

**Town of North Haven, Connecticut**



**Comprehensive Annual  
Financial Report  
Year Ended June 30, 2014**



# Town of North Haven, Connecticut



## Comprehensive Annual Financial Report

For the Fiscal Year  
July 1, 2013 to June 30, 2014

Prepared By:  
Finance Department

Edward J. Swinkoski, CPA  
Director of Finance/Administration



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## **Introductory Section**





## TOWN OF NORTH HAVEN

MEMORIAL TOWN HALL / 18 CHURCH STREET

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December 23, 2014

Honorable Members of the Board of Selectmen  
and the Board of Finance  
Town of North Haven, Connecticut  
18 Church Street  
North Haven, CT 06473

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey LLP, Certified Public Accountants, have issued an unmodified "clean" opinion on the Town of North Haven, Connecticut's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD and A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD and A complements this letter of transmittal and should be read in conjunction with it.

### **PROFILE OF THE GOVERNMENT**

The Town of North Haven, settled around 1670 as part of the colony of New Haven, was incorporated as a separate town in 1786. Located in south central Connecticut adjacent to and northeast of the City of New Haven, the Town covers a land area of 21.1 square miles and serves a population of 24,033. The Town of North Haven is empowered to levy a property tax on both real and personal properties located within its boundaries.

It operates under a Board of Selectmen form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health and social services, recreation, education and general administrative services.

The Town of North Haven has a Board of three selectmen, who are elected for a two year term, and a Board of Finance. The Town Meeting is the legislative body and must approve the annual budget, all special appropriations or expenditures, and all bond and note authorizations.

The Town operates with a total of fourteen elective boards and thirteen appointed boards. Members of the elective boards are chosen on a staggered basis. Powers and privileges are conferred and granted to the Town under the Constitution and General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman is also an ex-officio member of all Town boards, commissions, and agencies with a vote only on the Board of Selectmen, the Board of Finance, the Police Retirement Board and the Water Pollution Control Authority.

The Board of Finance is the budget-making authority responsible for financial and taxation matters, presenting the annual operating budget and special appropriations to the Town Meeting for its approval, and establishing the tax rate.

The Town's full-time professional staff includes an appointed Director of Finance/Administration and five other Department Heads.

The annual budget serves as the foundation for the Town of North Haven's financial planning and control.

The budget is prepared for the General Fund by department. Transfers under \$20,000 may be made within a department. Required transfers are tracked continuously and are formally adopted immediately after the end of the fiscal year as part of the end of the fiscal year closing of the budget.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 57 through 62.

## **LOCAL ECONOMY**

Connecticut Route No. 15, the Wilbur Cross Parkway, passes through North Haven as does U.S. Route No. 5 and Connecticut Route Nos. 10, 17 and 22. North Haven is accessible from three full interchanges and two partial interchanges to Interstate Route No. 91. In addition, the Route 40 Connector provides a vital link between the center of North Haven, I-91 and Route 10 in the Mount Carmel Section of Hamden. Freight, and passenger service, is provided by Amtrak, Metro-North and Conrail, which also operates the Cedar Hill Classification Yard, one of the largest in the East. Most of this yard is located in the Town. Amtrak presently has its regional maintenance of operations in this area. In addition, interstate and intrastate buses and trucking companies provide freight and passenger service. The Tweed/New Haven Airport provides passenger and air freight service and is located 10 miles away on the New Haven/East Haven city lines.

North Haven is a suburban residential community with many commercial and manufacturing resources. The Town is part of a 12 town region comprising the New Haven labor market. An estimated 18,802 people are employed in North Haven.

There is a diverse commercial tax base including large and small manufacturers, distributors of food, beverage and industrial products, retail centers, entertainment and restaurants. In addition to the ten largest taxpayers (see table 9) other companies include: Brescombe Barton, liquor distributor; United Aluminum, aluminum products manufacturer; O.F. Mossberg & Sons, firearm manufacturer; Target Corp., retail; Hertz Equipment Rental, construction equipment rental; Montowese Health & Rehabilitation, health care; Connecticut Container Corp., corrugated container manufacturer; Rosewood LLC, apartments, Fleetpride, heavy-truck parts supplier; H.B. Communications, AV systems provider, Praxair Surface Technologies, industrial coatings; and C. Cowles, automotive manufacturer.

North Haven has many industrial parks, including the Mersick Industrial Park containing 35 acres; the Wharton Industrial Park containing 200 acres; the Leonardo Drive Industrial Park containing 70 acres; the Exit 10 Industrial Park containing 35 acres; and the Exit 9 Industrial Center containing 130 acres. Although much of the acreage included in these parks has been developed, there are some prime sites still available.

In 1960, there were 4,766 dwellings, as compared with 8,549 in 2013, that include mostly single family, owner occupied homes and condominiums. The average sales price of homes in North Haven was \$299,330, with homes ranging between \$118,000 and \$700,000. The Town's Planning and Zoning Commission is responsible for enforcing subdivision and other Town zoning regulations. In 2005, the Town adopted a new Plan of Conservation and Development to direct future growth and ensures its compatibility with existing uses.

## **MAJOR INITIATIVES**

The Town remains a desirable location for families and businesses. Although the population has remained stable over the last decade, there are still opportunities for additional residential growth. A 76 single-family home development is being built on Middletown Ave., as well as a 149 unit condominium complex on Half Mile Road. In addition, there are two apartment projects currently under construction, a 150 unit complex on State Street for residents 55 years and older, and a 125 unit complex on Washington Avenue with 3,200 sq. ft. of retail on the ground level.

North Haven is committed to expanding its tax base by working closely with our current commercial taxpayers, as well as developers of new properties. We are home to over 1,300 businesses and support one of the largest commercial and industrial tax bases in Connecticut.

The Town Meeting recently approved an Economic Development Tax Incentive ordinance which will provide incentives to both existing businesses that want to expand and new businesses that want to build in town. The tax incentive is in the form of a three to seven year phased-in increase to the value of the property.

Commercial projects that are currently under development are a new Cinemark 14-screen movie theater; expansion of the Unicor-Connecticut Container factory; and the Northeast Gateway Industrial Park is continuing its development by the demolishing of the former Pratt & Whitney factory building.

The expansion of the medical facilities on Devine Street continues to grow. In addition to the 120,000 sq. ft. Yale-New Haven Hospital facility and an 18,000 sq. ft. Cardiology office, a 10,000 sq. ft. emergency and specialty animal hospital has opened in 2014.

Quinnipiac University has completed its multi-million dollar renovation of the former Anthem Insurance campus. The graduate programs for the School of Education, School of Health Sciences, School of Nursing, School of Law and the Frank H. Netter Medical School are not located in the North Haven Campus.

The Town is seeking to connect property on Valley Service Road and Defco Park Road, to provide greater access to this industrially zoned land. The Town intends to take over the sewer pump station on the Pratt & Whitney site and run a sewer line to the industrial sites on Defco Park Road.

The purpose of these improvements is to enhance development of the additional hundreds of acres of vacant industrial property on Valley Service Road and Dodge Avenue. Funding has been obtained through grants from the Economic Development Administration in Washington, D.C. This request also covers over 200 acres of land off Universal Drive, property that was once part of the Cedar Hill rail yards. In particular, the Town seeks funding to build a road network through the property. Each of these large-scale developments involves active participation by property owners to develop these hundreds of acres of land for mixed uses such as technology, manufacturing, a hotel with conference center, health club, retail stores and other varied uses.

The Town is also utilizing a State grant to repair and expand the Muddy River/Universal Road bridge and is preparing to replace the Sackett Point Road bridge. Both bridges lead to the highly traveled Universal Road shopping district.

North Haven is a remarkable community with a very rich tradition of being an outstanding place to both work and live. We are a community that will continue to grow. We are committed to stay focused on growing our grand list through productive economic development that is designed to minimize the tax burden for our town residents. By setting goals and objectives, embracing new ideas and being relentless on productive growth, North Haven will continue to be a wonderful community to be part of.

**Finance Office:** The Finance Office assists the Treasurer, Board of Finance and First Selectman. Its principal responsibility is the Town's day to day financial/administrative management and record keeping. Additional responsibilities include general administration, facilities management, personnel, purchasing, grants management, insurance/risk management, labor relations and wage/benefit administration.

**Police:** The North Haven Police Department provides full-time police services. The staff consists of 48 regular police officers, 4 civilian dispatchers, 4 clerks and 1 maintenance person. Major equipment includes the Town's central radio communications and dispatch point E 911 PSAP, 8 unmarked cruisers, 15 marked cruisers, 1 motorcycle, 1 armored vehicle, 1 cargo van and 1 traffic light and sign maintenance truck.

**Fire:** The North Haven Fire Department consists of a full-time career paid Headquarters staff and three volunteer fire companies. The Department has a career staff of 34 firefighters. Each volunteer company carries a maximum of 35 active firefighters and fire-police members. The major equipment includes: one 1,500 GPM pumper engine, seven 1,250 GPM pumper engines, two emergency rescue vehicles and a 105' aerial ladder truck. There are over 650 fire hydrants within the Town. The Town provides emergency medical services to the paramedic level.

**Public Works:** The Department encompasses the offices of the Building Official, Engineering, Land Use Administration, Zoning Enforcement and the operating divisions of Field Operations, Parks, Equipment Maintenance, Sanitation and Recycling. Additionally, the Department administers the Town's wastewater collection and treatment program under the direction of the Water Pollution Control Authority (WPCA).

**Water Pollution Control Authority:** The Water Pollution Control Authority (WPCA) oversees the Town's sanitary sewage collection system, the extension of sewer mains, reviews and approves of the expense and capital budget items, establishes policy, procedures and regulations, authorizes expenditures, and approves of assessment and collection charges.

The WPCA also works with property developers in Town to establish new sewer collection systems and pump stations for proposed subdivisions and commercial developments in accordance with Town standards.

**Water Pollution Control Division:** The Water Pollution Control Division as contracted through Veolia Water North America, oversees the operations of the Town's Water Pollution Control Facility (WPCF) and reports directly to the Director of the Department of Public Works.

The WPCF was constructed in 1966 and was modified and expanded in 1991 and again in 2005 to meet advanced treatment requirements as administered through the State of Connecticut Department of Energy and Environmental Protection (DEEP) and the United States Environmental Protection Agency (USEPA). Approximately 70% of the Town's residential, commercial and industrial properties are served by the WPCF. The WPCF includes preliminary, primary, and advanced secondary treatment of all sanitary sewage received at the plant. The treatment of sanitary sewage is subject to strict State of Connecticut and Federal National Pollutant Discharge Elimination System (NPDES) permit regulations and discharge requirements.

WPCF personnel provide operation and maintenance of the facility, its nine (9) pumping stations, and preventative maintenance of the approximately one hundred ten (110) miles of sanitary sewer mains.

WPCF personnel also perform the marking of underground sewer utilities as outlined in the State of Connecticut's "Call Before You Dig" program and performs inspections of all new and existing sanitary sewer connections to the Town's collection system, and perform inspections of approximately 110 restaurants under the State of Connecticut DEEP General Permit for the Discharge of Wastewater Associated with Food Preparation Establishments. This is also known as the "FOG Program" concerned with the elimination and reduction of Fats, Oils and Greases.

In addition to these duties, facility personnel provided preventive and corrective maintenance of all mechanical systems at the town swimming pool and nine emergency generators located throughout the town.

The latest improvements underway at the WPCF by the Town, include new valves and piping to the Old Broadway Pump Station and the replacement of the Supervisory Control and Data Acquisition (SCADA) system.

**Engineering Office:** The Town Engineer provides technical assistance and support to various boards and commissions, including Planning and Zoning, Inland Wetlands and the Zoning Board of Appeals and the Water Pollution Control Authority. The Town Engineer also works closely with the Office of the First Selectman and supports other Town departments and divisions within the Department of Public Works.

This assistance includes review of roadway and bridge design, drainage modifications and improvements, sanitary sewer installations, utilities, traffic control and property development issues. Coordination with State of Connecticut and Federal agencies, various consulting engineers, property developers, builders and the general public is provided in order to resolve potential problems prior to and during construction and/or site development.

Other services provided by Engineering include design, technical administrative assistance and inspection for Town construction projects, coordination of Town map updating and the administration of the Town Flood Plan ordinance and regulatory process.

**Field Operations:** The Field Operations Division is comprised of staff who are assigned to Streets and Roads, Sanitation, Transfer Station operations, Recycling Center operations, Parks and Equipment and Vehicle Maintenance. The Field Operations Division provides year round maintenance services to the Town's 146 plus miles of roadways, public drainage courses, parking lots, parks and other Town-owned open space areas. Field Operations personnel also provide for annual curbside leaf collection and disposal, winter snow and deicing efforts, street sweeping, catch basin cleaning, and replacement of asphalt curbing and road patching services.

The Department's Director of Field Operations also functions as the Town's Tree Warden and oversees the maintenance of where applicable, removal of all trees located on Town property or within the Town's Right of Way (ROW). In the fall of each year, the division operates a leaf collection program, which includes a six week program for scheduled pickup of loose leaves placed at the curb and those placed in brown biodegradable bags.

The Streets and Roads Division is also responsible for the management, maintenance and operations of the Town's Leaf Composting Facility located on the surface of the Town's landfill to the rear of the WPCF.

**Parks:** The Parks Division, which is an integral part of the Department's Division of Field Operations, is responsible for maintaining nearly 200 acres of park land and other open space areas throughout Town including: 18 ball fields, 10 tennis and basketball courts, 7 playgrounds, and 8 passive or natural areas. Some of the Town's critical open spaces include: Peter's Rock, Hansen Farm Park and Spring Road.

The Parks Division maintains the Town's Central Block and the Town cemeteries and assists with snow removal and deicing efforts as well as curbside leaf collection and removal. This division also provides assistance to other Town departments and support to Community Services and Recreation programs, affiliated sports leagues and special events held at the various Town Parks.

**Vehicle and Equipment Maintenance:** Supervised by the Field Operations Division, this section is responsible for keeping all of the Town's and Board of Education's vehicles, trucks and equipment operational. Department equipment includes, but is not limited to; plow trucks, sanitation trucks, recycling trucks, large lawn mowers, street sweepers, wood chippers, lawn maintenance equipment and more. A working foreman and three mechanics maintain and repair all Town and Board of Education owned-vehicles and equipment, including police vehicles and general Town vehicles utilized for day-to-day operations.

Vehicle and Equipment Maintenance Staff are also responsible for the daily management of the underground storage tanks (USTs) located at the Public Works Garage, including inspections and obtaining receipts of records and print-outs from the Veeder Root fuel leak detention system associated with tank volumes.

**Sanitation:** The Sanitation Division is responsible for the weekly collection of municipal solid waste (MSW) and recyclables for the 10,000 homes in Town. On average, this amounts to approximately 24,000 tons per year or 1.1 tons per Town resident annually. The Town also collects twice annually, bulky waste items such as refrigerators, ranges, tires and mattresses and/or other upholstered items. These items can also be disposed of at the Town's Transfer Station located at Universal Drive near Sackett Point Road.

The Sanitation Division provides single-stream curbside collection of State mandated recyclable items. These include: clear, green, and brown glass food and beverage containers; plastics (nos. 1-7) metal food and beverage containers, aluminum foil and pie plates; newspaper, paper and corrugated cardboard.

Residential solid wastes are collected once weekly by the Town's staff and disposed of at the Wallingford Resource Recovery Facility (Incineration Plant). Since July 1, 2010, disposal is made at the same location; however, the facility is owned and operated by COVANTA PROJECTS OF WALLINGFORD, L.P. (Covanta) per agreement between the Town and Covanta dated December 17, 2008 (the Covanta Agreement).

The Town has entered into a Municipal Solid Waste Services Delivery and Disposal Contract with the Covanta Energy pursuant to which it participates with four (4) other central Connecticut municipalities in the Wallingford Resource Recovery System. The system consists of a mass burn solid waste, resource recovery steam and electric generation facility located in the Town of Wallingford.

Under the Service Contract, the Town is required to deliver, or cause to be delivered to the system, solid wastes generated within Town boundaries up to the minimum commitment of the five participating municipalities. The total annual commitment for the five Towns is 125,000 tons per year. The Town's commitment to pay Municipal Disposal fees is a 'put-or-pay' commitment in that if the aggregate minimum commitment is not met by the five municipalities in any year, the Town must pay Municipal Disposal Fees for its full portion of the aggregate minimum commitment even if it did not deliver the full portion of the aggregate minimum commitment.

The Municipal Disposal Fee applicable in any contract year is calculated by estimating and netting out the System Cost and System Revenue for such contract year, as such terms are defined in the Service Contract. System costs include debt service on the Authority's bonds issued to finance the System, costs of operation and administrative costs, among other things. System revenue includes revenues through the sale of steam and electricity.

Municipal Disposal Fees shall be payable so long as the System is accepting solid waste delivery by or on behalf of the Town, whether or not such waste is processed at the facility. The Town's obligation to Municipal Disposal Fees, so long as the Authority is accepting the Town's solid waste, is absolute and unconditional, and shall not be subject to any set-off, counterclaim, recoupment, defense, or other right which the Town may have against the Authority or any other person for any reason. The Town has pledged its full faith and credit to the payment of the Municipal Disposal Fees and has also agreed to

enforce or levy and collect all taxes, cost sharing or other assessment or charges and take all such other action as may be necessary to provide for the payment of Municipal Disposal Fees.

The Town has a 'flow control' ordinance, which requires all collectors of solid waste in North Haven to deliver collected solid waste to the System.

**Transfer Station:** The Transfer Station is located on Universal Drive, approximately 500 feet south of the intersection with Sackett Point Road. Containers for normal household waste; bulky waste defined upholstered items and mattresses/box springs, brush, tires and white goods are available for use by residents only.

All vehicles must obtain a permit to use the Transfer Station, including trailers for cars or pick-up trucks. Each year, residents must bring their registration and driver's license to the Public Works Office. Each resident is entitled to six (6) passes for the transfer station which are valid for unlimited trips within the same day.

**Recycling:** The Town's Recycling Program annually ranks in the top 10% of the State of Connecticut Cities and Towns with a total of over 1,100 pounds of recyclables generated per resident and processed annually. In addition, North Haven recycles over 50% of its municipal solid waste, far surpassing the State's goal of 40%. This figure attests to North Haven's consistent ranking in the State's top communities in percentage of recyclables.

Effective August 1, 2013, the Town of North Haven in contract with John's Refuse and Recycling, commenced a no cost single-stream recyclables collection including the acceptance of plastics, (Nos. 1-7) mixed paper materials including junk mail and telephone books, glass and metal food and beverage containers, etc.

Effective April 4, 2013, the Town entered into its second "no cost" electronics recycling contract, this time with Electronics Recycling International and Take2Recycling. This contract allows the Town to comply with the 2009 mandated State of Connecticut Department of Energy and Environmental Protection (CT DEEP) regulations governing electronics recycling.

**Leaf Disposal:** Leaves are a mandated recyclable item by the State of Connecticut Department of Energy and Environmental Protection (CT DEEP) and must be composted by law. They may be composted by residents in their back yard or through the Town's Fall Leaf Collection and Compost Program. In the Fall of each year, the Division operates a Fall Leaf Collection Program, which includes a six week scheduled pick up program of curbside, loose leaves and those placed in brown biodegradable bags. This program is conducted in November and December annually. The Town does not collect leaves curbside at any other time of the year. However, residents may bring leaves year round to the Town's Recycling Center on Elm Street.

The Town continues to implement its in-house Leaf Composting effort, currently located on the Town's closed landfill and soon to be relocated to another Town-owned property. Residents are able to pick-up composted materials at no cost at the Town's Recycling Center located on Elm Street. Compost materials are for residential use only and are available as early as June of each year. Materials will continue to be available on a first come, first served basis until the supply is exhausted.

**Land Use Office:** The Land Use Office staff provides administrative support to the Planning and Zoning Commission, the Zoning Board of Appeals and the Inland Wetlands Commission.

Under the direction of the Land Use Administrator, the office assists residents, property owners and developers through the application process, to the appropriate Land Use Board and/or Commission. Procedurally, the office is responsible for accepting the formal application, preparing the legal notices, reviewing all applications for completeness and compliance, preparing the meeting agenda and organizing the actual meeting place(s).

The office also provides administrative support for the Zoning Enforcement Officer and works closely with the Building Department and Engineering offices of Public Works as well.

In addition to applications to the Planning and Zoning Commission, plot plans and Certificates of Compliance, the following are brought to the Land Use Office for review and approval: residential additions, garages, decks, fences and pools. Sign permits are reviewed and approved through the Land Use Office by the Zoning Enforcement Officer. Complaints regarding Zoning and Inland Wetland violations are vigorously pursued by the Zoning Enforcement Officer. The Town continues to achieve a high rate of zoning compliance.

**Planning and Zoning Commission:** The Planning and Zoning Commission is a five (5) member elected Board with three (3) alternates. The Commission is responsible for regulating all land uses and approving of the development of land in North Haven, including site plans, subdivisions, zone changes, amendments to Zoning Regulations and Special Permits. Zoning Regulations have been adopted to protect the health, safety and general welfare of the Community.

**Inland Wetlands Commission:** The Inlands Wetlands Commission consists of seven (7) appointed members and three (3) alternates and is responsible for reviewing all development of land that contains wetlands and/or water courses. The primary job of this Commission is to protect and preserve Inland Wetlands and water courses while maintaining a balance with the development and economic growth of North Haven.

**Zoning Board of Appeals:** The Zoning Board of Appeals is a five (5) member elected Board with three (3) alternates. The Board is responsible for hearing all applications on variances, exceptions and appeals of the decisions of the Zoning Enforcement Officer. Board members attempt to visit each site prior to rendering a decision. Applications submitted to this Board are subject to a Public Hearing. Legal notices for each application are advertised twice prior to a Public Hearing being held.

**Zoning Enforcement:** The Zoning Enforcement Officer is a critical supporting entity to the Planning and Zoning and Inland Wetlands Commissions. This employee's primary responsibility is to ensure that Land Use Regulations are adhered to throughout the Town of North Haven consistently and fairly.

Other responsibilities include reviewing all plot plans for new residences; reviewing all plot plans for residential additions, fences, and swimming pools, issuing certificates of Zoning Compliance for residential, commercial, and industrial properties and issuing permits for all free-standing and wall signs.

The Zoning Enforcement Officer also plays an integral role in the Building Permit Process. The Zoning Enforcement Officer must provide an approval for all building permit applications received and the two Departments rely on one another prior to permit issuance.

**Building Department:** The Building Department is responsible for assuring the safety of North Haven residents through the enforcement of all applicable building codes for new or existing structures within the Town. This process typically includes the review of plans and the issuance of a building permit prior to the start of construction, followed by inspections of work in-progress, and ending with the issuance of a Final Inspection Report or a Certificate of Occupancy when all work has been completed in compliance with the current regulations.

New permitting software (ViewPermit) has been implemented to expedite the issuance of permits. Applicants are encouraged to check with the Department on any changes to the Permit Fee Schedule or Code Changes. The Building Code currently adopted by the Town of North Haven is the 2005 Connecticut State Building Code.

Asking questions prior to the start of a project is the most efficient way to ensure that the proper requirements are met. As defined by the State Building Code the following permits for\*:

- New homes;
- Additions, renovations or alterations to existing homes;
- Roofing, siding, door and window replacement
- New or repairs to: decks, porches, sheds, pools, garages and carports;
- New Commercial buildings;
- Additions, renovations or alterations to commercial buildings;
- Generators, coolers, outside storage, including pads and retaining walls;
- Installation or removal of gas, propane or oil tanks and or lines;
- Heating, ventilation, hood systems, sprinkler system (new or repairs), air conditioning, plumbing, grease traps, electrical wiring and low voltage;
- Installation of a fire place or wood stove;
- Installation of swimming pools, safety fences for in-ground pools, decks, sheds, etc.; and
- In general the replacement or repair of any existing structure and any new work before it is started.

**Blight Enforcement Officer:** The Building Office is also responsible for enforcement of the Blight Ordinance adopted in October 2011. This covers any property that is in a blighted condition that may adversely affect the economic well-being of the Town of North Haven, or contribute to the decline of neighborhoods, and jeopardize the health, safety, welfare and/or quality of life of persons within the Town of North Haven. Complaint forms can be found on-line on the Town's website and in the Building Department Office.

**Blight Prevention Board of Appeals:** The Blight Prevention Board of Appeals is a five (5) member appointed board with one (1) alternate. The Board is responsible for hearing all appeals of the decisions of the Blight Prevention Officer. Appeal applications submitted to the Board are subject to a public hearing. Legal notices for each application are advertised twice prior to a public hearing being held.

**Health:** The Quinnipiac Valley Health District is made up of North Haven, Hamden and Woodbridge, which joined together in 1978 to form a District Department of Health under provisions of Section 19-106 of the Connecticut General Statutes as amended. The District participates in per capita grants from the State of Connecticut, which help to defray the total cost of public health services.

The Town also participates in a Visiting Nurses Association Services, Inc. ("VNA"), which was formed in 1970 by the towns of North Haven, Woodbridge, Hamden and Bethany. The VNA provides home health care services.

**Community Services and Recreation:** The Department of Community Services/Recreation operates the Town's Comprehensive Human and Social Services program which includes Outpatient Psychiatric Services (under a contract with BH Care, Inc.), Youth Services, Day Care, Food Program, Energy Assistance, and a Senior Citizen's Program and Center which serves over 1,200 members.

The Recreation component within the Department is responsible for the planning and execution of activities, programs and special events designed to appeal to all age groups including, but not limited to tournaments, trips and a summer concert program; and operation and up-keep of the Town's Community Pool. The Recreation programs operate from the Mildred Wakeley Community and Recreation Center, which is also the site of a multiplicity of indoor recreational programs.

**Library:** The North Haven Memorial Library is a full service library open 58 hours per week in the winter and 48 hours per week in the summer. The library belongs to a consortium of 27 libraries. Town residents have online access to the collections of these libraries which number over two million volumes. Our library has 113,472 volumes, including audio visual and provides a variety of special information for business, industry and the personal needs of the Community. The Children's Department hosts over 300 programs and story hours a year. The department services children from infancy through age 14.

**Utilities:** Electric Service – United Illuminating Company and Integrys Energy Services; Gas Service – Southern Connecticut Gas Company; Water Service – South Central Connecticut Regional Water Authority.

## **EDUCATION SYSTEM**

The Town's school system services grades pre-kindergarten through twelve and is governed by the local Board of Education. The Town has a nine-member Board of Education elected to six-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Department of Education operates four elementary schools, each serving a quadrant of the Town for grades K-5. The middle school serves grades 6-8, and the senior high school serves grades 9-12.

Enrollment in grade kindergarten through twelve as of October 1, 2012 was 3,635. The rated capacity of the system facilities is 4,722.

## **LONG-TERM FINANCIAL PLANNING**

Unreserved, undesignated fund balance in the general fund is 8.9% of total general fund revenues. A portion of the fund balance may be used to offset general fund expenditures in the near future.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Haven for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of management and staff of the Department of Finance and members of other departments who assisted in its compilation, to which I hereby express my appreciation. I also extend this appreciation to the Board of Selectmen and Board of Finance for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Edward J. Swinkoski, CPA  
Director of Finance/Administration

**TOWN OF NORTH HAVEN, CONNECTICUT**  
**As of June 30, 2014**

**PRINCIPAL OFFICIALS**

**FIRST SELECTMAN**

Michael J. Freda

**BOARD OF SELECTMEN**

Timothy M. Doheny  
Sally Boemi

**BOARD OF FINANCE**

Richard Monico, Chairman  
William J. Pieper, Vice Chairman  
Michael T. Hallahan, Secretary  
Michael J. Freda  
James J. Lianos  
Patricia A. Brown  
Dyann M. Vissicchio

**ADMINISTRATION**

Director of Finance/Administration	Edward J. Swinkoski, CPA
Manager, Information Technology	William Bennett
Assistant Office Manager/Staff Personnel Specialist	Rose Tryanow
Assessor	Gary Johns
Tax Collector	J. Stacey Yarbrough
Town Counsel	William R. Ryan, Ryan & Ryan, LLC
Town Clerk	J. Stacey Yarbrough
Treasurer	Laurie-Jean Hannon
Director of Public Works	Lynn Sadosky
Director of Field Operations	Victor Palma
Assistant Director of Field Operations, Highway	Michael Landino
Assistant Director of Field Operations, Sanitation	Michael Maturo
Town Engineer	Jonathan Bodwell
Building Official	Elio Floriano
Assistant Building Official	Joseph Milici
Land Use Administrator	Alan Fredricksen
Zoning Enforcement Officer	Laura Magaraci
Chief of Police	Thomas McLoughlin
Deputy Chief of Police	Jonathan Mulhern
Fire Chief/Fire Marshall	Vincent Landisio
Deputy Fire Chief	David Marcarelli
Animal Control Officer	David Carney
Director of Community Services and Recreation	Edward J. Swinkoski, CPA
Assistant Director of Recreation	Eileen Pettit
Assistant Director of Recreation/Pool	Andrew DelVecchio
Youth Services Administrator	Nancy Leddy
Manager of Senior Center	Judy Amarone
Director of Library Services	Lois Baldini
Assistant Director of Library Services	Patricia Dortenzio

**BOARD OF EDUCATION**

Alicia Clapp  
Jennifer Ceccarelli  
Goldie Adele  
Jennifer A. Caldwell  
Randi Petersen  
Mathew Kerzner  
Wesley J. O'Brien  
Chairman - Anita B. Anderson  
Bryan P. Bogen

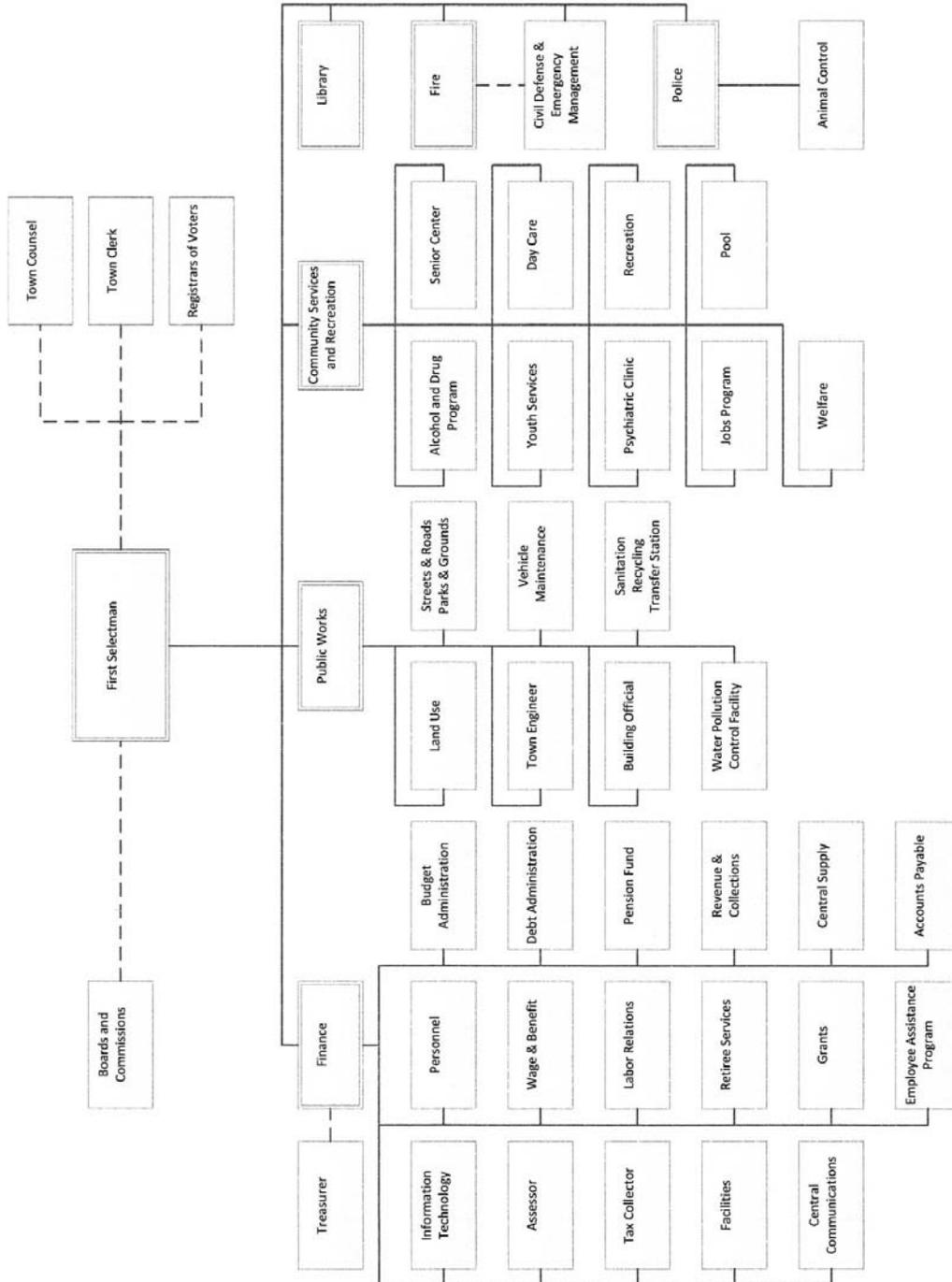
Superintendent of Schools

Dr. Robert Cronin

Director of Business & Operations

Kristine Carling, CPA

# Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of North Haven  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

**Financial Section**





## Independent Auditor's Report

To the Board of Finance  
Town of North Haven, 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 North Haven, Connecticut (the Town) as of and for the fiscal year ended June 30, 2014, and the related notes thereto which collectively comprise the Town's basic financial statements as listed in the table of content.

### 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 North Haven, Connecticut as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, budgetary comparison information, the schedules of funding progress, the schedule of employer contributions, and the schedule of changes in net pension liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

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

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates 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 financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, 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 23, 2014 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.



New Haven, Connecticut  
December 23, 2014

## **Town of North Haven, Connecticut Management's Discussion and Analysis - Unaudited June 30, 2014**

As management of the Town of North Haven, Connecticut we offer readers of the Town of North Haven's financial statements this narrative overview and analysis of the financial activities of the Town of North Haven for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through x, of this report.

### **Financial Highlights**

- The assets of the Town of North Haven exceeded its liabilities at the close of the most recent fiscal year by \$66,766,523 (net position). Of this amount, \$1,365,567 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,286,295.
- As of the close of the current fiscal year, the Town of North Haven's governmental funds reported combined ending fund balances of \$23,158,877, an increase of \$3,528,490, in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,062,822, or 8.5% of total general fund expenditures.
- The Town of North Haven's total bonded debt increased by \$5,105,000, 10.2% during the current fiscal year.

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

This discussion and analysis are intended to serve as an introduction to the Town of North Haven's basic financial statements. The Town of North Haven'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.

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

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

The statement of activities presents information showing how the government'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 only 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 distinguish functions of the Town of North Haven 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 of North Haven include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activity of the Town of North Haven is the Water Pollution Control Authority.

The government-wide financial statements include only the Town of North Haven itself (known as the primary government). The Town of North Haven does not have any component units to be reported separately from the financial information presented for the primary government itself. The Water Pollution Control Authority, although also legally separate, functions for all practical purposes as a department of the Town of North Haven, and therefore has been included as an integral part of the primary government.

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

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

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

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

The Town of North Haven maintains 58 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 which is considered to be a major fund. Data from the other 57 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 11 and 12 of this report.

**Proprietary funds.** The Town of North Haven maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of North Haven uses an enterprise fund to account for its Water Pollution Control Authority. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town of North Haven's various functions. The Town of North Haven uses an internal service fund to account for its dental insurance, prescription and workers' compensation programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority, which is considered to be a major fund of the Town of North Haven. Conversely, six internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 14-16 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of North Haven's own programs.

The basic fiduciary statements can be found on pages 17 and 18 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 56 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Haven, Connecticut's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund budgetary comparison. This information can be found on pages 57 through 67 of this report.

### Government-wide Financial Analysis

As noted, earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of North Haven, assets exceeded liabilities by \$66,766,523 at the close of the most recent fiscal year, \$55,086,251 for governmental activities and \$11,680,272 for business-type activities.

By far the largest portion of the Town of North Haven's total net position (96.1%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of North Haven uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of North Haven's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Town of North Haven's Summary Statement of Net Position**  
As of June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 33,702,601	\$ 30,339,332	\$ 2,664,564	\$ 2,949,490	\$ 36,367,165	\$ 33,288,822
Capital assets	111,093,938	106,553,065	8,293,763	8,793,844	119,387,701	115,346,909
<b>Total Assets</b>	<b>144,796,539</b>	<b>136,892,397</b>	<b>10,958,327</b>	<b>11,743,334</b>	<b>155,754,866</b>	<b>148,635,731</b>
Long-term liabilities outstanding	83,224,509	7,369,494	-	-	83,224,509	7,369,494
Other liabilities	6,453,140	6,913,419	-	-	6,453,140	6,913,419
<b>Total Liabilities</b>	<b>89,677,649</b>	<b>14,282,913</b>	<b>-</b>	<b>-</b>	<b>89,677,649</b>	<b>14,282,913</b>
Net position:						
Net investment in capital assets	55,955,494	57,590,807	8,293,763	8,793,844	64,249,257	66,384,651
Restricted	1,151,699	1,132,436	-	-	1,151,699	1,132,436
Unrestricted (deficit)	(2,020,942)	(2,413,759)	3,386,509	2,949,490	1,365,567	535,731
<b>Total Net Position</b>	<b>\$ 55,086,251</b>	<b>\$ 56,309,484</b>	<b>\$ 11,680,272</b>	<b>\$ 11,743,334</b>	<b>\$ 66,766,523</b>	<b>\$ 68,052,818</b>

An additional portion of the Town of North Haven's governmental activities net position of \$1,151,699 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$2,020,942) may be used to meet the government's ongoing obligations to citizens and creditors. For business-type activities, unrestricted net position is \$3,386,509.

At the end of the current fiscal year, the Town of North Haven is able to report positive balances in all three categories of net position, collectively. The same situation held true for the prior fiscal year.

The Town's total net position decreased by \$1,286,295 during the current fiscal year.

**Governmental activities.** Governmental activities decreased the Town of North Haven's net position by \$1,223,233 Key elements of this decrease are as follows:

Other government grants included a FEMA reimbursement of \$236,759, however, \$1,104,639 in an MRSA bonded distribution was budgeted, but the actual revenue was accounted for in a separate capital project fund. The net effect of these items negatively impacted the General Fund by \$867,880. Building Fees exceed budget by \$465,973.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 4,265,668	\$ 3,958,556	\$ 3,492,744	\$ 2,753,462	\$ 7,758,412	\$ 6,712,018
Operating grants and contributions	14,934,140	13,514,889	-	-	14,934,140	13,514,889
Capital grants and contributions	134,075	132,974	-	-	134,075	132,974
General Revenues:						
Property taxes	79,384,196	75,438,673	-	-	79,384,196	75,438,673
Grants and contributions not restricted to specific programs	1,131,131	2,224,566	-	-	1,131,131	2,224,566
Interest income	72,708	44,915	-	-	72,708	44,915
Other	747,526	922,159	-	-	747,526	922,159
<b>Total revenues</b>	<b>100,669,444</b>	<b>96,236,732</b>	<b>3,492,744</b>	<b>2,753,462</b>	<b>104,162,188</b>	<b>98,990,194</b>
Expenses:						
General government	10,416,099	10,334,307	-	-	62,060,540	10,334,307
Public safety	16,939,381	16,590,227	-	-	16,939,381	16,590,227
Public works	7,877,641	8,495,769	-	-	7,877,641	8,495,769
Health and welfare	1,384,680	1,409,459	-	-	1,384,680	1,409,459
Culture and recreation	1,693,208	1,829,332	-	-	1,693,208	1,829,332
Education	62,060,540	59,728,731	-	-	62,060,540	59,728,731
Interest	1,521,128	1,919,771	-	-	-	-
WPCA	-	-	3,555,806	2,976,378	3,555,806	2,976,378
<b>Total expenses</b>	<b>101,892,677</b>	<b>100,307,596</b>	<b>3,555,806</b>	<b>2,976,378</b>	<b>105,448,483</b>	<b>103,283,974</b>
<b>Change in Net Position</b>	<b>(1,223,233)</b>	<b>(4,070,864)</b>	<b>(63,062)</b>	<b>(222,916)</b>	<b>(1,286,295)</b>	<b>(4,293,780)</b>
Net Position, beginning	56,309,484	60,380,348	11,743,334	11,966,250	68,052,818	72,346,598
Net Position, ending	<b>\$ 55,086,251</b>	<b>\$ 56,309,484</b>	<b>\$ 11,680,272</b>	<b>\$ 11,743,334</b>	<b>\$ 66,766,523</b>	<b>\$ 68,052,818</b>

**Business-type activities.** Business-type activities decreased the Town of North Haven's net position by \$63,062.

The depreciation charge for the year was \$508,368.

### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of North Haven's governmental funds reported combined ending fund balances of \$23,158,877, an increase of \$3,528,490 in comparison with the prior year. \$5,309,386 of this fund balance is assigned to indicate that there is intent to spend the funds on a specific purpose: 1) to liquidate contracts and purchase orders of the prior period of \$451,899 or 2) for a variety of other purposes \$766,160. Additionally, \$3,341,327 is assigned for debt retirement, and \$750,000 for the fiscal 2014-2015 budget.

The general fund is the chief operating fund of the Town of North Haven. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,062,822, while total fund balance reached \$13,426,263. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.9% of the total general fund expenditures, while total fund balance represents 14.1% of that same amount.

The fund balance of the Town of North Haven's General Fund decreased by \$66,941 during the current fiscal year. This was mainly the result of budgeting \$750,000 of fund balance to be used in the fiscal year ended June 30, 2014 budget.

**Proprietary funds.** The Town of North Haven's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Pollution Control Authority at the end of the year amounted to \$3,386,509. The total decrease in net position of the fund was \$63,062.

### General Fund Budgetary Highlights

Budget variances in the General Fund were attributable to various revenue items. Revenues from building fees and were \$465,973 more than budgeted. Actual revenues were \$55,618 less than budget, which includes the planned use of fund balance of \$750,000.

### Capital Asset and Debt Administration

**Capital assets.** The Town of North Haven's investment in capital assets for its governmental type activities as of June 30, 2014, amounts to \$111,093,938 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The Town of North Haven's investment in capital assets for its business-type activities as of June 30, 2014 amounts to \$8,293,763. This investment in capital assets includes buildings and systems along with machinery and equipment. The total decrease in the Town of North Haven's investment in capital assets for the current fiscal year was 3.6%.

Major capital asset events during the current fiscal year included various machinery and equipment purchases in the amount of approximately \$1,634,994 and Building Renovations of \$6.6 million.

Town of North Haven's Capital Assets - Gross

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Land	\$ 257,682	\$ 2,526,507	\$ -	\$ -	\$ 257,682	\$ 2,526,507
Building and system Improvements other than building	132,079,883	125,502,125	12,929,160	12,922,130	145,009,043	138,424,255
Machinery and equipment	4,831,748	4,732,426			4,831,748	4,732,426
Infrastructure	18,239,555	16,642,515	4,565,985	4,838,985	22,805,540	21,481,500
	27,552,866	27,552,866	22,425,904	22,424,647	49,978,770	49,977,513
Total	\$ 182,961,734	\$ 176,956,439	\$ 39,921,049	\$ 40,185,762	\$ 222,882,783	\$ 217,142,201

Additional information on the Town of North Haven's capital assets can be found in Note 6 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of North Haven had total bonded debt outstanding of \$54,925,000 which is backed by the full faith and credit of the government.

**Town of North Haven's Outstanding Debt  
General Obligation Bonds**

	Governmental Activities	
	June 30, 2014	June 30, 2013
General Obligation Bonds	\$ 54,925,000	\$ 49,820,000

The Town of North Haven's total bonded debt increased by \$5,105,000 (10.2%) during the current fiscal year.

The Town of North Haven's rating was upgraded to "AAA" by S&P during the fiscal year for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections. The current debt limitation for the Town of North Haven's outstanding general obligation debt is \$558,736,584.

Additional information on the Town of North Haven's long-term debt can be found in Note 7 of this report.

**Economic Factors and Next Year's Budget and Rates.**

The unemployment rate from the Town of North Haven is currently 7.0 percent. Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the Town of North Haven's budget for the 2014 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased by \$44,473.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of North Haven's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of North Haven, 18 Church Street, North Haven, Connecticut 06473.

## **Basic Financial Statements**



Town of North Haven, Connecticut

Statement of Net Position  
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 27,135,063	\$ 2,664,564	\$ 29,799,627
Receivables, net of allowance for collection losses:			
Property taxes	2,984,095	-	2,984,095
Assessments and user charges	190,301	-	190,301
Intergovernmental	875,248	-	875,248
Other	18,002	-	18,002
Prepaid	54,655	-	54,655
Inventories	18,626	-	18,626
Restricted cash	2,421,795	-	2,421,795
Pension asset	4,816	-	4,816
Capital assets not being depreciated	2,784,189	-	2,784,189
Capital assets being depreciated, net of accumulated depreciation	108,309,749	8,293,763	116,603,512
<b>Total assets</b>	<b>144,796,539</b>	<b>10,958,327</b>	<b>155,754,866</b>
<b>Deferred Outflow of Resources</b>			
Deferred charge on refunding	140,063	-	140,063
<b>Total deferred outflows of resources</b>	<b>140,063</b>	<b>-</b>	<b>140,063</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	5,338,625	-	5,338,625
Accrued interest payable	840,929	-	840,929
Unearned revenue	273,586	-	273,586
Long-term liabilities:			
Due in less than one year	4,871,530	-	4,871,530
Due in more than one year	78,352,979	-	78,352,979
<b>Total liabilities</b>	<b>89,677,649</b>	<b>-</b>	<b>89,677,649</b>
<b>Deferred Inflow of Resources</b>			
Advanced property tax collections	172,702	-	172,702
<b>Total deferred inflows of resources</b>	<b>172,702</b>	<b>-</b>	<b>172,702</b>
<b>Net Position</b>			
Net investment in capital assets	55,955,494	8,293,763	64,249,257
Restricted for:			
Trust purposes:			
Expendable	35,233	-	35,233
Non-expendable	526,548	-	526,548
Education	337,942	-	337,942
Public safety	160,854	-	160,854
Health and welfare	1,645	-	1,645
Culture and recreation	89,477	-	89,477
Unrestricted (deficit)	(2,020,942)	3,386,509	1,365,567
<b>Total net position</b>	<b>\$ 55,086,251</b>	<b>\$ 11,680,272</b>	<b>\$ 66,766,523</b>

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expense Allocations	Program Revenues			Net (Expense) Revenue and Change 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	\$ (10,416,099)	\$ (152,113)	\$ 623,523	\$ 79,825	\$ -	\$ (9,864,864)	\$ -	\$ (9,864,864)
Public safety	(16,939,381)	-	879,725	204,400	-	(15,855,256)	-	(15,855,256)
Public works	(7,877,641)	-	1,019,366	1,801,106	99,196	(4,957,973)	-	(4,957,973)
Health and welfare	(1,384,680)	-	81,163	354,486	-	(949,031)	-	(949,031)
Cultural and recreation	(1,693,208)	-	345,099	30,638	-	(1,317,471)	-	(1,317,471)
Education	(62,060,540)	(1,369,015)	1,316,792	12,463,685	34,879	(49,614,199)	-	(49,614,199)
Interest on long-term debt	(1,521,128)	1,521,128	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>(101,892,677)</b>	<b>-</b>	<b>4,265,668</b>	<b>14,934,140</b>	<b>134,075</b>	<b>(82,558,794)</b>	<b>-</b>	<b>(82,558,794)</b>
Business-type activities:								
WPCA	(3,555,806)	-	3,492,744	-	-	-	(63,062)	(63,062)
<b>Total primary government</b>	<b>\$ (105,448,483)</b>	<b>\$ -</b>	<b>\$ 7,758,412</b>	<b>\$ 14,934,140</b>	<b>\$ 134,075</b>	<b>(82,558,794)</b>	<b>(63,062)</b>	<b>(82,621,856)</b>
General revenues:								
Property taxes						79,384,196	-	79,384,196
Grants and contributions not restricted to specific programs						1,131,131	-	1,131,131
Investment income						72,708	-	72,708
Miscellaneous						747,526	-	747,526
<b>Total general revenues</b>						<b>81,335,561</b>	<b>-</b>	<b>81,335,561</b>
Change in net position						(1,223,233)	(63,062)	(1,286,295)
Net Position - beginning						56,309,484	11,743,334	68,052,818
Net Position - ending						<b>\$ 55,086,251</b>	<b>\$ 11,680,272</b>	<b>66,766,523</b>

See Notes to Financial Statements.

Town of North Haven, Connecticut

Balance Sheet - Governmental Funds  
June 30, 2014

	Major Fund		
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 23,490,425	\$ 5,055,927	\$ 28,546,352
Receivables (net of allowances for collection losses):			
Property taxes	2,984,095	-	2,984,095
Assessments and user charges	190,301	-	190,301
Intergovernmental	749,433	125,815	875,248
Other	18,002	-	18,002
Due from other funds	498,117	6,726,225	7,224,342
Prepaid items	54,055	600	54,655
Inventories	-	18,626	18,626
<b>Total assets</b>	<b>\$ 27,984,428</b>	<b>\$ 11,927,193</b>	<b>\$ 39,911,621</b>
<b>Liabilities</b>			
Accounts payable	\$ 3,638,628	\$ 1,572,819	\$ 5,211,447
Unearned revenue	199,246	74,340	273,586
Due to other funds	6,687,315	547,420	7,234,735
<b>Total liabilities</b>	<b>10,525,189</b>	<b>2,194,579</b>	<b>12,719,768</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	\$ 3,860,274	\$ -	\$ 3,860,274
Advanced tax collections	172,702	-	172,702
<b>Total deferred inflows of resources</b>	<b>4,032,976</b>	<b>-</b>	<b>4,032,976</b>
<b>Fund Balances (deficits)</b>			
Nonspendable	54,055	545,774	599,829
Restricted	-	3,566,937	3,566,937
Committed	-	5,981,004	5,981,004
Assigned	5,309,386	-	5,309,386
Unassigned (deficit)	8,062,822	(361,101)	7,701,721
<b>Total fund balances</b>	<b>13,426,263</b>	<b>9,732,614</b>	<b>23,158,877</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 27,984,428</b>	<b>\$ 11,927,193</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental fund are not financial resources and, therefore, are not reported in the funds.	111,093,938
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	3,860,274
The net pension asset is not an available resource and, therefore, is not reported in the funds.	4,816
Deferred charge on refunding	140,063
Accrued interest not recorded in funds	(840,929)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	455,752
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(82,786,540)

Net position of governmental activities

\$ 55,086,251

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 For the Year Ended June 30, 2014

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Governmental Funds	
<b>Revenues</b>			
Property taxes	\$ 79,605,043	\$ -	\$ 79,605,043
Licenses, permits, fees and fines	1,679,424	-	1,679,424
Intergovernmental	10,399,054	5,647,218	16,046,272
Investment income	68,426	868	69,294
Charges for services	913,095	1,681,851	2,594,946
Net increase in fair value of investments	-	3,414	3,414
Contributions	8,329	31,157	39,486
Other	1,000,554	51,128	1,051,682
<b>Total revenues</b>	<b>93,673,925</b>	<b>7,415,636</b>	<b>101,089,561</b>
<b>Expenditures</b>			
Current:			
General Government	6,060,468	-	6,060,468
Public Safety	8,871,099	701,324	9,572,423
Public Works	4,454,481	80,480	4,534,961
Health and Welfare	913,352	61,885	975,237
Culture and Recreation	847,229	286,550	1,133,779
Benefits and Insurance	10,947,083	-	10,947,083
Education	53,235,992	4,214,285	57,450,277
Other	1,487,040	-	1,487,040
Principal retirements	4,122,440	-	4,122,440
Interest	2,021,889	-	2,021,889
Capital outlay	1,467,291	7,899,587	9,366,878
<b>Total expenditures</b>	<b>94,428,364</b>	<b>13,244,111</b>	<b>107,672,475</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(754,439)</b>	<b>(5,828,475)</b>	<b>(6,582,914)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	238,906	238,906
Transfers out	(238,906)	-	(238,906)
Issuance of capital leases	926,404	-	926,404
Bond proceeds	-	9,185,000	9,185,000
<b>Total other financing sources</b>	<b>687,498</b>	<b>9,423,906</b>	<b>10,111,404</b>
<b>Net change in fund balances</b>	<b>(66,941)</b>	<b>3,595,431</b>	<b>3,528,490</b>
<b>Fund Balances, beginning</b>	<b>13,493,204</b>	<b>6,137,183</b>	<b>19,630,387</b>
<b>Fund Balances, ending</b>	<b>\$ 13,426,263</b>	<b>\$ 9,732,614</b>	<b>\$ 23,158,877</b>

See Notes to Financial Statements.

**Town of North Haven, 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, 2014**

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Amounts reported for governmental activities in the statement of activities  
are different because:

Net changes in fund balances - total governmental funds (Page 12) \$ 3,528,490

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated useful  
lives and reported as depreciation expense. This is the amount by which capital  
outlays exceeded depreciation expense in the current period. 4,540,873

Revenues in the statement of activities that do not provide current financial  
resources are not reported as revenues in the funds. (420,117)

Change in pension assets (887)

The issuance of long-term debt (e.g., bonds, leases) provides current financial  
resources to governmental funds, while the repayment of the principal of long-term  
debt consumes the current financial resources of governmental funds. Neither  
transaction, however, has any effect on net position. Also, governmental funds report  
the effect of premiums, discounts, and similar items when debt is first issued, whereas  
these amounts are deferred and amortized in the statement of activities. This amount  
is the net effect of these differences in the treatment of long-term debt and related  
items. (5,550,158)

Some items reported in the statement of activities do not require the use of current  
financial resources and therefore are not reported as expenditures in governmental  
funds. (3,421,881)

The net revenue of certain activities of internal service funds is reported with  
governmental activities. 100,447

Change in net position of governmental activities (Page 10) \$ (1,223,233)

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Net Position - Proprietary Funds  
June 30, 2014

	Business-Type Activities Enterprise Fund Water Pollution Control Authority	Governmental Activities Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,664,564	\$ 1,010,506
Accounts receivable	188,028	-
Usage receivable	533,917	-
Due from other funds	-	10,393
<b>Total current assets</b>	<u>3,386,509</u>	<u>1,020,899</u>
Capital Assets, net of accumulated depreciation	<u>8,293,763</u>	-
<b>Total assets</b>	<u>11,680,272</u>	<u>1,020,899</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	-	127,178
Claims payable	-	437,969
<b>Total current liabilities</b>	<u>-</u>	<u>565,147</u>
<b>Total liabilities</b>	<u>-</u>	<u>565,147</u>
<b>Net Position</b>		
Net Investment in capital assets	8,293,763	-
Unrestricted	<u>3,386,509</u>	<u>455,752</u>
<b>Total net position</b>	<u>\$ 11,680,272</u>	<u>\$ 455,752</u>

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position -  
 Proprietary Funds  
 For the Year Ended June 30, 2014

	Business-Type Activities Enterprise Fund Water Pollution Control Authority	Governmental Activities Internal Service Funds
<b>Operating Revenues</b>		
Water use fees and charges	\$ 3,130,769	\$ -
Intergovernmental revenue	361,975	-
Premiums	-	2,591,321
<b>Total operating revenues</b>	<u>3,492,744</u>	<u>2,591,321</u>
<b>Operating Expenses</b>		
Claims	-	2,401,549
Depreciation	508,368	-
Administration and operations	3,047,438	89,325
<b>Total operating expenses</b>	<u>3,555,806</u>	<u>2,490,874</u>
<b>Operating income (loss)</b>	(63,062)	100,447
<b>Fund Net Position, beginning</b>	<u>11,743,334</u>	<u>355,305</u>
<b>Fund Net Position, ending</b>	<u>\$ 11,680,272</u>	<u>\$ 455,752</u>

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2014

	Business-Type Activities Enterprise Fund Water Pollution Control Authority	Governmental Activities Internal Service Funds
<b>Cash Flows From Operating Activities</b>		
Cash received from charges for services	\$ 3,207,518	\$ 2,580,928
Cash paid to vendors and beneficiaries	(3,047,438)	(2,026,265)
<b>Net cash provided by operating activities</b>	<b>160,080</b>	<b>554,663</b>
<b>Net increase in cash and cash equivalents</b>	<b>160,080</b>	<b>554,663</b>
<b>Cash and Cash Equivalents</b>		
Beginning	2,512,771	455,843
Ending	<u>\$ 2,672,851</u>	<u>\$ 1,010,506</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>		
Operating income (loss)	\$ (63,062)	\$ 100,447
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	508,368	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	(285,226)	(10,393)
Increase in accounts payable	-	386,134
Increase in claims payable	-	78,475
<b>Net cash provided by operating activities</b>	<b><u>\$ 160,080</u></b>	<b><u>\$ 554,663</u></b>

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2014

	Pension Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 274,793	\$ 1,288,900
Accounts receivable	92,433	-
Investments:		
U.S. government and agency notes and bonds	2,953,667	-
Corporate bonds	7,734,508	-
Municipal bonds	3,004,435	-
Common stock	27,843,325	-
Money market mutual funds	5,434,186	-
Alternatives	3,791,520	-
Equity mutual funds	38,056,978	-
<b>Total investments</b>	<u>88,818,619</u>	<u>-</u>
<b>Total assets</b>	<u>89,185,845</u>	<u>1,288,900</u>
<b>Liabilities</b>		
Due to student groups and agencies or others	-	1,288,900
<b>Total liabilities</b>	<u>-</u>	<u>1,288,900</u>
<b>Net Position</b>		
Restricted for pension benefits and other	<u>\$ 89,185,845</u>	<u>\$ -</u>

See Notes to Financial Statements.

Town of North Haven, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended June 30, 2014

	Pension Trust Funds
<b>Additions</b>	
Contributions	
Employer	\$ 4,456,710
Plan members	97,713
<b>Total contributions</b>	<u>4,554,423</u>
Investment Income	
Net appreciation in fair value of investments	12,513,530
Interest and dividends	443,259
	<u>12,956,789</u>
Less investment expenses:	
Investment management fees	325,699
<b>Net investment income</b>	<u>12,631,090</u>
<b>Total additions</b>	<u>17,185,513</u>
<b>Deductions</b>	
Benefits	<u>5,257,835</u>
	<u>5,257,835</u>
<b>Changes in net position</b>	11,927,678
<b>Net Position - Restricted for Pension Benefits and Other</b>	
Beginning of year	<u>77,258,167</u>
End of year	<u><u>\$ 89,185,845</u></u>

See Notes to Financial Statements.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies

Reporting Entity: The Town of North Haven, Connecticut (the Town), was incorporated in 1786 under the provisions of the Home Rule Law of the State of Connecticut. It operates under a Board of Selectmen form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health and social services, recreation, education and general administrative services. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Governmental Accounting Standards Board (GASB) Codification, Section 2100, have been considered and there are no agencies or entities, which should be presented with the Town.

#### Accounting Standards Adopted in the Current Year:

*GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, was implemented as July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refunding were reclassified to Deferred Outflows of Resources.

*GASB Statement No. 67, Financial Reporting for Pension Plans an amendment of GASB Statement No. 25, issued in June 2012*, was effective for the Town as of July 1, 2013. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The implementation of this statement did not have a material impact on the Town's financial statements.

*GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees*, became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the Town's financial statements.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The various fund types included in the financial statements are described below:

Governmental Funds: Governmental Funds are those through which most governmental functions typically are financed.

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for and report all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

*Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

*Capital Project Funds* account for and report all financial resources that are restricted, committed or assigned to expenditure for capital outlay.

*Permanent Funds* are used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Proprietary Funds: Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

*Enterprise Funds* account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The WPCA Fund is the Town's only enterprise fund.

*Internal Service Funds* account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Town reported four internal service funds, a dental and prescription self-insurance fund for each the Town and Board of Education.

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

The *Pension Trust Fund* accounts for the Municipal Employees Retirement System.

*Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Student Activities Fund, Student Scholarship Fund and Performance Bonds Fund are the Town's agency funds.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. The agency funds are reported using the accrual basis of accounting but do not have a measurement focus. 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 when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences, pensions and other post-employment benefit obligations, and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. The General Fund pays all general operating expenditures, debt service and the capital improvement costs of the Town which are not paid through other funds. The fund will also liquidate the liability for compensated absences, net pension obligation, and other post-employment benefit obligations.

The Town reports the following major enterprise fund:

The *WPCA Fund* accounts for the operations of the Town's sewer and water services. The major source of revenue is user fees.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Exceptions to this general rule are charges between the proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued): Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services and other funds for premium costs. Operating expenses for proprietary funds, including both enterprise funds and internal service funds, include the cost of operations and maintenance, claims expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources, as they are needed.

#### Pension Plan Accounting:

Pension Trust Funds: The Pension Trust Funds are reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings. Stand-alone statements are not issued.

Government Activities and Governmental Funds: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements.

Funding Policy: The Town funds the contributions to its pension plans based on actuarial valuations.

#### Other Post-Employment Obligations (OPEB) Accounting:

Government Activities and Governmental Funds: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding Policy: The Town makes annual contributions based on management decisions.

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

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

Property Taxes: Property taxes are assessed as of October 1 and levied on the following June 1st. Real estate taxes are generally due and payable in two installments on July 1 and January 1. Motor vehicle taxes are due and payable in one installment on July 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1 ½% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Liens are recorded July 1.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance of \$863 thousand is equal to 22% of outstanding property taxes at June 30, 2014.

Cash Equivalents: The Town considers all certificates of deposit, money market accounts and highly liquid short-term investment funds with maturities when purchased of three months or less to be cash equivalents.

Restricted Cash: Certain assets are classified as restricted because their use is limited. Restricted cash is to be used for construction purposes.

Allowance for Doubtful Accounts: Accounts, property taxes and notes receivable for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

Investments: Investments are stated at fair value, based on quoted market prices, except as disclosed below. Most of the Town's investments are recorded in the Pension Trust Fund.

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager that represents the net asset value of these funds. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

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

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The fair value of the position in the pool is the same as the value of the pool shares.

Inventory: Inventory is stated at the lower of cost or market, determined on a first-in, first-out basis. Governmental fund type inventory consists of expendable supplies and is recorded as expenditure when consumed.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and proprietary fund financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of two-years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

Capital Assets (Continued): The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings	50
Building improvements	20
Public domain infrastructure	15-50
Vehicles	5-8
Office equipment	5-20
Computer equipment	5

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is recorded.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Long-term Obligations In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Principal payments are reported as debt service expenditures.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

Compensated Absences: It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. Vacation pay and certain sick leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

#### Net Position and Fund Balance:

Net Position: In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

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

*Restricted Net Position* – This category represents the net position of the Town, which are restricted by external parties or enabling legislation.

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

Fund Balance: In the government fund financial statements, the Town classified fund balances as follows:

- *Nonspendable Fund Balance* – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- *Committed Fund Balance* – This represents amounts constrained prior to year-end for a specific purpose by the Town using its highest level of decision-making authority (Town of North Haven, Board of Finance) in the form of a resolution/ordinance. Once adopted, the limitation imposed by the resolution/ordinance remains in place until similar action is taken to remove or revise the limitation.
- *Assigned Fund Balance* – Amounts constrained for the intent to be used for a specific purpose by the Director of Finance that has been delegated authority to assign amounts by the Board of Finance.
- *Unassigned Fund Balance* – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position: The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds, and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bond premium	\$ 1,429,553
Bonds payable	54,925,000
Capital leases payable	832,750
Net pension obligation	732,055
Landfill costs	110,000
Notes payable	572,635
Claims payable	1,108,000
Compensated absences	5,016,078
OPEB obligation	<u>18,060,469</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 82,786,540</u></u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities: The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 details of this difference are as follows:

Capital outlay	\$ 8,622,221
Loss on disposal	(29,818)
Depreciation expense	<u>(4,051,530)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 4,540,873</u></u>

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

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

Debt issued or incurred:	
Capital lease proceeds	\$ (926,404)
Issuance of bonds	(9,185,000)
Principal repayments:	
General obligation debt and notes payable	4,122,470
Payment of capital lease	368,514
Amortization of premium	116,952
Amortization of deferred amounts	<u>(46,690)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (5,550,158)</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued): Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the changes in various liability accounts that represent this difference are as follows:

Compensated absences	\$ (116,775)
Accrued interest	61,955
Net pension obligation	(8,519)
Landfill costs	10,000
OPEB obligation	<u>(3,368,542)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,421,881)</u>

#### Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The Town follows the State of Connecticut collateral requirements for deposits. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments: The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town does not have a custodial credit risk policy. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund, Cutwater Connecticut Class Plus, and the Tax Exempt Proceeds Fund.

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

Equities	40-70%
Bonds	30-60%
Cash Equivalents	5-30%

Interest Rate Risk: The Town's and the pension fund's policy is to limit its exposure to fair value losses arising from changes in interest rates by structuring 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 fund, or similar investment pools.

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2014:

Vanguard 500 Index Fund	\$23,053,374
Vanguard Instl Index Fund	12,021,081

#### Custodial Credit Risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government 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. As of June 30, 2014, \$25,180,092 of the Town's bank balance of \$36,275,299 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension funds do not have custodial credit risk policies for investments.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 3. Cash, Cash Equivalents and Investments (Continued)**

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2014:

**Cash and cash equivalents**

Deposits with financial institutions	\$ 24,587,043
State of Connecticut Short-Term Investment fund	7,848,079
Cutwater Connecticut Class Plus	1,349,993
<b>Total cash and cash equivalents</b>	<u>33,785,115</u>

**Investments**

Pension Trust Funds:	
U.S. government and agency notes and bonds	2,953,667 *
Corporate bonds	7,734,508 *
Municipal bonds	3,004,435 *
Common stock	27,843,325 *
Money market mutual funds	5,434,186
Alternatives	3,791,520
Equity mutual funds	38,056,978
<b>Total pension investments</b>	<u>88,818,619</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 122,603,734</u>

\*These investments are uninsured and registered, with securities held by the counterparty, in the Town's or the pension trust's name.

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

**Statement of Net Position**

Cash and cash equivalents	\$ 32,221,422
	<u>32,221,422</u>

**Fiduciary Funds:**

Cash and cash equivalents	1,563,693
Investments	88,818,619
	<u>90,382,312</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 122,603,734</u>

**Interest Rate Risk:** This 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 debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. government and agency	\$ 2,953,667	\$ -	\$ 855,611	\$ 1,392,511	\$ 705,545
Corporate bonds	7,734,508	1,325,103	2,401,557	4,007,848	-
Municipal bonds	3,004,435	783,174	1,664,168	557,093	-
Pooled fixed income	9,198,072	9,198,072	-	-	-
<b>Total</b>	<u>\$ 22,890,682</u>	<u>\$ 11,306,349</u>	<u>\$ 4,921,336</u>	<u>\$ 5,957,452</u>	<u>\$ 705,545</u>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 3. Cash, Cash Equivalents and Investments (Continued)**

*Credit Risk:* Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the actual rating as required for each debt type investment.

Average Rating	Municipal Bonds	Corporate Debt	Pooled Fixed Income	Money Market and Equity Mutual Funds
AAA/M	1,090,793	-	9,198,072	-
AA+	-	444,200	-	-
AA	1,044,057	622,571	-	-
AA-	869,585	560,681	-	-
A	-	1,196,583	-	-
A-	-	2,086,564	-	-
BBB+	-	847,549	-	-
BBB	-	1,976,360	-	-
Unrated	-	-	-	43,490,742
<b>Total</b>	<b>\$ 3,004,435</b>	<b>\$ 7,734,508</b>	<b>\$ 9,198,072</b>	<b>\$ 43,490,742</b>

**Note 4. Deferred Inflows of Resources and Unearned Revenue**

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

	Deferred Inflows	Unearned Revenue
<b>General Fund</b>		
School building construction receivable	\$ 749,433	\$ -
Delinquent property taxes receivable	2,920,540	-
Water and Sewer assessments	190,301	-
Advanced tax collections	172,702	
Other	-	199,246
	<b>4,032,976</b>	<b>199,246</b>
<b>Nonmajor Governmental Fund</b>		
Intergovernmental	-	74,340
<b>Total</b>	<b>\$ 4,032,976</b>	<b>\$ 273,586</b>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 5. Receivables and Payables**

Receivables as of year-end for the Town's individual major funds and non-major funds, in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Water Pollution Control Authority	Non-Major Funds	Total Receivables
Taxes - property	\$ 3,846,886	\$ -	\$ -	\$ 3,846,886
Sewer Use	-	533,917	-	533,917
Intergovernmental	-	188,028	125,815	313,843
School building construction receivable	749,433	-	-	749,433
Water and sewer assessment	190,301	-	-	190,301
Other	18,002	-	-	18,002
<b>Total receivables</b>	<b>4,804,622</b>	<b>721,945</b>	<b>125,815</b>	<b>5,652,382</b>
Less: allowance for doubtful accounts	862,791	-	-	862,791
<b>Receivables, net</b>	<b>\$ 3,941,831</b>	<b>\$ 721,945</b>	<b>\$ 125,815</b>	<b>\$ 4,789,591</b>

Payables as of June 30, 2014 for the Town's individual major funds and non-major governmental funds were as follows:

	General	Non-Major Governmental Funds	Total Payables
Vendors	\$ 3,638,628	\$ 1,404,367	\$ 5,042,995
Retainage payable	-	168,452	168,452
<b>Total payables</b>	<b>\$ 3,638,628</b>	<b>\$ 1,572,819</b>	<b>\$ 5,211,447</b>

**Note 6. Interfund Receivables, Payables and Transfers**

At June 30, 2014, interfund balances that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 498,117	\$ 6,687,315
Nonmajor Governmental Funds and other	6,736,618	547,420
	<b>\$ 7,234,735</b>	<b>\$ 7,234,735</b>

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

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 5. Receivables and Payables (Continued)**

Interfund transfers during the year ended June 30, 2014 were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 238,906
Nonmajor Governmental Funds	238,906	-
	<u>\$ 238,906</u>	<u>\$ 238,906</u>

Transfers are used to account for funding of various capital improvements and fund close-outs.

**Note 7. Capital Assets**

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,526,507	\$ -	\$ -	\$ 2,526,507
Construction in Progress	-	257,682	-	257,682
Total capital assets, not being depreciated	<u>2,526,507</u>	<u>257,682</u>	<u>-</u>	<u>2,784,189</u>
Capital assets, being depreciated:				
Land improvements	4,732,426	99,322	-	4,831,748
Buildings	125,502,125	6,577,758	-	132,079,883
Computer equipment	1,053,229	52,465	(8,877)	1,096,817
Machinery and equipment	15,589,286	1,634,994	(81,542)	17,142,738
Infrastructure	27,552,866	-	-	27,552,866
Total capital assets being depreciated	<u>174,429,932</u>	<u>8,364,539</u>	<u>(90,419)</u>	<u>182,704,052</u>
Less accumulated depreciation for:				
Land improvements	959,347	200,617	-	1,159,964
Buildings	33,552,037	2,609,548	-	36,161,585
Computer equipment	863,454	76,815	(8,877)	931,392
Machinery and equipment	11,704,307	835,560	(51,724)	12,488,143
Infrastructure	23,324,229	328,990	-	23,653,219
Total accumulated depreciation	<u>70,403,374</u>	<u>4,051,530</u>	<u>(60,601)</u>	<u>74,394,303</u>
Total capital assets, being depreciated, net	<u>104,026,558</u>	<u>4,313,009</u>	<u>(29,818)</u>	<u>108,309,749</u>
Governmental activities capital assets, net	<u>\$ 106,553,065</u>	<u>\$ 4,570,691</u>	<u>\$ (29,818)</u>	<u>\$ 111,093,938</u>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 7. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Business-type Activities:</b>				
Capital assets, being depreciated:				
Buildings	\$ 12,922,130	\$ 7,030	\$ -	\$ 12,929,160
Computer equipment	7,500	-	-	7,500
Machinery and equipment	4,831,485	-	(273,000)	4,558,485
Infrastructure	22,424,647	1,257	-	22,425,904
Total capital assets being depreciated	40,185,762	8,287	(273,000)	39,921,049
Less accumulated depreciation for:				
Buildings	7,633,285	310,795	-	7,944,080
Computer equipment	7,500	-	-	7,500
Machinery and equipment	4,774,049	473	(273,000)	4,501,522
Infrastructure	18,977,084	197,100	-	19,174,184
Total accumulated depreciation	31,391,918	508,368	(273,000)	31,627,286
Total capital assets, being depreciated, net	8,793,844	(500,081)	-	8,293,763
Business-type activities capital assets, net	\$ 8,793,844	\$ (500,081)	\$ -	\$ 8,293,763

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

<b>Government Activities</b>		
General Government		\$ 729,275
Public Safety		486,184
Public Works		607,730
Health and welfare		81,031
Culture and Recreation		121,546
Education		2,025,764
Total depreciation expense-governmental activities		\$ 4,051,530
<b>Business-type Activities</b>		
WPCA		\$ 508,368

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 8. Long-Term Obligations**

A summary of changes in outstanding long-term obligations during the year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General Purpose	\$ 10,273,066	\$ 9,185,000	\$ 936,363	\$ 18,521,703	\$ 1,047,619
Schools	39,546,934	-	3,143,637	36,403,297	3,302,381
Add: Bond Issuance Premium	1,546,505	-	116,952	1,429,553	-
<b>Total bonds payable</b>	<b>4,080,000</b>	<b>9,185,000</b>	<b>4,196,952</b>	<b>56,354,553</b>	<b>4,350,000</b>
Other long-term liabilities:					
Notes Payable - Pollution					
Facility Projects	615,105	-	42,470	572,635	43,327
Estimated liabilities for landfill closure costs					
	120,000	-	10,000	110,000	10,000
Accrued compensated absences	4,899,303	324,078	207,303	5,016,078	210,000
Capital Leases	274,860	926,404	368,514	832,750	258,203
Claims payable	1,108,000	-	-	1,108,000	-
Net pension obligation	723,536	9,563	1,044	732,055	-
OPEB obligation	14,691,927	3,368,542	-	18,060,469	-
<b>Governmental activity long-term debt</b>	<b>\$ 4,439,309</b>	<b>\$ 13,813,587</b>	<b>\$ 4,826,283</b>	<b>\$ 82,786,540</b>	<b>\$ 4,871,530</b>

Included within the Governmental Activities - Long-Term Obligations are liabilities for employee compensated absences, which are generally paid from the General Fund. The amounts of these are as follows:

	Sick Pay	Vacation Pay	Total
Town	\$ 3,716,154	\$ 1,215,458	\$ 4,931,612
Board of Education	84,466	-	84,466
<b>Total</b>	<b>\$ 3,800,620</b>	<b>\$ 1,215,458</b>	<b>\$ 5,016,078</b>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 8. Long-Term Obligations (Continued)**

Bonds and notes payable at June 30, 2014 are comprised of the following individual issues:

Description	Interest Rate (%)	Issue Date	Maturity Date	Original Amount	Balance Outstanding June 30, 2014
<b>Bonds Payable:</b>					
School Bond - Refunding	1.0%-4.0%	4/29/10	10/15/20	\$ 1,950,000	\$ 1,683,144
General Imp. - Refunding	1.0%-4.0%	4/29/10	10/15/20	3,510,000	1,941,856
General Improvement Bond	2.0%-3.0%	12/11/12	8/1/27	6,460,000	6,160,000
School Bond - Refunding	3.0%-5.0%	3/15/05	9/1/17	10,970,775	3,231,393
General Imp. - Refunding	3.0%-5.0%	3/15/05	9/1/17	1,914,225	563,607
School Bond	3.875%-5.0%	4/26/06	7/15/25	22,445,000	16,531,400
General Improvement Bond	3.875%-5.0%	4/26/06	7/15/25	935,000	678,600
School Bond	3.875%-4.75%	1/23/07	7/15/26	21,850,000	14,950,000
General Improvement Bond	2.0%-2.625%	6/14/14	7/1/29	9,185,000	9,185,000
<b>Total Bonds Payable</b>					<b>\$ 54,925,000</b>
<b>Notes Payable:</b>					
General Improvement Note	2.0%	4/20/06	4/30/26	889,772	\$ 572,635
<b>Total Notes Payables</b>					<b>\$ 572,635</b>

The annual debt service requirements of general obligation bonds and notes are as follows:

	Bonds		Notes		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2015	\$ 4,350,000	\$ 2,010,902	\$ 43,327	\$ 11,914	\$ 4,393,327	\$ 2,022,816
2016	4,895,000	1,842,932	44,201	10,457	4,939,201	1,853,389
2017	5,100,000	1,662,889	45,093	10,182	5,145,093	1,673,071
2018	5,105,000	1,471,964	46,004	9,290	5,151,004	1,481,254
2019	4,185,000	1,294,907	46,932	8,380	4,231,932	1,303,287
2020-2024	20,065,000	4,119,988	249,260	27,592	20,314,260	4,147,580
2025-2029	11,225,000	673,125	97,818	5,376	11,322,818	678,501
	<b>\$ 54,925,000</b>	<b>\$ 13,076,707</b>	<b>\$ 572,635</b>	<b>\$ 83,191</b>	<b>\$ 55,497,635</b>	<b>\$ 13,159,898</b>

**Bonds Authorized But Unissued:** Authorization but unissued bonds during the fiscal year ended June 30, 2014, are summarized below:

	<b>Authorized and Unissued June 30, 2014</b>
General Obligation Bonds	\$ 17,805,000
School Bonds	3,714,762
<b>Total</b>	<b>\$ 21,519,762</b>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 8. Long-Term Obligations (Continued)**

Operating Leases: Commitments under operating lease agreements for equipment and real estate provide for annual payments for future years as follows:

Fiscal Year Ended June 30,	Amount
2015	\$ 55,512
2016	44,514
2017	31,058
2018	10,342
2019 and thereafter	3,021
<b>Total</b>	<b>\$ 144,447</b>

Rental expense was \$144,437. for the year ended June 30, 2014.

Capital Lease: The Town has entered into multi-year capital leases for the purchase of equipment at public schools. The following is a summary of capital lease commitments at June 30, 2014.

Fiscal Year Ended June 30,	Amount
2015	\$ 258,203
2016	229,690
2017	203,812
2018	159,627
2019	39,117
Total payments	890,449
Less interest	(57,699)
Principal balance	<b>\$ 832,750</b>

The net book value of property under capital leases was approximately \$886,000 and has accumulated depreciation of \$591,000

Legal Debt Limit: The Town's indebtedness (including authorized but unissued bonds), net of principal reimbursements expected from the State, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 179,593,902	\$ 36,334,063	\$ 143,259,839
Unfunded Pension Benefit Obligation	239,458,536	-	239,458,536
Schools	359,187,804	39,361,266	319,826,538
Sewers	299,323,170	572,634	298,750,536
Urban renewal	259,413,414	-	259,413,414

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$558,736,584.

School Bond Reimbursements: The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2014 was approximately \$125,000. Additional payments for principal and interest aggregating approximately \$809,000 are to be received through the bonds' maturity dates.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 9. Pension Plans**

General: The Town of North Haven is the Administrator of five Single Employer Public Employee Retirement Systems (PERS), excluding public school teachers established and administered by the Town to provide pension benefits for its employees. The pension plans are single employer defined benefit plans. The PERS is considered to be part of the Town of North Haven's financial reporting entity and is included in the Town's financial reports as a pension trust fund. Separate audited pension plan financial statements are not issued. The Town's payroll for general employees covered by the PERS for the year ended June 30, 2014 was \$4,741,136. The covered payroll for the Police Department Plan was \$3,251,054. The covered payroll for the Fire Department Plan was \$2,132,191. The cost for plan administration is paid for by the Plans. Benefits and refunds of the plans are recognized when due and payable in accordance with terms of the plan.

The Town's total current year payroll for all employees was \$42,569,430. Public school teachers are covered by a retirement plan administered by the Connecticut State Teacher's Retirement Board ("TRS") to which the Town does not contribute. The Town's General Fund contributes an amount as recommended by their Actuary to fund the net pension obligations.

The PERS is Contributory Defined Benefit Plans covering all Town employees deemed eligible.

	General Employees	Policemen	Firefighters	Volunteer Firefighters	Elected Officials
Retirees and beneficiaries currently receiving benefits	182	48	27	32	4
Terminated employees not yet receiving benefits	19	4	-	7	-
Vested	136	23	19	14	-
Non-vested	45	22	9	46	2
<b>Total number of participating employees</b>	<b>382</b>	<b>97</b>	<b>55</b>	<b>99</b>	<b>6</b>

Plan Description:

*The Pension Plan for General Employees of the Town of North Haven:* All Town full-time employees are eligible to participate except those eligible to participate in the Connecticut State Teachers' Retirement System, part-time employees, elected officials, Police, Firemen, and Volunteer Firemen Plans.

Employees who retire at or after age 65 (age 55 for the Town Government Management, Clerical/Administrative, Supervisors Union, Social Workers, and Public Works, age 62 for Nurses and Educational Support Staff) with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to a percentage of final average compensation per year of service as follows:

*Board of Education:* 2% of final average compensation per year of service.

*Town Government:* 2% of final average compensation per year of service (2.5% for Supervisors, Social Workers, Management and Clerical/Administrative employees). Final average compensation is defined as the average of basic salary earned during the highest three years out of the last five years of employment prior to termination. Benefits fully vest on reaching 10 years of service. Vested employees including Librarians may retire at or after age 55 and receive reduced retirement benefits. Other vested employees including Town Government Management, Clerical/Administrative, Supervisors Unions, Social Workers, and Public Works may retire at or after age 55 and receive full retirement benefits. The Plan also provides death and disability benefits.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 9. Pension Plans (Continued)

*Covered Town Government and Board of Education Employees* - are required to contribute 3% of their annual earnings to the Plan (4% for Public Works new hires excluded) while there are no required employee contributions for Town Government Management, Clerical/Administrative, Supervisors, Social Workers, or Library Unions. The Town is required to contribute the remaining amounts necessary to pay benefits when due.

#### Plan Description (Continued):

*The Retirement System for the Police Department of the Town of North Haven:* All Police full-time employees are eligible to participate. Employees who retire with 25 years of credited service, but not later than age 65, are entitled to a retirement benefit, payable monthly for life, equal to 2.5% of average annual pay per year of service subject to a maximum of 75%.

Average annual pay is defined as the average of basic rate of compensation earned during the highest three years out of the last five years of employment prior to termination. Benefits fully vest on reaching 10 years of service. The Plan also provides death and disability benefits.

The Town is required by contract to contribute the entire amount necessary to pay benefits when due.

*The Town of North Haven Fire Department Pension Plan:* All Fire Department full-time employees are eligible to participate. Employees who retire with 25 years of service, but not later than age 65, are entitled to a retirement benefit, payable monthly for life, equal to 2.5% of average annual pay per year of service subject to a maximum of 75%.

Average annual pay is defined as the average of basic rate of compensation earned during the highest three years out of the last five years of employment prior to termination. Benefits fully vest on reaching 10 years of service. The Plan also provides death and disability benefits.

The Town is required by contract to contribute the entire amount necessary to pay benefits when due.

*The Town of North Haven Volunteer Firefighters' Pension Plan:* Effective July 1, 1991, the Town established a non-contributory Pension Plan exclusively for the benefit of its Volunteer Firefighters in accordance with Section 7-148(c)(5) of the State of Connecticut General Statutes. As the participants are volunteers, there is no payroll for members within the Plan.

Each Volunteer Firefighter who has performed fire duties for the Town prior to the effective date of July 1, 1991 and who was living on July 1, 1991 shall be eligible to participate. Each other Volunteer Firefighter shall become eligible to participate in this Pension Plan on the date fire duties are first performed for the Town, provided the Volunteer Firefighter has not attained age 45 on the first day of performing duties. Volunteer Firefighters who retire at or after age 65 with 20 years of service are entitled to a retirement benefit, payable monthly for life, equal to \$200 per month, plus \$4 per month for each year of service in excess of 20 years up to a maximum monthly benefit of \$300. Volunteer Firefighters who as of their normal retirement date have completed at least 10 years of service as an officer are eligible to receive the Supplemental Officer Benefit up to a maximum monthly benefit of \$5 per month not exceeding \$300.

Benefits fully vest after completing at least 20 years of service. The Plan also provides death and disability benefits.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 9. Pension Plans (Continued)

The Town shall have in effect an agreement or contract or both (the "Trust Agreement") with a corporate trustee or corporate trustees and/or insurance company and/or other financial institution selected by the Town to manage and operate the Trust Fund and to receive, hold, invest and disburse such contributions, interest and other income for the purposes of providing the benefits payable in accordance with the Plan and paying any reasonable expenses incident to the operation of the Plan or Fund to the extent authorized by the Town and consistent with the terms of the Plan and the Trust. The Town may modify the Trust Agreement from time to time to accomplish the purposes of the Plan, and the Town may remove any Trustee and appoint any successor or successors.

The Town will make periodic payments to the Trustee, determined on the basis of actuarial estimates furnished by a qualified actuary chosen by the Town which shall be in such amounts as the actuary deems necessary or appropriate for the accumulation to be sufficient to provide to the Participants the Retirement and Disability Benefits specified herein.

No part of the funds held by the Trustee pursuant to the Trust Agreement shall be used for or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries covered under this Pension Plan prior to the satisfaction of all liabilities hereunder with respect to them.

No person shall have any interest in or right to any of the funds contributed to or held by the Trust under this Pension Plan except as expressly provided in this Plan and then only to the extent that such funds have been contributed by the Town to the Trust.

The Town expressly reserves the right to change the method of funding at any time at its own election and without the consent of any person or organization of any kind.

*The Pension Plan for the Chief Executive, Town Clerk and Tax Collector of the Town of North Haven:* The Town of North Haven also maintains a non-contributory pension plan, which covers the chief executive and town clerk/tax collector of the Town of North Haven. The current year covered payroll was \$172,982. Amounts paid for benefits were \$153,994 and are pay-as-you-go, paid out of the General Fund as no formal trust has been set up (see Schedule of Funding Progress on page 65).

Plan Description: The Plan covers any person serving as the elected chief executive, town clerk or tax collector of the Town of North Haven with eight years cumulative services in such position or combination thereof upon reaching age 65.

The amount of said annual pension after eight years of cumulative service shall be equal to 40% of the average annual salary received by said person during the last five years of service to the town while serving in any of the aforementioned elected positions and be computed at the rate of 5% per year for years of service in excess of eight years of cumulative service not to exceed 50% of such average salary. Any salary received from the Town of North Haven or the Board of Education shall be deducted from the amount of their pension.

Early retirement may also be elected at age 62 provided it is approved by the Board of Selectmen. The retirement allowance would be 80% if the individual retired at age 62, 85% at age 63, and 90% at age 64.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 9. Pension Plans (Continued)**

Annual Pension Cost and Net Pension Obligation (Asset): The Town's Annual Pension Cost and Net Pension Obligation (Asset) to the PERS for the current year were as follows:

	General Employees	Police Department	Fire Department	Volunteer Fire	Elected Officials
Annual Required Contribution	\$ 2,313,309	\$ 1,319,369	\$ 772,232	\$ 51,890	\$ 166,512
Interest on Net Pension Obligation	4,891	-	-	(399)	45,757
Adjustment to Annual Required Contribution	(5,935)	-	-	1,196	(47,414)
<b>Annual Pension Cost</b>	<b>2,312,265</b>	<b>1,319,369</b>	<b>772,232</b>	<b>52,687</b>	<b>164,855</b>
Contributions Made	2,313,309	1,319,369	772,232	51,800	155,292
Increase (Decrease) in Net Pension Obligation (Asset)	(1,044)	-	-	887	9,563
Net Pension Obligation (Asset), Beginning of Year	69,869	-	-	(5,703)	653,667
Net Pension Obligation (Asset), End of Year	<u>\$ 68,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,816)</u>	<u>\$ 663,230</u>

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>General Employees</b>			
6/30/14	\$ 2,312,265	100.00%	\$ 68,825
6/30/13	2,131,807	100.00%	69,869
6/30/12	1,912,673	100.00%	70,669
<b>Police Department</b>			
6/30/14	\$ 1,319,369	100.00%	\$ -
6/30/13	1,181,302	100.00%	-
6/30/12	1,143,362	100.00%	-
<b>Fire Department</b>			
6/30/14	\$ 772,232	100.00%	\$ -
6/30/13	715,215	100.00%	-
6/30/12	689,471	100.00%	-
<b>Volunteer Fire</b>			
6/30/14	\$ 52,687	98.32%	\$ (4,816)
6/30/13	52,636	98.58%	(4,816)
6/30/12	69,112	98.99%	(6,449)
<b>Elected Officials</b>			
6/30/14	\$ 164,855	94.20%	\$ 663,230
6/30/13	156,104	98.65%	653,667
6/30/12	151,512	99.03%	651,557

Town of North Haven, Connecticut

Notes to Financial Statements

Note 9. Pension Plans (Continued)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>General Employees:</b>						
7/1/13	\$ 42,682,990	\$ 57,677,248	\$ 14,994,258	74.00%	\$ 7,634,273	196.41%
<b>Police Department:</b>						
7/1/12	\$ 17,072,095	\$ 28,900,441	\$ 11,828,346	59.07%	\$ 3,397,700	348.13%
<b>Fire Department:</b>						
7/1/12	\$ 10,786,325	\$ 16,279,971	\$ 5,493,646	66.26%	\$ 2,175,961	252.47%
<b>Volunteer Fire:</b>						
7/1/13	\$ 793,003	\$ 910,001	\$ 116,999	87.14%	N/A	N/A
<b>Elected Officials:</b>						
7/1/13	\$ -	\$ 1,449,803	\$ 1,449,803	0.00%	\$ 178,222	813.48%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial Assumptions - Pensions (GASB 27)

	General Employees	Police Department	Fire Department	Volunteer Fire	Elected Officials
Valuation Date	July 1, 2013	July 1, 2012	July 1, 2012	July 1, 2013	July 1, 2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Pro Rata Projected Unit Credit
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Dollar, Closed	Level Percentage of Payroll, Open
Remaining Amortization Period	16 Years	18 Years	18 Years	6 Years	20 Years
Asset Valuation Method	Market Value of Assets Less Unrecognized Returns in Each of the Last Five Years	5-Year Smoothing of Investment Returns Greater (Less) Than Expected	5-Year Smoothing of Investment Returns Greater (Less) Than Expected	Market Value Assets As Reported By The Town	N/A
Actuarial Assumptions:					
Inflation Rate	3.0%	3.5%	3.5%	N/A	3.0%
Investment Rate of Return	7.0%	7.0%	7.0%	7.0%	7.0%
Projected Salary Increases	0.0 to 3.7%	3.5%	3.5%	N/A	3.0%
Cost-of-living adjustment	3.0%	3.0%	3.0%	N/A	3.0%

Town of North Haven, Connecticut

Notes to Financial Statements

Note 9. Pension Plans (Continued)

Schedule of Plan Net Position  
June 30, 2014

	Pension Trust Funds				Total Pension Trust Funds
	Municipal Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	
<b>Assets</b>					
Cash	\$ 265,957	\$ -	\$ 8,836	\$ -	\$ 274,793
Accounts Receivable	2,990	53,658	35,785	-	92,433
Investments:					
U.S. government and agency bonds/notes	2,283,727	420,174	249,766	-	2,953,667
Corporate bonds	51,039	4,535,014	3,148,455	-	7,734,508
Municipal Bonds	-	1,688,360	1,316,075	-	3,004,435
Common Stock	27,843,325	-	-	-	27,843,325
Money market mutual funds	3,987,795	726,902	701,366	18,123	5,434,186
Alternatives	3,791,520	-	-	-	3,791,520
Equity mutual funds	14,138,976	14,609,604	8,443,770	864,628	38,056,978
<b>Total investments</b>	<b>52,096,382</b>	<b>21,980,054</b>	<b>13,859,432</b>	<b>882,751</b>	<b>88,818,619</b>
<b>Total assets</b>	<b>52,365,329</b>	<b>22,033,712</b>	<b>13,904,053</b>	<b>882,751</b>	<b>89,185,845</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 52,365,329</b>	<b>\$ 22,033,712</b>	<b>\$ 13,904,053</b>	<b>\$ 882,751</b>	<b>\$ 89,185,845</b>

Town of North Haven, Connecticut

Notes to Financial Statements

Note 9. Pension Plans (Continued)

Schedule of Changes in Plan Net Position  
Year Ended June 30, 2014

	Pension Trust Funds				
	Municipal Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	Total Pension Trust Funds
<b>Additions</b>					
Employer contributions	\$ 2,313,309	\$ 1,319,369	\$ 772,232	\$ 51,800	\$ 4,456,710
Employee contributions	97,713	-	-	-	97,713
<b>Total additions</b>	<b>2,411,022</b>	<b>1,319,369</b>	<b>772,232</b>	<b>51,800</b>	<b>4,554,423</b>
Investment Income:					
Net appreciation in fair value of investments	7,873,239	2,876,939	1,755,066	8,286	12,513,530
Interest and dividends	(67,373)	238,582	163,219	108,831	443,259
	7,805,866	3,115,521	1,918,285	117,117	12,956,789
Less investment expenses:					
Investment management fees	289,700	21,512	13,556	931	325,699
<b>Net investment income</b>	<b>7,516,166</b>	<b>3,094,009</b>	<b>1,904,729</b>	<b>116,186</b>	<b>12,631,090</b>
<b>Total additions</b>	<b>9,927,188</b>	<b>4,413,378</b>	<b>2,676,961</b>	<b>167,986</b>	<b>17,185,513</b>
<b>Deductions</b>					
Benefits	2,842,831	1,464,875	871,892	78,237	5,257,835
<b>Total deductions</b>	<b>2,842,831</b>	<b>1,464,875</b>	<b>871,892</b>	<b>78,237</b>	<b>5,257,835</b>
<b>Change in net position</b>	<b>7,084,357</b>	<b>2,948,503</b>	<b>1,805,069</b>	<b>89,749</b>	<b>11,927,678</b>
<b>Net Position - Restricted for Pension Benefits, beginning of year</b>	<b>45,280,972</b>	<b>19,085,209</b>	<b>12,098,984</b>	<b>793,002</b>	<b>77,258,167</b>
<b>Net Position - Restricted for Pension Benefits, end of year</b>	<b>\$ 52,365,329</b>	<b>\$ 22,033,712</b>	<b>\$ 13,904,053</b>	<b>\$ 882,751</b>	<b>\$ 89,185,845</b>

Investments: The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town does not have a custodial credit risk policy. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund, Cutwater Connecticut Class Plus, and the Tax Exempt Proceeds Fund.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

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**Note 9. Pension Plans (Continued)**

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

Equities	40-70%
Bonds	30-60%
Cash Equivalents	5-30%

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2014:

Vanguard 500 Index Fund	\$23,053,374
Vanguard Instl Index Fund	12,021,081

Net Pension Liability of the Town: The components of the net pension liability of the Town at June 30, 2014 were as follows:

<b>Net Pension Liability (GASB 67) as of June 30, 2014</b>	<b>Municipal Employees Retirement</b>	<b>Police Department Retirement</b>	<b>Fire Department Retirement</b>	<b>Volunteer Firefighters' Pension Plan</b>	<b>Elected Officials Pension Plan</b>
Total Pension Liability	\$ 62,565,212	\$ 34,432,338	\$ 19,425,911	\$ 936,778	\$ 1,869,082
Plan Fiduciary Net Position	\$ 52,365,324	\$ 22,033,710	\$ 13,904,051	\$ 882,752	\$ -
Net Pension Liability	\$ 10,200,188	\$ 12,398,628	\$ 5,521,860	\$ 54,026	\$ 1,869,082
Plan Fiduciary Net Position as a percentage of total pension liability	83.70%	63.99%	71.57%	94.23%	0.00%

**Police Department Pension Plan**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2012, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases - 3.50% for next year, 4.00% thereafter  
 Discount rate (7/1/13) - 6.27%  
 Discount rate (6/30/14) - 6.28%

Bond Buyer Go-20 Municipal Bond Index  
 June 27, 2013 - 4.63%  
 June 26, 2014 - 4.29%

The Town's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 18 years from July 1, 2012, as a level percentage of pay.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 9. Pension Plans (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. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Police</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	65%	6.60%
Core Fixed Income	30%	2.20%
Cash	5%	1.80%
<b>Total</b>	<u>100%</u>	

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 6.28%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town of North Haven Police Department contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was not 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 some periods of projected benefit payments to determine the total pension liability. The remaining projected future benefit payments were discounted using the 20-year general obligation municipal bond rate.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town of North Haven Police Department, calculated using the discount rate of 6.28% as well as what the Town of North Haven Police Department's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

<u>Police Department Retirement</u>	<u>Current Discount Rate</u>		
	<u>1% Decrease 5.28%</u>	<u>6.28%</u>	<u>1% Increase 7.28%</u>
Total Pension Liability	\$ 10,017,894	\$ 12,398,628	\$ 8,589,667

**Fire Department Pension Plan**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2012, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases - 3.50% for next year, 4.00% thereafter  
 Discount rate (7/1/13) - 6.42%  
 Discount rate (6/30/14) - 6.46%

Bond Buyer Go-20 Municipal Bond Index  
 June 27, 2013 - 4.63%  
 June 26, 2014 - 4.29%

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

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**Note 9. Pension Plans (Continued)**

The Town's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 18 years from July 1, 2012, as a level percentage of pay.

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. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Fire</u>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	65%	6.60%
Core Fixed Income	30%	2.20%
Cash	5%	1.80%
<b>Total</b>	<u>100%</u>	

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 6.46%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town of North Haven Fire Department contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was not 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 some periods of projected benefit payments to determine the total pension liability. The remaining projected future benefit payments were discounted using the 20-year general obligation municipal bond rate.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town of North Haven Fire Department, calculated using the discount rate of 6.46% as well as what the Town of North Haven Fire Department's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.46%) or 1-percentage-point higher (7.46%) than the current rate:

Fire Department Retirement	1% Decrease 5.46%	Current Discount Rate 6.46%	1% Increase 7.46%
Total Pension Liability	\$ 8,041,645	\$ 5,521,860	\$ 3,421,062

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 9. Pension Plans (Continued)

##### Municipal Employees Retirement

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases – Varies from 0.00% to 3.70%

Discount rate (7/1/13) - 6.52%

Discount rate (6/30/14) – 7.00%

Bond Buyer Go-20 Municipal Bond Index

June 27, 2013 - 4.63%

June 26, 2014 - 4.29%

The Town's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 16 years from July 1, 2013, as a level percentage of pay.

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. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Municipal</u>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	40%	6.60%
International Developed Equity	20%	7.10%
Core Fixed Income	35%	2.20%
High Yield Bonds	5%	4.70%
<b>Total</b>	<u>100%</u>	

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town of North Haven Police Department contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was not 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 some periods of projected benefit payments to determine the total pension liability.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 9. Pension Plans (Continued)**

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town of North Haven General Employees, calculated using the discount rate of 7.00% as well as what the Town of North Haven General Employees' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Municipal Employees Retirement	Current Discount Rate		
	1% Decrease 6.00%	7.00%	1% Increase 8.00%
Total Pension Liability	\$ 17,019,167	\$ 10,200,188	\$ 4,427,922

**Volunteer Firefighters Pension Plan**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases – N/A  
 Discount rate (7/1/13) – 7.00%  
 Discount rate (6/30/14) – 7.00%

Bond Buyer Go-20 Municipal Bond Index  
 June 27, 2013 - 4.63%  
 June 26, 2014 - 4.29%

The Town's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 6 years from July 1, 2013, as a level percentage of pay.

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. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Volunteer</u> Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	55%	6.60%
Core Fixed Income	40%	2.20%
Cash	5%	1.80%
<b>Total</b>	<u>100%</u>	

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 9. Pension Plans (Continued)**

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town of North Haven Volunteer Firefighters contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was not 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 some 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 net pension liability of the Town of North Haven Volunteer Firefighters, calculated using the discount rate of 7.00% as well as what the Town of North Haven Volunteer Firefighters' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Volunteer Firefighters' Pension Plan	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 158,719	\$ 54,026	\$ (33,472)

**Elected Officials**

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation – 0.00%

Salary increases – 3.00%

June 27, 2013 - 4.63% (based on Bond Buyer GO-20 index as of June 27, 2013)

June 26, 2014 - 4.29% (based on Bond Buyer GO-20 index as of June 26, 2014)

The Town's funding policy is to make contributions equal to the benefit payments for the year.

The Plan is unfunded.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town of North Haven, calculated using the discount rate of 4.29% as well as what the Town of North Haven's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29%) or 1-percentage-point higher (5.29%) than the current rate:

Elected Officials	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
Total Pension Liability	\$ 2,059,670	\$ 1,869,082	\$ 1,707,295

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 9. Pension Plans (Continued)

Connecticut State Teachers' Retirement System: The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher's Retirement System is to be considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial report as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$5,615,000 for the year ended June 30, 2014.

Defined Contribution Retirement Savings Plan: Town employees are eligible to participate in a defined contribution retirement savings plan administered by the Town. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion.

The Plan requires the Town to contribute 10% per union of their bi-weekly salary for those new hires not eligible for the Town Pension Plans. Employees can elect to contribute up to IRS guidelines. Employees are 100% vested.

Upon termination of employment, for any reason other than death or retirement, an employee shall be entitled to a deferred vested benefit based upon the number of years of credited service completed. Payment of benefits is deferred until the later of the employee's normal retirement date, the seventh anniversary of the Plan year in which participation commenced or the date of termination. The unvested accrued benefit of the employee is forfeited and allocated to each participant.

The assets for the plan are held by ICMA Retirement Corporation. The balance of the plan amounted to approximately \$498,844 at June 30, 2014.

#### Note 10. Other Postemployment Benefits

Post-retirement Benefits: The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was performed as of June 30, 2013. The post-retirement plan does not issue standalone financial reports.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 10. Other Postemployment Benefits (Continued)**

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town funds its contributions to the plan under the pay-as-you-go method. The Town determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at June 30, 2013, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	231
Active plan members	601
<b>Total</b>	<u><u>832</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	\$ 5,104,911	\$ 1,661,416	32.5%	\$ 11,039,956
6/30/13	\$ 5,453,794	\$ 1,801,824	33.0%	\$ 14,691,927
6/30/14	\$ 5,001,054	\$ 1,632,512	32.6%	\$ 18,060,469

OPEB Obligation:

Annual required contribution	\$ 4,879,585
Interest on net pension obligation	587,677
ARC adjustment	(466,208)
Annual OPEB cost	<u>5,001,054</u>
Contributions made	<u>(1,632,512)</u>
Increase in net OPEB liability	3,368,542
Net OPEB obligation, beginning of year	<u>14,691,927</u>
Net OPEB obligation, end of year	<u><u>\$ 18,060,469</u></u>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 10. Other Postemployment Benefits (Continued)**

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. Included in the calculation is an estimate of the implicit rate subsidy for Board of Education retirees. 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 (or funding excess) over a period not to exceed thirty years. The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2013	\$ -	\$ 65,014,308	\$ 65,014,308	0%	\$ 42,569,430	153%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**Actuarial Assumptions - OPEB**

Valuation Date:	June 30, 2013
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Payments increasing at 4.5%, Open
Remaining Amortization Period:	30 Years Decreasing
Actuarial Assumptions:	
Discount rate	4.00%
Investment rate of return	4.00%
Inflation rate	4.50%
Health Cost Trend Rates:	8.0% graded to 5.0% over 6 years

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into 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 employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

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**Note 11. Fund Deficits**

The Town has the following fund deficits at June 30, 2014:

	Fund Deficit
<b><u>Capital Projects Funds</u></b>	
Sackett Point Road Bridge	\$ (240,178)
Valley Service Road	(36,591)
North Haven Middle School	(70,541)
LOCIP	(98,660)
<b><u>Special Revenue Funds</u></b>	
BH Care	(268)

The Town anticipates financing the fund deficits in the Capital Projects funds through future bond issues and/or revenues.

**Note 12. Risk Management and Insurance**

The Town is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees and employee health, natural disasters, and owners and contractors protective liability.

The Town has a Comprehensive Risk Management Program, which is managed by the Finance Office. Such activities are accounted for in the Town's Internal Service Funds.

The Town is self-insured for the deductibles required on its dental insurance and prescriptions.

Commercial insurance is used to handle the various risks of loss. The more significant policies include workers compensation, property and umbrella, professional liability counseling, public officials liability, police professional liability, educators liability, errors and omissions and a fidelity and fiduciary bond.

The amount of settlements did not exceed insurance coverage for the fiscal years ended June 30, 2014 and 2013.

Changes in the balances of claim liabilities during the past years is as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2014	\$ 57,011	\$ 2,591,321	\$ 2,210,363	\$ 437,969
2013	\$ 68,093	\$ 1,945,574	\$ 1,956,656	\$ 57,011

**Note 13. Municipal Solid Waste Landfill Closure and Postclosure Care Costs**

State and Federal laws and regulations require that the Town of North Haven place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years. The site which was covered according to Regulations in 1989 had estimated total current costs of landfill closure and postclosure care, aggregating approximately \$110,000 which is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfill as of June 30, 2014, and is recorded in the government-wide financial statements. However, the actual cost of monitoring and other postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will continue to be funded through the current Public Works operating budget, at approximately \$10,000 annually.

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

**Note 14. Litigation**

The Town, its officers and employees, are defendants in numerous lawsuits. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded \$1,108,000 in the government-wide financial statements to cover probable claims.

**Note 15. Fund Balances**

Below is a table of fund balance categories and classifications at June 30, 2014 for the Town governmental funds:

	General Fund	Nonmajor Governmental Funds
Fund Balances (deficits)		
Non-spendable:		
Prepays	\$ 54,055	\$ 600
Inventory	-	9,828
Permanent funds	-	526,548
	<u>54,055</u>	<u>536,976</u>
Restricted:		
Public safety	-	160,854
Health & Welfare	-	1,645
Education	-	338,049
Public works	-	1,273,933
Culture & recreation	-	89,477
Capital projects	-	2,227,538
	<u>-</u>	<u>4,091,496</u>
Committed:		
Public safety	-	2,555,761
Culture & recreation	-	142,374
Education	-	152,898
Capital projects	-	1,513,639
Public works	-	1,091,773
	<u>-</u>	<u>5,456,445</u>
Assigned:		
General government	802,025	-
Debt retirement	3,341,327	-
Culture & recreation	231,039	-
Public safety	275,790	-
Education	427,180	-
Benefits and insurance	52,025	-
	<u>5,129,386</u>	<u>-</u>
Unassigned:	8,242,822	(361,101)
	<u>8,242,822</u>	<u>(361,101)</u>
<b>Total fund balance</b>	<u>\$ 13,426,263</u>	<u>\$ 9,723,816</u>

**Town of North Haven, Connecticut**

**Notes to Financial Statements**

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**Note 16. General Fund - Assigned For Debt Retirement**

As detailed below, this is composed of amounts relating to sewer assessments and capital project funds and is assigned for repayments of bonded debt relative to these items.

The amount assigned for debt retirement at June 30, 2014 amounted to \$3,341,327 and consisted of the following:

	Amount	Date of Borrowing	Amortization Schedule
Sewer assessment and interest collections	\$ 1,640,856	Various	Unscheduled
Accumulated interest income and grant revenue associated with capital projects:			
Capital project:			
Loan grant	938,348	10/31/92	1992-2012
School renovations	433,214	9/1/97	1997-2018
Public building	72,321	6/15/02	2002-2022
North Haven High School	256,588	4/26/06	2006-2026
	<u>\$ 3,341,327</u>		

**Note 17. Governmental Accounting Standards Board (GASB) Statements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 68, for which there will be an effect due to the net pension liability:

- ***GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27***, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement are effective for fiscal years beginning after June 15, 2014.
- ***GASB Statement No. 69, Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
  - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
  - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.

## Town of North Haven, Connecticut

### Notes to Financial Statements

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#### Note 17. Governmental Accounting Standards Board (GASB) Statements (Continued)

- Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
- Reporting the disposal of government operations that have been transferred or sold.

The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

- ***GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.*** The objective of this Statement is to address an issue regarding application of the transition provisions of *Statement No. 68, Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of *Statement 68*.

**Required Supplementary  
Information**



Town of North Haven, Connecticut

**Required Supplementary Information - Unaudited**  
**General Fund Revenues and Other Financing Sources - Budgetary Basis -**  
**Budget and Actual**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>Property Taxes, Interest and Liens</b>				
Current Taxes	\$ 77,055,803	\$ 77,055,803	\$ 77,493,280	\$ 437,477
Arrears Taxes	650,000	650,000	678,859	28,859
Interest and Lines	450,000	450,000	666,865	216,865
Supplemental Auto Tax - Current	525,000	525,000	643,992	118,992
Personal Property Audit Taxes	100,000	100,000	122,047	22,047
<b>Total Property Taxes, Interest and Liens</b>	<b>78,780,803</b>	<b>78,780,803</b>	<b>79,605,043</b>	<b>824,240</b>
<b>Education Grants</b>				
Education Grant - ECS	3,475,771	3,475,771	3,341,384	(134,387)
School Transportation	-	-	75,065	75,065
Adult Education	14,934	14,934	11,027	(3,907)
School Building Grants	190,568	190,568	190,567	(1)
School Interest Subsidy	34,880	34,880	34,880	-
<b>Total Education Grants</b>	<b>3,716,153</b>	<b>3,716,153</b>	<b>3,652,923</b>	<b>(63,230)</b>
<b>Other Government Grants</b>				
Tax Relief-Elderly Disabled Homeowner	211,800	211,800	214,469	2,669
Tax Relief-Totally Disabled	4,048	4,048	3,378	(670)
Boat Grant	94,025	94,025	76,061	(17,964)
Telephone Access Line	332,099	332,099	436,571	104,472
PILOT	2,000	2,000	2,066	66
DOT Street Lighting	31,800	31,800	31,996	196
Property Tax Relief	-	-	(27,656)	(27,656)
Mashantucket Pequot	-	-	157,487	157,487
MRSA Bonded Distribution	1,104,639	1,104,639	-	(1,104,639)
FEMA	-	-	236,759	236,759
<b>Total Other Government Grants</b>	<b>1,780,411</b>	<b>1,780,411</b>	<b>1,131,131</b>	<b>(649,280)</b>
<b>Investment Income</b>				
Interest on Short-Term Investments	40,000	40,000	68,426	28,426
<b>Total Investment Income</b>	<b>40,000</b>	<b>40,000</b>	<b>68,426</b>	<b>28,426</b>

(Continued)

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
 General Fund Revenues and Other Financing Sources - Budgetary Basis -  
 Budget and Actual (Continued)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Town Revenue - General</b>				
Sale of Town Property	\$ 2,500	\$ 2,500	\$ 8,300	\$ 5,800
In Lieu of Taxes	235,000	235,000	253,028	18,028
Rental Town Property	60,000	60,000	67,700	7,700
Parking Violation	3,000	3,000	1,245	(1,755)
Town Miscellaneous Receipts/CRRA Refund	225,000	225,000	230,179	5,179
Rent-Mill Road School	98,290	98,290	98,290	-
<b>Town Revenue-General</b>	<b>623,790</b>	<b>623,790</b>	<b>658,742</b>	<b>34,952</b>
<b>Licenses, Permits, Fees and Fines</b>				
Cemetery	55,000	55,000	69,222	14,222
Assessor's Office	850	850	1,020	170
Town Clerk Fees	350,000	350,000	308,880	(41,120)
Registrar of Vital Statistics	13,000	13,000	21,535	8,535
Miscellaneous Licenses/Permits	9,000	9,000	10,320	1,320
Alarm Use Fee	21,000	21,000	16,100	(4,900)
Police Photocopies	3,000	3,000	3,954	954
Dog License Fees	8,000	8,000	7,779	(221)
Building Fees	550,000	550,000	1,015,973	465,973
Engineering Fees	1,000	1,000	1,025	25
Road Permit Fees	7,000	7,000	10,185	3,185
Public Works Fees	2,000	2,000	1,910	(90)
Sale of Recyclables	300	300	1,306	1,006
Application Inspection	3,000	3,000	2,640	(360)
P&Z Commission Fees	15,000	15,000	9,224	(5,776)
Inland Wetlands Commission Fees	2,000	2,000	2,091	91
Community Service Fees/Local Welfare	115,000	115,000	192,616	77,616
Zoning Board of Appeals	5,000	5,000	3,644	(1,356)
<b>Total Licenses, Permits, Fees and Fines</b>	<b>1,160,150</b>	<b>1,160,150</b>	<b>1,679,424</b>	<b>519,274</b>
<b>Total Revenues</b>	<b>86,101,307</b>	<b>86,101,307</b>	<b>86,795,689</b>	<b>694,382</b>

(Continued)

Town of North Haven, Connecticut

**Required Supplementary Information - Unaudited**  
**General Fund Revenues and Other Financing Sources - Budgetary Basis -**  
**Budget and Actual (Continued)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources</b>				
Appropriated fund balance	\$ 750,000	\$ 750,000	\$ -	\$ (750,000)
<b>Total Other Financing Sources</b>	<u>750,000</u>	<u>750,000</u>	-	<u>(750,000)</u>
<b>Total Budgetary Revenue</b>	<u>\$ 86,851,307</u>	<u>\$ 86,851,307</u>	86,795,689	<u>\$ (55,618)</u>

Budgetary Revenues are different than GAAP Revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers Retirement System for Town Teachers are not budgeted. 5,615,000

Revenues and transfers from other funds charged directly to reserve for debt retirement/claims 54,638

Reclassified to General Fund, as funds were previously reported as Special Revenue Fund, and no longer meet the definition in accordance with GASB No. 54 921,424

Issuance of capital leases 926,404

Cancellation of prior year encumbrances 287,174

Total revenues as reported on the statement  
of revenues, expenditures and changes in fund balances -  
governmental funds - page 12. \$ 94,600,329

See Note to Required Supplementary Information.

Town of North Haven, Connecticut

**Required Supplementary Information - Unaudited  
General Fund Expenditures and Other Financing Uses -  
Budgetary Basis - Budget and Actual  
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
Selectmen	\$ 170,372	\$ 172,389	\$ 172,389	\$ -
Town Clerk	168,848	147,755	147,755	-
Election	104,850	88,675	88,675	-
Legal	199,800	270,465	270,465	-
Probate Court	6,700	6,700	6,700	-
Economic Development	6,900	21,628	21,628	-
Land Use Administration	224,648	195,772	195,772	-
Planning and Zoning	15,900	14,477	14,477	-
Inland Wetlands Commission	9,250	2,751	2,751	-
Zoning Board of Appeals	6,300	4,099	4,099	-
Building Inspection/Permit	250,705	320,147	320,147	-
Public Libraries	884,348	882,971	882,971	-
Cemetery Commission	60,700	52,103	52,103	-
Treasurer Finance	518,466	523,823	523,823	-
Board of Finance	7,250	1,651	1,651	-
Contingent Fund	300,000	-	-	-
Annual/special Audit	69,400	51,130	51,130	-
Personnel Policy Expenses	769,956	773,323	773,323	-
Central Supply Services	336,825	394,675	394,675	-
Central Facilities	316,700	378,847	378,847	-
Information Technology	374,609	382,109	382,109	-
Assessor	250,642	231,722	231,722	-
Board of Assessment Appeals	2,150	764	764	-
Tax Collector	169,634	162,693	162,693	-
Insurance-General	704,524	734,124	734,124	-
<b>Total General Government</b>	<b>5,929,477</b>	<b>5,814,793</b>	<b>5,814,793</b>	<b>-</b>
<b>Public Safety</b>				
Police	5,161,257	5,057,115	5,057,115	-
Animal Control/Dog Warden	91,084	80,644	80,644	-
Fire	3,629,304	3,724,161	3,724,161	-
<b>Total Public Safety</b>	<b>8,881,645</b>	<b>8,861,920</b>	<b>8,861,920</b>	<b>-</b>

(Continued)

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
 General Fund Expenditures and Other Financing Uses -  
 Budgetary Basis - Budget and Actual (Continued)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued)</b>				
<b>Current (Continued)</b>				
<b>Public Works</b>				
Department of Public Works	\$ 226,072	\$ 206,941	\$ 206,941	\$ -
Transfer Station/Recycling	364,294	334,140	333,485	655
Sanitation	1,445,902	1,369,811	1,369,811	-
Streets and Roads	1,950,491	1,842,484	1,842,484	-
Maintenance	269,442	289,205	289,205	-
Parks	260,200	266,471	266,471	-
Engineering	138,549	154,682	154,682	-
<b>Total Public Works</b>	<b>4,654,950</b>	<b>4,463,734</b>	<b>4,463,079</b>	<b>655</b>
<b>Public Services</b>				
Regional Health District	126,524	126,163	126,163	-
Regional Visiting Nurse Association	28,156	20,886	20,886	-
Community Services	421,590	474,659	474,659	-
Welfare	3,000	1,161	1,161	-
Senior Center	286,144	290,483	290,483	-
<b>Total Public Services</b>	<b>865,414</b>	<b>913,352</b>	<b>913,352</b>	<b>-</b>
<b>Recreation</b>				
	537,768	539,717	539,717	-
<b>Total Recreation</b>	<b>537,768</b>	<b>539,717</b>	<b>539,717</b>	<b>-</b>
<b>Employee Benefits</b>				
Pension and Social Security	5,045,702	5,632,557	5,632,557	-
Insurance Employees	6,004,084	5,375,767	5,375,767	-
<b>Total Employee Benefits</b>	<b>11,049,786</b>	<b>11,008,324</b>	<b>11,008,324</b>	<b>-</b>
<b>Education</b>				
	46,843,908	46,843,908	46,843,908	-
<b>Total Education</b>	<b>46,843,908</b>	<b>46,843,908</b>	<b>46,843,908</b>	<b>-</b>
<b>Miscellaneous</b>				
Miscellaneous	418,066	381,727	360,171	21,556
Utilities	1,021,000	1,126,815	1,126,815	-
<b>Total Miscellaneous</b>	<b>1,439,066</b>	<b>1,508,542</b>	<b>1,486,986</b>	<b>21,556</b>

(Continued)

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
 General Fund Expenditures and Other Financing Uses -  
 Budgetary Basis - Budget and Actual (Continued)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued)</b>				
<b>Current (Continued)</b>				
<b>Capital</b>				
Capital	\$ 377,963	\$ 625,687	\$ 625,687	\$ -
<b>Total Capital</b>	<u>377,963</u>	<u>625,687</u>	<u>625,687</u>	<u>-</u>
<b>Debt Service</b>				
Principal	4,122,470	4,122,470	4,122,470	-
Interest	2,021,860	2,021,889	2,021,860	29
<b>Total Debt Service</b>	<u>6,144,330</u>	<u>6,144,359</u>	<u>6,144,330</u>	<u>29</u>
<b>Total Expenditures</b>	<u>86,724,307</u>	<u>86,724,336</u>	<u>86,702,096</u>	<u>22,240</u>
<b>Other Financing Uses</b>				
<b>Operating Transfers Out:</b>				
School Lunch - BOE	17,000	17,000	17,000	-
Capital Improvement - BOE	110,000	110,000	110,000	-
<b>Total Other Financing Uses</b>	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>-</u>
<b>Total Budgetary Expenditures</b>	<u>\$ 86,851,307</u>	<u>\$ 86,851,336</u>	86,829,096	<u>\$ 22,240</u>

Budgetary Expenditures are different than GAAP Expenditures because:

State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for Town Teachers are not budgeted. 5,615,000

Issuance of capital leases 926,404

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes. (451,899)

Reclassified to General Fund, as funds were previously reported as Special Revenue Fund, and no longer meet the definition in accordance with GASB No. 54 811,885

Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes. 936,784

Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds - Page 12. \$ 94,667,270

See Note to Required Supplementary Information.

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
 Schedule of Funding Progress - Pensions  
 June 30, 2014

Schedule of Funding Progress - Pensions

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Over) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>General Employees:</b>						
7/1/13	\$ 42,682,990	\$ 57,677,248	\$ 14,994,258	74.00%	\$ 7,634,273	196.41%
7/1/12	N/A	N/A	N/A	N/A	N/A	N/A
7/1/11	39,535,130	53,669,768	14,134,638	73.66%	8,172,229	172.96%
7/1/10	N/A	N/A	N/A	N/A	N/A	N/A
7/1/09	38,940,688	49,343,283	10,402,595	78.92%	8,170,904	127.31%
7/1/08	N/A	N/A	N/A	N/A	N/A	N/A
<b>Police Department:</b>						
7/1/13	N/A	N/A	N/A	N/A	N/A	N/A
7/1/12	17,072,095	28,900,441	11,828,346	59.07%	3,397,700	348.13%
7/1/11	N/A	N/A	N/A	N/A	N/A	N/A
7/1/10	16,614,473	26,283,327	(9,668,854)	63.21%	3,087,436	313.17%
7/1/09	N/A	N/A	N/A	N/A	N/A	N/A
7/1/08	17,674,899	21,494,845	3,819,946	82.23%	2,975,442	128.38%
<b>Fire Department:</b>						
7/1/13	N/A	N/A	N/A	N/A	N/A	N/A
7/1/12	10,786,325	16,279,971	5,493,646	66.26%	2,175,961	252.47%
7/1/11	N/A	N/A	N/A	N/A	N/A	N/A
7/1/10	10,390,955	15,606,930	5,215,975	66.58%	2,099,874	248.39%
7/1/09	N/A	N/A	N/A	N/A	N/A	N/A
7/1/08	11,218,605	13,420,680	2,202,075	83.59%	1,825,641	120.62%
<b>Volunteer Fire:</b>						
7/1/13	\$ 793,003	\$ 910,001	\$ 116,999	87.14%	N/A	N/A
7/1/12	N/A	N/A	N/A	N/A	N/A	N/A
7/1/11	705,629	931,596	225,967	75.74%	N/A	N/A
7/1/10	N/A	N/A	N/A	N/A	N/A	N/A
7/1/09	530,277	914,946	384,669	57.96%	N/A	N/A
7/1/08	N/A	N/A	N/A	N/A	N/A	N/A
<b>Elected Officials:</b>						
7/1/13	\$ -	\$ 1,449,803	\$ 1,449,803	0.00%	178,222	813.48%
7/1/12	N/A	N/A	N/A	N/A	N/A	N/A
7/1/11	-	1,378,759	1,378,759	0.0%	173,558	794.41%
7/1/10	N/A	N/A	N/A	N/A	N/A	N/A
7/1/09	-	1,540,084	1,540,084	0.00%	173,558	887.36%
7/1/08	N/A	N/A	N/A	N/A	N/A	N/A

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
 Schedule of Employer Contributions - Pensions  
 June 30, 2014

**Schedule of Employer Contributions - Pensions**

General Employees						Police Department				
Year Ended June 30,	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2014	\$ 2,313,309	\$ 2,313,309	\$ -	\$ 7,634,000	30.3%	\$ 1,319,369	\$ 1,319,369	\$ -	\$ 3,533,608	37.3%
2013	2,132,607	2,132,607	\$ -	7,634,000	27.9%	1,181,302	1,181,302	\$ -	3,397,000	34.8%
2012	1,913,252	1,913,252	\$ -	8,172,000	23.4%	1,143,362	1,143,362	\$ -	3,397,000	33.7%
2011	1,838,125	1,838,125	\$ -	8,172,000	22.5%	809,049	809,049	\$ -	3,087,400	26.2%
2010	1,442,647	1,442,647	\$ -	8,171,000	17.7%	808,780	808,780	\$ -	3,087,400	26.2%
2009	1,408,390	1,373,180	\$ 35,210	8,171,000	16.8%	976,484	976,484	\$ -	2,975,422	32.8%
2008	1,153,433	1,153,433	\$ -	8,260,000	14.0%	867,449	867,449	\$ -	2,975,442	29.2%
2007	1,177,883	1,177,883	\$ -	8,260,000	14.3%	615,624	615,624	\$ -	2,641,000	23.3%
2006	884,007	884,007	\$ -	7,596,000	11.6%	599,774	599,774	\$ -	2,641,000	22.7%
2005	899,569	836,560	\$ 63,009	7,596,000	11.0%	376,757	376,757	\$ -	2,422,000	15.6%

Volunteer Firefighters						Elected Officials				
Year Ended June 30,	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2014	\$ 51,890	\$ 51,890	\$ -	N/A	N/A	\$ 166,512	\$ 164,855	\$ 1,657	\$ 178,000	92.6%
2013	51,890	51,890	\$ -	N/A	N/A	157,756	153,970	\$ 3,786	178,000	86.5%
2012	68,415	68,415	\$ -	N/A	N/A	153,161	150,098	\$ 3,063	174,000	86.3%
2011	68,415	68,415	\$ -	N/A	N/A	191,527	147,476	\$ 44,051	174,000	84.8%
2010	95,692	95,692	\$ -	N/A	N/A	185,948	147,457	\$ 38,491	174,000	84.7%
2009	95,692	95,692	\$ -	N/A	N/A	152,129	143,306	\$ 8,823	174,000	82.4%
2008	153,277	153,277	\$ -	N/A	N/A	147,245	137,674	\$ 9,571	184,000	74.8%
2007	153,277	153,277	\$ -	N/A	N/A	114,415	97,024	\$ 17,391	184,000	52.7%
2006	145,034	145,034	\$ -	N/A	N/A	130,577	100,675	\$ 29,902	175,000	57.5%
2005	145,034	145,034	\$ -	N/A	N/A	115,957	97,404	\$ 18,553	175,000	55.7%

Fire Department					
Year Ended June 30,	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2014	\$ 772,232	\$ 772,232	\$ -	\$ 2,175,961	35.5%
2013	715,215	715,215	\$ -	2,175,961	32.9%
2012	689,471	689,471	\$ -	2,100,000	32.8%
2011	511,620	511,620	\$ -	2,100,000	24.4%
2010	491,673	491,673	\$ -	1,826,000	26.9%
2009	594,455	594,455	\$ -	1,826,000	32.6%
2008	570,584	570,584	\$ -	1,433,000	39.8%
2007	426,958	426,958	\$ -	1,433,000	29.8%
2006	424,659	424,659	\$ -	1,228,000	34.6%
2005	318,734	318,734	\$ -	1,228,000	26.0%

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
Schedules of Funding Progress and Employer Contributions - OPEB  
June 30, 2014

**Schedule of Funding Progress - OPEB**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Over)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a
			Unfunded AAL (UAAL) (b-a)			Percentage of Covered Payroll ((b-a)/c)
6/30/2013	\$ -	\$ 65,014,308	\$ 65,014,308	0.00%	\$ 42,569,430	153%
6/30/2011	-	62,589,632	62,589,632	0.00%	39,961,944	157%
6/30/2009	-	53,767,756	53,767,756	0.00%	40,108,760	134%

**Schedule of Employer  
Contributions - OPEB**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 4,879,585	33.5%
2013	5,307,319	33.9%
2012	5,042,106	33.0%
2011	4,540,125	44.5%
2010	4,320,380	42.7%
2009	4,116,231	39.3%

Town of North Haven, Connecticut

Required Supplementary Information - Unaudited  
 Schedule of Changes in the Town's Net Position and Related Ratios  
 Last Fiscal Years  
 June 30, 2014

	Municipal Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	Elected Officials Pension Plan
<b>Changes in Net Pension Liability</b>					
<b>Total Pension Liability</b>					
Service cost	\$ 1,475,199	\$ 685,828	\$ 412,809	\$ 10,800	\$ 86,955
Interest on total pension liability	4,108,111	2,077,159	1,203,654	63,844	83,581
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	(3,129,022)	(40,919)	(90,301)	-	57,941
Benefit payments	(2,842,836)	(1,464,875)	(871,895)	(78,237)	(155,292)
<b>Net change in total pension liability</b>	<b>(388,548)</b>	<b>1,257,193</b>	<b>654,267</b>	<b>(3,593)</b>	<b>73,185</b>
Total Pension Liability, beginning	62,954,060	33,175,145	18,771,644	940,371	1,795,897
<b>Total pension liability, ending (a)</b>	<b>62,565,512</b>	<b>34,432,338</b>	<b>19,425,911</b>	<b>936,778</b>	<b>1,869,082</b>
<b>Fiduciary Net Position</b>					
Employer contributions	2,313,309	1,319,369	772,232	51,800	155,292
Member contributions	97,713	-	-	-	-
Investment income net of investment expenses	7,721,782	3,115,520	1,918,286	117,118	-
Benefit payments	(2,842,836)	(1,464,875)	(871,895)	(78,237)	(155,292)
Administrative expenses	(289,700)	(21,513)	(13,556)	(931)	-
<b>Net change in plan fiduciary net position</b>	<b>7,000,268</b>	<b>2,948,501</b>	<b>1,805,067</b>	<b>89,750</b>	<b>-</b>
Fiduciary Net Position, beginning	45,365,056	19,085,209	12,098,984	793,002	-
<b>Fiduciary net position, ending (b)</b>	<b>52,365,324</b>	<b>22,033,710</b>	<b>13,904,051</b>	<b>882,752</b>	<b>-</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 10,200,188</b>	<b>\$ 12,398,628</b>	<b>\$ 5,521,860</b>	<b>\$ 54,026</b>	<b>\$ 1,869,082</b>
Fiduciary net position as a % of total pension liability	83.70%	63.99%	71.57%	94.23%	0.00%
Covered payroll	\$ 7,634,273	\$ 3,533,608	2,175,961	N/A	\$ 178,222
Net pension liability as a % of covered payroll	133.61%	350.88%	253.77%	N/A	1048.74%

NOTE: As 2014 is the implementation year, only 2014 information is available.

## Town of North Haven, Connecticut

### Required Supplementary Information

#### Note to the Required Supplementary Information - Unaudited

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##### Note 1. Budgets and Budgetary Accounting

Budgetary Information: Town department heads, except for education, submit expenditure requests to the Board of Selectmen 90 days or more before the annual budget Town meeting, which is held on the second Monday in May unless otherwise scheduled. Not less than 70 days before the annual meeting, the Board of Selectmen after review of these initial estimates, compile the revised estimates and submit them to the Board of Finance. The Education Department, not less than 70 days before the annual meeting, submits its requests directly to the Board of Finance.

One or two more public hearings are held on the budget not less than 21 days before the annual meeting. The budget becomes effective when approved at the annual meeting. No appropriation can be made exceeding that which was originally recommended by the Board of Finance. An appropriation for less than was recommended can be instituted if approved by a majority of those present and voting.

Special budget appropriations must be approved by the Board of Finance and, if in excess of \$20,000, recommended to the Town Meeting for approval. During the fiscal year ended June 30, 2014 there were no special appropriations. The Board of Finance has the power to transfer any portion of the cash surplus not otherwise appropriated.

The annual operating budget for the Town of North Haven is approved at the line item level (e.g. Town Clerk). The budget for the Department of Education is approved as a single amount. The legal level of budgetary control is at the department level. Management can make transfers within a department without limit and without approval from the Board of Finance. The Board of Finance may also approve transfers from contingency for any lawful purpose. Required transfers are tracked continuously and are formally adopted immediately after the end of the fiscal year as part of the end of the fiscal closing of the budget. Appropriations for goods not received or for capital construction projects or work-in-progress may continue in force. Appropriations which have been continued but not utilized lapse if five fiscal years shall elapse without any expenditure or encumbrance.

Only the General Fund has a legally adopted annual budget.

Additional appropriations may be made after the budget's adoption by either the Board of Finance or at a Town meeting.

Except for the Board of Education and Probate Court, all departments wishing to make budgetary transfers must have them approved by the Board of Finance.

The differences between the budgetary and GAAP basis of accounting are as follows:

- Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as an assigned fund balance on a GAAP basis.
- State of Connecticut payments on behalf of the Town of North Haven teachers for the State Teachers' Retirement System are reported for GAAP purposes only.
- The effect of the implementation of GASB 54.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as an assigned fund balance and do not constitute expenditures or liabilities because the commitment will be re-appropriated and honored during the subsequent year.

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**Combining and Individual  
Fund Financial Statements and Other Schedules**



**Nonmajor Governmental Funds**

## ***Special Revenue Funds***

State Grant P.A. 701: To account for the annual grant from the State Department of Transportation for the repairs and maintenance of Town roads.

Community Services: To account for expenditures for Outreach programs, Project Graduation and Weekend counselors.

School Cafeteria: To account for the operations of the food program by the school system.

DCYS Grant: To account for expenditures for youth service programs.

Crime Control Seizure: To account for monies received under General Statutes Section 54-361.

Education Grants: To account for expenditure of State and Federal grants received for a variety of school programs.

Substance Abuse Prevention Council Grant: To account for expenditures for the education of youth on drugs, alcohol and tobacco prevention.

Day Care: To account for grant funds from the State of Connecticut received by the Town.

Equipment Replacement: To account for cost of significant equipment replacement required by EPA and CT DEP regulations.

BH Care: To account for Mental Health Grant.

Police Outside Duty: To account for operations for jobs requiring policemen on duty to outside contractors.

Fire Outside Duty: To account for operations for jobs requiring firemen on duty to outside contractors.

Library Grant: To account for Connecticut grant and State Library grant received from the State.

Retired Teachers Health Insurance: To account for medical premium expenditures for retired teachers reimbursed by the State.

Board of Education Scholarship Funds: To account for expenditures of scholarship monies.

Emergency Fund: To account for donated funds received for members of the community in need.

Show and Sell: Funds donated and used for economic development project.

Firemen's Benevolent: To provide relief to volunteer and paid fire personnel and families should the need arise.

State/Federal Grants: To account for certain Federal and State grants.

Workforce Alliance: To account for a state grant that provides job opportunities for students that meet the grant requirements.

ADA Grant: To account for Town expenditures related to Town Hall compliance with the American with Disabilities Act.

## ***Capital Projects Funds***

North Haven High School: To account for expenditures for building the new school.

Capital Improvement: To account for expenditures used in the acquisition and construction of capital facilities and other fixed assets.

Sackett Point Road Bridge: To account for expenditures of the Sackett Point Road Bridge renovation.

Streetscapes: To account for expenditures for central block.

Valley Service Road: To account for expenditures on Valley Service Road.

BOE Capital Improvement: To account for expenditures used in the acquisition and construction of capital facilities and other fixed assets.

Todd Drive Drainage: To account for expenditures of the Todd Drive Drainage Project.

Road Paving: To account for the expenditures associated with the paving and milling of approximately 20 miles of town roadways. This project is being financed through a bonding package.

Public Works Garage: To account for the expenditures associated with the design and construction of a public works garage. This project is being financed through a bonding package.

Firehouse Renovations: To account for the expenditures associated with the design and renovation of four firehouses. This project is being financed through a bonding package.

Spring Road Bridge Repair: To account for expenditures of the Spring Road Bridge renovation.

## ***Permanent Funds***

Bradley Trust: This fund was established by a bequest from Andrew R. Bradley. The income derived from this bequest is to be used as follows: care of Pierpont Park, maintenance and support of the Library and care of Andrew R. Bradley's cemetery lot.

Stiles Library Maintenance: This fund was established by a bequest from Frank L. Stiles. The income is to be used for repairs to library and purchase of books of reference or other permanent value.

Banton Civic Association Scholarship: This scholarship fund was created in 1976. A portion of the income is to be awarded to a deserving student from the North Haven High School graduating class.

Walter Kraemer Memorial: This fund was established to use income to purchase books for the North Haven Library.

William E. Dickerman Memorial: This fund was established in the memory of William E. Dickerman. The income is to be used for the general educational purposes of the North Haven Library.

Walter T. Berniere Scholarship: This fund was established in 1990 to provide a scholarship to an individual pursuing a career in law enforcement.

Roger Blood Memorial: This fund was established by a bequest from Ida Mastroianni Caccese. The income is to be used to purchase books in English Literature, History and Travel.

Louis and Mary Tagliatella Foundation Scholarship: A scholarship was established by a bequest from Louis F. Tagliatella, Sr. to be available for annual awards to graduates of North Haven High School under the PTSA Scholarship Program.

Louis Mastroianni Endowment Fund: This fund was established by a bequest from Ida Mastroianni Caccese in memory of Louis D. Mastroianni. The income from this fund is to be used for the purpose of purchasing children's books on nature, environment and gardening.

Lester W. Gott Scholarship: A scholarship fund established by a bequest from Louis F. and Mary A. Tagliatella Foundation, Inc. to provide a scholarship to a high school graduate.

Abercrombie Scholarship: A scholarship fund was established in memory of Paul D. Abercrombie to provide a scholarship to a high school graduate.

Carol E. White Endowment Fund: This fund was established by a bequest from Steven D. White in memory of Carol E. White for the purpose of purchasing high quality non-fiction books.

Cemetery Perpetual Care: This fund is used to account for resources legally held for the perpetual care of the cemetery. All resources of the fund, including any earnings on invested resources, may be used to support the maintenance of the cemetery. This is no requirement that any portion of these resources be preserved as capital.

Town of North Haven, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

	Special Revenue Funds									
	State Grant P.A. 701	Community Services	School Cafeteria	DCYS Grant	Crime Control Seizure	Education Grants	Substance Abuse Prevention Council Grant	Day Care	Equipment Replacement	
<b>Assets</b>										
Cash and cash equivalents	\$ -	\$ 33,100	\$ 66,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:										
Intergovernmental	-	-	66,273	-	-	42,158	-	-	-	14,743
Prepays	-	-	-	-	-	-	-	-	-	-
Due from other funds	518,234	-	17,000	1,172	48,526	514,376	1,645	142,374	-	58,566
Inventories	-	-	18,626	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 518,234</b>	<b>\$ 33,100</b>	<b>\$ 168,024</b>	<b>\$ 1,172</b>	<b>\$ 48,526</b>	<b>\$ 556,534</b>	<b>\$ 1,645</b>	<b>\$ 142,374</b>	<b>\$</b>	<b>\$ 73,309</b>
<b>Liabilities and Fund Balances (Deficits)</b>										
<b>Liabilities</b>										
Accounts payable	\$ -	\$ -	\$ 167,800	\$ 1,172	\$ -	\$ 291,582	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	27,365	-	-	-	-
Due to other funds	-	-	-	-	-	92,606	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>167,800</b>	<b>1,172</b>	<b>-</b>	<b>411,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>										
Nonspendable	-	-	18,626	-	-	-	-	-	-	-
Restricted	518,234	33,100	-	-	48,526	-	1,645	142,374	-	-
Committed	-	-	-	-	-	-	-	-	-	73,309
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(18,402)	-	-	144,981	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>518,234</b>	<b>33,100</b>	<b>224</b>	<b>-</b>	<b>48,526</b>	<b>144,981</b>	<b>1,645</b>	<b>142,374</b>	<b>-</b>	<b>73,309</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 518,234</b>	<b>\$ 33,100</b>	<b>\$ 168,024</b>	<b>\$ 1,172</b>	<b>\$ 48,526</b>	<b>\$ 556,534</b>	<b>\$ 1,645</b>	<b>\$ 142,374</b>	<b>\$</b>	<b>\$ 73,309</b>

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2014

	Special Revenue Funds							
	BH Care	Police Outside Duty	Fire Outside Duty	Library Grant	Retired Teachers Health Insurance	Board of Education Scholarship Funds	Emergency Fund	Show and Sell
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 11,274	\$ 335,322	\$ 58,441	\$ -
Receivables:								
Intergovernmental	2,641	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	600	-
Due from other funds	-	164,912	14,578	20,589	-	-	-	555
Inventories	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,641</b>	<b>\$ 164,912</b>	<b>\$ 14,578</b>	<b>\$ 20,589</b>	<b>\$ 11,274</b>	<b>\$ 335,322</b>	<b>\$ 59,041</b>	<b>\$ 555</b>
<b>Liabilities and Fund Balances (Deficits)</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,654	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	2,909	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>2,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,654</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>								
Nonspendable	-	-	-	-	-	-	600	-
Restricted	-	-	-	20,589	2,620	335,322	58,441	555
Committed	-	164,912	14,578	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(268)	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>(268)</b>	<b>164,912</b>	<b>14,578</b>	<b>20,589</b>	<b>2,620</b>	<b>335,322</b>	<b>59,041</b>	<b>555</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 2,641</b>	<b>\$ 164,912</b>	<b>\$ 14,578</b>	<b>\$ 20,589</b>	<b>\$ 11,274</b>	<b>\$ 335,322</b>	<b>\$ 59,041</b>	<b>\$ 555</b>

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2014

	Special Revenue Funds				Capital Projects Funds				
	Firemen's Benevolent	State/ Federal Grants	Workforce Alliance	ADA Grant	North Haven High School	Capital Improvement	Sackett Point Road Bridge	North Haven Middle School	Valley Service Road
<b>Assets</b>									
Cash and cash equivalents	\$ 53,887	\$ -	\$ -	\$ -	\$ 2,421,795	\$ 1,555,644	\$ -	\$ -	\$ -
Receivables:									
Intergovernmental	-	-	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-
Due from other funds	-	29,938	107	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 53,887</b>	<b>\$ 29,938</b>	<b>\$ 107</b>	<b>\$ -</b>	<b>\$ 2,421,795</b>	<b>\$ 1,555,644</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances (Deficits)</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 731,524	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	4,970	-	-	-	42,005	-	-	-
Due to other funds	-	-	-	-	5,935	-	240,178	70,541	36,591
<b>Total liabilities</b>	<b>-</b>	<b>4,970</b>	<b>-</b>	<b>-</b>	<b>737,459</b>	<b>42,005</b>	<b>240,178</b>	<b>70,541</b>	<b>36,591</b>
<b>Fund Balances (Deficits)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	53,887	24,968	107	-	1,684,336	-	-	-	-
Committed	-	-	-	-	-	1,513,639	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(240,178)	(70,541)	(36,591)
<b>Total fund balances (deficits)</b>	<b>53,887</b>	<b>24,968</b>	<b>107</b>	<b>-</b>	<b>1,684,336</b>	<b>1,513,639</b>	<b>(240,178)</b>	<b>(70,541)</b>	<b>(36,591)</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 53,887</b>	<b>\$ 29,938</b>	<b>\$ 107</b>	<b>\$ -</b>	<b>\$ 2,421,795</b>	<b>\$ 1,555,644</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2014

Capital Projects Funds

	BOE Capital Improvement	Todd Drive Drainage	Road Paving	Municipal Aid	Firehouse Renovations	Spring Road Bridge Repair
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:						
Intergovernmental	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Due from other funds	152,898	1,018,464	666,933	607,000	2,209,693	538,665
Inventories	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 152,898</b>	<b>\$ 1,018,464</b>	<b>\$ 666,933</b>	<b>\$ 607,000</b>	<b>\$ 2,209,693</b>	<b>\$ 538,665</b>
<b>Liabilities and Fund Balances (Deficits)</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 372,087	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372,087</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	607,000	-	-
Committed	152,898	1,018,464	666,933	-	1,837,606	538,665
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>152,898</b>	<b>1,018,464</b>	<b>666,933</b>	<b>607,000</b>	<b>1,837,606</b>	<b>538,665</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 152,898</b>	<b>\$ 1,018,464</b>	<b>\$ 666,933</b>	<b>\$ 607,000</b>	<b>\$ 2,209,693</b>	<b>\$ 538,665</b>

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2014

	Permanent Funds						
	Bradley Trust	Stiles Library Maintenance	Banton Civic Association Scholarship	Walter Kraemer Memorial	William E. Dickerman Memorial	Walter T. Berniere Scholarship	Roger Blood Memorial
<b>Assets</b>							
Cash and cash equivalents	\$ 3,898	\$ 25,174	\$ 3,314	\$ 1,762	\$ 79,042	\$ 11,309	\$ 15,221
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,898</b>	<b>\$ 25,174</b>	<b>\$ 3,314</b>	<b>\$ 1,762</b>	<b>\$ 79,042</b>	<b>\$ 11,309</b>	<b>\$ 15,221</b>
<b>Liabilities and Fund Balances (Deficits)</b>							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>							
Nonspendable	2,500	10,000	3,250	1,675	68,297	10,000	10,000
Restricted	1,398	15,174	64	87	10,745	1,309	5,221
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>3,898</b>	<b>25,174</b>	<b>3,314</b>	<b>1,762</b>	<b>79,042</b>	<b>11,309</b>	<b>15,221</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 3,898</b>	<b>\$ 25,174</b>	<b>\$ 3,314</b>	<b>\$ 1,762</b>	<b>\$ 79,042</b>	<b>\$ 11,309</b>	<b>\$ 15,221</b>

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds (Continued)  
 June 30, 2014

	Permanent Funds							
	Louis & Mary Tagliatella Foundation Scholarship	Louis Mastroianni Endowment Fund	Lester W. Gott Scholarship	Abercrombie Scholarship	Carol E. White Endowment Fund	Cemetery Perpetual Care	Totals	
<b>Assets</b>								
Cash and cash equivalents	\$ 65,327	\$ 5,373	\$ 30,667	\$ 11,526	\$ 10,255	\$ 257,471	\$ 5,055,927	
Receivables:								
Intergovernmental	-	-	-	-	-	-	125,815	
Prepays	-	-	-	-	-	-	600	
Due from other funds	-	-	-	-	-	-	6,726,225	
Inventories	-	-	-	-	-	-	18,626	
<b>Total assets</b>	<b>\$ 65,327</b>	<b>\$ 5,373</b>	<b>\$ 30,667</b>	<b>\$ 11,526</b>	<b>\$ 10,255</b>	<b>\$ 257,471</b>	<b>\$ 11,927,193</b>	
<b>Liabilities and Fund Balances (Deficits)</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,572,819	
Unearned revenue	-	-	-	-	-	-	74,340	
Due to other funds	-	-	-	-	-	-	547,420	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,194,579</b>	
<b>Fund Balances (Deficits)</b>								
Nonspendable	65,000	5,000	30,503	11,410	10,000	298,913	545,774	
Restricted	327	373	164	116	255	-	3,566,937	
Committed	-	-	-	-	-	-	5,981,004	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	(41,442)	(361,101)	
<b>Total fund balances (deficits)</b>	<b>65,327</b>	<b>5,373</b>	<b>30,667</b>	<b>11,526</b>	<b>10,255</b>	<b>257,471</b>	<b>9,732,614</b>	
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 65,327</b>	<b>\$ 5,373</b>	<b>\$ 30,667</b>	<b>\$ 11,526</b>	<b>\$ 10,255</b>	<b>\$ 257,471</b>	<b>\$ 11,927,193</b>	

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue Funds								
	State Grant P.A. 701	Community Services	School Cafeteria	DCYS Grant	Crime Control Seizure	Education Grants	Substance Abuse Prevention Council Grant	Day Care	Equipment Replacement
<b>Revenues</b>									
Charges for services	\$ -	\$ 2,560	\$ 778,604	\$ -	\$ -	\$ -	\$ -	\$ 81,163	\$ -
Intergovernmental	360,908	-	237,593	23,570	54,440	2,839,103	8,490	263,584	-
Investment income	-	-	-	-	-	-	-	-	-
Net increase in fair value of investments	-	-	-	-	-	-	-	-	-
Contributions	-	9,066	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	14,743
<b>Total revenues</b>	<b>360,908</b>	<b>11,626</b>	<b>1,016,197</b>	<b>23,570</b>	<b>54,440</b>	<b>2,839,103</b>	<b>8,490</b>	<b>344,747</b>	<b>14,743</b>
<b>Expenditures</b>									
Current:									
Public safety	-	-	-	-	17,584	-	-	-	-
Public works	79,711	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	23,570	-	-	7,578	-	-
Culture and recreation	-	22,250	-	-	-	-	-	236,025	-
Education	-	-	1,037,889	-	-	3,011,700	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>79,711</b>	<b>22,250</b>	<b>1,037,889</b>	<b>23,570</b>	<b>17,584</b>	<b>3,011,700</b>	<b>7,578</b>	<b>236,025</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>281,197</b>	<b>(10,624)</b>	<b>(21,692)</b>	<b>-</b>	<b>36,856</b>	<b>(172,597)</b>	<b>912</b>	<b>108,722</b>	<b>14,743</b>
<b>Other Financing Sources (Uses)</b>									
Bond proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	17,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>281,197</b>	<b>(10,624)</b>	<b>(4,692)</b>	<b>-</b>	<b>36,856</b>	<b>(172,597)</b>	<b>912</b>	<b>108,722</b>	<b>14,743</b>
<b>Fund Balances (Deficits), beginning of year</b>	<b>237,037</b>	<b>43,724</b>	<b>4,916</b>	<b>-</b>	<b>11,670</b>	<b>317,578</b>	<b>733</b>	<b>33,652</b>	<b>58,566</b>
<b>Fund Balances (Deficits), end of year</b>	<b>\$ 518,234</b>	<b>\$ 33,100</b>	<b>\$ 224</b>	<b>\$ -</b>	<b>\$ 48,526</b>	<b>\$ 144,981</b>	<b>\$ 1,645</b>	<b>\$ 142,374</b>	<b>\$ 73,309</b>

(Continued)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue							
	BH Care	Police Outside Duty	Fire Outside Duty	Library Grant	Retired Teachers Health Insurance	Board of Education Scholarship Fund	Emergency Fund	Show and Sell
<b>Revenues</b>								
Charges for services	\$ -	\$ 799,408	\$ 20,116	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16,156	-	-	9,118	83,270	-	-	-
Investment income	-	-	-	-	-	-	-	-
Net increase in fair value of investments	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	8,215	9,688	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>16,156</b>	<b>799,408</b>	<b>20,116</b>	<b>9,118</b>	<b>83,270</b>	<b>8,215</b>	<b>9,688</b>	<b>-</b>
<b>Expenditures</b>								
Current:								
Public safety	-	665,160	18,580	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and welfare	16,424	-	-	-	-	-	14,313	-
Culture and recreation	-	-	-	10,775	-	-	-	-
Education	-	-	-	-	87,970	36,729	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>16,424</b>	<b>665,160</b>	<b>18,580</b>	<b>10,775</b>	<b>87,970</b>	<b>36,729</b>	<b>14,313</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(268)</b>	<b>134,248</b>	<b>1,536</b>	<b>(1,657)</b>	<b>(4,700)</b>	<b>(28,514)</b>	<b>(4,625)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>(268)</b>	<b>134,248</b>	<b>1,536</b>	<b>(1,657)</b>	<b>(4,700)</b>	<b>(28,514)</b>	<b>(4,625)</b>	<b>-</b>
<b>Fund Balances (Deficits), beginning of year</b>	<b>-</b>	<b>30,664</b>	<b>13,042</b>	<b>22,246</b>	<b>7,320</b>	<b>363,836</b>	<b>63,666</b>	<b>555</b>
<b>Fund Balances (Deficits), end of year</b>	<b>\$ (268)</b>	<b>\$ 164,912</b>	<b>\$ 14,578</b>	<b>\$ 20,589</b>	<b>\$ 2,620</b>	<b>\$ 335,322</b>	<b>\$ 59,041</b>	<b>\$ 555</b>

(Continued)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue Funds				Capital Projects Funds				
	Firemen's Benevolent	State/ Federal Grants	Workforce Alliance	ADA Grant	North Haven High School	Capital Improvement	Sackett Point Road Bridge	North Haven Middle School	Valley Service Road
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	149,897	32,998	79,825	-	-	99,196	-	-
Investment income	5	-	-	-	-	-	-	-	-
Net increase in fair value of investments	-	-	-	-	3,414	-	-	-	-
Contributions	63	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>68</b>	<b>149,897</b>	<b>32,998</b>	<b>79,825</b>	<b>3,414</b>	<b>-</b>	<b>99,196</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>									
Current:									
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Education	-	-	39,997	-	-	-	-	-	-
Capital outlay	-	167,264	-	134,101	14,657	133,063	158,812	70,541	6,453
<b>Total expenditures</b>	<b>-</b>	<b>167,264</b>	<b>39,997</b>	<b>134,101</b>	<b>14,657</b>	<b>133,063</b>	<b>158,812</b>	<b>70,541</b>	<b>6,453</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>68</b>	<b>(17,367)</b>	<b>(6,999)</b>	<b>(54,276)</b>	<b>(11,243)</b>	<b>(133,063)</b>	<b>(59,616)</b>	<b>(70,541)</b>	<b>(6,453)</b>
<b>Other Financing Sources (Uses)</b>									
Bond proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	101,906	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,906</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>68</b>	<b>(17,367)</b>	<b>(6,999)</b>	<b>(54,276)</b>	<b>(11,243)</b>	<b>(31,157)</b>	<b>(59,616)</b>	<b>(70,541)</b>	<b>(6,453)</b>
<b>Fund Balances (Deficits), beginning of year</b>	<b>53,819</b>	<b>42,335</b>	<b>7,106</b>	<b>54,276</b>	<b>1,695,579</b>	<b>1,544,796</b>	<b>(180,562)</b>	<b>-</b>	<b>(30,138)</b>
<b>Fund Balances (Deficits), end of year</b>	<b>\$ 53,887</b>	<b>\$ 24,968</b>	<b>\$ 107</b>	<b>\$ -</b>	<b>\$ 1,684,336</b>	<b>\$ 1,513,639</b>	<b>\$ (240,178)</b>	<b>\$ (70,541)</b>	<b>\$ (36,591)</b>

(Continued)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Capital Projects Funds					
	BOE Capital Improvement	Todd Drive Drainage	Road Paving	Municipal Aid	Firehouse Renovations	Spring Road Bridge Repair
<b>Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	29,363	-	1,359,707	-	-
Investment income	-	-	-	-	-	-
Net increase in fair value of investments	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Other	-	-	8,296	-	26,914	1,175
<b>Total revenues</b>	<b>-</b>	<b>29,363</b>	<b>8,296</b>	<b>1,359,707</b>	<b>26,914</b>	<b>1,175</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	769	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	166,463	-	4,089	752,707	6,142,109	50,668
<b>Total expenditures</b>	<b>166,463</b>	<b>769</b>	<b>4,089</b>	<b>752,707</b>	<b>6,142,109</b>	<b>50,668</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(166,463)</b>	<b>28,594</b>	<b>4,207</b>	<b>607,000</b>	<b>(6,115,195)</b>	<b>(49,493)</b>
<b>Other Financing Sources (Uses)</b>						
Bond proceeds	-	-	2,260,000	-	6,730,000	195,000
Transfers in	120,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>120,000</b>	<b>-</b>	<b>2,260,000</b>	<b>-</b>	<b>6,730,000</b>	<b>195,000</b>
<b>Net change in fund balances (deficits)</b>	<b>(46,463)</b>	<b>28,594</b>	<b>2,264,207</b>	<b>607,000</b>	<b>614,805</b>	<b>145,507</b>
<b>Fund Balances (Deficits), beginning of year</b>	<b>199,361</b>	<b>989,870</b>	<b>(1,597,274)</b>	<b>-</b>	<b>1,222,801</b>	<b>393,158</b>
<b>Fund Balances (Deficits), end of year</b>	<b>\$ 152,898</b>	<b>\$ 1,018,464</b>	<b>\$ 666,933</b>	<b>\$ 607,000</b>	<b>\$ 1,837,606</b>	<b>\$ 538,665</b>

(Continued)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Permanent Funds						
	Bradley Trust	Stiles Library Maintenance	Banton Civic Association Scholarship	Walter Kraemer Memorial	William E. Dickerman Memorial	Walter T. Berniere Scholarship	Roger Blood Memorial
<b>Revenues</b>							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Investment income	6	3	5	3	134	23	25
Net increase in fair value of investments	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	4,125	-
Other	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>134</b>	<b>4,148</b>	<b>25</b>
<b>Expenditures</b>							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	5,500	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,500</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>134</b>	<b>(1,352)</b>	<b>25</b>
<b>Other Financing Sources (Uses)</b>							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>134</b>	<b>(1,352)</b>	<b>25</b>
<b>Fund Balances (Deficits), beginning of year</b>	<b>3,892</b>	<b>25,171</b>	<b>3,309</b>	<b>1,759</b>	<b>78,908</b>	<b>12,661</b>	<b>15,196</b>
<b>Fund Balances (Deficits), end of year</b>	<b>\$ 3,898</b>	<b>\$ 25,174</b>	<b>\$ 3,314</b>	<b>\$ 1,762</b>	<b>\$ 79,042</b>	<b>\$ 11,309</b>	<b>\$ 15,221</b>

(Continued)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Permanent Funds						Totals
	Louis & Mary Tagliatella Foundation Scholarship	Louis Mastroianni Endowment Fund	Lester W. Gott Scholarship	Abercrombie Scholarship	Carol E. White Endowment Fund	Cemetery Perpetual Funds	
<b>Revenues</b>							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,681,851
Intergovernmental	-	-	-	-	-	-	5,647,218
Investment income	111	10	52	20	17	454	868
Net increase in fair value of investments	-	-	-	-	-	-	3,414
Contributions	-	-	-	-	-	-	31,157
Other	-	-	-	-	-	-	51,128
<b>Total revenues</b>	<b>111</b>	<b>10</b>	<b>52</b>	<b>20</b>	<b>17</b>	<b>454</b>	<b>7,415,636</b>
<b>Expenditures</b>							
Current:							
Public safety	-	-	-	-	-	-	701,324
Public works	-	-	-	-	-	-	80,480
Health and welfare	-	-	-	-	-	-	61,885
Culture and recreation	-	-	-	-	-	12,000	286,550
Education	-	-	-	-	-	-	4,214,285
Capital outlay	-	-	-	-	-	-	7,899,587
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>13,244,111</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>111</b>	<b>10</b>	<b>52</b>	<b>20</b>	<b>17</b>	<b>(11,546)</b>	<b>(5,828,475)</b>
<b>Other Financing Sources (Uses)</b>							
Bond proceeds	-	-	-	-	-	-	9,185,000
Transfers in	-	-	-	-	-	-	238,906
Transfers out	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,423,906</b>
<b>Net change in fund balances (deficits)</b>	<b>111</b>	<b>10</b>	<b>52</b>	<b>20</b>	<b>17</b>	<b>(11,546)</b>	<b>3,595,431</b>
<b>Fund Balances (Deficits), beginning of year</b>	<b>65,216</b>	<b>5,363</b>	<b>30,615</b>	<b>11,506</b>	<b>10,238</b>	<b>269,017</b>	<b>6,137,183</b>
<b>Fund Balances (Deficits), end of year</b>	<b>\$ 65,327</b>	<b>\$ 5,373</b>	<b>\$ 30,667</b>	<b>\$ 11,526</b>	<b>\$ 10,255</b>	<b>\$ 257,471</b>	<b>\$ 9,732,614</b>

**Internal Service Funds**

## **Internal Service Funds**

Town Dental Self-Insurance Fund: This fund is used to account for the charges and claims of the Town's dental insurance fund.

Town Prescription Self-Insurance Fund: This fund is used to account for the charges and claims of the Town's prescription fund.

BOE Dental Self-Insurance: This fund is used to account for the charges and claims of the BOE's dental insurance fund.

BOE Prescription Self-Insurance Fund: This fund is used to account for the charges and claims of the BOE's prescription fund.

Town Workers' Compensation Self-Insurance Fund: This fund is used to account for the charges and claims of the Town's worker's compensation fund.

BOE Workers' Compensation Self-Insurance Fund: This fund is used to account for the charges and claims of the BOE's worker's compensation fund.

Town of North Haven, Connecticut

Combining Statement of Net Position - Internal Service Funds  
June 30, 2014

	Town			Board of Education			Total
	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Workers' Comp Fund	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Workers' Comp Fund	
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 246,285	\$ 146,793	\$ 259,589	\$ 61,136	\$ 162,428	\$ 134,275	\$ 1,010,506
Due from other funds	-	-	-	-	-	10,393	10,393
<b>Total current assets</b>	<u>246,285</u>	<u>146,793</u>	<u>259,589</u>	<u>61,136</u>	<u>162,428</u>	<u>144,668</u>	<u>1,020,899</u>
<b>Total assets</b>	<u>246,285</u>	<u>146,793</u>	<u>259,589</u>	<u>61,136</u>	<u>162,428</u>	<u>144,668</u>	<u>1,020,899</u>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	17,260	7,053	-	19,795	83,070	-	127,178
Claims payable	8,376	17,795	302,483	11,401	19,439	78,475	437,969
<b>Total current liabilities</b>	<u>25,636</u>	<u>24,848</u>	<u>302,483</u>	<u>31,196</u>	<u>102,509</u>	<u>78,475</u>	<u>565,147</u>
<b>Total liabilities</b>	<u>25,636</u>	<u>24,848</u>	<u>302,483</u>	<u>31,196</u>	<u>102,509</u>	<u>78,475</u>	<u>565,147</u>
<b>Net Position</b>							
Unrestricted	<u>\$ 220,649</u>	<u>\$ 121,945</u>	<u>\$ (42,894)</u>	<u>\$ 29,940</u>	<u>\$ 59,919</u>	<u>\$ 66,193</u>	<u>\$ 455,752</u>

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Position -  
Internal Service Funds  
For the Year Ended June 30, 2014

	Town			Board of Education			Total
	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Workers' Comp Fund	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Workers' Comp Fund	
<b>Operating Revenues</b>							
Premiums and other	\$ 283,936	\$ 643,629	\$ 458,909	\$ 329,609	\$ 798,731	\$ 76,507	\$ 2,591,321
<b>Total operating revenues</b>	<u>283,936</u>	<u>643,629</u>	<u>458,909</u>	<u>329,609</u>	<u>798,731</u>	<u>76,507</u>	<u>2,591,321</u>
<b>Operating Expenses</b>							
Claims	206,394	554,808	472,700	284,667	874,702	8,278	2,401,549
Administration and operations	20,589	2,685	29,103	27,441	7,471	2,036	89,325
<b>Total operating expenses</b>	<u>226,983</u>	<u>557,493</u>	<u>501,803</u>	<u>312,108</u>	<u>882,173</u>	<u>10,314</u>	<u>2,490,874</u>
<b>Operating income (loss)</b>	56,953	86,136	(42,894)	17,501	(83,442)	66,193	100,447
<b>Fund Net Position, beginning</b>	<u>163,696</u>	<u>35,809</u>	<u>-</u>	<u>12,439</u>	<u>143,361</u>	<u>-</u>	<u>355,305</u>
<b>Fund Net Position, ending</b>	<u>\$ 220,649</u>	<u>\$ 121,945</u>	<u>\$ (42,894)</u>	<u>\$ 29,940</u>	<u>\$ 59,919</u>	<u>\$ 66,193</u>	<u>\$ 455,752</u>

Town of North Haven, Connecticut

Combining Statement of Cash Flows - Internal Service Funds  
For the Year Ended June 30, 2014

	Town			Board of Education			Total
	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Workers' Comp Fund	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Workers' Comp Fund	
<b>Cash Flows From Operating Activities</b>							
Cash received from charges for services	\$ 283,936	\$ 643,629	\$ 458,909	\$ 329,609	\$ 798,731	\$ 66,114	\$ 2,580,928
Cash paid to vendors and beneficiaries	(225,339)	(555,248)	(199,320)	(315,416)	(799,103)	68,161	(2,026,265)
<b>Net cash provided by (used in) operating activities</b>	<b>58,597</b>	<b>88,381</b>	<b>259,589</b>	<b>14,193</b>	<b>(372)</b>	<b>134,275</b>	<b>554,663</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>58,597</b>	<b>88,381</b>	<b>259,589</b>	<b>14,193</b>	<b>(372)</b>	<b>134,275</b>	<b>554,663</b>
<b>Cash and Cash Equivalents</b>							
Beginning	187,688	58,412	-	46,943	162,800	-	455,843
Ending	<u>\$ 246,285</u>	<u>\$ 146,793</u>	<u>\$ 259,589</u>	<u>\$ 61,136</u>	<u>\$ 162,428</u>	<u>\$ 134,275</u>	<u>\$ 1,010,506</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>							
Operating income (loss)	\$ 56,953	\$ 86,136	\$ (42,894)	\$ 17,501	\$ (83,442)	\$ 66,193	\$ 100,447
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Changes in assets and liabilities:							
Decrease in accounts receivable	-	-	-	-	-	(10,393)	(10,393)
Increase (decrease) in accounts payable	1,644	2,245	302,483	(3,308)	83,070	-	386,134
Decrease in claims payable	-	-	-	-	-	78,475	78,475
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 58,597</b>	<b>\$ 88,381</b>	<b>\$ 259,589</b>	<b>\$ 14,193</b>	<b>\$ (372)</b>	<b>\$ 134,275</b>	<b>\$ 554,663</b>

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**Fiduciary Funds**



Town of North Haven, Connecticut

Statement of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>School Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 62,677	\$ 142,500	\$ 135,211	\$ 69,966
<b>Total assets</b>	<b>\$ 62,677</b>	<b>\$ 142,500</b>	<b>\$ 135,211</b>	<b>\$ 69,966</b>
Liabilities:				
Accounts payable	\$ 62,677	\$ 142,500	\$ 135,211	\$ 69,966
<b>Total liabilities</b>	<b>\$ 62,677</b>	<b>\$ 142,500</b>	<b>\$ 135,211</b>	<b>\$ 69,966</b>
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 1,431,472	\$ -	\$ 212,538	\$ 1,218,934
<b>Total assets</b>	<b>\$ 1,431,472</b>	<b>\$ -</b>	<b>\$ 212,538</b>	<b>\$ 1,218,934</b>
Liabilities:				
Accounts payable	\$ 1,431,472	\$ -	\$ 212,538	\$ 1,218,934
<b>Total liabilities</b>	<b>\$ 1,431,472</b>	<b>\$ -</b>	<b>\$ 212,538</b>	<b>\$ 1,218,934</b>
<b>Total</b>				
Assets:				
Cash and cash equivalents	\$ 1,494,149	\$ 142,500	\$ 347,749	\$ 1,288,900
<b>Total assets</b>	<b>\$ 1,494,149</b>	<b>\$ 142,500</b>	<b>\$ 347,749</b>	<b>\$ 1,288,900</b>
Liabilities:				
Accounts payable	\$ 1,494,149	\$ 142,500	\$ 347,749	\$ 1,288,900
<b>Total liabilities</b>	<b>\$ 1,494,149</b>	<b>\$ 142,500</b>	<b>\$ 347,749</b>	<b>\$ 1,288,900</b>

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**Capital Assets Used in the Operation  
of Governmental Funds**



Town of North Haven, Connecticut

Schedule by Category and Source  
June 30, 2014

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<b>Capital Assets</b>	
Land	\$ 257,682
Land improvements	4,831,748
Buildings	132,079,883
Computer equipment	1,096,817
Machinery and equipment	17,142,738
Infrastructure	<u>27,552,866</u>
Total capital assets	<u>\$ 182,961,734</u>
Investments in governmental funds capital assets:	
Assets put into service prior to July 1, 2014	<u>\$ 182,961,734</u>

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**Other Schedules**



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Town of North Haven, Connecticut

Balance Sheet - by Account - General Fund  
June 30, 2014

	General Fund	Economic Development	Board of Education	Community Services Recreation
<b>Assets</b>				
Cash and cash equivalents	\$ 23,265,493	\$ -	\$ 224,932	\$ -
Receivables:				
Property taxes	2,984,095	-	-	-
Assessments and user charges	190,301	-	-	-
Intergovernmental	749,433	-	-	-
Other	17,968	-	-	34
Prepays	19,658	-	-	34,397
Due from other funds	498,117	10,000	-	354,925
<b>Total assets</b>	<b>\$ 27,725,065</b>	<b>\$ 10,000</b>	<b>\$ 224,932</b>	<b>\$ 389,356</b>
<b>Liabilities</b>				
Accounts payable	\$ 3,638,628	\$ -	\$ -	\$ -
Unearned revenue	30,250	-	-	168,996
Due to other funds	7,189,680	-	-	-
<b>Total liabilities</b>	<b>10,858,558</b>	<b>-</b>	<b>-</b>	<b>168,996</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	\$ 3,860,274	\$ -	\$ -	\$ -
Advanced tax collections	172,702	-	-	-
<b>Total deferred inflows of resources</b>	<b>4,032,976</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	19,658	-	-	34,397
Assigned	4,751,051	10,000	224,932	185,963
Unassigned	8,062,822	-	-	-
<b>Total fund balances</b>	<b>12,833,531</b>	<b>10,000</b>	<b>224,932</b>	<b>220,360</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,725,065</b>	<b>\$ 10,000</b>	<b>\$ 224,932</b>	<b>\$ 389,356</b>

Library Reimbursable	Fire EMS	Center Block Beautification Fund	Eliminate Interfund Receivables	Totals
\$ -	\$ -	\$ -	\$ -	\$ 23,490,425
-	-	-	-	2,984,095
-	-	-	-	190,301
-	-	-	-	749,433
-	-	-	-	18,002
-	-	-	-	54,055
26,537	102,364	8,539	(502,365)	498,117
<u>\$ 26,537</u>	<u>\$ 102,364</u>	<u>\$ 8,539</u>	<u>\$ (502,365)</u>	<u>\$ 27,984,428</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,638,628
-	-	-	-	199,246
-	-	-	(502,365)	6,687,315
-	-	-	(502,365)	10,525,189
\$ -	\$ -	\$ -	\$ -	\$ 3,860,274
-	-	-	-	172,702
-	-	-	-	4,032,976
-	-	-	-	54,055
26,537	102,364	8,539	-	5,309,386
-	-	-	-	8,062,822
26,537	102,364	8,539	-	13,426,263
<u>\$ 26,537</u>	<u>\$ 102,364</u>	<u>\$ 8,539</u>	<u>\$ (502,365)</u>	<u>\$ 27,984,428</u>

Town of North Haven, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - by Account - General Fund  
For the Year Ended June 30, 2014

	General Fund	Economic Development	Board of Education	Community Services Recreation
<b>Revenues</b>				
Charges for services	\$ 1,679,424	\$ -	\$ 538,188	\$ 318,629
Property taxes	79,605,043	-	-	-
Intergovernmental	10,399,054	-	-	-
Investment income	68,426	-	-	-
Contributions		-	-	-
Other	1,000,554	-	-	-
<b>Total revenues</b>	<b>92,752,501</b>	<b>-</b>	<b>538,188</b>	<b>318,629</b>
<b>Expenditures</b>				
Current:				
General government	6,060,468	-	-	-
Public safety	8,871,099	-	-	-
Public works	4,454,481	-	-	-
Health and welfare	913,352	-	-	-
Culture and recreation	539,717	-	-	285,758
Benefit and insurance	10,947,083	-	-	-
Education	52,731,619	-	504,373	-
Other	1,487,040	-	-	-
Principal Retirements	4,122,440	-	-	-
Interest	2,021,889	-	-	-
Capital outlay	540,887	-	-	-
<b>Total expenditures</b>	<b>92,690,075</b>	<b>-</b>	<b>504,373</b>	<b>285,758</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>62,426</b>	<b>-</b>	<b>33,815</b>	<b>32,871</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(238,906)	-	-	-
<b>Net other financing sources (uses)</b>	<b>(238,906)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(176,480)</b>	<b>-</b>	<b>33,815</b>	<b>32,871</b>
<b>Fund Balances, beginning of year</b>	<b>13,010,011</b>	<b>10,000</b>	<b>191,117</b>	<b>187,489</b>
<b>Fund Balances, end of year</b>	<b>\$ 12,833,531</b>	<b>\$ 10,000</b>	<b>\$ 224,932</b>	<b>\$ 220,360</b>

Library Reimbursable	Fire EMS	Center Block Beautification Fund	Totals
\$ 23,910	\$ 32,368	\$ -	\$ 2,592,519
-	-	-	79,605,043
-	-	-	10,399,054
-	-	-	68,426
8,329	-	-	8,329
-	-	-	1,000,554
<u>32,239</u>	<u>32,368</u>	<u>-</u>	<u>93,673,925</u>
-	-	-	6,060,468
-	-	-	8,871,099
-	-	-	4,454,481
-	-	-	913,352
21,754	-	-	847,229
-	-	-	10,947,083
-	-	-	53,235,992
-	-	-	1,487,040
-	-	-	4,122,440
-	-	-	2,021,889
-	-	-	540,887
<u>21,754</u>	<u>-</u>	<u>-</u>	<u>93,501,960</u>
10,485	32,368	-	171,965
-	-	-	-
-	-	-	(238,906)
-	-	-	(238,906)
10,485	32,368	-	(66,941)
16,052	69,996	8,539	13,493,204
<u>\$ 26,537</u>	<u>\$ 102,364</u>	<u>\$ 8,539</u>	<u>\$ 13,426,263</u>

Town of North Haven, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding  
For the Year Ended June 30, 2014

Grand List Year	Balance Uncollected July 1, 2013	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
1998	46,346	-	-	-	45,054	1,292
1999	48,731	-	-	-	(302)	49,033
2000	45,791	-	-	-	(208)	45,999
2001	50,001	-	-	-	(496)	50,497
2002	53,087	-	-	-	(454)	53,541
2003	56,356	-	-	-	(1,350)	57,706
2004	59,382	-	-	-	(1,373)	60,755
2005	59,913	-	-	-	(1,655)	61,568
2006	150,023	-	-	300	74,095	75,628
2007	96,067	-	-	283	3,159	92,625
2008	109,377	-	-	1,879	(2,840)	110,338
2009	240,619	-	39,350	91,985	(40,338)	228,322
2010	564,175	-	51,821	103,644	(5,746)	518,098
2011	1,131,498	-	53,131	127,137	(4,743)	1,062,235
2012	-	79,396,003	398,508	410,875	30,523	79,353,113
	<u>\$ 2,711,366</u>	<u>\$ 79,396,003</u>	<u>\$ 542,810</u>	<u>\$ 736,103</u>	<u>\$ 93,326</u>	<u>\$ 81,820,750</u>

Collections			Balance Uncollected June 30, 2014
Taxes	Interest and Lien Fees	Total	
1,292	2,585	3,877	(0)
302	730	1,032	48,731
207	454	661	45,792
497	919	1,416	50,000
4,178	1,378	5,556	49,363
5,303	5,515	10,818	52,403
5,539	8,246	13,785	55,216
6,408	8,001	14,409	55,160
6,430	7,470	13,900	69,198
25,458	19,756	45,214	67,167
45,730	31,991	77,721	64,608
100,761	107,969	208,730	127,561
170,531	99,698	270,229	347,567
539,773	142,081	681,854	522,462
78,477,387	241,118	78,718,505	875,726
<u>\$ 79,389,796</u>	<u>\$ 677,911</u>	<u>\$ 80,067,707</u>	<u>\$ 2,430,954</u>

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**Statistical Section**

## ***Statistical Section***

This part of the Town of North Haven, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Contents**

#### ***Financial Trends***

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### ***Revenue Capacity***

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

#### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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**TOWN OF NORTH HAVEN**

**NET POSITION BY COMPONENT  
LAST TEN YEARS - Unaudited**

	FISCAL YEAR ENDED			
	2014	2013	2012	2011
<b>GOVERNMENTAL ACTIVITIES:</b>				
Net Investment in Capital Assets	\$ 55,955,494	\$ 57,590,807	\$ 58,308,056	\$ 53,680,889
Restricted for:				
Permanently restricted	899,723	941,051	892,301	526,548
Debt Retirement	-	-	-	-
Other Purposes	251,976	191,385	422,026	1,001,516
Unrestricted	(2,020,942)	(2,413,759)	757,965	8,365,834
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>55,086,251</b>	<b>56,309,484</b>	<b>60,380,348</b>	<b>63,574,787</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Net Investment in Capital Assets	8,293,763	8,793,844	9,454,411	10,059,919
Unrestricted	3,386,509	2,949,490	2,511,839	1,903,217
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>11,680,272</b>	<b>11,743,334</b>	<b>11,966,250</b>	<b>11,963,136</b>
<b>PRIMARY GOVERNMENT:</b>				
Net Investment in Capital Assets	64,249,257	66,384,651	67,762,467	63,740,808
Restricted	1,151,699	1,132,436	1,314,327	1,528,064
Unrestricted	1,365,567	535,731	3,269,804	10,269,051
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b>\$ 66,766,523</b>	<b>\$ 68,052,818</b>	<b>\$ 72,346,598</b>	<b>\$ 75,537,923</b>

2009 was the first year for Business-Type Activities.

TABLE 1

FISCAL YEAR ENDED						
2010	2009	2008	2007	2006	2005	
\$ 50,307,262	\$ 51,184,225	\$ 61,596,577	\$ 62,384,288	\$ 58,366,141	\$ 46,656,917	
-	-	-	-	-	-	
-	-	-	216,342	2,083,687	1,691,229	
227,635	227,635	219,635	-	3,642	211,274	
11,670,199	13,370,513	17,405,540	19,023,633	9,605,058	8,022,093	
62,205,096	64,782,373	79,221,752	81,624,263	70,058,528	56,581,513	
10,735,590	12,744,564	-	-	-	-	
992,447	432,604	-	-	-	-	
11,728,037	13,177,168	-	-	-	-	
61,042,852	63,928,789	61,596,577	62,384,288	58,366,141	46,656,917	
227,635	227,635	219,635	216,342	2,087,329	1,902,503	
12,662,646	13,803,117	17,405,540	19,023,633	9,605,058	8,022,093	
\$ 73,933,133	\$ 77,959,541	\$ 79,221,752	\$ 81,624,263	\$ 70,058,528	\$ 56,581,513	

**TOWN OF NORTH HAVEN  
CHANGES IN NET POSITION  
LAST TEN YEARS - Unaudited**

	FISCAL YEAR ENDED			
	2014	2013	2012	2011
<b>EXPENSES:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 10,416,099	\$ 10,334,307	\$ 9,423,818	\$ 9,384,068
Public Safety	16,939,381	16,590,227	15,142,891	15,017,493
Public Works	7,877,641	8,495,769	9,942,568	7,988,896
Health and Welfare	1,384,680	1,409,459	1,571,353	1,526,970
Cultural and Recreation	1,693,208	1,829,332	1,305,279	1,353,346
Education	62,060,540	59,728,731	58,489,059	55,905,612
Benefits and Insurance	-	-	-	-
Other	-	-	-	-
Interest Expense	1,521,128	1,919,771	1,942,277	2,020,903
<b>TOTAL GOVERNMENTAL EXPENSES</b>	<b>\$ 101,892,677</b>	<b>\$ 100,307,596</b>	<b>\$ 97,817,245</b>	<b>\$ 93,197,288</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
WPCA	\$ 3,555,806	\$ 2,976,378	\$ 3,245,270	\$ 2,752,190
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 105,448,483</b>	<b>\$ 103,283,974</b>	<b>\$ 101,062,515</b>	<b>\$ 95,949,478</b>
<b>PROGRAM REVENUES:</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
General Government	\$ 623,523	\$ 720,794	\$ 547,044	\$ 528,711
Public Safety	879,725	914,812	621,852	660,888
Public Works	1,019,366	615,410	778,912	305,169
Health and Welfare	81,163	87,877	95,032	99,532
Culture and Recreation	345,099	366,926	332,773	354,734
Education	1,316,792	1,252,737	1,394,008	1,421,853
Operating Grants & Contributions	14,934,140	13,514,889	12,855,923	11,699,711
Capital Grants & Contributions	134,075	132,974	51,582	157,901
<b>TOTAL GOVERNMENTAL PROGRAM REVENUES</b>	<b>\$ 19,333,883</b>	<b>\$ 17,606,419</b>	<b>\$ 16,677,126</b>	<b>\$ 15,228,499</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
WPCA	\$ 3,492,744	\$ 2,753,462	\$ 3,248,384	\$ 2,987,289
<b>TOTAL PRIMARY GOVERNMENT REVENUES</b>	<b>\$ 22,826,627</b>	<b>\$ 20,359,881</b>	<b>\$ 19,925,510</b>	<b>\$ 18,215,788</b>
<b>NET EXPENSES:</b>				
Governmental Activities	\$ (82,558,794)	\$ (82,701,177)	\$ (81,140,119)	\$ (77,968,789)
<b>BUSINESS-TYPE</b>	<b>\$ (63,062)</b>	<b>\$ (222,916)</b>	<b>\$ 3,114</b>	<b>\$ 235,099</b>
<b>Total PRIMARY GOVERNMENT NET EXPENSES</b>	<b>\$ (82,621,856)</b>	<b>\$ (82,924,093)</b>	<b>\$ (81,137,005)</b>	<b>\$ (77,733,690)</b>

TABLE 2

FISCAL YEAR ENDED					
2010	2009	2008	2007	2006	2005
\$ 9,236,513	\$ 9,037,911	\$ 9,679,197	\$ 10,251,737	\$ 8,149,683	\$ 7,748,675
13,907,039	13,436,844	12,440,770	11,701,179	7,219,526	7,329,239
7,563,157	8,563,617	9,186,468	8,369,826	7,884,891	7,258,319
1,681,907	1,394,590	1,185,275	1,309,582	1,147,312	1,214,935
1,283,582	1,314,152	1,095,331	1,112,982	1,021,054	1,019,127
54,134,369	53,626,915	50,932,151	47,210,165	44,042,805	40,907,739
-	-	-	-	6,629,138	5,795,099
-	-	-	-	1,103,351	1,006,199
3,123,637	2,731,227	2,812,470	1,674,608	1,328,443	1,256,564
<u>\$ 90,930,204</u>	<u>\$ 90,105,256</u>	<u>\$ 87,331,662</u>	<u>\$ 81,630,079</u>	<u>\$ 78,526,203</u>	<u>\$ 73,535,896</u>
<u>\$ 2,921,684</u>	<u>\$ 2,871,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 93,851,888</u>	<u>\$ 92,976,860</u>	<u>\$ 87,331,662</u>	<u>\$ 81,630,079</u>	<u>\$ 78,526,203</u>	<u>\$ 73,535,896</u>
\$ 592,311	\$ 432,740	\$ 630,163	\$ 1,543,937	\$ 1,100,596	\$ 1,107,761
448,051	578,624	1,093,901	434,354	621,714	423,695
255,098	646,200	3,351,681	2,136,725	2,228,266	2,095,611
94,927	102,367	111,039	93,694	95,937	80,191
345,572	417,581	489,580	419,957	490,800	512,956
1,445,742	1,490,603	1,531,868	1,669,080	1,571,934	1,429,389
11,427,537	9,847,702	9,596,836	7,189,649	7,745,445	5,572,450
839,675	379,113	233,083	2,353,179	7,798,610	16,611,207
<u>\$ 15,448,913</u>	<u>\$ 13,894,930</u>	<u>\$ 17,038,151</u>	<u>\$ 15,840,575</u>	<u>\$ 21,653,302</u>	<u>\$ 27,833,260</u>
<u>\$ 2,909,703</u>	<u>\$ 2,419,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,358,616</u>	<u>\$ 16,314,253</u>	<u>\$ 17,038,151</u>	<u>\$ 15,840,575</u>	<u>\$ 21,653,302</u>	<u>\$ 27,833,260</u>
<u>\$ (75,481,291)</u>	<u>\$ (76,210,326)</u>	<u>\$ (70,293,511)</u>	<u>\$ (65,789,504)</u>	<u>\$ (56,872,901)</u>	<u>\$ (45,702,636)</u>
<u>\$ (11,981)</u>	<u>\$ (452,281)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (75,493,272)</u>	<u>\$ (76,662,607)</u>	<u>\$ (70,293,511)</u>	<u>\$ (65,789,504)</u>	<u>\$ (56,872,901)</u>	<u>\$ (45,702,636)</u>

**TOWN OF NORTH HAVEN  
CHANGES IN NET POSITION, CONTINUED  
LAST TEN YEARS-unaudited**

	FISCAL YEAR ENDED			
	2014	2013	2012	2011
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>				
Governmental Activities:				
Property Taxes	\$ 79,384,196	\$ 75,438,673	\$ 74,843,243	\$ 73,999,013
Grants & Contributions Not Restricted to Specific Programs	1,131,131	2,224,566	2,291,888	1,942,138
Investment Earnings	72,708	44,915	44,669	110,356
Settlement	-	-	-	-
Miscellaneous	747,526	922,159	765,880	3,286,973
<b>Total General Revenues</b>	<b>\$ 81,335,561</b>	<b>\$ 78,630,313</b>	<b>\$ 77,945,680</b>	<b>\$ 79,338,480</b>
<b>CHANGES IN NET POSITION</b>				
Governmental activities	(1,223,233)	(4,070,864)	(3,194,439)	1,369,691
Business-type activities	(63,062)	(222,916)	3,114	235,099
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ (1,286,295)</b>	<b>\$ (4,293,780)</b>	<b>\$ (3,191,325)</b>	<b>\$ 1,604,790</b>

2009 was the first year with Business-Type Activities.

TABLE 2

FISCAL YEAR ENDED					
2010	2009	2008	2007	2006	2005
\$ 67,316,651	\$ 67,237,887	\$ 64,446,265	\$ 65,341,125	\$ 63,123,592	\$ 58,637,252
2,153,040	2,142,670	1,848,601	1,787,885	1,793,225	1,869,621
163,639	446,301	1,064,896	1,538,461	1,588,505	846,061
-	-	-	-	1,000,000	750,000
1,833,534	5,573,538	531,238	1,925,262	2,844,594	2,351,615
\$ 71,466,864	\$ 75,400,396	\$ 67,891,000	\$ 70,592,733	\$ 70,349,916	\$ 64,454,549
(4,014,427)	(809,930)	(2,402,511)	4,803,229	13,477,015	18,751,913
(11,981)	(452,281)	-	-	-	-
\$ (4,026,408)	\$ (1,262,211)	\$ (2,402,511)	\$ 4,803,229	\$ 13,477,015	\$ 18,751,913

## TOWN OF NORTH HAVEN

**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY SOURCE**  
**LAST TEN FISCAL YEARS - Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes <sup>(1)</sup></b>	<b>Educational Grants</b>	<b>Other Governmental Grants</b>	<b>Charges For Services Programs Receipts</b>	<b>Investment Income</b>	<b>Town Revenue General</b>	<b>Licenses, Permits, Fees Fines</b>	<b>Transfers From Other Funds and Other</b>	<b>Total</b>
2014	\$ 79,605,043	\$ 9,267,923	\$ 1,131,131	913,095	\$ 68,426	\$ 1,008,883	\$ 1,679,424	\$ -	\$ 93,673,925
2013	75,763,749	8,386,894	2,392,499	907,697	38,858	8,329	1,364,741	144,277	89,007,044
2012	74,561,137	8,056,070	2,575,895	914,738	39,310	992,354	1,321,180	110,981	88,571,665
2011	73,908,177	6,572,139	2,157,073	1,022,831	100,182	3,527,213	881,729	116,004	88,285,348
2010	68,165,768	6,647,071	2,155,761	-	136,650	3,042,159	881,725	6,496,290	87,525,424
2009	68,084,739	6,995,868	2,142,670	-	384,205	5,748,213	1,114,246	505,125	84,975,066
2008	66,035,552	4,570,865	1,848,601	2,156,107	824,866	1,679,470	1,253,936	3,401,273	81,770,670
2007	64,497,427	4,786,111	1,748,543	1,935,764	1,256,632	2,616,785	1,148,521	47,945	78,037,728
2006	63,125,559	4,737,926	1,862,288	2,008,646	753,634	1,887,578	1,100,596	441,670	75,917,897
2005	58,599,629	3,461,831	1,922,961	1,842,727	470,244	1,870,414	1,107,761	21,329	69,296,896

<sup>(1)</sup> Includes interest and lien fees.

TOWN OF NORTH HAVEN

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES

LAST TEN FISCAL YEARS - Unaudited

Fiscal Year Ended June 30,	Board of Education	General Government	Public Safety	Public Works	Public Services	Recreation	Employee Benefits	Reimbursables	Miscellaneous	Capital Outlay	Debt Service	Operating Transfers and Other	Total
2014	\$53,235,992	\$ 6,060,468	\$ 8,871,099	\$4,454,481	\$ 913,352	\$ 847,229	\$ 10,947,083	\$ -	\$ 1,487,040	\$1,467,291	\$6,144,329	\$ 238,906	\$ 94,667,270
2013	50,439,271	5,972,043	8,680,091	5,193,429	938,344	874,652	10,175,566	-	1,413,462	600,156	5,721,546	132,571	90,141,131
2012	49,716,236	5,217,756	8,294,846	4,956,380	876,561	852,056	9,809,288	-	1,448,891	1,189,907	6,810,334	286,912	89,459,167
2011	47,701,735	5,480,490	8,273,999	4,881,808	781,039	847,376	9,711,664	-	1,452,466	685,408	6,971,368	369,000	87,156,353
2010	45,524,362	5,676,959	7,752,025	4,780,425	756,558	590,147	8,085,522	-	1,392,234	1,049,456	7,200,174	6,078,301	88,886,163
2009	45,468,390	5,941,039	7,454,687	5,192,010	686,075	562,389	7,774,337	-	1,207,761	1,510,056	7,739,178	1,060,242	84,596,164
2008	43,745,733	6,103,676	7,176,031	6,732,334	694,060	521,640	7,807,315	-	1,305,530	911,245	5,744,928	380,000	81,122,492
2007	41,162,636	6,686,740	6,792,625	6,112,152	787,500	495,214	7,089,218	-	1,049,992	372,051	3,868,236	350,000	74,766,364
2006	40,128,977	7,110,160	6,390,132	5,955,660	754,651	495,734	6,629,138	-	1,014,537	501,224	3,945,274	476,678	73,402,165
2005	37,478,231	6,791,710	6,653,822	5,907,320	765,992	521,607	5,795,099	-	1,012,173	213,540	4,488,468	481,353	70,109,315

\*Part of Debt Service

**TOWN OF NORTH HAVEN**  
**FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS - Unaudited**

**TABLE 5**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 2,256,304	\$ 2,507,665	\$ 697,435	\$ 391,112	\$ 182,710	\$ 1,025,989	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-	-	46,092	28,729	51,454	54,055
Assigned	-	-	-	-	-	-	5,756,926	6,028,404	5,423,401	5,309,386
Unassigned	-	-	-	-	-	-	8,619,912	7,478,295	8,018,349	8,062,822
Unreserved	4,629,149	6,893,520	11,975,114	12,929,615	13,516,919	11,312,901	-	-	-	-
<b>Total General Fund</b>	<b>\$ 6,885,453</b>	<b>\$ 9,401,185</b>	<b>\$ 12,672,549</b>	<b>\$ 13,320,727</b>	<b>\$ 13,699,629</b>	<b>\$ 12,338,890</b>	<b>\$ 14,422,930</b>	<b>\$ 13,535,428</b>	<b>\$ 13,493,204</b>	<b>\$ 13,426,263</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 542,507	\$ 535,779	\$ 539,901	\$ 545,774
Restricted	-	-	-	-	-	-	4,268,397	2,498,152	2,673,195	3,566,937
Committed	-	-	-	-	-	-	369,379	1,831,130	4,452,258	5,981,004
Assigned	-	-	-	-	-	-	-	-	317,536	-
Unassigned	-	-	-	-	-	-	(109,562)	(499,208)	(1,845,707)	(361,101)
Reserved	201,577	201,577	243,580	267,089	240,440	251,469	-	-	-	-
Unreserved, Reported In:										
Special Revenue Funds	2,808,748	2,045,455	2,240,420	1,545,843	2,852,665	2,141,170	-	-	-	-
Capital Project Funds	(36,905,183)	(16,475,224)	4,276,668	4,776,683	3,983,951	3,753,351	-	-	-	-
Permanent Funds	33,382	31,565	47,248	62,046	40,594	41,274	-	-	-	-
<b>Total All Other Government Funds</b>	<b>\$ (33,861,476)</b>	<b>\$ (14,196,627)</b>	<b>\$ 6,807,916</b>	<b>\$ 6,651,661</b>	<b>\$ 7,117,650</b>	<b>\$ 6,187,264</b>	<b>\$ 5,070,721</b>	<b>\$ 4,365,853</b>	<b>\$ 6,137,183</b>	<b>\$ 9,732,614</b>

**TOWN OF NORTH HAVEN**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS - Unaudited**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Property Taxes	\$ 58,599,629	\$ 63,125,559	\$ 64,497,427	\$ 66,035,552	\$ 68,084,739	\$ 68,165,768	\$ 73,908,177	\$ 74,561,137	\$ 75,763,749	\$ 79,605,043
Licenses and Permits	1,107,761	1,100,596	1,148,521	1,253,936	1,114,246	881,725	881,729	1,321,180	1,364,741	1,679,424
Intergovernmental	24,380,153	17,581,159	11,316,130	12,380,432	12,622,667	14,215,050	13,631,126	15,077,371	15,476,169	16,046,272
Charges for Services	4,596,032	5,008,651	4,780,642	4,907,129	2,553,869	2,299,976	2,493,196	2,413,440	2,591,461	2,594,946
Investment Earnings	846,061	1,588,505	1,521,124	1,064,896	445,855	152,304	110,356	44,669	44,915	72,708
Miscellaneous	2,252,424	2,550,876	2,893,473	2,578,405	6,969,583	3,252,270	3,655,589	1,082,420	1,511,949	1,091,168
<b>Total Revenues</b>	<b>91,782,060</b>	<b>90,955,346</b>	<b>86,157,317</b>	<b>88,220,350</b>	<b>91,790,959</b>	<b>88,967,093</b>	<b>94,680,173</b>	<b>94,500,217</b>	<b>96,752,984</b>	<b>101,089,561</b>
<b>EXPENDITURES</b>										
General Government	7,022,974	7,465,831	6,708,165	6,103,676	5,941,039	5,676,959	5,480,490	5,234,056	5,972,043	6,060,468
Public Safety	7,040,254	6,940,209	7,356,424	7,883,949	8,316,868	8,566,141	8,816,940	8,308,012	9,448,228	9,572,423
Public Works	6,237,293	6,885,881	6,458,129	7,632,089	5,515,392	5,581,946	5,186,068	6,615,223	5,368,999	4,534,961
Health & Welfare	1,211,211	1,144,487	1,179,218	1,053,225	1,159,387	1,436,869	1,233,261	1,274,707	1,007,596	975,237
Benefits & Insurance	5,795,099	6,629,138	7,089,218	7,807,315	7,774,337	8,085,522	9,711,664	9,809,288	10,175,566	10,947,083
Education	40,254,625	43,423,542	45,359,243	48,089,380	49,488,631	50,090,166	51,906,706	53,896,444	54,387,823	57,450,277
Other	1,012,173	1,014,537	1,049,992	1,305,530	1,207,761	1,392,234	1,452,466	1,448,891	1,413,462	1,487,040
Culture & Recreation	1,015,942	1,018,407	922,974	915,114	1,000,952	957,844	962,668	910,688	1,277,416	1,133,779
Capital Outlay	47,350,196	16,185,950	4,785,137	1,193,221	2,802,523	2,842,200	1,991,044	1,843,637	6,711,199	9,366,878
Debt Service:										
Principal	3,131,100	2,846,100	2,833,026	2,833,771	4,964,540	4,575,307	4,646,099	4,641,821	3,706,606	4,122,440
Interest	1,357,368	1,099,174	1,035,210	2,911,157	2,774,638	2,624,867	2,325,270	2,168,513	2,014,940	2,021,889
<b>Total Expenditures</b>	<b>121,428,235</b>	<b>94,653,256</b>	<b>84,776,736</b>	<b>87,728,427</b>	<b>90,946,068</b>	<b>91,830,055</b>	<b>93,712,676</b>	<b>96,151,280</b>	<b>101,483,878</b>	<b>107,672,475</b>
<b>OTHER FINANCING SOURCES</b>										
Transfers in	-	-	-	-	-	-	499,304	339,200	276,848	238,906
Transfers (out)	-	-	-	-	-	-	(499,304)	(339,200)	(276,848)	(238,906)
Bond Proceeds	-	-	-	-	-	-	-	-	6,460,000	9,185,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,460,000</b>	<b>9,185,000</b>
Excess of Revenues Over(Under) Expenditures	\$ (29,646,175)	\$ (3,697,910)	\$ 1,380,581	\$ 491,923	\$ 844,891	\$ (2,862,962)	\$ 967,497	\$ (1,651,063)	\$ 1,729,106	\$ 2,602,086
Debt service as a percentage of noncapital expenditures	6.3%	5.2%	5.0%	6.9%	8.8%	8.1%	7.5%	7.2%	6.4%	6.1%

**TOWN OF NORTH HAVEN**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS - Unaudited**

Fiscal Year Ended June 30,	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2005	\$ 1,064,225,200	\$ 494,958,130	\$ 172,330,295	\$ 235,146,411	\$ 55,372,670	\$ 1,911,287,366	30.53	\$ 2,809,514,337	70.00%
2006	1,084,106,170	510,105,510	186,194,560	218,702,011	53,564,100	1,945,544,151	32.17	2,855,868,930	70.00%
2007	1,947,013,184	570,178,769	197,622,160	212,344,027	675,909,118	2,251,249,022	28.70	4,181,654,485	70.00%
2008	1,963,474,103	571,472,776	199,951,055	220,516,980	377,955,402	2,577,459,512	25.44	4,222,021,306	70.00%
2009	1,971,946,093	561,236,627	201,720,557	245,092,193	92,111,518	2,887,883,952	23.50	4,257,136,386	70.00%
2010	1,924,538,674	621,759,361	187,185,428	245,564,092	91,798,027	2,887,249,528	23.48	4,255,782,222	70.00%
2011	1,812,359,923	682,850,758	184,261,165	263,256,690	107,260,352	2,835,468,184	26.18	4,203,897,909	70.00%
2012	1,811,728,635	681,094,625	195,541,450	264,236,458	125,476,286	2,827,124,882	26.54	4,218,001,669	70.00%
2013	1,813,741,095	662,335,710	210,323,266	270,340,885	125,136,771	2,831,604,185	28.10	4,223,915,652	70.00%
2014	1,817,709,352	637,293,683	209,808,992	268,049,040	118,471,610	2,814,389,457	28.10	4,189,801,254	70.00%

<sup>(1)</sup> Statutory revaluation completed for October 1, 2000 Grand list  
 Effective fiscal year beginning July 1, 2001

\* Source: Town records.

**TOWN OF NORTH HAVEN**  
**PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS - Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Operating Millage</b>	<b><u>Town of North Haven</u></b>		<b><u>Overlapping Rates</u> 2014</b>
		<b>Debt Service Millage</b>	<b>Total Town Millage</b>	
2005	28.58	1.95	30.53	
2006	30.41	1.76	32.17	
2007	27.16	1.54	28.70	<b>NONE</b>
2008	23.92	1.52	25.44	
2009	21.71	1.80	23.50	
2010	21.21	2.27	23.48	
2011	23.98	2.20	26.18	
2012	24.39	2.15	26.54	
2013	26.11	1.99	28.10	
2014	26.12	1.98	28.10	

Source: Town records.

TABLE 9

TOWN OF NORTH HAVEN  
 PRINCIPAL PROPERTY TAXPAYERS - Unaudited

Name	Type of Business	2014			2004		
		Percent of Grand List		Taxable Valuation as of 10/1/12	Percent of Grand List		Taxable Valuation as of 10/1/02
Covidien	Manufacturing	5.17%	1	\$ 151,640,710	4.66%	1	\$ 91,948,390
North Haven Industrial LLC	Distribution Center	0.91%	2	26,722,500	1.03%	3	20,292,930
Sim Metal Management Inc.	Scrap Metal Recycler	0.75%	3	21,871,250	1.57%	2	31,054,240
August America	Retail/Shopping Center	0.74%	4	21,730,380			
Price REIT	Retail/Shopping Center	0.71%	5	20,700,000	0.72%	4	14,165,200
United Illuminating Co.	Public Utility	0.60%	6	17,687,970	0.26%	10	5,219,680
North Haven Holdings	Retail/Shopping Center	0.59%	7	17,250,310			
Bouwfonds Preston Crossing	Apartments	0.57%	8	13,890,660	0.50%	5	9,791,510
Drazen Properties	Retail/Shopping Center	0.38%	9	11,270,000			
United Aluminum	Manufacturing	0.38%	10	11,238,700	0.40%	6	7,899,500
Rosewood LLC	Apartments				0.31%	8	6,108,620
Briarwood Connecticut	Apartments				0.28%	9	5,455,390
415 Washington Ave Partners, LLC	Holding Company				0.35%	7	7,000,000
				<u>\$ 314,002,480</u>			<u>\$ 198,935,460</u>

TABLE 10

**TOWN OF NORTH HAVEN**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS - Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Tax Rate In Mills</b>	<b>Grand List of October 1,</b>	<b>Total Tax Levy</b>	<b>Current Collections</b>	<b>Percent of Levy Collections</b>	<b>Collected in Subsequent Years</b>	<b>Total Tax Collections</b>	<b>Collections as a Percent of Current Levy</b>
2005	28.76	2003	\$ 58,741,641	\$ 56,985,430	97.01%	\$ 1,692,078	\$ 58,677,508	99.89%
2006	30.53	2004	62,954,772	61,733,322	98.06%	1,151,662	62,884,984	99.89%
2007	28.70	2005	64,775,645	63,418,367	97.90%	1,269,130	64,687,497	99.86%
2008	25.44	2006	65,579,710	64,297,284	98.04%	1,082,759	65,380,043	99.70%
2009	23.50	2007	67,749,436	66,453,146	98.09%	1,120,255	67,573,401	99.74%
2010	23.48	2008	67,643,247	66,776,879	98.72%	485,301	67,262,180	99.44%
2011	26.18	2009	73,974,689	72,552,212	98.08%	276,784	72,828,996	98.45%
2012	26.54	2010	74,878,914	73,406,669	98.03%	255,890	73,662,559	98.38%
2013	26.54	2011	75,207,636	73,830,387	98.17%	-	73,830,387	98.17%
2014	28.10	2012	79,396,003	78,477,387	98.84%	-	78,477,387	98.84%

## TOWN OF NORTH HAVEN

**SCHEDULE OF SEWER ASSESSMENT COLLECTIONS**  
**LAST TEN FISCAL YEARS - Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Current Assessment Due</b>	<b>Current Assessment Collected</b>	<b>Ratio of Collections To Amount Due</b>	<b>Total Outstanding Current and Deferred Assessments</b>
2005	242,440	42,286	17.44%	200,154
2006	203,558	6,413	3.15%	197,145
2007	197,145	17,372	8.81%	179,772
2008	188,320	10,916	5.80%	177,404
2009	202,638	30,732	15.17%	171,906
2010	173,906	4,722	2.72%	169,185
2011	178,165	16,516	9.27%	161,649
2012	207,649	11,000	5.30%	196,649
2013	206,185	27,748	13.46%	178,437
2014	206,185	-	0.00%	206,185

TOWN OF NORTH HAVEN

OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year	Governmental			Total Long-Term Debt	Percentage of Personal Income	Per Capita <sup>(2)</sup>	Estimated Actual Taxable Value <sup>(1)</sup>
	General Obligation Bonds	Notes Payable	Capital Leases				
2005	\$ 22,290,000	\$ 6,377,700	\$ 11,277	\$ 28,678,977	4.2%	\$ 1,245	1.02%
2006	43,735,000	6,356,372	315,860	50,407,232	7.1%	2,120	1.75%
2007	65,481,332	5,408,346	288,198	71,177,876	10.1%	2,891	1.65%
2008	63,526,070	4,459,575	248,173	68,233,818	9.7%	2,782	1.58%
2009	59,440,804	3,510,045	187,194	63,138,043	9.0%	2,664	1.44%
2010	55,980,538	2,559,738	548,644	59,088,920	8.4%	2,405	1.35%
2011	52,215,276	1,608,640	374,641	54,198,557	7.7%	2,199	1.25%
2012	48,455,014	660,165	325,965	49,441,144	7.0%	1,990	1.14%
2013	51,179,752	615,105	274,860	52,069,717	7.4%	2,075	1.23%
2014	56,354,553	572,635	1,108,000	58,035,188	8.0%	2,278	1.34%

**Note:** Details regarding the Town's outstanding debt may be found in the notes to the basic financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

All amounts above are direct governmental activities debt.

TOWN OF NORTH HAVEN

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2014

NONE

## TOWN OF NORTH HAVEN

SCHEDULE OF DEBT LIMITATION - Unaudited  
June 30, 2014

Total Tax Collections (Including Interest  
and Lien Fees For the Fiscal Year  
Ended June 30, 2014

\$ 79,605,043

Reimbursement For Revenue Loss On:  
Tax Relief For Elderly

214,469

Base

\$ 79,819,512

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt Limitation:					
2 1/4 Times Base	\$ 179,593,902	\$ -	\$ -	\$ -	\$ -
4 1/2 Times Base	-	359,187,804	-	-	-
3 3/4 Times Base	-	-	299,323,170	-	-
3 1/4 Times Base	-	-	-	259,413,414	-
3 Times Base	-	-	-	-	239,458,536
Total Debt Limitation	<u>179,593,902</u>	<u>359,187,804</u>	<u>299,323,170</u>	<u>259,413,414</u>	<u>239,458,536</u>
Indebtedness:					
Bonds Payable	18,529,063	36,395,937	-	-	-
Loans Payable - Pollution Facility	-	-	572,634	-	-
School Grants Receivable	-	(749,433)	-	-	-
Bonds Authorized and Unissued	17,805,000	3,714,762	-	-	-
Total Indebtedness	<u>36,334,063</u>	<u>39,361,266</u>	<u>572,634</u>	<u>-</u>	<u>-</u>
Debt Limitation In Excess of Outstanding and Authorized Debt	<u>\$ 143,259,839</u>	<u>\$ 319,826,538</u>	<u>\$ 298,750,536</u>	<u>\$ 259,413,414</u>	<u>\$ 239,458,536</u>

TOWN OF NORTH HAVEN

DEBT SUMMARY - Unaudited  
June 30, 2014

Short-Term General Obligation Debt Outstanding			\$	-
Long-Term General Obligation Debt Outstanding:				
Payable From The General Fund:				
General Purposes	\$	18,529,063		
Schools		36,395,937		
Capital lease		832,750		
Sewers		-	\$	55,757,750
Loans Payable - Pollution Control Facility	\$	572,634		572,634
Total Overall General Obligation Debt			\$	56,330,384
Less:				
State School Building Grants Receivable	\$	749,433		
General Fund Reserve For Debt		-		
	\$	749,433		
Total Deductions				749,433
Total Overall Net General Obligation Debt			\$	55,580,951
Total Overlapping and Underlying General Obligation Debt				-
Total Overall Net General Obligation Debt (Including Overlapping and Underlying)			\$	55,580,951
Population <sup>(1)</sup>		24,033		
Net Taxable Grand List 10/1/13	\$	2,831,604,185		
Per Capita Income 1999 <sup>(2)</sup>		117,822		
			Total Overall Debt	Total Overall Net Debt
Debt Per Capita			\$2,313	\$0
Ratio To Net taxable Grand List 10/1/12			1.96%	0.00%
Debt Per Capita To Income Per Capita			47173.86%	0.00%

<sup>(1)</sup> State of Connecticut Department of Economic and Community Development

<sup>(2)</sup> Data Core Partners

## TOWN OF NORTH HAVEN

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS - Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Population<sup>(1)</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income<sup>(2)</sup></b>	<b>School Enrollment<sup>(3)</sup></b>	<b>Unemployment Rate<sup>(4)</sup></b>
2005	23,710	*	*	3,805	4.9%
2006	23,628	*	*	3,927	5.7%
2007	23,908	*	*	4,000	4.3%
2008	23,908	*	*	4,084	4.9%
2009	23,035	*	*	3,932	7.1%
2010	23,916	*	*	3,822	7.8%
2011	23,961	*	*	3,693	8.2%
2012	23,961	*	*	3,548	7.8%
2013	24,106	*	*	3,635	7.0%
2014	24,033	*	*	3,518	5.6%

Source:

<sup>(1)</sup> State of Connecticut, Department of Health Estimate, 7/1/04<sup>(2)</sup> U.S. Department of Commerce, Bureau of the Census, Census of Population and Housing<sup>(3)</sup> North Haven Board of Education as of 10/1<sup>(4)</sup> State of Connecticut, Department of Labor

\* Information not available

TOWN OF NORTH HAVEN

MAJOR EMPLOYERS - Unaudited

Employer	Type of Business	2014		2003*	
		Employees	Percentage of Total Town Employment*	Employees	Percentage of Total of Town Employment
Covidien	Wound Closer Devices	1531	*	1,869	*
Town of North Haven	Municipality	813	*	635	*
Brescome Barton	Liquor Distributor	339	*		*
Area Cooperative Education Services	Educational	296	*	321	*
HB Communications	Sale/Service Audio Visual and Video Eqmt	213	*	150	*
New Breed Logistics	Freight Traffic Managers	180	*		*
Mossberg, OF & Sons	Firearms	231	*	166	*
Connecticut Container Corporation	Corrugated Shipping Containers and Displays	126	*	145	*
Quinnipiac University	Education	328	*		*
United Aluminum	Manufacturer	160	*		*

(\*) Data Not Available

## TOWN OF NORTH HAVEN

TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS - Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Town:</u>										
General Government	25	24	23	23	23	23	21	20	20	21
Public Services & Recreation	34	33	31	33	33	32	34	41	41	41
Public Safety	89	85	87	89	89	91	93	92	91	93
Public Works	49	50	47	49	48	49	43	43	43	43
Total Full-Time	197	192	188	194	193	195	191	196	195	198
Part-Time	155	148	141	141	147	152	160	156	150	152
<u>Total Town</u>	<u>352</u>	<u>340</u>	<u>329</u>	<u>335</u>	<u>340</u>	<u>347</u>	<u>351</u>	<u>352</u>	<u>345</u>	<u>350</u>
<u>Education:</u>										
Teachers	301	294	304	310	315	315	309	303	304	298
Administration	16	14	16	17	17	17	17	17	17	17
Custodial Maintenance	23	22	23	23	23	23	23	23	23	23
Other	84	82	81	84	86	83	88	83	86	99
Total Full-Time	424	412	424	434	441	438	437	426	430	437
Part-Time	78	81	86	76	71	71	69	49	50	26
<u>Total Education</u>	<u>502</u>	<u>493</u>	<u>510</u>	<u>510</u>	<u>512</u>	<u>509</u>	<u>506</u>	<u>475</u>	<u>480</u>	<u>463</u>
<u>Grand Total</u>	<u>854</u>	<u>833</u>	<u>839</u>	<u>845</u>	<u>852</u>	<u>856</u>	<u>857</u>	<u>827</u>	<u>825</u>	<u>813</u>

Source: Town Records

TOWN OF NORTH HAVEN

SUPPLEMENTAL DATA - Unaudited  
June 30, 2014

Settled		1670	
Date of Incorporation		1786	
Form of Government		Board of Selectmen / Town Meeting	
Current Charter Adopted		January 1, 1981	
Area of Town		21.1 Square Miles	
<u>Miles of Streets</u>		<u>Education</u>	
Town	146.5	Number of Teachers	298
State	58.9	Number of Other Employees	139
		Total enrollment (10/1/2011)	3,518
<u>Miles of Sidewalks</u>		<u>Elections</u>	
<u>Recreation</u>		Registered Voters	15,048
Acres	210	Number Votes Cast-Last Election	2,808
Baseball Fields Lighted	2	Percentage of Registered Voters	18%
Basketball Courts(Outdoor)	7	Voting	
Little League Fields	4		
Parks	18	<u>Police Protection</u>	
Picnic groves	8	Stations	1
Playground and Ball fields	11	Employees-Uniformed	48
Senior Citizens Center	1	-Civilian	9
Skating Rink	0	Vehicles(Includes Support Vehicles)	27
Softball Diamonds	11		
Softball Diamonds(Lighted)	2	<u>Fire Protection</u>	
Swimming Pool(Indoor)	1	Stations-Full Time	1
Tennis Courts(Lighted)	4	-Volunteer	3
Tennis Courts	10	Career Fire Fighters	34
		Volunteer Fire Fighters	105
<u>Library</u>			
Main Building	1		
Volumes-Collection	115,811		
Annual Circulation(est)	157,024		
<u>Employees</u>			
Town-Full Time	198		
-Part Time	152		
Education-Full Time	437		
-Part Time	26		
Total Employees	<u>787</u>		

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**TOWN OF NORTH HAVEN, CONNECTICUT**

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	2005	2006	2007	2008
<b>Police:</b>				
Calls for service	27,328	25,658	24,330	25,500
Adult arrest	607	611	677	693
Juvenile arrest	-	-	-	-
Citations	2,625	2,590	2,398	2,429
<b>Fire:</b>				
Total fire runs	4,224	4,308	4,367	4,243
Total rescue runs	3,055	3,156	3,151	3,065
Property loss	934,800	551,000	1,294,330	2,409,673
<b>Building safety:</b>				
Total building permits	525	617	579	537
Total value all permits	\$ 29,172,946	\$ 23,892,383	\$ 22,842,701	\$ 29,887,926
Total mechanical permits	959	949	861	711
Total value all permits	\$ 11,711,177	\$ 12,616,121	\$ 11,229,003	\$ 61,166,521
Library, volumes in collection	11,524	11,524	109,841	112,387
<b>Public service:</b>				
Garbage collected (ton)	-	-	-	-
Recycle collected (ton)	-	-	-	-
<b>Parks and Recreation:</b>				
Recreation program attendance	-	-	-	-
Aquatics program attendance	-	-	-	-
Street trees maintained - miles	146.5	146.5	146.5	146.5

**Source:** Town Records

**Note:** \* Indicator not available

TABLE 20

Calendar Year						
2009	2010	2011	2012	2013	2014	
23,403	24,501	25,382	24,273	24,650	*	
652	677	700	529	419	*	
-	-	-	*	*	*	
2,088	1,763	1,964	2,184	1,853	*	
4,271	4,617	4,590	4,119	4,058	*	
2,978	3,225	3,059	2,780	2,783	*	
532,800	815,400	846,200	649,070	408,625	*	
427	2,149	485	1,760	2,041	*	
\$ 25,636,659	\$ 29,643,079	\$ 17,110,653	\$ 42,839,743	\$ 42,839,743	*	
846	1,268	719	294	325	*	
\$ 29,919,892	\$ 8,974,312	\$ 5,310,484	\$ 9,073,461	\$ 12,432,646	*	
111,908	106,789	112,049	112,049	113,472	115,811	
-	*	20,800	*	10,900	*	
-	*	*	*	2,100	*	
-	*	*	*	*	*	
-	*	*	*	*	*	
146.5	146.5	146.5	146.5	146.5	*	

TOWN OF NORTH HAVEN, CONNECTICUT

Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	2005	2006	2007	2008
Police:				
Stations	1	1	1	1
Fire, Fire Stations Full time	1	1	1	1
Fire, Fire Stations Volunteer	3	3	3	3
Refuse Collection:				
Collection Trucks	4	4	4	4
Streets (Miles)	146.5	146.5	146.5	146.5
Traffic Signals - Town Owned	*	*	*	*
Parks & Recreation:				
Acreage	*	*	210	210
Parks	*	*	18	18
Baseball/Softball Diamonds	12	12	12	12
Soccer/Football Fields	*	*	*	*
Basketball Courts	*	*	7	7
Tennis Courts	*	*	14	14
Swimming pools	*	*	1	1
Parks with Playground Equipment	5	5	5	5
Picnic Shelters	8	8	8	8
Community Centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	111,524	111,524	109,841	112,387
Wastewater:				
Sanitary Sewers (miles)	*	*	*	*
Storm Sewers (miles)	*	*	*	*
Combination Sanitary and Storm (miles)	*	*	*	*

Source: Town Records

Note: \* Data not available.

TABLE 21

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
4	4	4	4	4	4
146.5	146.5	146.5	146.5	146.5	146.5
*	*				
210	210	210	210	210	210
18	18	18	18	18	18
12	12	12	12	12	12
*	*	*	*	*	*
7	7	7	7	7	7
14	14	14	12	10	10
1	1	1	1	1	1
5	5	5	5	5	5
8	8	8	8	8	8
1	1	1	1	1	1
1	1	1	1	1	1
111,908	112,558	106,789	112,049	113,472	115,811
*	*	*	110	110	120
*	*	*	*	*	*
*	*	*	*	*	*

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# **Town of North Haven, Connecticut**

Federal and State Financial and Compliance Reports  
Fiscal Year Ended June 30, 2014

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**Report on Compliance for Each Major Federal Program; Report on Internal Control  
over Compliance; and Report on Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133**

**Independent Auditor's Report**

To the Honorable First Selectman and  
Members of the Board of Finance  
Town of North Haven, Connecticut

**Report on Compliance for Each Major Federal Program**

We have audited the Town of North Haven, Connecticut's (the "Town") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2014. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **Report on Internal Control over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of North Haven, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of North Haven, Connecticut's basic financial statements. We issued our report thereon dated December 23, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut  
December 23, 2014

Town of North Haven, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture/ Passed through the State of Connecticut</b>			
<b>Department of Education</b>			
<b>Child Nutrition Cluster:</b>			
Food Distribution - Non-cash	10.555	N/A	\$ 78,703
Cash in lieu		N/A	764
School Breakfast	10.553	12060-SDE64000-20518	10,327
National School Lunch Program	10.555	12060-SDE64000-20560	203,722
<b>Total Child Nutrition Cluster</b>			<u>293,516</u>
Child and Adult Food Care Program	10.558	12060-SDE64000-20518	10,327
<b>Total U.S. Department of Agriculture</b>			<u>303,843</u>
<b>U.S. Department of Transportation/ Passed through the Connecticut Department of Transportation</b>			
Sackett Point Road Bridge	20.205	N/A	99,196
<b>Total U.S. Department of Transportation</b>			<u>99,196</u>
<b>U.S. Department of Education/ Passed through the State of Connecticut</b>			
<b>Department of Education</b>			
<b>Special Education Cluster:</b>			
Title VI - IDEA - '13-'15	84.027A	12060-SDE64000-20977	413,802
Title VI - IDEA - '12-'14	84.027A	12060-SDE64000-20977	109,811
Preschool Incentive Grant '12-'14	84.391A	12060-SDE64000-20983	1,600
Preschool Incentive Grant '13-'15	84.173A	12060-SDE64000-20983	22,950
<b>Total Special Education Cluster</b>			<u>548,163</u>
Title II - Part A - Teachers '12-'14	84.367A	12060-SDE64370-20858	5,975
Title II - Part A - Teachers '13-'15	84.367A	12060-SDE64370-20858	67,014
			<u>72,989</u>
Career and Technical Education		12606-SDE64370-20742	25,651
Title I - Improving Basic Programs '12-'14	84.010A	12060-SDE64370-20679	29,121
Title I - Improving Basic Programs '13-'15	84.010A	12060-SDE64370-20679	235,124
			<u>264,245</u>
<b>Total U.S. Department of Education</b>			<u>911,048</u>

(Continued)

Town of North Haven, Connecticut

Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Homeland Security/ Passed through the State Department of Emergency Management and Homeland Security</b>			
Emergency Management	97.042	12060-EH599690-21881	<u>\$ 5,775</u>
<b>Total U.S. Federal Emergency Management Agency</b>			<u>5,775</u>
<b>U.S. Department of Environmental Protection Development</b>			
STAG Grant	66.202	N/A	<u>361,976</u>
<b>U.S. Department of Economic and Community Development</b>			
Small Cities Block Grant	14.228	12060-ECD46350-20730	<u>134,101</u>
<b>Total Expenditure of Federal Awards</b>			<u><u>\$ 1,815,939</u></u>

See Notes to Schedule of Expenditures of Federal Awards  
 N/A - Not Applicable.

## Town of North Haven, Connecticut

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2014

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Various agencies of the Federal Government have made financial assistance available to the Town of North Haven, Connecticut. These grants fund several programs including housing, education, human services, transportation and general government activities.

#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Town of North Haven, Connecticut (the "Town") under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

#### **Note 2. Summary of Significant Accounting Principles**

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3. Noncash Awards**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$78,703, represents the fair value of such commodities used during the period. This amount is included in the Child Nutrition Cluster.

**Town of North Haven, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

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I. Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes      X   No

*Identification of Major Programs*

CFDA Numbers	Name of Federal Program or Cluster
84.027A/84.173A 66.202	Special Education Cluster STAG Grant

Dollar threshold used to distinguish between type A and type B programs \_\_\_\_\_ \$300,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

II. Financial Statement Findings

No matters were reported.

III. Federal Award Findings and Questioned Costs

No matters were reported.

**Town of North Haven, Connecticut**

**Summary of Prior Year Audit Findings  
For the Year Ended June 30, 2014**

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There were no findings in the prior year.



**Report on Internal Control over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance With *Government  
Auditing Standards***

**Independent Auditor's Report**

To the Honorable First Selectman  
and Members of the Board of Finance  
Town of North Haven, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Haven, Connecticut (the "Town") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 23, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "McGladrey LLP". The signature is written in a cursive, flowing style.

New Haven, Connecticut  
December 23, 2014



**Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; And Report On Schedule Of Expenditures Of State Financial Assistance Required By The State Single Audit Act**

**Independent Auditor's Report**

To the Honorable First Selectman and  
Members of the Board of Finance  
Town of North Haven, Connecticut

**Report on Compliance for Each Major State Program**

We have audited the Town of North Haven, Connecticut's (the "Town") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2014. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

**Opinion on Each Major State Program**

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of North Haven, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of North Haven, Connecticut's basic financial statements. We issued our report thereon dated December 23, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut  
December 23, 2014

Town of North Haven, Connecticut

Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2014

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Expenditures
<b>Department of Education</b>		
Magnet School Transportation	11000-SDE64000-17057	\$ 13,824
School State Breakfast	11000-SDE64000-17046	9,111
Youth Service Bureau Enhancement	11000-SDE64000-16201	6,171
Youth Service Bureaus	11000-SDE64000-17052	17,399
Adult Education - Cooperative and Provider	11000-SDE64000-17030	53,967
Open Choice Program	11000-SDE64000-17053	160,338
High Quality Schools Start Up	12052-SDE64000-43538	131,726
Child Nutrition State Match	11000-SDE64000-16211	9,049
		<u>401,585</u>
<b>Office of Policy and Management</b>		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	214,469
Property Tax Relief for Veterans	11000-OPM20600-17024	31,996
Property Tax Reimbursement Disability Exemption	11000-OPM20600-17011	3,378
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	331,749
Municipal Purposes and Projects	12052-OPM20600-43587	752,707
Payment in Lieu of Taxes on State-Owned Property	11000-OPM15910-17004	104,823
STEAP	12052-OPM20870-40530	98,660
		<u>1,537,782</u>
<b>Department of Transportation</b>		
Town Aid Road Grants	12001-DOT57131-17036	<u>79,712</u>
<b>Department of Mental Health</b>		
Harbor Health	11000-MHA53000-16053	<u>16,424</u>
<b>Connecticut State Library</b>		
State Grants to Public Libraries	11000-CSL66051-17003	1,226
Connecticard Payments	11000-CSL66051-17010	7,892
Historic Documents Conservation	11000-CSL66094-35150	4,000
		<u>13,118</u>
<b>Department of Environmental Protection</b>		
Community Conservation	13019-DEP43740-41239	29,363
Valley Service Road	13019-DEP43740-61018	6,453
		<u>35,816</u>

(Continued)

Town of North Haven, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2014

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Expenditures
<b>Office of Young Children</b>		
SSBG Child Day Care	11000-OEC64841-26155	82,322
Child Care Services	11000-OEC64841-12520	152,885
		<u>235,207</u>
<b>Department of Public Safety</b>		
School Security Grant	12052-DPS32183-43546	71,805
Drug Asset Forfeiture Revenue	12060-DPS32155-35142	1,416
		<u>73,221</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>2,392,865</u>
<b>Exempt Programs</b>		
<b>Department of Education</b>		
Education Cost Sharing	11000-SDE64370-17041	3,403,195
Transportation of School Children	11000-SDE64370-17027	75,065
Special Education - Excess Cost/Agency Placement	11000-SDE64370-17047	1,218,440
Special Education - Excess Cost/Student Supplemental	11000-SDE64370-17047	179,321
		<u>4,876,021</u>
<b>Office of Policy and Management</b>		
Mashantucket Pequot/Mohegan Fund	12009-OPM15910-17005	157,487
Municipal Video Competition	12606-OPM20600-35362	8,033
Municipal Revenue Sharing	12060-OPM20600-35458	419,178
		<u>584,698</u>
<b>Department of Public Works</b>		
School Construction Projects - Principal	13010-DCS64370-40901	190,568
School Construction Projects - Interest	13009-DCS64370-40896	34,880
		<u>225,448</u>
<b>Total Exempt Programs</b>		<u>5,686,167</u>
<b>Total State Financial Assistance</b>		<u>\$ 8,079,032</u>

See Note to Schedule of State Financial Assistance

**Town of North Haven, Connecticut**

**Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2014**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of North Haven, Connecticut (the Town) under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

**Note 2. Summary of Significant Accounting Principles**

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting for governmental funds. Such expenditures are recognized following the cost principals contained in OMB Circular A-87, *Cost Principals for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Town of North Haven, Connecticut**

**Schedule of State Single Audit Compliance Findings and Questioned Costs  
For the Year Ended June 30, 2014**

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I. Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
  - Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

*State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major programs: unmodified.

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ Yes      X   No

The following schedule reflects the major programs included in the State Single Audit.

State Grantor and Program	State Core-CT Number	Expenditures
Office of Policy and Management		
Municipal Purposes and Projects	12052-OPM20600-43587	\$ 752,707
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	<u>331,749</u>
Total Office of Policy and Management		<u>\$ 1,084,456</u>
Department of Education		
High Quality Schools Start Up	12052-SDE64000-43538	<u>\$ 131,726</u>
Dollar threshold used to distinguish between Type A and Type B Programs		<u>\$ 200,000</u>

II. Financial Statement Findings

No matters were reported.

III. Findings and Questioned Costs for State Financial Assistance

No matters were reported.

**Town of North Haven, Connecticut**

**Summary of Prior Year Audit Findings  
For the Year Ended June 30, 2014**

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There are no prior audit findings related to state programs.