
- There was a slight decrease in interest and investment earnings of \$53,358 over the prior year.

Expenses increased by a total of \$18,226,118 over prior year. The major causes are discussed below:

- Table 2 displays the expenses by program on a full accrual basis. There is a significant increase in each of the expenses due to the effect of the pension. In 2014 the pension investments earned 16.16% in interest. This was significantly above the estimated rate of 6.5%. The rate was so high, causing pensions to report an income, or an \$8,399,571 reduction in expense.
- In 2015, pension investments earned just 2.85%; this was significantly below the estimated rate of 6.5%. In turn, this created a pension expense of \$1,308,599. This swing accounted for an increase in the expenses of \$9,708,170, or approximately half of the total increase in expense.
- In June 2015 the Governmental Accounting Standards Board ("GASB") issued GASB Statement Number 71. This statement was issued to help smooth out large swings in earnings, such as this. Because the town does not have all the calculations going back 6 years to make a retrospective adjustment (this would require new actuarial reports for each of those years), GASB 71 has been implemented prospectively. Starting in 2015, large differences in the pension earnings, large changes in the experience from expectations, and changes in the assumptions will all be reported as deferred inflows and outflows on the Statement of Net Position (Exhibit 1) and will be amortized over a

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

five (5) year period on the Statement of Activities (Exhibit 2). The net effect would reduce some of the big changes that occurred between 2014 and 2015.

- If pensions were to be excluded from the expense, a comparison of 2014 to 2015 expenses would look like this:

	2014	2015	Change in Expenses	
	Expenses with out Pension	Expenses with out Pension	with out Pension Expense \$	%
General government	\$ 15,850,828	\$ 14,528,772	\$ (1,322,056)	-8.34%
Public safety	11,609,439	12,354,834	745,395	6.42%
Operation of plant	1,312,767	1,283,500	(29,267)	-2.23%
Public works	9,975,712	10,965,881	990,169	9.93%
Social services	472,580	588,735	116,155	24.58%
Education	94,039,422	101,683,512	7,644,090	8.13%
Payments to other agencies	2,698,495	2,814,388	115,893	4.29%
Parks and recreation	1,845,191	1,925,203	80,012	4.34%
Interest on long-term debt	4,074,541	4,252,098	177,557	4.36%
	<u>\$ 141,878,975</u>	<u>\$ 150,396,923</u>	<u>\$ 8,517,948</u>	<u>6.00%</u>

The most significant variances in the expenditures, after the effects of pension are removed, are as follows:

- General Government – The general government expenditures have been relatively flat from year to year. They actually decreased from \$15,850,828 to \$14,528,772. Much of this \$1,322,056 decrease was because of two one-time expenditures in 2014:
 - The Town Hall was renovated; the project duration was from 2013 to 2015. There were a number of project related costs that could not be capitalized; for example, moving, set up of temporary locations, and other one-time expenses. These activities increased the 2014 expenses by nearly \$1,000,000.
 - In addition, the Town is required to have a revaluation every five (5) years. An outside firm is hired to reassess all the property in Town, in accordance with the Connecticut General Statutes. This was done in the 2014 fiscal year, at a cost of approximately \$300,000.
- Public Safety – The expenses for public safety increased by \$745,395. Much of this (\$422,358) was due to more calls for police extra duty services. The town provides police protection and charges the related services to the user. While the expense increased, it was offset by increased charges (\$500,096).
- Education – The taxpayers approved a budget for the Board of Education, reflecting an increase of 4%; however, the actual expenses increased by 8%. There are two significant drivers to explain this increase:

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

- The Board of Education budget does not include all the expenditures for education. There are other funds that have expenditures for education. One such fund is the Internal Service Fund for medical insurance. The Board of Education is self-insured, with a high deductible plan and a backstop of insurance coverage for catastrophic costs. The Board of Education's budget pays a fixed payment into the Internal Service Fund each year. The Internal Service Fund pays out the actual medical costs and health insurance premiums. The expenses on this schedule just include the external amounts paid, not the fixed payment to the Internal Service Fund. Subsequently, the Town's share of these external expenses for medical costs and health insurance premiums paid out increased by \$1,581,160.
- The Board of Education budget is prepared on a "budget basis". It allows encumbrances, firm commitments to purchase goods or services, to be posted against the budget as expenses when the firm commitment is made. Generally Accepted Accounting Principles ("GAAP") requires that the expenses not be posted until the goods or services are received. These two bases of accounting are reconciled in the Financial Statements each year. In 2014, the Board of Education had \$1,999,495 encumbered. Although the related procurement was accounted for in the 2014 budget, as required (in accordance with GAAP), the related expense would not be included on Table 2 until 2015. This creates an increase in expense, significantly higher than the increase in the budget.

THE TOWN'S FUNDS

Governmental Funds

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

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

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Educational Grants Fund, which are considered to be major funds. Eleven (11) Special Revenue Funds, eight (8) Capital Project Funds and one (1) Permanent Fund are combined into aggregate funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the back of this report.

Governmental Funds in total showed an overall decrease in fund balance. The year showed an increase in net position as well as a decrease in fund balance in the governmental funds, as presented in Exhibits 3 and 4. The total fund balance for governmental funds decreased \$7,461,256 over the prior year as shown in Exhibit 4 in the Financial Statements. The general fund balance decreased by \$1,157,350. The differences are reconciled in Exhibit 4a in the Financial Statements and are summarized as follows:

Significant changes in the fund balances were as follows:

- The General Fund's fund balance decreased by a total of \$1,157,350. The reduction was due to the use of unassigned fund balance to cover the cost of various one time capital projects throughout the year. This is discussed further in the next section.
- Special Bonding fund balance increased \$1,110,633 with the issuance of General Obligation Bonds.
- Bridge Replacement Fund's fund balance increased \$799,695 due to State reimbursement and bonding of the Town's portion of completed bridges.
- The Capital Nonrecurring Fund's fund balance increased by \$1,082,843, as budgeted funds were transferred into the Capital Nonrecurring Fund for approved budgeted projects. Details, by project, can be found in Schedule 2 in the back of the Financial Statement.
- The Town Hall Renovations project was completed in the Spring of fiscal year 2015 and all departments were moved back in by July 2015. The project was completed on time and within budget. Expenditures were made this year against the bond proceeds that were received last year. This reduced the fund balance by \$9,247,743.

Proprietary Funds

The Town maintained four (4) enterprise funds to account for the activities. These funds account for the activities of the Waveny Pool, the operations of the Railroad Station, certain rental properties, and the operation of the movie theater. The Parking Fund was shown as a separate fund in fiscal year 2014, but combined with the General Fund in the fiscal year 2015 presentation.

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

Unlike governmental funds, the measurement focus of proprietary funds is on total economic resources. Accordingly, the individual fund statements (Exhibits 5 through 7) will reflect transactions and events that increase or decrease net position, just like the government-wide statements (Exhibits 1 and 2). Significant changes (shown on Exhibit 6) by fund are as follows:

- The Wavney Pool Fund showed an ending net position of \$56,730, an improvement of \$181,679 over the prior year. This improvement was due to an increase in revenues, offsetting the pool's operational expense, in fiscal year 2014-2015. The year-end net position reflects \$69,826 in debt interest expense, paid by the Town, on behalf of this fund.
- The Movie Theater Fund reflects a \$52,587 increase in net position, over the prior year. This resulted in the ending net position of \$484,779 mainly due to an increase in cash and equivalents.
- The Property Rental Fund showed a \$4,886 increase in net position, over the prior year. This resulted in an ending net position of \$25,829, also primarily due to an increase in cash and equivalents.
- The Railroad Fund improved its ending net position by \$58,983, over last year, to a net position of \$176,519. Included in this net position is an expense of another approved project used to improve and repair the Railroad Station lighting, which included performing a lighting analysis with evidence for energy efficiency.

Additionally, the Town has one Internal Service Fund, used to account for the Board of Education's medical insurance. The Internal Service Fund held strong, with a net position of \$1,485,003. The fund revenues were lower than expenses, resulting in a net loss of \$1,282,765. This loss was anticipated during the budget process; the Town drew down on the fund's reserve and did not utilize an increased tax levy to cover the related expense. The Internal Service Fund is an accounting device used to accumulate and allocate intra-governmental costs. Because these activities serve the governmental entity itself, rather than external parties, they have been included within governmental activities in the government-wide financial statements (Exhibits 1 and 2 in the Financial Statements).

General Fund Budgetary Highlights

Over the course of the year, collectively, the Board of Finance and Town Council can revise the Town budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. Line item transfers do not increase the total budget, but instead pull appropriations from one department account to a different account within the same department. The Town Charter allows these transfers to be solely approved by the Board of Finance.

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

During the 2015 fiscal year, the Town continued to improve its policies and procedures within the finance area, to better facilitate timely reporting and monitoring of the budget. These policies and procedures improved the efficiency within the Department of Finance, removing various challenges faced by the department in the past.

Below is a summarized view of the final budget and actual results for the General Fund:

Table 3
General Fund - Budget Summary

	Final		
Revenues	Budget	Actual	Variance
Property Taxes	\$ 123,685,728	\$126,243,008	\$ 2,557,280
Intergovernmental	2,010,847	2,148,471	137,624
Licenses and Permits	1,070,300	1,260,185	189,885
Investment Earnings	350,000	229,568	(120,432)
Fines and Forfeitures	290,000	390,671	100,671
Use of Money and Property	1,228,616	1,475,178	246,562
Charges for Services	3,436,910	4,509,783	1,072,873
Reimbursements and Refunds	2,500,170	1,649,434	(850,736)
Total Revenues	134,572,571	137,906,298	3,333,727
Expenditures			
General Government	13,673,891	12,414,213	1,259,678
Public Safety and Protection	11,453,071	11,134,218	318,853
Public Works	8,237,172	8,186,283	50,889
Human Services	639,195	595,872	43,323
Recreation	1,785,174	1,706,592	78,582
Board of Education	80,870,557	80,352,342	518,215
Library	2,033,726	2,033,726	-
Other Agencies	695,560	627,893	67,667
Human Service Agencies	156,500	152,769	3,731
Capital Outlay	2,806,060	1,340,004	1,466,056
Debt Service	15,742,202	15,727,104	15,098
Operating transfers	4,285,851	4,285,851	-
Total Expenditures	142,378,959	138,556,867	3,822,092
Increase (Decrease)			
in Fund Balance	\$ (7,806,388)	\$ (650,569)	\$ 7,155,819

Significant variances are summarized as follows:

- Total Revenues exceeded budgeted expectations by \$3,333,727. An unbudgeted sale of assets, in the amount of \$101,562 (which included: \$40,000 in top soil, \$11,000 in the sale of mulch, \$46,000 for the sale of 309 Lukes Wood Road, along with other small sales of scrap metal and other small town assets), assisted in achieving the variance.
- Tax collections exceeded budget by \$2,557,280. The actual tax collections were 99.7% of the total tax levy, the budget assumed 98% of the total tax levy would be collected.

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

- Building Permits exceeded budget by \$117,976. Construction around town was very strong in during the fiscal year. street opening permits, zoning permits and lot testing also exceeded budget by \$23,129, collectively. In addition, building, conveyance fees exceeded the budget by \$268,605, due to strong property transfers.
- Investment on earnings continue to struggle, posting revenue of \$229,568 (missing the budgeted amount of \$350,000) with a deficit of \$120,432.
- Over all Charges for Services did well with a total revenue collection of \$4,509,783, exceeding the budget by \$1,072,873. Park and Recreation fees, coupled with Other Classes & Programs exceeded budget by \$10,449. Recording fees fell short of budget by \$20,916. Miscellaneous income was over budget by \$534,863 which added to the overall budget variance for Charges for Services.
- Parking Meters exceeded budget by \$112,214; as well as Parking Permits, which exceeded the budget by \$47,987. These were due to an increased fee structure.
- Conservative budgeting on the Intergovernmental Revenues helped the Town receive \$137,624 more revenue than budgeted. Most of this increase was for the Educational Cost Sharing Grant, which was \$122,248 above budget.
- General government expenses were under budget by \$1,259,678. This is due to a decrease in health and security benefits, which were \$668,713 under budget. This was the result of more employee participation in the Health Savings Account ("HSA") high deductible plan to keep health insurance costs down. All outstanding union contracts were settled leaving Contingency under budget by \$141,541.
- Public Safety and Protection was under budget by \$318,853, mainly due to expense savings in the Fire Department's salary lines, fitness payout, physicals, and other related expenditures. Land Use was also under budget by \$70,236, due to the combining of various departments into one group.
- Public Works kept their expenses under budget by \$50,889, even with a union contract that exceeded prior contracts in overtime and additional snow/storm related expenditures. The main saving was within the Transfer Station budget.
- Capital outlay was under budget by \$1,466,056. Most of capital outlay is within the Town's Capital and Nonrecurring Fund. Projects approved were continued past this one year of reporting.

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Town had \$266,849,466 invested government activity depreciable capital assets, before depreciation. In addition, the Town reported \$71,304,044 in land and \$14,328,672 in construction-in-progress (which were not depreciated). This amount represents a net increase (including additions and deductions) of \$8,524,225 from last year. This is primarily due to building improvements and infrastructure. More detailed information about the Town's capital assets is presented in Note 3, Section E to the Financial Statements.

A total of \$20,594,324 of capital outlays are treated as expenditures in Exhibit 4 in the Financial Statements, but are not on Exhibit 2. Instead, the capital assets are capitalized and depreciated on the government-wide statements (Exhibit 2). The depreciation totaled \$8,220,238 this fiscal year.

Debt

At year end, the Town had \$122,561,756 in bonds and notes, outstanding. This is a net decrease of \$4,662,398 from last year. The Town's General Obligation Bond rating continues to carry an 'AAA' rating from Moody's Investors Service. More detailed information about the Town's long-term liabilities is presented in Note 3, Section F to the Financial Statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. At June 30, 2015 debt limitation for the Town is \$883,702,169, which is significantly in excess of the Town's outstanding general obligation debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town receives relatively little State aid, in comparison to other Connecticut municipalities. As a result, the Town is considerably insulated from the impact of State revenue shortfalls and corresponding cuts in State grants to municipalities.

Primarily a residential community, wealth and income indicators for the Town are among the strongest in the State. Based on the 2012 census figures, median family income and per capita income for the Town are approximately twice that of the State median family income and per capita income.

The Government's elected and appointed officials considered many factors when setting the fiscal year 2016 budget and tax rates. The Net Taxable Grand List of October 1, 2014 is used for the 2015-2016 annual budget. The Grand List prior Board of Assessment Appeals increased from \$8,052,488,253 to \$8,126,991,701. The Town Board increased the mill rate for the 2015-2016 fiscal year by 2.85%, to 15.985, and kept the budgeted collection rate at 98% of the tax levy.

Town of New Canaan, Connecticut

Management's Discussion and Analysis
June 30, 2015

The State of Connecticut's Office of Policy and Management ("OPM") has adopted new laws that will affect the Town's budget in subsequent years. The motor vehicle mill rate will be capped at 32 mills in fiscal year 2017, 29.36 mills in fiscal year 2018 and annually, thereafter. Beginning in fiscal year 2018, a cap will be imposed on municipal spending to limit general budget expenditures to 2.5 percent above the previous year or the rate of inflation, whichever is greater. Exemptions from the cap include debt service, special education expenditures, and expenditures related to major disaster or emergency declaration. The Minimum Budget Requirement ("MBR") for education expenditures has been relaxed, effective July 1, 2015. The MBR requires that the education budget not be reduced from one year to the next. The change allows the Town more flexibility in lowering its MBR.

All of these factors were considered in preparing the Town of New Canaan's fiscal year 2016 General Fund budget.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Requests for additional financial information should be addressed to the Finance Department of New Canaan, 77 Main Street, New Canaan, CT 06840, (203) 594-3024.

Town of New Canaan, Connecticut

Basic Financial Statements
June 30, 2015

Town of New Canaan, Connecticut

Statement of Net Position
June 30, 2015

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and equivalents	\$ 38,782,773	\$ 1,350,726	\$ 40,133,499
Investments	14,905,429	-	14,905,429
Receivables			
Taxes and assessments, net	880,948	-	880,948
Accounts, net	254,440	923	255,363
Interest	43,497	-	43,497
Intergovernmental	1,085,794	-	1,085,794
Usage, net	7,860	-	7,860
From business type activities	149,336	-	149,336
Prepaid expenses	755,529	-	755,529
Inventory	32,475	-	32,475
Net pension asset	11,577,569	-	11,577,569
Capital assets			
Nondepreciable	85,632,716	-	85,632,716
Depreciable, net of accumulated depreciation	<u>151,987,169</u>	<u>1,342,254</u>	<u>153,329,423</u>
Total Assets	<u>306,095,535</u>	<u>2,693,903</u>	<u>308,789,438</u>
DEFERRED OUTFLOWS OF RESOURCES			
Difference between projected and actual earnings - pension	<u>3,659,080</u>	<u>-</u>	<u>3,659,080</u>
LIABILITIES			
Accounts payable	4,475,589	22,160	4,497,749
Accrued liabilities	6,983,603	26,512	7,010,115
Intergovernmental payable	30,328	24,718	55,046
Performance bonds held	496,151	-	496,151
Accrued interest payable	917,599	-	917,599
Due to governmental activities	-	149,336	149,336
Due to fiduciary funds	319,236	-	319,236
Unearned revenues	6,271	227,717	233,988
Non-current liabilities			
Due within one year	13,131,217	162,432	13,293,649
Due in more than one year	<u>116,669,778</u>	<u>1,337,171</u>	<u>118,006,949</u>
Total Liabilities	<u>143,029,772</u>	<u>1,950,046</u>	<u>144,979,818</u>
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience - pension	<u>1,803,971</u>	<u>-</u>	<u>1,803,971</u>
NET POSITION			
Net investment in capital assets	112,332,577	(157,349)	112,175,228
Restricted			
Expendable	1,043,579	-	1,043,579
Nonexpendable	56,500	-	56,500
Unrestricted	<u>51,488,216</u>	<u>901,206</u>	<u>52,389,422</u>
Total Net Position	<u>\$ 164,920,872</u>	<u>\$ 743,857</u>	<u>\$ 165,664,729</u>

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

Town of New Canaan, Connecticut

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ (15,058,437)	\$ 2,293,337	\$ 749,797	\$ 1,266,491	\$ (10,748,812)		\$ (10,748,812)
Public safety and protection	(12,875,444)	2,720,013	1,127,642	-	(9,027,789)		(9,027,789)
Operation of sewer plant	(1,296,224)	1,389,931	100,330	-	194,037		194,037
Public works	(10,965,881)	1,089,047	-	547,848	(9,328,986)		(9,328,986)
Social services	(588,735)	54,009	17,478	-	(517,248)		(517,248)
Education	(101,929,112)	2,428,664	12,796,813	14,907	(86,688,728)		(86,688,728)
Payments to other agencies	(2,814,388)	-	-	-	(2,814,388)		(2,814,388)
Parks and recreation	(1,925,203)	703,717	-	-	(1,221,486)		(1,221,486)
Interest on long-term debt	(4,252,098)	-	-	-	(4,252,098)		(4,252,098)
	<u>(151,705,522)</u>	<u>10,678,718</u>	<u>14,792,060</u>	<u>1,829,246</u>	<u>(124,405,498)</u>		<u>(124,405,498)</u>
Business-type activities							
Railroad	(164,554)	194,955	-	28,582		58,983	58,983
Property rental	(4,136)	8,800	-	-		4,664	4,664
Waveny pool	(360,848)	472,292	-	-		111,444	111,444
Movie theatre	(81,421)	134,008	-	-		52,587	52,587
	<u>(610,959)</u>	<u>810,055</u>	<u>-</u>	<u>28,582</u>		<u>227,678</u>	<u>227,678</u>
Total Government	<u>\$ (152,316,481)</u>	<u>\$ 11,488,773</u>	<u>\$ 14,792,060</u>	<u>\$ 1,857,828</u>			<u>(124,177,820)</u>
General Revenues							
Property taxes, payments in lieu of taxes, interest and liens					125,708,130	-	125,708,130
Grants and contributions not restricted to specific programs					162,671	-	162,671
Unrestricted interest and investment earnings					244,233	631	244,864
Gain (loss) on disposal of equipment					(621,754)	-	(621,754)
Transfers in (transfers out)					323,317	(323,317)	-
Other general revenues					1,112,256	-	1,112,256
Total General Revenues					<u>126,928,853</u>	<u>(322,686)</u>	<u>126,606,167</u>
Change in Net Position					2,523,355	(95,008)	2,428,347
Net Position - Beginning of Year					<u>162,397,517</u>	<u>838,865</u>	<u>163,236,382</u>
Net Position - End of Year					<u>\$ 164,920,872</u>	<u>\$ 743,857</u>	<u>\$ 165,664,729</u>

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

Town of New Canaan, Connecticut

Balance Sheet
 Governmental Funds
 June 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and equivalents	\$ 21,085,408	\$ 13,293,511	\$ 34,378,919
Investments	14,905,429	-	14,905,429
Taxes and assessments receivable, net of allowances for uncollectible amounts	880,948	-	880,948
Other receivables			
Accounts	128,055	126,385	254,440
Interest	43,497	-	43,497
Intergovernmental Usage	928,136	157,659	1,085,795
Due from other funds	-	7,860	7,860
Prepaid expenditures	4,399,454	1,839,865	6,239,319
Inventories	299,817	8,947	308,764
	-	32,475	32,475
Total Assets	<u>\$ 42,670,744</u>	<u>\$ 15,466,702</u>	<u>\$ 58,137,446</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,649,935	\$ 2,825,654	\$ 4,475,589
Accrued payroll and related	6,031,819	139,228	6,171,047
Intergovernmental payable	30,328	-	30,328
Performance bonds held	496,151	-	496,151
Due to other funds	2,202,374	1,653,785	3,856,159
Unearned revenues	-	6,271	6,271
Total Liabilities	<u>10,410,607</u>	<u>4,624,938</u>	<u>15,035,545</u>
Deferred inflows of resources			
Deferred revenues - not available	<u>1,783,626</u>	<u>201,065</u>	<u>1,984,691</u>
Fund balances (deficits)			
Nonspendable	299,817	97,922	397,739
Restricted	-	1,006,169	1,006,169
Committed	-	7,510,214	7,510,214
Assigned	5,826,771	3,097,726	8,924,497
Unassigned	24,349,923	(1,071,332)	23,278,591
Total Fund Balances	<u>30,476,511</u>	<u>10,640,699</u>	<u>41,117,210</u>
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	<u>\$ 42,670,744</u>	<u>\$ 15,466,702</u>	<u>\$ 58,137,446</u>

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

Town of New Canaan, Connecticut

Reconciliation of Governmental Funds Balance Sheet
to the Government Wide Statement of Net Position - Governmental Activities
June 30, 2015

Fund Balances - Total Governmental Funds	\$ 41,117,210
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	237,619,885
Internal service funds are used by management to charge the costs of insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,485,003
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,984,691
Deferred outflows - Net difference between projected and actual earnings	3,659,080
Deferred inflows - Differences between expected and actual experience	(1,803,971)
Long-term assets (liabilities) are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds	(122,561,756)
Premiums on debt issues	(1,616,210)
Capital leases	(1,109,342)
Compensated absences	(2,303,999)
Post closure landfill costs	(350,000)
Pension assets	11,577,569
Other post employment benefits	(1,859,689)
Accrued interest	<u>(917,599)</u>
Net Position of Governmental Activities	<u>\$ 164,920,872</u>

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

Town of New Canaan, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes and assessments	\$ 126,243,008	\$ 1,154,333	\$ 127,397,341
Intergovernmental	12,358,742	1,624,668	13,983,410
Licenses and permits	1,275,282	-	1,275,282
Fines and forfeitures	362,860	-	362,860
Use of money and property	1,403,702	-	1,403,702
Charges for services	3,772,953	5,454,129	9,227,082
Reimbursements of funds	1,113,342	176,225	1,289,567
Income from investments	<u>229,568</u>	<u>9,313</u>	<u>238,881</u>
Total Revenues	<u>146,759,457</u>	<u>8,418,668</u>	<u>155,178,125</u>
EXPENDITURES			
Current			
General government	12,414,213	571,947	12,986,160
Public safety and protection	11,156,597	1,114,878	12,271,475
Operation of plant	-	1,279,000	1,279,000
Public works	8,186,283	-	8,186,283
Social services	595,872	-	595,872
Parks and recreation	1,706,592	-	1,706,592
Education	90,682,407	3,756,608	94,439,015
Payment to other agencies	2,814,388	-	2,814,388
Debt service	15,727,104	57,930	15,785,034
Capital outlay	<u>2,088,679</u>	<u>18,505,645</u>	<u>20,594,324</u>
Total Expenditures	<u>145,372,135</u>	<u>25,286,008</u>	<u>170,658,143</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,387,322</u>	<u>(16,867,340)</u>	<u>(15,480,018)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	756,118	4,216,025	4,972,143
Transfers out	(4,285,851)	(362,975)	(4,648,826)
Sale of capital assets	101,562	-	101,562
Insurance recoveries	147,499	-	147,499
Lease financing	736,000	-	736,000
Premium on financing	-	170,390	170,390
Issuance of long term debt	<u>-</u>	<u>6,540,000</u>	<u>6,540,000</u>
Total Other Financing Sources	<u>(2,544,672)</u>	<u>10,563,440</u>	<u>8,018,768</u>
Net Change in Fund Balances	(1,157,350)	(6,303,900)	(7,461,250)
Fund Balances - Beginning of Year	<u>31,633,861</u>	<u>16,944,599</u>	<u>48,578,460</u>
Fund Balances - End of Year	<u>\$ 30,476,511</u>	<u>\$ 10,640,699</u>	<u>\$ 41,117,210</u>

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

Town of New Canaan, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2015

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (7,461,250)</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures	18,980,107
Depreciation expense	(8,220,238)
Undepreciated basis of assets disposed of or sold	<u>(723,316)</u>
	<u>10,036,553</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes and other revenues in the General Fund	(730,151)
Revenues in the Capital Nonrecurring Fund	(437,812)
Revenues in the Sewer Taxing District Fund	(35,394)
Revenues in the Town Grants Fund	96,102
Revenues in the Facilities Rental Fund	(509)
Revenues in the Police Extra Duty Fund	<u>(18,813)</u>
	<u>(1,126,577)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Issuance of long-term debt - general obligation bonds	(6,540,000)
Issuance of long-term debt - capital leases	(736,000)
Amortization of premium on issuance of long-term debt	274,618
Principal payments on long-term debt - bonds	11,202,398
Principal payments on long-term debt - leases	<u>657,266</u>
	<u>4,858,282</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including the change in</p>	
Accrued interest	55,920
Change in compensated absences	(268,227)
Pollution remediation obligation	25,000
Pension related effects (net pension liability, deferred inflows and outflows of resources)	(1,172,455)
Other post employment benefits asset	<u>(1,141,126)</u>
	<u>(2,500,888)</u>
<p>Internal service funds are used by management to charge the costs of medical, risk management and other claims to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	<u>(1,282,765)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,523,355</u>

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

Town of New Canaan, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities- Enterprise Funds			Internal Service Fund
	Wavney Pool	Other Enterprise Funds	Totals Enterprise Funds	Employee Health Insurance Fund
ASSETS				
Current assets				
Cash and equivalents	\$ 670,195	\$680,531	\$1,350,726	\$4,403,854
Receivables				
Accounts, net	-	923	923	-
Prepaid expenses	-	-	-	446,765
Total Current Assets	<u>670,195</u>	<u>681,454</u>	<u>1,351,649</u>	<u>4,850,619</u>
Noncurrent assets				
Capital assets				
Buildings and improvements	1,645,481	-	1,645,481	-
Machinery and equipment	153,629	134,459	288,088	-
	1,799,110	134,459	1,933,569	-
Less accumulated depreciation	<u>(552,812)</u>	<u>(38,503)</u>	<u>(591,315)</u>	-
Total Capital Assets, net	<u>1,246,298</u>	<u>95,956</u>	<u>1,342,254</u>	-
Total Assets	<u>1,916,493</u>	<u>777,410</u>	<u>2,693,903</u>	<u>4,850,619</u>
LIABILITIES				
Current liabilities				
Accounts payable	-	22,160	22,160	-
Accrued liabilities	26,512	-	26,512	812,556
Intergovernmental payable	-	24,718	24,718	-
Due to other funds	105,931	43,405	149,336	2,553,060
Unearned revenues	227,717	-	227,717	-
Current maturities of bonds payable	<u>162,432</u>	<u>-</u>	<u>162,432</u>	-
Total Current Liabilities	522,592	90,283	612,875	3,365,616
Noncurrent liabilities				
Bonds payable, less current maturities	<u>1,337,171</u>	<u>-</u>	<u>1,337,171</u>	-
Total Liabilities	<u>1,859,763</u>	<u>90,283</u>	<u>1,950,046</u>	<u>3,365,616</u>
NET POSITION				
Net investment in capital assets	(253,305)	95,956	(157,349)	-
Unrestricted	<u>310,035</u>	<u>591,171</u>	<u>901,206</u>	<u>1,485,003</u>
Total Net Position	<u>\$ 56,730</u>	<u>\$687,127</u>	<u>\$ 743,857</u>	<u>\$1,485,003</u>

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

Town of New Canaan, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities- Enterprise Funds			Internal Service Fund
	Wavney Pool	Other Enterprise Funds	Totals Enterprise Funds	Employee Health Insurance Fund
Operating revenues				
Parking fees and rent	\$ -	\$203,755	\$203,755	\$ -
Charges for services	<u>472,292</u>	<u>109,308</u>	<u>581,600</u>	<u>13,149,442</u>
Total Operating Revenues	<u>472,292</u>	<u>313,063</u>	<u>785,355</u>	<u>13,149,442</u>
Operating expenses				
Costs of services	291,022	250,111	541,133	-
Claims incurred	-	-	-	12,328,523
Administration	-	-	-	1,343,774
Purchased insurance	-	-	-	665,660
Service fee	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,940</u>
Total Operating Expenses	<u>291,022</u>	<u>250,111</u>	<u>541,133</u>	<u>14,436,897</u>
Non-operating revenues (expenses)				
Interest income	409	222	631	4,690
Insurance recoveries	-	24,700	24,700	-
Interest expense	<u>(69,826)</u>	<u>-</u>	<u>(69,826)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>(69,417)</u>	<u>24,922</u>	<u>(44,495)</u>	<u>4,690</u>
Income (Loss) Before Transfers and Capital Contributions	111,853	87,874	199,727	(1,282,765)
Capital contributions	-	28,582	28,582	-
Transfers in	69,826	-	69,826	-
Transfers out	<u>-</u>	<u>(393,143)</u>	<u>(393,143)</u>	<u>-</u>
Change in Net Position	181,679	(276,687)	(95,008)	(1,282,765)
Net Position (Deficit) - Beginning of Year	<u>(124,949)</u>	<u>963,814</u>	<u>838,865</u>	<u>2,767,768</u>
Net Position - End of Year	<u>\$ 56,730</u>	<u>\$687,127</u>	<u>\$743,857</u>	<u>\$1,485,003</u>

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

Town of New Canaan, Connecticut

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities- Enterprise Funds			Internal Service Fund
	Waveny Pool	Other Enterprise Funds	Totals Enterprise Funds	Employee Health Insurance Fund
Cash Flows From Operating Activities				
Cash received from customers and users	\$ 472,292	\$ 313,739	\$ 786,031	\$13,149,442
Cash payments to suppliers and employees	(251,640)	(260,471)	(512,111)	(2,595,062)
Cash payments for benefits and claims	-	-	-	(12,415,922)
Net Cash from Operating Activities	<u>220,652</u>	<u>53,268</u>	<u>273,920</u>	<u>(1,861,542)</u>
Cash Flows From Capital and Related Financing Activities				
Principal paid on debt	(157,040)	-	(157,040)	-
Interest paid on debt	(69,826)	-	(69,826)	-
Other non-operating revenue	-	53,282	53,282	-
Net Cash from Capital and Related Financing Activities	<u>(226,866)</u>	<u>53,282</u>	<u>(173,584)</u>	<u>-</u>
Cash Flows From Non-Capital Financing Activities				
Advances from other funds	53	(29,297)	(29,244)	2,464,933
Transfers	69,826	(393,143)	(323,317)	-
Net Cash from Non-Capital Financing Activities	<u>69,879</u>	<u>(422,440)</u>	<u>(352,561)</u>	<u>2,464,933</u>
Cash Flows From Investing Activities				
Sale of investments	-	-	-	500,251
Interest income	409	222	631	4,690
Net Cash from Investing Activities	<u>409</u>	<u>222</u>	<u>631</u>	<u>504,941</u>
Net Increase (Decrease) in Cash and Equivalents	64,074	(315,668)	(251,594)	1,108,332
Cash and Equivalents - Beginning of Year	606,121	996,199	1,602,320	3,295,522
Cash and Equivalents - End of Year	<u>\$ 670,195</u>	<u>\$ 680,531</u>	<u>\$ 1,350,726</u>	<u>\$ 4,403,854</u>
Reconciliation of Income (Loss) from Operations to Net Cash from Operating Activities				
Income (loss) from operations	\$ 181,270	\$ 62,952	\$ 244,222	\$ (1,287,455)
Adjustments to reconcile income (loss) from operations to net cash from operating activities				
Depreciation	40,994	7,713	48,707	-
Changes in operating assets and liabilities				
Accounts receivable	-	676	676	-
Prepaid expenses	-	-	-	(446,765)
Accounts payable	(13,513)	(12,047)	(25,560)	(39,923)
Accrued liabilities	11,901	-	11,901	(87,399)
Intergovernmental payable	-	(6,026)	(6,026)	-
Net Cash from Operating Activities	<u>\$ 220,652</u>	<u>\$ 53,268</u>	<u>\$ 273,920</u>	<u>\$ (1,861,542)</u>

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

Town of New Canaan, Connecticut

Statement of Net Position
Fiduciary Funds
June 30, 2015

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and equivalents	\$ -	\$ 998,531	\$ 505,683
Investments, at fair value	136,240,808	1,022,479	-
Due from other funds	-	428,396	-
	<u>136,240,808</u>	<u>2,449,406</u>	<u>505,683</u>
Total Assets			
LIABILITIES			
Amount held as agent	-	-	471,461
Accrued payroll	989	-	-
Due to other funds	74,938	-	34,222
	<u>75,927</u>	<u>-</u>	<u>505,683</u>
Total Liabilities			
NET POSITION			
Restricted for pensions and OPEB benefits and other purposes	<u>\$136,164,881</u>	<u>\$ 2,449,406</u>	<u>\$ -</u>

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

Town of New Canaan, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015

	Pension and OPEB Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions and revenue		
Employer	\$ 1,544,321	\$ -
Plan members	332,099	-
Other	-	24,132
Fees	<u>-</u>	<u>620,686</u>
Total Contributions	<u>1,876,420</u>	<u>644,818</u>
Investment Income		
Net change in fair value of investments	708,538	6,915
Interest and dividends	<u>3,266,741</u>	<u>25,065</u>
Total Investment Income	3,975,279	31,980
Less investment management fees	<u>(121,602)</u>	<u>-</u>
Net Investment Income	<u>3,853,677</u>	<u>31,980</u>
Total Additions	<u>5,730,097</u>	<u>676,798</u>
DEDUCTIONS		
Operating expenses	-	383,045
Pension benefits	5,466,241	-
Administrative fees	<u>125,870</u>	<u>49,389</u>
Total Deductions	<u>5,592,111</u>	<u>432,434</u>
Change in Net Position	137,986	244,364
Net Position - Beginning of Year	<u>136,026,895</u>	<u>2,205,042</u>
Net Position - End of Year	<u>\$ 136,164,881</u>	<u>\$ 2,449,406</u>

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

Town of New Canaan, Connecticut

Notes to Financial Statements
June 30, 2015

1. Summary of Significant Accounting Policies

The Town of New Canaan, Connecticut ("Town") was incorporated as a Town in 1801. The Town operates under a town council, board of selectmen and board of finance form of government. Under this form of government the town council is the legislative body. The administrative branch is led by an elected three-member board of selectmen. The selectmen oversee most of the activities not assigned specifically to another body. An elected board of education oversees the public school system.

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

1. Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds and the Internal Service funds are charges to customers for services. Operating expenses for the enterprise funds and the internal service funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

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

Fund Categories

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

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

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)

June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

Sewer Taxing District Fund - is used to account for revenues generated from property taxes specifically designated for the maintenance and operation of the distribution system and sewer plant.

School Lunch Fund - is used to account for the operations of the schools' cafeterias.

Subrecipient Grants Fund - is used to account for revenues received and paid to a subrecipient.

Summer Learning Fund - is used to account for registration revenues related to summer school and related expenditures.

Town Grants Fund – is used to account for revenues from federal and state grants.

Facilities Rental Fund – is used to account for revenues and expenditures related to the rental of school properties to third parties.

Special Projects Fund – is used to account for donations from individuals and private organizations to be used for the stated purpose.

Extra Duty Fund – is used to account for revenues related to extra duties performed by police officers and fire department employees to be used for the stated purpose.

Town Clerk Fund – is used to account for revenues related to historic document preservation and community investment to be used for the stated purpose.

State and Federal Educational Grants Fund – is used to account for revenues from federal, state and local grants for educational purposes.

School Donations Fund – is used to account for donations from PTOs and booster clubs for educational purposes.

Capital Projects Funds - Capital project funds are used to account for the acquisition of major capital facilities or improvements other than those financed by proprietary funds. The following are the Town's non-major capital projects funds:

School Energy Efficiency – is used to account for energy efficiency programs.

Bridge Replacement – is used to account for bridge replacements in Town.

Special Bonding Fund - is for projects to be funded from bond proceeds.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)

June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Police Station Renovations – is used to account for expenditures related to renovations at the Police Station.

Capital and Nonrecurring Fund – is used to account for capital acquisitions which, by their nature, occur over the course of multiple years.

Road Paving Fund – is used to account for expenditures relating to various road paving projects throughout the Town.

Small Bonded Capital Projects – is used to account for expenditures related to small bonded capital projects that are not significant enough to be a stand-alone fund.

South School Improvements – is used to account for expenditures related to improvements at the South School.

Town Hall Renovations Fund – is used to account for expenditures related to renovations at the Town Hall.

Permanent Funds – Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. The Town has one permanent fund, the Sydney Weisner Fund. This fund is used to account for investment earnings in the Sydney Weisner Endowment Fund to be used for special education programs.

- b) Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The following are the Town's enterprise funds:

Waveny Pool Fund – is used to account for Waveny Pool revenues and related expenditures.

Railroad Fund - is used to account for revenues and expenditures related to the operation of the railway station.

Property Rental Fund - is used to account for revenues and expenditures related to the Town's rental of property.

Movie Theater – is used to account for Movie Theater revenues and expenditures.

Parking Fund – is used to account for parking permit revenues and expenditures. This was closed during the year.

An internal service fund is used to account for the Town's risk financing activities; specifically the Town reports the revenues and expenses of the self-insured health insurance plan for employees of the Board of Education in the Employee Health Insurance Fund.

1. Summary of Significant Accounting Policies (Continued)

- c) Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. These include Pension Trust, Private-Purpose Trust, and Agency funds. The Pension Trust Funds are provided to account for the activities of the Town's defined benefit pension plan and the Other Post Employment Benefit Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement. The Private-Purpose Trust Funds are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments. The Agency Fund is primarily utilized to account for monies held as custodian for outside student groups.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and pension trust funds. The Agency Fund has no measurement focus, but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

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

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

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

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

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

Investments are stated at fair value, based on quoted market prices.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

1. Summary of Significant Accounting Policies (Continued)

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

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 of New Canaan minimizes interest rate risk by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, avoiding the need to sell securities on the open market prior to maturity. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously and pre-qualifying institutions with which the Town may do business.

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's policy for credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously and pre-qualifying institutions with which the Town may do business.

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

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

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)

June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Under State Statute, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

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

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

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

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)

June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

Land is considered inexhaustible and, therefore, not depreciated. Construction in progress has not been put into service yet and, therefore, is not depreciated. Property, plant, and equipment of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 5,000
Construction in progress	N/A	\$ 5,000
Intangible assets	Varies, if any	\$ 5,000
Land improvements	20	\$ 5,000
Buildings and improvements	50	\$ 5,000
Machinery and equipment	5-15	\$ 5,000
Vehicles	8	\$ 5,000
Infrastructure	20-65	\$ 5,000

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)

June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

- Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. The Town Council is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Finance or Town Council for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.
- Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

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

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 21, 2015.

2. Stewardship, Compliance and Accountability

A. Budget Basis

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

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 24 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures expected.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.
- **Excess Cost Grant** - The State reimburses the Town for certain costs incurred for special educational needs of students that exceed a set multiple of a student in the regular program. This reimbursement is the Excess Cost Grant – Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as revenue. The Town does this based on an agreement between the Town and the Board of Education.

2. Stewardship, Compliance and Accountability (Continued)

B. Budget Calendar

Requests for Annual Appropriations - The Town Council, all officers, department heads, boards, commissions and committees of the Town and the New Canaan Library shall annually not later than the third Tuesday preceding the first Tuesday in February submit to the Selectmen, in a form prescribed by the Board of Finance, itemized estimates of their respective requests for appropriations to cover such expenses, together with statements in detail of their respective expenditures for similar purposes for the preceding fiscal year and such other information as may from time to time be required by the Board of Finance. The Selectmen shall review such estimates or requests, including the preliminary budget estimates submitted by the Board of Education, and shall compile a recommended budget which shall be submitted to the Board of Finance for its consideration not later than the first Tuesday of February in each year.

The Board of Education submits its preliminary budget estimates to the Board of Selectmen, for its review and comment, not later than the third Tuesday preceding the first Tuesday in February, and compiles and submits its recommended budget directly to the Board of Finance, with a copy to the Board of Selectmen, not later than the first Tuesday in February in each year.

Requests for Capital Expenditures - All officers, department heads, boards, commissions and committees shall submit annually to the Selectmen, with the estimates of their respective expenses for the ensuing fiscal year and in a form prescribed by the Board of Finance, an outline of the estimated capital expenditures of such office, board, commission or committee during the next five fiscal years. The Selectmen shall consider such outlines and, after consultation with the Planning and Zoning Commission, shall submit to the Board of Finance, not later than two weeks after the first Tuesday of February, a recommended budget of such capital expenditures, including such recommendation as they desire as to the creation of a reserve therefore in the Town budget for the ensuing fiscal year.

Board of Finance Budget Recommendations and Public Hearing - The Board of Finance, after receipt of the recommended budget from the Board of Selectmen and after obtaining any further information which it may require, shall prepare tentative budget recommendations. The Board of Finance shall cause such recommendations to be published at least once, together with a notice fixing the time of a public hearing which shall be held not later than the sixth Tuesday following the first Tuesday of February; and the place where such hearing shall be held by the Board of Finance upon requests for appropriations, to hear all persons, including members of the Board of Finance, who may wish to be heard in respect to any such recommendations or who may wish the Board of Finance to recommend any other appropriation or any other matter within the power of the Board of Finance.

After the public hearing, the Board of Finance holds a meeting or meetings to consider the estimates and requests. The Board of Finance prepares and presents its recommendations to the Board of Selectmen, for submission to the Town Council. Such recommendations may also include appropriations to pay any part of the Town debt or to provide a fund for any public improvement or any other matter within the power of the Board of Finance and to provide a contingent fund for expenses of the Town not otherwise provided for, which contingent fund, when appropriated by the Town Council, shall be subject to disbursement by the Board of Finance.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

2. Stewardship, Compliance and Accountability (Continued)

Nothing in this section shall be construed to be a limitation upon the Board of Finance in the disbursement of the whole or any part of the Town contingent fund. All such recommendations for appropriations shall be classified under proper headings and shall be accompanied by an estimate, made by the Board of Finance, of the amount of revenue the Town will receive during such fiscal year from all sources, except that of taxation, and an itemized list of the debts and obligations of the Town as of the date of the meeting or meetings following the public hearing of the Board of Finance and a detailed statement showing the amount of increase or decrease of the proposed appropriation as compared to the last previous appropriation made by the Town Council for like purpose. Such recommendations shall include the amount of any unexpended balances or surplus to be applied against appropriations and a reserve for uncollectible taxes; provided, however, that if the Town Council shall reduce the proposed appropriations so recommended and published by an amount exceeding 5%, then in that event, the amount of unexpended balances or surplus to be applied shall be reconsidered by the Board of Finance for final action.

Annual Budget Meeting - The recommendations for appropriations prepared by the Board of Finance are delivered to the Selectmen not later than the seventh Tuesday following the first Tuesday of February in each year in the form of a written report signed by the Chairman of the Board of Finance and a majority of its members. The Selectmen shall publish once a week for two successive weeks a notice of a meeting of the Town Council to act upon the recommendations. The first of such notices shall include the publication in full of the recommendations of the Board of Finance. Such meeting of the Town Council shall be held not later than 11 weeks after the first Tuesday of February in each year.

Town Council Action Upon Annual Appropriations and Other Recommendations - The Town Council shall take action upon each of the proposed appropriations so recommended and published. It may approve, disapprove or reduce but may not increase the amount of such appropriations or any of them or the amount of any unexpended balances or surplus to be applied or any reserve for any uncollectible taxes; and no appropriation shall be made for any purpose not recommended and published as hereinbefore provided. If a recommendation of the Board of Finance pertains to some matter other than a money appropriation, then the Town Council shall act thereon in such case as provided in this Charter.

C. Budget Control

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

Whenever the Board of Selectmen or the First Selectman requests a special appropriation, or whenever a special appropriation, in the opinion of the Board of Finance, shall be necessary for any purpose, the Board of Finance shall deliver a recommendation to the Selectmen and the Selectmen shall present the recommendation to a meeting of the Town Council or may present the recommendation of the Board of Finance to a meeting called for that purpose, whereupon the Selectmen shall forthwith cause to be published once a week for two successive weeks a notice of a meeting of the Town Council to consider and act upon the recommendation of the Board of Finance for such special appropriation, which notice shall state the time and place thereof.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2015

2. Stewardship, Compliance and Accountability (Continued)

The Board of Finance may also include in its recommendation that such special appropriation shall be paid from moneys in the Town treasury not otherwise appropriated or by the levying of a special tax. If and when such special appropriation shall be made by the Town Council and the levying of a special tax to pay such special appropriation shall be approved by the Town Council, the Board of Finance shall lay a special tax upon the grand list last completed and fix the date or dates upon which such special tax shall become due and payable and shall thereupon issue a warrant to the Tax Collector to receive and collect the same in the manner provided by the General Statutes for the collection of taxes.

D. Expenditures in Excess of Budget

During the year \$4,075,847 of additional appropriations were made. Although the budget was not over expended in total, the following appropriations were over expended by the amount indicated:

General Government Operating Budget

Central Services	\$ 4,673
Parking	\$ 2,947

Public Works

Highway	\$ 442
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E. Fund Deficits

The following funds had deficit unassigned fund balances at June 30, 2015:

	Deficit	Expected Coverage		
		Future Revenues	Other Funds	Future Bonding
Special Revenue Funds				
Town Grants Fund	\$ 58,692	\$ 58,692	\$ -	\$ -
Police Extra Duty Fund	23,138	23,138	-	-
Capital Project Funds				
School Energy Efficiency	252,097	-	252,097	-
Bridge Replacement	89,866	-	89,866	-
Small Bonded Capital Projects	26,893	-	-	26,893
South School Improvements	463,659	-	-	463,659
Town Hall Renovations	156,987	-	156,987	-

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

2. Stewardship, Compliance and Accountability (Continued)

F. Application of Accounting Standards

For the year ended June 30, 2015, the Town implemented new accounting standards which resulted in additional disclosures:

- GASB Statement 68 - *Accounting and Financial Reporting for Pensions* – This statement, and GASB Statement 67 applicable to pension plans, improves information provided by state and local government employers for better decision making, accountability, interperiod equity, and creating additional transparency.
- GASB Statement 69 – *Government Combinations and Disposals of Government Operations* - This statement establishes accounting and financial reporting standards related to a variety of transactions such as mergers, acquisitions, and transfers of operations.
- GASB Statement 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – This statement is an amendment of GASB Statement 68 and should be applied simultaneously with the provisions of Statement 68.

3. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

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

Statement of Net Position	
Cash and equivalents	\$ 40,133,499
Investments	<u>14,905,429</u>
	<u>55,038,928</u>
Fiduciary Funds	
Cash and equivalents - Private Purpose Trusts	998,531
Cash and equivalents - Agency Funds	505,683
Investments - Pension and OPEB Trust Funds	136,240,808
Investments - Private Purpose Trusts	<u>1,022,479</u>
	<u>138,767,501</u>
Total Cash and Investments	<u>\$193,806,429</u>

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

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 36,218,609
Plus external investment pools	7,515,233
Less Certificates of deposits (in investments)	<u>(2,096,129)</u>
	<u>\$ 41,637,713</u>

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

The bank balance of the deposits was \$35,262,971 and was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 3,567,315
Uninsured and uncollateralized	31,695,656
	<u>\$ 35,262,971</u>

Investments – Investments are summarized as follows at June 30, 2015

	General Fund	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Total Investments
Certificates of deposit	\$ 2,096,129	\$ -	\$ -	\$ 2,096,129
U.S. treasuries	12,809,300	-	-	12,809,300
Mutual funds - bond index fund	-	54,365,980	328,422	54,694,402
Mutual funds - US equity index	-	58,220,510	499,367	58,719,877
Mutual funds - Non US equity	-	23,654,318	194,690	23,849,008
	<u>\$ 14,905,429</u>	<u>\$ 136,240,808</u>	<u>\$ 1,022,479</u>	<u>\$ 152,168,716</u>

Below is a summary of the interest rate risk and credit risk as of June 30, 2015

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1 Year	1-5 Years	Over 5 Years
Certificates of deposit	NA	2,096,129	-	2,096,129	-
U.S. treasuries	NA	12,809,300	-	8,399,005	4,410,295
Mutual funds - bond index fund	AA	54,694,402	-	-	54,694,402
Mutual funds - US equity index	NA	58,719,877	58,719,877	-	-
Mutual funds - Non US equity	NA	23,849,008	23,849,008	-	-
Total		<u>\$ 152,168,716</u>	<u>\$ 82,568,885</u>	<u>\$ 10,495,134</u>	<u>\$ 59,104,697</u>

B. Receivables, Deferred Revenue and Unearned Revenue

Of the intergovernmental receivables, \$553,027 in reimbursements for education bonds from the State of Connecticut is not expected to be collected within one year. Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. The following were reported as *deferred revenue* because they were not received within 60 days of the year end:

	General Fund	Other Governmental Funds	Total Governmental Funds
Property taxes and interest	\$ 756,262	\$ (964)	\$ 755,298
Intergovernmental revenue	928,136	96,102	1,024,238
Usage fees	-	7,860	7,860
Other	99,228	98,067	197,295
	<u>\$ 1,783,626</u>	<u>\$ 201,065</u>	<u>\$ 1,984,691</u>

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2015

3. Detailed Notes on All Funds (Continued)

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. There was \$6,271 of *unearned revenue* at June 30, 2015.

C. Operating Lease Receivable

The town entered into an operating lease with a third party for access to a water storage tank located within Waveny Park (town owned property) for the installation of telecommunications equipment which will facilitate wireless communications service to the Town and surrounding areas. In consideration of the mutual benefit which will derive to the third party and the Town by the utilization of the Tank as a communications tower, the third party has agreed to share future revenues it derives from the use of the tower by the Service Providers.

The town entered into an operating lease with a third party for land owned by the town. The annual rent is equal to the tax equivalent and additional rent and is payable in semiannually in advance. The tax equivalent is the amount of real estate taxes which would be payable on the leased premises.

D. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2015 these were summarized as follows

Receivable fund	Payable Fund	Amount
General Fund	Employee Health Insurance Fund	\$ 2,553,060
General Fund	Waveny Pool	105,931
General Fund	Other governmental funds	1,622,120
General Fund	Enterprise funds	43,405
General Fund	Pension trust funds	74,938
Other governmental funds	General Fund	1,808,200
Other governmental funds	Other governmental funds	31,665
Private purpose trust funds	General Fund	394,174
Private purpose trust funds	Agency funds	34,222
		<u>\$ 6,667,715</u>

Fund transfers are generally used to fund special projects with general fund revenues. Transfers during the year ended June 30, 2015 were as follows:

	Transfers into:			Total
	General Fund	Other Governmental Funds	Enterprise Fund - Waveny Pool Fund	
Transfers out of:				
General Fund	\$ -	\$ 4,216,025	\$ 69,826	\$ 4,285,851
Other governmental funds	362,975	-	-	362,975
Enterprise Funds	393,143	-	-	393,143
	<u>\$ 756,118</u>	<u>\$ 4,216,025</u>	<u>\$ 69,826</u>	<u>\$ 5,041,969</u>

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 71,304,044	\$ -	\$ -	\$ 71,304,044
Construction in progress	4,850,561	10,178,347	(700,236)	14,328,672
	<u>76,154,605</u>	<u>10,178,347</u>	<u>(700,236)</u>	<u>85,632,716</u>
Capital assets being depreciated				
Land improvements	10,258,821	-	-	10,258,821
Buildings and improvements	151,071,122	2,944,953	-	154,016,075
Machinery and equipment	18,798,979	2,370,106	-	21,169,085
Vehicles	9,383,190	751,832	(277,536)	9,857,486
Infrastructure	68,813,129	2,734,870	-	71,547,999
	<u>258,325,241</u>	<u>8,801,761</u>	<u>(277,536)</u>	<u>266,849,466</u>
Less accumulated depreciation	<u>(106,896,514)</u>	<u>(8,220,238)</u>	<u>254,455</u>	<u>(114,862,297)</u>
	<u>\$227,583,332</u>	<u>\$ 10,759,870</u>	<u>\$ (723,317)</u>	<u>\$237,619,885</u>

Construction in progress included renovations to the Town Hall. These were completed in July 2015. Depreciation and amortization expense was charged to the governmental activities as follows:

General government	\$ 351,919
Public safety	553,997
Public works	2,771,229
Parks and recreation	143,782
Education	4,399,311
	<u>\$ 8,220,238</u>

Changes in the Town's capital assets used in the business-type activities are as follows

	Beginning Balance	Increases	Ending Balance
Capital assets being depreciated			
Buildings and improvements	\$ 1,645,481	\$ -	\$ 1,645,481
Machinery and equipment	288,088	-	288,088
	<u>1,933,569</u>	<u>-</u>	<u>1,933,569</u>
Less accumulated depreciation	<u>(542,608)</u>	<u>(48,707)</u>	<u>(591,315)</u>
	<u>\$ 1,390,961</u>	<u>\$ (48,707)</u>	<u>\$ 1,342,254</u>

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

Railroad Fund	\$ 4,339
Waveny Pool Fund	40,994
Movie Theater Fund	3,374
	<u>\$ 48,707</u>

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

F. Long-Term Liabilities – Governmental Funds

The following table summarizes changes in the Town's governmental long-term indebtedness for the year ending June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$127,224,154	\$ 6,540,000	\$ (11,202,398)	\$122,561,756	\$ 11,905,818
Deferred refunding amounts, net	1,890,828	-	(274,618)	1,616,210	274,618
	129,114,982	6,540,000	(11,477,016)	124,177,966	12,180,436
Capital leases	1,030,608	736,000	(657,266)	1,109,342	557,141
Compensated absences	2,035,770	268,228	-	2,303,998	368,640
Post closure landfill costs	375,000	-	(25,000)	350,000	25,000
OPEB obligation	718,563	2,740,610	(1,599,484)	1,859,689	-
	<u>\$133,274,923</u>	<u>\$ 10,284,838</u>	<u>\$ (13,758,766)</u>	<u>\$129,800,995</u>	<u>\$ 13,131,217</u>

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

General Obligation Bonds

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

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
Clean Water Fund Bonds	1999-00	\$ 12,440,686	2018-19	2.00%	\$ 2,816,359
School and Public Improvement	2008-09	\$ 66,510,000	2022-23	3.13%	35,950,000
School and Public Improvement	2009-10	\$ 24,005,000	2024-25	2.00-5.00%	20,130,000
School and Public Improvement	2009-10	\$ 16,330,000	2023-24	3.00-5.00%	12,095,000
School and Public Improvement	2010-11	\$ 16,500,000	2030-31	2.00-4.00%	14,425,000
School and Public Improvement	2011-12	\$ 7,145,000	2026-27	0.18-4.00%	7,010,000
School and Public Improvement	2011-12	\$ 7,100,000	2026-27	2.00-2.375%	6,080,000
School and Public Improvement	2013-14	\$ 4,830,000	2028-29	2.00-3.00%	4,480,000
School and Public Improvement	2013-14	\$ 15,300,000	2033-34	2.00-4.00%	14,535,000
School and Public Improvement	2014-15	\$ 6,540,000	2025-26	2.50-3.00%	6,540,000
Less: Waveny Pool Fund Portion					(1,499,603)
					<u>\$122,561,756</u>

The town has \$9,129,569 of debt authorized but unissued.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

Payments to maturity on the general obligation bonds are as follows

Year End	Governmental Activities General Obligation Bonds		Year End	Governmental Activities General Obligation Bonds	
	Principal	Interest		Principal	Interest
2016	\$ 11,905,818	\$ 4,367,086	2026	4,395,000	543,160
2017	12,222,345	3,946,812	2027	4,370,000	439,335
2018	12,409,429	3,477,548	2028	2,495,000	320,706
2019	11,189,709	2,965,136	2029	2,520,000	246,351
2020	9,437,529	2,496,732	2030	2,200,000	175,331
2021	9,678,930	2,102,287	2031	1,765,000	109,006
2022	9,777,640	1,774,768	2032	765,000	69,806
2023	8,988,169	1,431,714	2033	765,000	46,856
2024	9,054,144	1,120,417	2034	765,000	23,903
2025	7,858,043	804,296		<u>\$122,561,756</u>	<u>\$ 26,461,250</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2015 totaled \$4,582,096 and \$4,224,654 respectively.

Capital Leases Payable

The Town has entered into a lease agreement to finance the acquisition of various types of equipment. The equipment is included in the capital assets with a cost of \$2,723,060 and accumulated depreciation of \$1,474,275. These leases qualify as a capital lease for accounting purposes. The Town's capital lease obligation at June 30, 2015 is as follows:

Total payments on capital leases for year ending

2016	\$ 574,341
2017	325,722
2018	224,154
2019	14,676
	<u>1,138,893</u>
Less the amount representing interest	<u>(29,551)</u>
Present value of future minimum lease payments	<u>\$ 1,109,342</u>

Interest incurred and expensed on capital leases payable for the year ended June 30, 2015 totaled \$27,444.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

Operating Leases Payable

The Town is a lessee in operating leases as follows:

Lease of	General Fund			Enterprise Fund	Total
	Education Offices	LAUNCH Offices	Postage Equipment	Train Station*	
Actual expenses for operating leases in the current year					
2015	\$ 195,000	\$ 36,322	\$ 24,800	\$ 12,257	\$ 268,379
Total payments on operating lease for year ending					
2016	195,000	36,942	-	12,257	244,199
2017	202,600	15,500	-	12,257	230,357
2018	202,600	-	-	12,257	214,857
2019	210,000	-	-	12,257	222,257
	\$ 810,200	\$ 52,442	\$ -	\$ 49,028	\$ 911,670

* The annual expense for this lease is based on actual net income. The figures presented for the future years are estimates of the annual expense.

The Town has also entered into a ten year operating lease agreement with the State of Connecticut for land related to the New Canaan railroad line. In lieu of an annual lease payment, the Town agreed to reinvest all surplus revenue derived from rail parking and rail-related leases into the improvement and maintenance of rail station buildings, rail station parking, and mutually agreed upon rail station services. In the event of a surplus in the Fund, at the end of each five year period, the Town shall pay the State fifty percent of the surplus. The balance shall remain in the Fund for additional improvements and maintenance and continue to rollover in the next five year period. The surplus as of June 30, 2015 was \$24,718.

Compensated Absences

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

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

Post Closure Landfill Costs

The Town has a closed landfill with no further capacity or estimated useful life. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for thirty years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in the long-term debt. The actual costs may vary based on actual events, inflation, changes in technology and applicable laws and regulations. During the year the actual costs amounted to \$22,261.

Prior Year Defeasance of Debt

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2015, \$92,225,000 of bonds outstanding are considered defeased.

Legal Debt Limit

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

Total tax collections (including interest and lien fees) for the year - primary government					\$126,243,008
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)					159
Debt limitation base					<u>\$126,243,167</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	\$284,047,126	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	568,094,252	-	-	-
3 3/4 times base	-	-	473,411,876	-	-
3 1/4 times base	-	-	-	410,290,293	-
3 times base	-	-	-	-	378,729,501
Total debt limitation	<u>284,047,126</u>	<u>568,094,252</u>	<u>473,411,876</u>	<u>410,290,293</u>	<u>378,729,501</u>
Indebtedness					
Bonds payable	69,136,799	53,041,028	383,929	-	-
Amount to be provided by CT	-	(553,026)	-	-	-
Total indebtedness	<u>69,136,799</u>	<u>52,488,002</u>	<u>383,929</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of debt outstanding and authorized	<u>\$214,910,327</u>	<u>\$515,606,250</u>	<u>\$473,027,947</u>	<u>\$410,290,293</u>	<u>\$378,729,501</u>
In no case shall total indebtedness exceed seven times the annual receipts from taxation					<u>\$883,702,169</u>

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

G. Long-term Liabilities – Enterprise Funds

The following table summarizes changes in the Town’s long-term indebtedness in the enterprise funds for the year ending June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 1,656,640	\$ -	\$ (157,037)	\$ 1,499,603	\$ 162,432

Interest incurred and expensed on general obligation bonds in the enterprise funds for the year ended June 30, 2015 totaled \$69,826.

These bonds are part of the general obligation bonds discussed in Note 3F. Payments to maturity on the enterprise portion of the general obligation bonds are as follow:

Year End	Business-Type Activities		Year End	Business-Type Activities	
	Notes and Loans			Notes and Loans	
	Principal	Interest		Principal	Interest
2016	\$ 162,432	\$ 63,873	2021	161,070	26,821
2017	169,999	57,752	2022	162,360	20,862
2018	172,293	50,318	2023	56,831	14,586
2019	149,333	42,161	2024	150,856	12,313
2020	157,471	34,695	2025	156,958	6,278
				\$ 1,499,603	\$ 329,659

H. Net Position

The components of net position are detailed below:

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

Restricted Net Position - Nonexpendable - the component of net position that reflects funds set aside in accordance with laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of \$56,500 in trust fund principal.

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

General Government	\$ 850,130
Education	252,141
	<u>\$ 1,102,271</u>

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

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

3. Detailed Notes on All Funds (Continued)

I. Fund Balances

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

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Not in spendable form			
Prepaid expenditures	\$ 299,817	\$ 8,947	\$ 308,764
Inventories	-	32,475	32,475
Required to be maintained			
Trust principal	-	56,500	56,500
	<u>\$ 299,817</u>	<u>\$ 97,922</u>	<u>\$ 397,739</u>
Restricted			
General Government	\$ -	\$ 754,028	\$ 754,028
Education	-	252,141	252,141
	<u>\$ -</u>	<u>\$ 1,006,169</u>	<u>\$ 1,006,169</u>
Committed			
General Government	\$ -	\$ 2,119,585	\$ 2,119,585
Capital Projects	-	5,390,629	5,390,629
	<u>\$ -</u>	<u>\$ 7,510,214</u>	<u>\$ 7,510,214</u>
Assigned			
General Government	\$ 916,940	\$ 2,287,474	\$ 3,204,414
Education	1,613,819	587,490	2,201,309
Capital Projects	1,296,012	222,762	1,518,774
To balance next year's budget	2,000,000	-	2,000,000
	<u>\$ 5,826,771</u>	<u>\$ 3,097,726</u>	<u>\$ 8,924,497</u>

4. Pension and Other Post Retirement Plans

A. The Funded Retirement Plan of the Town of New Canaan, Connecticut

Plan Description - The Town is the administrator of a single employer public employee retirement system ("PERS") established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the CT State Teachers' Retirement System). The PERS is considered to be part of the Town of New Canaan's financial reporting entity and is included in the Town's financial statement as a pension trust fund. A separate stand-alone financial report is not issued. The Plan is governed by the Retirement Plans Investment Advisor Committee (the "Board") which is a subcommittee of the Board of Finance.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

The Plan provides retirement benefits through a single employer contributory defined benefit plan. Members include bargained and non-bargained Town employees and employees of the Department of Public Works (“DPW”), Police and Fire Departments, Board of Education (“BOE”), and the Employees of the Library. Temporary employees, employees working less than 20 hours per week and any BOE employee covered under the CT State Teachers’ Retirement System are excluded. Effective January 1, 2011 non-bargained Town, DPW or non-bargained BOE (includes teaching assistants) and Library employees are not eligible for the plan. DPW employees hired after July 1, 2010 are not eligible for the Plan.

Plan Membership – As of the date of the latest actuarial valuation (July 1, 2014), membership consisted of the following:

Retirees and beneficiaries receiving benefits	251
Terminated employees entitled to benefits, but not yet receiving them	189
Active members	<u>378</u>
	<u>818</u>

Contribution Policy – The Police and Fire employees are required to contribute 2% of earnings with 0% contribution after 30 years of service. Police employees hired after May 1, 2015 and Fire employees hired after July 1, 2014 are required to contribute 8% of earnings. Department of Public Works employees contribute 2.25% of earnings. Library and Board of Education employees contribute 2.0%. All other non-bargained groups are required to contribute .50% of earnings. The Town is required to contribute the remaining amounts as determined by annual actuarial valuations.

A pension committee oversees the pension administration and activities. This committee is comprised of the following voting members: the First Selectman, the Town’s Finance Director, a member of the Board of Finance, an appointee of the police union and an appointee of the fire union. An appointee of the public works union attends the meetings, but is not a voting member.

Funding Policy – Funding is based on the actuarial determined employer contribution (“ADEC”). The Town has a policy to pay at least the greater of: (a) 40% of the ADEC; or (b) 80% of the prior year’s actual contribution up to 100% of the ADEC.

Investment Policy – Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

<u>Asset Class</u>	<u>Sub-Asset Class</u>	<u>Target Allocation</u>
Equity	United States	48%
	Non United States	12%
Fixed Income	At or Above Investment Grade	40%

Reasonable precautions will be taken to avoid excessive investment concentrations to protect the portfolio against unfavorable outcomes within an asset class. Specifically, the following guidelines will be in place:

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

- a) With the exception of fixed income investments explicitly guaranteed by the U.S. Government, no single investment security shall represent more than 5% of total assets.
- b) With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Plan assets.
- c) With respect to fixed income investments, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB; Moody's Baa) or higher.

Long-term expected rate of return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation.

Below shows the Board's target asset class allocation and the long-term expected rate of return calculated as geometric means:

Asset Class	Index	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Broad US Equities	Vanguard	42.00%	6.30%	2.65%
Broad International Equities	Vanguard	18.00%	7.40%	1.33%
Broad US Bonds	Vanguard	40.00%	1.90%	0.76%
		100.00%		4.74%
	Long-Term inflation			1.90%
	Long-Term Expected Nominal Return			6.64%

Calculation of Money-Weighted Rate of Return – The money-weighted rate of return considers the changing amounts actually invested during the period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expense as:

Net money-weighted rate of return for the year ended June 30, 2015 2.85%

Net Pension Liability (Asset)

The components of the net pension liability of the Town as of June 30, 2015 were as follows:

Town pension liability	\$ 115,625,364
Plan fiduciary net position	<u>127,202,933</u>
Net pension liability (asset)	<u><u>\$ (11,577,569)</u></u>
Plan fiduciary net position as a percentage of total pension liability	110.01%

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2014 valuation and projected forward to a measurement date of June 30, 2015:

Valuation timing	Actuarially determined contribution rates are calculated as of July 1, twenty four months prior to the beginning of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level percent
Closed, open or layered	Open periods
Amortization period at 7/1/14	15 years
Asset valuation method	
Smoothing period	5 year
Recognition method	20% per year
Inflation	3.00%
Payroll growth	4.00%
Investment rate of return	Blended at 6.5% to 2020 then 7% thereafter resulting in 6.8%
Cost of living adjustment	None
Retirement age	Differing for Public Works, Police & Fire and all other employees
Post-retirement mortality	RP-2000 fully projected with separate male & female tables

Sensitivity Analysis – The following presents the net pension liability (asset) of the Town, calculated using the current discount rate, as well as what the Town’s net pension would be if it were calculated using a discount rate that is 1 % point lower or 1 % point higher:

	1% Decrease 5.83%	Current Discount Rate 6.83%	1% Increase 7.83%
Net Pension Liability (Asset)	\$ 2,486,648	\$ (11,577,569)	\$ (23,398,143)

Pension Expense – The total pension expense recognized for the year ended June 30, 2015 was \$2,216,775. Pension expense for the next 4 years will be affected by the following deferred outflows and inflows of resources:

Increase (Decrease) in Pension Expense from the Recognition of the Effects of:

	Recognized in		To Be Recognized in			
	2015	2016	2017	2018	2019	Total
Differences between Expected and Actual Experience						
2015	\$ (450,992)	\$ (450,992)	\$ (450,992)	\$ (450,992)	\$ (450,995)	\$ (1,803,971)
Differences between Projected and Actual Earnings on Pension Plan Investments						
2015	\$ 914,770	\$ 914,770	\$ 914,770	\$ 914,770	\$ 914,770	\$ 3,659,080

4. Pension and Other Post Retirement Plans (Continued)

B. Teacher's Retirement System

Plan Description

Teachers and certain other certified personnel in the Town are eligible to participate in the Connecticut State Teachers' Retirement System, a cost-sharing multiple employer public employee retirement system described in the Connecticut General Statutes, Chapter 167a. The TRS has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The Teachers' Retirement System is administered by the Teachers' Retirement Board.

Plan Membership – All teachers, principals, superintendents or supervisors engaged in service of public schools are eligible for participation.

Plan Benefits – Plan provisions are set by statute of the State of Connecticut. Teachers' Retirement System provides retirement benefits, as well as death and disability benefits. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary. A minimum monthly benefit of \$1,200 is provided for teachers who retire under the normal retirement provisions and who have completed at least twenty-five years of full time Connecticut service.

A member is eligible to receive an early retirement benefit who (1) has attained any age and has accumulated twenty-five years of credited service, at least twenty years of which are service in the public schools of Connecticut or (2) has reached the age of fifty-five and has accumulated twenty years of credited service, at least fifteen years of which are service in the public schools of Connecticut.

The early retirement benefit is reduced six percent per year for the first five years preceding normal retirement age and four percent per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reductions for individuals with 30 or more years of service is three percent per year by which retirement precedes normal retirement date.

Benefits are fully vested after ten years of service. Benefits are payable at age sixty and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age sixty.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

Funding Policy – In accordance with the Connecticut General Statutes, Section 10-183z, contribution requirements of active employees and the State of Connecticut is amended and certified by the 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 earning, 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.

Members are required to contribute six percent of their annual salary for the pension benefit.

The Town's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2014 (the Valuation Date and Measurement Date) for use in the June 30, 2015 financial statements (Reporting Date):

Experience study dates	July 1, 2005 - June 30, 2010
Inflation	3.00%
Salary increases	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of investment related expense, including inflation
Discount rate	8.50%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined rate and the member rate.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.00% to 6.00%
Post-retirement mortality	RP-2000 Combined Mortality Table projected 19 years

There were no changes in assumptions, benefits, or discount rate that affected the measurement of the total pension liability since the prior measurement date.

Target Asset Allocation and Rates of Return – The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan:

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	7.30%
Developed Non-U.S. Equities	18.00%	7.50%
Emerging Markets (Non-U.S.)	9.00%	8.60%
Core Fixed Income	7.00%	1.70%
Inflation Linked Bond Fund	3.00%	1.30%
Emerging Market Bond	5.00%	4.80%
High Yield Bonds	5.00%	3.70%
Real Estate	7.00%	5.90%
Private Equity	11.00%	10.90%
Alternative Investments	8.00%	0.70%
Liquidity Fund	6.00%	0.40%

Town's Proportionate Share of the Collective Net Pension Liability – The State of Connecticut is responsible, in accordance with State Statutes, for paying the cost of the teachers' retirement for all the public schools in the State. The Town has no liability for any of the pension costs.

Employer Net Pension Liability	\$ -
State of Connecticut's Net Pension Liability for the Town of New Canaan	98,988,998
Net Pension Liability	<u>\$ 98,988,998</u>
Net Pension Liability percentage of the total	0.976083%
Deferred outflows of resources	
Contributions subsequent to the Measurement Date	\$ -
Deferred inflows of resources	
Net difference projected and actual earnings on investments	\$ 8,134,188
Pension expense	\$ 7,427,005
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None for 2015
Other amounts reported as deferred inflows of resources will be recognized in pension expense by the State as follows:	
2015	\$ 2,033,547
2016	2,033,547
2017	2,033,547
2018	2,033,547
	<u>\$ 8,134,188</u>

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

Sensitivity Analysis – The following presents the net pension liability (asset) of the Town of New Canaan, Connecticut’s proportionate share of the plan, calculated using the current discount rate, as well as what the Town’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's Net Pension Liability	<u>\$ 126,323,949</u>	<u>\$ 98,988,998</u>	<u>\$ 75,753,499</u>

Support Provided by Nonemployer Contributing Entities – The Town has recognized \$9,258,537 as revenue in support provided by the State of Connecticut’s contributions to the plan on behalf of the Town’s employees.

Obtaining a Report of the Plan – Teachers’ Retirement System is considered to be a part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. The reports include information on the plan’s assets, deferred outflows of resource, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the Teachers’ Retirement Board at www.ct.gov/trb.

C. Other Post-Employment Benefits (“OPEB”)

From an accrual accounting perspective, the cost of post-employment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town’s future cash flows. The liability accumulated from the years prior to adopting this accounting procedure will be phased in over 30 years.

Plan Description - The Town provides certain health care benefits for retired employees through a single-employer defined benefit plan administered by the Town of New Canaan, Connecticut in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement.

Eligibility Teachers and Administrators – Age 60 with 20 years of service or 35 years of service at any age (Normal Retirement); or age 55 with 20 years of service or 25 years of service at any age (Early Retirement). Upon reaching age 65 retired teachers and certified administrators must transfer coverage to Medicare and are removed from coverage.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

Police and Fire – Age 50 with 20 years of service for Fire and 25 years of service for Police or retirement at a Disability Retirement Date.

Department of Public Works – Age 65 with 5 years of service (Normal Retirement); unreduced retirement at age 60 with 25 years of service; or retirement at a Disability Retirement Date.

All Other Employees – Age 65 with 5 years of service (Normal Retirement); Age 55 with 15 years of service (Early Retirement); or retirement at a Disability Retirement Date.

Cost Sharing For most Town employees, the Town pays the retiree's health premium (single only coverage) subject to the retiree's premium contribution which is the same percentage as active employees (dual rates).

For certified Board of Education employees hired prior to July 1, 1989 the Board of Education pays a fixed contribution towards health insurance until the retiree is Medicare eligible, at which time the retiree comes off the plan. For certain noncertified employees hired prior to September 1, 1989, the Board of Education pays a percent of the premium. This is not capped.

Library retirees are not eligible for retiree health benefits at the time of retirement.

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

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2014	\$ 27,626,684
Assets at Actuarial Value	<u>8,215,274</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 19,411,410</u>
Funded Ratio	29.74%
Covered Payroll (Active plan members)	\$ 50,969,000
UAAL as a Percentage of Covered Payroll	38.08%
Annual Required Contribution	\$ 2,744,420
Interest on Net OPEB Obligation	50,299
Adjustment to Annual Required Contribution	<u>(54,109)</u>
Annual OPEB Cost	<u>2,740,610</u>
Contributions made	<u>(1,599,484)</u>
Increase in net OPEB Obligation (Asset)	1,141,126
Net OPEB Obligation (Asset) - Beginning of the year	<u>718,563</u>
Net OPEB Obligation (Asset) - End of the year	<u>\$ 1,859,689</u>

Actuarial Methods and Significant Assumptions - The Town's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)

June 30, 2015

4. Pension and Other Post Retirement Plans (Continued)

The "normal cost" is derived for each active participant as the actuarial present value of the projected benefits that are attributed to expected service in the current plan year. The normal cost for the plan is the total of the individual normal costs for each participant. The accrued liability is equal to the portion of the present value of future benefits that is allocated to years of service before the valuation date.

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

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members.

Other actuarial methods and significant assumptions are summarized as follows:

Latest Actuarial Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Discount Rate	7.00%
Medical Inflation	8% for 2014, reducing .5% per year to a final 5% for 2020 and later
Amortization Method	Level dollar amortization
Amortization	30 years, open
Mortality	RP-2000 Mortality Table or CT State Teachers Retirement 2010 OPEB valuation
Participation	Based on percentages depending on cost to employee
Retirement	Based on percentages at differing ages depending on department

Three year trend information is as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contributions Made	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2013	\$ 1,925,176	\$ 1,598,090	83.0%	\$ (182,371)
6/30/2014	\$ 2,667,446	\$ 1,766,512	66.2%	\$ 718,563
6/30/2015	\$ 2,740,610	\$ 1,599,484	58.4%	\$ 1,859,689

Funding Progress - As of the last valuation date, July 1, 2014, the actuarial valuation of the plan assets was \$8,215,274. The actuarial accrued liability was \$27,626,684. The schedule of funding progress, RSI-3, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no requirement for funding of the plan but the plan has been partially funded.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

5. Other Information

A. Litigation

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

B. Contingencies

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

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

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

C. Risk Management

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

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

The Board of Education self-insures its employees for medical and dental claims through the use of an internal service fund. Maximum liability to the Board of Education per covered participant is \$300,000. The Board of Education retains an insurance policy for employee claims in excess of \$300,000. A third party administers the plan for which the Board of Education pays an administrative fee. The plan is funded monthly by the Board of Education budget appropriations and employee contributions, as required.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

5. Other Information (Continued)

The following is a summary of changes in claims liability during the year:

Year Ended	Beginning Claims Payable	Current Year Claims	Claim Payments	Ending Claims Payable
2011	\$ 1,786,535	\$ 9,697,911	\$ (9,803,317)	\$ 1,681,129
2012	1,681,129	10,529,172	(10,497,579)	1,712,722
2013	1,712,722	10,864,235	(11,526,957)	1,050,000
2014	1,050,000	10,613,524	(10,769,983)	893,541
2015	893,541	12,328,523	(12,418,375)	803,689

The internal service funds are substantially funded by the Town's General Fund based on estimates for the 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 internal service funds at June 30, 2015, are based on the requirements of GASB Statements number 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual estimated is based on the ultimate cost of settling the claim which includes past experience data, inflation, other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual estimate does not include other allocated or unallocated claims adjustment expenses.

D. Risks and Uncertainties

The Town invests in various securities, including commercial paper, government-sponsored enterprises, and alternative investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. The ongoing credit and liquidity crisis in the United States and throughout the global financial systems has resulted in substantial volatility in financial markets and the banking system. This and other economic events have had a significant adverse impact on investment portfolios. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

E. Motor Vehicle Tax Cap

Beginning in fiscal year 2017, the State of Connecticut Office of Policy and Management ("OPM") capped the mill rate for motor vehicle taxes. The motor vehicle mill rate cap for fiscal year 2017 will be 32 mills. The rate cap in fiscal year 2018 and thereafter will be 29.36 mills.

5. Other Information (Continued)

F. Municipal Spending Cap

Beginning in fiscal year 2018, The State of Connecticut will impose a cap on municipal spending to limit general budget expenditures to 2.5 percent above the previous year or the rate of inflation, whichever is greater. Exemptions to the cap include debt service, special education expenditures, expenditures for implementing court orders, arbitration awards, expenditures related to major disaster or emergency declaration, and certain grants distributed to a special taxing district under certain circumstances.

G. Subsequent Events

On November 30, 2015 the Town approved \$18,600,000 in additions and renovations to portions of the Saxe Middle School which will be funded by bonds not to exceed \$18,600,000.

Beginning on July 1, 2015, the Town has started to self-insure the general government employees for medical and dental claims through the use of an internal service fund. The current internal service fund covers the Board of Education's employees.

H. GASB Pronouncements Issued, But Not yet Effective

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following is a statement which has been approved by GASB but is not yet effective:

- GASB Statement 72 – *Fair Value Measurement and Application* – This statement, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement is effective for fiscal years beginning after June 15, 2015.
- GASB Statement 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68* – This Statement establishes requirements for defined benefit and contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. This is effective for fiscal years beginning after June 15, 2016.
- GASB Statement 74 – *Financial Reporting for Postemployment Benefit Plans Other than Pensions* – This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post-Employment Benefits (OPEB), as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This is effective for fiscal years beginning after June 15, 2016.

Town of New Canaan, Connecticut

Notes to Financial Statements (Continued)
June 30, 2015

5. Other Information (Continued)

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

Town of New Canaan, Connecticut

Required Supplementary Information
June 30, 2015

Town of New Canaan, Connecticut

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 General Fund
 Year Ended June 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
REVENUES					
Tax - Current Year					
Tax Collections	\$122,835,728	\$ -	\$122,835,728	\$124,598,121	\$1,762,393
Total Tax - Current Year	<u>122,835,728</u>	<u>-</u>	<u>122,835,728</u>	<u>124,598,121</u>	<u>1,762,393</u>
Tax- Other Than Levy					
Tax Collections - Prior Years	450,000	-	450,000	761,920	311,920
Lien Fees and Interest	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>882,967</u>	<u>482,967</u>
	<u>850,000</u>	<u>-</u>	<u>850,000</u>	<u>1,644,887</u>	<u>794,887</u>
Intergovernmental					
Road Maintenance	313,835	-	313,835	330,869	17,034
Casino Revenue Sharing	6,951	-	6,951	5,293	(1,658)
State Reimbursement on School Project	269,237	-	269,237	269,237	-
State Aid Grant (ECS)	<u>1,420,824</u>	<u>-</u>	<u>1,420,824</u>	<u>1,543,072</u>	<u>122,248</u>
	<u>2,010,847</u>	<u>-</u>	<u>2,010,847</u>	<u>2,148,471</u>	<u>137,624</u>
Licenses and Permits					
Amusement Permits	200	-	200	240	40
Refuse Collectors Licenses	3,500	-	3,500	4,300	800
Liquor Licenses	50	-	50	56	6
Restaurant Permits	30,000	-	30,000	42,356	12,356
Barbers and Salons	2,500	-	2,500	6,156	3,656
Dog License Clerk Fees	3,000	-	3,000	2,952	(48)
Building Permits	900,000	-	900,000	1,017,976	117,976
Driveway Permits	1,000	-	1,000	475	(525)
Pistol Permits	3,000	-	3,000	5,040	2,040
Sewer and Water Permits	12,000	-	12,000	53,325	41,325
Sewer Connection Permits	50	-	50	170	120
Well Permits	3,500	-	3,500	250	(3,250)
Sign Permits	3,500	-	3,500	200	(3,300)
Street Opening Permits	20,000	-	20,000	31,666	11,666
Zoning Permits	75,000	-	75,000	82,613	7,613
Lot Testing	8,000	-	8,000	11,850	3,850
Plan Review	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>560</u>	<u>(4,440)</u>
	<u>1,070,300</u>	<u>-</u>	<u>1,070,300</u>	<u>1,260,185</u>	<u>189,885</u>
Investment Earnings					
Interest on Investments	350,000	-	350,000	229,568	(120,432)
	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>229,568</u>	<u>(120,432)</u>
Fines and Forfeitures					
False Alarm Fines	15,000	-	15,000	37,700	22,700
Parking Tickets	190,000	-	190,000	262,031	72,031
Parking Tickets - On-Line	60,000	-	60,000	63,129	3,129
CT Judicial Revenue Distribution	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>27,811</u>	<u>2,811</u>
	<u>290,000</u>	<u>-</u>	<u>290,000</u>	<u>390,671</u>	<u>100,671</u>

(Continued)

Town of New Canaan, Connecticut

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 General Fund
 Year Ended June 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
Use of Money and Property					
Waveny Custodial Fees	\$ 3,000	\$ -	\$ 3,000	\$ 5,031	\$ 2,031
Parking Meters	225,000	-	225,000	337,214	112,214
Parking-Day Passes	8,400	-	8,400	12,078	3,678
Parking Permits	630,000	-	630,000	677,987	47,987
Parking Newsrack Permits	300	-	300	-	(300)
Copier Revenue	18,000	-	18,000	14,636	(3,364)
Paddle Tennis Fees	38,500	-	38,500	34,824	(3,676)
Rental of Property	295,416	-	295,416	383,408	87,992
School Rental Fees	10,000	-	10,000	10,000	-
	<u>1,228,616</u>	<u>-</u>	<u>1,228,616</u>	<u>1,475,178</u>	<u>246,562</u>
Charges for Services					
Sales of Codes and Regulation	6,000	-	6,000	7,883	1,883
Vital Statistics Fees	15,500	-	15,500	18,531	3,031
Recording Fees	115,000	-	115,000	94,084	(20,916)
MERS - Town G/F Fees	40,000	-	40,000	49,677	9,677
Conveyance Fees	1,400,000	-	1,400,000	1,668,605	268,605
State Telephone Line Grant	67,750	-	67,750	64,288	(3,462)
Miscellaneous Income	8,785	352,975	361,760	896,623	534,863
Tech Support Billing	-	-	-	17,080	17,080
Zoning Board of Appeals Fee	5,500	-	5,500	9,000	3,500
Planning and Zoning Application Fee	13,000	-	13,000	16,400	3,400
Flu Clinics	15,000	-	15,000	12,833	(2,167)
Inland Wetland App / Violation Fees	44,000	-	44,000	7,858	(36,142)
Wetlands Septic Review Fee	6,000	-	6,000	83,430	77,430
Wetlands Demo Review Fee	500	-	500	-	(500)
Fingerprint Fees	6,750	-	6,750	7,935	1,185
Building Dept.-Work w/o Permits	2,000	-	2,000	-	(2,000)
Transfer Station Dump Fees	30,000	-	30,000	51,974	21,974
Transfer Station Tipping Fees	430,000	-	430,000	449,914	19,914
Transfer Station Recycling	60,000	-	60,000	76,573	16,573
Transfer Station Sticker Fee	124,400	-	124,400	139,468	15,068
Park and Recreation Fees	200,000	-	200,000	150,332	(49,668)
Dog Park Fees	22,000	-	22,000	18,974	(3,026)
Other Classes & Programs Offset	350,000	-	350,000	410,117	60,117
Senior Citizens Program	120,000	-	120,000	116,991	(3,009)
Senior Program Lunches	1,750	-	1,750	2,238	488
BOE Miscellaneous Income	-	-	-	138,975	138,975
	<u>3,083,935</u>	<u>352,975</u>	<u>3,436,910</u>	<u>4,509,783</u>	<u>1,072,873</u>

(Continued)

Town of New Canaan, Connecticut

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 General Fund
 Year Ended June 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
Reimbursements and Refunds					
Elderly Tax Exempt Frozen	\$ 160	\$ -	\$ 160	\$ 159	\$ (1)
LOCIP	454,176	-	454,176	-	(454,176)
Homeowner Tax Relief	30,400	-	30,400	26,211	(4,189)
State Property Rebate	38,000	-	38,000	47,151	9,151
DEP Administration Cost Revenue	860	-	860	1,086	226
Additional Veterans Exemption	950	-	950	1,380	430
State Mfg. New Machine and Equipment	40	-	40	-	(40)
School H&W Reimbursements	15,675	-	15,675	17,478	1,803
Insurance Recoveries	-	116,484	116,484	147,499	31,015
NSF Fees	200	-	200	250	50
Employee Insurance Contributions	558,815	-	558,815	661,982	103,167
Retiree Insurance Contributions	394,410	-	394,410	380,815	(13,595)
Medicare Part D Reimbursements	30,000	-	30,000	69,459	39,459
BOE Grants	800,000	-	800,000	104,178	(695,822)
Workers Comp Offset	60,000	-	60,000	90,224	30,224
Sale of Assets	-	-	-	101,562	101,562
	<u>2,383,686</u>	<u>116,484</u>	<u>2,500,170</u>	<u>1,649,434</u>	<u>(850,736)</u>
Total Revenues	<u>134,103,112</u>	<u>469,459</u>	<u>134,572,571</u>	<u>137,906,298</u>	<u>3,333,727</u>
EXPENDITURES					
General Government					
Selectmen	415,741	11,013	426,754	405,647	21,107
Town Clerk	352,798	6,078	358,876	339,397	19,479
Finance	985,796	3,000	988,796	940,270	48,526
Information Technology	354,469	10,755	365,224	345,624	19,600
Central Services	-	-	-	4,673	(4,673)
Professional Services	424,000	-	424,000	402,462	21,538
Tax Collector	220,752	5,690	226,442	225,122	1,320
Assessor	318,009	5,036	323,045	310,660	12,385
Registrar	103,650	-	103,650	99,546	4,104
Parking	340,269	27,288	367,557	370,504	(2,947)
Health and Security Benefits	8,367,914	45,162	8,413,076	7,744,363	668,713
Insurance	1,534,930	-	1,534,930	1,225,945	308,985
Contingency	600,000	(458,459)	141,541	-	141,541
Total General Government	<u>14,018,328</u>	<u>(344,437)</u>	<u>13,673,891</u>	<u>12,414,213</u>	<u>1,259,678</u>

(Continued)

Town of New Canaan, Connecticut

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 General Fund
 Year Ended June 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
Public Safety and Protection					
Police	\$ 5,604,570	\$ 290,789	\$ 5,895,359	\$ 5,893,669	\$ 1,690
Animal Control	100,444	6,514	106,958	106,957	1
Fire	3,458,548	(765)	3,457,783	3,244,668	213,115
Ambulance	557,685	765	558,450	557,684	766
Fire Marshal	202,091	3,897	205,988	182,262	23,726
Emergency Management	29,700	-	29,700	20,381	9,319
Land Use	1,078,286	120,547	1,198,833	1,128,597	70,236
	<u>11,031,324</u>	<u>421,747</u>	<u>11,453,071</u>	<u>11,134,218</u>	<u>318,853</u>
Public Works					
Directors Office	326,392	8,726	335,118	333,354	1,764
Engineering	154,076	(57,249)	96,827	89,294	7,533
Town Buildings	673,483	35,939	709,422	690,831	18,591
Highway	2,985,117	421,504	3,406,621	3,407,063	(442)
Transfer Station	1,426,479	(62,268)	1,364,211	1,343,919	20,292
Parks	1,330,415	76,407	1,406,822	1,406,724	98
Nature Center	77,600	9,671	87,271	86,141	1,130
Total Town Utilities	414,898	4,040	418,938	418,938	-
Tree Service	437,336	(25,394)	411,942	410,019	1,923
	<u>7,825,796</u>	<u>411,376</u>	<u>8,237,172</u>	<u>8,186,283</u>	<u>50,889</u>
Human Services					
Administration	690,554	(51,359)	639,195	595,872	43,323
Recreation					
Administration and Programs	964,054	34,196	998,250	990,665	7,585
Waveny House	147,214	(8,832)	138,382	116,612	21,770
Paddle Tennis	32,557	(6,600)	25,957	23,073	2,884
Park Buildings	232,814	(3,400)	229,414	191,041	38,373
Civic Activities	24,750	(2,100)	22,650	21,255	1,395
Lapham Community Center	289,979	3,710	293,689	290,083	3,606
Special Persons	8,459	(6,985)	1,474	992	482
Pool Kiwanis Operations	80,358	(5,000)	75,358	72,871	2,487
	<u>1,780,185</u>	<u>4,989</u>	<u>1,785,174</u>	<u>1,706,592</u>	<u>78,582</u>
Board of Education	<u>80,870,557</u>	-	<u>80,870,557</u>	<u>80,352,342</u>	<u>518,215</u>
Library	<u>2,033,726</u>	-	<u>2,033,726</u>	<u>2,033,726</u>	-
Other Agencies					
New Canaan Day Care Center	30,557	-	30,557	30,557	-
Health Services - Private Schools	268,523	-	268,523	250,855	17,668
Transportation Private Schools	357,480	-	357,480	309,910	47,570
Channel 79 Public Access TV	29,000	-	29,000	29,000	-
Probate Court (Darien)	10,000	-	10,000	7,571	2,429
	<u>695,560</u>	-	<u>695,560</u>	<u>627,893</u>	<u>67,667</u>

(Continued)

Town of New Canaan, Connecticut

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 General Fund
 Year Ended June 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
Human Services Agencies					
Chores	\$ 2,000	\$ -	\$ 2,000	\$ 769	\$ 1,231
Getabout	46,000	-	46,000	46,000	-
Norwalk Transit Authority (Insurance)	2,500	-	2,500	-	2,500
Kids in Crisis	50,000	-	50,000	50,000	-
New Canaan Cares	18,000	-	18,000	18,000	-
Child Guidance Center	5,000	-	5,000	5,000	-
Outback Teen Center	20,000	-	20,000	20,000	-
Domestic Violence Crisis Center	5,000	-	5,000	5,000	-
Meals on Wheels	5,000	-	5,000	5,000	-
Smart Prepare	3,000	-	3,000	3,000	-
	<u>156,500</u>	<u>-</u>	<u>156,500</u>	<u>152,769</u>	<u>3,731</u>
Capital Outlay	<u>867,361</u>	<u>1,938,699</u>	<u>2,806,060</u>	<u>1,340,004</u>	<u>1,466,056</u>
Debt Service	<u>15,812,028</u>	<u>(69,826)</u>	<u>15,742,202</u>	<u>15,727,104</u>	<u>15,098</u>
Operating Transfers					
Town Utilities Sewer Contribution	76,125	14,832	90,957	90,957	-
Capital Non-Recurring	2,445,068	1,680,000	4,125,068	4,125,068	-
Waveny Pool Fund	-	69,826	69,826	69,826	-
Total Operating Transfers	<u>2,521,193</u>	<u>1,764,658</u>	<u>4,285,851</u>	<u>4,285,851</u>	<u>-</u>
Total Expenditures	<u>138,303,112</u>	<u>4,075,847</u>	<u>142,378,959</u>	<u>138,556,867</u>	<u>3,822,092</u>
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (4,200,000)</u>	<u>\$ (3,606,388)</u>	<u>\$ (7,806,388)</u>	<u>\$ (650,569)</u>	<u>\$ 7,155,819</u>
Adjustments to Generally Accepted Accounting Principles (GAAP):					
Payments on Behalf of the Town Not Recorded on a Budgetary Basis:					
Revenues from Teachers' Retirement				\$ 9,258,537	
Expenditures for Teachers' Retirement				(9,258,537)	
Other Excess Cost Grant Netted in the Budget					
Revenues				560,179	
Expenditures				(560,179)	
Revenue and Expenditures from Other Grants Netted in the Budget:					
Revenue				12,675	
Expenditures				(12,675)	
Encumbrances recorded on Budget Basis, but not on the Modified Accrual Basis					
Current year education encumbrances				343,270	
Previous year education encumbrances				(1,999,495)	
Education adjustments to beginning balances				1,144,876	
Dog Fund Net Income recorded on Modified Accrual Basis, but not the Budget Basis					
Revenue				26,947	
Expenditures				(22,379)	
Other Financing Sources - Difference in Treatment of Lease Financing:					
Proceeds from Lease Financing				736,000	
Purchase of Equipment and Vehicles with Lease Financing				(736,000)	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis (Exhibit 4)				<u>\$ (1,157,350)</u>	

(Continued)

Town of New Canaan, Connecticut

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
Year Ended June 30, 2015

Notes to Required Supplementary Information: This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as income or expenditures payments made for the teacher's retirement by the State of Connecticut on the Town's behalf; 2. Revenues and expenditures from capital leasing and for renewing or refunding long-term debt are included in the budget as the net revenue or expenditure expected; 3. Encumbrances are treated as expenditures against the budget in the year committed; 4. The Excess Cost Grant may be partially or fully netted with expenditures in the budget based on an agreement between the general government and the Board of Education.

Town of New Canaan, Connecticut

Required Supplementary Information
The Funded Retirement Plan of the Town of New Canaan
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years or Since Inception of GASB 67/68

	<u>2015</u>	<u>2014</u>
The Funded Retirement Plan of the Town of New Canaan		
Total Pension Liability		
Service cost	\$ 2,592,242	\$ 2,868,110
Interest on total pension liability	7,352,135	7,073,402
Effect of plan changes	194,578	-
Differences between expected and actual experience	(2,254,962)	-
Benefit payments	(5,466,241)	(5,291,409)
Net change in total pension liability	2,417,752	4,650,103
Total pension liability, beginning	113,207,612	108,557,509
Total pension liability, ending	<u>115,625,364</u>	<u>113,207,612</u>
Fiduciary Net Position		
Employer contributions	1,044,321	1,000,000
Member contributions	321,443	282,464
Investment income net of investment expenses	3,599,334	18,155,372
Benefit payments	(5,466,241)	(5,291,409)
Administrative expenses	(108,669)	(104,582)
Net change in plan fiduciary net position	(609,812)	14,041,845
Fiduciary net position, beginning	127,812,745	113,770,900
Fiduciary net position, ending	<u>127,202,933</u>	<u>127,812,745</u>
Net pension liability (asset), ending	<u><u>\$(11,577,569)</u></u>	<u><u>\$(14,605,133)</u></u>
Fiduciary net position as a % of total pension liability	110.01%	112.90%
Covered payroll	\$ 21,585,538	\$ 24,137,000
Net pension liability (asset) as a % of covered payroll	-53.64%	-60.51%

Town of New Canaan, Connecticut

Required Supplementary Information
The Funded Retirement Plan of the Town of New Canaan
Schedule of Employer Contributions
Since Inception of GASB 67/68

	2015	2014	2013	2012
Actuarially determined contribution	\$2,610,790	\$ 2,515,090	\$ 1,129,305	\$ 1,085,870
Contributions in relation to the actuarially determined contribution	\$1,044,321	\$1,000,000	\$682,592	\$0
Contribution deficiency (excess)	<u>\$1,566,469</u>	<u>\$1,515,090</u>	<u>\$446,713</u>	<u>\$1,085,870</u>
Covered employee payroll	\$21,585,538	\$24,137,000	\$23,208,282	\$22,316,000
Contributions as a percentage of covered employee payroll	4.84%	4.14%	2.94%	0.00%

Notes to the Schedule

Valuation Date Actuarially determined contribution rates are calculated as of July 1, twenty-four months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Remaining amortization period	15 years
Asset valuation method	5-year; 20% per year
Inflation	3.00%
Payroll growth	4.00%
Investment rate of return	Blended at 6.5% through 2020 then 7% thereafter
Retirement age	Differing for Public Works, Police & Fire and all other employees
Mortality	RP-2000 fully projected with separate male & female tables

Town of New Canaan, Connecticut

Required Supplementary Information
The Funded Retirement Plan of the Town of New Canaan
Annual Money-Weighted Rate of Return
Last 10 Fiscal Years or Since Inception of GASB 67/68

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2015	2.85%
2014	16.16%
2013	NA
2012	NA
2011	NA
2010	NA
2009	NA
2008	NA
2007	NA
2006	NA

Town of New Canaan, Connecticut

Required Supplementary Information
Other Post Employment Benefit Trust Fund

Schedule of Funding Progress

Last Three Valuations

Valuation Date	Actuarial		Unfunded AAL	Funded Ratio	Covered Payroll	AAL/UAAL as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability (AAL)				
7/1/2014	\$ 8,215,274	\$ 27,626,684	\$ 19,411,410	29.74%	\$ 50,969,000	38.08%
7/1/2012	\$ 5,406,066	\$ 26,026,821	\$ 20,620,755	20.77%	\$ 51,918,000	39.72%
7/1/2010	\$ 3,452,023	\$ 15,369,964	\$ 11,917,941	22.46%	\$ 49,491,000	24.08%

Schedule of Employer Contributions

Last Six Fiscal Years

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2015	\$ 2,744,420	\$ 1,599,484	58.28%
6/30/2014	\$ 2,666,479	\$ 1,766,512	66.25%
6/30/2013	\$ 1,922,475	\$ 1,598,090	83.13%
6/30/2012	\$ 1,869,692	\$ 2,219,634	118.72%
6/30/2011	\$ 1,772,704	\$ 1,723,899	97.25%
6/30/2010	\$ 2,003,080	\$ 4,603,081	229.80%

Notes to Schedule

Changes in benefit terms:	None
Changes in assumptions:	None
Actuarial cost method:	Projected unit credit
Amortization method:	Level dollar
Remaining amortization period:	30 years, open
Discount rate:	7.00%

Town of New Canaan, Connecticut

Required Supplementary Information
Connecticut Teachers Retirement System

**Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years or Since Inception of GASB 68**

	<u>2015</u>
Town's percentage of collective net pension liability	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>\$ 98,988,998</u>
Total proportionate share of the collective net pension liability	<u>\$ 98,988,998</u>
Town's covered employee payroll	<u>\$ 38,291,931</u>
Town's proportionate share of the collective net pension liability as a % of covered payroll	<u>0.00%</u>
Plan fiduciary net position as a % of total pension liability	<u>61.51%</u>

**Schedule of Employer Contributions
Last 10 Fiscal Years or Since Inception of GASB 68**

Contractually required Town contribution	<u>\$ -</u>
------------------------------------------	-------------

The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

Notes to Schedule

Changes in benefit term	None
Changes in assumptions	In 2011, rates of withdrawal, retirement and assumed rates of
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.5% net of investment expense, including inflation

Town of New Canaan, Connecticut

Other Governmental Fund Financial Statements
June 30, 2015

Town of New Canaan, Connecticut

Combining Balance Sheet
 Other Governmental Funds
 June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Fund - Sydney Weisner	Total Other Governmental Funds
ASSETS				
Cash and equivalents	\$ 5,024,768	\$ 8,211,520	\$ 57,223	\$ 13,293,511
Taxes and assessments receivable, net of allowances for uncollectible amounts	-	-	-	-
Other receivables				
Accounts	126,385	-	-	126,385
Intergovernmental	157,659	-	-	157,659
Usage	7,860	-	-	7,860
Due from other funds	31,665	1,808,200	-	1,839,865
Prepaid expenditures	8,947	-	-	8,947
Inventories	32,475	-	-	32,475
Total Assets	<u>\$ 5,389,759</u>	<u>\$ 10,019,720</u>	<u>\$ 57,223</u>	<u>\$ 15,466,702</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 324,507	\$ 2,501,147	\$ -	\$ 2,825,654
Accrued payroll and related	132,646	6,582	-	139,228
Due to other funds	885,268	768,517	-	1,653,785
Unearned revenues	6,271	-	-	6,271
Total Liabilities	<u>1,348,692</u>	<u>3,276,246</u>	<u>-</u>	<u>4,624,938</u>
Deferred inflows of resources				
Deferred revenues	<u>201,065</u>	<u>-</u>	<u>-</u>	<u>201,065</u>
Fund balances (deficits)				
Nonspendable	41,422	-	56,500	97,922
Restricted	1,005,446	-	723	1,006,169
Committed	-	7,510,214	-	7,510,214
Assigned	2,874,964	222,762	-	3,097,726
Unassigned	(81,830)	(989,502)	-	(1,071,332)
Total Fund Balances	<u>3,840,002</u>	<u>6,743,474</u>	<u>57,223</u>	<u>10,640,699</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,389,759</u>	<u>\$ 10,019,720</u>	<u>\$ 57,223</u>	<u>\$ 15,466,702</u>

Town of New Canaan, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Fund - Sydney Weisner	Total Other Governmental Funds
REVENUES				
Taxes and assessments	\$ 1,154,333	\$ -	\$ -	\$ 1,154,333
Intergovernmental	1,404,669	219,999	-	1,624,668
Charges for services	4,341,476	1,112,653	-	5,454,129
Reimbursements of funds	176,225	-	-	176,225
Income from investments	1,204	8,103	6	9,313
Total Revenues	<u>7,077,907</u>	<u>1,340,755</u>	<u>6</u>	<u>8,418,668</u>
EXPENDITURES				
Current				
General government	571,947	-	-	571,947
Public safety and protection	1,114,878	-	-	1,114,878
Operation of plant	1,279,000	-	-	1,279,000
Education	3,756,463	-	145	3,756,608
Debt service	57,930	-	-	57,930
Capital outlay	139,857	18,365,788	-	18,505,645
Total Expenditures	<u>6,920,075</u>	<u>18,365,788</u>	<u>145</u>	<u>25,286,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>157,832</u>	<u>(17,025,033)</u>	<u>(139)</u>	<u>(16,867,340)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	90,957	4,125,068	-	4,216,025
Transfers out	(10,000)	(352,975)	-	(362,975)
Premium on financing	-	170,390	-	170,390
Issuance of long term debt	-	6,540,000	-	6,540,000
Total Other Financing Sources	<u>80,957</u>	<u>10,482,483</u>	<u>-</u>	<u>10,563,440</u>
Net Change in Fund Balances	238,789	(6,542,550)	(139)	(6,303,900)
Fund Balances - Beginning of Year	<u>3,601,213</u>	<u>13,286,024</u>	<u>57,362</u>	<u>16,944,599</u>
Fund Balances - End of Year	<u>\$ 3,840,002</u>	<u>\$ 6,743,474</u>	<u>\$ 57,223</u>	<u>\$ 10,640,699</u>

Town of New Canaan, Connecticut

Special Revenue Fund Financial Statements June 30, 2015

- **Sewer Taxing District Fund**– The Sewer Taxing District Fund is used to account for revenues generated from property taxes specifically designated for the maintenance and operation of the distribution system and sewer plant.
- **School Lunch Fund** – The School Lunch Fund is used to account for the operations of the schools' cafeterias.
- **Subrecipient Grants Fund** – The Subrecipient Grants Fund is used to account for revenues received and paid to a subrecipient.
- **Summer Learning Fund** – The Summer Learning Fund is used to account for registration revenues related to summer school and related expenditures.
- **Town Grants Fund** – The Town Grants Fund is used to account for revenues from federal and state grants.
- **Facilities Rental Fund** – The Facilities Rental Fund is used to account for revenues and expenditures related to the rental of school properties to third parties.
- **Special Projects Fund** – The Special Projects Fund is used to account for donations from individuals and private organizations to be used for the stated purpose.
- **Extra Duty Fund** – The Extra Duty Fund is used to account for revenues related to extra duties performed by police officers and fire department employees to be used for the stated purpose.
- **Town Clerk Fund** – The Town Clerk Fund is used to account for revenues related to historic document preservation and community investment to be used for the stated purpose.
- **State and Federal Educational Grants Fund** – The State and Federal Educational Grants Fund is used to account for revenues from federal, state and local grants for educational purposes.
- **School Donations Fund** – The School Donations Fund is used to account for donations from PTOs and booster clubs for educational purposes.

Town of New Canaan, Connecticut

Combining Balance Sheet
Special Revenue Funds
June 30, 2015

	Sewer Taxing District	School Lunch	Summer Learning	Town Grants Fund	Facilities Rental	Special Projects Fund	Extra Duty Fund	Town Clerk Fund	State and Federal Educational Grants Fund	School Donation Fund	Total Special Revenue Funds
ASSETS											
Cash and equivalents	\$ 2,352,640	\$ 819,722	\$ 359,215	\$ -	\$ 137,841	\$ 695,671	\$ -	\$ 99,602	\$ 422,842	\$ 137,235	\$ 5,024,768
Other receivables											
Accounts	-	13,243	-	-	15,075	-	98,067	-	-	-	126,385
Usage	7,860	-	-	-	-	-	-	-	-	-	7,860
Intergovernmental	-	-	-	96,102	-	-	-	-	61,557	-	157,659
Due from other funds	-	-	-	-	-	-	31,665	-	-	-	31,665
Prepaid expenditures	8,947	-	-	-	-	-	-	-	-	-	8,947
Inventories	-	32,475	-	-	-	-	-	-	-	-	32,475
Total Assets	<u>\$ 2,369,447</u>	<u>\$ 865,440</u>	<u>\$ 359,215</u>	<u>\$ 96,102</u>	<u>\$ 152,916</u>	<u>\$ 695,671</u>	<u>\$ 129,732</u>	<u>\$ 99,602</u>	<u>\$ 484,399</u>	<u>\$ 137,235</u>	<u>\$ 5,389,759</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)											
Liabilities											
Accounts payable	\$ 50,395	\$ 5,414	\$ 20,999	\$ 50,596	\$ 12,500	\$ 14,539	\$ 25,100	\$ -	\$ 136,586	\$ 8,378	\$ 324,507
Accrued payroll and related	14,099	66,253	14,523	8,068	-	-	29,703	-	-	-	132,646
Due to other funds	1,636	596,970	4,161	28	36,277	26,706	-	-	107,981	111,509	885,268
Unearned revenues	-	-	-	-	509	-	-	-	5,762	-	6,271
Total Liabilities	<u>66,130</u>	<u>668,637</u>	<u>39,683</u>	<u>58,692</u>	<u>49,286</u>	<u>41,245</u>	<u>54,803</u>	<u>-</u>	<u>250,329</u>	<u>119,887</u>	<u>1,348,692</u>
Deferred inflows of resources											
Deferred revenues	6,896	-	-	96,102	-	-	98,067	-	-	-	201,065
Fund balances (deficits)											
Nonspendable	8,947	32,475	-	-	-	-	-	-	-	-	41,422
Restricted	-	-	-	-	-	654,426	-	99,602	234,070	17,348	1,005,446
Assigned	2,287,474	164,328	319,532	-	103,630	-	-	-	-	-	2,874,964
Unassigned	-	-	-	(58,692)	-	-	(23,138)	-	-	-	(81,830)
Total Fund Balances (Deficits)	<u>2,296,421</u>	<u>196,803</u>	<u>319,532</u>	<u>(58,692)</u>	<u>103,630</u>	<u>654,426</u>	<u>(23,138)</u>	<u>99,602</u>	<u>234,070</u>	<u>17,348</u>	<u>3,840,002</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)											
	<u>\$ 2,369,447</u>	<u>\$ 865,440</u>	<u>\$ 359,215</u>	<u>\$ 96,102</u>	<u>\$ 152,916</u>	<u>\$ 695,671</u>	<u>\$ 129,732</u>	<u>\$ 99,602</u>	<u>\$ 484,399</u>	<u>\$ 137,235</u>	<u>\$ 5,389,759</u>

Town of New Canaan, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Special Revenue Funds
 Year Ended June 30, 2015

	Sewer Taxing District	School Lunch	Sub- recipient Grant	Summer Learning	Town Grants Fund	Facilities Rental	Special Projects Fund	Extra Duty Fund	Town Clerk Fund	State and Federal Educational Grants	School Donation Fund	Total Special Revenue Funds
REVENUES												
Taxes and assessments	\$ 1,154,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,154,333
Intergovernmental	81,906	-	266,765	-	127,554	-	-	-	-	928,444	-	1,404,669
Charges for services	289,416	2,065,747	-	127,162	-	236,264	466,216	1,146,455	10,216	-	-	4,341,476
Reimbursements of funds	-	-	-	-	30,000	-	-	-	-	-	146,225	176,225
Income from investments	1,204	-	-	-	-	-	-	-	-	-	-	1,204
Total Revenues	<u>1,526,859</u>	<u>2,065,747</u>	<u>266,765</u>	<u>127,162</u>	<u>157,554</u>	<u>236,264</u>	<u>466,216</u>	<u>1,146,455</u>	<u>10,216</u>	<u>928,444</u>	<u>146,225</u>	<u>7,077,907</u>
EXPENDITURES												
Current												
General government	-	-	25,399	-	39,247	-	500,624	-	6,677	-	-	571,947
Public safety and protection	-	-	-	-	58,726	-	-	1,056,152	-	-	-	1,114,878
Operation of plant	1,279,000	-	-	-	-	-	-	-	-	-	-	1,279,000
Education	-	1,971,501	241,366	260,464	-	224,189	-	-	-	930,066	128,877	3,756,463
Debt service	57,930	-	-	-	-	-	-	-	-	-	-	57,930
Capital outlay	4,500	-	-	-	135,357	-	-	-	-	-	-	139,857
Total Expenditures	<u>1,341,430</u>	<u>1,971,501</u>	<u>266,765</u>	<u>260,464</u>	<u>233,330</u>	<u>224,189</u>	<u>500,624</u>	<u>1,056,152</u>	<u>6,677</u>	<u>930,066</u>	<u>128,877</u>	<u>6,920,075</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>185,429</u>	<u>94,246</u>	<u>-</u>	<u>(133,302)</u>	<u>(75,776)</u>	<u>12,075</u>	<u>(34,408)</u>	<u>90,303</u>	<u>3,539</u>	<u>(1,622)</u>	<u>17,348</u>	<u>157,832</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	90,957	-	-	-	-	-	-	-	-	-	-	90,957
Transfers out	-	-	-	-	-	(10,000)	-	-	-	-	-	(10,000)
Total Other Financing Sources (Uses)	<u>90,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,957</u>
Net Change in Fund Balance:	276,386	94,246	-	(133,302)	(75,776)	2,075	(34,408)	90,303	3,539	(1,622)	17,348	238,789
Fund Balances (Deficits) - Beginning of Year	<u>2,020,035</u>	<u>102,557</u>	<u>-</u>	<u>452,834</u>	<u>17,084</u>	<u>101,555</u>	<u>688,834</u>	<u>(113,441)</u>	<u>96,063</u>	<u>235,692</u>	<u>-</u>	<u>3,601,213</u>
Fund Balances (Deficits) - End of Year	<u>\$ 2,296,421</u>	<u>\$ 196,803</u>	<u>\$ -</u>	<u>\$319,532</u>	<u>\$(58,692)</u>	<u>\$103,630</u>	<u>\$654,426</u>	<u>\$ (23,138)</u>	<u>\$ 99,602</u>	<u>\$ 234,070</u>	<u>\$ 17,348</u>	<u>\$ 3,840,002</u>

Town of New Canaan, Connecticut

Capital Projects Fund Financial Statements June 30, 2015

- **School Energy Efficiency Fund** – The School Energy Efficiency Fund is used to account for energy efficiency programs.
- **Bridge Replacement Fund** – The Bridge Replacement Fund is used to account for bridge replacements in Town.
- **Special Bonding Fund** – The Special Bonding Fund is used for projects to be funded from bond proceeds.
- **Police Station Renovations Fund** – The Police Station Renovations Fund is used to account for expenditures related to renovations at the Police Station.
- **Capital and Nonrecurring Fund** – The Capital and Nonrecurring Fund is used to account for capital acquisitions which, by nature, occur over the course of multiple years.
- **Road Paving Fund** – The Road Paving Fund is used to account for expenditures relating to various road paving projects throughout the Town.
- **Small Bonded Capital Projects Fund** – The Small Bonded Capital Projects Fund is used to account for expenditures related to small bonded capital projects that are not significant enough to be a stand-alone fund.
- **South School Improvements Fund** – The South School Improvements Fund is used to account for expenditures related to improvements at the South School.
- **Town Hall Renovations Fund** – The Town Hall Renovations Fund is used to account for expenditures related to renovations at the Town Hall.

Town of New Canaan, Connecticut

Combining Balance Sheet
 Capital Projects Funds
 June 30, 2015

	School Energy Efficiency	Bridge Replacement	Special Bonding	Capital and Nonrecurring	Road Paving	Small Bonded Capital Projects	South School Improve- ments	Town Hall Renovations	Total Capital Projects Funds
ASSETS									
Cash and equivalents	\$ 468,982	\$ -	\$ 2,131,717	\$ 2,495,748	\$ 3,115,073	\$ -	\$ -	\$ -	\$ 8,211,520
Other receivables									
Due from other funds	-	1,727,144	-	-	81,056	-	-	-	1,808,200
Total Assets	<u>\$ 468,982</u>	<u>\$ 1,727,144</u>	<u>\$ 2,131,717</u>	<u>\$ 2,495,748</u>	<u>\$ 3,196,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,019,720</u>
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	\$ -	\$ 1,817,010	\$ 4,000	\$ 44,967	\$ 1,806	\$ 26,343	\$ 463,659	\$ 143,362	\$ 2,501,147
Accrued payroll and related	-	-	-	-	-	-	-	6,582	6,582
Due to other funds	721,079	-	8,132	500	31,213	550	-	7,043	768,517
Total Liabilities	<u>721,079</u>	<u>1,817,010</u>	<u>12,132</u>	<u>45,467</u>	<u>33,019</u>	<u>26,893</u>	<u>463,659</u>	<u>156,987</u>	<u>3,276,246</u>
Fund balances (deficits)									
Committed	-	-	2,119,585	2,227,519	3,163,110	-	-	-	7,510,214
Assigned	-	-	-	222,762	-	-	-	-	222,762
Unassigned	(252,097)	(89,866)	-	-	-	(26,893)	(463,659)	(156,987)	(989,502)
Total Fund Balances (Deficits)	<u>(252,097)</u>	<u>(89,866)</u>	<u>2,119,585</u>	<u>2,450,281</u>	<u>3,163,110</u>	<u>(26,893)</u>	<u>(463,659)</u>	<u>(156,987)</u>	<u>6,743,474</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 468,982</u>	<u>\$ 1,727,144</u>	<u>\$ 2,131,717</u>	<u>\$ 2,495,748</u>	<u>\$ 3,196,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,019,720</u>

Town of New Canaan, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Funds
 Year Ended June 30, 2015

	School Energy Efficiency	Bridge Replace- ment	Special Bonding	Capital and Nonrecurring	Road Paving	Small Bonded Capital Projects	South School Improve- ments	Town Hall Renovations	Total Capital Projects Funds
REVENUES									
Intergovernmental	\$ -	\$ 57,289	\$ -	\$ 162,710	\$ -	\$ -	\$ -	\$ -	\$ 219,999
Charges for services	-	-	999,999	9,879	102,775	-	-	-	1,112,653
Income from investments	-	-	7,614	489	-	-	-	-	8,103
Total Revenues	-	57,289	1,007,613	173,078	102,775	-	-	-	1,340,755
EXPENDITURES									
Capital outlay	-	7,594	67,370	2,862,328	2,211,659	1,675,435	463,659	11,077,743	18,365,788
Excess (Deficiency) of Revenues Over Expenditures	-	49,695	940,243	(2,689,250)	(2,108,884)	(1,675,435)	(463,659)	(11,077,743)	(17,025,033)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	4,125,068	-	-	-	-	4,125,068
Transfers out	-	-	-	(352,975)	-	-	-	-	(352,975)
Premium on financing	-	-	170,390	-	-	-	-	-	170,390
Issuance of long term debt	-	750,000	-	-	2,090,000	1,870,000	-	1,830,000	6,540,000
Total Other Financing Sources (Uses)	-	750,000	170,390	3,772,093	2,090,000	1,870,000	-	1,830,000	10,482,483
Net Change in Fund Balances	-	799,695	1,110,633	1,082,843	(18,884)	194,565	(463,659)	(9,247,743)	(6,542,550)
Fund Balances (Deficits) - Beginning of Year	(252,097)	(889,561)	1,008,952	1,367,438	3,181,994	(221,458)	-	9,090,756	13,286,024
Fund Balances (Deficits) - End of Year	<u>\$ (252,097)</u>	<u>\$ (89,866)</u>	<u>\$ 2,119,585</u>	<u>\$ 2,450,281</u>	<u>\$ 3,163,110</u>	<u>\$ (26,893)</u>	<u>\$ (463,659)</u>	<u>\$ (156,987)</u>	<u>\$ 6,743,474</u>

Town of New Canaan, Connecticut

Enterprise Fund Financial Statements June 30, 2015

- **Railroad Fund** – The Railroad Fund is used to account for revenues and expenditures related to the operation of the railway station.
- **Property Rental Fund** – The Property Rental Fund is used to account for revenues and expenditures related to the Town's rental of property.
- **Movie Theater Fund** – The Movie Theater Fund is used to account for Movie Theater revenues and expenditures.
- **Parking Fund** – The Parking Fund is used to account for parking permit revenues and expenditures. This was closed during the year.

Town of New Canaan, Connecticut

Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	Business-Type Activities-Enterprise Funds			Totals Current Year
	Railroad Fund	Property Rental	Movie Theatre	
ASSETS				
Current assets				
Cash and equivalents	\$ 226,178	\$ 26,829	\$ 427,524	\$ 680,531
Receivables				
Accounts, net	<u>-</u>	<u>-</u>	<u>923</u>	<u>923</u>
Total Current Assets	<u>226,178</u>	<u>26,829</u>	<u>428,447</u>	<u>681,454</u>
Noncurrent assets				
Capital assets				
Machinery and equipment	45,681	-	88,778	134,459
Less accumulated depreciation	<u>(23,867)</u>	<u>-</u>	<u>(14,636)</u>	<u>(38,503)</u>
	<u>21,814</u>	<u>-</u>	<u>74,142</u>	<u>95,956</u>
Total Assets	<u>\$ 247,992</u>	<u>\$ 26,829</u>	<u>\$ 502,589</u>	<u>\$ 777,410</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 3,350	\$ 1,000	\$ 17,810	\$ 22,160
Intergovernmental payable	24,718	-	-	24,718
Due to other funds	<u>43,405</u>	<u>-</u>	<u>-</u>	<u>43,405</u>
Total Current Liabilities	<u>71,473</u>	<u>1,000</u>	<u>17,810</u>	<u>90,283</u>
NET POSITION				
Net investment in capital assets	21,814	-	74,142	95,956
Unrestricted	<u>154,705</u>	<u>25,829</u>	<u>410,637</u>	<u>591,171</u>
Total Net Position	<u>\$ 176,519</u>	<u>\$ 25,829</u>	<u>\$ 484,779</u>	<u>\$ 687,127</u>

Town of New Canaan, Connecticut

Combining Statement of Revenues, Expenses and Changes in Net Position
 Enterprise Funds
 Year Ended June 30, 2015

	Business-Type Activities-Enterprise Funds				Totals Current Year
	Railroad Fund	Property Rental	Movie Theatre	Parking Fund	
Operating Revenues					
Parking meters and rent	\$ 194,955	\$ 8,800	\$ -	\$ -	\$ 203,755
Charges for services	-	-	109,308	-	109,308
Total Operating Revenues	194,955	8,800	109,308	-	313,063
Operating Expenses					
Costs of services	164,554	4,136	81,421	-	250,111
Income from Operations	30,401	4,664	27,887	-	62,952
Non-Operating Revenues and Expenses					
Interest income	-	222	-	-	222
Insurance recoveries	-	-	24,700	-	24,700
Total Non-Operating Revenues	-	222	24,700	-	24,922
Income Before Capital Contributions	30,401	4,886	52,587	-	87,874
Capital Contributions	28,582	-	-	-	28,582
Transfers Out	-	-	-	(393,143)	(393,143)
Change in Net Position	58,983	4,886	52,587	(393,143)	(276,687)
Net Position - Beginning of Year	117,536	20,943	432,192	393,143	963,814
Net Position - End of Year	\$ 176,519	\$ 25,829	\$ 484,779	\$ -	\$ 687,127

Town of New Canaan, Connecticut

Combining Statement of Cash Flows
Enterprise Funds
Year Ended June 30, 2015

	Business-Type Activities-Enterprise Funds				Totals Current Year
	Railroad Fund	Property Rental	Movie Theatre	Parking Fund	
Cash Flows From Operating Activities					
Cash received from customers and users	\$ 194,955	\$ 8,800	\$ 109,984	\$ -	\$ 313,739
Cash payments to suppliers and employees	<u>(178,627)</u>	<u>(4,357)</u>	<u>(77,487)</u>	<u>-</u>	<u>(260,471)</u>
Net Cash from Operating Activities	<u>16,328</u>	<u>4,443</u>	<u>32,497</u>	<u>-</u>	<u>53,268</u>
Cash Flows From Capital and Related Financing Activities					
Other non-operating revenue	<u>28,582</u>	<u>-</u>	<u>24,700</u>	<u>-</u>	<u>53,282</u>
Cash Flows From Non-Capital Financing Activities					
Advances from other funds	(29,297)	-	-	-	(29,297)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(393,143)</u>	<u>(393,143)</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(29,297)</u>	<u>-</u>	<u>-</u>	<u>(393,143)</u>	<u>(422,440)</u>
Cash Flows From Investing Activities					
Interest income	<u>-</u>	<u>222</u>	<u>-</u>	<u>-</u>	<u>222</u>
Net Increase (Decrease) in Cash and Equivalents	15,613	4,665	57,197	(393,143)	(315,668)
Cash and Equivalents - Beginning of Year	<u>210,565</u>	<u>22,164</u>	<u>370,327</u>	<u>393,143</u>	<u>996,199</u>
Cash and Equivalents - End of Year	<u>\$ 226,178</u>	<u>\$ 26,829</u>	<u>\$ 427,524</u>	<u>\$ -</u>	<u>\$ 680,531</u>
Reconciliation of Income from Operations to Net Cash from Operating Activities					
Income from operations	\$ 30,401	\$ 4,664	\$ 27,887	\$ -	\$ 62,952
Adjustments to reconcile income from operations to net cash from operating activities					
Depreciation	4,339	-	3,374	-	7,713
Changes in operating assets and liabilities					
Accounts receivable	-	-	676	-	676
Accounts payable	(12,386)	(221)	560	-	(12,047)
Intergovernmental payable	<u>(6,026)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,026)</u>
Net Cash from Operating Activities	<u>\$ 16,328</u>	<u>\$ 4,443</u>	<u>\$ 32,497</u>	<u>\$ -</u>	<u>\$ 53,268</u>

Town of New Canaan, Connecticut

Fiduciary Fund Financial Statements June 30, 2015

- **Pension Trust Funds** – The Pension Trust Funds are provided to account for the activities of the Town’s defined benefit pension plan and the Other Post Employment Benefit Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.
- **Private Purpose Trust Funds** – The Private Purpose Trust Funds are used to account for resources legally held in trust for the benefit of individuals, private organizations, or other governments.
- **Agency Funds** – The Agency Funds are primarily utilized to account for monies held as custodian for outside student groups.

Town of New Canaan, Connecticut

Combining Statement of Net Position
Pension Trust Funds
June 30, 2015

	Defined Benefit Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total Pension and OPEB Trust Funds
ASSETS			
Investments, at fair value	<u>\$ 127,278,975</u>	<u>\$ 8,961,833</u>	<u>\$ 136,240,808</u>
LIABILITIES			
Accrued payroll	989	-	989
Due to other funds	<u>73,813</u>	<u>1,125</u>	<u>74,938</u>
Total Liabilities	<u>74,802</u>	<u>1,125</u>	<u>75,927</u>
NET POSITION			
Restricted for pensions and OPEB benefits	<u>\$ 127,204,173</u>	<u>\$ 8,960,708</u>	<u>\$ 136,164,881</u>

Town of New Canaan, Connecticut

 Combining Statement of Changes in Fiduciary Net Position
 Pension Trust Funds
 Year Ended June 30, 2015

	Defined Benefit Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions			
Employer	\$ 1,044,321	\$ 500,000	\$ 1,544,321
Plan members	<u>321,443</u>	<u>10,656</u>	<u>332,099</u>
Total Contributions	<u>1,365,764</u>	<u>510,656</u>	<u>1,876,420</u>
Investment income			
Net change in fair value of investments	664,110	44,428	708,538
Interest and dividends	<u>3,056,825</u>	<u>209,916</u>	<u>3,266,741</u>
Total Investment Income	3,720,935	254,344	3,975,279
Less investment management fees	<u>(121,602)</u>	<u>-</u>	<u>(121,602)</u>
Net Investment Income	<u>3,599,333</u>	<u>254,344</u>	<u>3,853,677</u>
Total Additions	<u>4,965,097</u>	<u>765,000</u>	<u>5,730,097</u>
DEDUCTIONS			
Pension benefits	5,466,241	-	5,466,241
Administrative fees	<u>107,428</u>	<u>18,442</u>	<u>125,870</u>
Total Deductions	<u>5,573,669</u>	<u>18,442</u>	<u>5,592,111</u>
Change in Net Position	(608,572)	746,558	137,986
Net Position - Beginning of Year	<u>127,812,745</u>	<u>8,214,150</u>	<u>136,026,895</u>
Net Position - End of Year	<u>\$ 127,204,173</u>	<u>\$ 8,960,708</u>	<u>\$ 136,164,881</u>

Town of New Canaan, Connecticut

Combining Statement of Net Position
Private Purpose Trust Funds
June 30, 2015

	Marcey Scholarship Fund	Various Scholarships Fund	Affordable Housing Trust	Total Private Purpose Trust Funds
ASSETS				
Cash	\$ -	\$ -	\$ 998,531	\$ 998,531
Investments, at fair value	1,022,479	-	-	1,022,479
Due from other funds	<u>-</u>	<u>34,222</u>	<u>394,174</u>	<u>428,396</u>
 Total Assets	 <u>1,022,479</u>	 <u>34,222</u>	 <u>1,392,705</u>	 <u>2,449,406</u>
NET POSITION				
Held in trust	<u>\$ 1,022,479</u>	<u>\$ 34,222</u>	<u>\$ 1,392,705</u>	<u>\$ 2,449,406</u>

Town of New Canaan, Connecticut

 Combining Statement of Changes in Fiduciary Net Position
 Private Purpose Trust Funds
 Year Ended June 30, 2015

	Marcelly Scholarship Fund	Various Scholarships Fund	Affordable Housing Trust	Total Private Purpose Trust Funds
ADDITIONS				
Contributions	\$ -	\$ 24,132	\$ -	\$ 24,132
Fees	-	-	620,686	620,686
Total	-	24,132	620,686	644,818
Investment Income				
Net change in fair value of investments	6,915	-	-	6,915
Interest and dividends	23,611	-	1,454	25,065
Total Investment Income	30,526	-	1,454	31,980
Total Additions	30,526	24,132	622,140	676,798
DEDUCTIONS				
Operating expenses	-	-	383,045	383,045
Scholarships awarded	23,149	26,240	-	49,389
Total Deductions	23,149	26,240	383,045	432,434
Change in Net Position	7,377	(2,108)	239,095	244,364
Net Position - Beginning of Year	1,015,102	36,330	1,153,610	2,205,042
Net Position - End of Year	<u>\$ 1,022,479</u>	<u>\$ 34,222</u>	<u>\$ 1,392,705</u>	<u>\$ 2,449,406</u>

Town of New Canaan, Connecticut

Combining Statement of Net Position
 Agency Funds
 Year Ended June 30, 2015

	Balance Beginning	Additions	Deductions	Balance Ending
Student Activity Fund				
Assets				
Cash and equivalents	\$ 408,976	\$1,227,574	\$(1,198,167)	\$438,383
Liabilities				
Amount held as agent	\$ 372,646	\$1,203,442	\$(1,171,927)	\$404,161
Due to other funds	36,330	24,132	(26,240)	34,222
Total liabilities	\$ 408,976	\$1,227,574	\$(1,198,167)	\$438,383
Flex Spending Fund				
Assets				
Cash and equivalents	\$ 9,117	\$ 214,674	\$ (156,491)	\$ 67,300
Liabilities				
Amount held as agent	\$ 9,117	\$ 214,674	\$ (156,491)	\$ 67,300
Total				
Assets				
Cash and equivalents	\$ 418,093	\$1,442,248	\$(1,354,658)	\$505,683
Liabilities				
Amount held as agent	\$ 381,763	\$1,418,116	\$(1,328,418)	\$471,461
Due to other funds	36,330	24,132	(26,240)	34,222
Total Liabilities	\$ 418,093	\$1,442,248	\$(1,354,658)	\$505,683

Town of New Canaan, Connecticut

Supplementary Schedules
June 30, 2015

Town of New Canaan, Connecticut

Schedule of Changes in Fund Balance
 Capital and Nonrecurring
 Year Ended June 30, 2015

	Beginning Fund Balance	Appropriations Transfers In	Revenues	Current Year Expenditures	Transfers and Close-Outs	Ending Fund Balance
Committed Fund Balance						
General Government						
Hardware/Software Replacement	\$ -	\$ 50,000	\$ -	\$ (34,118)	\$ (9,057)	\$ 6,825
WAN End of Life Replacement	-	20,000	-	(6,173)	-	13,827
Public Works						
Locust Ave Lot Engineering	199,898	-	-	-	-	199,898
DPW Communication System Replacement	215,000	-	-	(213,720)	(1,280)	-
Cell Phone Study	29,000	-	-	(20,950)	-	8,050
Drainage	50,000	-	-	(47,477)	(23)	2,500
Sidewalks	30,000	70,000	-	(88,434)	-	11,566
2WD Dump Truck/Sander	190,000	-	-	(162,491)	(15,000)	12,509
Loader Tire Replacement	16,000	-	-	(15,120)	(880)	-
Irrigation Upgrades	20,000	-	-	(19,736)	(264)	-
Workman Utility Vehicle	28,212	-	-	(23,891)	(4,321)	-
Lakeview Bridge Construction	7,548	-	-	-	(7,548)	-
Pavement Preservation	-	250,000	-	(68,422)	-	181,578
Valley Road Bridge Reimbursement	-	-	-	(4,216)	4,216	-
Signage and Striping	-	15,000	-	-	-	15,000
Guidrails	-	20,000	-	-	-	20,000
Pick-up Truck	-	40,000	-	(35,327)	(4,673)	-
VacAll	-	275,000	-	-	-	275,000
Fuel Management System Upgrades	-	35,000	-	-	-	35,000
Nature Center Visitor Building Stairs	-	40,000	-	-	-	40,000
Equipment Refurbishing	-	25,000	-	(24,186)	(814)	-
Vacuum Leaf System	-	35,000	-	(28,179)	(6,821)	-
Vehicles with Accessories	-	50,000	-	(49,421)	(579)	-
Ride-on Mowers	788	8,700	-	-	-	9,488
Irrigation Upgrades	-	20,000	-	-	-	20,000
Athletic Field Improvements	-	20,000	-	(20,000)	-	-
Repair Practice Tennis Court at Mead	-	7,500	-	(7,000)	(500)	-
Water Tower Turf Bleachers	-	35,000	-	(35,000)	-	-
Mead Park Tennis Court Electric Repair	-	8,000	-	-	-	8,000
Kiwanis Park Playground Upgrade	-	52,500	-	-	(129)	52,371
Mead Park Playground Upgrade	-	50,000	-	(14,041)	-	35,959
Town Building - Waveny Properties	3,291	-	-	-	(3,291)	-
Town Building - Police Department	41,642	-	-	(3,738)	-	37,904
Nature Center - Renovate Ventilation System	25,000	-	-	-	(25,000)	-
Public Safety						
Police Scheduling Software	2,500	-	-	(1,155)	(1,345)	-
Room Renovation Men's Locker	-	75,000	-	-	-	75,000
Police Vehicles	-	28,000	-	(26,304)	(1,696)	-
Equipment for New PD Vehicle	-	13,000	-	(9,602)	(3,398)	-
PD License Plate Reader	-	20,000	-	-	(5,560)	14,440
PD Vehicle Changeover Costs	-	3,000	-	(3,000)	-	-
Police Radios	-	11,000	-	(9,374)	-	1,626
AED Replacement	-	9,200	-	(9,130)	(70)	-
Fire Personal Protective Equipment	-	74,266	-	(51,403)	-	22,863
SCBA Compressor	-	3,123	-	(2,731)	(392)	-
Fire Hose	-	8,500	-	-	(110)	8,390
Fit Test Machine	-	9,295	-	(9,295)	-	-
FD Radios/Pagers	-	6,281	-	(6,281)	-	-
Water Supply Improvement	-	10,000	-	(2,745)	-	7,255
SCBA Air Bottles	-	12,210	-	(12,210)	-	-
Pumper Equipment & Outfitting	-	-	-	(15,881)	15,881	-
Ambulance	190,000	-	-	(189,885)	(115)	-

(continued)

Town of New Canaan, Connecticut

Schedule of Changes in Fund Balance
Capital and Nonrecurring
Year Ended June 30, 2015

	Beginning Fund Balance	Appropriations Transfers In	Revenues	Current Year Expenditures	Transfers and Close-Outs	Ending Fund Balance
Fire Department Lockers	\$ -	\$ 30,000	\$ -	\$ -	\$ (91)	\$ 29,909
Signage	-	5,000	-	-	(3,800)	1,200
Portable Generator	-	95,000	-	-	(95,000)	-
Generator Tie-ins	-	45,000	-	(43,190)	(1,810)	-
Fire - Regional Mobile Data System	68,456	-	-	-	-	68,456
Education						
West School Roof Repair	155,000	-	-	(89,305)	(65,695)	-
East School Roof Repair	75,000	-	-	(23,369)	(51,631)	-
ICT Infrastructure Upgrades	-	464,493	-	(464,307)	(186)	-
BOE Building Condition Survey	-	57,000	-	(52,300)	(4,100)	600
East CO2 Control	-	28,000	-	(28,000)	-	-
East Replace HVAC Valves	-	20,000	-	(19,950)	(50)	-
East 1st Grade Toilet Upgrade	-	60,000	-	(4,500)	-	55,500
East Curb Repair	-	50,000	-	-	(50,000)	-
South Chiller Replacement	-	210,000	-	(209,303)	(697)	-
South Playground Repair and Hill Modificatic	-	95,000	-	-	-	95,000
South Playground Repair and Hill Modificatic	-	36,000	-	(7,125)	(26,000)	2,875
South HVAC Rooftop Unit Replacement	-	70,000	-	(69,491)	(509)	-
South Replace HVAC Valves	-	20,000	-	(19,950)	(50)	-
South Restroom Upgrades	-	30,000	-	(2,500)	-	27,500
West Floor Tile Replacement	-	10,500	-	(10,500)	-	-
West Rooftop Unit Replacement	-	110,000	-	(104,098)	(5,902)	-
West Replace HVAC Valves	-	20,000	-	(19,950)	(50)	-
West Gym Floor Replacement	-	125,000	-	-	(100,000)	25,000
West Curb Repair	-	50,000	-	-	(50,000)	-
Saxe Rooftop Air handler Unit	-	40,000	-	(36,180)	(3,820)	-
Saxe Auditorium Design	-	175,000	-	(142,482)	-	32,518
Saxe Replace HVAC Valves	-	50,000	-	(49,660)	(340)	-
Saxe Replace Backflow Preventers	-	25,000	-	(2,665)	(20,000)	2,335
School Security Phase 2	-	598,500	-	-	-	598,500
NCHS Install Demand Meter	-	20,000	-	(18,923)	(1,077)	-
Special Education Vehicles	-	176,000	-	(173,944)	(2,056)	-
North Wilton Road Bridge	-	-	162,710	-	-	162,710
Community Investment-Town Share	-	-	9,879	-	-	9,879
Interest on Investments	-	-	489	-	-	489
	<u>1,347,335</u>	<u>4,125,068</u>	<u>173,078</u>	<u>(2,862,328)</u>	<u>(555,633)</u>	<u>2,227,520</u>
Assigned Fund Balance						
For future capital projects	<u>20,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,658</u>	<u>222,761</u>
Total Fund Balance	<u>\$1,367,438</u>	<u>\$ 4,125,068</u>	<u>\$ 173,078</u>	<u>\$(2,862,328)</u>	<u>\$(352,975)</u>	<u>\$2,450,281</u>

Town of New Canaan, Connecticut

Schedule of Changes in Fund Balance
 Special Projects Fund
 Year Ended June 30, 2015

Project Number	Project Name	Beginning			Ending
		Fund Balance	Revenues	Expenditures	Fund Balance
100	Police communication	\$ 2,558	\$ -	\$ -	\$ 2,558
101	Police defibrillator	439	-	-	439
102	Green links	6	-	-	6
103	Human services	58,330	19,917	(2,658)	75,589
104	Parks and recreation	33,365	9,040	(7,251)	35,154
105	Waveny house	63,135	3,694	(7,144)	59,685
106	WPA Art	357	-	-	357
108	Police well being	15,955	15,269	(6,631)	24,593
109	Mather Smith cemetery fund	3,542	-	-	3,542
110	Police Sheinberg Fund	25,612	10,029	(10,942)	24,699
111	Police AG Nason Foundation	743	-	-	743
112	Lamp post project	1,432	-	-	1,432
113	Police bulletproof vests	1,651	-	-	1,651
114	Police September 11, 2001 victims	925	-	-	925
115	Commission on aging	179	-	-	179
117	Fields baseball/softball	1,584	-	-	1,584
118	Police SRT equipment	8,645	4,006	(7,587)	5,064
119	Waveny garden	14,172	6,523	(1,500)	19,195
120	Gold star walk	11,108	1,014	-	12,122
121	Family fourth	61,186	69,816	(71,465)	59,537
122	Waveny swim team	2,183	-	-	2,183
123	Human services - triad	380	-	-	380
124	Human services - underage drinking	12,737	15	-	12,752
125	Human services - chores	8,766	11	-	8,777
126	Fire department- smoke alarms	404	500	(480)	424
127	Police child safety seats	781	140	(95)	826
128	Tree program - Elm Street	510	-	-	510
130	Police half moon donation	4,145	-	(4,320)	(175)
134	Irwin park trails	16,677	20	-	16,697
136	New Canaan rink	10,286	12	-	10,298
137	New Canaan rink and field house fur	212	-	-	212
138	Police Silver Hill	34	-	-	34
140	Animal response team	105	-	-	105
141	Police computer crime investigation	3	-	-	3
142	Police family violence	498	-	-	498
143	Police traffic safety initiatives	2,090	575	(2,250)	415
144	Irwin park flexi-pave	7	-	-	7
146	G.M. Filming	21,626	-	(20,710)	916
147	Irwin park baseball fields	8,113	1,511	-	9,624
148	New Canaan playhouse	1,010	-	-	1,010

(Continued)

Town of New Canaan, Connecticut

Schedule of Changes in Fund Balance
Special Projects Fund
Year Ended June 30, 2015

Project Number	Project Name	Beginning			Ending
		Fund Balance	Revenues	Expenditures	Fund Balance
149	Tree fund/tree warden	3,152	-	-	3,152
152	Mead memorial tennis fund	\$ (10,246)	\$ -	\$ -	\$ (10,246)
153	CERT team - New Canaan	3,060	1,004	(1,179)	2,885
154	Police K9 program	77,271	317	(12,477)	65,111
156	HS-NC food pantry	118,045	49,991	(71,446)	96,590
272	HS-Senior health technology	31,269	31,119	(26,117)	36,271
273	HS-Senior benches	(1,885)	-	-	(1,885)
275	Waveny fitness trail	34,471	32	-	34,503
291	Paddle tennis	6,179	2,605	(4,762)	4,022
292	New Canaan fish management	3,297	1,700	(2,263)	2,734
294	Crissy Seeley cemetery	1,752	-	-	1,752
295	Fields maintenance	35,335	74,991	(88,212)	22,114
309	East school trail	(27,394)	-	-	(27,394)
314	Police - Lifesaver program fund	3	500	-	503
315	Spencer's run	1,000	-	(60)	940
318	Ram spirit fund	173	82,257	(76,435)	5,995
320	Police - honor guard	862	200	-	1,062
323	Fire Department - Epoxy Flooring	4,725	-	(4,724)	1
327	Nature Center Improvements	-	42,592	(42,592)	-
334	Police-Naloxone	-	5,000	(2,135)	2,865
337	Preservation Alliance - Waveny	-	27,836	(17,500)	10,336
338	Police-Public Self Defense Class	-	3,830	(20)	3,810
339	Police-Emergency Assistance	-	150	-	150
	Asset Forfeiture	12,274	-	(7,669)	4,605
Total Fund Balance		\$ 688,834	\$ 466,216	\$ (500,624)	\$ 654,426

Town of New Canaan, Connecticut

Schedule of Expenditures
 Budget and Actual (Budgetary Basis)
 General Fund - Details of Board of Education Expenditures
 For the Year Ended June 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Salaries and wages	\$ 53,298,568	\$ 51,384	\$ 53,349,952	\$ 52,911,425	\$ 438,527
Employee benefits	12,417,830	(65,421)	12,352,409	12,341,332	11,077
Contracted services	2,274,278	64,582	2,338,860	2,361,408	(22,548)
Property services	4,335,565	34,744	4,370,309	4,383,086	(12,777)
Purchased services	6,783,960	(122,290)	6,661,670	6,654,727	6,943
Supplies	1,335,319	3,616	1,338,935	1,255,361	83,574
Equipment	291,397	15,070	306,467	306,005	462
Other	133,640	18,315	151,955	138,998	12,957
	<u>\$ 80,870,557</u>	<u>\$ -</u>	<u>\$ 80,870,557</u>	\$ 80,352,342	<u>\$ 518,215</u>

Reconciliation to Modified Accrual and Accrual Basis:

Teachers retirement - net	\$ 9,258,537
Excess cost grant - net	560,179
Current year encumbrances	(343,270)
Prior year encumbrances	1,999,495
Adjustment to beginning balance	<u>(1,144,876)</u>
Exhibit 4 - Statement of Revenues, Expenditures and Changes in Fund Balances	
General Fund education expenditures	90,682,407
Education related expenditures in other funds:	
School Lunch	1,971,483
Subreceptient Grant	241,366
Summer Learning	260,464
Facilities Rental	224,189
Educational Grants	930,066
School Activity	128,877
Capital and Nonrecurring	1,548,502
Small Bonded Capital Projects	417,383
South School Project	463,659
Sydney Weisner	145
Employee Health Insurance	1,288,117
Education related fixed assets:	
Depreciation	4,399,311
Net purchases from all funds above	(1,015,821)
Education related long-term debt:	
Compensated absences	143,346
Pension	<u>245,600</u>
Exhibit 2 - Statement of Activities Total Education expenditures	<u>\$ 101,929,094</u>