

TOWN OF VOLUNTOWN, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

TOWN OF VOLUNTOWN, CONNECTICUT

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Sandra E. Welwood, LLC

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

Certified Public Accountants
46 Main Street
Danbury, CT 06810

INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Voluntown, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Voluntown, Connecticut (the "Town") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 8 and the required supplementary information on page 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements, Statement of Debt Limitation, and the Report of the Tax Collector are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements, Statement of Debt Limitation, and the Report of the Tax Collector are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Sandra E. Welwood, LLC

Danbury, Connecticut
October 12, 2017

TOWN OF VOLUNTOWN, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2017

The Management of the Town of Voluntown (the "Town") is pleased to present this overview of the financial activities of the Town for the fiscal year ended June 30, 2017. The information presented below should be considered in conjunction with the Town's financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$12,482,656. Of that, \$10,045,068 was invested in capital assets and \$2,437,588 represented unrestricted net position available to meet the Town's ongoing government obligations.
- The Town's total net position decreased by \$66,668. This decrease is mostly attributable to the recognition of the school's compensated absences liability.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,552,551. Approximately 77% of this total amount, \$1,973,641, is available for spending at the government's discretion (unassigned fund balance). The Town attempts to maintain a minimum unassigned fund balance equal to approximately 10% of the annual budget. Through the FYE 2017 budgetary process, the Town made a decision not to provide tax relief through the use of excess fund balances.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,053,952 or 24.1% of total general fund expenditures on a budgetary basis.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

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

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

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

The government-wide financial statements (Statement of Net Position and Statement of Activities) can be found on pages 9-10 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financial 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.

The Town maintains fourteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Nonrecurring Fund, and Town Garage Project Fund which are considered to be major funds. There are three Special Revenue Funds, seven Capital Projects Fund and one Permanent Fund. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Voluntown adopted an annual appropriated budget for its General Fund.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances) can be found on pages 11-14 of this report.

Fiduciary Funds are used to account for resources held by the Town for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Town.

The basic fiduciary fund financial statements can be found on page 16.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Included in the notes is the information concerning the Town of Voluntown's funding of its obligation to provide pension benefits to its employees. The notes to the financial statements can be found on pages 17-34 of this report.

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

Other Information. The required supplementary information, supplemental and combining fund statements, and other schedules can be found beginning on page 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceed liabilities by \$12,482,656 at the close of the fiscal year ended June 30, 2017.

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

Town of Voluntown
Net Position

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	<u>Governmental</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
<u>Assets</u>		
Current assets	\$ 3,054,610	\$ 3,218,226
Capital assets	<u>10,309,125</u>	<u>9,755,961</u>
Total assets	<u>13,363,735</u>	<u>12,974,187</u>
<u>Liabilities</u>		
Current liabilities	291,834	424,863
Other liabilities	<u>589,245</u>	<u>-</u>
Total liabilities	<u>881,079</u>	<u>424,863</u>
<u>Net position</u>		
Net investment in capital assets	10,045,068	9,755,961
Unrestricted	<u>2,437,588</u>	<u>2,793,363</u>
Total net position	<u>\$ 12,482,656</u>	<u>\$ 12,549,324</u>

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

Governmental Activities

Governmental activities decreased the Town's net position by \$66,668. Key elements of this decrease are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
Revenues:		
Program revenues:		
Charges for services	\$ 86,409	\$ 115,141
Operating grants and contributions	4,310,418	3,783,838
Capital grants and contributions	189,970	497,827
General revenues:		
Property taxes	5,699,529	5,443,474
Grants and contributions not restricted to specific programs	447,482	363,665
Investment earnings	<u>1,341</u>	<u>301</u>
Total revenues	<u>10,735,149</u>	<u>10,204,246</u>
Expenses:		
General government	707,183	563,250
Public safety	270,670	266,827
Public works	470,495	535,868
Health and welfare	26,891	24,933
Library services	63,427	75,342
Recreation	21,991	30,917
Insurance & bonds	199,819	215,875
Board of Education	<u>9,041,341</u>	<u>7,924,689</u>
Total expenses	<u>10,801,817</u>	<u>9,637,701</u>
Change in net position	(66,668)	566,545
Net position, beginning of year	<u>12,549,324</u>	<u>11,982,779</u>
Net position, end of year	<u>\$ 12,482,656</u>	<u>\$ 12,549,324</u>

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

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2017 reflect an increase of \$256,055, operating grants and contributions increased \$526,580, and capital grants and contributions decreased \$307,857.

For governmental activities, more than 83.7% of the Town's expenditures related to education, 4.4% relate to public works, 6.5% to general government services, and the remainder relates to other areas.

Major expenditure factors include:

- Increase in Board of Education expenditures in the amount of \$1,116,652 and in general government expenditures in the amount of \$143,933.
- Public Works costs decreased.
- Public Safety and Health and Welfare costs remained constant.

Financial Analysis of the Government's Funds

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

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

As of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,552,551, a decrease of \$24,324 in comparison with the prior year. \$1,973,641 constitutes unassigned fund balance.

General fund. The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,053,952, while total fund balance reached \$2,086,613. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.1% of the total General Fund expenditures, while total fund balance represents 24.5% of that same amount.

The fund balance of the Town's General Fund increased by \$331,176 during the current fiscal year. Key factors in this increase are as follows:

- The Town chose not to use fund balance to balance the budget.
- Property tax revenues were \$256,055 greater than last year.

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

General Fund Budgetary Highlights

There were additional appropriations to the original budget in the amount of \$38,650.

During the year, actual revenues on a budgetary basis were \$8,937,350, which were more than budgetary estimates by \$494,529. Property tax revenue exceeded budget by \$165,179.

Actual expenditures on a budgetary basis totaled \$8,507,933. Actual expenditures were over the final budget by \$26,462.

Capital Assets and Debt Administration

Capital Assets. The Town of Voluntown's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$10,309,125 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Completion of the Lakeside Terrace Project
- Purchase of school buses

Additional information on the Town of Voluntown's capital assets can be found in Note 5 of this report.

Long-Term Debt. At the end of the current fiscal year, the Town of Voluntown had no long-term debt outstanding.

The overall statutory debt limit for the Town of Voluntown is equal to seven times annual receipts from taxation or \$38.1 million. As of June 30, 2017, the Town recorded \$264,057 long-term debt related to Governmental Activities, well below its statutory debt limits.

Additional information on the Town of Voluntown's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2018 budget and tax rates. The goal is to maximize efficiencies to keep expenditures in check, while providing the desired level of services to the Townspeople. However, the Town has not yet approved its 2018 budget because it is uncertain as to what, if any, impact the State's reduced funding to municipalities will have on the Town.

Requests for Information

This financial report is designed to provide a general overview of the Town of Voluntown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Office of the First Selectman, Voluntown Town Hall, Voluntown, Connecticut.

TOWN OF VOLUNTOWN, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2017

Assets

Current assets:	
Cash and cash equivalents	\$ 2,795,961
Receivables (net of uncollectible)	
Property taxes	232,015
Accounts receivable	26,634
Noncurrent assets:	
Capital assets not being depreciated	381,681
Capital assets, net of accumulated depreciation	9,927,444
Total assets	13,363,735

Liabilities

Current liabilities:	
Accounts payable and accrued liabilities	249,213
Unearned revenue	37,621
Performance bonds payable	5,000
Noncurrent liabilities:	
Due within one year	-
Due in more than one year	589,245
Total liabilities	881,079

Net Position

Net investments in capital assets	10,045,068
Unrestricted	2,437,588
Total net position	\$ 12,482,656

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

TOWN OF VOLUNTOWN, CONNECTICUT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ (707,183)	\$ 39,083	\$ 279,614	\$ -	\$ (388,486)
Public safety	(270,670)	-	-	-	(270,670)
Public works	(470,495)	-	172,315	189,970	(108,210)
Health and welfare	(26,891)	-	-	-	(26,891)
Library services	(63,427)	-	-	-	(63,427)
Recreation	(21,991)	-	-	-	(21,991)
Insurance & bonds	(199,819)	-	-	-	(199,819)
Education	(9,041,341)	47,326	3,858,489	-	(5,135,526)
Total	\$ (10,801,817)	\$ 86,409	\$ 4,310,418	\$ 189,970	(6,215,020)
General revenues:					
					5,699,529
					447,482
					1,341
					<u>6,148,352</u>
					Change in net position (66,668)
					<u>Net position, beginning of year 12,549,324</u>
					<u>Net position, end of year \$ 12,482,656</u>

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

TOWN OF VOLUNTOWN, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

	General Fund	Capital Nonrecurring Fund	Town Garage Project Fund	Nonmajor Governmental Funds	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 2,243,469	\$ 420,182	\$ -	\$ 132,310	\$ 2,795,961
Receivables					
Property taxes	232,015	-	-	-	232,015
Grant funds	-	-	-	6,553	6,553
Other	20,081	-	-	-	20,081
Due from other funds	122,875	6,937	-	17,888	147,700
Total assets	\$ 2,618,440	\$ 427,119	\$ -	\$ 156,751	\$ 3,202,310
<u>Liabilities</u>					
Accounts payable and accrued liabilities	\$ 249,213	\$ -	\$ -	\$ -	\$ 249,213
Unearned revenue	-	-	-	37,621	37,621
Performance bonds payable	5,000	-	-	-	5,000
Due to other funds	67,389	-	74,424	5,887	147,700
Total liabilities	321,602	-	74,424	43,508	439,534
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	210,225	-	-	-	210,225
Total deferred inflows of resources	210,225	-	-	-	210,225
<u>Fund Balances (Deficits)</u>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	119,130	119,130
Committed	32,661	427,119	-	-	459,780
Assigned	-	-	-	-	-
Unassigned	2,053,952	-	(74,424)	(5,887)	1,973,641
Total fund balances (deficits)	2,086,613	427,119	(74,424)	113,243	2,552,551
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,618,440	\$ 427,119	\$ -	\$ 156,751	\$ 3,202,310

(continued on next page)

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

TOWN OF VOLUNTOWN, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
(CONTINUED)
JUNE 30, 2017**

Reconciliation of the Balance Sheet to the Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position are different from the Governmental Fund Balance Sheet. The details of the difference are as follows:

Fund balances		\$ 2,552,551
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	\$ 16,681,967	
Less accumulated depreciation	<u>(6,372,842)</u>	
		10,309,125
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds:		
Property tax receivables - accrual basis change		210,225
Long-term liabilities, including equipment financing, are not due and payable in the current period and, therefore, are not reported in the funds:		<u>(589,245)</u>
Net position		<u><u>\$ 12,482,656</u></u>

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

TOWN OF VOLUNTOWN, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Capital Nonrecurring Fund	Town Garage Project Fund	Nonmajor Governmental Funds	Total
<u>Revenues</u>					
Property taxes	\$ 5,705,792	\$ -	\$ -	\$ -	\$ 5,705,792
Intergovernmental	3,677,771	-	-	934,002	4,611,773
Charges for goods and services	39,083	-	-	47,326	86,409
Interest income	1,295	33	-	13	1,341
Other income	134,762	-	-	201,335	336,097
Total revenues	9,558,703	33	-	1,182,676	10,741,412
<u>Expenditures</u>					
Current:					
General government	659,358	-	-	-	659,358
Public safety	252,506	-	-	-	252,506
Public works	351,548	-	-	-	351,548
Health and welfare	26,891	-	-	-	26,891
Library services	63,379	-	-	-	63,379
Recreation	21,991	-	-	-	21,991
Insurance & bonds	199,819	-	-	-	199,819
Board of Education	7,735,879	-	-	532,452	8,268,331
Capital outlay	-	-	20,293	901,620	921,913
Total expenditures	9,311,371	-	20,293	1,434,072	10,765,736
Excess of revenues over (under) expenditures	247,332	33	(20,293)	(251,396)	(24,324)
<u>Other Financings Sources (Uses)</u>					
Transfers in	340,692	121,813	-	42,238	504,743
Transfers out	(256,848)	-	-	(247,895)	(504,743)
Total other financing sources (uses)	83,844	121,813	-	(205,657)	-
Net change in fund balances (deficits)	331,176	121,846	(20,293)	(457,053)	(24,324)
Fund balances (deficits), beginning of year	1,755,437	305,273	(54,131)	570,296	2,576,875
Fund balances (deficits), end of year	\$ 2,086,613	\$ 427,119	\$ (74,424)	\$ 113,243	\$ 2,552,551

(continued on next page)

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

TOWN OF VOLUNTOWN, CONNECTICUT

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) to the Statement of Activities:

Amounts reported in the Statement of Activities are different because:

Net change in fund balances	\$ (24,324)
-----------------------------	-------------

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	1,041,329
Depreciation expense	(488,165)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the Statement of Activities:

Decrease in property tax receivable - accrual basis change	(6,263)
--	---------

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

Issuance of debt for equipment	(440,300)
Debt payments	176,243

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

Compensated absences	<u>(325,188)</u>
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Change in net position	<u>\$ (66,668)</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Revenues					
Property taxes	\$ 5,540,613	\$ -	\$ 5,540,613	\$ 5,705,792	165,179
Intergovernmental	2,776,008	-	2,776,008	2,807,550	31,542
Interest income	200	-	200	1,295	1,095
Other income	126,000	-	126,000	170,521	44,521
Transfer in	-	-	-	252,192	252,192
Total revenues	8,442,821	-	8,442,821	8,937,350	494,529
Expenditures					
General government	553,533	-	553,533	577,841	(24,308)
Public safety	254,383	-	254,383	252,506	1,877
Public works	306,956	19,650	326,606	351,548	(24,942)
Health & welfare	25,850	-	25,850	26,891	(1,041)
Library services	73,920	-	73,920	63,379	10,541
Recreation	13,750	-	13,750	21,991	(8,241)
Insurance & bonds	232,872	-	232,872	199,819	33,053
Education	6,797,057	-	6,797,057	6,782,221	14,836
Transfers out	184,500	19,000	203,500	231,737	(28,237)
Total expenditures	8,442,821	38,650	8,481,471	8,507,933	(26,462)
Excess of revenues over (under) expenditures	\$ -	\$ (38,650)	\$ (38,650)	429,417	\$ 468,067
Fund balances, beginning of year				1,640,107	
Fund balances, end of year				\$ 2,069,524	

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

TOWN OF VOLUNTOWN, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	<u>Agency Fund</u> <u>Student</u> <u>Activity</u> <u>Fund</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 12,680
<u>Liabilities</u>	
Due to student groups	\$ 12,680

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

TOWN OF VOLUNTOWN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1 – Summary of Significant Accounting Policies

The Town of Voluntown, Connecticut (the “Town”) is a municipal corporation governed by a selectmen-town meeting form of government. Under this form of government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes, and borrow money. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system.

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.

Reporting Entity

The financial reporting entity consist of: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete 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 the Town.

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 of the nonfiduciary activities of the primary government as a whole. For the most part, the effects of interfund activity have 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 the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirement 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.

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 nonmajor funds aggregated and presented in a single column. The Town maintains fiduciary funds which are reported by type.

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

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

Governmental Funds – Governmental funds are those through which most general government functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds.

The following are the Town's major governmental funds:

General Fund – the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

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

Town Garage Project Fund – used to account for and report activity related to the Town Garage Project.

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 nonmajor Special Revenue Funds of the Town are:

Special Education Grants Fund – used to account for and report the proceeds of State and Federal grants that are restricted to expenditures for education.

School Lunch Fund – used to account for and report the proceeds of State and Federal grants and fees that are restricted or assigned to expenditures for the school lunch program.

Town Roads Fund – used to account for and report the grant revenue received and expended for the Town's roads.

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

The Town maintains nonmajor capital project funds as needed for various special capital projects. At June 30, 2017, the following capital projects funds are reported:

Recreation Commission Project Fund
Fuel Tank Project Fund
Constitution Field Project Fund
Pavilion Project Fund
Methodist Church Project Fund
School Roof Fund
Housing Authority Grant Fund

The following is the Town's permanent fund:

Trust Fund – used to account for and report the proceeds of donations and interest that are restricted to expenditures for education.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Agency Funds have no measurement focus but utilize 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict GASB guidance.

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

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, 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.

Cash and Cash Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, and money market funds.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town deposits may not be returned to it. The Town's policy for custodial credit risk is to allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously.

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

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

Taxes Receivables

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

Under State Statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of 15 years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due. The Town establishes allowances for uncollectible taxes and interest based on historical collection experience and other factors. As of June 30, 2017, the Town has established an allowance for uncollectible taxes and interest of \$11,200.

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

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.

Interfund Receivables, Payables, and Transactions

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

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Intangible assets lack physical substance, are nonfinancial in nature, and 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 an asset or materially extend the asset life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction-in-progress are 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>
Buildings	40-50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

Unearned Revenue

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

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

Deferred inflows of resources represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The unavailable revenues from property taxes are reported in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Employees are paid by prescribed formula for absence due to vacation or sickness. Vacation pay is generally not available beyond the fiscal year it is earned. Unused sick leave may be accumulated to be used for future absences or is payable upon termination. Sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

Long-Term Obligations

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

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

Net Position and Fund Balance

In the government-wide financial statements, 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 net position. The balance is classified as unrestricted.

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:

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Nonspendable – fund balance amounts that cannot be spent because they are either not in spendable form (inventories, prepaids, and long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted – fund balance amounts 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 State of Connecticut Statutes.

Committed – fund balance amounts that can be used only for specific purposes determined by a formal action of the Town's highest level of decision-making authority, which is a motion at a Town Meeting. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the entity's governing boards.

Assigned – fund balance amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Currently, this is done by the Board of Selectmen. 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 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. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

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, and deferred inflows/outflows, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Budget and Budgetary Accounting

General Fund

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

- Teachers' Retirement – The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 68 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees, which was \$865,658 for the fiscal year ended June 30, 2017.

The Board of Education and Town departments submit requests for appropriations to the Board of Selectmen. The budget is prepared by function and activity, and includes information on the past year, current year estimates, and requested appropriations of the next fiscal year.

The Board of Selectmen hold a public hearing at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. The Board of Selectmen then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing.

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

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

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

As explained above, the Town's budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with GAAP. A reconciliation of revenues, expenditures, and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	<u>Fund Balance</u> <u>Beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing</u> <u>Sources (Uses)</u>	<u>Fund Balance</u> <u>Ending</u>
Balance, GAAP basis	\$ 1,755,437	\$ 9,558,703	\$ (9,311,371)	\$ 83,844	\$ 2,086,613
Special Activities – GASB 54 reclassification and adjustment	(31,530)	(7,887)	88,517	(77,389)	(28,289)
Bus deposit	(95,000)	-	95,000	-	-
Allowance for uncollectibles	11,200	-	-	-	11,200
Reclassifications	-	252,192	(245,737)	(6,455)	-
State Teachers' retirement on behalf payments	-	(865,658)	865,658	-	-
Balance, budgetary basis	<u>\$ 1,640,107</u>	<u>\$ 8,937,350</u>	<u>\$ (8,507,933)</u>	<u>\$ -</u>	<u>\$ 2,069,524</u>

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Special Revenue Funds

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various Special Revenue Funds, which are utilized to account for specific grant programs, are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants.

Capital Project Funds

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

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents of the Town consist of the following at June 30, 2017:

Governmental Funds	
Cash and cash equivalents	\$ 2,795,961
Fiduciary Funds	
Cash and cash equivalents	<u>12,680</u>
Total cash and cash equivalents	<u>\$ 2,808,641</u>

Custodial Credit Risk on Deposits

As of June 30, 2017, the bank balance of the deposits was \$3,034,543 and was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 561,256
Uninsured and collateralized	322,531
Uninsured and uncollateralized	<u>2,150,756</u>
	<u>\$ 3,034,543</u>

Note 4 – Receivables

Receivables at June 30, 2017, including the applicable allowances for collection losses, are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 243,215	\$ -	\$ 243,215
Accounts receivable	<u>20,081</u>	<u>6,553</u>	<u>26,634</u>
Total gross receivables	263,296	6,553	269,849
Allowance for collection losses	<u>(11,200)</u>	<u>-</u>	<u>(11,200)</u>
Total net receivables	<u>\$ 252,096</u>	<u>\$ 6,553</u>	<u>\$ 258,649</u>

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Note 5 – Capital Assets

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

	<u>Balance at</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>June 30, 2017</u>
Capital assets not being depreciated:				
Land	\$ 327,550	\$ -	\$ -	\$ 327,550
Construction in process	<u>54,131</u>	<u>-</u>	<u>-</u>	<u>54,131</u>
Total capital assets not being depreciated	<u>381,681</u>	<u>-</u>	<u>-</u>	<u>381,681</u>
Capital assets being depreciated:				
Buildings and improvements	10,960,267	-	-	10,960,267
Machinery and equipment	1,567,652	462,177	-	2,029,829
Infrastructure	<u>2,731,038</u>	<u>579,152</u>	<u>-</u>	<u>3,310,190</u>
Total capital assets being depreciated	<u>15,258,957</u>	<u>1,041,329</u>	<u>-</u>	<u>16,300,286</u>
Less accumulated depreciation:				
Buildings and improvements	4,635,393	239,066	-	4,874,459
Machinery and equipment	892,361	179,882	-	1,072,243
Infrastructure	<u>356,923</u>	<u>69,217</u>	<u>-</u>	<u>426,140</u>
Total accumulated depreciation	<u>5,884,677</u>	<u>488,165</u>	<u>-</u>	<u>6,372,842</u>
Total depreciable capital assets, net	<u>9,374,280</u>	<u>553,164</u>	<u>-</u>	<u>9,927,444</u>
Capital assets, net	<u>\$ 9,755,961</u>	<u>\$ 553,164</u>	<u>\$ -</u>	<u>\$ 10,309,125</u>

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

General government	\$ 16,776
Public safety	18,164
Public works	118,985
Education	<u>334,240</u>
Total depreciation expense	<u>\$ 488,165</u>

Note 6 – Long-Term Obligations

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2017:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Equipment note payable	\$ -	\$ 440,300	\$ (176,243)	\$ 264,057	\$ -
Compensated absences	<u>-</u>	<u>325,188</u>	<u>-</u>	<u>325,188</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 765,488</u>	<u>\$ (176,243)</u>	<u>\$ 589,245</u>	<u>\$ -</u>

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Equipment Note Payable

In July 2016, the Town entered into an equipment financing agreement for the purchase of school buses for \$440,300. The note is payable in five equal annual installments of \$92,779, including interest at 2.68%.

The annual debt service for the note payable is as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 85,702	\$ 7,077	\$ 92,779
2019	87,998	4,781	92,779
2020	<u>90,357</u>	<u>2,422</u>	<u>92,779</u>
	<u>\$ 264,057</u>	<u>\$ 14,280</u>	<u>\$ 278,337</u>

Bond Authorized and Unissued

At June 30, 2017, there were no authorized and unissued bonds.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2017.

Note 7 – Net Position and Fund Balances

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.

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.

Unrestricted – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

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:

	<u>General Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Town Garage Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Restricted</i>					
General government	\$ -	\$ -	\$ -	\$ 7,431	\$ 7,431
Public works	-	-	-	10,457	10,457
Education	-	-	-	101,242	101,242
	-	-	-	119,130	119,130
<i>Committed:</i>					
Capital projects	-	427,119	-	-	427,119
General governments	32,661	-	-	-	32,661
	32,661	427,119	-	-	459,780
<i>Unassigned</i>					
	2,053,952	-	(74,424)	(5,887)	1,973,641
	<u>\$ 2,086,613</u>	<u>\$ 427,119</u>	<u>\$ (74,424)</u>	<u>\$ 113,243</u>	<u>\$ 2,552,551</u>

The Town Garage Project Fund and Methodist Church Project Fund have deficit fund balances of \$74,424 and \$5,887, respectively, and are expected to be funded by the General Fund, issuance of debt, and intergovernmental funds.

Note 8 – Interfund Receivables/Payables and Transfers

Interfund receivables and payables that resulted from various interfund transactions as of June 30, 2017, are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 67,389	\$ 122,875
Capital Nonrecurring Fund	-	6,937
Town Garage Project Fund	74,424	-
Nonmajor Governmental Funds	5,887	17,888
Total	<u>\$ 147,700</u>	<u>\$ 147,700</u>

Interfund transfers are generally used to supplement revenues to other funds. The transfers that occurred during the year ended June 30, 2017, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 340,692	\$ 256,848
Capital Nonrecurring Fund	121,813	-
Nonmajor Governmental Funds	42,238	247,895
Total	<u>\$ 504,743</u>	<u>\$ 504,743</u>

Note 9 – Employee Retirement Systems and Pension Plans

Connecticut Teachers' Retirement System

Description of System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

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

Summary of Significant Accounting Policies

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about the System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

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

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

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

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

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Contribution Requirements

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

Participants are required to contribute 7.25% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2016/2017 school year, \$161,367 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$2,226,021. The Town had 35 active participants in the System at June 30, 2017.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions:

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

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

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

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

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

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

Discount Rate

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

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

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Sensitivity of the system's proportionate share of the net pension liability related to the Town	\$ 10,830,114	\$ 7,937,848	\$ 6,682,113

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

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$7,937,848.

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2017, the Town recognized \$865,658 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Defined Contribution Plan

The Town and Board of Education provides retirement benefits through a single-employer defined contribution pension plan for all eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers' Retirement System. The Boards of Selectmen and Education have oversight and fiduciary responsibility for the plan.

All eligible employees who have completed one year of service with a minimum of 1,000 hours during the year and who have reached age 21 are eligible for inclusion in the plan. The plan provides that benefits 100% vested at all times with respect to all of the amounts allocated to employees accounts. The Town contributes an amount equal to 4% of each eligible employee's base compensation. During the year, the Town's contributions totaled \$47,467.

Note 10 – Contingent Liabilities

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.

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.

Note 11 – Risk Management

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

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

Note 12 – Jointly Governed Organizations

The Town is a participant in the Town of Voluntown/Town of Sterling Transfer Station. The purpose of the entity is to provide a transfer station for municipal waste for the citizens of both towns. The Board of Commissioners consists of two electors from each town and the First Selectman of either town in alternating years. The Town expended \$46,939 for the operation of the Transfer Station for the year ended June 30, 2017.

Note 13 – Recently Issued Accounting Standards

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

GASB Statement No. 81, Irrevocable Split-Interest Agreements. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

GASB issued Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for periods beginning after June 15, 2017.

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

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

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

Town of Voluntown, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

GASB Statement No. 86, Certain Debt Extinguishment Issues. This Statement improves the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, Leases. This Statement improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF VOLUNTOWN, CONNECTICUT

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

	2017	2016
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	7,937,848	6,309,101
Total	\$ 7,937,848	\$ 6,309,101
Town's covered-employee payroll	\$ 2,226,021	\$ 2,211,393
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	52.26%	59.50%

Notes to Connecticut State Teacher's Retirement System

Method and assumptions used in calculations of actuarially determined contributions

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

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

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SPECIAL ACTIVITIES - BALANCE SHEET
JUNE 30, 2017**

	Tricentennial Fund	Wylie Schoolhouse Maintenance Fund	Historic Document Grant	Snow Removal Fund
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-
Due from other funds	9,000	1,811	479	3,395
Total assets	\$ 9,000	\$ 1,811	\$ 479	\$ 3,395
<u>Liabilities</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<u>Fund Balances (Deficits)</u>				
Committed	9,000	-	479	3,395
Unassigned	-	1,811	-	-
Total fund balances (deficits)	9,000	1,811	479	3,395
Total liabilities and fund balances (deficits)	\$ 9,000	\$ 1,811	\$ 479	\$ 3,395

Note to Schedule

The above Special Activities are included in the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) in conformity with GAAP basis.

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SPECIAL ACTIVITIES - BALANCE SHEET
(CONTINUED)
JUNE 30, 2017**

	Public Library Grants	Town Hall Improvement Fund	Library Addition Fund	Voluntown Dog Fund	Total
<u>Assets</u>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 19,787	\$ 19,787
Receivables	-	-	-	-	-
Due from other funds	1,817	-	-	-	16,502
Total assets	\$ 1,817	\$ -	\$ -	\$ 19,787	\$ 36,289
<u>Liabilities</u>					
Due to other funds	\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000
Total liabilities	-	-	8,000	-	8,000
<u>Fund Balances (Deficits)</u>					
Committed	-	-	-	19,787	32,661
Unassigned	1,817	-	(8,000)	-	(4,372)
Total fund balances (deficits)	1,817	-	(8,000)	19,787	28,289
Total liabilities and fund balances (deficits)	\$ 1,817	\$ -	\$ -	\$ 19,787	\$ 36,289

Note to Schedule

The above Special Activities are included in the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) in conformity with GAAP basis.

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SPECIAL ACTIVITIES - STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Tricentennial Fund	Wylie Schoolhouse Maintenance Fund	Historic Document Grant	Snow Removal Fund
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ 4,000	\$ -
Local	-	-	-	-
Total revenues	-	-	4,000	-
<u>Expenditures</u>				
Current:				
General government	-	2,529	5,216	65,605
Total expenditures	-	2,529	5,216	65,605
Excess of revenues over (under) expenditures	-	(2,529)	(1,216)	(65,605)
<u>Other Financings Sources (Uses)</u>				
Transfers in	7,500	2,000	-	69,000
Transfers out	-	-	-	-
Total other financing sources (uses)	7,500	2,000	-	69,000
Net change in fund balances (deficits)	7,500	(529)	(1,216)	3,395
Fund balances (deficits), beginning of year	1,500	2,340	1,695	-
Fund balances (deficits), end of year	\$ 9,000	\$ 1,811	\$ 479	\$ 3,395

Note to Schedule

The above Special Activities are included in the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) in conformity with GAAP basis.

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SPECIAL ACTIVITIES - STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Public Library Grants	Town Hall Improvement Fund	Library Addition Fund	Voluntown Dog Fund	Total
<u>Revenues</u>					
Intergovernmental	\$ 563	\$ -	\$ -	\$ -	\$ 4,563
Local	-	-	-	3,324	3,324
Total revenues	563	-	-	3,324	7,887
<u>Expenditures</u>					
Current:					
General government	425	-	6,000	8,742	88,517
Total expenditures	425	-	6,000	8,742	88,517
Excess of revenues over (under) expenditures	138	-	(6,000)	(5,418)	(80,630)
<u>Other Financings Sources (Uses)</u>					
Transfers in	-	-	-	10,000	88,500
Transfers out	-	(11,111)	-	-	(11,111)
Total other financing sources (uses)	-	(11,111)	-	10,000	77,389
Net change in fund balances (deficits)	138	(11,111)	(6,000)	4,582	(3,241)
Fund balances (deficits), beginning of year	1,679	11,111	(2,000)	15,205	31,530
Fund balances (deficits), end of year	\$ 1,817	\$ -	\$ (8,000)	\$ 19,787	\$ 28,289

Note to Schedule

The above Special Activities are included in the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) in conformity with GAAP basis.

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Tax Collector					
Property taxes	\$ 5,540,613	\$ -	\$ 5,540,613	\$ 5,705,792	\$ 165,179
	5,540,613	-	5,540,613	5,705,792	165,179
State of Connecticut - Education					
Education cost sharing	2,516,563	-	2,516,563	2,502,573	(13,990)
Transportation	-	-	-	-	-
Adult education	7,578	-	7,578	7,938	360
Magnet school	-	-	-	13,000	13,000
	2,524,141	-	2,524,141	2,523,511	(630)
State of Connecticut - Municipal					
Pilot state property	127,646	-	127,646	127,646	-
Mashantucket Pequot grant	88,305	-	88,305	88,305	-
Grants for municipal projects	2,002	-	2,002	2,002	-
Municipal revenue sharing	33,914	-	33,914	33,914	-
Ag viability grant	-	-	-	9,785	9,785
Property tax relief-elderly veterans	-	-	-	21,691	21,691
Miscellaneous	-	-	-	696	696
	251,867	-	251,867	284,039	32,172
Other Income					
Permits & other	30,000	-	30,000	21,467	(8,533)
Conveyance tax	15,000	-	15,000	17,616	2,616
Miscellaneous	81,000	-	81,000	131,438	50,438
	126,000	-	126,000	170,521	44,521
Interest Income					
	200	-	200	1,295	1,095
Operating Transfers In					
Funds Closed	-	-	-	252,192	252,192
	-	-	-	252,192	252,192
Total revenues	\$ 8,442,821	\$ -	\$ 8,442,821	\$ 8,937,350	\$ 494,529

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
General Government					
Board of Selectmen					
First Selectman	\$ 29,119	\$ -	\$ 29,119	\$ 29,119	\$ -
Selectmen	11,000	-	11,000	10,507	493
Admin. Assistant/Fiscal Services	45,908	-	45,908	48,010	(2,102)
Auditor	26,000	-	26,000	27,694	(1,694)
Town Council/Litigation	20,000	-	20,000	33,072	(13,072)
Telephone/Internet	12,715	-	12,715	23,608	(10,893)
Electricity	8,300	-	8,300	5,768	2,532
Payroll Expense	5,000	-	5,000	4,995	5
Cleaning Service	2,750	-	2,750	3,090	(340)
General Fund Bookkeeping	1,500	-	1,500	2,600	(1,100)
Heat	4,650	-	4,650	2,952	1,698
Office Supplies	3,000	-	3,000	6,711	(3,711)
Fire Extinguishers	950	-	950	562	388
Reimbursable Expense	1,700	-	1,700	1,131	569
Telephone Expense	1,500	-	1,500	2,055	(555)
Water Monitoring	500	-	500	565	(65)
Professional Fees	6,000	-	6,000	5,830	170
Data Processing	30,382	-	30,382	28,941	1,441
Eastern CT Conservation	300	-	300	300	-
Memorial Day	1,500	-	1,500	1,500	-
Youth Services Bureau	7,000	-	7,000	7,000	-
FICA/Medicare	48,000	-	48,000	45,727	2,273
Unemployment Compensation	-	-	-	-	-
Miscellaneous	1,500	-	1,500	4,523	(3,023)
TVCAA	500	-	500	500	-
Council of Small Towns	725	-	725	725	-
Conference of CT Municipalities	1,600	-	1,600	1,542	58
NECCOG	4,830	-	4,830	2,463	2,367
Norwich State Probate Court	2,000	-	2,000	1,884	116
Norwich Chamber of Commerce	250	-	250	10	240
IRA - Town Contributions	22,000	-	22,000	19,714	2,286
	<u>301,179</u>	<u>-</u>	<u>301,179</u>	<u>323,098</u>	<u>(21,919)</u>
Tax Collector					
Tax Collector	33,313	-	33,313	34,726	(1,413)
Tax Collector - clerical	2,973	-	2,973	-	2,973
Advertising	1,500	-	1,500	1,583	(83)
Postage	1,000	-	1,000	2,336	(1,336)
Office Supplies	200	-	200	90	110
Printing	7,000	-	7,000	6,161	839
DMV Fee	650	-	650	-	650
Reimbursable Expense	100	-	100	170	(70)
	<u>46,736</u>	<u>-</u>	<u>46,736</u>	<u>45,066</u>	<u>1,670</u>

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Tax Assessor					
Assessor	\$ 23,114	\$ -	\$ 23,114	\$ 23,114	\$ -
Assistant Assessor	8,918	-	8,918	-	8,918
Advertising	350	-	350	453	(103)
Postage	245	-	245	-	245
Printing	750	-	750	-	750
Office Supplies	250	-	250	201	49
Dues, Conferences, Education	700	-	700	-	700
Computer Lease/Web Hosting - Vision	5,550	-	5,550	5,670	(120)
Reimbursable Expense	150	-	150	-	150
Professional Fees	3,500	-	3,500	5,457	(1,957)
Service Contracts	6,050	-	6,050	8,677	(2,627)
Other Supplies	400	-	400	-	400
	49,977	-	49,977	43,572	6,405
Town Clerk's Office					
Town Clerk	43,850	-	43,850	43,850	-
Town Hall Aide	5,945	-	5,945	29,011	(23,066)
Computer/Lease Records	7,500	-	7,500	9,323	(1,823)
Restoration of Town Records	100	-	100	-	100
Vital Statistics	100	-	100	-	100
Town Reports	1,000	-	1,000	-	1,000
Legal Notices	1,000	-	1,000	66	934
Postage	600	-	600	-	600
Service Contracts & Repairs	3,000	-	3,000	650	2,350
Dues, Conferences, Meetings	1,500	-	1,500	1,609	(109)
Reimbursable Expense	200	-	200	190	10
Printing	390	-	390	-	390
Office Supplies	1,500	-	1,500	905	595
Storage Fees	-	-	-	-	-
	66,685	-	66,685	85,604	(18,919)
Treasurer					
Treasurer	12,813	-	12,813	12,812	1
Assistant Treasurer	1,640	-	1,640	1,199	441
	14,453	-	14,453	14,011	442
Elderly Commission					
	4,000	-	4,000	4,000	-
Municipal Agent for the Elderly					
	1,850	-	1,850	6,088	(4,238)
Zoning Board of Appeals					
	2,000	-	2,000	712	1,288
Inland/Wetlands					
Inland/Wetlands Officer	8,500	-	8,500	11,048	(2,548)
Inland/Wetlands Expenses	1,000	-	1,000	5,265	(4,265)
	9,500	-	9,500	16,313	(6,813)

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Public Works					
Salaries	\$ 173,031	\$ -	\$ 173,031	\$ 182,458	\$ (9,427)
Transfer Station	48,000	-	48,000	46,939	1,061
Cemetery Maintenance	2,500	-	2,500	2,800	(300)
Street Lights	14,000	-	14,000	13,935	65
Telephone	2,750	-	2,750	2,870	(120)
Rental of Equipment	12,500	-	12,500	975	11,525
Electricity	2,500	-	2,500	4,061	(1,561)
Uniforms	3,000	-	3,000	4,215	(1,215)
Truck Repairs/Maintenance	15,000	-	15,000	27,988	(12,988)
Equipment Repairs	5,000	-	5,000	3,912	1,088
Training	800	-	800	1,750	(950)
Security	1,000	-	1,000	938	62
Fuel & Gasoline	12,375	-	12,375	27,646	(15,271)
Oil & Lubricants	1,500	-	1,500	1,628	(128)
Tires	1,000	-	1,000	3,138	(2,138)
Highway Materials - Guard Posts	1,000	-	1,000	-	1,000
Signs, Traffic Control	500	-	500	855	(355)
Other	-	19,650	19,650	19,622	28
Small Tools & Equipment	10,000	-	10,000	5,818	4,182
Restroom	500	-	500	-	500
	<u>306,956</u>	<u>19,650</u>	<u>326,606</u>	<u>351,548</u>	<u>(24,942)</u>
Public Safety					
Public Safety Reimbursement Fund	25,000	-	25,000	30,839	(5,839)
Fire Marshall	6,150	-	6,150	6,150	-
Fire Marshall Expense/Clerical	3,250	-	3,250	2,495	755
Fire Protection	122,608	-	122,608	122,608	-
Emergency Responders	97,375	-	97,375	90,414	6,961
	<u>254,383</u>	<u>-</u>	<u>254,383</u>	<u>252,506</u>	<u>1,877</u>
Voluntown Public Library	73,920	-	73,920	63,379	10,541
Planning & Zoning	2,000	-	2,000	6,227	(4,227)
Building Official					
Building Official/Zoning Officer	14,863	-	14,863	12,831	2,032
Building Official/Zoning Clerical	8,918	-	8,918	283	8,635
Professional Fees	750	-	750	1,125	(375)
Dues, Conferences, Education	2,200	-	2,200	670	1,530
Reimbursable Expenses	200	-	200	-	200
Telephone	600	-	600	550	50
Printing	50	-	50	-	50
Office supplies	900	-	900	516	384
	<u>28,481</u>	<u>-</u>	<u>28,481</u>	<u>15,975</u>	<u>12,506</u>

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Economic Development Commission					
Secretary	\$ 500	\$ -	\$ 500	\$ 517	\$ (17)
Business directory	1,100	-	1,100	-	1,100
99 Main Internet	300	-	300	346	(46)
Supplies	100	-	100	59	41
Dues, Conferences, Education	700	-	700	145	555
Historic Meetinghouse Support	500	-	500	-	500
CT Trust for Historic Preservation	100	-	100	100	-
Tourism Promotion/Workshops/Ads	3,000	-	3,000	3,100	(100)
Farmer's Market Expenses	8,422	-	8,422	8,137	285
	<u>14,722</u>	<u>-</u>	<u>14,722</u>	<u>12,404</u>	<u>2,318</u>
Recreation Commission					
Portable Toilet Rental	1,200	-	1,200	1,256	(56)
Equipment & repairs	5,350	-	5,350	8,644	(3,294)
Parking Lot Rental - Beach	1,000	-	1,000	1,000	-
Beach Maintenance - Supplies	400	-	400	7,830	(7,430)
Ice Skating Rink	800	-	800	-	800
Basketball Program	1,000	-	1,000	164	836
Field Maintenance - Fertilizer	1,500	-	1,500	598	902
Playground Maint. - Wood Chips	1,000	-	1,000	24	976
Community Programs/Activities	1,000	-	1,000	2,475	(1,475)
Miscellaneous Supplies	500	-	500	-	500
	<u>13,750</u>	<u>-</u>	<u>13,750</u>	<u>21,991</u>	<u>(8,241)</u>
Registrars of Voters/Elections					
Salaries	10,500	-	10,500	7,447	3,053
Legal Notices	1,500	-	1,500	-	1,500
Printing - Ballots	2,500	-	2,500	863	1,637
Postage	100	-	100	600	(500)
Service Contracts & Repairs	1,000	-	1,000	2,411	(1,411)
Dues, Conferences, Education	700	-	700	2,566	(1,866)
Professional Fees	500	-	500	318	182
Miscellaneous	500	-	500	419	81
	<u>17,300</u>	<u>-</u>	<u>17,300</u>	<u>14,624</u>	<u>2,676</u>

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Insurance & Bonds					
Liability & Property Insurance	\$ 31,104	\$ -	\$ 31,104	\$ 32,644	\$ (1,540)
Workmens Compensation	77,780	-	77,780	51,670	26,110
Bonds	1,200	-	1,200	866	334
Health/Dental/Life Insurance	122,788	-	122,788	114,639	8,149
	<u>232,872</u>	<u>-</u>	<u>232,872</u>	<u>199,819</u>	<u>33,053</u>
Public Health					
Department of Health	17,000	-	17,000	16,803	197
Public Health Nursing	3,000	-	3,000	-	3,000
	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>16,803</u>	<u>3,197</u>
Board of Assessment Appeals	500	-	500	235	265
Transfer Out					
Dog Fund	10,000	-	10,000	10,000	-
Fire Equipment Fund	65,000	-	65,000	65,000	-
Capital Nonrecurring Fund	25,000	-	25,000	25,000	-
Capital Nonrecurring Fund-PW	25,000	-	25,000	25,000	-
Snow Removal Fund	50,000	19,000	69,000	69,000	-
Tricentennial Fund	7,500	-	7,500	7,500	-
Wylie School Historic Building	2,000	-	2,000	2,000	-
Transfer out - other	-	-	-	28,237	(28,237)
	<u>184,500</u>	<u>19,000</u>	<u>203,500</u>	<u>231,737</u>	<u>(28,237)</u>
Board of Education					
Regular Education	2,931,941	(88,833)	2,843,108	2,807,435	35,673
Special Education Program	1,377,250	62,547	1,439,797	1,428,738	11,059
Special Ed. Admin. Support Services	110,166	(2,242)	107,924	99,533	8,391
Guidance Services	72,146	-	72,146	72,225	(79)
Health Services	60,703	-	60,703	58,988	1,715
Psychological Services	49,800	-	49,800	27,497	22,303
Speech Path/Audiology Services	124,306	-	124,306	119,191	5,115
OT/PT Services	70,780	-	70,780	47,360	23,420
Improvement of Instruction	15,080	-	15,080	9,274	5,806
Instructional Staff Development	12,818	-	12,818	12,052	766
Library/Media Services	105,006	-	105,006	104,937	69
Instruction Related Technology	260,630	-	260,630	279,484	(18,854)
Board of Education	150,082	-	150,082	186,152	(36,070)
Superintendent's Office	177,382	-	177,382	169,505	7,877
Principal's Office	333,776	(4,200)	329,576	329,020	556
Fiscal Services	87,467	-	87,467	83,522	3,945
Operation & Maintenance	356,565	-	356,565	360,726	(4,161)
Transportation	396,015	-	396,015	462,270	(66,255)
Transportation Special Education	44,427	32,728	77,155	63,381	13,774
Food Services Operations	27,127	-	27,127	24,228	2,899
Extra-Curricular Activities	26,590	-	26,590	29,064	(2,474)
Community Service Operations	7,000	-	7,000	6,999	1
Building Improvements	-	-	-	640	(640)
	<u>6,797,057</u>	<u>-</u>	<u>6,797,057</u>	<u>6,782,221</u>	<u>14,836</u>
Total expenditures	<u>\$ 8,442,821</u>	<u>\$ 38,650</u>	<u>\$ 8,481,471</u>	<u>\$ 8,507,933</u>	<u>\$ (26,462)</u>

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2017

	Special Revenue			Capital Projects		
	Special Education Grants Fund	School Lunch Fund	Town Roads Fund	Recreation Commission Project Fund	Fuel Tank Project Fund	Constitution Field Project Fund
Assets						
Cash and cash equivalents	\$ 59,869	\$ 4,640	\$ -	\$ -	\$ -	\$ -
Grants funds receivable	-	6,553	-	-	-	-
Due from other funds	-	-	10,457	7,431	-	-
Total assets	\$ 59,869	\$ 11,193	\$ 10,457	\$ 7,431	\$ -	\$ -
Liabilities						
Unearned revenue	\$ 37,621	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	37,621	-	-	-	-	-
Fund Balances (Deficits)						
Restricted	22,248	11,193	10,457	7,431	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	22,248	11,193	10,457	7,431	-	-
Total liabilities and fund balances (deficits)	\$ 59,869	\$ 11,193	\$ 10,457	\$ 7,431	\$ -	\$ -

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 (CONTINUED)
 JUNE 30, 2017

	Capital Projects				Permanent	Total Nonmajor Governmental Funds
	Pavilion Project Fund	Methodist Church Project Fund	School Roof Fund	Housing Authority Grant Fund	Fund Trust Fund	
<u>Assets</u>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 67,801	\$ 132,310
Grant funds receivable	-	-	-	-	-	6,553
Due from other funds	-	-	-	-	-	17,888
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 67,801	\$ 156,751
<u>Liabilities</u>						
Unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,621
Due to other funds	-	5,887	-	-	-	5,887
Total liabilities	-	5,887	-	-	-	43,508
<u>Fund Balances (Deficits)</u>						
Restricted	-	-	-	-	67,801	119,130
Unassigned	-	(5,887)	-	-	-	(5,887)
Total fund balances (deficits)	-	(5,887)	-	-	67,801	113,243
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ -	\$ -	\$ 67,801	\$ 156,751

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Special Revenue</u>			<u>Capital Projects</u>		
	<u>Special Education Grants Fund</u>	<u>School Lunch Fund</u>	<u>Town Roads Fund</u>	<u>Recreation Commission Project Fund</u>	<u>Fuel Tank Project Fund</u>	<u>Constitution Field Project Fund</u>
<u>Revenues</u>						
Intergovernmental	\$ 427,932	\$ 41,388	\$ 172,315	\$ -	\$ -	\$ 12,753
Charges for goods & services	-	47,326	-	-	-	-
Interest income	-	-	-	-	-	-
Other income	8,859	-	189,970	1,295	-	-
Total revenues	<u>436,791</u>	<u>88,714</u>	<u>362,285</u>	<u>1,295</u>	<u>-</u>	<u>12,753</u>
<u>Expenditures</u>						
Public works	-	-	-	-	-	-
Education	445,697	86,755	-	-	-	-
Capital outlay	-	-	608,898	355	-	12,753
Total expenditures	<u>445,697</u>	<u>86,755</u>	<u>608,898</u>	<u>355</u>	<u>-</u>	<u>12,753</u>
Excess of revenues over (under) expenditures	<u>(8,906)</u>	<u>1,959</u>	<u>(246,613)</u>	<u>940</u>	<u>-</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>						
Transfers in	14,000	-	-	-	6,579	13,958
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,579</u>	<u>13,958</u>
Net change in fund balances (deficits)	5,094	1,959	(246,613)	940	6,579	13,958
Fund balances (deficits), beginning of year	<u>17,154</u>	<u>9,234</u>	<u>257,070</u>	<u>6,491</u>	<u>(6,579)</u>	<u>(13,958)</u>
Fund balances (deficits), end of year	<u>\$ 22,248</u>	<u>\$ 11,193</u>	<u>\$ 10,457</u>	<u>\$ 7,431</u>	<u>\$ -</u>	<u>\$ -</u>

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
 (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2017

	Capital Projects				Permanent	Total Nonmajor Governmental Funds
	Pavilion Project Fund	Methodist Church Project Fund	School Roof Fund	Housing Authority Grant Fund	Trust Fund	
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 279,614	\$ -	\$ 934,002
Charges for goods & services	-	-	-	-	-	47,326
Interest income	-	-	-	-	13	13
Other income	-	-	-	-	1,211	201,335
Total revenues	-	-	-	279,614	1,224	1,182,676
Expenditures						
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	532,452
Capital outlay	-	-	-	279,614	-	901,620
Total expenditures	-	-	-	279,614	-	1,434,072
Excess of revenues over (under) expenditures	-	-	-	-	1,224	(251,396)
Other Financing Sources (Uses)						
Transfers in	7,701	-	-	-	-	42,238
Transfers out	-	-	(247,895)	-	-	(247,895)
Total other financing sources (uses)	7,701	-	(247,895)	-	-	(205,657)
Net change in fund balances (deficits)	7,701	-	(247,895)	-	1,224	(457,053)
Fund balances (deficits), beginning of year	(7,701)	(5,887)	247,895	-	66,577	570,296
Fund balances (deficits), end of year	\$ -	\$ (5,887)	\$ -	\$ -	\$ 67,801	\$ 113,243

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT
STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(b)
FOR THE YEAR ENDED JUNE 30, 2017

Total tax collection including interest and lien fees
for the year ended June 30, 2016 \$ 5,427,373

Reimbursement for revenue loss on:
Tax relief for the elderly (CGS 12-129d) 18,286

Base \$ 5,445,659

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 times base	\$ 12,252,733	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	24,505,466	-	-	-
3 3/4 times base	-	-	20,421,221	-	-
3 1/4 times base	-	-	-	17,698,392	-
3 times base	-	-	-	-	16,336,977
Total debt limitation	<u>12,252,733</u>	<u>24,505,466</u>	<u>20,421,221</u>	<u>17,698,392</u>	<u>16,336,977</u>
Indebtedness:					
Equipment financing	-	264,057	-	-	-
Total indebtedness	<u>-</u>	<u>264,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 12,252,733</u>	<u>\$ 24,241,409</u>	<u>\$ 20,421,221</u>	<u>\$ 17,698,392</u>	<u>\$ 16,336,977</u>

NOTE: In no cash shall total indebtedness exceed seven times annual receipts from taxation or \$ 38,119,613

See accompanying Independent Auditors' Report.

TOWN OF VOLUNTOWN, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2017**

Grand List October 1,	Uncollected Taxes July 1, 2016	New Levy	Lawful Corrections		Suspense Transfers	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2017
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2015	\$ -	\$ 5,685,649	\$ 15,631	\$ 41,466	\$ -	\$ 5,659,814	\$ 5,550,787	\$ 24,480	\$ 5,575,267	\$ 109,027
2014	91,309	-	845	8,646	-	83,508	62,649	14,622	77,271	20,859
2013	31,015	-	59	4,491	-	26,583	12,878	4,252	17,130	13,705
2012	17,933	-	-	-	-	17,933	902	595	1,497	17,031
2011	17,836	-	-	-	-	17,836	(12)	92	80	17,848
2010	12,727	-	-	-	-	12,727	82	83	165	12,645
2009	8,700	-	-	-	-	8,700	-	-	-	8,700
2008	8,197	-	-	-	-	8,197	-	-	-	8,197
2007	7,562	-	-	-	-	7,562	-	-	-	7,562
2006	9,737	-	-	-	-	9,737	24	41	65	9,713
2005	8,168	-	-	-	-	8,168	223	421	644	7,945
2004	8,382	-	-	-	-	8,382	282	578	860	8,100
2003	602	-	-	-	-	602	-	-	-	602
2002	654	-	-	-	-	654	-	-	-	654
2001	627	-	-	-	-	627	-	-	-	627
Total	\$ 223,449	\$ 5,685,649	\$ 16,535	\$ 54,603	\$ -	\$ 5,871,030	\$ 5,627,815	\$ 45,164	\$ 5,672,979	\$ 243,215

See accompanying Independent Auditors' Report.