



Charles Heaven & Co.
Certified Public Accountants

**TOWN OF ROXBURY
AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL FINANCIAL DATA
JUNE 30, 2015**

**Town of Roxbury
Table of Contents
Year Ended June 30, 2015**

	PAGE
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Fiduciary Funds	
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
Notes to Financial Statements	20-35
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund (Non GAAP Budgetary Basis)	36-39
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	40
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds, Special Revenue Funds:	
Combining Balance Sheet	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	42
Fiduciary Funds	
Combining Statement of Fiduciary Net Position	43
Combining Statement of Changes in Fiduciary Net Position	44
Supplemental Schedules:	
Schedule of Property Taxes Levied, Collected and Outstanding (Report of the Tax Collector)	45
Statement of Debt Limitation	46
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	47-48



Charles Heaven & Co.
Certified Public Accountants
Waterbury, Connecticut

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Roxbury, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Roxbury, Connecticut, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on Pages 3 through 11 and 36 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2015, on our consideration of the Town of Roxbury, Connecticut'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 of Roxbury, Connecticut's internal control over financial reporting and compliance.

Charles Heaton & Co., CPAs

October 9, 2015

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

The June 30, 2015 Town of Roxbury Basic Financial statements are presented using the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. GASB Statement 34 requires that the management of the Town of Roxbury focus on the most important or "major" funds, including the General Fund.

The goal is to provide the reader with an objective and readable analysis of the financial performance of the Town for the year. Taken together, the following statements should present whether the Town of Roxbury's financial position has improved or deteriorated as a result of the year's operations. Fund statements measure and report the operating results of many funds by measuring cash on hand and other assets that can easily be converted to cash. The Basic Financial Statements include government-wide financial statements prepared on the accrual basis of accounting for all of the Town government's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year (or shortly thereafter). Showing budgetary compliance has always been an important part of governmental accountability and therefore the financial statements include the original budget as well as the amended final budget.

The Basic Financial Statements includes the following information and financial statements as defined by GASB Statement 34:

- * **Management's Discussion and Analysis (MD&A)** – An introduction to the basic financial statements and an analytical overview of the government's financial activities. The MD&A provides an objective and easily readable analysis of the Town's financial activities based on currently known facts, decisions, or conditions. The MD&A:
 - Includes comparisons of the current year to the prior year based on government-wide information.
 - Provides an analysis of the overall financial position and the results of operations that assess whether the Town's financial position has improved or deteriorated as a result of the year's activities.
 - Analyzes significant changes in fund and major budget variances.
 - Describes capital asset and long-term debt activity during the year.
 - Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on the Town's financial position or the results of its operations.

- * **Basic Financial Statements**

Government-Wide Financial Statements are designed to provide a broad overview of the Town of Roxbury's finances in a manner similar to private-sector business.

They include a *statement of net position* which presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows with the difference between assets plus deferred outflows less liabilities and deferred inflows reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The *statement of activities* presents information showing how the 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).

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

The statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the government. The government-wide financial statements present functions of the Town of Roxbury that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government, commissions and boards, highways and public works, protection, health and welfare, benefits, education, and miscellaneous.

Capital assets, including infrastructure, are reported along with depreciation expense in the statement of activities. Net position are reported as capital assets net of related debt, restricted, and unrestricted. Permanent endowments or permanent fund principal amounts included in restricted net assets are shown as either expendable or nonexpendable.

Expenses presented are reduced by program revenues, resulting in a measurement of "net (expense) revenue" for each of the government's functions. Program expenses include all direct expenses. General revenues such as taxes and special and extraordinary items are reported separately, ultimately arriving at the change in net position for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

- ***Fund Financial Statements*** are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Roxbury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. With the exception of the Pension Trust Fund, which is a fiduciary fund, all of the funds of the Town constitute governmental funds.

Governmental fund financial statements include financial data for the General Fund, Special Revenue Funds and Capital Project Funds and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *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 activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of 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 Roxbury maintains twelve 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, the Reserve for Capital Expenditures Fund, the Library Fund, the Land Acquisition Fund, and the Town Aid Road Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The Town of Roxbury adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the approved budget.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

Fund financial statements are presented for the primary government. Governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. A summary reconciliation of the fund and government-wide statements accompanies the fund financial statements.

Separate columns are shown for the general fund and for each major governmental fund. Major funds are funds whose revenues, expenditures, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds. Other funds that are particularly important are also reported as a major fund. Non-major funds are reported in the aggregate in a separate column.

Governmental fund balances are segregated into Nonspendable, Restricted, Committed, Assigned and Unassigned as defined in the notes.

➤ ***Fiduciary Fund***

- The Fiduciary funds are used to account for resources held by the Town in a trustee capacity. The Fiduciary funds are not reflected in the government-wide financial statements because the resources of the fund are not available to support the Town of Roxbury's own programs. The accrued basis of accounting is used for the fiduciary funds. The Town's fiduciary funds are comprised of two pension trust funds.
- The basic fiduciary funds financial statements can be found on Pages 18-19 and Pages 43-44 of this report.

➤ ***Notes to the Financial Statements***

- Consist of notes that provide information essential to the understanding of the data provided in the government-wide and fund financial statements

➤ ***Required Supplementary Information (RSI)***

- Consists of the MD&A
- Budgetary comparison schedules for the general fund to demonstrate whether resources were obtained and used in accordance with the legally adopted budget

The combining statements referred to earlier, in connection with non-major governmental funds, are presented immediately following the required supplementary information.

Readers of the Town's financial statements are offered this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent year by \$16,243,734 (net position). Of this amount, \$3,133,901 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors
- The government's total net position increased by \$29,754 during the fiscal year
- As of the close of the current fiscal year, the Town of Roxbury's governmental funds reported combined ending fund balances of \$5,609,261, an increase of \$488,905. Of this, 32.25%, or \$1,808,780, is *available for spending* at the government's discretion (*unassigned fund balance*.)
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,808,780, or 18.38% of total general fund expenditures and operating transfer out of \$9,842,782. The Town has assigned \$238,764 to help pay for next year's budget and committed \$168,905 for various future expenditures
- The Town is liable for \$622,745 of Regional School District No. 12 debt (32.69%)

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

Government-Wide Financial Analysis

As noted earlier, assets and deferred outflows over liabilities and deferred inflows may serve over time as a useful indicator of a government's financial position. In the case of the Town of Roxbury, assets exceeded liabilities and deferred inflows of resources by \$16,243,734 at the close of the most recent fiscal year.

By far the largest portion of the Town of Roxbury's net position, 66.43%, reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure). The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1. Net Position

	Total Primary Government 2015	Total Primary Government 2014
Current.....	\$ 5,700,347	\$ 5,247,122
Capital Assets.....	10,791,403	11,229,655
Mortgages Receivable.....	288,767	226,239
Total Assets.....	<u>16,780,517</u>	<u>16,703,016</u>
Current Liabilities	234,124	283,159
Non-Current Liabilities	<u>221,391</u>	<u>205,877</u>
Total Liabilities	<u>455,515</u>	<u>489,036</u>
Deferred inflows of resources	<u>81,268</u>	<u>---</u>
Net Position:		
Net Investments in Capital Assets	10,791,403	11,229,655
Restricted.....	2,318,430	1,938,733
Unrestricted	<u>3,133,901</u>	<u>3,045,592</u>
Total Net Position.....	<u>\$16,243,734</u>	<u>\$16,213,980</u>

A portion of the Town's net position, \$2,318,430, or 14.27%, represents resources that are subject to restrictions on how they may be used. The \$221,000 is restricted to the library and the library's endowment, \$593,391 for road improvements \$169,169 for social services, \$904,241 for library services, \$13,221 for record preservation, \$360,588 for housing rehabilitation and \$56,820 for recreation. The remaining balance of *unrestricted net position*, \$3,133,901, may be used to meet the government's ongoing obligations to citizens and creditors.

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

During the current fiscal year, the Town of Roxbury's net position increased by \$29,754. The Town brought in net general revenues of \$9,500,712 that exceeded its net operating expenditures of \$9,470,958 by the amount of the net position increase. Gross expenses of \$10,573,060 were offset by \$312,561 in charges for services, \$418,334 in operating grants and contributions, and \$371,207 in capital grants and contributions.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

Of the net expenditures, \$6,823,552 was paid to Regional School District No.12, highways and public works \$867,469, general government \$464,373, protection expenditures \$402,076, and benefits of all of the Town's employees \$396,319 accounted for the majority of expenditures. The largest portion of Town general revenue was \$9,331,646 in tax revenue supplemented by \$128,868 from grants, leases, contributions, and other sources and earnings of \$40,198 in investment income including various gains and losses.

Governmental Activities. Governmental activities increased the Town of Roxbury's net position by \$29,754.

Table 2. Changes in Net Position

	Total Primary Government 2015	Total Primary Government 2014, restated
Revenues:		
Program Revenues:		
Charges for Services	\$ 312,561	\$ 334,414
Operating Grants and Contributions	418,334	454,910
Capital Grants and Contributions.....	371,207	428,594
General Revenues:		
Property Taxes	9,331,646	9,196,035
Grants and Contributions not Restricted to Specific Programs	37,447	35,548
Investment Earnings (gains and losses)	40,198	145,872
Lease Income, Tax Penalties and Miscellaneous	91,421	88,704
Total Revenues	<u>10,602,814</u>	<u>10,684,077</u>
Program Expenses:		
General Government	670,935	690,689
Commissions	242,243	265,230
Education	6,981,666	6,793,485
Highways and Public Works	1,238,676	1,319,790
Protection	436,406	447,159
Health and Welfare	291,562	250,666
Benefits	396,319	404,257
Other.....	<u>315,253</u>	<u>290,496</u>
Total Program Expenses.....	<u>10,573,060</u>	<u>10,461,772</u>
Change in Net Position.....	<u>\$ 29,754</u>	<u>\$ 222,305</u>

The 2014 balances above contain a reclassification of library contributions from charges for services to operating grant and contributions. The reclass is used for comparison purposes.

- Property taxes revenue increased by \$135,611 during the year.
- Operating grants and contributions decreased as a net result of a decrease in library contributions netted with an increase in the Small Cities Grants.
- Capital grants and contributions decreased due to lower Federal and State Assistance.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

- Investment income decreased by \$105,674 mainly due to unrealized capital losses on the Library's investments, resulting from market fluctuations. The economy essentially remained stalled with short term (1 year or less) interest rates remaining below 1%. While the Library and Booth Free School Funds are reported in the Town's financials, fiduciary control over their investments and strategies lie with the respective Boards of Trustees that oversee these funds.
- Total program expenses from FY 2013/2014 to FY 2014/2015 increased by \$111,288 (1.1%) with the biggest increase attributable to Education of \$188,181. The Town's share of participation expense is calculated based on the number of students attending the District's schools.

Financial Analysis of the Government's Funds

As required, the Town of Roxbury uses governmental fund accounting to emphasize the accountability as a government entity by ensuring and demonstrating compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Roxbury's financing requirements. In particular, *unassigned 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 Roxbury's governmental funds reported combined ending fund balances of \$5,609,261, an increase of \$488,905. The governmental fund balance of \$5,609,261 is broken down as follows:

Restricted funds balances of \$2,097,430:

- Road Improvements
- Social Services and Other Special Purposes
- Support of Library Services
- Records Preservation
- Housing Rehabilitation
- Recreation

Committed fund balances of \$1,243,287:

- Vested Sick Benefits
- Post Employment Benefits
- Open Space and Land Acquisition
- Capital and Nonrecurring Projects

Assigned fund balance of \$238,764:

- Subsequent year's budget deficit.

Nonspendable of \$221,000: The **\$221,000** of the fund balance is *nonspendable* to indicate that it is not available for new spending because it was accepted with the understanding that the principal be kept intact in perpetuity.

The remainder of \$1,808,780 is unassigned.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, total general fund balance was \$2,216,449. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned and assigned* fund balance and total fund balance to total fund expenditures. In Roxbury's case, total *assigned and unassigned* fund balance represents 21.39% of total general fund expenditures of \$9,573,112.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

During the current fiscal year, the Town's General Fund Balance increased by \$112,137. The key factor for this increase was the favorable expenditure variances. As in previous years, and without exception, every town department, i.e. general government, highways, protection, etc., expended less than budgeted for a total positive budget expenditure and transfer variance of \$286,786.

Budgetary Highlights

The approved projected revenue budget of \$9,868,337 for FY2014/2015 remained unchanged. The approved expenditure budget of \$10,092,294 for FY 2014/2015 increased due to continuing appropriations of \$73,898 from previous year.

The Board of Finance approved budget transfers of \$13,000 from contingency to the Highways and Public Works for \$10,000 and Protection for \$3,000.

Capital Assets and Debt Administration

Capital Assets. The Town of Roxbury's investment in capital assets for its governmental assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase (before depreciation and after dispositions) in the Town's investment in capital assets for the current fiscal year was \$154,481 in machinery and equipment, and construction in progress categories.

The most significant increase was the purchase of a truck and mower in machinery and equipment and construction in progress for Hurlburt Park Restrooms.

Table 3. Capital Assets at Year-end (Net of Depreciation)

	Total Primary Government	
	2015	2014
Land.....	\$ 1,516,063	\$ 1,516,063
Construction in Progress.....	9,145	---
Land Improvements.....	233,284	260,288
Buildings	2,685,769	2,780,800
Machinery and Equipment	711,396	666,769
Infrastructure.....	5,635,746	6,005,735
Totals	<u>\$ 10,791,403</u>	<u>\$ 11,229,655</u>

Additional information on the Town of Roxbury's capital assets can be found in the Notes to the Financial Statements.

Long-Term Debt

Our Town's long-term debt is comprised of our pro-rata share of Regional School District No. 12's general long-term debt, compensated absences and post-retirement healthcare benefit obligation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees. For June 30, 2015, the maximum amount of borrowing permitted under the formula would be \$65,648,219. Our outstanding general obligation debt is \$21,101,213 below the maximum debt limitation (see "Statement of Statutory Debt Limitations" presented as a supplemental schedule to these financial statements).

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

Contingent Liability:

The Town is a member town of Regional School District No. 12 along with the towns of Washington and Bridgewater. Roxbury's obligation to the district is based on the number of pupils attending the district determined as of October 1 in the preceding year. For the fiscal year 2014-2015, Roxbury's pro-rata share of school district operations was 32.69%. Roxbury has pledged its full faith and credit to payment of principal and interest on the district bonds. The Town's share of the regional school district's net debt as of June 30, 2015 (outstanding school bond principal less State of Connecticut bond principal grants) represents overlapping debt to the Town in the amount of \$622,745.

Compensated Absences:

Sick leave may be accumulated by certain public works union employees in accordance with the union contract until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave. The balance increased by \$750 from the previous year to \$31,648 as of June 30, 2015.

Post-Retirement Healthcare Benefit Obligation:

The Town provides post-retirement healthcare benefits for certain public works union employees. As required by GASB Statement No. 45, the cost is being recognized in the year when the employee services are received. The Town also recognizes the accumulating liability from prior year spread out over the next thirty years. The unfunded actuarial liability at June 30, 2015, the latest actuarial valuation date was \$198,455 and the liability on the Government-wide Statement of Net Position is \$189,743. Although the Town is accumulating the resources to pay this liability in the General Fund, it has not established a trust fund to irrevocable segregate assets and therefore the actuarial value of assets are being reported at zero.

Additional information on the Town of Roxbury's long-term debt can be found in the Notes to the Financial Statements.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2015**

Economic Factors and Next Year's Budget

- Roxbury's Mil rate was increased to 13.7 mils, from 13.4 mils.

The FY 2015/2016 budget of \$10,411,798 contemplates \$319,504 or an approximate 3.17% increase in expenditures from the prior year's original budget of 10,092,294. The Town's share of the Region 12 budget increased \$163,042 (2.33%) to \$7,164,801. Other significant changes in the new budget (FY 2015/2016) are highlighted below:

Revenues

- ❖ The increase in the mil rate is projected to increase property taxes to help cover the budgeted expenditure increase and the amount needed from fund balance.
- ❖ Budgeted deficit to be covered from Fund Balance is budgeted at \$238,764.

Expenditures

- ❖ Commission/Boards budget decreased by \$9,119 due to the decrease in the "library other" budget.
- ❖ Highway and Public Works budget increased by \$37,767 mainly due to anticipated additional maintenance costs along with a cost of living increase.
- ❖ The Protection budget increased by \$46,200 mainly due to the Town's hiring of two additional part time constables.
- ❖ The Health & Welfare budget increased by \$16,362 mainly due to the additional budgeting line for elderly/disabled svcs/transportation along with a decrease in transfer station.
- ❖ Budgeted Benefits decreased by \$5,543 due to changes in insurance providers.
- ❖ Transfers to the Reserve for Capital Expenditures Fund increased by \$70,000.

At the end of the FY 2014/2015 fiscal year, General Fund balance was at \$2,216,449. Of the general fund balance, \$238,764 was designated to FY 2015/2016 operations to help moderate any tax impact from the higher expenditures.

Requests for Information

This financial report is designed to provide a general overview of the Town of Roxbury's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the First Selectman, 29 North Street, PO Box 203, Roxbury, CT 06783.

**Town of Roxbury
Statement of Net Position
June 30, 2015**

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 3,627,407
Investments	1,950,425
Property taxes receivable (net)	66,078
Interest and liens receivable	10,878
Other current assets	4,661
Grant receivable	40,898
Total current assets	<u>5,700,347</u>
Noncurrent Assets	
Capital assets:	
Assets not being depreciated	1,525,208
Assets, net of depreciation of \$11,237,493	9,266,195
Mortgages receivable	288,767
Total Assets	<u><u>16,780,517</u></u>
Liabilities	
Current Liabilities:	
Accounts payable	146,123
Accrued expenses	20,377
Amounts held in escrow	30,500
Overpaid property taxes	1,188
Deferred revenue	35,936
Noncurrent Liabilities:	
Post retirement healthcare benefit obligation	189,743
Compensated absences	31,648
Total Liabilities	<u><u>455,515</u></u>
Deferred Inflows of Resources	
Advance property tax collections	<u>81,268</u>
Net Position	
Net investment in capital assets	10,791,403
Restricted for:	
Trust purposes - Nonexpendable	221,000
Road improvements	593,391
Social services and other special purposes	169,169
Support of library services	904,241
Records preservation	13,221
Housing rehabilitation	360,588
Recreation	56,820
Unrestricted	3,133,901
Total Net Position	<u><u>\$ 16,243,734</u></u>

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

Town of Roxbury
Statement of Activities
Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 670,935	\$ 190,845	\$ 15,717	\$ -	\$ (464,373)
Commissions	242,243	27,401	51,829	-	(163,013)
Education	6,981,666	-	158,114	-	(6,823,552)
Highways and public works	1,238,676	-	-	371,207	(867,469)
Protection	436,406	34,330	-	-	(402,076)
Health and welfare	291,562	50,359	190,262	-	(50,941)
Benefits	396,319	-	-	-	(396,319)
Other	315,253	9,626	2,412	-	(303,215)
Total governmental activities	\$ 10,573,060	\$ 312,561	\$ 418,334	\$ 371,207	(9,470,958)
 General revenues:					
					9,331,646
					37,447
					40,198
					91,421
					<u>9,500,712</u>
					Change in net position 29,754
					Net position - July 1, 2014 16,213,980
					Net position - June 30, 2015 \$ <u>16,243,734</u>

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

Town of Roxbury
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds							Total Governmental Funds
	General	Capital Project Funds		Town Aid Road Fund	Library	Other Governmental Funds	Total Government Funds	
		Reserve for Capital Exp	Land Acquisition					
Assets:								
Cash and cash equivalents	\$ 1,557,343	\$ 437,875	\$ 633,029	\$ 593,391	\$ 11,640	\$ 394,129	\$ 3,627,407	
Investments at fair value	900,000	-	-	-	1,049,516	909	1,950,425	
Property taxes receivable (net)	66,078	-	-	-	-	-	66,078	
Interest and liens receivable	10,878	-	-	-	-	-	10,878	
Mortgages receivable	-	-	-	-	-	288,767	288,767	
Other current assets	4,661	-	-	-	-	-	4,661	
Grant receivable	37,420	3,478	-	-	-	-	40,898	
Total Assets	\$ 2,576,380	\$ 441,353	\$ 633,029	\$ 593,391	\$ 1,061,156	\$ 683,805	\$ 5,989,114	
Liabilities:								
Accounts payable	\$ 131,217	\$ -	\$ -	\$ -	\$ 831	\$ 14,075	\$ 146,123	
Amounts held in escrow	30,500	-	-	-	-	-	30,500	
Overpaid property taxes	1,188	-	-	-	-	-	1,188	
Deferred revenue	30,920	-	-	-	5,016	-	35,936	
Accrued expenses	20,377	-	-	-	-	-	20,377	
Total Liabilities	214,202	-	-	-	5,847	14,075	234,124	
Deferred Inflows of Resources:								
Unavailable revenue - property tax	64,461	-	-	-	-	-	64,461	
Advance collection of taxes	81,268	-	-	-	-	-	81,268	
	145,729	-	-	-	-	-	145,729	
Fund Balances:								
Nonspendable:								
Principal of Permanent funds	-	-	-	-	221,000	-	221,000	
Restricted for:								
Road improvements	-	-	-	593,391	-	-	593,391	
Social services and other special purposes	-	-	-	-	-	169,169	169,169	
Support of Library services	-	-	-	-	834,309	69,932	904,241	
Records preservation	-	-	-	-	-	13,221	13,221	
Housing rehabilitation	-	-	-	-	-	360,588	360,588	
Recreation	-	-	-	-	-	56,820	56,820	
Committed for:								
Vested sick benefits	19,747	-	-	-	-	-	19,747	
Post -employment benefits	49,175	-	-	-	-	-	49,175	
Open space and land acquisition	-	-	633,029	-	-	-	633,029	
Capital and nonrecurring projects	99,983	441,353	-	-	-	-	541,336	
Assigned for:								
Subsequent year budget deficit	238,764	-	-	-	-	-	238,764	
Unassigned	1,808,780	-	-	-	-	-	1,808,780	
Total Fund Balances	2,216,449	441,353	633,029	593,391	1,055,309	669,730	5,609,261	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,576,380	\$ 441,353	\$ 633,029	\$ 593,391	\$ 1,061,156	\$ 683,805	\$ 5,989,114	

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

**Town of Roxbury
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2015**

Total Fund Balances for Governmental Funds **\$ 5,609,261**

Total net position reported for governmental activities in the Statement of Net Position is different from the governmental fund Balance Sheet due to the following differences:

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

	\$	22,028,896	
Governmental capital assets			
Less accumulated depreciation		(11,237,493)	10,791,403

Taxes, interest and liens receivable not available to pay current period expenditures are therefore deferred in the funds.	64,461
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

		(189,743)	
Post retirement healthcare benefit obligation			
Compensated absences		(31,648)	(221,391)

Total Net Position of Governmental Activities	\$	16,243,734
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The accompanying notes are an integral part of these financial statements.

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

	Major Funds							Total Government Funds
	General	Capital Project Funds		Town Aid Road Fund	Library	Other Governmental Funds		
		Reserve for Capital Exp	Land Acquisition					
Revenue:								
Property taxes, interest and liens	\$ 9,337,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,337,031
Telecommunication easements	14,481	-	-	-	-	-	-	14,481
Building department fees and permits	91,940	-	-	-	-	-	-	91,940
Federal, state and other grants	206,168	18,258	-	329,802	1,411	151,475	-	707,114
Investment income	7,302	683	962	559	30,396	296	-	40,198
Contributions	12,540	-	-	-	50,418	56,916	-	119,874
Rental income	76,940	-	-	-	-	-	-	76,940
Transfer station fees	50,359	-	-	-	-	-	-	50,359
Licenses, permits and other fees	158,158	-	-	-	9,626	2,478	-	170,262
Total Revenue	9,954,919	18,941	962	330,361	91,851	211,165		10,608,199
Expenditures:								
Current								
General government	609,096	-	-	-	-	-	-	609,096
Commissions	217,105	-	-	-	-	-	-	217,105
Highways and public works	764,231	-	-	25,220	-	-	-	789,451
Protection	360,148	-	-	-	-	-	-	360,148
Health and welfare	247,833	-	-	-	-	37,505	-	285,338
Benefits	380,805	-	-	-	-	-	-	380,805
Other	15,299	-	-	-	255,942	44,013	-	315,254
Education	6,978,595	-	-	-	-	-	-	6,978,595
Capital outlay								
Capital improvements and equipment	-	179,728	3,774	-	-	-	-	183,502
Total Expenditures	9,573,112	179,728	3,774	25,220	255,942	81,518		10,119,294
Excess (Deficiency) of Revenue over Expenditure	381,807	(160,787)	(2,812)	305,141	(164,091)	129,647		488,905
Other Financing Sources (Uses)								
Operating transfers in (out)	(269,670)	148,670	20,000	-	110,000	(9,000)	-	-
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	112,137	(12,117)	17,188	305,141	(54,091)	120,647		488,905
Fund Balance - beginning of year	2,104,312	453,470	615,841	288,250	1,109,400	549,083		5,120,356
Fund Balance - end of year	\$ 2,216,449	\$ 441,353	\$ 633,029	\$ 593,391	\$ 1,055,309	\$ 669,730		\$ 5,609,261

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

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

Net Change in Fund Balances - Total Governmental Funds	\$	488,905
<p>Amounts reported for governmental activities in the Statement of Activities are different due to the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful life lives and reported as depreciation expense as follows:</p>		
Total capital outlay		207,944
Less current year depreciation		<u>(646,196)</u>
		(438,252)
<p>The issuance of long-term debt (bonds and leases) provide current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest expense is recognized as it accrues, regardless of when it is due in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items are as follows:</p>		
Recognition of post retirement healthcare benefit obligation		(14,764)
Increase in compensated absences		(750)
<p>Property taxes in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
		<u>(5,385)</u>
Change in Net Position of Governmental Activities	\$	<u>29,754</u>

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

**Town of Roxbury
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015**

	Pension Trust Funds
<hr/>	
Assets:	
Cash on Hand	\$ 5,526
Investments - at fair value	1,074,119
Total Assets	<u>1,079,645</u>
Net Position:	
Held in Trust for Pension Benefits	\$ <u>1,079,645</u>

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

Town of Roxbury
Statement of Changes in Fiduciary Net Position
Pension Trust Fund
Year Ended June 30, 2015

	Pension Trust Funds
Additions:	
Contribution	
Town	\$ 41,250
Investment Income	
Net Appreciation in Fair Values of Investments	2,955
Interest and Dividends	27,732
Gross Investment Income	<u>30,687</u>
Less Investment Expense	7,986
Net Investment Income	<u>22,701</u>
Total Additions	63,951
Deductions: Pension Benefits	<u>7,046</u>
Change in Net Position	56,905
Net Position Held in Trust For Pension Benefits	
Beginning of the Year, as restated - see notes	<u>1,022,740</u>
End of the Year	<u>\$ 1,079,645</u>

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

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Roxbury, Connecticut (the “Town”) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Town of Roxbury, Connecticut was incorporated in 1796 under the provisions of the Connecticut General Statutes, and has a population of approximately 2,200 living within an area of 27.4 square miles. The Town is located in Litchfield County. The Town operates under a Town Meeting, Board of Selectmen and Board of Finance form of government. The Town provides the following services: public safety, public works, parks and recreation, health and social services, planning and zoning and education by being part of Shepaug Regional School District #12, of which the Towns of Roxbury, Washington and Bridgewater are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and the percentage of Roxbury students attending the District's schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive and administrative officer of the Town, and prepares the Town Budget. The Board of Finance is the budget-making authority and is responsible for reviewing/revising the proposed budget, presenting the budget at the Annual Budget Hearing and submitting the budget at the Annual Town and Budget Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

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 Government Accounting Standards Board Codification has been considered and as a result, the potential component units discussed below are not included in the Town's reporting entities because of their operational significance and financial relationship with the Town.

- Regional School District No. 12 – The school district provides educational services and facilities for the Towns of Roxbury, Washington and Bridgewater, Connecticut. The Town pays a proportional share of the expenses of the district.
- Roxbury Volunteer Fire Department, Inc. and Roxbury Ambulance Association, Inc. – These potential component units have separate elected boards and provide services to residents, generally within the geographic boundary of the Town. They are excluded from the reporting entity because the Town does not have the ability to exercise, influence or control the daily operations.

B. Jointly Governed Organizations:

Regional Animal Control Authority

The Regional Animal Control Authority (the “Authority”) was created by the Towns of Bridgewater, Brookfield, New Fairfield, New Milford, Roxbury, and Sherman to enforce laws relating to animals within the six-town region. The Authority is supported by assessments to the participating towns based upon population census. The Town appropriated \$10,725 for operation of the Authority for the year ended June 30, 2015. Actual expenditures were \$10,463.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

B. Jointly Governed Organizations (continued)

Lake Lillinonah Authority

The Lake Lillinonah Authority (the “Lake Authority”) was created by the Towns of Bridgewater, Brookfield, New Milford, Newtown, Roxbury, and Southbury by local ordinances. The Lake Authority is comprised of three delegates from each member town. The Town appropriated \$11,919 and expended \$12,300 for the operation of the Lake Authority for the year ended June 30, 2015.

Northwest Hills Council of Governments

The Town and twenty other local municipalities each appoint the governing board of the Northwest Hills Council of Governments (the “NHCOG”) to provide a regional forum for information exchange and regional planning. The NHCOG is supported by assessments to the twenty-one member Towns based upon population census. The Town appropriated and expended \$1,596 for the operation of the NHCOG for the year ended June 30, 2015.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the Town. Eliminations have been made to minimize the double counting of internal activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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*.

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as applicable. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are defined as major or non-major in the basic financial statements according to GASB reporting standards, which categorize funds based on relative size and materiality. Major individual governmental funds are reported in separate columns in the fund financial statements. The other seven governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental fund is provided in the form of combining statements.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

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

Government-Wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements

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

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

General 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.

Special Revenue Fund:

Library Fund accounts for all financial resources used to provide public library services.

The Town Aid Road Fund accounts for Connecticut Department of Transportation grants to be used for construction, reconstruction, improvement, or maintenance or improved and unimproved road and other transportation related services as set forth in the General Statutes of Connecticut.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation (continued)

Capital Projects Funds:

The Reserve for Capital Expenditure Fund as authorized by General Statutes of Connecticut, is used for financing all or part of the planning, construction, reconstruction or acquisition of capital facilities, improvements or equipment.

Open Space and Land Acquisition Fund – accounts for the purchase of land for open space.

The Town also reports the following eight Nonmajor Governmental Funds:

Special Revenue Funds, account for specific revenues that are legally restricted to expenditures for particular purpose:

Historic Document Preservation Fund – accounts for recording fees and state grants restricted for document preservation along with the related expenditures.

First Selectman Discretionary Fund – accounts for donations to assist those in need along with other discretionary expenditures.

Apple Lane Fund – accounts for donations restricted for funding improvements to the grounds of Hurlburt Park.

Hodge Funds – accounts for the restricted financial support for the Senior Center and other resident relief.

Community Volunteer Fund – accounts for financial support to fund the volunteer recognition program.

Booth Free School Fund – accounts for restricted donations to promote community education.

Small Cities Housing Rehabilitation Fund – accounts for federal grants offered in the form of deferred loans to owner/occupants for assistance in the rehabilitation of their homes.

Joey’s Trail Fund – accounts for restricted donations for the creation of a trail from the Senior Center to behind the Library in Joey Awlasewicz’s memory.

Additionally, the Town reports the following Fiduciary Fund Types:

Pension Trust Funds, account for the accumulation of resources to be used for retirement benefits.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenue* 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 Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation (continued)

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the Town’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town’s policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned balances.

E. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be placed with any “qualified public depository” as defined by statute, which has its main place of business in the State of Connecticut.

The Connecticut General Statutes authorize the investment of funds in the obligations of the United States, or in any state or other tax exempt political subdivision under certain conditions. Funds may also be deposited in the State Treasurer’s Short-Term Investment Fund (STIF). The provisions of the statutes regarding the investments of municipal pension funds do not specify permitted investments. Therefore investments of such funds are generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan. The Library Fund may invest in securities selected by the trustee and is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule).

Town investments are reported at fair value.

Receivables

In the government-wide financial statements property taxes are shown net of an allowance for uncollectible taxes of \$1,000. The allowance is calculated based upon prior years’ collections.

In the fund financial statement, all property taxes receivable at June 30, 2015, which have not been collected within 60 days of June 30, have been recorded as deferred inflows, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on October 1 and billed the following July. Real and personal property bills are payable in two installments, July 1 and January 1. Motor vehicle taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings	40
Building improvements	6-20
Infrastructure	30
Machinery, Equipment and Vehicles	5-15

Interfund Activity

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

On the fund financial statements, short-term interfund loans are classified as interfund “due from/to other funds”. These amounts are eliminated in the statement of net assets.

Compensated Absences

Sick leave may be accumulated by certain public works union employees in accordance with the union contract until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

Sick leave expense to be paid in future periods are accrued when earned, at current hourly rates, in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements when paid or the vested amount is expected to be paid with available resources. The General Fund is typically used to liquidate the liability.

Note “1” - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Net Assets or Equity (continued)

Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt are reported in the government-wide financial statements.

Long-term debt is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Fund Equity and Net Position/Assets – Governmental Funds

Beginning with fiscal year 2011, the Town implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact, legally or contractually.
- Restricted fund balance – amounts constrained to specific purposes by external parties, constitutional provisions or enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, the Town Meeting.
- Assigned fund balance – amounts the government intends to use for a specific purpose as authorized by the Town’s Board of Selectman and Board of Finance.
- Unassigned fund balance – amounts that are available for any purpose. This category is only reported in the General Fund for positive amounts and in any other fund that have a fund balance deficit.

The Town does not have a minimum fund balance policy.

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

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

Restricted Net Position

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

Unrestricted Net Position

This category represents the net position of the Town, which are not restricted

Town of Roxbury
Notes to Financial Statements

Note "1 " - Summary of Significant Accounting Policies (continued)

F. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note "2" - Budgetary Compliance

Budgetary Compliance – The General Fund

The Town's General Fund budgetary procedures are as follows:

In January each department head, officer, head of office, board and/or commission submits detailed estimates of expenditures for the ensuing fiscal year to the Board of Selectman.

The Board of Selectmen reviews all proposed estimates of expenditures as well as estimated revenues to be collected.

After discussing and reaching agreement, the Board of Selectmen forwards the proposed budget to the Board of Finance for review and approval, incorporating any revisions. The Board of Finance then presents the budget to the Legislative Body for Approval.

The Board of Finance holds a public hearing on the proposed budget prior to presenting it to the Annual Town Meeting in May. Following approval of the proposed budget at the Town meeting, the Board of Finance establishes the tax rate.

The Town Meeting legally appropriates this budget as one balance for revenue and on a department basis for expenditures and transfers. The Board of Finance is authorized to approve additional appropriations up to and including \$20,000 per department per year, however no more than one additional appropriation per department can be made without town meeting approval. The Board of Finance authorized the transfer of \$13,000 from the contingency budget line. \$10,000 went to the Highways and Public Works Department and \$3,000 to the Protection Department.

Budgetary Compliance - Special Revenue Funds

The Town does not budget for its special revenue funds. Considering a cost-benefit analysis, it is not practical for the town to report budgetary information for special revenue funds on a combined basis.

Budgets for the various special revenue funds and capital project funds that are utilized to account for specific grant programs are established in accordance with requirements for the grantor agencies. Such budgets do not lapse and may comprise more than one fiscal year.

Donor Restricted Endowments

The Town has received certain endowments for the maintenance and operations of the Town Library. The amounts are reflected in net assets as restricted for trust purposes - nonexpendable. Investment income (including appreciation, if any) is approved for expenditure by the Town Library Board.

**Town of Roxbury
Notes to Financial Statements**

Note "2" - Budgetary Compliance (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the town.

Note "3" – Cash, Deposits and Investments

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2015.

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>
Deposits:		
Demand accounts	\$ 2,458,426	\$ ---
Certificates of deposit	<u>900,000</u>	<u>---</u>
Total Deposits	3,358,426	---
 Petty Cash/Cash on hand	 305	 5,526
Cash equivalents:		
State short-term investment fund (STIF)	843,668	---
Overnight repurchase agreement	<u>325,008</u>	<u>---</u>
	4,527,407	5,526
Less certificate of deposits classified as investments	<u>900,000</u>	<u>---</u>
Total Cash and Cash Equivalents	<u>\$ 3,627,407</u>	<u>\$ 5,526</u>

B. Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015 the carrying amount of the Town's deposits, including certificates of deposits of \$900,000 classified as investments, was \$3,358,426 and the bank balance was \$3,421,978. Of the Town's bank balance, \$2,921,978 was exposed to custodial credit risk; as follows:

Uninsured and uncollateralized	\$ 603,949
Uninsured and collateralized held by pledging	
Bank's trust department not in the town's name	<u>2,318,029</u>
Total amount subject to custodial credit risk	<u>\$ 2,921,978</u>

C. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2015, the Town’s cash equivalents amounted to \$1,168,676. The following table provides a summary of the Town’s cash equivalents as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

State of Connecticut Short-Term Investment Fund (STIF)	Standard <u>and Poor's</u> AAAm
--	---------------------------------------

**Town of Roxbury
Notes to Financial Statements**

Note "3" – Cash, Deposits and Investments (continued)

C. Cash Equivalents (continued)

Amounts held in the overnight repurchase agreement were 100% collateralized with collateral held by the bank's trust department or agent, but not in the Town's name.

D. Investments

At June 30, 2015 the Town's investments consisted of the following:

<u>Types of Investments</u>	<u>Fair Value</u>	<u>Average Credit Rating</u>	<u>Investment Maturity</u>
Primary Government			
Certificate of Deposits	\$ 900,000	**	4/18/16
Mutual Funds	1,047,167	N/A	N/A
Money Market Funds held for investing	<u>3,258</u>	not rated	N/A
Total Primary Government	<u>\$ 1,950,425</u>		
Fiduciary Funds			
Corporate bonds	\$ 24,931	'A' Standard & Poor's rating	1/09/23
Common stock	50,032	N/A	N/A
Mutual funds	962,595	N/A	N/A
Money market funds	<u>36,561</u>	not rated	N/A
Total Fiduciary Funds	<u>\$ 1,074,119</u>		

** Included in deposits above, therefore, insured and collateralized to the extent described above.

- Ratings by Standard & Poor's are provided where applicable to indicate the associated credit risk. N/A indicates not applicable.

- Interest-rate risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates.

- Credit risk – The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Note "4" - Receivables

A. Property Tax, Interest and Liens Receivable

Receivables at June 30, 2015, including the applicable allowances for uncollectible accounts, are as follows:

Property taxes	\$ 67,078
Interest and lien fees on taxes	<u>10,878</u>
Gross receivables	77,956
Less: allowance for uncollectibles	(1,000)
Net Receivables	<u>\$ 76,956</u>

Town of Roxbury
Notes to Financial Statements

Note "4" – Receivables (continued)

B. Mortgages Receivable

The amount recorded as a mortgage receivable, \$228,767 represents loans disbursed from the Small Cities, Community Development Block Grant. This grant is administered through the State of Connecticut; however, funds for this grant are federal funds originating with the Department of Housing and Urban Development (HUD). Typically, funds are offered in the form of deferred loans to owner/occupants for assistance in the rehabilitation of their homes. Deferred loans are 0% interest loans that do not require repayment until a transfer of Title, the Owner's demise or the subject property is no longer the applicant's principal place of residence. All loans are secured with a mortgage deed, promissory note and memorandum of agreement.

Note "5" – Interfund Balances:

At June 30, 2015, there were no amounts due from and due to other funds.

Note "6" - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

<u>Governmental Activities</u>	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital Assets - Not Depreciated:				
Land	\$ 1,516,063	\$ ---	\$ ---	\$ 1,516,063
Construction in Progress	---	9,145	---	9,145
Capital Assets - Depreciated:				
Land improvements	874,137	---	---	874,137
Building & improvements	4,800,079	---	---	4,800,079
Machinery, equipment & vehicles	2,936,497	205,615	(51,134)	3,090,978
Infrastructure	<u>11,738,494</u>	---	---	<u>11,738,494</u>
Total Capital Assets Being Depreciated	<u>\$ 20,349,207</u>	<u>\$ 205,615</u>	<u>\$(51,134)</u>	<u>\$ 20,503,688</u>
Less: Accumulated Depreciation				
Land improvements	613,849	27,004	---	640,853
Building & improvements	2,019,279	95,031	---	2,114,310
Machinery, equipment & vehicles	2,269,728	154,172	(44,318)	2,379,582
Infrastructure	<u>5,732,759</u>	<u>369,989</u>	---	<u>6,102,748</u>
Total Accumulated Depreciation	<u>10,635,615</u>	<u>646,196</u>	<u>(44,318)</u>	<u>11,237,493</u>
Capital Assets Being Depreciated - Net	<u>9,713,592</u>	<u>(440,581)</u>	<u>(6,816)</u>	<u>9,266,195</u>
Capital Assets - Net	<u>\$ 11,229,655</u>	<u>\$(431,436)</u>	<u>\$(6,816)</u>	<u>\$ 10,791,403</u>

Town of Roxbury
Notes to Financial Statements

Note "6" – Capital Assets (continued)

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

Governmental Activities

General government services	\$ 57,923
Commissions	24,789
Public works, including depreciation of general infrastructure assets	477,931
Health & Welfare	6,224
Education	3,071
Protection	<u>76,258</u>
<u>Total depreciation expense</u>	<u>\$ 646,196</u>

Note "7" – Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Compensated absences	\$ 30,898	\$ 11,058	\$ 10,308	\$ 31,648
Post-Retirement Healthcare Benefit Obligation	<u>174,979</u>	<u>14,764</u>	<u>---</u>	<u>189,743</u>
Total	<u>\$ 205,877</u>	<u>\$ 25,822</u>	<u>\$ 10,308</u>	<u>\$ 221,391</u>

Note "8" – Interfund Transfers

Interfund transfers for the year ended June 30, 2015, consisted of the following:

	<u>Transfers From</u> <u>Other Funds</u>	<u>Transfers To</u> <u>Other Funds</u>	<u>Net</u> <u>Transfers</u>
Major Governmental Funds:			
General Fund	\$ ---	\$ 269,670	\$(269,670)
Reserve for Capital Expenditure Fund	148,670	---	148,670
Library Fund	110,000	---	110,000
Land Acquisition Fund	20,000	---	20,000
Nonmajor Governmental Funds:			
Booth Free School	<u>---</u>	<u>9,000</u>	<u>(9,000)</u>
Total	<u>\$ 278,670</u>	<u>\$ 278,670</u>	<u>\$ ---</u>

Transfers are used to account for the financing by the general and other funds of other various programs and activities accounted for in separate funds.

Note "9" - Contingent Liabilities

The Town is contingently liable for Regional School District No. 12 serial bonds, anticipation notes and other long term debt payable through August 15, 2018. The amount (32.69%) attributable to the Town is \$622,745.

Town of Roxbury
Notes to Financial Statements

Note "10" - Commitments and Litigation

It is the opinion of Town officials that there are no claims, material or substantial, against the Town, which will be finally determined so as to result in a judgment or judgments against the Town, which would materially effect its financial position.

The Town has received financial assistance from numerous Federal and State agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions, as specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the Town's financial statements.

Note "11" - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. The Town does not maintain a self-insurance fund. However, the Town is a member of the Connecticut Interlock Risk Management Agency (CIRMA) workers compensation pool. Premiums are subject to adjustment from retrospective rating, and are recorded as expenditures in the year paid. The Town reports all of its risk management activities in the General Fund.

Note "12" - Municipal Employee Money Purchase Pension Plan

The Town provides retirement benefits through a single-employer non-contributory defined contribution pension plan, which covers substantially all full-time employees of the Town. The Board of Selectman has oversight and fiduciary responsibility for the plan. Current participants total 11 employees.

This plan covers employees who have completed 1 year of service and work more than 35 hours per week. The Town Clerk, grandfathered under the predated June 3, 2006 Pension Ordinance, is eligible to participate even though the 35 hour work requirement might not be met. Employees will have nonforfeitable interests in the percentage of the employer contribution account determined pursuant to the following vesting schedule:

<u>Years of Continuous Service:</u>	<u>Percentage Vested:</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

The participants become 100% vested after six years of service. Normal retirement age is at 65. The Town contributes an amount equal to 7.5% of each eligible employee's base compensation. The plan provides for benefits upon death, disability, or retirement. Employer contributions for the year ending June 30, 2015 totaled \$23,250. The plan allows for amendment by the Town as employer.

Financial statements are prepared using the accrual basis of accounting. The employer contributions are recognized in the period that the contributions are due.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on the national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Town of Roxbury
Notes to Financial Statements

Note "13" - Volunteer Award Plan

The Town has determined that it has fiduciary responsibility over the Volunteer Award Plan and therefore has included the net position as of July 1, 2014 in the fiduciary statements. This increased beginning net position by \$241,706. The Town offers its eligible volunteer fire and ambulance personnel a deferred compensation plan developed in accordance with Internal Revenue Code Section 457. In order to be eligible for the plan, the volunteer must generally complete one full year of service and attain at least 25 volunteer percentage credit points. The Town's volunteer contribution ranges from \$500 to \$1,000 per eligible volunteer. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participating aforementioned volunteers. The Town is the current Administrator for the Deferred Compensation Plan. The Town contributed \$18,000 to this plan for the year ended June 30, 2015.

Note "14" - Fund Deficits

The following individual funds had deficiencies of revenue and other sources over expenditures and other uses for the year ended June 30, 2015 and/or fund balance deficits as of June 30, 2015.

	<u>Deficit</u> <u>From Operations</u>	<u>Fund Balance</u> <u>Deficit</u>
Major Funds:		
Land Acquisition	\$ 2,812	\$ ---
Reserve for Capital Expenditures	\$ 160,787	\$ ---
Library	\$ 164,091	\$ ---
Non-Major Governmental Funds, Special Revenue Funds:		
Booth Free School	\$ 8,991	\$ ---

Note "15" - Post Retirement Health-care Benefits

A. Plan Description

The Town provides post-retirement benefits for certain union employees' health insurance benefit after retirement through a single-employer defined benefit plan. An actuarial valuation is made every three years to determine whether the contributions are sufficient to meet the plan obligations. Annual updates are prepared for the intervening years. The latest actuarial valuation was made July 1, 2015. The post-retirement health insurance plan does not issue stand-alone financial reports.

There are no contribution requirements for active plan members. The Town determines the required contribution using the Entry Age Actuarial Cost Method.

At July 1, 2015, plan membership consisted of four active plan members and spouses and has not changed as of June 30, 2015.

B. Basis of Accounting

From an accrual accounting perspective, the cost of post-employment health-care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost are incurred, rather than in the future year when it will be paid. Therefore, the Town recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demand on the Town's future cash flows. Recognition of the liability accumulated from prior years' service is amortized over 30 years, commencing with the fiscal year ending June 30, 2011.

**Town of Roxbury
Notes to Financial Statements**

Note "15" – Post Retirement Health-care Benefits (continued)

C. Funding Policy

The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and amortization of the accrued liabilities.

Although a trust fund may not be established in the future to exclusively control the funding and reporting of post-employment benefits, the Town anticipates a commitment to fund normal costs as well as long-term approach for the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the annual OPEB cost of benefits and segregating the needed resources.

D. Annual OPEB Cost and OPEB Obligations

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated on the basis of annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 past service cost) over a period not to exceed thirty years.

OPEB Obligation

Normal cost (current service cost)	\$ 6,197
Amortization of UAAL (for past service)	<u>9,750</u>
Annual required contribution	15,947
Interest on net OPEB obligation	6,999
Adjustment to annual required contribution	<u>(8,182)</u>
Annual OPEB cost	14,764
Contributions made	<u>---</u>
Increase in net OPEB liability	14,764
Net OPEB obligation, beginning of year	<u>174,979</u>
Net OPEB obligation, end of year	<u>\$ 189,743</u>

The actuarial accrued liability as of July 1, 2015 was \$198,455. As of June 30, 2015 there are no retirees receiving benefits under this plan.

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Covered</u> <u>Value of</u> <u>Assets</u>	<u>UAAL as of</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>AAL</u>	<u>Funded</u> <u>Ratio</u>	<u>Actuarial</u> <u>Payroll</u> <u>(Total)</u>	<u>Actuarial</u> <u>Percentage</u> <u>of Payroll</u>
7/1/15	\$ ---	\$ 198,455	\$ 198,455	0.0%	\$ 307,948	64.44%
7/1/12	\$ ---	\$ 468,989	\$ 468,989	0.0%	\$ 240,905	194.68%
7/1/09	\$ ---	\$ 138,904	\$ 138,904	0.0%	\$ 281,708	49.00%

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

<u>Fiscal Year Ending</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Asset</u>
6/30/15	\$ 14,764	\$ ---	---	---
6/30/14	\$ 37,670	\$ ---	---	---
6/30/13	\$ 37,219	\$ ---	---	---

**Town of Roxbury
Notes to Financial Statements**

Note "15" – Post Retirement Health-care Benefits (continued)

D. Annual OPEB Cost and OPEB Obligations (continued)

Actuarial valuations of an ongoing plan involve estimates of the probability of the occurrence of events far into the future. 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.

E. Actuarial Assumptions:

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2015
Actuarial Cost Method:	Entry Age Actuarial Cost Method
Asset Valuation Method:	Market Value
Amortization Method:	Level percentage of projected payroll
Remaining Amortization Period	30 years
Actuarial Assumptions:	
Assumed retirement age	63
Investment rate of return	4%
Discount rate	4%
Average salary increase	1.75%
Medical Inflation rate	Years 1-5 2%; Years 6 on 5.5%

Note "16" - General Fund Capital and Nonrecurring Projects Committed Fund Balance:

The General Fund Committed Fund Balance for Nonrecurring Projects is comprised of the following:

Preparation and implementation of the Accounting Procedure Manual	\$ 10,750
Revaluation	44,521
Library Maintenance (paint)	28,275
Treasurer Upgrades	4,472
Senior Center Maintenance	6,965
Replace Town Hall Carpet	<u>5,000</u>
Total	\$ <u>99,983</u>

Town of Roxbury
 Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
 Year Ended June 30, 2015

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues:					
Property Taxes, Interest and Fees	\$ 9,289,706	\$ -	\$ 9,289,706	\$ 9,337,031	\$ 47,325
State Grants					
Education Cost-Sharing	158,114	-	158,114	158,114	-
Pilot & Pequot/Mohegan	8,533	-	8,533	8,370	(163)
Property Tax Relief Elderly Circuit Brkr	-	-	-	12,280	12,280
Municipal Revenue Sharing	14,035	-	14,035	566	(13,469)
Other State and Federal Grants	<u>3,116</u>	<u>-</u>	<u>3,116</u>	<u>26,838</u>	<u>23,722</u>
Total Grants	<u>183,798</u>	<u>-</u>	<u>183,798</u>	<u>206,168</u>	<u>22,370</u>
Other Revenue					
Investment Income	10,000	-	10,000	7,302	(2,698)
Real Estate Conveyance Taxes and Other Fees	95,000	-	95,000	97,887	2,887
Building Department Fees	80,000	-	80,000	91,940	11,940
Transfer Station Fees	34,100	-	34,100	50,359	16,259
Recreation	12,000	-	12,000	9,923	(2,077)
Land Use Permits	6,700	-	6,700	6,393	(307)
Senior-Center including contributions	17,800	-	17,800	23,625	5,825
Ambulance Association	4,000	-	4,000	6,154	2,154
Cell Tower Lease	53,400	-	53,400	67,190	13,790
Telecommunication PILOT	17,500	-	17,500	14,481	(3,019)
Rent	8,920	-	8,920	9,750	830
Regional School District #12 surplus	35,000	-	35,000	22,464	(12,536)
Miscellaneous Receipts	20,413	-	20,413	8,126	(12,287)
Total Other Revenue	<u>394,833</u>	<u>-</u>	<u>394,833</u>	<u>415,594</u>	<u>20,761</u>
Amounts Available for Appropriations	<u>\$ 9,868,337</u>	<u>\$ -</u>	<u>\$ 9,868,337</u>	<u>\$ 9,958,793</u>	<u>\$ 90,456</u>

Continued

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

Town of Roxbury
 Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
 Year Ended June 30, 2015

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Expenditures					
General Government					
Selectmen's Salaries	84,558	-	84,558	84,558	-
Grant Procurement	10,000	-	10,000	5,000	(5,000)
Selectmen's Office	55,600	-	55,600	55,112	(488)
Financial Administrator	39,130	-	39,130	35,362	(3,768)
Treasurer	23,025	-	23,025	17,937	(5,088)
Town Clerk	79,126	-	79,126	75,789	(3,337)
Tax Collector	49,737	-	49,737	47,668	(2,069)
Assessors	44,510	-	44,510	44,518	8
Board of Assessment Appeals	775	-	775	536	(239)
Board of Finance	3,100	-	3,100	692	(2,408)
Building Department	88,312	-	88,312	73,026	(15,286)
Probate Court	3,541	-	3,541	3,450	(91)
Postage / Delivery	7,000	-	7,000	6,500	(500)
Town Hall	96,545	-	96,545	102,560	6,015
Elections	9,240	-	9,240	6,390	(2,850)
Auditor	16,000	-	16,000	16,000	-
Legal Fees	24,500	-	24,500	18,104	(6,396)
Animal Control	13,175	-	13,175	12,452	(723)
Town Reports	2,200	-	2,200	1,315	(885)
Total General Government	650,074	-	650,074	606,969	(43,105)
Commissions					
Planning	8,614	-	8,614	7,528	(1,086)
Zoning	29,620	-	29,620	28,431	(1,189)
Zoning Board of Appeals	2,500	-	2,500	4,685	2,185
Conservation	1,055	-	1,055	565	(490)
Inland - Wetlands	21,269	-	21,269	18,436	(2,833)
Council on Aging	6,296	-	6,296	4,564	(1,732)
Volunteer Recognition	2,200	-	2,200	-	(2,200)
Historic District	675	-	675	517	(158)
Historic Buildings	2,095	-	2,095	1,526	(569)
Senior Center	90,538	-	90,538	84,850	(5,688)
Library Other	30,359	-	30,359	22,054	(8,305)
Lake Lillinoah Authority	11,919	-	11,919	12,300	381
ASAP, After School Arts Program	5,000	-	5,000	5,000	-
Recreation - General	34,587	-	34,587	22,284	(12,303)
Swim Pond Improvements	3,675	-	3,675	355	(3,320)
Total Commissions	250,402	-	250,402	213,095	(37,307)

Continued

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

Town of Roxbury
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
Year Ended June 30, 2015

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Highways and Public Works					
Public Works Salary/Overtime	301,923	-	301,923	261,106	(40,817)
Town Roads	89,000	-	89,000	86,582	(2,418)
Town Roads Winter Maintenance	100,000	-	100,000	117,491	17,491
Unimproved Town Roads	37,200	-	37,200	59,071	21,871
Unimproved Town Roads Winter Maintenance	30,000	-	30,000	28,115	(1,885)
Town Garage and Salt Barn	22,280	-	22,280	22,971	691
Repairs, Maintenance and Operation of Town Equipment	97,775	10,000	107,775	99,295	(8,480)
Surveyors/Engineers	5,000	-	5,000	719	(4,281)
Tree Maintenance	25,000	-	25,000	48,603	23,603
Town Parks	47,025	-	47,025	40,278	(6,747)
Total Highways and Public Works	755,203	10,000	765,203	764,231	(972)
Protection					
Police - Town	46,921	3,000	49,921	46,563	(3,358)
Police - State	80,895	-	80,895	94,977	14,082
Town Police - Private Duty Budgeted Net	1,000	-	1,000	19,590	18,590
Town Police - Private Duty Revenue	-	-	-	(18,590)	(18,590)
Ambulance/Paramedic Program	20,236	-	20,236	19,657	(579)
Fire Department	68,300	-	68,300	67,875	(425)
Emergency Services Recruitment	1,000	-	1,000	-	(1,000)
Fire Marshal	8,880	-	8,880	6,347	(2,533)
Insurance and Bonds	84,381	-	84,381	81,649	(2,732)
Street Lights and Speed Signs	4,000	-	4,000	2,959	(1,041)
Civil Preparedness	8,700	-	8,700	5,990	(2,710)
E-911 System	14,641	-	14,641	14,541	(100)
Total Protection	338,954	3,000	341,954	341,558	(396)
Health and Welfare					
Visiting Nurse Services	6,560	-	6,560	2,951	(3,609)
Vital Statistics	150	-	150	152	2
Mun Agent/Soc Svcs/Vet Coord	27,560	-	27,560	26,337	(1,223)
Welfare	13,000	-	13,000	11,620	(1,380)
Newtown Health District	30,720	-	30,720	30,719	(1)
Transfer Station	207,088	-	207,088	176,054	(31,034)
Total Health and Welfare	285,078	-	285,078	247,833	(37,245)
Benefits					
Insurance Benefits	225,188	-	225,188	196,189	(28,999)
Personal Benefits	83,185	-	83,185	70,726	(12,459)
Social Security	62,902	-	62,902	54,695	(8,207)
Medicare	14,710	-	14,710	12,747	(1,963)
Pension Plan, Fees and VFD Contribution	73,569	-	73,569	68,301	(5,268)
Unemployment Compensation	100	-	100	7	(93)
Total Benefits	459,654	-	459,654	402,665	(56,989)

Continued

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

Town of Roxbury
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
Year Ended June 30, 2015

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Other					
Ordinance Codification	200	-	200	231	31
Copiers/Fax	2,500	-	2,500	1,809	(691)
Computer Upgrades	5,000	-	5,000	6,467	1,467
Contingency	30,000	(13,000)	17,000	-	(17,000)
Memorial Day Observance	1,100	-	1,100	916	(184)
Miscellaneous	9,950	-	9,950	5,348	(4,602)
Total Other	<u>48,750</u>	<u>(13,000)</u>	<u>35,750</u>	<u>14,771</u>	<u>(20,979)</u>
Transfers					
Library Fund	101,000	-	101,000	101,000	-
Land Acquisition Fund	20,000	-	20,000	20,000	-
Reserve for Capital Expenditure Fund:					
Repl #16 '07 Backhoe 2014	35,000	-	35,000	35,000	-
Repl #3 '06 Chev2-YD/TR/SND'15	25,000	-	25,000	25,000	-
Repl #8 '02 Mack Body	30,000	-	30,000	30,000	-
Repl #19 '06 PW Chevy P/U '17	5,000	-	5,000	5,000	-
Repl #1 '95 John Deer 672 Grader '22	10,000	-	10,000	10,000	-
Repl FD Scba 30 min Air Bottles 2017	6,500	-	6,500	6,500	-
Repl FD Scott Air Packs 2017	18,270	-	18,270	18,270	-
Repl FD Scott Facepiece 2017	900	-	900	900	-
Repl FD Air Pack Compressor 2017	8,000	-	8,000	8,000	-
Repl # 9 ' 05 Police Car 2015	5,000	-	5,000	5,000	-
Tennis Court Repair/Maint	5,000	-	5,000	5,000	-
Total Transfers	<u>269,670</u>	<u>-</u>	<u>269,670</u>	<u>269,670</u>	<u>-</u>
Education	7,001,759	-	7,001,759	7,001,059	(700)
Continuing Appropriations - see note to schedule					
Sr Ctr Maint - Carpet/Kitch Fl 2014	2,500	4,500	7,000	2,535	(4,465)
Paint Minor Mem Lib 2014	10,250	22,000	32,250	14,225	(18,025)
Board of Finance Procedure Manual	-	10,750	10,750	-	(10,750)
Repl Twn Hall Linoleum/Carpet	5,000	-	5,000	5,000	-
Treas - Phys Invent Fxd Assets 2014	-	5,000	5,000	528	(4,472)
Revaluation	15,000	31,648	46,648	17,127	(29,521)
Total Continuing Appropriations	<u>32,750</u>	<u>73,898</u>	<u>106,648</u>	<u>39,415</u>	<u>(67,233)</u>
Total Expenditures and Transfers	<u>10,092,294</u>	<u>73,898</u>	<u>10,166,192</u>	<u>9,901,266</u>	<u>(264,926)</u>
Revenues less Expenditures	(223,957)	(73,898)	(297,855)	57,527	355,382
Fund Balance-beginning of year	<u>223,957</u>	<u>73,898</u>	<u>297,855</u>	<u>2,135,234</u>	<u>1,837,379</u>
Fund Balance- end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,192,761</u>	<u>\$ 2,192,761</u>

Concluded

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

Town of Roxbury
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual
Year Ended June 30, 2015

Basis:

The Schedule of Revenues, Expenditures and Changes in Fund Balance of the General Fund Budget and Actual (Non-GAAP Budgetary Basis) present a comparison of the original and final legally-adopted budget with actual data on a budgetary basis.

Reconciliation Between Budgetary Basis and Generally Accepted Accounting Principles (GAAP) Basis:

The budget for the General Fund has been prepared substantially on the cash basis, whereas actual revenues and expenditures were determined on the modified accrual basis. The budget comparison was not adjusted to the cash basis because the differences were not significant. Expenditures in excess of appropriations in budget line items are primarily due to the addition of accruals at year end.

Continuing appropriations do not lapse at year end. Current year continuing appropriations are added to remaining prior years and carried forward until fully expended, the completion of the project and or Town Meeting terminates the appropriation. For GAAP purposes, remaining continuing appropriations are classified as committed fund balance.

The Town budgets for private duty police activity net; for GAAP purposes the revenue and expenditures are grossed up to show the actual activity.

Additionally, for budgeting purposes the Town recognizes educational refunds of prior year fund balances and other credits from Regional School District #12 as revenue. Generally accepted accounting principles (GAAP) require that refunds for prior year and other credits be offset against educational expenditures.

The Town has recognized an old STEAP grant, from the State of Connecticut as revenue when received, for GAAP purposes its recognized as it is expensed and therefore \$30,922 is deferred revenue.

The difference between GAAP and the budgeting basis is as follows:

	<u>General Fund</u>		
	<u>Total Revenue and Transfers In</u>	<u>Total Expenditures and Transfers Out</u>	<u>Fund Balance</u>
Non-GAAP Budgetary Basis Statement - June 30, 2015 - Actual	\$ 9,958,793	\$ 9,901,266	\$ 2,192,761
To gross up private duty police activity - budgeted net	18,590	18,590	-
Prior year refund from RSD #12 offsets expenditure	(22,464)	(22,464)	-
Authorized carryover of STEAP grant - deferred for GAAP purposes until expended	-	-	(30,922)
Budgeted commitments are not expenditures for GAAP purposes	-	(54,610)	54,610
Actual GAAP - June 30, 2015	<u>\$ 9,954,919</u>	<u>\$ 9,842,782</u>	<u>\$ 2,216,449</u>

Town of Roxbury
 Non-Major Governmental Funds, Special Revenue Funds
 Combining Balance Sheet
 June 30, 2015

	1st Selectman Discretionary	Apple Lane	Hodge Funds	Community Volunteer	Booth Free School	Historic Document Preservation	Small Cities Housing Rehabilitation	Joey's Trail	Total Other Govt. Funds
Assets:									
Cash	\$ 14,921	\$ 56,820	\$ 156,258	\$ 328	\$ 69,023	\$ 13,221	\$ 81,146	\$ 2,412	\$ 394,129
Investments at fair value	---	---	---	---	909	---	---	---	909
Mortgages receivable	---	---	---	---	---	---	288,767	---	288,767
Total Assets	\$ 14,921	\$ 56,820	\$ 156,258	\$ 328	\$ 69,932	\$ 13,221	\$ 369,913	\$ 2,412	\$ 683,805
Liabilities:									
Account Payable	\$ 4,750	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 9,325	\$ ---	\$ 14,075
Fund Balances:									
Restricted for:									
Social services and other special purposes	10,171	---	156,258	328	---	---	---	2,412	169,169
Support of library services	---	---	---	---	69,932	---	---	---	69,932
Records preservation	---	---	---	---	---	13,221	---	---	13,221
Housing rehabilitation	---	---	---	---	---	---	360,588	---	360,588
Recreation	---	56,820	---	---	---	---	---	---	56,820
Total Fund Balance	10,171	56,820	156,258	328	69,932	13,221	360,588	2,412	669,730
Total Liabilities and Fund Balance	\$ 14,921	\$ 56,820	\$ 156,258	\$ 328	\$ 69,932	\$ 13,221	\$ 369,913	\$ 2,412	\$ 683,805

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

Town of Roxbury
Non-Major Governmental Funds, Special Revenue Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Year Ended June 30, 2015

	1st Selectman Discretionary	Apple Lane	Hodge Funds	Community Volunteer	Booth Free School	Historic Document Preservation	Small Cities Housing Rehabilitation	Joey's Trail	Total Other Govt. Funds
Revenues									
Investment income	\$ 19	\$ 28	\$ 199	\$ ---	\$ 9	\$ 3	\$ 38	\$ ---	296
Contributions	10,717	---	43,787	---	---	---	---	2,412	56,916
State grant	---	---	---	---	---	5,000	146,475	---	151,475
Activity income	---	646	---	---	---	1,832	---	---	2,478
Total	10,736	674	43,986	---	9	6,835	146,513	2,412	211,165
Expenditures									
Activity expenses	10,555	---	26,950	---	---	5,000	39,013	---	81,518
Excess (Deficiency) of Revenue over expenditures									
	181	674	17,036	---	9	1,835	107,500	2,412	129,647
Other Financing (Uses)									
Operating transfers (out)	---	---	---	---	(9,000)	---	---	---	(9,000)
Excess (Deficiency) of Revenue Over Expenditures and Other Uses									
	181	674	17,036	---	(8,991)	1,835	107,500	2,412	120,647
Fund Balances									
Beginning of Year	9,990	56,146	139,222	328	78,923	11,386	253,088	---	549,083
End of Year	\$ 10,171	\$ 56,820	\$ 156,258	\$ 328	\$ 69,932	\$ 13,221	\$ 360,588	\$ 2,412	\$ 669,730

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

**Town of Roxbury
Combining Statement of Fiduciary Net Position
Pension Trust Fund
June 30, 2015**

	Volunteer Incentive Program	Defined Contribution Plan	Totals
Assets:			
Cash on Hand	\$ -	\$ 5,526	\$ 5,526
Investments - at fair value	260,531	813,588	1,074,119
Total Assets	<u>260,531</u>	<u>819,114</u>	<u>1,079,645</u>
Net Position:			
Held in Trust for Pension Benefits	\$ <u>260,531</u>	\$ <u>819,114</u>	\$ <u>1,079,645</u>

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

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

	Volunteer Incentive Program	Defined Contribution Plan	Totals
Additions:			
Contribution			
Town	\$ 18,000	\$ 23,250	\$ 41,250
Investment Income			
Net Appreciation (Depreciation) in Fair Values of Investments	3,958	(1,003)	2,955
Interest and Dividends	3,933	23,799	27,732
Gross Investment Income	7,891	22,796	30,687
Less Investment Expense	20	7,966	7,986
Net Investment Income	7,871	14,830	22,701
Total Additions	25,871	38,080	63,951
Deductions: Pension Benefits	7,046	-	7,046
Change in Net Position	18,825	38,080	56,905
Net Position Held in Trust For Pension Benefits			
Beginning of the Year	241,706	781,034	1,022,740
End of the Year	\$ 260,531	\$ 819,114	\$ 1,079,645

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

Town of Roxbury
 Report of Tax Collector
 Year Ended June 30, 2015

Grand List Year	Taxes Receivable 7/1/2014	Corrections		Transfers (To)/From Suspense	Adjusted Taxes Receivable	Collections					Taxes Receivable 6/30/2015
		Additions	Deductions			Taxes	Interest	Liens & Fees	Refunds and Adjustments	Total	
2013	\$ 9,302,638	\$ 3,543	\$ (10,501)	\$ (562)	\$ 9,295,118	\$ 9,250,337	\$ 27,748	\$ 962	\$ (1,131)	\$ 9,277,916	\$ 45,912
2012	76,820	280	(1,429)	(793)	74,878	59,012	12,763	635	(57)	72,353	15,923
2011	14,649	-	(522)	(501)	13,626	11,945	3,164	94	-	15,203	1,681
2010	778	-	-	(15)	763	29	13	2	-	44	734
2009	2,827	-	-	(45)	2,782	59	47	-	-	106	2,723
2008	119	-	-	(14)	105	-	-	-	-	-	105
2007	10	-	-	(10)	-	-	-	-	-	-	-
Suspense book collections	-	-	-	276	276	276	133	6	-	415	-
Totals	\$ 9,397,841	\$ 3,823	\$ (12,452)	\$ (1,664)	\$ 9,387,548	\$ 9,321,658	\$ 43,868	\$ 1,699	\$ (1,188)	\$ 9,366,037	\$ 67,078

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

**Town of Roxbury
Statement of Debt Limitation
Year Ended June 30, 2015**

Total Tax Collections (including interest and lien fees) \$ 9,366,037

Reimbursement for Revenue Loss On:

Tax relief for elderly - (CGS 12-129d) 12,280

Total Receipts from Taxation \$ 9,378,317

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation	\$	\$	\$	\$	\$
2 1/4 times base	21,101,213	-	-	-	-
4 1/2 times base	-	42,202,427	-	-	-
3 3/4 times base	-	-	35,168,689	-	-
3 1/4 times base	-	-	-	30,479,530	-
3 times base	-	-	-	-	28,134,951
Total Debt Limitation	<u>21,101,213</u>	<u>42,202,427</u>	<u>35,168,689</u>	<u>30,479,530</u>	<u>28,134,951</u>

Indebtedness

Regional School District #12 bonds payable (Town of Roxbury's share 32.69%)

Due June 1, 2016 - \$130,000 - 42,497 - - -

Bank term loan due August 15, 2018 - \$1,775,000 - 580,248 - - -

Total Indebtedness - 622,745 - - -

Debt Limitation in Excess of

Outstanding and Authorized Debt \$ 21,101,213 \$ 41,579,682 \$ 35,168,689 \$ 30,479,530 \$ 28,134,951

NOTE: In no case shall total indebtedness exceed seven times annual receipts from taxation.



Charles Heaven & Co.
Certified Public Accountants
Waterbury, Connecticut

INDEPENDENT AUDITOR'S 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*

Board of Finance
Town of Roxbury
Roxbury, 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, each major fund, and the aggregate remaining fund information of the Town of Roxbury, Connecticut as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Roxbury, Connecticut's basic financial statements, and have issued our report thereon dated October 9, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Roxbury, Connecticut'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 of Roxbury, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Roxbury, Connecticut'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 of Roxbury, Connecticut'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 entity'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 of Roxbury, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles Heaven & Co.
October 9, 2015