

**TOWN OF MONTVILLE, CONNECTICUT**

**BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2017**

## CONTENTS

	<b>Page</b>
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis (Unaudited)</b>	3
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Governmental Fund Financial Statements:	
Balance Sheet	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis – General Fund	25
Proprietary Fund Financial Statements:	
Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Net Position	27
Statement of Cash Flows	28
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	29
Statement of Changes in Fiduciary Net Position	30
Notes to the Financial Statements	31

## CONTENTS *(Continued)*

	Page
<b>Required Supplementary Information:</b>	
Schedule of the Town's Proportionate Share of the Net Pension Liability – State of Connecticut Municipal Employees' Retirement System (Unaudited)	66
Schedule of Contributions – Connecticut Municipal Employees' Retirement System (Unaudited)	67
Schedule of the Town's Proportionate Share of the Net Pension Liability – Connecticut State Teachers' Retirement System (Unaudited)	68
Schedule of Funding Progress – Other Post-Employment Benefits Program (Unaudited)	69
<b>Combining and Individual Fund Statements and Schedules:</b>	
Governmental Funds:	
General Fund:	
Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	70
Schedule of Expenditures - Budget and Actual - Budgetary Basis	72
Schedule of Property Taxes Levied, Collected and Outstanding	77
Schedule of Debt Limitation	78
Schedule of Sewer Assessment Collections – Phase II	79
Schedule of Water Assessment Collections – Phase IV	80
Nonmajor Governmental Funds:	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Fiduciary Funds:	
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	89
Combining Statement of Changes in Fiduciary Assets and Liabilities	90
<b>Other Supplementary Information:</b>	
Table 1: Assessed and Estimated Actual Value of Taxable Property (Unaudited)	91
Table 2: Major Taxpayers – 2014 Grand List (Unaudited)	92
Table 3: Property Tax Levies and Collections (Unaudited)	93
Table 4: Ratios of General Bonded Debt (Unaudited)	94
Table 5: Demographic and Economic Statistics (Unaudited)	95

---

**INDEPENDENT AUDITOR'S REPORT**

---

---

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the Town Council  
Town of Montville, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montville, 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.

#### *Auditor's Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montville, Connecticut, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison schedule 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 on pages 3 through 17 and the schedules on the Town's pension plans and other post-retirement benefit plan on pages 66 through 69 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 combining and individual fund statements and schedules on pages 70 through 90, and the other supplementary information on pages 91 through 95 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 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.

*Mahoney Sabol + Company, LLP*

Glastonbury, Connecticut  
December 6, 2017

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

**TOWN OF MONTVILLE, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

---

The management of the Town of Montville, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by \$134,194,775 (net position). Of this amount, \$21,225,071 represents unrestricted net position. Of this amount, \$10,153,853 represents unrestricted net position attributed to the operations of the Town's Sewer and Water Departments (business-type activities).
- The Town's total net position increased by \$2,365,047 during the current fiscal year, which consisted of a current year increase of \$2,188,834 relating to the Town's governmental activities and \$176,213 relating to the Town's business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$11,611,121, a current year increase of \$700,370 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$8,897,765 or 14.1% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.7 months of General Fund operating expenditures.
- Overall Town debt, consisting of bonds, notes and capital leases payable, decreased \$3,693,843 or 9.8% in comparison to the prior year. This decrease was a result of current year principal payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

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



## **OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

### **Government-wide Financial Statements *(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 giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public works, public safety, health and welfare, recreation and leisure and education. The business-type activities of the Town include sewer and water activities.

The government-wide financial statements can be found on pages 18 and 19 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### ***Governmental Funds***

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

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

The Town maintains several 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 and the Bonded Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20 through 25 of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Fund Financial Statements *(Continued)***

***Proprietary Funds***

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 26 through 28 of this report.

***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 29 and 30 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 65 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and other supplementary information which can be found on pages 66 through 95 of this report, respectively.

**TOWN OF MONTVILLE, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

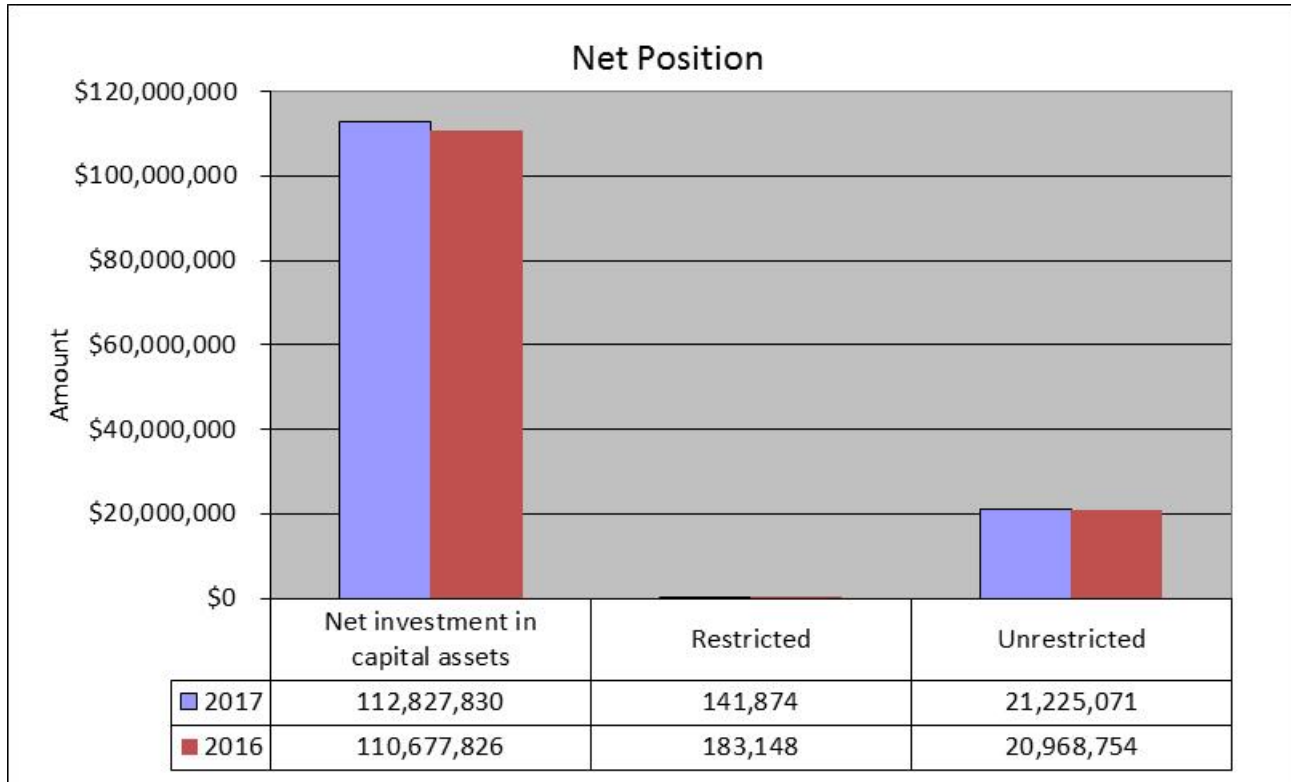
Over time, net position may serve as one measure of a government's financial position. Total net position of the Town (governmental and business type activities combined) totaled \$134,194,775 and \$131,829,728 as of June 30, 2017 and 2016 and are summarized as follows:

	<b>June 30, 2017</b>		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 21,639,205	\$ 11,315,044	\$ 32,954,249
Capital assets	95,235,437	52,600,500	147,835,937
Total assets	<u>116,874,642</u>	<u>63,915,544</u>	<u>180,790,186</u>
Deferred outflows of resources	<u>3,830,480</u>	<u>314,750</u>	<u>4,145,230</u>
Other liabilities	2,184,989	441,807	2,626,796
Long-term liabilities	<u>44,229,184</u>	<u>3,884,661</u>	<u>48,113,845</u>
Total liabilities	<u>46,414,173</u>	<u>4,326,468</u>	<u>50,740,641</u>
Net position			
Net investment in capital assets	63,077,857	49,749,973	112,827,830
Restricted	141,874	-	141,874
Unrestricted	<u>11,071,218</u>	<u>10,153,853</u>	<u>21,225,071</u>
Total net position	<u>\$ 74,290,949</u>	<u>\$ 59,903,826</u>	<u>\$ 134,194,775</u>
	<b>June 30, 2016</b>		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 21,316,573	\$ 10,644,496	\$ 31,961,069
Capital assets	96,012,574	53,584,477	149,597,051
Total assets	<u>117,329,147</u>	<u>64,228,973</u>	<u>181,558,120</u>
Deferred outflows of resources	<u>1,913,186</u>	<u>71,805</u>	<u>1,984,991</u>
Other liabilities	2,340,161	587,879	2,928,040
Long-term liabilities	<u>44,800,057</u>	<u>3,985,286</u>	<u>48,785,343</u>
Total liabilities	<u>47,140,218</u>	<u>4,573,165</u>	<u>51,713,383</u>
Net position			
Net investment in capital assets	60,554,052	50,123,774	110,677,826
Restricted	183,148	-	183,148
Unrestricted	<u>11,364,915</u>	<u>9,603,839</u>	<u>20,968,754</u>
Total net position	<u>\$ 72,102,115</u>	<u>\$ 59,727,613</u>	<u>\$ 131,829,728</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



As of June 30, 2017, 84.1% of the Town's net position reflects its net investment in capital assets. 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.

Less than 1% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted.

Overall, net position increased by \$2,365,047 in comparison with the prior year.

**TOWN OF MONTVILLE, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

Changes in net position for the years ended June 30, 2017 and 2016 are as follows:

	<b>June 30, 2017</b>		
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 3,562,585	\$ 6,898,752	\$ 10,461,337
Operating grants and contributions	20,929,420	481,493	21,410,913
Capital grants and contributions	799,781	-	799,781
General revenues:			
Property taxes, levied for general purposes	39,552,009	-	39,552,009
Grants and contributions not restricted to specific programs	3,386,180	-	3,386,180
Income from investments	75,079	33,403	108,482
Total revenues	<u>68,305,054</u>	<u>7,413,648</u>	<u>75,718,702</u>
<b>Expenses</b>			
General government	7,457,586	-	7,457,586
Public safety	5,393,695	-	5,393,695
Public works	4,593,497	-	4,593,497
Health and welfare	552,518	-	552,518
Recreation and leisure	382,030	-	382,030
Education	46,760,342	-	46,760,342
Interest expense	976,552	-	976,552
Sewer department	-	5,566,804	5,566,804
Water department	-	1,670,631	1,670,631
Total expenses	<u>66,116,220</u>	<u>7,237,435</u>	<u>73,353,655</u>
Change in net position	<u>\$ 2,188,834</u>	<u>\$ 176,213</u>	<u>\$ 2,365,047</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Change in Net Position (Continued)**

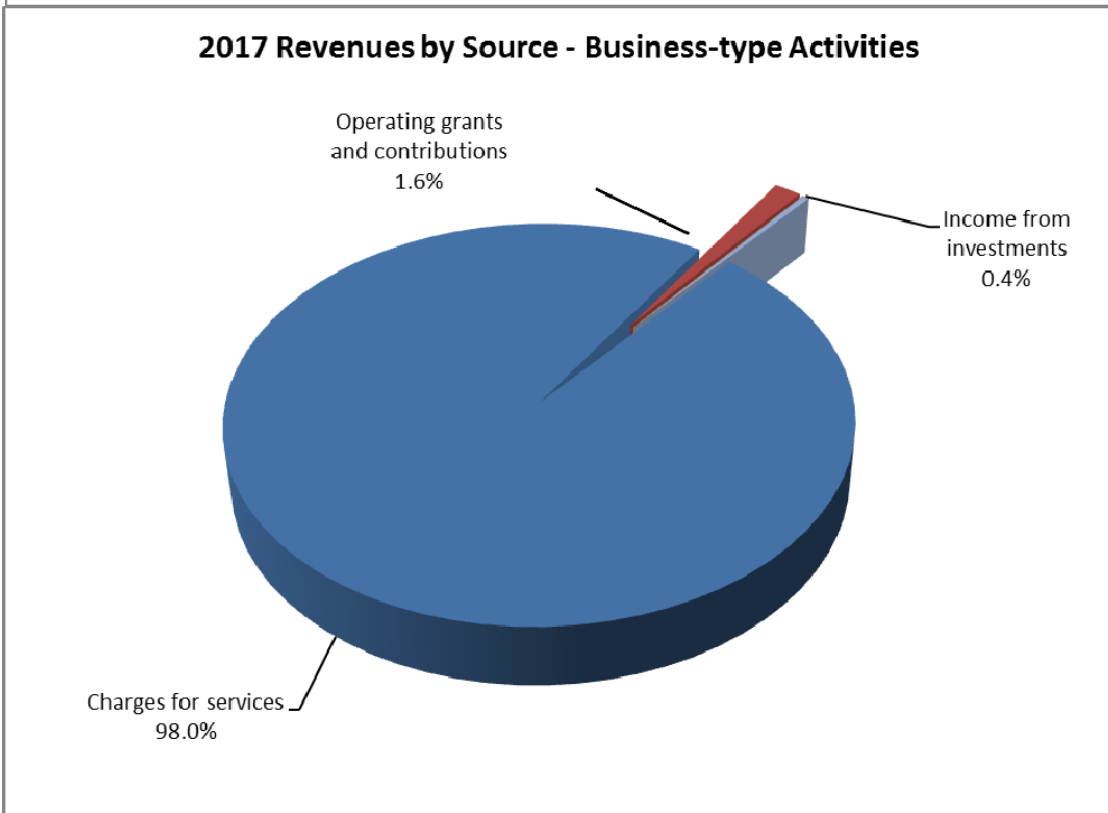
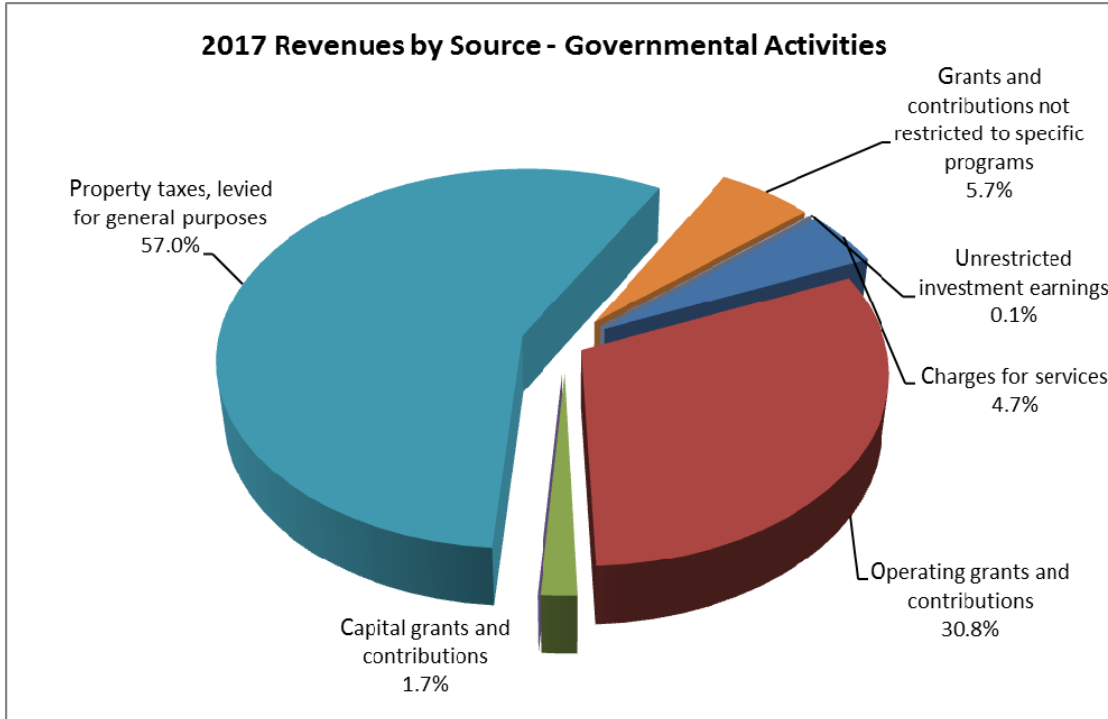
	<b>June 30, 2016</b>		
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 3,138,512	\$ 6,996,086	\$ 10,134,598
Operating grants and contributions	20,823,399	115,413	20,938,812
Capital grants and contributions	1,145,360	-	1,145,360
General revenues:			
Property taxes, levied for general purposes	38,427,002	-	38,427,002
Grants and contributions not restricted to specific programs	3,858,253	-	3,858,253
Income from investments	51,574	27,571	79,145
Total revenues	<u>67,444,100</u>	<u>7,139,070</u>	<u>74,583,170</u>
<b>Expenses</b>			
General government	6,459,127	-	6,459,127
Public safety	4,451,657	-	4,451,657
Public works	4,679,155	-	4,679,155
Health and welfare	410,404	-	410,404
Recreation and leisure	368,526	-	368,526
Education	46,787,552	-	46,787,552
Interest expense	1,185,739	-	1,185,739
Sewer department	-	5,272,201	5,272,201
Water department	-	1,467,268	1,467,268
Total expenses	<u>64,342,160</u>	<u>6,739,469</u>	<u>71,081,629</u>
Change in net position before transfers	3,101,940	399,601	3,501,541
Transfers	11,000	(11,000)	-
Change in net position	<u>\$ 3,112,940</u>	<u>\$ 388,601</u>	<u>\$ 3,501,541</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)

---

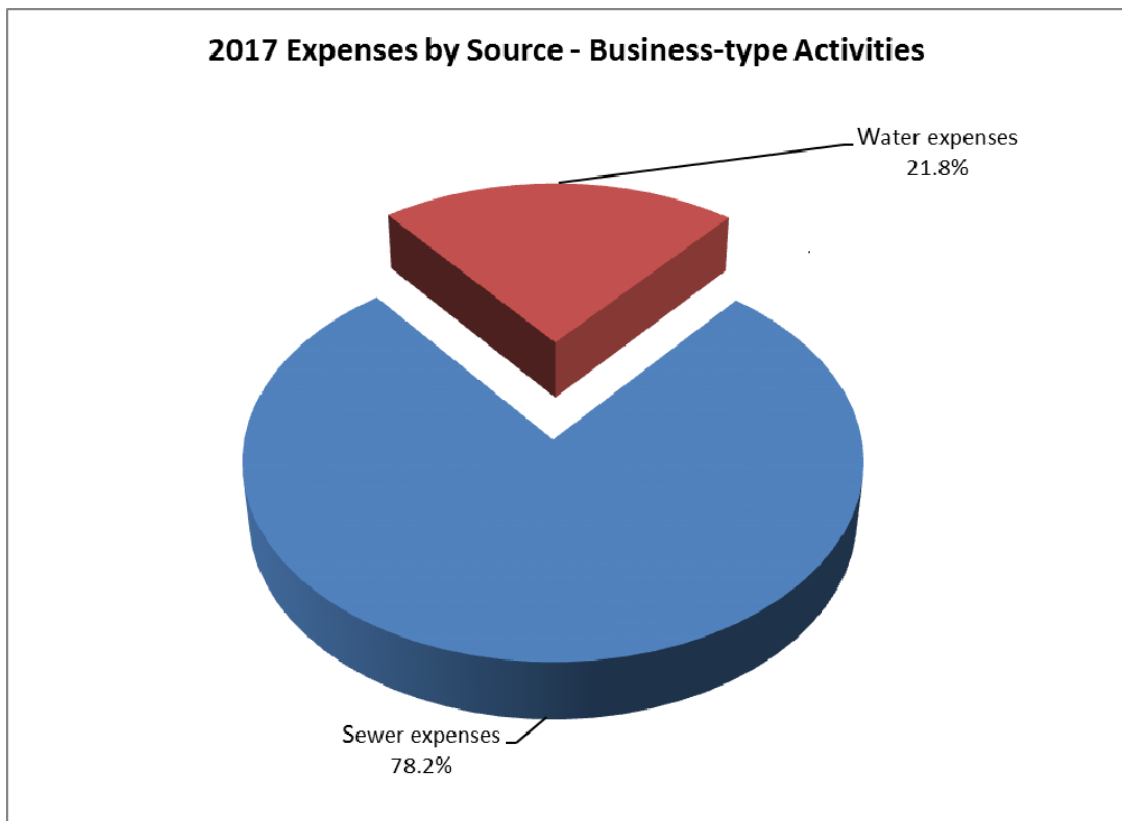
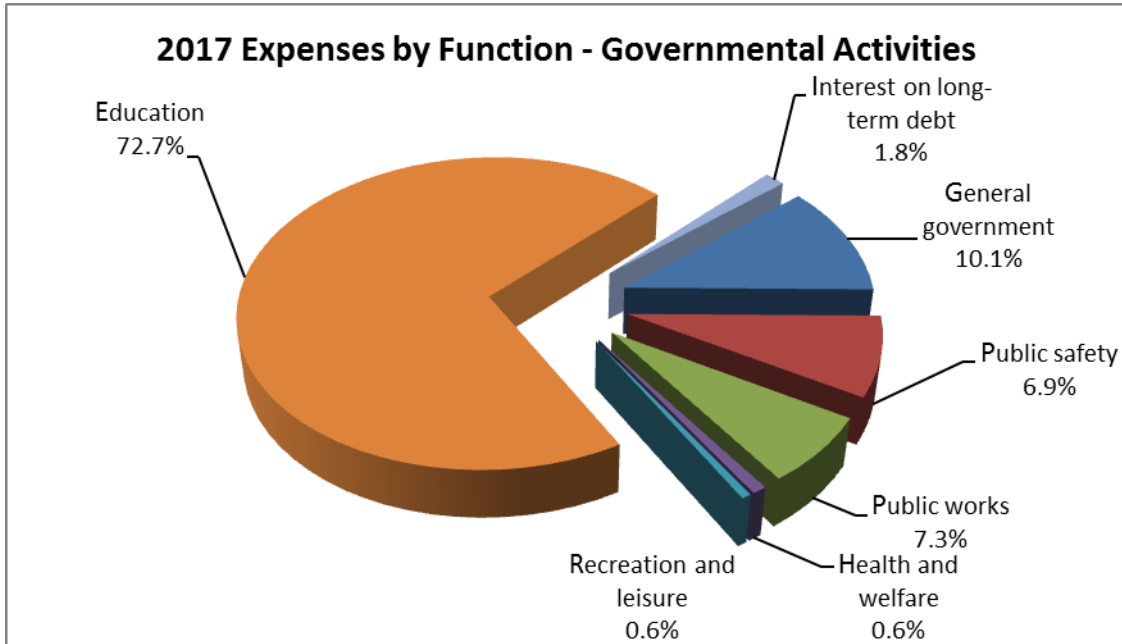
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Change in Net Position (Continued)**



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)





**TOWN OF MONTVILLE, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Change in Net Position *(Continued)***

***Governmental Activities***

Governmental activities increased the Town's net position by a current year change of \$2,188,834. This increase is mainly attributable to the current year fund activity, less the capital asset and debt activity for the current year. Current year revenues increased \$860,940 in comparison to the prior year, mainly due to an increase in tax revenue caused from an increase in the Town's mill rate. Expenses increased approximately \$1.8 million in comparison to the prior year due to increases in the public safety, public works and education functions based on current year changes in net pension and OPEB liabilities.

***Business-type Activities***

Business-type activities increased the Town's net position by a current year change of \$176,213. The current year increase was caused by the excess of revenues over operating expenditures. Revenue increased by \$274,578 in comparison to the prior year. Expenses increased by \$497,966 in comparison to the prior year.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of 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 the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$11,611,121.

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,897,765. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.1% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.7 months of General Fund operating expenditures and transfers out.

The fund balance of the Town's General Fund increased by \$362,620 during the current fiscal year, which was primarily due to the current year budgetary results offset by the expenditure of encumbrances in the amount of approximately \$202 thousand.

**Bonded Projects Fund**

The fund balance of the Bonded Projects Fund did not change during the current fiscal year. This was primarily due to the lack of receipt of school construction grant funding from the Department of Education in the current year.

**TOWN OF MONTVILLE, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*

---

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$140,868. Expenditures were \$511,776 less than budgeted and total budgetary revenues were \$7,272 more than expected due primarily to unfavorable tax collections offset by favorable collections for charges for services in the current year. During the year ended June 30, 2017, the Town Council approved additional appropriations of \$95,782 from fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2017 totaled \$147,835,937 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, distribution and collection systems, machinery and equipment, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$1,761,114 or 1.2%. This decrease consisted primarily of capital asset additions of approximately \$2.5 million, offset by depreciation expense of approximately \$4.2 million. Major capital asset events during the current fiscal year included the following:

- Outlays for Old Colchester road in the amount of \$108,292
- Purchase of a loader and freightliner truck for the public works department totaling \$315,302
- Purchase of a simulcast system for the Town Hall totaling \$199,797
- Purchase of radio system for the public safety department totaling \$115,955
- Contribution of land on Route 63 valued at \$167,157
- Site improvements to the Community Center totaling \$178,000
- Outlays for WPCA anaerobic construction project totaling \$451,941

**TOWN OF MONTVILLE, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**

---

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

**Town of Montville, Connecticut**  
**Capital Assets, Net**  
**June 30, 2017**

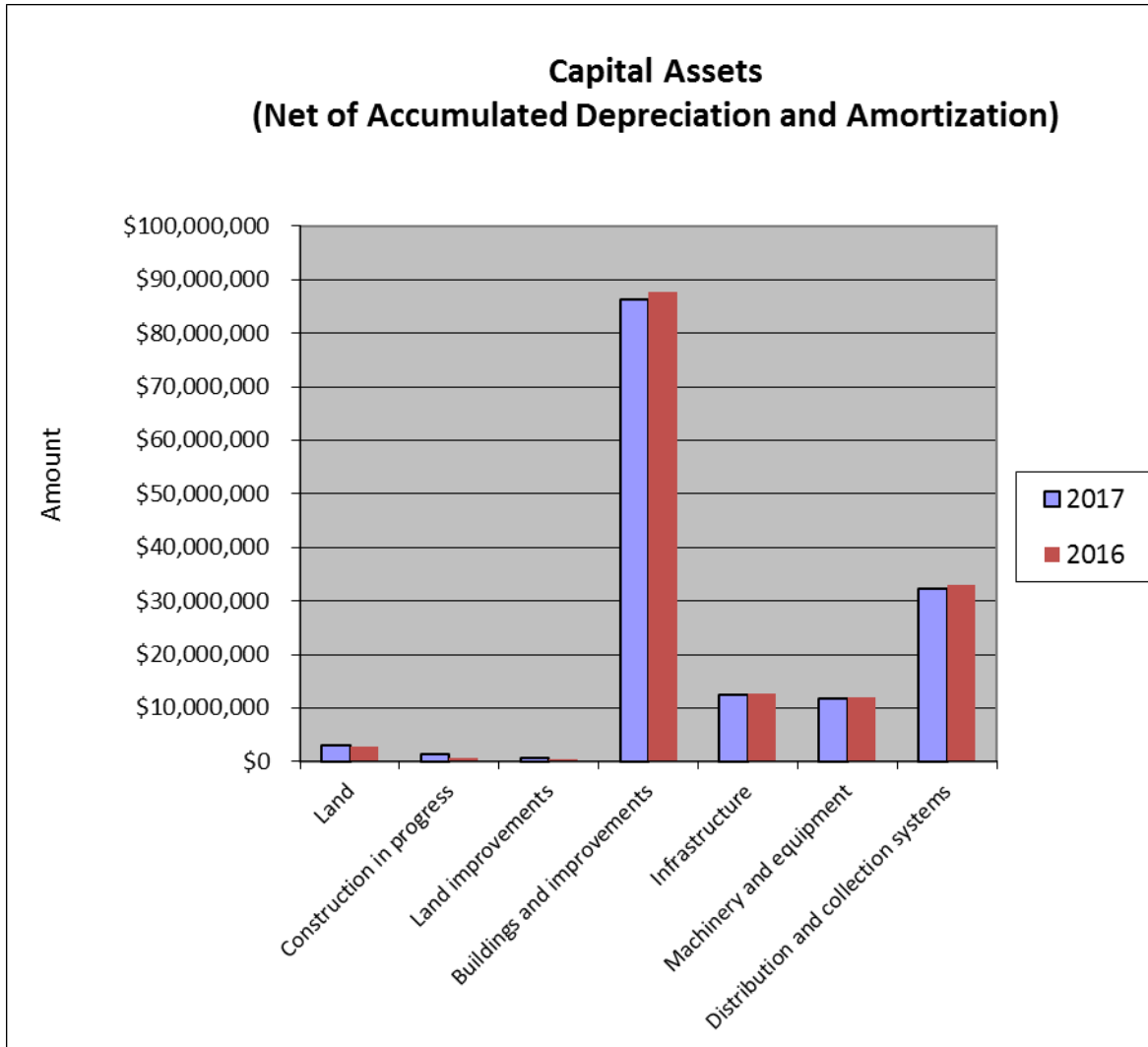
	Governmental Activities	Business-type Activities	Total
Land	\$ 1,976,030	\$ 1,127,031	\$ 3,103,061
Construction in progress	824,824	543,549	1,368,373
Land improvements	678,682	-	678,682
Buildings and improvements	73,978,843	12,234,486	86,213,329
Infrastructure	12,387,613	-	12,387,613
Machinery and equipment	5,389,445	6,475,629	11,865,074
Distribution and collection systems	-	32,219,805	32,219,805
Totals	<u>\$ 95,235,437</u>	<u>\$ 52,600,500</u>	<u>\$ 147,835,937</u>

**Town of Montville, Connecticut**  
**Capital Assets, Net**  
**June 30, 2016**

	Governmental Activities	Business-type Activities	Total
Land	\$ 1,808,873	\$ 1,127,031	\$ 2,935,904
Construction in progress	652,063	91,609	743,672
Land improvements	531,914	-	531,914
Buildings and improvements	75,389,574	12,649,152	88,038,726
Infrastructure	12,669,488	-	12,669,488
Machinery and equipment	4,960,662	6,726,836	11,687,498
Distribution and collection systems	-	32,989,849	32,989,849
Totals	<u>\$ 96,012,574</u>	<u>\$ 53,584,477</u>	<u>\$ 149,597,051</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**



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

**Long-term Debt**

At the end of the current fiscal year, the Town had total debt, consisting of bonds, notes and capital leases payable, outstanding of \$34,031,342. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$3,693,843 or 9.8% during the current fiscal year primarily due to scheduled principal repayments

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$272,645,688, which is significantly in excess of the Town's outstanding general obligation debt.

**TOWN OF MONTVILLE, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Long-term Debt (Continued)**

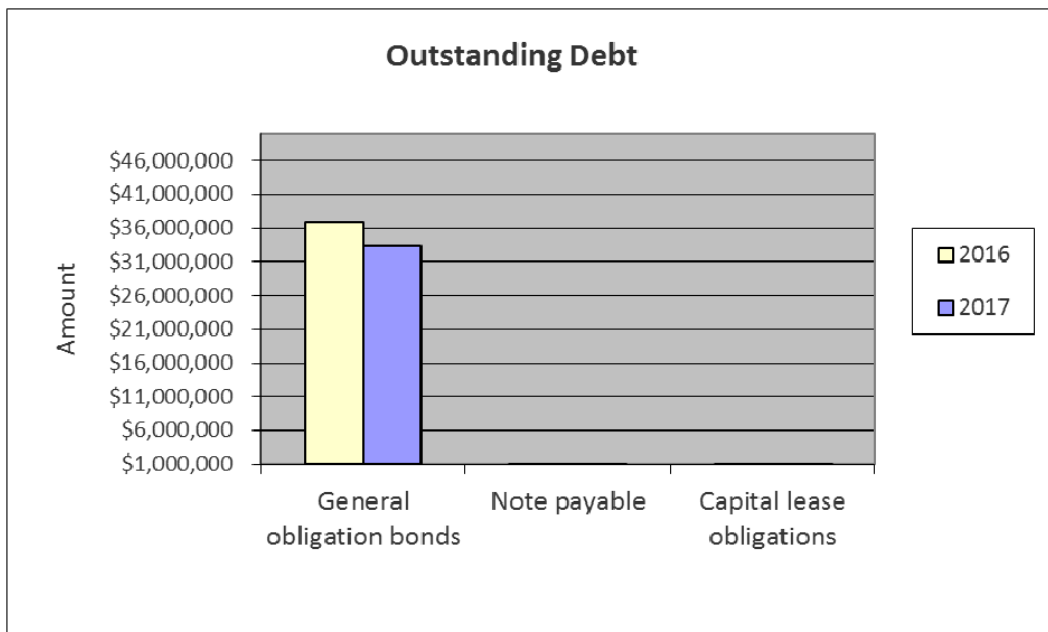
The following are tables of long-term bonded debt:

**Town of Montville, Connecticut**  
**Long-term Debt**  
**June 30, 2017**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 31,723,800	\$ 1,669,200	\$33,393,000
Note payable	-	213,623	213,623
Capital lease obligations	424,719	-	424,719
<b>Totals</b>	<b>\$ 32,148,519</b>	<b>\$ 1,882,823</b>	<b>\$34,031,342</b>

**Town of Montville, Connecticut**  
**Long-term Debt**  
**June 30, 2016**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 34,937,500	\$ 1,966,500	\$36,904,000
Note payable	-	224,008	224,008
Capital lease obligations	529,072	68,105	597,177
<b>Totals</b>	<b>\$ 35,466,572</b>	<b>\$ 2,258,613</b>	<b>\$37,725,185</b>



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

**TOWN OF MONTVILLE, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

A summary of key economic factors affecting the Town are as follows:

- The unemployment rate for the Town as of June 30, 2017 was 4.3% compared to the state's average unemployment rate of 4.3% and the national unemployment rate of 4.1%.
- Unassigned fund balance of the General Fund totaled \$8,897,765 at June 30, 2017.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
  - For purposes of calculating property tax revenues for fiscal year 2018, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
  - Intergovernmental grants were based on estimates from the State.
  - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2018. The Town's fiscal year 2018 General Fund budget was approved on June 14, 2017. The fiscal year 2018 budget contemplated expenditures of \$58,650,869, a decrease of \$277,359, or 0.5%, over the original fiscal year 2017 budgeted expenditures. The approved mill rate for the fiscal year 2018 budget is 31.7, an increase of 1.09, or 3.6% over the fiscal year 2017 mill rate of 30.61. No use of fund balance was designated for balancing the fiscal year 2018 budget.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, Town of Montville, 310 Norwich-New London Tpke., Uncasville, Connecticut 06382.

---

**BASIC FINANCIAL STATEMENTS**

---

**TOWN OF MONTVILLE, CONNECTICUT**

STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,203,983	\$ 7,442,700	\$ 23,646,683
Investments	11,443	2,521,428	2,532,871
Receivables:			
Property taxes, net	2,289,424	-	2,289,424
Interest on property taxes, net	1,331,615	-	1,331,615
Assessments and user charges receivable, net	51,029	1,108,368	1,159,397
Connection fees	-	218,274	218,274
Grants and contracts	110,053	37,884	147,937
Other	150,199	46,870	197,069
Internal balances	101,963	(101,963)	-
Other assets	226,246	-	226,246
Noncurrent assets:			
Receivables:			
Grants and contracts	1,163,251	-	1,163,251
Other	-	41,483	41,483
Capital assets:			
Non-depreciable	2,800,854	1,670,580	4,471,434
Depreciable, net	92,434,583	50,929,920	143,364,503
Total assets	<u>116,874,643</u>	<u>63,915,544</u>	<u>180,790,187</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,304,839	35,339	1,340,178
Deferred charges on pension	2,525,641	279,411	2,805,052
	<u>3,830,480</u>	<u>314,750</u>	<u>4,145,230</u>
<b>LIABILITIES</b>			
Accounts payable	807,400	402,518	1,209,918
Accrued liabilities:			
Salaries and benefits payable	249,259	16,365	265,624
Accrued interest	422,619	22,924	445,543
Claims payable	523,000	-	523,000
Unearned revenue	182,712	-	182,712
Noncurrent liabilities:			
Due within one year	3,976,961	540,618	4,517,579
Due in more than one year	40,252,223	3,344,043	43,596,266
Total liabilities	<u>46,414,174</u>	<u>4,326,468</u>	<u>50,740,642</u>
<b>NET POSITION</b>			
Net investment in capital assets	63,077,857	49,749,973	112,827,830
Restricted for:			
Grants and donor restrictions	141,874	-	141,874
Unrestricted	11,071,218	10,153,853	21,225,071
Total net position	<u>\$ 74,290,949</u>	<u>\$ 59,903,826</u>	<u>\$ 134,194,775</u>

*The accompanying notes are an integral part of these financial statements.*



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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 7,457,586	\$ 1,284,308	\$ 514,266	\$ -	\$ (5,659,012)	\$ -	\$ (5,659,012)
Public safety	5,393,695	402,251	102,626	25,170	(4,863,648)	-	(4,863,648)
Public works	4,593,497	594,774	431,236	774,611	(2,792,876)	-	(2,792,876)
Health and welfare	552,518	56,613	257,959	-	(237,946)	-	(237,946)
Recreation and leisure	382,030	265,064	261,836	-	144,870	-	144,870
Education	46,760,342	959,575	19,361,497	-	(26,439,270)	-	(26,439,270)
Interest expense	976,552	-	-	-	(976,552)	-	(976,552)
Total governmental activities	<u>66,116,220</u>	<u>3,562,585</u>	<u>20,929,420</u>	<u>799,781</u>	<u>(40,824,434)</u>	<u>-</u>	<u>(40,824,434)</u>
Business-type activities:							
Sewer department	5,566,804	5,427,202	481,493	-	-	341,891	341,891
Water department	1,670,631	1,471,550	-	-	-	(199,081)	(199,081)
	<u>7,237,435</u>	<u>6,898,752</u>	<u>481,493</u>	<u>-</u>	<u>-</u>	<u>142,810</u>	<u>142,810</u>
Total primary government	<u>\$ 73,353,655</u>	<u>\$ 10,461,337</u>	<u>\$ 21,410,913</u>	<u>\$ 799,781</u>	<u>(40,824,434)</u>	<u>142,810</u>	<u>(40,681,624)</u>
General revenues:							
					39,552,009	-	39,552,009
					3,386,180	-	3,386,180
					75,079	33,403	108,482
					<u>43,013,268</u>	<u>33,403</u>	<u>43,046,671</u>
		Change in net position			2,188,834	176,213	2,365,047
		Net position - beginning			<u>72,102,115</u>	<u>59,727,613</u>	<u>131,829,728</u>
		Net position - ending			<u>\$ 74,290,949</u>	<u>\$ 59,903,826</u>	<u>\$ 134,194,775</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,730,364	\$ -	\$ 297,685	\$ 12,028,049
Investments	-	-	11,443	11,443
Receivables:				
Property taxes, net	2,548,424	-	-	2,548,424
Interest on property taxes, net	1,072,615	-	-	1,072,615
Assessments and interest	51,029	-	-	51,029
Grants and contracts	-	1,163,251	110,053	1,273,304
Other	149,017	-	1,182	150,199
Due from other funds	1,135,721	-	2,159,451	3,295,172
Other assets	199,644	-	26,602	226,246
Total assets	<u>\$ 16,886,814</u>	<u>\$ 1,163,251</u>	<u>\$ 2,606,416</u>	<u>\$ 20,656,481</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 699,982	\$ -	\$ 107,418	\$ 807,400
Accrued liabilities:				
Salaries and benefits payable	242,549	-	6,710	249,259
Due to other funds	2,159,451	966,201	67,557	3,193,209
Unearned revenue	634	-	182,078	182,712
Total liabilities	<u>3,102,616</u>	<u>966,201</u>	<u>363,763</u>	<u>4,432,580</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes and interest	3,398,500	-	-	3,398,500
Unavailable revenue - assessments and interest	51,029	-	-	51,029
Unavailable revenue - school construction grant	-	1,163,251	-	1,163,251
Total deferred inflows of resources	<u>3,449,529</u>	<u>1,163,251</u>	<u>-</u>	<u>4,612,780</u>
<b>FUND BALANCES</b>				
Nonspendable	199,644	-	26,602	226,246
Restricted	120,603	-	21,271	141,874
Committed	168,844	-	2,255,017	2,423,861
Assigned	947,813	-	-	947,813
Unassigned	8,897,765	(966,201)	(60,237)	7,871,327
Total fund balances	<u>10,334,669</u>	<u>(966,201)</u>	<u>2,242,653</u>	<u>11,611,121</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,886,814</u>	<u>\$ 1,163,251</u>	<u>\$ 2,606,416</u>	<u>\$ 20,656,481</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

---

Total fund balance for governmental funds	\$	11,611,121
---	----	------------

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$	1,976,030	
Construction in progress		824,824	
Land improvements		1,472,581	
Buildings and improvements		93,879,540	
Machinery and equipment		14,391,647	
Infrastructure		20,470,955	
Less accumulated depreciation and amortization		<u>(37,780,140)</u>	
Total capital assets, net			95,235,437

Some of the Town's taxes, assessments, interest and long-term grant receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds. 4,612,780

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Accrued interest payable		(422,619)	
Long-term debt:			
Bonds payable, net		(33,037,700)	
Deferred charge on refunding		1,304,839	
Other long-term liabilities:			
Capital lease obligations		(424,719)	
Landfill post-closure		(133,000)	
Early retirement incentive		(222,180)	
Compensated absences		(1,770,608)	
Net pension liability		(8,594,297)	
Net OPEB obligation		<u>(46,680)</u>	
Total long-term liabilities			(43,346,964)

Deferred outflows of resources resulting from changes in the components of the net pension liability are reported in the statements of net position. 2,525,641

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 3,652,934

Net position of governmental activities	\$	<u><u>74,290,949</u></u>
---	----	--------------------------

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 39,115,831	\$ -	\$ -	\$ 39,115,831
Assessments	5,818	-	-	5,818
Grants and contracts	17,048,209	-	2,644,720	19,692,929
State on-behalf payments	4,557,269	-	-	4,557,269
Charges for goods and services	2,900,427	-	598,716	3,499,143
Contributions	261,836	-	50,453	312,289
Investment income	66,800	-	-	66,800
Total revenues	<u>63,956,190</u>	<u>-</u>	<u>3,293,889</u>	<u>67,250,079</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,216,228	-	37,215	7,253,443
Public safety	4,250,111	-	8,675	4,258,786
Public works	3,759,245	-	453,153	4,212,398
Health and welfare	222,053	-	335,658	557,711
Recreation and leisure	263,636	-	76,430	340,066
Miscellaneous	56,300	-	-	56,300
State on-behalf payments	4,557,269	-	-	4,557,269
Education	37,415,230	-	2,134,649	39,549,879
Debt service:				
Principal payments	3,281,856	-	-	3,281,856
Interest and fiscal charges	1,030,572	-	-	1,030,572
Capital outlays	906,291	-	545,138	1,451,429
Total expenditures	<u>62,958,791</u>	<u>-</u>	<u>3,590,918</u>	<u>66,549,709</u>
Excess (deficiency) of revenues over expenditures	997,399	-	(297,029)	700,370
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	634,779	634,779
Transfers out	(634,779)	-	-	(634,779)
Total other financing sources (uses)	<u>(634,779)</u>	<u>-</u>	<u>634,779</u>	<u>-</u>
Net change in fund balances	362,620	-	337,750	700,370
Fund balances - beginning	<u>9,972,049</u>	<u>(966,201)</u>	<u>1,904,903</u>	<u>10,910,751</u>
Fund balances - ending	<u>\$ 10,334,669</u>	<u>\$ (966,201)</u>	<u>\$ 2,242,653</u>	<u>\$ 11,611,121</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

---

Net change in fund balances - total governmental funds	\$	700,370
--	----	---------

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$	1,660,723	
Depreciation and amortization expense		<u>(2,397,170)</u>	
Net adjustment			(736,447)

In the statement of activities, only the gain (loss) on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the governmental funds. (40,690)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Principal repayments:			
Bonds and note payable		3,213,700	
Capital lease obligations		<u>104,353</u>	
Net adjustment			3,318,053

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest		34,934	
Deferred charge on refunding		(142,725)	
Unamortized bond premium		125,613	
Landfill post-closure		19,000	
Early retirement incentive		(161,886)	
Compensated absences		(271,669)	
Net pension liability		(2,453,141)	
Net OPEB obligation		<u>(5,097)</u>	
			(2,854,971)

*(Continued)*

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES *(Continued)*  
FOR THE YEAR ENDED JUNE 30, 2017

---

Deferred outflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities.	\$ 2,060,019
Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenue in governmental funds. This amount represents the change in unavailable revenues.	431,830
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities.	<u>(689,330)</u>
Change in net position of governmental activities	<u>\$ 2,188,834</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ 39,381,515	\$ 39,381,515	\$ 39,115,831	\$ (265,684)
Intergovernmental	16,896,460	16,896,460	16,963,975	67,515
Charges for services	2,235,253	2,235,253	2,413,076	177,823
Use of town money	45,000	45,000	72,618	27,618
Total revenues	<u>58,558,228</u>	<u>58,558,228</u>	<u>58,565,500</u>	<u>7,272</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,900,920	6,834,198	6,599,760	(234,438)
Public safety	4,208,150	4,274,662	4,231,484	(43,178)
Public works	4,017,169	4,017,169	3,751,521	(265,648)
Health and welfare	175,935	175,935	175,834	(101)
Social services	33,771	33,981	33,958	(23)
Recreation and leisure	271,224	271,224	263,677	(7,547)
Miscellaneous	59,300	59,300	56,300	(3,000)
Education	37,698,668	37,698,668	37,580,222	(118,446)
Capital outlays	1,250,659	1,346,441	1,507,050	160,609
Debt service:				
Principal payments	3,281,857	3,281,857	3,281,856	(1)
Interest and fiscal charges	1,030,575	1,030,575	1,030,572	(3)
Total expenditures	<u>58,928,228</u>	<u>59,024,010</u>	<u>58,512,234</u>	<u>(511,776)</u>
Excess (deficiency) of revenues over expenditures	(370,000)	(465,782)	53,266	519,048
<b>OTHER FINANCING SOURCES</b>				
Transfers in	10,000	10,000	-	(10,000)
Cancellation of prior year encumbrances	-	-	87,602	87,602
Appropriation of fund balance	360,000	455,782	-	(455,782)
Total other financing sources	<u>370,000</u>	<u>465,782</u>	<u>87,602</u>	<u>(378,180)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	140,868	<u>\$ 140,868</u>
Fund balance - beginning			<u>8,978,652</u>	
Fund balance - ending			<u>\$ 9,119,520</u>	

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Sewer Department</b>	<b>Water Department</b>	<b>Total Business-type Activities</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 6,291,689	\$ 1,151,011	\$ 7,442,700	\$ 4,175,934
Investments	2,419,260	102,168	2,521,428	-
Receivables:				
User charges, net	953,014	155,354	1,108,368	-
Connection fees	-	218,274	218,274	-
Grants and contracts	37,884	-	37,884	-
Other	46,870	-	46,870	-
Total current assets	<u>9,748,717</u>	<u>1,626,807</u>	<u>11,375,524</u>	<u>4,175,934</u>
Noncurrent assets:				
Receivables:				
Other	41,483	-	41,483	-
Capital assets:				
Non-depreciable	1,630,280	40,300	1,670,580	-
Depreciable, net	40,093,562	10,836,358	50,929,920	-
Total noncurrent assets	<u>41,765,325</u>	<u>10,876,658</u>	<u>52,641,983</u>	<u>-</u>
Total assets	<u>51,514,042</u>	<u>12,503,465</u>	<u>64,017,507</u>	<u>4,175,934</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	35,339	-	35,339	-
Deferred charges on pension	279,411	-	279,411	-
	<u>314,750</u>	<u>-</u>	<u>314,750</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	265,450	137,068	402,518	-
Accrued liabilities:				
Salaries and benefits payable	16,365	-	16,365	-
Accrued interest	22,924	-	22,924	-
Claims payable	-	-	-	523,000
Due to other funds	16,056	85,907	101,963	-
Total current liabilities	<u>320,795</u>	<u>222,975</u>	<u>543,770</u>	<u>523,000</u>
Non-current liabilities:				
Due within one year	322,357	218,261	540,618	-
Due in more than one year	2,633,845	710,198	3,344,043	-
Total non-current liabilities	<u>2,956,202</u>	<u>928,459</u>	<u>3,884,661</u>	<u>-</u>
Total liabilities	<u>3,276,997</u>	<u>1,151,434</u>	<u>4,428,431</u>	<u>523,000</u>
<b>NET POSITION</b>				
Net investment in capital assets	39,801,774	9,948,199	49,749,973	-
Unrestricted	8,750,021	1,403,832	10,153,853	3,652,934
Total net position	<u>\$ 48,551,795</u>	<u>\$ 11,352,031</u>	<u>\$ 59,903,826</u>	<u>\$ 3,652,934</u>

*The accompanying notes are an integral part of these financial statements.*



**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	<b>Activities</b>
				<b>Internal</b>
	<b>Department</b>	<b>Department</b>	<b>Business-type</b>	<b>Service</b>
			<b>Activities</b>	<b>Fund</b>
<b>OPERATING REVENUES</b>				
Charges for services and premiums	\$ 5,427,202	\$ 1,471,550	\$ 6,898,752	\$ 6,341,044
Grants and contracts	481,493	-	481,493	-
Total operating revenues	<u>5,908,695</u>	<u>1,471,550</u>	<u>7,380,245</u>	<u>6,341,044</u>
<b>OPERATING EXPENSES</b>				
Personnel services	732,129	98,166	830,295	-
Supplies and administration	1,391,466	1,072,192	2,463,658	-
Maintenance	391,317	94,495	485,812	-
Energy and transportation	913,435	96,599	1,010,034	-
Insurance and taxes	605,182	5,934	611,116	-
Claims incurred	-	-	-	6,314,266
Administration	-	-	-	724,386
Depreciation	1,470,032	303,245	1,773,277	-
Total operating expenses	<u>5,503,561</u>	<u>1,670,631</u>	<u>7,174,192</u>	<u>7,038,652</u>
Operating income (loss)	405,134	(199,081)	206,053	(697,608)
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	29,742	3,661	33,403	8,278
Interest expense	(63,243)	-	(63,243)	-
Total non-operating income (expense)	<u>(33,501)</u>	<u>3,661</u>	<u>(29,840)</u>	<u>8,278</u>
Changes in net position	371,633	(195,420)	176,213	(689,330)
Net position - beginning	<u>48,180,162</u>	<u>11,547,451</u>	<u>59,727,613</u>	<u>4,342,264</u>
Net position - ending	<u>\$ 48,551,795</u>	<u>\$ 11,352,031</u>	<u>\$ 59,903,826</u>	<u>\$ 3,652,934</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Sewer Department</b>	<b>Water Department</b>	<b>Total Business-type Activities</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for the following:				
Customers and users	\$ 5,587,310	\$ 1,530,499	\$ 7,117,809	\$ 6,341,044
Intergovernmental	481,493	-	481,493	-
Cash paid for the following:				
Personnel services	(448,938)	(94,881)	(543,819)	-
Supplies and administration	(1,467,713)	(1,053,601)	(2,521,314)	(724,386)
Maintenance	(391,317)	(94,495)	(485,812)	-
Energy and transportation	(913,435)	(96,599)	(1,010,034)	-
Insurance and taxes	(605,182)	(5,934)	(611,116)	-
Benefits and claims	-	-	-	(6,277,266)
Net cash provided by (used in) operating activities	<u>2,242,218</u>	<u>184,989</u>	<u>2,427,207</u>	<u>(660,608)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(735,574)	-	(735,574)	-
Payments collected on long-term receivables	49,806	218,263	268,069	-
Interest earned	22,470	-	22,470	-
Interest paid on capital debt	(74,689)	-	(74,689)	-
Principal paid on capital debt	(375,790)	(229,263)	(605,053)	-
Net cash used in capital and related financing activities	<u>(1,113,777)</u>	<u>(11,000)</u>	<u>(1,124,777)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(393,476)	(1,414)	(394,890)	-
Interest income	-	3,661	3,661	8,278
Net cash provided by (used in) investing activities	<u>(393,476)</u>	<u>2,247</u>	<u>(391,229)</u>	<u>8,278</u>
Net increase (decrease) in cash and cash equivalents	734,965	176,236	911,201	(652,330)
Cash and cash equivalents, beginning of year	5,556,724	974,775	6,531,499	4,828,264
Cash and cash equivalents, end of year	<u>\$ 6,291,689</u>	<u>\$ 1,151,011</u>	<u>\$ 7,442,700</u>	<u>\$ 4,175,934</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO</b>				
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 405,134	\$ (199,081)	\$ 206,053	\$ (697,608)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,470,032	303,245	1,773,277	-
Changes in assets and liabilities:				
Decrease in user charges receivable	160,108	58,949	219,057	-
Increase (decrease) in accounts payable	(9,440)	(67,317)	(76,757)	37,000
Decrease in accrued liabilities	(2,664)	-	(2,664)	-
Increase in compensated absences	19,355	-	19,355	-
Increase in due to other funds	12,771	89,193	101,964	-
Increase in net pension liability and deferred outflows/inflows	186,922	-	186,922	-
Net cash provided by (used in) operating activities	<u>\$ 2,242,218</u>	<u>\$ 184,989</u>	<u>\$ 2,427,207</u>	<u>\$ (660,608)</u>

*The accompanying notes are an integral part of these financial statements.*

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

	<b>Private Purpose Trust Fund - School Scholarships</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 60,372	\$ 399,113
Investments:		
Certificates of deposit	127,277	52,428
Mutual funds	272,784	-
Total assets	460,433	\$ 451,541
<b>LIABILITIES</b>		
Due to student groups	-	\$ 320,951
Due to others	-	130,590
Total liabilities	-	\$ 451,541
<b>NET POSITION</b>		
Held in trust for scholarship benefits	\$ 460,433	

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Private Purpose Trust Fund - School Scholarships</b>
<b>ADDITIONS</b>	
Contributions:	
Private donations	\$ -
Total contributions	-
Investment earnings:	
Interest	6,725
Net increase in the fair value of investments	30,858
Total investment income	37,583
Total additions	37,583
<b>DEDUCTIONS</b>	
Awards expense	11,725
Administrative expenses	417
Total deductions	12,142
Change in net position	25,441
Net position - beginning	434,992
Net position - ending	\$ 460,433

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Montville, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

**Financial Reporting Entity**

The Town of Montville, Connecticut was settled in 1786 and covers 43.9 square miles located in the Southeastern part of Connecticut. The Town operates under a Town Council/Mayor form of government and provides the following services as authorized by its charter: public safety, public works, health, social services, recreation, planning and zoning, education and other miscellaneous programs.

The legislative power of the Town is vested with the Town Council and Town Meeting. The Town Council may enact, amend or repeal ordinances and resolutions. The Town Council is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are in substance, part of the government's operations and therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Government-wide and Fund Financial Statements *(Continued)***

**Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

**Bonded Projects Fund** - This fund is used to account for the revenues and expenditures related to major capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

**Sewer Department** - This fund is used to account for activities of the Town's Sewer department.

**Water Department** - This fund is used to account for activities of the Town's Water department.

In addition, the Town reports the following fund types:

**Internal Service Fund (proprietary)** - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for risk management activities.

**Private Purpose Trust Funds** - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private purpose trust fund to account for activities of the School Scholarships Private Purpose Trust Fund.

**Agency Funds** - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds account for monies generated by student activities in the Town's school system. The performance bonds fund accounts for monies received to ensure that new home construction is performed per specifications.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Measurement Focus and Basis of Accounting**

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 or economic resources. 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. 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is available to be received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of charges to customers for services relating to sewer and water usage. Operating expenses of the Town's enterprise funds include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Implementation of Accounting Standards**

Effective July 1, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*.

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

**Cash Equivalents**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools as described below.

Investments in certain external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

**Inventories**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

**Property Taxes, Sewer Assessment and Usage Charges**

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$353,000 and \$259,000, respectively, as of June 30, 2017.

Upon completion of projects, water and sewer assessments are levied and assessed to the users each February. Usage charges are billed quarterly or monthly depending on the property type, beginning in January. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the WPCA has established an allowance for uncollectible sewer and water usage of \$286,000 and \$4,400, respectively, as of June 30, 2017.



**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity *(Continued)***

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred net of interest earned on project specific debt during the construction phase of capital assets of business-type activities and enterprise funds are included as part of the capitalized cost of the assets constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	35 - 50
Building improvements	20
Distribution and collection systems	50 - 65
Infrastructure	30 - 50
Land improvements	30 - 50
Machinery and equipment	5 - 20

Capital assets acquired under capital lease are amortized over the life of the lease term or estimated useful life of the asset, as applicable.

**Unearned Revenue**

This liability represents resources that have been received but not yet earned.

**Deferred Inflows/Outflows of Resources**

Deferred outflows and inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time.

Deferred outflows of resources consists of deferred charges on refundings reported in the government-wide statement of net position. Deferred charges on refundings are amortized to interest expense using the effective-interest method over the life of the related bonds.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension benefits. Unavailable revenue is reported in the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported in the government-wide statement of net position and are amortized as a component of pension expense on a systematic and rational basis.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity *(Continued)***

**Compensated Absences**

Under the terms of various union contracts, Town and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Town employees may not carry over any accumulated vacation time and may carry over a limited number of sick days to subsequent years. In the event of retirement, Town employees are reimbursed for accumulated vacation and sick days based on union contract. Board of Education employees may carry over a limited number of unused vacation days to the next fiscal year. When a Board of Education employee retires, limited accumulated unused sick leave is not paid but added to the credited service used to calculate pension benefits.

All compensated absences are accrued when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (i.e. due to resignation or retirement).

**Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**Net Position and Fund Balance**

The government-wide statement of net position presents the Town's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

***Net investment in capital assets*** – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

***Restricted net position*** – This component of net position consists of amounts restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

***Unrestricted net position*** – This component of net position is the net amount of the assets, liabilities, and deferred inflows/outflows of resources which do not meet the definition of the two preceding categories.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity *(Continued)***

**Net Position and Fund Balance *(Continued)***

The Town's governmental funds report the following fund balance categories:

***Nonspendable*** – Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

***Restricted*** – Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

***Committed*** – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

***Assigned*** – Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Council.

***Unassigned*** – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

***Net Position Flow Assumption***

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

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy to use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned. It is the Town's policy to maintain an unassigned fund balance in the General Fund between 8% and 12% of the Town's General Fund budget. Two-thirds vote of the entire Town Council is required to decrease total fund balance below 8%. Unassigned fund balance in the General Fund as of June 30, 2017 represents 15.07% of the Town's final General Fund budget.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**Interfund Services Provided and Used**

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

**Interfund Transfers**

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.

**Interfund Reimbursements**

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**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 and disclosures in the financial statements. Actual results could differ from those estimates.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES**

**Budgetary Information**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provisions of Connecticut General Statutes and annually adopted budget policies.

- By 100 days before the close of the fiscal year, the head of each department, office and agency submits to the Finance Director detailed estimates of expenditures and any revenues other than tax revenues expected to be collected. Expenditures are controlled at the department level.
- The Mayor submits a Capital Improvement Program for the ensuing fiscal year and the immediate four subsequent years to the Town Council for changes from the prior year's program by 75 days before the close of the fiscal year. It is then submitted to the Planning and Zoning Commission for approval. The Town Council then adopts the Program. The Program details the project, cost estimates, methods of financing, time schedules, and the estimated annual cost of the facility operation.
- By 75 days before the close of the fiscal year, the Mayor presents a budget message, estimates of revenues and expenditures and justifications to the Town Council.
- By 60 days before the close of the fiscal year, the Town Council publishes the particulars of the budgets and holds one or more public hearings.
- The Town Council may add, increase, delete or decrease any programs or amounts except for those prohibited by law. The budget is returned to the Mayor, who approves it or vetoes one or more line items (except for the Board of Education budget). A veto may be overridden by a two-thirds vote of the entire Town Council.
- The Town Council adopts the final budget before 30 days of the close of the fiscal year.
- If the Town Council fails to adopt a budget within the prescribed timeframe, the previous year's budget prevails on a month-to-month basis until the new budget is adopted.
- With written approval of a department head and the Director of Finance, transfers between line items within a department can be made. The Town Council may transfer unexpended balances between departments.
- The Board of Education may transfer unexpended balances between accounts within its total line appropriation.
- Additional appropriations may be made during the year by resolution of the Town Council. Additional appropriations from fund balance for the year ended June 30, 2017 amounted to \$95,782.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for Capital Projects Funds and certain Special Revenue Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES *(Continued)***

**Budgetary Information *(Continued)***

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2017:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources - (Uses), Net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 58,565,500	\$ 58,512,234	\$ 87,602	\$ 140,868
"On-behalf" payments - State Teachers Retirement Fund <i>(see Note J)</i>	4,557,269	4,557,269	-	-
Encumbrances	-	(289,794)	(87,602)	202,192
Certain revenues and expenses presented net for budgetary purposes	833,421	813,861	-	19,560
Certain transfers recorded as expenditures for budgetary purposes	-	(634,779)	(634,779)	-
GAAP basis	<u>\$ 63,956,190</u>	<u>\$ 62,958,791</u>	<u>\$ (634,779)</u>	<u>\$ 362,620</u>

**Expenditures which exceed appropriations**

The legal level of control at which expenditures may not legally exceed appropriations is at the department level. During the year ended June 30, 2017, expenditures exceeded appropriations in the following amounts, which does not represent a violation of budgetary requirements:

<u>Budget Line</u>	<u>Amount</u>
Capital Outlays	\$160,609

**TOWN OF MONTVILLE, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2017

**NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES *(Continued)***

**Deficit Fund Balances**

The following funds have deficit balances as of June 30, 2017, which do not constitute a violation of statutory provisions:

Fund	Deficit Fund Balance
Bonded Projects Fund	\$ 996,201
Transfer Station Fund	60,000
Bridges Fund	237

The deficits are expected to be eliminated by future revenue sources, state grant reimbursements, bonding, and appropriations from the General Fund.

**NOTE C - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash and cash equivalents as of June 30, 2017 is as follows:

Government-wide statement of net position	\$ 23,646,683
Statement of fiduciary net position	<u>459,485</u>
	24,106,168
Add: certificates of deposit classified as investments	2,712,576
Less: cash equivalents considered investments for disclosure purposes	<u>(897,768)</u>
	<u><u>\$ 25,920,976</u></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$26,383,100 of the Town's bank balance of \$27,653,747 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 23,744,790
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>2,638,310</u>
	<u><u>\$ 26,383,100</u></u>

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE C - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Custodial Credit Risk *(Continued)***

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

**Investments**

A reconciliation of the Town's investments as of June 30, 2017 is as follows:

Government-wide statement of net position	\$ 2,532,871
Statement of fiduciary net position	452,489
	<hr/>
	2,985,360
Add: cash equivalents considered investments for disclosure purposes	897,768
Less: certificates of deposit classified as investments	<hr/>
	(2,712,576)
	<hr/>
	\$ 1,170,552
	<hr/>

**Interest Rate Risk**

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's investments to this risk using the segmented time distribution model is as follows:



**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE C - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

**Interest Rate Risk *(Continued)***

<b>Investment type</b>	<b>Valuation Basis</b>	<b>Credit Rating</b>	<b>Value</b>	<b>Investment Maturities (In Years) Less Than 1</b>
<b>Debt Securities:</b>				
<i>Government-wide statement of net position:</i>				
Short-Term Investment Fund	Net Asset Value	AAA	\$ 897,768	<u>\$ 897,768</u>
 <b>Other investments:</b>				
<i>Statement of fiduciary net position:</i>				
Mutual funds	Fair Value		<u>272,784</u>	
			<u>\$ 1,170,552</u>	

Because the State of Connecticut’s Short-Term Investment Fund (STIF) has weighted average maturities of less than 90 days, they are presented as investments with maturities of less than one year.

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town’s investments in external investment pools and mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE C - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

**Concentrations of Credit Risk**

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2017, more than 10.0% of the Town's governmental activities investments are invested in the Short-Term Investment Fund (100%), which is managed by the State of Connecticut Office of the Treasurer. As of June 30, 2017, more than 10.0% of the Town's fiduciary investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
UBS Financial Services, Inc.	UBS US Allocation Class A Mutual Fund	\$ 124,568	45.7%
UBS Financial Services, Inc.	Putnam Fund for Growth & Income Mutual Fund	59,181	21.7%
UBS Financial Services, Inc.	Pace Large Co Value Equity Investment Mutual Fund	55,984	20.5%
Fidelity Investments	Fidelity Asset Manager 50% Mutual Fund	33,051	12.1%

**NOTE D - FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2017, by level within the fair value hierarchy are presented in the table below.

<u>Financial Assets</u> <u>Measured at Fair Value</u>	<u>Prices in</u> <u>Active</u> <u>Market</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>	<u>Total</u>
Mutual funds	<u>\$ 272,784</u>	<u>-</u>	<u>-</u>	<u>\$ 272,784</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2017

**NOTE E - CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,808,873	\$ 167,157	\$ -	\$ 1,976,030
Construction in progress	652,063	261,077	(88,316)	824,824
Total capital assets, not being depreciated	<u>2,460,936</u>	<u>428,234</u>	<u>(88,316)</u>	<u>2,800,854</u>
Capital assets, being depreciated:				
Land improvements	1,294,581	178,000	-	1,472,581
Buildings and improvements	93,657,553	221,987	-	93,879,540
Machinery and equipment	13,777,356	920,818	(306,527)	14,391,647
Infrastructure	20,470,955	-	-	20,470,955
Total capital assets, being depreciated	<u>129,200,445</u>	<u>1,320,805</u>	<u>(306,527)</u>	<u>130,214,723</u>
Less accumulated depreciation and amortization for:				
Land improvements	762,667	31,232	-	793,899
Buildings and improvements	18,538,407	1,362,290	-	19,900,697
Machinery and equipment	8,546,266	721,773	(265,837)	9,002,202
Infrastructure	7,801,467	281,875	-	8,083,342
Total accumulated depreciation and amortization	<u>35,648,807</u>	<u>2,397,170</u>	<u>(265,837)</u>	<u>37,780,140</u>
Total capital assets, being depreciated, net	<u>93,551,638</u>	<u>(1,076,365)</u>	<u>(40,690)</u>	<u>92,434,583</u>
Governmental activities capital assets, net	<u>\$ 96,012,574</u>	<u>\$ (648,131)</u>	<u>\$ (129,006)</u>	<u>\$95,235,437</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 198,888
Public safety	449,587
Public works	287,167
Recreation and leisure	41,461
Education	<u>1,420,067</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,397,170</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2017

**NOTE E - CAPITAL ASSETS (Continued)**

Capital asset activity for business-type activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,127,031	\$ -	\$ -	\$ 1,127,031
Construction in progress	91,609	451,940	-	543,549
Total capital assets, not being depreciated	<u>1,218,640</u>	<u>451,940</u>	<u>-</u>	<u>1,670,580</u>
Capital assets, being depreciated:				
Buildings and improvements	19,862,414	-	-	19,862,414
Distribution and collection systems	51,487,323	-	-	51,487,323
Machinery and equipment	14,961,172	341,422	(187,817)	15,114,777
Total capital assets, being depreciated	<u>86,310,909</u>	<u>341,422</u>	<u>(187,817)</u>	<u>86,464,514</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	7,213,262	414,666	-	7,627,928
Distribution and collection systems	18,497,474	770,044	-	19,267,518
Machinery and equipment	8,234,336	588,567	(183,755)	8,639,148
Total accumulated depreciation and amortization	<u>33,945,072</u>	<u>1,773,277</u>	<u>(183,755)</u>	<u>35,534,594</u>
Total capital assets, being depreciated, net	<u>52,365,837</u>	<u>(1,431,855)</u>	<u>(4,062)</u>	<u>50,929,920</u>
Business-type activities capital assets, net	<u>\$ 53,584,477</u>	<u>\$ (979,915)</u>	<u>\$ (4,062)</u>	<u>\$52,600,500</u>

Depreciation and amortization expense was charged to programs of the Town as follows:

Business-type Activities:	
Sewer department	\$ 1,470,032
Water department	303,245
Total depreciation and amortization expense - business-type activities	<u>\$ 1,773,277</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE F - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
<b>Governmental Funds:</b>		
General Fund	Bonded Projects Fund	\$ 966,201
General Fund	Nonmajor governmental funds	67,557
General Fund	Water Department	85,907
General Fund	Sewer Department	16,056
		1,135,721
Nonmajor governmental funds	General Fund	2,159,451
		\$ 3,295,172

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE G - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2017 consisted of the following:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	General Fund	\$ 634,779

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE H - FUND BALANCE**

The various components of fund balance at June 30, 2017 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Inventory	\$ 199,644	\$ -	\$ 26,602	\$ 226,246
Restricted for:				
External - donations	28,848	-	21,271	50,119
Education	91,755	-	-	91,755
Committed to:				
Revaluation	16,450	-	-	16,450
Education carryover	32,892	-	-	32,892
Public safety - severance	31,500	-	-	31,500
General government	-	-	9,587	9,587
Health and welfare	-	-	183,095	183,095
Recreation	-	-	84,351	84,351
Cafeteria operations	-	-	242,599	242,599
Capital projects	88,002	-	1,735,385	1,823,387
Assigned to:				
General government	12,522	-	-	12,522
Public safety	160	-	-	160
Public works	19,133	-	-	19,133
Recreation and leisure	171	-	-	171
Education	915,827	-	-	915,827
Unassigned	8,897,765	(966,201)	(60,237)	7,871,327
	<u>\$ 10,334,669</u>	<u>\$ (966,201)</u>	<u>\$ 2,242,653</u>	<u>\$ 11,611,121</u>

**TOWN OF MONTVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE I - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>	<b>Due Within One Year</b>
Bonds payable:					
General obligation bonds	\$ 34,937,500	\$ -	\$ (3,213,700)	\$ 31,723,800	\$ 3,430,500
Unamortized premium	1,439,513	-	(125,613)	1,313,900	-
Total bonds payable	<u>36,377,013</u>	<u>-</u>	<u>(3,339,313)</u>	<u>33,037,700</u>	<u>3,430,500</u>
Other liabilities:					
Capital lease obligations	529,072	-	(104,353)	424,719	105,655
Landfill post-closure	152,000	-	(19,000)	133,000	19,000
Early retirement incentive	60,294	326,461	(164,575)	222,180	67,706
Compensated absences	1,498,939	325,505	(53,836)	1,770,608	354,100
Net pension liability	6,141,156	2,453,141	-	8,594,297	-
Net OPEB obligation	41,583	5,097	-	46,680	-
	<u>\$ 44,800,057</u>	<u>\$ 3,110,204</u>	<u>\$ (3,681,077)</u>	<u>\$ 44,229,184</u>	<u>\$ 3,976,961</u>
<b>Business-type Activities</b>					
Bonds payable:					
General obligation bonds	\$ 1,966,500	\$ -	\$ (297,300)	\$ 1,669,200	\$ 295,500
Unamortized premium	83,907	-	(9,323)	74,584	-
Total bonds payable	<u>2,050,407</u>	<u>-</u>	<u>(306,623)</u>	<u>1,743,784</u>	<u>295,500</u>
Other liabilities:					
Note payable	224,008	-	(10,385)	213,623	10,597
Capital lease obligations	68,105	-	(68,105)	-	-
Contract payable	1,157,722	-	(229,263)	928,459	218,261
Compensated absences	59,916	19,393	-	79,309	16,260
Net pension liability	425,128	494,399	-	919,527	-
	<u>\$ 3,985,286</u>	<u>\$ 513,792</u>	<u>\$ (614,376)</u>	<u>\$ 3,884,702</u>	<u>\$ 540,618</u>

Long-term liabilities above typically have been liquidated by the General Fund for governmental activities and the Water and Sewer Departments for business-type activities.

**TOWN OF MONTVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE I - LONG-TERM LIABILITIES (Continued)**

**General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2017 is as follows:

<u>Purpose of Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>					
Bonds Payable					
General Obligation Bonds	2007	6,300,000	3.7% - 4.5%	2017	\$ 315,000
General Obligation Bonds - Series A	2010	2,212,600	2.0% - 4.0%	2022	1,140,800
General Obligation Bonds - Series B	2010	7,890,000	3.0% - 5.0%	2025	6,755,000
General Obligation Bonds	2013	10,625,000	2.125% - 5.0%	2033	8,865,000
General Obligation Refunding Bonds	2013	9,195,000	1.0% - 4.0%	2027	8,975,000
General Obligation Refunding Bonds	2015	5,849,000	1.97%	2033	5,673,000
					<u>\$ 31,723,800</u>
<b>Business-type Activities</b>					
Bonds Payable					
General Obligation Bonds	1999	\$ 1,350,000	6.60%	2019	\$ 140,000
General Obligation Refunding Bonds	2010	1,042,400	2.0% - 4.0%	2019	269,200
General Obligation Bonds	2013	1,500,000	2.125% - 5.0%	2033	1,260,000
					<u>\$ 1,669,200</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2017:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,430,500	\$ 923,454	\$ 4,353,954
2019	3,424,300	787,414	4,211,714
2020	3,739,000	679,276	4,418,276
2021	3,854,000	563,299	4,417,299
2022	3,360,000	457,325	3,817,325
2023-2027	11,018,000	1,031,810	12,049,810
2028-2032	2,468,000	228,962	2,696,962
2033-2037	430,000	6,450	436,450
	<u>\$ 31,723,800</u>	<u>\$ 4,677,990</u>	<u>\$ 36,401,790</u>



**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE I - LONG-TERM LIABILITIES *(Continued)***

**General Obligation Bonds *(Continued)***

Year ending June 30:	Business-type Activities		
	Principal	Interest	Total
2018	\$ 295,500	\$ 55,945	\$ 351,445
2019	293,700	42,932	336,632
2020	90,000	32,538	122,538
2021	90,000	28,938	118,938
2022	90,000	25,338	115,338
2023-2027	390,000	87,093	477,093
2028-2032	350,000	36,750	386,750
2033-2037	70,000	1,050	71,050
	<u>\$ 1,669,200</u>	<u>\$ 310,584</u>	<u>\$ 1,979,784</u>

**Refundings**

At June 30, 2017, there is approximately \$963,000 of bonds related to the 2010 general obligation bond issuance that are considered defeased but still outstanding. In addition, there is approximately \$2.2 million of bonds related to the 2015 general obligation bond issuance that are considered defeased but still outstanding.

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$272,645,688 as of June 30, 2017. 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.

**Authorized, Unissued Bonds**

As of June 30, 2017, the Town had authorized but unissued bonds totaling \$3,900,500.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE I - LONG-TERM LIABILITIES *(Continued)***

**Note Payable**

The State of Connecticut Department of Energy and Environmental Protection has provided Clean Water financing in the form of permanently financed serial notes to the Town dated January 30, 2015, in the initial amount of \$245,631. The note is payable in 240 monthly installments of \$1,231 and matures in July 2034. The note bears an interest rate of 2.0%.

Annual debt service requirements to maturity on these obligations are as follows as of June 30, 2017:

Year ending June 30:	Business-type Activities		
	Principal	Interest	Total
2018	\$ 10,597	\$ 4,176	\$ 14,773
2019	10,811	3,962	14,773
2020	11,029	3,743	14,772
2021	11,252	3,521	14,773
2022	11,479	3,924	15,403
2023-2027	60,964	12,900	73,864
2028-2032	67,371	6,493	73,864
2033-2034	30,120	657	30,777
	\$ 213,623	\$ 39,376	\$ 252,999

**Capital Lease Obligations**

A summary of assets acquired through capital lease is as follows as of June 30, 2017:

	Governmental Activities	Business-type Activities
Machinery and equipment	\$ 729,022	\$ 334,678
Less: accumulated amortization	274,141	82,275
	\$ 454,881	\$ 252,403

Governmental activities amortization expense relative to leased equipment under the capital lease totaled \$114,099 for the year ended June 30, 2017. Business-type activities amortization expense relative to leased equipment under the capital lease totaled \$16,734 for the year ended June 30, 2017. Both amounts are included in depreciation and amortization expense disclosed in Note E.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE I - LONG-TERM LIABILITIES *(Continued)***

**Capital Lease Obligations *(Continued)***

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2017 is as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>
2018	\$ 114,099
2019	68,156
2020	68,156
2021	68,156
2022	68,156
Thereafter	68,156
Total minimum lease payments	454,879
Less: amount representing interest	(30,160)
Present value of minimum lease payments	\$ 424,719

**Contract Payable**

The Town has entered into a long-term contract with the Mohegan Tribal Utility Authority in connection with its portion of costs from a Regional Water Extension Project. Such amount payable totals \$928,459 as of June 30, 2017, of which \$697,240 is owed by the Town and \$231,218 is owed by other parties. The Town has recorded \$218,274 as a connection fees receivable in the Water Department as of June 30, 2017, as the Town is collecting the debt payments to be remitted per terms of the agreement. The maturity date of the entire contract is September 2018.

**Landfill Post-Closure Care Costs**

The Town landfill has been closed. State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Estimated monitoring costs of \$19,000 per year for the next 7 years total \$133,000 at June 30, 2017. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**Early Retirement Incentive**

The Board of Education provides early retirement incentive benefits to former employees. Benefits are paid annually based on the retirement agreement for each employee. Benefits are payable through 2021. The amount paid from General Fund appropriations during the year ended June 30, 2017 was \$164,575.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE J - EMPLOYEE RETIREMENT PLANS**

**Connecticut Municipal Employees' Retirement System**

The Town participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

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

**Plan Description**

*Plan administration* - CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

*Plan membership* - All full-time employees of the Town, except for certified Board of Education personnel who are eligible for the State Teachers' Retirement System, who are age 55 or younger at the date of hire, participate in the CMERS plan for general employees with social security. Police employees of the Town participate in the CMERS plan for police and firemen with social security.

*Benefits provided* - General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

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

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

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

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE J - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Plan Description *(Continued)***

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

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

The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

*Contributions* - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. The current rate is 11.38% of the annual Town employees' covered payroll and 16.73% of the Police employees' covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the CMERS for the years ended June 30, 2017, 2016 and 2015 were \$1,346,598, \$1,514,844, and \$872,911, respectively, and were equal to the required contributions for each year.

For employees not covered by social security, each person is required to contribute 5% of compensation. For employees covered by social security, each person is required to contribute 2.25% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

**Summary of Significant Accounting Policies**

*Pensions* - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

*Investment policy* - The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE J - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Net Pension Liability**

The total estimated net pension liability of the CMERS as of June 30, 2016 was \$332.670 million, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$9.514 million or approximately 2.860% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on the 2016 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

The Town's proportionate share of the net pension liability was allocated to the Town's business-type activities, in the amount of \$919,486, based on the proportion of current year contributions made by the business-type activities to the CMERS plan. The remaining proportionate share of the net pension liability, in the amount of \$8,594,297 million, was allocated to the Town's governmental activities.

*Actuarial assumptions* - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% - 11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

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

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2017

**NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)**

**Connecticut Municipal Employees' Retirement System (Continued)**

**Net Pension Liability (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap U.S. Equities	16.0%	5.80%
Developed Non-U.S. Equities	14.0%	6.60%
Emerging Markets (Non-U.S.)	7.0%	8.30%
Core Fixed Income	8.0%	1.30%
Inflation Linked Bonds	5.0%	1.00%
Emerging Market Bonds	8.0%	3.70%
High Yield Bonds	14.0%	3.90%
Real Estate	7.0%	5.10%
Private Equity	10.0%	7.60%
Alternative Investment	8.0%	4.10%
Liquidity Fund	3.0%	0.40%
	<u>100.0%</u>	

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

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town proportionate share of the net pension liability as of June 30, 2017	\$ 15,070,172	\$ 9,513,824	\$ 4,823,042

*Pension plan fiduciary net position* - Detailed information about the CMERS plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE J - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Pension Expense and Deferred Outflows of Resources**

For the year ended June 30, 2017, the Town recognized pension expense related to the CMERS of \$2,214,231. At June 30, 2017, the Town reported its proportionate share of deferred outflows of resources related to the MERS from the following source:

	<b>Deferred Outflows of Resources</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net difference between projected and actual earnings on pension plan investments	\$ 2,525,641	\$ 279,411

Amounts reported as deferred outflows of resources related to the CMERS will be recognized as a component of pension expense in future years as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Year ended June 30,		
2018	\$ 550,882	\$ 60,926
2019	550,882	60,926
2020	899,991	99,502
2021	523,886	58,057
	\$ 2,525,641	\$ 279,411

**Connecticut State Teachers' Retirement System**

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.



**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE J - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty.

The Town has recognized on-behalf payments of \$4,557,269 made by the State of Connecticut into the plan as revenues and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2016 was \$14.245 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$66.544 million or approximately 0.467% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined. The pension expense attributed to the Town totaled \$7,256,825 for the year ended June 30, 2017.

The total pension liability in the June 30, 2016 actuarial valuation, was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	8.0%, net of related expense
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirements on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, 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.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE J - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Large cap U.S. equities	21.0%	5.80%
Developed Non-U.S. Equities	18.0%	6.60%
Private Equity	11.0%	7.60%
Emerging Markets (Non-U.S.)	9.0%	8.30%
Alternative investments	8.0%	4.10%
Core Fixed Income	7.0%	1.30%
Real Estate	7.0%	5.10%
Cash	6.0%	0.40%
Emerging Market Bonds	5.0%	3.70%
High Yield Bonds	5.0%	3.90%
Inflation Linked Bonds	3.0%	1.00%
	<b>100.0%</b>	

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

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

	<b>1% Decrease (7.00%)</b>	<b>Current Discount (8.00%)</b>	<b>1% Increase (9.00%)</b>
Town proportionate share of the net pension liability	\$82.1 million	\$66.5 million	\$53.4 million

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The Town administers an Other Post-Employment Benefits Plan (the “Plan”), which is a single-employer defined benefit healthcare plan. The Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Funding Policy**

Contribution requirements of the plan members and the Town are established in the Plan document and may be amended through negotiations between the Town and the unions. The Town finances the Plan on a pay-as-you-go basis. Currently, the Town contributes the following for various classes of employees covered:

*Board of Education Administrators:* Administrators receiving benefits are required to contribute 50% of their premium costs. Administrators hired on or after July 1, 2012 are required to contribute 75% of their premium costs. Administrators are eligible for benefits upon retirement and 20 years of service regardless of age.

*Board of Education Teachers:* Teachers retiring under the Connecticut State Teachers Retirement system are eligible to receive health benefits for self and spouse. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age. Individuals receiving benefits contribute 100% of their premium costs.

**Annual OPEB Cost and Net OPEB Obligation**

The Town’s annual OPEB cost (expense) is calculated based on the annual required contribution (“ARC”), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town’s annual OPEB cost is primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to premium rates offered to the Town’s active employees. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation.

Annual required contribution	\$ 123,350
Interest on net OPEB obligation	1,663
Adjustment to annual required contribution	<u>(1,950)</u>
Annual OPEB cost (expense)	123,063
Contributions made	<u>117,966</u>
Increase in net OPEB obligation	5,097
Net OPEB obligation, beginning of year	<u>41,583</u>
Net OPEB obligation, end of year	<u><u>\$ 46,680</u></u>

**TOWN OF MONTVILLE, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2017

**NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Annual OPEB Cost and Net OPEB Obligation *(Continued)***

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the past three years is as follows:

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 112,061	89.5%	\$ 5,097
2016	114,989	100.1%	41,583
2017	123,063	104.3%	46,680

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2016 (the date of the most recent actuarial valuation) was as follows:

<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age Actuarial Cost Method (B)</b>	<b>(Unfunded) AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
\$ -	\$ 1,737,615	\$ (1,737,615)	0.0%	N/A	N/A

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date:	July 1, 2016
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Dollar Amount, Closed
Remaining amortization period:	24.54
Asset valuation method:	N/A
Actuarial assumptions:	
Inflation rate	2.5%
Interest rate	4.0%
Healthcare cost trend rate	8.0% initial 5.0% final

**NOTE L - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. During 2017, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Health Insurance Fund, an internal service fund, was established to account for and finance employee medical benefits claims for eligible full-time employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. The Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$150,000 for combined hospital and major medical.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2017. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

**TOWN OF MONTVILLE, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2017

**NOTE L - RISK MANAGEMENT *(Continued)***

A summary of claims activity for the years ended June 30, 2016 and 2017 is as follows:

<b>Year Ended June 30</b>	<b>Claims Payable, Beginning of Year</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable, End of Year</b>
2016	\$ 511,004	\$ 6,162,453	\$ 6,187,457	\$ 486,000
2017	486,000	6,314,266	6,277,266	523,000

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor has settled claims exceeded commercial coverage in any of the past three years.

**NOTE M - COMMITMENTS AND CONTINGENCIES**

There are several lawsuits pending against the Town. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

As of June 30, 2017, the Town has recorded \$947,813 in encumbrances. Such encumbrances have been included as part of the assigned fund balance designation.

**NOTE N - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town has not yet determined the impact that this statement will have on its financial statements.

In March 2016, the 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 the 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 the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

**TOWN OF MONTVILLE, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE N - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)***

In November 2016, the GASB issued 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 which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. 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. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve 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 the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving 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 the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

---

**REQUIRED SUPPLEMENTARY INFORMATION**

---



**TOWN OF MONTVILLE, CONNECTICUT**  
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (Unaudited)  
 CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
 LAST THREE FISCAL YEARS  
 JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	2.860%	1.979%	4.769%
Town's proportionate share of the net pension liability	<u>\$ 9,513,824</u>	<u>\$ 6,566,284</u>	<u>\$ 4,699,674</u>
Town's covered payroll	\$ 12,319,105	\$ 10,870,196	\$ 10,187,832
Town's proportionate share of the net pension liability as a percentage of its covered payroll	77.2%	60.4%	46.1%
Plan fiduciary net position as a percentage of the total pension liability	88.29%	92.72%	96.06%

**Notes to Schedule:**

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

*Benefit changes:* There were no changes in benefit terms that affected the measurement of the total pension liability.

*Changes in assumptions:* There were no changes in assumptions that affected the measurement of the total pension liability.

*See accompanying Independent Auditor's Report .*

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS (Unaudited)**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**  
**JUNE 30, 2017**

---

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,514,844	\$ 1,346,598	\$ 872,911
Contributions in relation to the contractually required contribution	1,514,844	1,346,598	872,911
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 12,319,105	\$ 10,870,196	\$ 10,187,832
Contributions as a percentage of covered employee payroll	12.30%	12.39%	8.57%

**Notes to Schedule:**

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (Unaudited)**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**  
(Dollar amounts in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.467%	0.474%	0.474%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	66,544	52,024	48,086
Total	<u>\$ 66,544</u>	<u>\$ 52,024</u>	<u>\$ 48,086</u>
Town's covered payroll	\$ 18,654	\$ 18,728	\$ 18,347
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

**Notes to Schedule:**

The Town began to report this schedule when it implemented GASBS Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

*Benefit Changes:* There were no changes in benefit terms that affected the measurement of the total pension liability.

*Assumption changes:* Since the prior valuation in 2015, new assumptions were adopted. Specifically:

- Inflation assumption was reduced from 3.00% to 2.75%
- Real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change resulted in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
- The annual rate of wage increase assumption was reduced from 0.75% to 0.50%.
- The payroll growth assumption was reduced from 3.75% to 3.25%.
- Various demographic assumption changes utilizing the RPH-2014 mortality tables.

*See accompanying Independent Auditor's Report .*

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF FUNDING PROGRESS (Unaudited)**  
**LAST FIVE ACTUARIAL VALUATIONS**

<b>Other Post-Employment Benefits Program</b>						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age normal (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2008	\$ -	\$ 924,746	\$ 924,746	0.0%	N/A	N/A
July 1, 2010	-	823,001	823,001	0.0%	N/A	N/A
July 1, 2012	-	1,284,731	1,284,731	0.0%	N/A	N/A
July 1, 2014	-	1,500,164	1,500,164	0.0%	N/A	N/A
July 1, 2016	-	1,737,615	1,737,615	0.0%	N/A	N/A

*See accompanying Independent Auditor's Report.*

---

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

---

---

**GENERAL FUND**

---

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>PROPERTY TAXES</b>				
Revenues from property taxes	\$ 39,011,515	\$ 39,011,515	\$ 38,721,808	\$ (289,707)
Telephone access	55,000	55,000	56,053	1,053
Interest and lien fees	315,000	315,000	337,970	22,970
Total property taxes	<u>39,381,515</u>	<u>39,381,515</u>	<u>39,115,831</u>	<u>(265,684)</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State grants for school aid:				
ECS grant	12,688,713	12,688,713	12,631,589	(57,124)
Transportation	-	-	81,576	81,576
Special education	300,000	300,000	316,063	16,063
Adult education	31,843	31,843	33,809	1,966
Total state grants for school aid	<u>13,020,556</u>	<u>13,020,556</u>	<u>13,063,037</u>	<u>42,481</u>
State grants unspecified:				
In lieu of taxes - State property	1,785,473	1,785,473	1,788,640	3,167
Emergency management program	9,877	9,877	11,521	1,644
Tax relief for elderly	100,000	100,000	106,756	6,756
Tax relief for disabled	3,800	3,800	3,146	(654)
Tax relief for veterans	9,805	9,805	9,691	(114)
Municipal revenue sharing	426,835	426,835	426,836	1
MRSA Municipal Projects	528,644	528,644	528,644	-
Other grants	45,000	45,000	61,800	16,800
CT Fines reimbursement	14,000	14,000	11,434	(2,566)
Pequot funds	952,470	952,470	952,470	-
Total state grants unspecified	<u>3,875,904</u>	<u>3,875,904</u>	<u>3,900,938</u>	<u>25,034</u>
Total intergovernmental revenues	<u>16,896,460</u>	<u>16,896,460</u>	<u>16,963,975</u>	<u>67,515</u>
<b>CHARGES FOR SERVICES</b>				
Licenses and permits:				
Conveyance tax	115,000	115,000	146,270	31,270
Town clerk fees	120,000	120,000	130,354	10,354
Dog licenses	5,000	5,000	5,359	359
Dog services for Salem	-	-	5,619	5,619
Dog warden	1,500	1,500	1,605	105
Building department	200,000	200,000	196,311	(3,689)
Miscellaneous permits	15,000	15,000	16,184	1,184
Fire permits	45,000	45,000	75,617	30,617
Transfer station	159,000	159,000	156,450	(2,550)
Total licenses and permits	<u>660,500</u>	<u>660,500</u>	<u>733,769</u>	<u>73,269</u>
Revenue from other agencies:				
Planning and zoning board of appeals	5,000	5,000	10,973	5,973
Parks and recreation	100,000	100,000	124,741	24,741
Camp Oakdale rent	4,000	4,000	3,995	(5)
Fair oaks facility rental	1,500	1,500	1,500	-
Housing authority	29,620	29,620	30,906	1,286
Youth service program	51,133	51,133	53,752	2,619
Total revenue from other agencies	<u>191,253</u>	<u>191,253</u>	<u>225,867</u>	<u>34,614</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>CHARGES FOR SERVICES (Continued)</b>				
Charges for current services:				
Tuition regular	\$ 21,000	\$ 21,000	\$ 21,392	\$ 392
Tuition special education	100,000	100,000	70,958	(29,042)
School miscellaneous revenue	3,000	3,000	1,225	(1,775)
Personal property audits	5,000	5,000	-	(5,000)
Public works department	500	500	50	(450)
Commercial tipping fees	400,000	400,000	401,620	1,620
Copy money	1,000	1,000	1,172	172
Total charges for current services	<u>530,500</u>	<u>530,500</u>	<u>496,417</u>	<u>(34,083)</u>
Miscellaneous:				
St. Bernard's health service	25,000	25,000	19,347	(5,653)
Police reimbursement	175,000	175,000	228,257	53,257
Insurance reimbursement	65,000	65,000	54,260	(10,740)
Millstone reimbursement	15,000	15,000	44,335	29,335
Fire marshal private duty	5,000	5,000	-	(5,000)
All other miscellaneous	30,000	30,000	74,956	44,956
Sale of assets	20,000	20,000	17,605	(2,395)
Verizon	6,000	6,000	18,263	12,263
Mohegan contributions	500,000	500,000	500,000	-
WPCA rental	11,000	11,000	-	(11,000)
Engineering review reimbursement	1,000	1,000	-	(1,000)
Total miscellaneous	<u>853,000</u>	<u>853,000</u>	<u>957,023</u>	<u>104,023</u>
Total charges for services	<u>2,235,253</u>	<u>2,235,253</u>	<u>2,413,076</u>	<u>177,823</u>
<b>REVENUE FROM USE OF TOWN MONEY</b>				
Investment interest	35,000	35,000	66,800	31,800
Sewer assessments	10,000	10,000	5,818	(4,182)
Total revenue from use of Town money	<u>45,000</u>	<u>45,000</u>	<u>72,618</u>	<u>27,618</u>
Total revenues	<u>58,558,228</u>	<u>58,558,228</u>	<u>58,565,500</u>	<u>7,272</u>
<b>OTHER FINANCING SOURCES</b>				
Cancellation of prior year encumbrances	-	-	87,602	87,602
Appropriation of fund balance	360,000	455,782	-	(455,782)
Transfers in WPCA Financial Services	10,000	10,000	-	(10,000)
Total other financing sources	<u>370,000</u>	<u>465,782</u>	<u>87,602</u>	<u>(378,180)</u>
Total revenues and other financing sources	<u>\$ 58,928,228</u>	<u>\$ 59,024,010</u>	<u>\$ 58,653,102</u>	<u>\$ (370,908)</u>

See accompanying Independent Auditor's Report.



**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
Mayor:				
Human services	\$ 134,725	\$ 136,480	\$ 136,479	\$ (1)
Contractual services	50,600	50,509	49,557	(952)
Commodities	8,700	7,036	6,969	(67)
Total mayor	<u>194,025</u>	<u>194,025</u>	<u>193,005</u>	<u>(1,020)</u>
Town council:				
Human services	19,500	19,500	16,646	(2,854)
Commodities	10,500	10,500	5,700	(4,800)
Total town council	<u>30,000</u>	<u>30,000</u>	<u>22,346</u>	<u>(7,654)</u>
Town attorney	<u>235,000</u>	<u>235,000</u>	<u>216,256</u>	<u>(18,744)</u>
Town hall / central services:				
Contractual services	195,200	195,200	179,394	(15,806)
Commodities	61,000	61,000	48,999	(12,001)
Capital	1,500	1,500	1,440	(60)
Total town hall / central services	<u>257,700</u>	<u>257,700</u>	<u>229,833</u>	<u>(27,867)</u>
Probate court	<u>16,000</u>	<u>17,436</u>	<u>17,436</u>	<u>-</u>
Finance department:				
Human services	552,739	541,991	541,754	(237)
Contractual services	64,500	94,388	94,378	(10)
Commodities	10,500	16,360	16,280	(80)
Total finance department	<u>627,739</u>	<u>652,739</u>	<u>652,412</u>	<u>(327)</u>
Insurance and taxes	<u>3,614,075</u>	<u>3,695,275</u>	<u>3,651,781</u>	<u>(43,494)</u>
Board of assessment appeals:				
Human services	500	500	43	(457)
Commodities	100	100	-	(100)
Total board of assessment appeals	<u>600</u>	<u>600</u>	<u>43</u>	<u>(557)</u>
Auditor	<u>18,000</u>	<u>18,000</u>	<u>17,500</u>	<u>(500)</u>
Other	<u>370,000</u>	<u>139,147</u>	<u>43,500</u>	<u>(95,647)</u>
Town clerk:				
Human services	129,043	131,627	131,626	(1)
Contractual services	150	150	150	-
Commodities	22,450	19,866	12,335	(7,531)
Total town clerk	<u>151,643</u>	<u>151,643</u>	<u>144,111</u>	<u>(7,532)</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>GENERAL GOVERNMENT (Continued)</b>				
Registrar of voters:				
Human services	\$ 36,036	\$ 36,736	\$ 36,736	\$ -
Contractual services	220	351	350	(1)
Commodities	3,700	2,869	2,717	(152)
Total registrar of voters	<u>39,956</u>	<u>39,956</u>	<u>39,803</u>	<u>(153)</u>
Elections / referendum:				
Contractual services	25,000	25,000	17,558	(7,442)
Commodities	11,000	11,000	9,467	(1,533)
Total elections / referendum	<u>36,000</u>	<u>36,000</u>	<u>27,025</u>	<u>(8,975)</u>
Land use department:				
Human services	241,108	246,833	246,830	(3)
Contractual services	600	729	729	-
Commodities	13,300	10,371	10,257	(114)
Capital	2,600	730	672	(58)
Total land use department	<u>257,608</u>	<u>258,663</u>	<u>258,488</u>	<u>(175)</u>
Inlands wetlands commission:				
Human services	800	1,020	1,020	-
Commodities	250	55	55	-
Total inlands wetlands commission	<u>1,050</u>	<u>1,075</u>	<u>1,075</u>	<u>-</u>
Economic development commission:				
Human services	500	750	732	(18)
Commodities	350	100	-	(100)
Total economic development commission	<u>850</u>	<u>850</u>	<u>732</u>	<u>(118)</u>
Zoning board of appeals	<u>600</u>	<u>600</u>	<u>213</u>	<u>(387)</u>
Senior Center:				
Human services	146,423	150,281	150,262	(19)
Contractual services	37,050	38,610	37,419	(1,191)
Commodities	16,765	18,272	18,137	(135)
Total senior center	<u>200,238</u>	<u>207,163</u>	<u>205,818</u>	<u>(1,345)</u>
Youth services:				
Human services	164,171	168,780	163,777	(5,003)
Contractual services	24,838	20,229	15,318	(4,911)
Commodities	5,480	5,480	4,424	(1,056)
Total youth services	<u>194,489</u>	<u>194,489</u>	<u>183,519</u>	<u>(10,970)</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>GENERAL GOVERNMENT (Continued)</b>				
Private duty	\$ 105,000	\$ 148,870	\$ 148,868	\$ (2)
Building inspector:				
Human services	185,125	191,546	191,544	(2)
Contractual services	450	399	310	(89)
Commodities	3,250	1,512	1,511	(1)
Capital	400	388	187	(201)
Total building inspector	<u>189,225</u>	<u>193,845</u>	<u>193,552</u>	<u>(293)</u>
Information technology:				
Human services	128,772	128,771	121,134	(7,637)
Contractual services	228,300	228,341	227,378	(963)
Commodities	4,050	4,010	3,932	(78)
Total information technology	<u>361,122</u>	<u>361,122</u>	<u>352,444</u>	<u>(8,678)</u>
Total general government	<u>6,900,920</u>	<u>6,834,198</u>	<u>6,599,760</u>	<u>(234,438)</u>
<b>PUBLIC SAFETY</b>				
Emergency management:				
Human services	80,138	75,750	64,949	(10,801)
Contractual services	15,000	13,478	12,474	(1,004)
Commodities	2,885	2,885	1,646	(1,239)
Total emergency management	<u>98,023</u>	<u>92,113</u>	<u>79,069</u>	<u>(13,044)</u>
Police department:				
Human services	2,069,505	2,110,904	2,110,836	(68)
Contractual services	193,000	195,804	195,803	(1)
Commodities	85,150	57,767	56,652	(1,115)
Capital	18,500	17,692	17,423	(269)
Total police department	<u>2,366,155</u>	<u>2,382,167</u>	<u>2,380,714</u>	<u>(1,453)</u>
Fire marshal:				
Human services	80,608	86,518	85,230	(1,288)
Commodities	4,935	4,935	1,864	(3,071)
Total fire marshal	<u>85,543</u>	<u>91,453</u>	<u>87,094</u>	<u>(4,359)</u>
Animal control:				
Human services	59,492	62,398	62,396	(2)
Contractual services	3,327	1,666	1,385	(281)
Commodities	7,100	5,855	5,234	(621)
Total animal control	<u>69,919</u>	<u>69,919</u>	<u>69,015</u>	<u>(904)</u>
Public safety commission:				
Human services	1,000	1,000	786	(214)
Commodities	50	50	-	(50)
Total public safety commission	<u>1,050</u>	<u>1,050</u>	<u>786</u>	<u>(264)</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC SAFETY (Continued)</b>				
Dispatch:				
Human services	\$ 299,800	\$ 303,241	\$ 303,200	\$ (41)
Commodities	4,250	1,309	1,182	(127)
Total dispatch	<u>304,050</u>	<u>304,550</u>	<u>304,382</u>	<u>(168)</u>
Fire protection:				
Human services	728,278	786,285	786,267	(18)
Contractual services	382,732	382,733	382,732	(1)
Commodities	84,400	76,392	74,774	(1,618)
Total fire protection	<u>1,195,410</u>	<u>1,245,410</u>	<u>1,243,773</u>	<u>(1,637)</u>
Public safety building:				
Contractual services	86,500	85,991	65,000	(20,991)
Commodities	1,500	2,009	1,651	(358)
Total public safety building	<u>88,000</u>	<u>88,000</u>	<u>66,651</u>	<u>(21,349)</u>
Total public safety	<u>4,208,150</u>	<u>4,274,662</u>	<u>4,231,484</u>	<u>(43,178)</u>
<b>PUBLIC WORKS</b>				
Public works:				
Human services	1,415,769	1,379,243	1,361,541	(17,702)
Contractual services	414,450	440,457	387,520	(52,937)
Commodities	899,000	907,354	778,953	(128,401)
Capital	10,600	12,765	11,857	(908)
Total public works	<u>2,739,819</u>	<u>2,739,819</u>	<u>2,539,871</u>	<u>(199,948)</u>
Camp Oakdale:				
Contractual services	63,300	56,939	54,416	(2,523)
Commodities	16,600	22,961	20,990	(1,971)
Capital	500	500	-	-
Total Camp Oakdale	<u>80,400</u>	<u>80,400</u>	<u>75,406</u>	<u>(4,994)</u>
Solid waste:				
Human services	136,500	137,411	133,014	(4,397)
Contractual services	846,500	828,623	800,264	(28,359)
Commodities	34,950	51,916	37,863	(14,053)
Capital	9,000	9,000	5,614	(3,386)
Total solid waste	<u>1,026,950</u>	<u>1,026,950</u>	<u>976,755</u>	<u>(50,195)</u>
Engineering services	<u>170,000</u>	<u>170,000</u>	<u>159,489</u>	<u>(10,511)</u>
Total public works	<u>4,017,169</u>	<u>4,017,169</u>	<u>3,751,521</u>	<u>(265,648)</u>

*(Continued)*

See accompanying Independent Auditor's Report.

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>HEALTH AND WELFARE</b>				
Contractual services	\$ 175,235	\$ 175,633	\$ 175,631	\$ (2)
Commodities	700	302	203	(99)
Total health and welfare	<u>175,935</u>	<u>175,935</u>	<u>175,834</u>	<u>(101)</u>
<b>SOCIAL SERVICES</b>				
Human services	31,171	31,038	31,022	(16)
Contractual services	2,250	2,570	2,564	(6)
Commodities	350	373	372	(1)
Total social services	<u>33,771</u>	<u>33,981</u>	<u>33,958</u>	<u>(23)</u>
<b>RECREATION AND LEISURE</b>				
Recreation:				
Human services	202,459	197,452	194,779	(2,673)
Contractual services	1,015	1,015	758	(257)
Commodities	35,900	40,907	39,404	(1,503)
Capital	3,600	3,600	3,326	(274)
Total recreation	<u>242,974</u>	<u>242,974</u>	<u>238,267</u>	<u>(4,707)</u>
Fair oaks building	<u>27,250</u>	<u>27,250</u>	<u>24,522</u>	<u>(2,728)</u>
Parks and recreation commission:				
Human services	<u>1,000</u>	<u>1,000</u>	<u>888</u>	<u>(112)</u>
Total recreation and leisure	<u>271,224</u>	<u>271,224</u>	<u>263,677</u>	<u>(7,547)</u>
<b>MISCELLANEOUS</b>				
Donations to organizations	<u>59,300</u>	<u>59,300</u>	<u>56,300</u>	<u>(3,000)</u>
<b>EDUCATION</b>	<u>37,698,668</u>	<u>37,698,668</u>	<u>37,580,222</u>	<u>(118,446)</u>
<b>CAPITAL OUTLAYS</b>	<u>1,250,659</u>	<u>1,346,441</u>	<u>1,507,050</u>	<u>160,609</u>
<b>DEBT SERVICE</b>				
Redemption of debt - principal	3,281,857	3,281,857	3,281,856	(1)
Interest payments	1,030,575	1,030,575	1,030,572	(3)
Total debt service	<u>4,312,432</u>	<u>4,312,432</u>	<u>4,312,428</u>	<u>(4)</u>
Total expenditures	<u>\$ 58,928,228</u>	<u>\$ 59,024,010</u>	<u>\$ 58,512,234</u>	<u>\$ (511,776)</u>

See accompanying Independent Auditor's Report.

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Grand List Year	Balance Uncollected June 30, 2016	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2017
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2015	\$ -	\$ 39,076,881	\$ 121,533	\$ 208,417	\$ -	\$ 38,989,997	\$ 38,044,641	\$ 148,881	\$ 38,193,522	\$ 945,356
2014	857,557	-	35,089	13,486	-	879,160	300,126	72,311	372,437	579,034
2013	528,634	-	759	880	-	528,513	101,294	39,401	140,695	427,219
2012	514,884	-	-	44	-	514,840	42,608	29,323	71,931	472,232
2011	255,665	-	-	44	-	255,621	19,943	15,777	35,720	235,678
2010	198,610	-	-	-	28,534	170,076	9,823	8,759	18,582	160,253
2009	29,720	-	-	-	-	29,720	2,591	2,881	5,472	27,129
2008	18,416	-	-	-	-	18,416	2,001	2,268	4,269	16,415
2007	13,221	-	-	-	-	13,221	-	-	-	13,221
2006	7,095	-	-	-	-	7,095	-	-	-	7,095
2005	7,616	-	-	-	-	7,616	-	-	-	7,616
2004	2,713	-	-	-	-	2,713	-	-	-	2,713
2003	2,608	-	-	-	-	2,608	-	-	-	2,608
2002	2,552	-	-	-	-	2,552	-	-	-	2,552
2001	2,303	-	-	-	-	2,303	-	-	-	2,303
	<u>\$ 2,441,594</u>	<u>\$ 39,076,881</u>	<u>\$ 157,381</u>	<u>\$ 222,871</u>	<u>\$ 28,534</u>	<u>\$ 41,424,451</u>	<u>\$ 38,523,027</u>	<u>\$ 319,601</u>	<u>\$ 38,842,628</u>	<u>\$ 2,901,424</u>

See accompanying Independent Auditor's Report.

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Total cash collections for the year ended

June 30, 2017:

Taxes	\$ 38,523,027
Interest and lien fees	<u>319,601</u>
Total	<u>38,842,628</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	<u>106,756</u>
--------------------------------------	----------------

Base

	<u>\$ 38,949,384</u>
--	----------------------

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 87,636,114	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	175,272,228	-	-	-
3-3/4 times base	-	-	146,060,190	-	-
3-1/4 times base	-	-	-	126,585,498	-
3 times base	-	-	-	-	116,848,152
Total debt limitation	<u>87,636,114</u>	<u>175,272,228</u>	<u>146,060,190</u>	<u>126,585,498</u>	<u>116,848,152</u>
Indebtedness:					
Bonds payable	13,182,800	17,232,000	1,669,200	-	-
Authorized but unissued bonds	-	3,900,500	-	-	-
Total indebtedness	<u>13,182,800</u>	<u>21,132,500</u>	<u>1,669,200</u>	<u>-</u>	<u>-</u>
Less: Assessments receivable	51,029	-	-	-	-
Less: School construction grants receivable	-	1,163,251	-	-	-
Net indebtedness	<u>13,131,771</u>	<u>19,969,249</u>	<u>1,669,200</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 74,504,343</u>	<u>\$ 155,302,979</u>	<u>\$ 144,390,990</u>	<u>\$ 126,585,498</u>	<u>\$ 116,848,152</u>
Total capacity of borrowing (7 times base)	\$ 272,645,688				
Total present indebtedness	<u>34,770,220</u>				
Margin for additional borrowing	<u>\$ 237,875,468</u>				

*Note* : Per Connecticut General Statutes 7-374 - Bonded indebtedness of municipalities - the aggregate indebtedness of the Town shall exclude each bond, note and other evidence of indebtedness issued for the supply of water. As such, water bonds in the amount of \$1,309,000 have been excluded from the above schedule.

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF SEWER ASSESSMENT COLLECTIONS - PHASE II**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Year Ended June 30,	Uncollected Assessments at Beginning of Year	Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments at Year End
		Additions	Deductions		Assessments Collected	Interest and Lien Fees	Total	
2002	\$ 3,274,736	\$ 61	\$ 1,424	\$ 3,273,373	\$ 422,036	\$ 258,963	\$ 680,999	\$ 2,851,337
2003	2,851,337	-	4,108	2,847,229	466,519	297,766	764,285	2,380,710
2004	2,380,710	65	3,584	2,377,191	323,598	15,781	339,379	2,053,593
2005	2,053,593	218	-	2,053,811	299,662	138,600	438,262	1,754,149
2006	1,754,149	24	46,244	1,707,929	367,903	91,784	459,687	1,340,026
2007	1,340,026	142	-	1,340,168	260,239	74,600	334,839	1,079,929
2008	1,079,929	-	2,702	1,077,227	211,382	64,108	275,490	865,845
2009	865,845	-	4,106	861,739	184,117	41,507	225,624	677,622
2010	677,622	-	175	677,447	189,341	31,885	221,226	488,106
2011	488,106	20	-	488,126	154,173	25,776	179,949	333,953
2012	333,953	-	20	333,933	138,002	21,363	159,365	195,931
2013	195,931	-	1,338	194,593	134,573	9,246	143,819	60,020
2014	60,020	-	-	60,020	18,244	4,376	22,620	41,776
2015	41,776	-	5,971	35,805	8,041	7,534	15,575	27,764
2016	27,764	-	-	27,764	4,707	7,534	12,241	23,057
2017	23,057	-	-	23,057	2,152	3,075	5,227	20,905

See accompanying Independent Auditor's Report.



**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF WATER ASSESSMENT COLLECTIONS - PHASE IV**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Year Ended June 30,	Uncollected Assessments at Beginning of Year	Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments at Year End
		Additions	Deductions		Assessments Collected	Interest and Lien Fees	Total	
2002	\$ 154,119	\$ -	\$ -	\$ 154,119	\$ 15,255	\$ 7,520	\$ 22,775	\$ 138,864
2003	138,864	-	-	138,864	18,057	5,775	23,832	120,807
2004	120,807	-	-	120,807	11,026	4,686	15,712	109,781
2005	109,781	-	-	109,781	12,041	4,836	16,877	97,740
2006	97,740	-	14,521	83,219	26,527	13,500	40,027	56,692
2007	56,692	-	-	56,692	10,359	2,638	12,997	46,333
2008	46,333	-	-	46,333	8,714	1,896	10,610	37,619
2009	37,619	-	-	37,619	12,898	1,829	14,727	24,721
2010	24,721	-	-	24,721	8,811	1,720	10,531	15,910
2011	15,910	82	-	15,992	9,319	1,528	10,847	6,673
2012	6,673	-	-	6,673	537	268	805	6,136
2013	6,136	-	-	6,136	1,967	2,686	4,653	4,169
2014	4,169	-	-	4,169	927	468	1,395	3,242
2015	3,242	-	-	3,242	463	178	641	2,779
2016	2,779	-	-	2,779	463	153	616	2,316
2017	2,316	-	-	2,316	463	127	590	1,853

*See accompanying Independent Auditor's Report.*

---

**NONMAJOR GOVERNMENTAL FUNDS**

---

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<b>Nonmajor Special Revenue Funds</b>						
	<b>Town Aid Road Fund</b>	<b>Small Cities Fund</b>	<b>Mental Health Grant Fund</b>	<b>Hot Lunch Program Fund</b>	<b>Special Education Grants Fund</b>	<b>Social Services Fund</b>	<b>Town Historic Preservation Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 166,925	\$ 130,304	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables:							
Intergovernmental	-	-	-	86,434	-	-	-
Other	-	-	-	1,182	-	-	-
Due from other funds	86,009	-	2,862	-	-	183,935	9,587
Inventories	-	-	-	26,602	-	-	-
<b>Total assets</b>	<b>\$ 86,009</b>	<b>\$ -</b>	<b>\$ 2,862</b>	<b>\$ 281,143</b>	<b>\$ 130,304</b>	<b>\$ 183,935</b>	<b>\$ 9,587</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 20,809	\$ -	\$ -	\$ 5,232	\$ 16,288	\$ 840	\$ -
Accrued liabilities	-	-	-	6,710	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	65,200	-	2,862	-	114,016	-	-
<b>Total liabilities</b>	<b>86,009</b>	<b>-</b>	<b>2,862</b>	<b>11,942</b>	<b>130,304</b>	<b>840</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	26,602	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	242,599	-	183,095	9,587
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269,201</b>	<b>-</b>	<b>183,095</b>	<b>9,587</b>
<b>Total liabilities and fund balances</b>	<b>\$ 86,009</b>	<b>\$ -</b>	<b>\$ 2,862</b>	<b>\$ 281,143</b>	<b>\$ 130,304</b>	<b>\$ 183,935</b>	<b>\$ 9,587</b>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2017**

	<b>Nonmajor Special Revenue Funds</b>					
	<b>Youth Service Bureau Fund</b>	<b>Learn Not to Burn Fund</b>	<b>Police Donations Fund</b>	<b>Parks and Recreation Fund</b>	<b>Dog Warden Donation Fund</b>	<b>Police Forfeiture Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	43,158	359	1,434	53,841	1,841	5,738
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 43,158</u>	<u>\$ 359</u>	<u>\$ 1,434</u>	<u>\$ 53,841</u>	<u>\$ 1,841</u>	<u>\$ 5,738</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,104	\$ -	\$ -	\$ 11,544	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>1,104</u>	<u>-</u>	<u>-</u>	<u>11,544</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	359	1,434	-	1,841	5,738
Committed	42,054	-	-	42,297	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>42,054</u>	<u>359</u>	<u>1,434</u>	<u>42,297</u>	<u>1,841</u>	<u>5,738</u>
Total liabilities and fund balances	<u>\$ 43,158</u>	<u>\$ 359</u>	<u>\$ 1,434</u>	<u>\$ 53,841</u>	<u>\$ 1,841</u>	<u>\$ 5,738</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2017**

	<b>Nonmajor Special Revenue Funds</b>			<b>Nonmajor Capital Project Funds</b>		
	<b>Miscellaneous State Grants Fund</b>	<b>Comstock Book Fund</b>	<b>Total Special Revenue Funds</b>	<b>Public Works Facility Improvements Fund</b>	<b>Transfer Station Fund</b>	<b>LOCIP Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 456	\$ 297,685	\$ -	\$ -	\$ -
Investments	-	11,443	11,443	-	-	-
Receivables:						
Intergovernmental	-	-	86,434	3,623	-	-
Other	-	-	1,182	-	-	-
Due from other funds	-	-	388,764	-	-	119,381
Inventories	-	-	26,602	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 11,899</b>	<b>\$ 812,110</b>	<b>\$ 3,623</b>	<b>\$ -</b>	<b>\$ 119,381</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 55,817	\$ -	\$ 16,299	\$ -
Accrued liabilities	-	-	6,710	-	-	-
Due to other funds	-	-	-	3,623	43,701	-
Unearned revenue	-	-	182,078	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>244,605</b>	<b>3,623</b>	<b>60,000</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	26,602	-	-	-
Restricted	-	11,899	21,271	-	-	-
Committed	-	-	519,632	-	-	119,381
Unassigned	-	-	-	-	(60,000)	-
<b>Total fund balances</b>	<b>-</b>	<b>11,899</b>	<b>567,505</b>	<b>-</b>	<b>(60,000)</b>	<b>119,381</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 11,899</b>	<b>\$ 812,110</b>	<b>\$ 3,623</b>	<b>\$ -</b>	<b>\$ 119,381</b>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2017**

	<b>Nonmajor Capital Projects Fund</b>						
	<b>Capital Nonrecurring Fund</b>	<b>Capital Projects Fund</b>	<b>Open Space Fund</b>	<b>Bridges Fund</b>	<b>Bridge St. Remediation Fund</b>	<b>Total Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,685
Investments	-	-	-	-	-	-	11,443
Receivables:							
Intergovernmental	-	-	-	7,546	12,450	23,619	110,053
Other	-	-	-	-	-	-	1,182
Due from other funds	129,243	1,517,063	5,000	-	-	1,770,687	2,159,451
Inventories	-	-	-	-	-	-	26,602
Total assets	<u>\$ 129,243</u>	<u>\$ 1,517,063</u>	<u>\$ 5,000</u>	<u>\$ 7,546</u>	<u>\$ 12,450</u>	<u>\$ 1,794,306</u>	<u>\$ 2,606,416</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 35,302	\$ -	\$ -	\$ -	51,601	107,418
Accrued liabilities	-	-	-	-	-	-	6,710
Due to other funds	-	-	-	7,783	12,450	67,557	67,557
Unearned revenue	-	-	-	-	-	-	182,078
Total liabilities	<u>-</u>	<u>35,302</u>	<u>-</u>	<u>7,783</u>	<u>12,450</u>	<u>119,158</u>	<u>363,763</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	26,602
Restricted	-	-	-	-	-	-	21,271
Committed	129,243	1,481,761	5,000	-	-	1,735,385	2,255,017
Unassigned	-	-	-	(237)	-	(60,237)	(60,237)
Total fund balances	<u>129,243</u>	<u>1,481,761</u>	<u>5,000</u>	<u>(237)</u>	<u>-</u>	<u>1,675,148</u>	<u>2,242,653</u>
Total liabilities and fund balances	<u>\$ 129,243</u>	<u>\$ 1,517,063</u>	<u>\$ 5,000</u>	<u>\$ 7,546</u>	<u>\$ 12,450</u>	<u>\$ 1,794,306</u>	<u>\$ 2,606,416</u>

See accompanying Independent Auditor's Report.

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Nonmajor Special Revenue Funds</b>						
	<b>Town Aid Road Fund</b>	<b>Small Cities Fund</b>	<b>Mental Health Grant Fund</b>	<b>Hot Lunch Program Fund</b>	<b>Special Education Grants Fund</b>	<b>Social Services Fund</b>	<b>Town Historic Preservation Fund</b>
<b>REVENUES</b>							
Intergovernmental	\$ 436,120	\$ 142,355	\$ 11,394	\$ 601,887	\$ 1,097,446	\$ 75,150	\$ 4,000
Charges for services	-	-	-	432,258	-	56,613	-
Other	-	-	-	-	-	29,060	7,284
Total revenues	<u>436,120</u>	<u>142,355</u>	<u>11,394</u>	<u>1,034,145</u>	<u>1,097,446</u>	<u>160,823</u>	<u>11,284</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	12,351
Public safety	-	-	-	-	-	-	-
Public works	436,120	-	-	-	-	-	-
Health and welfare	-	142,355	11,394	-	-	181,909	-
Recreation and leisure	-	-	-	-	-	-	-
Education	-	-	-	1,037,203	1,097,446	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	<u>436,120</u>	<u>142,355</u>	<u>11,394</u>	<u>1,037,203</u>	<u>1,097,446</u>	<u>181,909</u>	<u>12,351</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(3,058)	-	(21,086)	(1,067)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(3,058)	-	(21,086)	(1,067)
Fund balances - beginning	-	-	-	272,259	-	204,181	10,654
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,201</u>	<u>\$ -</u>	<u>\$ 183,095</u>	<u>\$ 9,587</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

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

	Nonmajor Special Revenue Funds					
	Youth Service Bureau Fund	Learn Not to Burn Fund	Police Donations Fund	Parks and Recreation Fund	Dog Warden Donation Fund	Police Forfeiture Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,838
Charges for services	27,612	-	-	74,967	-	-
Other	-	-	600	-	670	-
Total revenues	<u>27,612</u>	<u>-</u>	<u>600</u>	<u>74,967</u>	<u>670</u>	<u>1,838</u>
<b>EXPENDITURES</b>						
Current:						
General government	23,924	-	-	-	-	-
Public safety	-	-	2,659	-	2,924	3,092
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Recreation and leisure	-	-	-	76,430	-	-
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>23,924</u>	<u>-</u>	<u>2,659</u>	<u>76,430</u>	<u>2,924</u>	<u>3,092</u>
Excess (deficiency) of revenues over expenditures	3,688	-	(2,059)	(1,463)	(2,254)	(1,254)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,688	-	(2,059)	(1,463)	(2,254)	(1,254)
Fund balances - beginning	<u>38,366</u>	<u>359</u>	<u>3,493</u>	<u>43,760</u>	<u>4,095</u>	<u>6,992</u>
Fund balances - ending	<u>\$ 42,054</u>	<u>\$ 359</u>	<u>\$ 1,434</u>	<u>\$ 42,297</u>	<u>\$ 1,841</u>	<u>\$ 5,738</u>

*(Continued)*

See accompanying Independent Auditor's Report.



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

	<u>Nonmajor special Revenue Funds</u>			<u>Nonmajor Capital Projects Funds</u>		
	<u>Miscellaneous State Grants Fund</u>	<u>Comstock Book Fund</u>	<u>Total Special Revenue Funds</u>	<u>Public Works Facility Improvements Fund</u>	<u>Transfer Station Fund</u>	<u>LOCIP Fund</u>
	<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 2,370,190	\$ 3,623	\$ -	\$ 178,000
Charges for services	-	-	591,450	-	-	7,266
Other	-	12,839	50,453	-	-	-
Total revenues	<u>-</u>	<u>12,839</u>	<u>3,012,093</u>	<u>3,623</u>	<u>-</u>	<u>185,266</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	940	37,215	-	-	-
Public safety	-	-	8,675	-	-	-
Public works	-	-	436,120	-	-	-
Health and welfare	-	-	335,658	-	-	-
Recreation and leisure	-	-	76,430	-	-	-
Education	-	-	2,134,649	-	-	-
Capital outlays	-	-	-	3,623	60,000	178,000
Total expenditures	<u>-</u>	<u>940</u>	<u>3,028,747</u>	<u>3,623</u>	<u>60,000</u>	<u>178,000</u>
Excess (deficiency) of revenues over expenditures	-	11,899	(16,654)	-	(60,000)	7,266
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	11,899	(16,654)	-	(60,000)	7,266
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>584,159</u>	<u>-</u>	<u>-</u>	<u>112,115</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 11,899</u>	<u>\$ 567,505</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 119,381</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

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

	<u>Capital Nonrecurring Fund</u>	<u>Capital Projects Funds</u>	<u>Open Space Fund</u>	<u>Bridges Fund</u>	<u>Bridge St. Remediation Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ 75,874	\$ 17,033	\$ 274,530	\$ 2,644,720
Charges for services	-	-	-	-	-	7,266	598,716
Other	-	-	-	-	-	-	50,453
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,874</u>	<u>17,033</u>	<u>281,796</u>	<u>3,293,889</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	37,215
Public safety	-	-	-	-	-	-	8,675
Public works	-	-	-	-	17,033	17,033	453,153
Health and welfare	-	-	-	-	-	-	335,658
Recreation and leisure	-	-	-	-	-	-	76,430
Education	-	-	-	-	-	-	2,134,649
Capital outlays	3,125	224,279	-	76,111	-	545,138	545,138
Total expenditures	<u>3,125</u>	<u>224,279</u>	<u>-</u>	<u>76,111</u>	<u>17,033</u>	<u>562,171</u>	<u>3,590,918</u>
Excess (deficiency) of revenues over expenditures	(3,125)	(224,279)	-	(237)	-	(280,375)	(297,029)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	634,779	-	-	-	634,779	634,779
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>634,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,779</u>	<u>634,779</u>
Net change in fund balances	(3,125)	410,500	-	(237)	-	354,404	337,750
Fund balances - beginning	<u>132,368</u>	<u>1,071,261</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>1,320,744</u>	<u>1,904,903</u>
Fund balances - ending	<u>\$ 129,243</u>	<u>\$ 1,481,761</u>	<u>\$ 5,000</u>	<u>\$ (237)</u>	<u>\$ -</u>	<u>\$ 1,675,148</u>	<u>\$ 2,242,653</u>

*See accompanying Independent Auditor's Report.*

---

**FIDUCIARY FUNDS**

---

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

	<u>Student Activities Fund</u>	<u>Performance Bonds Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 268,523	\$ 130,590	\$ 399,113
Investments	52,428	-	52,428
Total assets	<u>\$ 320,951</u>	<u>\$ 130,590</u>	<u>\$ 451,541</u>
<b>LIABILITIES</b>			
Due to student groups	\$ 320,951	\$ -	\$ 320,951
Due to others	-	130,590	130,590
Total liabilities	<u>\$ 320,951</u>	<u>\$ 130,590</u>	<u>\$ 451,541</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF MONTVILLE, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2017</u>
<b>Student Activities Fund</b>				
Assets				
Cash and cash equivalents	\$ 284,075	\$ 515,272	\$ 530,824	\$ 268,523
Investments	32,557	19,871	-	52,428
Total assets	<u>\$ 316,632</u>	<u>\$ 535,143</u>	<u>\$ 530,824</u>	<u>\$ 320,951</u>
Liabilities				
Due to student groups	\$ 316,632	\$ 535,143	\$ 530,824	\$ 320,951
Total liabilities	<u>\$ 316,632</u>	<u>\$ 535,143</u>	<u>\$ 530,824</u>	<u>\$ 320,951</u>
<b>Performance Bonds Fund</b>				
Assets				
Cash and cash equivalents	\$ 145,121	\$ 27,594	\$ 42,125	\$ 130,590
Total assets	<u>\$ 145,121</u>	<u>\$ 27,594</u>	<u>\$ 42,125</u>	<u>\$ 130,590</u>
Liabilities				
Due to others	\$ 145,121	\$ 27,594	\$ 42,125	\$ 130,590
Total liabilities	<u>\$ 145,121</u>	<u>\$ 27,594</u>	<u>\$ 42,125</u>	<u>\$ 130,590</u>
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 429,196	\$ 542,866	\$ 572,949	\$ 399,113
Investments	32,557	19,871	-	52,428
Total assets	<u>\$ 461,753</u>	<u>\$ 562,737</u>	<u>\$ 572,949</u>	<u>\$ 451,541</u>
Liabilities				
Due to student groups	\$ 316,632	\$ 535,143	\$ 530,824	\$ 320,951
Due to others	145,121	27,594	42,125	130,590
Total liabilities	<u>\$ 461,753</u>	<u>\$ 562,737</u>	<u>\$ 572,949</u>	<u>\$ 451,541</u>

*See accompanying Independent Auditor's Report.*

---

**OTHER SUPPLEMENTARY INFORMATION**

---

**Table 1**

**TOWN OF MONTVILLE, CONNECTICUT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST SEVEN FISCAL YEARS**  
*(Unaudited)*

---

<u>GRAND LIST DATED 10/1</u>	<u>REAL PROPERTY PERCENT</u>	<u>PERSONAL PROPERTY PERCENT</u>	<u>MOTOR VEHICLE PERCENT</u>	<u>GROSS TAXABLE GRAND LIST (1)</u>	<u>LESS EXEMPTIONS (1)</u>	<u>NET TAXABLE GRAND LIST (1)</u>	<u>PERCENT CHANGE %</u>
2015	81.1	8.9	10.0	\$ 1,636,050	\$ 355,646	\$ 1,280,404	-5.0%
2014	76.8	13.7	9.5	1,619,701	271,914	1,347,787	7.0%
2013	82.1	7.8	10.1	1,605,569	346,271	1,259,298	0.4%
2012	82.6	7.4	10.0	1,602,427	347,898	1,254,529	-4.1%
2011	79.7	10.5	9.8	1,531,006	222,785	1,308,221	14.6%
2010	82.9	9.2	7.9	1,745,512	213,719	1,531,793	1.0%
2009	83.1	9.2	7.7	1,725,221	208,864	1,516,357	0.29%
2008	82.4	9.8	7.8	1,709,810	197,863	1,511,947	-

(1) In thousands

Source: Town of Montville, Office of the Assessor

**TOWN OF MONTVILLE, CONNECTICUT**  
**MAJOR TAXPAYERS**  
**2015 GRAND LIST**  
*(Unaudited)*

NAME OF TAXPAYER	NATURE OF BUSINESS	GRAND LIST AMOUNT (1)	% NET TAXABLE GRAND LIST (2)
Connecticut Light and Power	Utility	\$ 44,549,817	3.48
CSC Montville Commons LP	Retail Shopping Center	12,633,500	0.99
Home Depot USA Inc.	Retail Shopping Center	11,451,359	0.89
Montville Power LLC	Power Generation	11,264,206	0.88
Rand Whitney Containerboard LTD	Paper/Paperboard/Cogeneration	9,466,143	0.74
Stonestreet Hospitality Realty Co	Hotel	8,497,910	0.66
Yankee Gas Services	Utilities	6,641,550	0.52
Jensens Inc.	Active Adult Community	5,880,397	0.46
Burkhard Hotel Partners II LLC	Hotel	5,471,185	0.43
Rand Whitney Realty LLC	Paper/Paperboard/Cogeneration	<u>4,417,300</u>	<u>0.34</u>
		<u><u>\$ 120,273,367</u></u>	<u><u>9.39</u></u>

(1) Net Taxable Grand List 10/01/15

(2) Net Taxable Grand List 10/01/15 Amount \$1,280,404,103

Source: Town of Montville, Office of the Tax Collector



Table 3

**TOWN OF MONTVILLE, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST SEVEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	Grand List Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2017	2015	\$ 38,963,093	\$ 38,194,770	98.03%	\$ -	\$ 38,194,770	98.03%
2016	2014	37,925,442	37,067,885	97.74%	278,523	37,346,408	98.47%
2015	2013	36,794,710	35,912,024	97.60%	354,052	36,266,076	98.56%
2014	2012	36,173,699	35,271,962	97.51%	386,853	35,658,815	98.58%
2013	2011	38,212,245	36,735,621	96.14%	1,220,959	37,956,580	99.33%
2012	2010	35,089,735	33,078,939	94.27%	1,812,186	34,891,125	99.43%
2011	2009	33,817,048	33,200,666	98.18%	587,112	33,787,778	99.91%
2010	2008	32,227,184	31,558,711	97.93%	650,057	32,208,768	99.94%

**Source:** Town of Montville, Office of the Tax Collector

**Note:** The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year.

Table 4

**TOWN OF MONTVILLE, CONNECTICUT**  
**RATIOS OF GENERAL BONDED DEBT**  
**LAST EIGHT FISCAL YEARS**  
*(Unaudited)*

<b>Fiscal Year</b>	<b>Total Bonded Debt</b>	<b>Clean Water Fund Notes</b>	<b>Total Net Bonded Debt</b>	<b>Ration of Net Bonded Debt to Est. Actual Taxable Value<sup>1</sup></b>	<b>Percentage of Personal Income<sup>2</sup></b>	<b>Debt Per Capita<sup>3</sup></b>
<b>Governmental Activities:</b>						
2017	\$ 31,723,800	\$ -	\$ 31,723,800	2.48%	5.46%	1,621
2016	34,937,500	-	34,937,500	2.59%	5.61%	1,779
2015	37,631,200	-	37,631,200	2.99%	5.23%	1,929
2014	40,650,200	-	40,650,200	3.24%	7.17%	2,084
2013	43,484,200	-	43,484,200	3.32%	7.41%	2,207
2012	46,177,600	-	46,177,600	3.01%	8.68%	2,472
2011	38,197,600	-	38,197,600	2.52%	8.54%	1,910
2010	41,137,600	-	41,137,600	2.72%	9.43%	2,108
<b>Business-type Activities:</b>						
2017	\$ 1,669,200	\$ 213,623	\$ 1,882,823	0.15%	0.32%	96
2016	1,966,500	224,008	2,190,508	0.16%	0.35%	112
2015	2,263,800	245,631	2,509,431	0.20%	0.35%	129
2014	2,534,800	-	2,534,800	0.20%	0.45%	130
2013	2,745,800	-	2,745,800	0.21%	0.47%	139
2012	2,922,400	-	2,922,400	0.19%	0.55%	156
2011	1,777,400	-	1,777,400	0.12%	0.40%	89
2010	2,022,400	-	2,022,400	0.13%	0.46%	104
<b>Town-wide:</b>						
2017	\$ 33,393,000	\$ 213,623	\$ 33,606,623	2.62%	5.78%	1,717
2016	36,904,000	224,008	37,128,008	2.75%	5.96%	1,891
2015	39,895,000	245,631	40,140,631	3.19%	5.58%	2,057
2014	43,185,000	-	43,185,000	3.44%	7.62%	2,214
2013	46,230,000	-	46,230,000	3.53%	7.88%	2,346
2012	49,100,000	-	49,100,000	3.21%	9.23%	2,628
2011	39,975,000	-	39,975,000	2.64%	8.94%	1,998
2010	43,160,000	-	43,160,000	2.85%	9.89%	2,212

**Source:** Annual Town Financial Statements

- 1** See Table 1 for taxable property value data.
- 2** See Table 5 for population data. These ratios are calculated using personal income.
- 3** See Table 5 for population data. These ratios are calculated using personal income and population.

Table 5

**TOWN OF MONTVILLE, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST EIGHT FISCAL YEARS**  
*(Unaudited)*

Fiscal Year	Population <sup>1</sup>	Personal Income (000)s	Per Capita Personal Income <sup>2</sup>	Median Age <sup>1</sup>	Unemployment Rate <sup>3</sup>
2017	19,571	\$ 581,043	\$ 29,689	43	4.3%
2016	19,635	623,278	31,847	43	4.2%
2015	19,511	719,780	36,891	40	6.0%
2014	19,505	566,640	29,051	42	6.7%
2013	19,703	586,696	29,777	42	8.0%
2012	18,680	532,044	28,482	39	9.0%
2011	20,003	447,207	22,357	38	9.1%
2010	19,516	436,319	22,357	39	9.2%

**Source:** Various Town records

- 1** Connecticut Economic Resource Center, Inc. Annual Town Profile
- 2** State of Connecticut, Department of Economic and Community Development
- 3** State of Connecticut, Labor Department, By Town, Not Seasonally Adjusted