

**TOWN OF WILLINGTON,
CONNECTICUT**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2013

TOWN OF WILLINGTON, CONNECTICUT

Comprehensive Annual Financial Report

Year Ended June 30, 2013

Prepared by:

Finance Department

Tish Ignatowicz, Treasurer

Donna Latincsics, Business Manager

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Introductory Section

Town of Willington

Board of Selectmen • 40 Old Farms Road • Willington, Connecticut 06279 • (860) 487-3100 • Fax (860) 487-3103

December 19, 2013

To the Members of the Board of Selectmen,
Board of Finance and the Citizens of the
Town of Willington, Connecticut:

The Comprehensive Annual Financial Report (CAFR) of the Town of Willington, Connecticut (the “Town”) for the fiscal year ended June 30, 2013 is hereby submitted.

This report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board. Responsibility for the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management of the Town of Willington.

We believe the information presented is accurate in all material respects; that it is presented in a manner designed to fairly exhibit the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain maximum understanding of the Town’s financial activity have been included.

Pursuant to Connecticut Law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. The examination was conducted by the firm of Mahoney Sabol & Company, LLP, independent certified public accountants of Glastonbury, Connecticut. The independent auditor’s report is presented as the first component of the financial section of this report.

The CAFR is presented in three sections:

The **Introductory Section** includes a description of the Town government, local economy and major initiatives.

The **Financial Section** contains the independent auditor’s report, the management’s discussion and analysis, the basic financial statements and the notes to the basic financial statements. It also includes combining and individual fund statements and schedules.

The **Statistical Section** contains statistical data that relates to the financial condition of the Town and includes various financial, economic, social, and demographic data of the Town for the past ten years.

The independent audit of the basic financial statements of the Town was part of a broader, federal and State of Connecticut mandated “Single Audit” designed to meet the special needs of state grantor agencies. The Single Audit Report contains the independent auditors’ reports on compliance and internal control, the schedules of expenditures of state financial assistance, and the schedule of findings and questioned costs.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Willington

The Town of Willington, located in Tolland County, is approximately 25 miles northeast of Hartford and two miles from the main campus of the University of Connecticut at Storrs. The Town is bounded on the north by the Towns of Stafford and Union, on the east by the Town of Ashford, on the west by the Towns of Ellington and Tolland and on the south by the Town of Mansfield. The Town of Willington was incorporated in 1727 and covers an area of 34.8 square miles. It is traversed by Interstate 84 and state routes No. 32, 44, 74, and 320. Passenger service is provided on a limited basis by the buses of the Windham Regional Transit District. Freight service is provided by Central Vermont Railway and numerous common motor carriers.

The Town of Willington has a Board of Selectmen, Town Meeting, and Board of Finance form of government. The Board of Selectmen, elected to two-year terms, consists of three members and functions as the executive authority of the Town in accordance with the provisions of the General Statutes of the State of Connecticut.

The First Selectman, a member of the Board of Selectmen, is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. She presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman, with the approval of the Board of Selectmen, appoints members to various commissions and boards and also serves as the Town's Purchasing Agent. Additional duties include the authority over and the responsibility for the revenue collector's and assessor's operations.

The six-member Board of Finance, elected for six-year staggered terms, is responsible for proposing annual budgets and special appropriations at Town Meetings and works closely with the First Selectman and Treasurer to establish and enforce fiscal policy as well as internal control policies and procedures. The Board of Finance reviews requests for funding from the Board of Selectmen, Board of Education and other agencies and officials. A budget hearing is held in April, at which time taxpayer comments are obtained. The annual Town meeting followed by a referendum are held at the beginning of May at which time the proposed operating budget for the fiscal year commencing July 1 is voted upon for approval. In accordance with the provisions of local ordinance, all Town meeting votes on proposed budgets are adjourned to referendum vote on voting machines. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1, the budget is legally enacted.

Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

Generally, all unexpended and unencumbered appropriations lapse at year-end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbered appropriations in the general fund are not re-appropriated in the ensuing year's budget, but are carried forward.

Upon approval of the budget, the Board of Finance establishes the tax rate and notifies the Revenue Collector. The Board of Finance files an official copy of the approved budget with the Town Clerk within five days of approval.

A seven-member Board of Education, elected for four-year staggered terms, is responsible for the operation of the Town's grades K-8 school system. Willington also elects four members to the Regional 19 Board of Education. The Regional Board is responsible for Willington students' high school education and the operation of E.O. Smith Regional High School. Elections are held biennially in November in every odd-numbered year.

Profile of the Town of Willington *(Continued)*

The Town's professional staff includes a Business Manager, Treasurer, a Revenue Collector and an Assessor. The Treasurer is responsible for the treasury management functions of the Town. The Business Manager is responsible for the activities of the accounting staff for the Town and Board of Education. In addition, they are both responsible for assisting the Board of Finance in the preparation of the annual budget; the maintenance of the general ledgers of the Town; financial planning and cost accounting; data processing; financial report preparation; and supervision of the annual independent audit. The Treasurer is also responsible for the investment of all Town funds. The Revenue Collector is responsible for the collection and reconciliation of all property tax obligations due to the Town. The Assessor values all buildings, land, motor vehicles and personal property to assess the amount of taxes owed by the taxpayers. The Assessor also oversees the town-wide physical revaluation. The Town must implement revaluation every five years and a revaluation by physical inspection must be done no later than ten years from the preceding physical inspections. Assessment information is sent to the Revenue Collector so she may send tax notifications to the taxpayers.

The Town's accounting system considers the adequacy of internal control to ensure that the assets of the Town are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of reliable financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations take into consideration the concepts listed above. Management believes the Town's internal control adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

The Town of Willington provides a range of services, including ambulance and fire protection, recreational activities and cultural events. The Town participates in the Mid-Northeast Recycling Operating Committee ("Mid-NEROC") for collection of recyclable materials and household hazardous wastes. It is a member of the five-town Eastern Highlands Health District for the purpose of providing environmental health-related services including septic design reviews, restaurant inspections and health education. Also, the Board of Selectmen appoints members to the Willington Housing Authority, a related organization.

Local Economy

Property tax collections over the past 10 years have averaged 99 percent. The commercial/industrial operations in the Town have consistently provided a significant portion of property taxes.

The largest concentration of economic development in the Town is located on State Route 320 by the Exit 71 interchange of Interstate 84. Five hundred nineteen acres of land on the east side of Route 320 is zoned "Designed Industrial". In 1997, Roadway Package Systems, now FedEx, completed a \$22 million New England regional distribution facility on 109 acres of the industrial property. In 2001, FedEx finished a planned \$5 million expansion of their facility. They expanded their sorting system within the existing building footprint. Since then they received permits for improvements costing \$3.2 million to expand the parking areas, the maintenance building, add a storage building to the main building and build a new office building. In addition to the FedEx distribution facility, other industrial development in Town is limited to the mining and quarrying of earth products near the center of Town, a water bottling company, a bulk spring water supply and several small-scale industrial operations in South Willington.

Travel Centers of America is located off of the Exit 71 interchange and consists of a truck stop, several commercial services and a motel. Other existing commercial facilities are principally located in West Willington center with sporadic commercial development occurring along River Road (Route 32) and a few commercial businesses located on Tolland Turnpike (Route 74). These facilities include a small shopping plaza, convenience stores, restaurants, service stations, small retail establishments, kennels, banks, research facilities and other small service establishments. An Economic Development Commission is charged with promoting and developing the economic resources of the Town.

During the fiscal year, both Love's Travel Stop & Country Stores and Dunkin Donuts put in applications for special permits to build within the Town. Likely, they will be approved and can begin the zoning and building process within the next fiscal year.

Long-Range Financial Planning

The Town's capital improvement plan (CIP) continues to be used as the primary planning and implementation document for capital purchases and fund identification. This plan is a five-year rolling plan and is updated annually. The CIP committee's long-term objective is to have a five-year bonding cycle for major purchases and an adequate reserve for all other capital purchases.

A STEAP Grant of \$100,000 was awarded during the 11-12 fiscal year to repair and renovate the Old Town Hall building. The STEAP funds will be used for the renovation work which has begun and is scheduled to be completed during the next fiscal year.

The Turnpike Road drainage and resurfacing project is expected to be a multi-phase project with various sources of funding. Phase One began during fiscal year 11-12 with LoCIP funding of \$145,000. Phase One was completed during the 12-13 fiscal year. A \$400,000 STEAP Grant was appropriated in October, 2011 for this long term project and is expected to fund phases One A, Two and partially Three. Phase One A began during the current fiscal year and is expected to be completed early in the next fiscal year. Phase Two is expected to begin late next fiscal year. Other funding sources are being sought to complete the entire project.

The completed projects for fiscal year 2013 included the creation of an additional parking lot at Center School, the replacement of the dog warden van, and replacement of portions of the Town Office Building Roof.

Financial Policies and Practices

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The Town of Willington's operating and working capital funds are invested under the responsibility and authority of the Town Treasurer. Currently, the Town's short-term investments consist of: (1) the State of Connecticut Short Term Investment Fund ("STIF"), which is an investment pool managed by the State Treasurer's Office; and (2) the Cooperative Liquid Asset Security Systems Fund ("CLASS"), which is an investment pool managed by MBIA Municipal Investors Service Corporation. The fair value of the Town's position in these pools is the same as the value of the pool shares.

Town Defined Benefit Plan

The Town maintains the Town of Willington Pension Plan ("Plan"), a single-employer, contributory, defined benefit pension plan covering substantially all employees, except Board of Education employees. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. Benefit provisions are established and can be amended by the Board of Selectmen. This Plan is considered to be part of the Town's financial reporting entity and is included as a pension trust fund of the Town. Separate, stand-alone financial statements for the Plan are not prepared.

As of June 30, 2013 the net position held in trust for the Plan was \$479,496. Total additions to the plan during the fiscal year were \$82,182. There were no benefit payments made during the year.

Additional information on the Town's pension plan can be found in Note 10 to the financial statements.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Willington for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the 13th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the Business Manager, Donna Latinsics and her department. Credit must also be given to the Board of Selectmen, the Board of Finance and especially its Chairman, Ann Marie Brown for their unfailing support for maintaining the highest standards of professionalism in the management of the Town's finances.

Respectfully Submitted,



Tish Ignatowicz
Treasurer



Government Finance Officers Association

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

Presented to

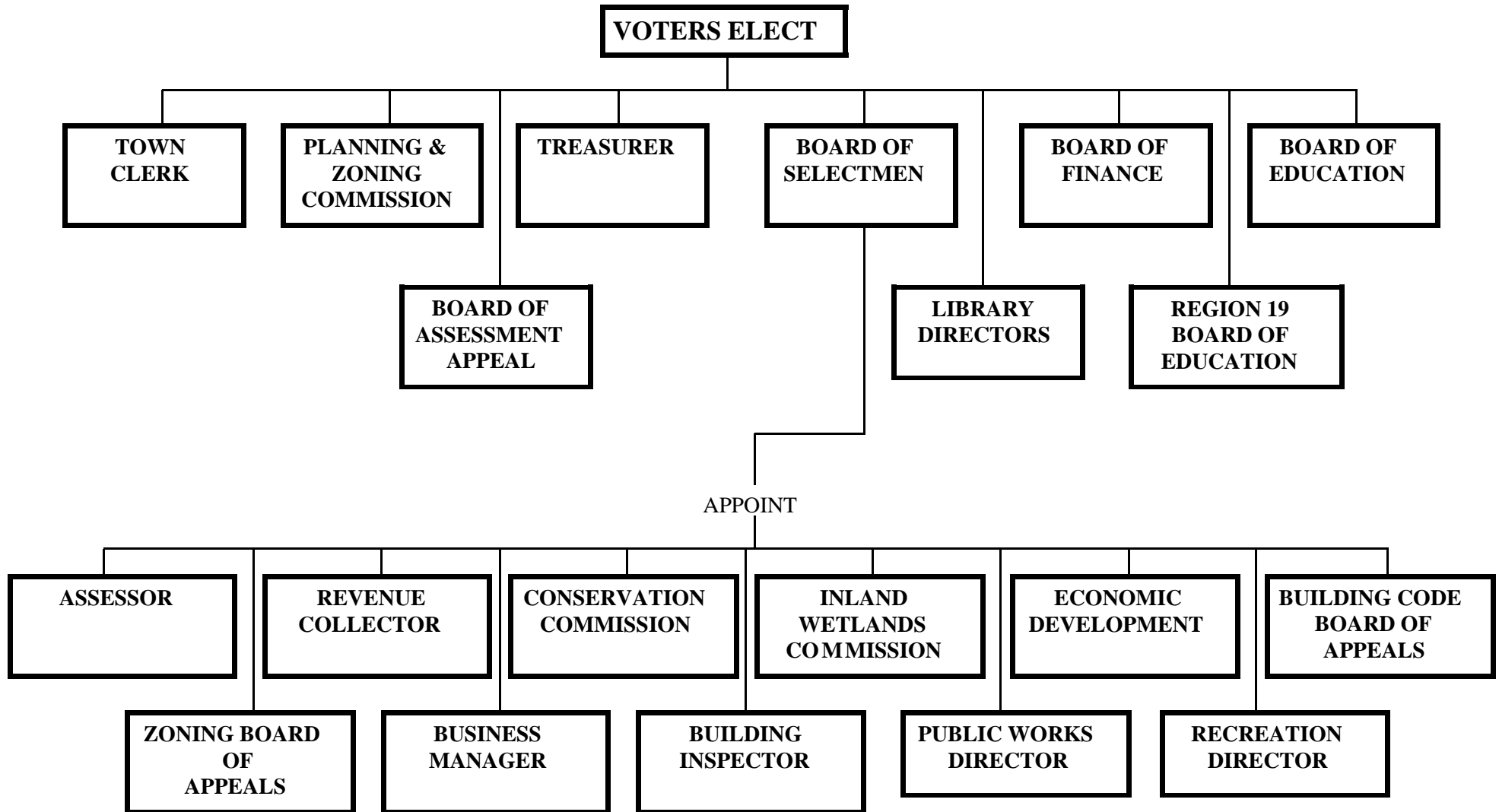
**Town of Willington
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**TOWN OF WILLINGTON, CONNECTICUT
ORGANIZATIONAL CHART
JUNE 30, 2013**



**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2013**

TOWN MEETING - BOARD OF SELECTMEN FORM OF GOVERNMENT

BOARD OF SELECTMEN

Christina B. Mailhos, First Selectman
Richard M. Littell, Selectman
John Blessington, Selectman

| | |
|---------------------------------|----------------------|
| First Selectman..... | Christina B. Mailhos |
| Chairman, Board of Finance..... | Ann Marie Brown |
| Town Treasurer..... | Patricia Ignatowicz |
| Business Manager..... | Donna Latincsics |
| Director of Public Works..... | Lynn A. Nicholls |
| Town Clerk..... | Donna J. Hardie |
| Collector of Revenue..... | Carol Larson |
| Superintendent of Schools..... | David C. Harding |

BOARD OF EDUCATION

Erika G. Wiecenski, Chairman
Herbert C. Arico
Michelle Cunningham
Heather Estey
Mark Jones
Leonardo Mercado
Barry Wallett

BOARD OF FINANCE

Ann Marie Brown, Chairman
Kenneth Schoppmann
Alan John Ference
Peter J. Latincsics
Elizabeth A. Marco
Elizabeth Trieber
Robert Wiecenski
John Patton, Alternate
Annemarie Poole, Alternate

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance of the
Town of Willington, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Willington, Connecticut (the "Town") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town'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 Willington, Connecticut, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the schedules of funding progress on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol & Company, LLP

Glastonbury, Connecticut
December 19, 2013

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

The management of the Town of Willington, Connecticut (the "Town") offers the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this Comprehensive Annual Financial Report ("Report").

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$14,686,070 (net position). Of this amount, \$2,558,949 represents the Town's unrestricted net position, an increase of \$173,979 over the prior year unrestricted net position. The Town's total net position increased by \$582,739 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$4,770,637, an increase of \$392,269 in comparison with the prior year adjusted combined ending fund balance. The Town adjusted the beginning fund balance of the Small Cities Grant Housing Fund by \$781,548 to reclassify amounts previously reported as deferred revenue as nonspendable fund balance.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$1,946,688 or 11.6% of total General Fund expenditures and other financing uses. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.4 months of General Fund expenditures and other financing uses.
- The Town's total long-term bonded debt decreased by \$150,000 or 6.7% during the current fiscal year due to scheduled principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Small Cities Grant Housing Fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

Proprietary Funds

The Town maintains one type of proprietary fund. Enterprise funds are used to account for the same functions reported as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited - Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on page 54 of this report. Combining and individual fund statements and schedules can be found on pages 55 through 77 of this report and statistical information can be found on pages 78 through 94 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. The Town's total net position totaled \$14,686,070 and \$14,103,331 as of June 30, 2013 and 2012, respectively and is summarized as follows:

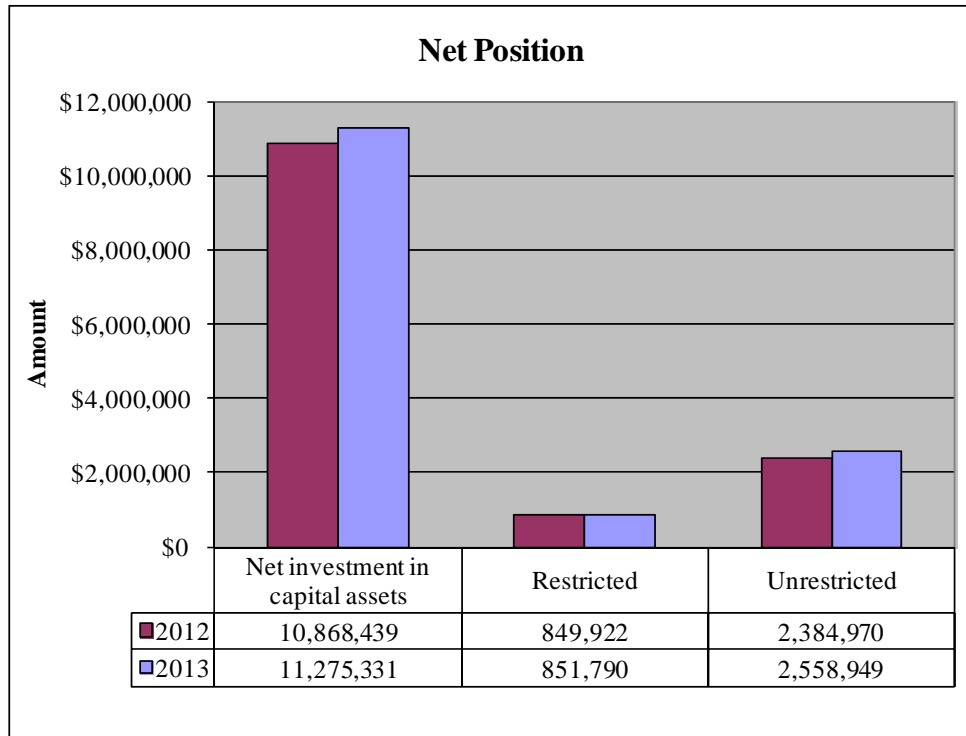
TOWN OF WILLINGTON, CONNECTICUT
NET POSITION
JUNE 30, 2013 AND 2012

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and other assets | \$ 5,620,501 | \$ 5,555,303 | \$ 24,253 | \$ 18,533 | \$ 5,644,754 | \$ 5,573,836 |
| Capital assets | 12,525,333 | 12,347,780 | 1,258,718 | 1,308,851 | 13,784,051 | 13,656,631 |
| Total assets | 18,145,834 | 17,903,083 | 1,282,971 | 1,327,384 | 19,428,805 | 19,230,467 |
| Other liabilities | 760,307 | 1,019,280 | 423 | 1,313 | 760,730 | 1,020,593 |
| Long-term liabilities | 3,982,005 | 4,106,543 | - | - | 3,982,005 | 4,106,543 |
| Total liabilities | 4,742,312 | 5,125,823 | 423 | 1,313 | 4,742,735 | 5,127,136 |
| Net position: | | | | | | |
| Net investment in capital assets | 10,016,613 | 9,559,588 | 1,258,718 | 1,308,851 | 11,275,331 | 10,868,439 |
| Restricted | 851,790 | 849,922 | - | - | 851,790 | 849,922 |
| Unrestricted | 2,535,119 | 2,367,750 | 23,830 | 17,220 | 2,558,949 | 2,384,970 |
| Total net position | \$ 13,403,522 | \$ 12,777,260 | \$ 1,282,548 | \$ 1,326,071 | \$ 14,686,070 | \$ 14,103,331 |

TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited - Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2013, approximately 76.8% of the Town's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

5.8% of the Town's net position is restricted for the purpose of the Town's Small Cities Grant Housing program.

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

TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited - Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

Overall, the Town's net position increased by \$582,739 in comparison with the prior year. Changes in net position for the years ended June 30, 2013 and 2012 are as follows:

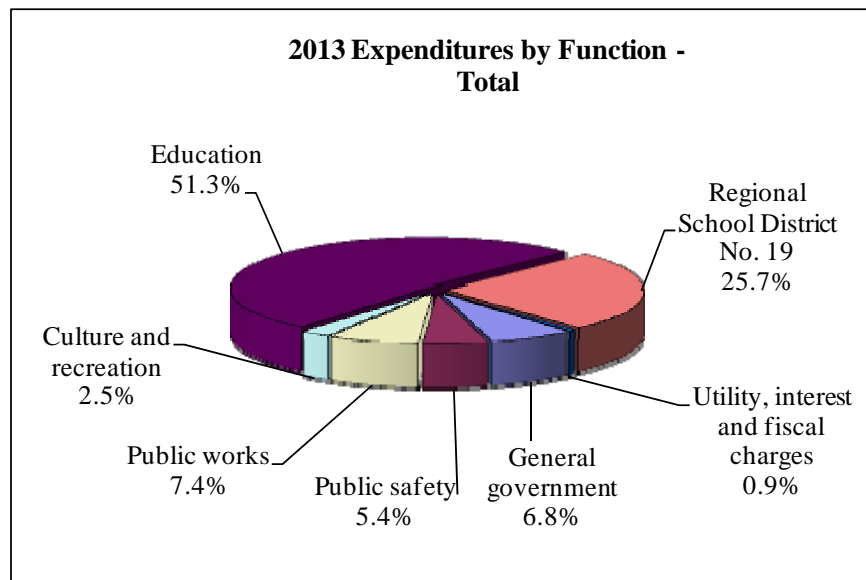
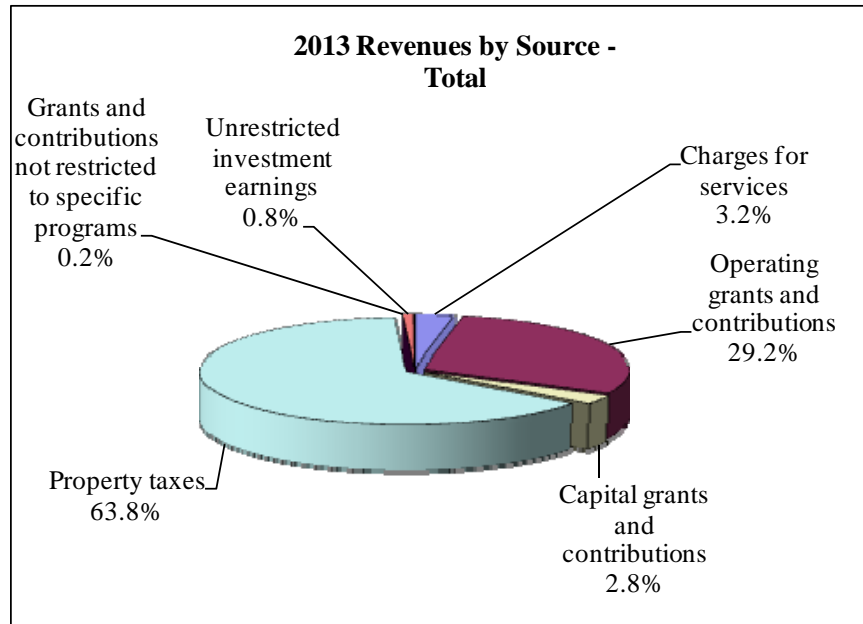
TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 565,166 | \$ 628,835 | \$ 23,541 | \$ 21,725 | \$ 588,707 | \$ 650,560 |
| Operating grants and contributions | 5,292,739 | 5,629,502 | - | - | 5,292,739 | 5,629,502 |
| Capital grants and contributions | 503,844 | 229,526 | - | - | 503,844 | 229,526 |
| General revenues: | | | | | | |
| Property taxes, levied for general purposes | 11,565,819 | 11,290,284 | - | - | 11,565,819 | 11,290,284 |
| Grants and contributions not restricted to specific programs | 152,569 | 141,365 | - | - | 152,569 | 141,365 |
| Unrestricted investment earnings | 13,289 | 8,116 | 3 | 2 | 13,292 | 8,118 |
| Total revenues | <u>18,093,426</u> | <u>17,927,628</u> | <u>23,544</u> | <u>21,727</u> | <u>18,116,970</u> | <u>17,949,355</u> |
| Expenses | | | | | | |
| General government | 1,196,728 | 1,547,828 | - | - | 1,196,728 | 1,547,828 |
| Public safety | 943,852 | 808,026 | - | - | 943,852 | 808,026 |
| Public works | 1,298,263 | 1,288,640 | - | - | 1,298,263 | 1,288,640 |
| Culture and recreation | 434,295 | 438,907 | - | - | 434,295 | 438,907 |
| Education | 8,989,285 | 8,957,714 | - | - | 8,989,285 | 8,957,714 |
| Regional School District No. 19 | 4,503,368 | 4,341,454 | - | - | 4,503,368 | 4,341,454 |
| Interest and fiscal charges | 101,373 | 114,644 | - | - | 101,373 | 114,644 |
| Utility | - | - | 67,067 | 68,401 | 67,067 | 68,401 |
| Total expenses | <u>17,467,164</u> | <u>17,497,213</u> | <u>67,067</u> | <u>68,401</u> | <u>17,534,231</u> | <u>17,565,614</u> |
| Change in net position | 626,262 | 430,415 | (43,523) | (46,674) | 582,739 | 383,741 |
| Net position, beginning | <u>12,777,260</u> | <u>12,346,845</u> | <u>1,326,071</u> | <u>1,372,745</u> | <u>14,103,331</u> | <u>13,719,590</u> |
| Net position, ending | <u>\$ 13,403,522</u> | <u>\$ 12,777,260</u> | <u>\$ 1,282,548</u> | <u>\$ 1,326,071</u> | <u>\$ 14,686,070</u> | <u>\$ 14,103,331</u> |

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)

Governmental activities increased the Town's net position by \$626,262 in the current year compared to an increase of \$430,415 in the prior year. Key elements of this overall increase of \$195,847 over prior year are as follows:

- An increase in revenues of \$165,798 over prior year revenues. Significant fluctuations over prior year consist of the following:
 - an increase in capital grants and contributions of \$274,318, primarily related to the current year recognition of grant revenue from the State of Connecticut's Small Town Economic Assistance program to fund the costs of the water main extension project;
 - an increase in property tax revenue of \$275,555, primarily related to a 1.6% increase in the Town's millrate from 23.58 to 23.96; offset by
 - a decrease in operating grants and contributions in the amount of \$336,763, primarily related to prior year recognition of grant revenue from the Department of Homeland Security's Public Assistance –Presidentially Declared Disasters program to fund costs incurred in connection with the clean-up of major storms.
- A decrease in expenses of \$30,049 over prior year expenses. Significant fluctuations over prior year consists of the following:
 - a decrease in expenses of approximately \$190,000 primarily related to nonrecurring costs incurred in the prior year for the clean-up of major storms; offset by
 - an increase of \$161,914 in the Town's member assessment paid to Regional School District No. 19.

Business-type activities decreased the Town's net position by \$43,523 primarily due to depreciation expense in the amount of \$50,133.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending balance of \$4,770,637, an increase of \$392,269 in comparison with prior year. Of this amount, \$1,946,688 constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of the fund balance is either restricted or assigned to indicate that it is not available for new spending because it has already been committed for specific purposes. The Town adjusted the beginning fund balance of the Small Cities Grant Housing Fund by \$781,548 to reclassify amounts previously reported as deferred revenue as nonspendable fund balance.

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

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)*

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,946,688, while total fund balance was \$2,910,870. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. At the close of the current fiscal year, unassigned fund balance of the General Fund was \$1,946,688 or 11.6% of total General Fund expenditures and other financing uses. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.4 months of General Fund expenditures and other financing uses.

The fund balance of the Town's General Fund increased by \$28,426.

Small Cities Grant Housing Fund

The Town adjusted the beginning fund balance of the Small Cities Grant Housing Fund by \$781,548 to reclassify amounts previously reported as deferred revenue as nonspendable fund balance. Of the total fund balance of \$851,790 as of June 30, 2013, \$63,283 is available for new loans and costs to administer the loan program. Total fund balance increased by \$1,868 over the prior year adjusted ending fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's original budget contemplated the use of fund balance in the amount of \$300,000. During the year ended June 30, 2013, the Town appropriated an additional use of fund balance in the amount of \$13,600. The actual change in the fund balance was an increase of \$100,956, resulting in a favorable variance of \$414,556. Actual revenues were \$311,011 higher than budgeted, actual expenditures were \$103,545 lower than budgeted.

Tax revenues were \$136,420 higher than budgeted as a result of better than expected tax collections, grant revenues were \$153,972 higher as a result of unbudgeted grant reimbursements received from Department of Homeland Security's Public Assistance – Presidentially Declared Disasters program and higher than expected grant revenue from the State of Connecticut Municipal Revenue Share program.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2013 and 2012 totaled \$13,784,051 and \$13,656,631, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure, vehicles and furniture and fixtures. The total increase in the Town's investment in capital assets for the current fiscal year was \$127,520. This increase is due to capital asset additions of \$770,762, offset by depreciation expense of \$591,918 and disposals of \$1,291. Major capital asset events during the current fiscal year included the following:

- Road and road drainage improvements in the amount of approximately \$177,000,
- Parking lot improvements in the amount of approximately \$58,000
- Roof improvements in the amount of approximately \$58,000.

TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited - Continued)

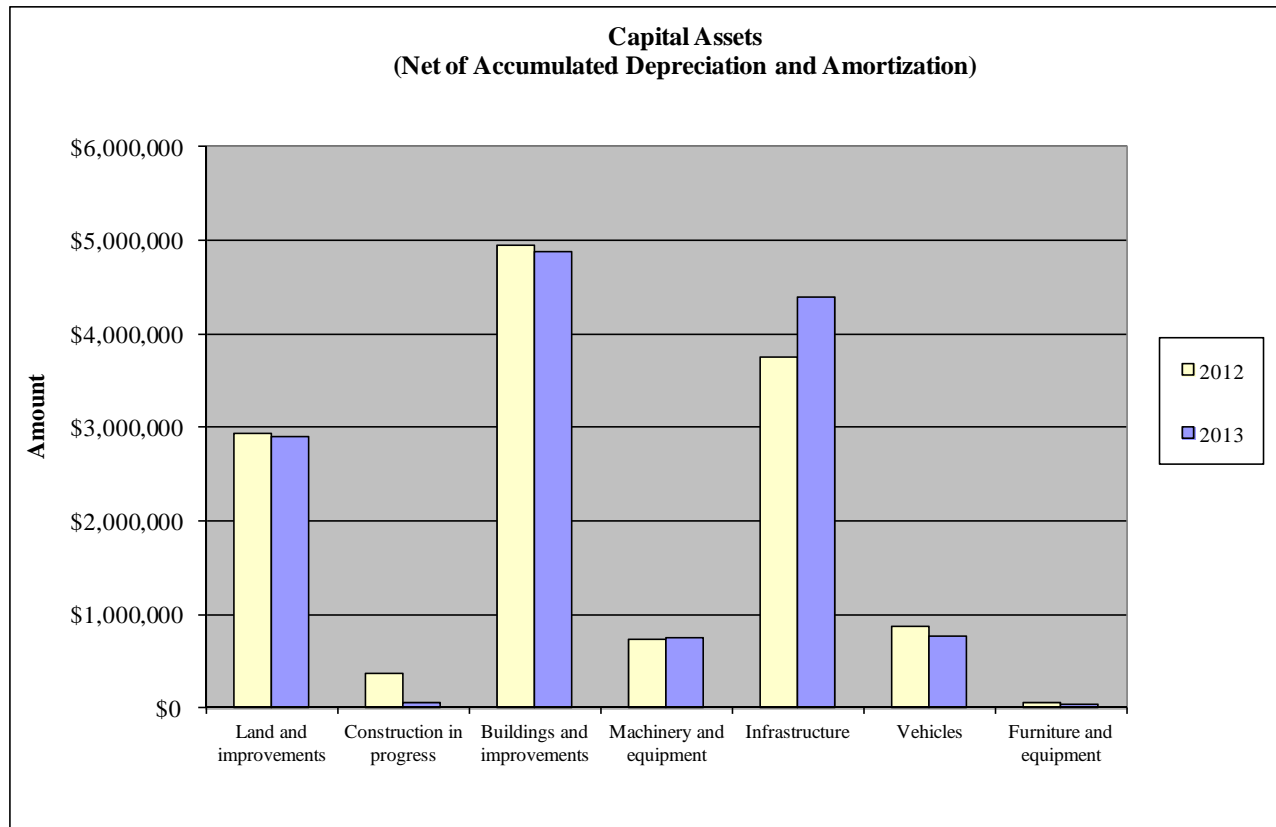
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

The following table is a two year comparison of the investment in capital assets:

TOWN OF WILLINGTON, CONNECTICUT
CAPITAL ASSETS, NET
JUNE 30, 2013 AND 2012

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land and improvements | \$ 2,899,097 | \$ 2,928,811 | \$ - | \$ - | \$ 2,899,097 | \$ 2,928,811 |
| Construction in progress | 53,863 | 367,318 | - | - | 53,863 | 367,318 |
| Buildings and improvements | 4,881,889 | 4,941,442 | - | - | 4,881,889 | 4,941,442 |
| Machinery and equipment | 748,135 | 733,950 | - | - | 748,135 | 733,950 |
| Infrastructure | 3,127,654 | 2,442,801 | 1,258,718 | 1,308,851 | 4,386,372 | 3,751,652 |
| Vehicles | 768,948 | 876,438 | - | - | 768,948 | 876,438 |
| Furniture and equipment | 45,747 | 56,920 | - | - | 45,747 | 56,920 |
| Totals | <u>\$ 12,525,333</u> | <u>\$ 12,347,680</u> | <u>\$ 1,258,718</u> | <u>\$ 1,308,851</u> | <u>\$ 13,784,051</u> | <u>\$ 13,656,531</u> |



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

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

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt

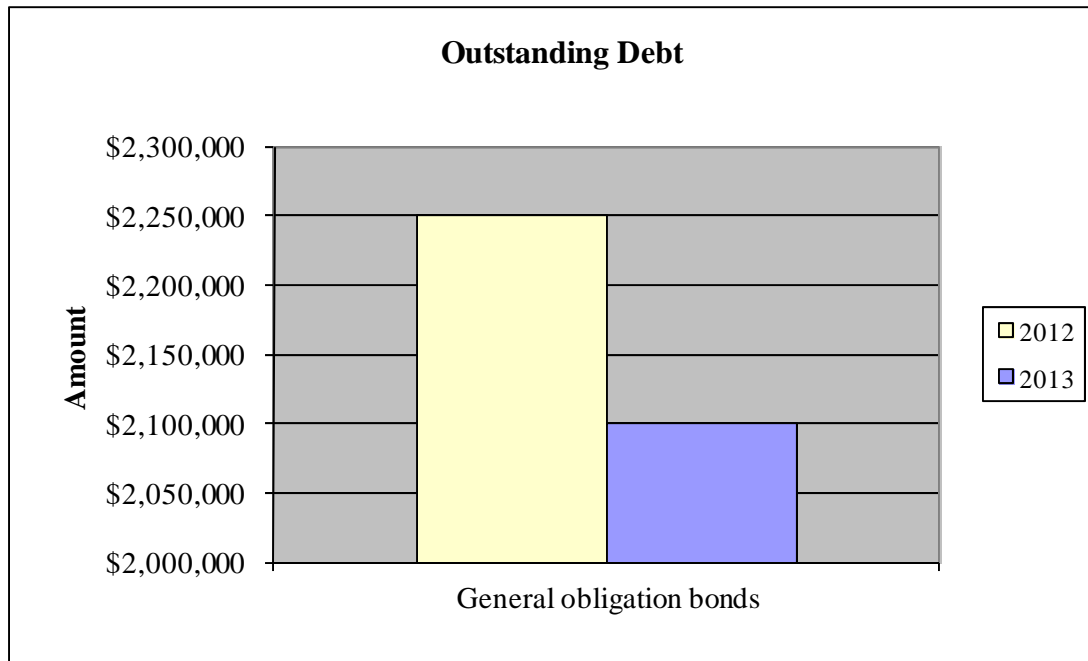
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$2,100,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$150,000 during the current fiscal year due to current year principal repayments. The Town maintains an A2 rating from Moody's Investor Service for general obligation debt.

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

The following table is a two year comparison of long-term bonded debt:

**TOWN OF WILLINGTON, CONNECTICUT
LONG-TERM DEBT
JUNE 30, 2013 AND 2012**

| | Total | |
|--------------------------|-------------------------|---------------------|
| | Governmental Activities | |
| | 2013 | 2012 |
| General obligation bonds | <u>\$ 2,100,000</u> | <u>\$ 2,250,000</u> |



Additional information on the Town's long-term debt can be found in Note 9 of this report.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The unemployment rate for the Town compares favorably to the state's and national average unemployment rate.
- The Town has assigned \$300,000 of the General Fund's fund balance for use in the subsequent year's budget.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2014, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.

The Town utilizes a five year capital improvement plan that projects peaks and valleys of fund balance levels for each year and also determines the amount of expenditures that are affordable for the upcoming year's budget. The Town, in essence, backs into the expenditure increase percentage that is affordable for the upcoming budget using an analysis that allows the Town to review revenues, operating expenditures, debt service expenditures and capital outlays for five years into the future. For peak years of expenditures, the Town determines that revenues plus available surplus are adequate to meet these obligations without the need for spikes in the tax rates.

All of these factors were considered in preparing the Town's budget for fiscal year 2014.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Willington, Financial Division, 40 Old Farms Road, Willington, CT 06279.

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2013

| | Primary Government | | |
|--|----------------------------|------------------------------|----------------------|
| | Governmental Activities | Business- Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,501,476 | \$ 16,666 | \$ 4,518,142 |
| Investments | 40,000 | - | 40,000 |
| Receivables: | | | |
| Property taxes receivable | 63,722 | - | 63,722 |
| Interest on property taxes receivable | 25,834 | - | 25,834 |
| Grants and contracts receivable | 155,660 | - | 155,660 |
| Accounts receivable | 11,575 | 3,117 | 14,692 |
| Inventories | 2,076 | - | 2,076 |
| Internal balances | (4,470) | 4,470 | - |
| Net pension asset | 36,121 | - | 36,121 |
| Rehabilitation loans receivable | 788,507 | - | 788,507 |
| Capital assets: | | | |
| Non-depreciable | 2,518,062 | - | 2,518,062 |
| Depreciable, net | 10,007,271 | 1,258,718 | 11,265,989 |
| Total assets | <u>18,145,834</u> | <u>1,282,971</u> | <u>19,428,805</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 748,643 | 423 | 749,066 |
| Unearned revenue | 4,742 | - | 4,742 |
| Accrued interest | 6,922 | - | 6,922 |
| Noncurrent liabilities: | | | |
| Due within one year | 307,096 | - | 307,096 |
| Due in more than one year | 3,674,909 | - | 3,674,909 |
| Total liabilities | <u>4,742,312</u> | <u>423</u> | <u>4,742,735</u> |
| NET POSITION | | | |
| Net investment in capital assets | 10,016,613 | 1,258,718 | 11,275,331 |
| Restricted for housing rehabilitation | 851,790 | - | 851,790 |
| Unrestricted | 2,535,119 | 23,830 | 2,558,949 |
| Total net position | <u>\$ 13,403,522</u> | <u>\$ 1,282,548</u> | <u>\$ 14,686,070</u> |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position- | | |
|--|---------------|-------------------------|--|--|---|------------------------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total |
| Primary Government | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 1,196,728 | \$ 170,064 | \$ 20,650 | \$ - | \$ (1,006,014) | \$ - | \$ (1,006,014) |
| Public safety | 943,852 | 243,897 | 48,267 | - | (651,688) | - | (651,688) |
| Public works | 1,298,263 | - | 217,152 | 503,844 | (577,267) | - | (577,267) |
| Culture and recreation | 434,295 | 30,157 | 45,048 | - | (359,090) | - | (359,090) |
| Education | 8,989,285 | 121,048 | 4,961,622 | - | (3,906,615) | - | (3,906,615) |
| Regional School District No. 19 | 4,503,368 | - | - | - | (4,503,368) | - | (4,503,368) |
| Interest and fiscal charges | 101,373 | - | - | - | (101,373) | - | (101,373) |
| Total governmental activities | 17,467,164 | 565,166 | 5,292,739 | 503,844 | (11,105,415) | - | (11,105,415) |
| Business- type activities: | | | | | | | |
| Utility - water | 67,067 | 23,541 | - | - | - | (43,526) | (43,526) |
| | \$ 17,534,231 | \$ 588,707 | \$ 5,292,739 | \$ 503,844 | (11,105,415) | (43,526) | (11,148,941) |
| General revenues: | | | | | | | |
| Property taxes, levied for general purposes | | | | | \$ 11,565,819 | - | 11,565,819 |
| Grants and contributions not restricted to specific programs | | | | | 152,569 | - | 152,569 |
| Unrestricted investment earnings | | | | | 13,289 | 3 | 13,292 |
| Total general revenues | | | | | 11,731,677 | 3 | 11,731,680 |
| Change in net position | | | | | 626,262 | (43,523) | 582,739 |
| Net position - beginning | | | | | 12,777,260 | 1,326,071 | 14,103,331 |
| Net position - ending | | | | | \$ 13,403,522 | \$ 1,282,548 | \$ 14,686,070 |

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

TOWN OF WILLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

| | General Fund | Small Cities Grant Housing Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------------|--|--|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 3,487,294 | \$ 57,518 | \$ 956,664 | \$ 4,501,476 |
| Investments | 40,000 | - | - | 40,000 |
| Receivables: | | | | |
| Property taxes receivable | 63,722 | - | - | 63,722 |
| Interest on property taxes receivable | 25,834 | - | - | 25,834 |
| Grants and contracts receivable | 80,999 | - | 74,661 | 155,660 |
| Accounts receivable | 4,382 | 5,765 | 1,428 | 11,575 |
| Rehabilitation loans receivable | - | 788,507 | - | 788,507 |
| Due from other funds | 215,348 | - | 297,187 | 512,535 |
| Inventories | - | - | 2,076 | 2,076 |
| Total assets | <u>\$ 3,917,579</u> | <u>\$ 851,790</u> | <u>\$ 1,332,016</u> | <u>\$ 6,101,385</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 639,952 | \$ - | \$ 108,691 | \$ 748,643 |
| Due to other funds | 301,657 | - | 215,348 | 517,005 |
| Unearned revenue | 4,742 | - | - | 4,742 |
| Total liabilities | <u>946,351</u> | <u>-</u> | <u>324,039</u> | <u>1,270,390</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | <u>60,358</u> | <u>-</u> | <u>-</u> | <u>60,358</u> |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Inventories | - | - | 2,076 | 2,076 |
| Rehabilitation loans receivable | - | 788,507 | - | 788,507 |
| Restricted for rehabilitation loans | - | 63,283 | - | 63,283 |
| Committed | 509,256 | - | 1,005,901 | 1,515,157 |
| Assigned | 454,926 | - | - | 454,926 |
| Unassigned | 1,946,688 | - | - | 1,946,688 |
| Total fund balances | <u>2,910,870</u> | <u>851,790</u> | <u>1,007,977</u> | <u>4,770,637</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 3,917,579</u> | <u>\$ 851,790</u> | <u>\$ 1,332,016</u> | <u>\$ 6,101,385</u> |

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

TOWN OF WILLINGTON, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

| | |
|---|-----------------------------|
| Total fund balances for governmental funds | \$ 4,770,637 |
| Total net position reported for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of: | |
| Land and improvements | \$ 3,058,468 |
| Construction in progress | 53,863 |
| Buildings and improvements | 13,992,171 |
| Machinery and equipment | 2,208,532 |
| Infrastructure | 25,373,700 |
| Vehicles | 1,475,045 |
| Furniture and fixtures | 415,153 |
| Less: accumulated depreciation and amortization | <u>(34,051,599)</u> |
| Total capital assets, net | 12,525,333 |
| The net pension asset resulting from contributions in excess of the annual required contribution are not financial sources and, therefore, are not reported in the governmental funds. | 36,121 |
| Some of the Town's taxes and interest will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds. | 60,358 |
| Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of: | |
| Long-term debt: | |
| Bonds payable | (2,100,000) |
| Unamortized premium | (4,768) |
| Capital leases | (403,952) |
| Accrued interest payable | (6,922) |
| Other long-term liabilities: | |
| Compensated absences | (456,603) |
| Accrued landfill postclosure costs | (77,770) |
| Net OPEB obligation | <u>(938,912)</u> |
| Total long-term liabilities | <u>(3,988,927)</u> |
| Net position of governmental activities | <u><u>\$ 13,403,522</u></u> |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | General Fund | Small Cities Grant Housing Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 11,633,950 | \$ - | \$ - | \$ 11,633,950 |
| Intergovernmental | 4,980,306 | - | 878,494 | 5,858,800 |
| Licenses, fees and permits | 125,268 | - | 230,890 | 356,158 |
| Food sales | - | - | 121,048 | 121,048 |
| Investment earnings | 11,383 | 9 | 1,897 | 13,289 |
| Miscellaneous | 56,147 | - | 118,165 | 174,312 |
| Total revenues | <u>16,807,054</u> | <u>9</u> | <u>1,350,494</u> | <u>18,157,557</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 1,116,486 | 2,137 | 4,067 | 1,122,690 |
| Public safety | 148,405 | - | 716,159 | 864,564 |
| Public works | 1,275,667 | - | 9,811 | 1,285,478 |
| Culture and recreation | 203,231 | - | 135,284 | 338,515 |
| Education | 8,421,021 | - | 471,871 | 8,892,892 |
| Regional School District No. 19 | 4,503,368 | - | - | 4,503,368 |
| Debt service: | | | | |
| Principal payments | 210,572 | - | 88,549 | 299,121 |
| Interest and fiscal charges | 90,716 | - | 11,478 | 102,194 |
| Capital outlays | 12,732 | - | 343,734 | 356,466 |
| Total expenditures | <u>15,982,198</u> | <u>2,137</u> | <u>1,780,953</u> | <u>17,765,288</u> |
| Excess (deficiency) of revenues over expenditures | 824,856 | (2,128) | (430,459) | 392,269 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (796,430) | - | (3,996) | (800,426) |
| Transfers in | - | 3,996 | 796,430 | 800,426 |
| Total other financing sources (uses) | <u>(796,430)</u> | <u>3,996</u> | <u>792,434</u> | <u>-</u> |
| Net changes in fund balances | 28,426 | 1,868 | 361,975 | 392,269 |
| Fund balances - beginning, as originally reported | 2,882,444 | 68,374 | 646,002 | 3,596,820 |
| Adjustment (<i>see Note 13</i>) | - | 781,548 | - | 781,548 |
| Fund balances - beginning, as adjusted | <u>2,882,444</u> | <u>849,922</u> | <u>646,002</u> | <u>4,378,368</u> |
| Fund balances - ending | <u>\$ 2,910,870</u> | <u>\$ 851,790</u> | <u>\$ 1,007,977</u> | <u>\$ 4,770,637</u> |

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

TOWN OF WILLINGTON, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

| | | |
|--|----|---------|
| Net change in fund balances for governmental funds | \$ | 392,269 |
|--|----|---------|

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

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

| | | |
|---------------------------------------|------------|---------|
| Expenditures for capital assets | \$ 770,762 | |
| Depreciation and amortization expense | (591,918) | |
| Net adjustment | | 178,844 |

| | |
|---|---------|
| The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets. | (1,291) |
|---|---------|

| | |
|--|-------|
| Changes in the net pension assets resulting from the annual required contributions are not financial sources and, therefore, are not reported in the governmental funds. | (437) |
|--|-------|

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

| | | |
|---------------------------------|---------|---------|
| Principal repayments: | | |
| Bonds | 150,000 | |
| Obligations under capital lease | 149,119 | |
| Net adjustment | | 299,119 |

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

| | | |
|--|-----------|-----------|
| Compensated absences | (11,459) | |
| Accrued interest | 468 | |
| Net OPEB obligation | (169,705) | |
| Amortization of bond premiums | 353 | |
| Landfill closure and postclosure costs | 6,230 | |
| | | (174,113) |

| | |
|---|----------|
| Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as unearned revenues in the governmental funds. This amount represents the change in unearned revenue. | (68,129) |
|---|----------|

| | | |
|---|----|---------|
| Change in net position of governmental activities | \$ | 626,262 |
|---|----|---------|

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variance With |
|---|-------------------------|-------------------|---------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| | | | | Over (Under) |
| REVENUES | | | | |
| Property taxes | \$ 11,497,530 | \$ 11,497,530 | \$ 11,633,950 | \$ 136,420 |
| Intergovernmental | 4,006,222 | 4,006,222 | 4,160,194 | 153,972 |
| Licenses, fees and permits | 106,650 | 106,650 | 125,268 | 18,618 |
| Investment income | 8,000 | 8,000 | 11,102 | 3,102 |
| Other revenues | 40,000 | 40,000 | 38,899 | (1,101) |
| Total revenues | <u>15,658,402</u> | <u>15,658,402</u> | <u>15,969,413</u> | <u>311,011</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 908,661 | 932,704 | 924,611 | (8,093) |
| Public safety | 434,346 | 434,454 | 430,080 | (4,374) |
| Public works | 1,135,635 | 1,153,201 | 1,140,516 | (12,685) |
| Education | 7,639,378 | 7,639,378 | 7,576,830 | (62,548) |
| Regional School District No. 19 | 4,503,368 | 4,503,368 | 4,503,368 | - |
| Miscellaneous | 493,914 | 453,749 | 446,859 | (6,890) |
| Debt service: | | | | |
| Principal payments | 150,000 | 150,000 | 150,000 | - |
| Interest and fiscal charges | 85,875 | 85,875 | 85,875 | - |
| Capital outlays | 28,105 | 26,837 | 17,882 | (8,955) |
| Total expenditures | <u>15,379,282</u> | <u>15,379,566</u> | <u>15,276,021</u> | <u>(103,545)</u> |
| Excess of revenues over expenditures | 279,120 | 278,836 | 693,392 | 414,556 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Appropriation of fund balance | 300,000 | 313,600 | - | (313,600) |
| Transfers out | (579,120) | (592,436) | (592,436) | - |
| Total other financing uses | <u>(279,120)</u> | <u>(278,836)</u> | <u>(592,436)</u> | <u>(313,600)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 100,956 | <u>\$ 100,956</u> |
| Fund balance - beginning | | | <u>2,138,285</u> | |
| Fund balance - ending | | | <u>\$ 2,239,241</u> | |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

| | <u>Business-Type Activities</u> |
|--|-------------------------------------|
| | <u>Utility Fund</u> |
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 16,666 |
| Accounts receivable | 3,117 |
| Due from other funds | 4,470 |
| Total current assets | <u>24,253</u> |
| Noncurrent assets: | |
| Capital assets: | |
| Depreciable, net | 1,258,718 |
| Total assets | <u>1,282,971</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | <u>423</u> |
| Total liabilities | <u>423</u> |
| NET POSITION | |
| Investment in capital assets | 1,258,718 |
| Unrestricted | <u>23,830</u> |
| Total net position | <u>\$ 1,282,548</u> |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Business-Type Activities</u> |
|------------------------------|-------------------------------------|
| | <u>Utility Fund</u> |
| OPERATING REVENUES | |
| Charges for service | \$ 23,541 |
| Total operating revenues | <u>23,541</u> |
| OPERATING EXPENSES | |
| Monitoring pump station | 16,934 |
| Depreciation expense | <u>50,133</u> |
| Total operating expenses | <u>67,067</u> |
| Operating loss | (43,526) |
| NONOPERATING REVENUES | |
| Interest income | <u>3</u> |
| Total nonoperating revenue | <u>3</u> |
| Change in net position | (43,523) |
| Net position - beginning | <u>1,326,071</u> |
| Net position - ending | <u><u>\$ 1,282,548</u></u> |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Business-Type Activities</u> |
|---|-------------------------------------|
| | <u>Utility Fund</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 17,823 |
| Payments for operating expenses | (17,824) |
| Net cash used in operating activities | <u>(1)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest income | <u>3</u> |
| Net cash provided by investing activities | <u>3</u> |
| Net increase in cash and cash equivalents | 2 |
| Cash and cash equivalents - beginning | <u>16,664</u> |
| Cash and cash equivalents - ending | <u><u>\$ 16,666</u></u> |
| Reconciliation of operating income to net cash used in operating activities: | |
| Operating loss | \$ (43,526) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation expense | 50,133 |
| Change in assets and liabilities: | |
| Accounts receivable | (2,700) |
| Due from other funds | (3,018) |
| Accounts payable | <u>(890)</u> |
| Net cash used in operating activities | <u><u>\$ (1)</u></u> |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

| | Pension Trust Fund | Agency Funds |
|------------------------------------|-----------------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ - | \$ 173,162 |
| Investments: | | |
| Variable investment contracts | 267,757 | - |
| Fixed investment contracts | 156,110 | - |
| Other assets | 55,629 | - |
| Total assets | <u>479,496</u> | <u>\$ 173,162</u> |
| LIABILITIES | | |
| Due to others | - | \$ 171,062 |
| Other | - | 2,100 |
| Total liabilities | <u>-</u> | <u>\$ 173,162</u> |
| NET POSITION | | |
| Held in trust for pension benefits | <u>\$ 479,496</u> | |

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Pension Trust Fund |
|--|-----------------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 20,095 |
| Employee | 5,813 |
| Total contributions | <u>25,908</u> |
| Investment earnings: | |
| Interest and dividends | 3,156 |
| Net increase in the fair value of investments | 53,118 |
| Total investment earnings | <u>56,274</u> |
| Total additions | <u>82,182</u> |
| DEDUCTIONS | |
| Administrative expenses | <u>5,095</u> |
| Total deductions | <u>5,095</u> |
| Change in net position | 77,087 |
| Net position - beginning | <u>402,409</u> |
| Net position - ending | <u><u>\$ 479,496</u></u> |

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

History and Organization

The Town of Willington, Connecticut operates under the provisions of the general statutes of the State of Connecticut. The Board of Selectmen functions as the executive authority of the Town. The First Selectman, who is the chief executive officer, oversees the operations of the Town. The legislative power of the Town is vested in a Town Meeting. The Board of Finance is responsible for presenting a fiscal operating budget to the Town Meeting for approval. The Board of Education is responsible for the operation of the school system.

The Town has considered all agencies, departments, commissions, boards, authorities, and funds to determine the “financial reporting entity” of the Town. The basic financial statements of the Town include only the funds of the Town as no component units exist based on operational or financial relationships with the Town.

Jointly Governed Organizations

The Town and eleven other local municipalities each appoint a member to the governing board of the Mid-Northeast Recycling Operating Committee (the “Committee”), which provides regional solid waste recycling services to member towns.

Related Organizations

The Town is responsible for appointing members to the Board of the Willington Housing Authority. The Town’s accountability for this organization does not extend beyond making the appointments.

Members of the governing body of the Town are also members of the governing board of the Eastern Highlands Health District (the “District”). The Town has contracted with the District for environmental health services.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

General Fund – This fund is the Town's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Small Cities Grant Housing Fund – This fund is used to account for the expenditures of Federal housing funds in the form of rehabilitation loans to property owners. Loan repayments are also deposited into this fund.

The Town reports the following proprietary fund:

Utility Fund – This enterprise fund is used to account for the operations of the Town's water facility similar to those often found in the private sector. These funds are accounted for on the accrual basis of accounting.

In addition, the Town reports the following fiduciary fund types:

Pension Trust Fund – This fund is used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plan. The Town utilizes this fund to account for activities of the Town of Willington Pension Plan.

Agency Funds – These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities, contractor bonds, employees and others.

Measurement Focus and Basis of Accounting

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund are charges to customers for services. Operating expenses for proprietary funds include the cost of monitoring pump stations and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Adoption of New Accounting Standards

The Town has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2012. GASB Statement No. 63 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 resulted in the reclassification of certain financial statement line items on the governmental funds balance sheet.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash Equivalents

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

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except as described below.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office, and the Cooperative Liquid Asset Security Systems Fund (CLASS), which is an investment pool managed by Cutwater Asset Management. STIF and CLASS operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF and CLASS qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF and CLASS are subject to regulatory oversight even though they are not registered by the SEC.

Property Taxes

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year.

Inventories

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for infrastructure assets, more than \$500 for technology equipment and more than \$1,000 for all other assets and an estimated useful life of at least 10 years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Land improvements | 20-50 |
| Buildings and improvements | 20-50 |
| Machinery and equipment | 10 |
| Vehicles | 10 |
| Infrastructure | 12-50 |
| Furniture and fixtures | 10 |

Unearned Revenue

Unearned revenue represents a liability for resources that have been received but not yet earned.

Compensated Absences

All Town employees who have achieved five years of continuing service (as defined) are eligible for the following: Full-time Town employees are allowed to accumulate up to 150 days of sick leave for which they will receive full compensation at the rate of pay in effect upon retirement. Full-time employees hired after July 1, 2012 are allowed to accumulate up to 30 days of sick leave for which they will receive compensation for 33% at the rate of pay in effect upon retirement, death or resignation. Part-time Town employees are allowed to accumulate up to 56 days of sick leave for which they will receive compensation for 50% at the rate of pay in effect upon retirement. Part-time employees hired after July 1, 2012, upon retirement, death or resignation, shall receive on the basis of their current wages compensation for 1/3 of their unused accumulated sick leave up to a maximum of 20 days. Grandfathered Category II Town employees are allowed to accumulate up to 60 days of sick leave for which they will receive compensation for 25% at the rate of pay in effect upon retirement. Board of Education certified employees are allowed to accumulate up to 180 days of sick leave for which they will receive compensation for up to 160 days upon retirement, with 15 years or more of continuous service, at 50% of the prevailing substitute rate of pay. Board of Education non-certified employees are allowed to accumulate up to 160 days of sick leave for which they will receive compensation for 50% upon retirement, with 10 years or more of continuous service, at the employee's per diem rate of pay not to exceed step 15. Board of Education administrative employees are allowed to accumulate up to 86% of total annual working days for which they will receive compensation upon retirement, with 5 years or more of service, at 50% of the prevailing substitute rate of pay. One week of vacation pay may be carried forward for one year by Town employees only.

All compensated absences are accrued when incurred in the government-wide financial statements.

Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(CONTINUED)*
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

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

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

Net Position/Fund Balance

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

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

Restricted net position – This category consists of the portion of the net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This category consists of the portion of the net position which does not meet the definition of the two preceding categories.

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

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

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Net Position/Fund Balance (Continued)

Committed – Amounts can only be used for specific purposes pursuant to constraints adopted by a formal resolution of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures regulated by the Town Charter that of which is consistent with the Town's budgeting procedures as described in Note 2.

Assigned – Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. The Town Treasurer has been authorized by the Board of Finance to assign Fund Balance as needed to meet the obligations of the Town, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Note 2.

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

The Town does not have a formal policy over the use of fund balance. In accordance with GASB Statement No. 54, the Town will use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

Budgetary Information

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data for the General Fund.

- The Board of Finance submits at the annual Town budget meeting, at which taxpayer comments are obtained, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted.
- The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve one additional appropriation up to an aggregate of \$20,000 per department per year. Additional appropriations aggregating more than \$20,000 for any one department per year must be approved at a Town Meeting. During the year ended June 30, 2013, the Board of Finance approved additional appropriations from fund balance of \$13,600.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must be approved at a Town Meeting if over \$20,000.
- Management is not authorized to transfer budgeted amounts or to approve additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Generally, all unexpended and unencumbered General Fund appropriations lapse at year-end. Encumbered appropriations in the General Fund are not reappropriated in the ensuing year's budget, but are carried forward.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY (Continued)

Budgetary Information (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). The differences include additional revenues and expenditures pertaining to other Town funds, which are not budgeted for by the Town due to perspective differences. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2013:

| | <u>Total</u> <u>Revenues</u> | <u>Total</u> <u>Expenditures</u> | <u>Other</u> <u>Financing Uses -</u> <u>Transfers, Net</u> | <u>Net Change</u> <u>In Fund</u> <u>Balance</u> | <u>Fund</u> <u>Balance</u> |
|---|---------------------------------|-------------------------------------|--|---|-------------------------------|
| Budgetary basis | \$ 15,969,413 | \$ 15,276,021 | \$ (592,436) | \$ 100,956 | \$ 2,239,241 |
| "On-behalf" payments - State Teachers Retirement Fund (see Note 10) | 817,963 | 817,963 | - | - | - |
| Encumbrances outstanding: | | | | | |
| June 30, 2012 | - | 187,071 | - | (187,071) | - |
| June 30, 2013 | - | (154,926) | - | 154,926 | 154,926 |
| Budgetary perspective differences - funds combined for GAAP financial reporting purposes: | | | | | |
| Reserve for Compensated Absences Fund | 26 | 31,558 | 10,000 | (21,532) | 139,041 |
| Public Library Fund | 14,966 | 174,025 | 136,206 | (22,853) | 373,662 |
| Emergency Preparedness Fund | - | - | 4,000 | 4,000 | 4,000 |
| Revenues netted against expenditures | 4,686 | 4,686 | - | - | - |
| Elimination of interfund transfers | - | (354,200) | (354,200) | - | - |
| GAAP basis | <u>\$ 16,807,054</u> | <u>\$ 15,982,198</u> | <u>\$ (796,430)</u> | <u>\$ 28,426</u> | <u>\$ 2,910,870</u> |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

As of June 30, 2013 the carrying value of the Town's cash deposits totaled \$975,971. A reconciliation of the Town's cash deposits as of June 30, 2013 is as follows:

| | |
|--|-------------------|
| Government-wide statement of net position: | |
| Cash and cash equivalents | \$ 4,518,145 |
| Statement of fiduciary net position - Agency funds: | |
| Cash and cash equivalents | 173,162 |
| Add: certificates of deposit classified as investments | 40,000 |
| Less: investments classified as cash equivalents | (3,755,335) |
| | <u>\$ 975,971</u> |

Investments in CLASS and STIF totaling \$3,755,335 are included in cash and cash equivalents in the accompanying statements of net assets. For purposes of disclosure, such amounts are considered investments and are included in the disclosure of investments. Furthermore, certificate of deposits totaling \$40,000 are included in investments in the accompanying statement of net assets, but are considered cash deposits for purposes of disclosure.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$622,036 of the Town's bank balance of \$1,175,332 was exposed to custodial credit risk as follows:

| | |
|--|-------------------|
| Uninsured and uncollateralized | \$ 559,832 |
| Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name | <u>62,204</u> |
| | <u>\$ 622,036</u> |

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2013 is as follows:

| | |
|---|---------------------|
| Government-wide statement of net assets: | |
| Investments | \$ 40,000 |
| Statement of fiduciary net assets: | |
| Pension trust funds | 423,867 |
| Less: certificates of deposit classified as investments | (40,000) |
| Add: investments classified as cash equivalents | 3,755,335 |
| | <u>\$ 4,179,202</u> |

As of June 30, 2013, the Town's investments consisted of the following:

| Investment type | Fair Value | Investment Maturities (In Years) Less Than 1 |
|--|---------------------|--|
| Debt Securities: | | |
| Cooperative Liquid Asset Security System (CLASS) | \$ 2,572,279 | \$ 2,572,279 |
| Short-Term Investment Fund (STIF) | 1,183,056 | 1,183,056 |
| | <u>3,755,335</u> | <u>\$ 3,755,335</u> |
| Other investments: | | |
| Variable investment contracts | 267,757 | |
| Fixed investment contracts | 156,110 | |
| Total | <u>\$ 4,179,202</u> | |

Because the STIF and CLASS funds had weighted average maturities of less than 90 days, they are presented as investments with maturities of less than one year.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Town's investments in debt securities were rated as follows at June 30, 2013:

| <u>Debt Securities</u> | <u>Fair Value</u> | <u>Standard & Poor's</u> | |
|---|-----------------------|------------------------------|---------------------|
| | | <u>AAA</u> | <u>BBB</u> |
| Cooperative Liquid Asset Security Systems Fund (CLASS) | \$ 2,572,279 | \$ - | 2,572,279 |
| Short Term Investment Fund (STIF) | 1,183,056 | 1,183,056 | - |
| | <u>\$ 3,755,335</u> | <u>\$ 1,183,056</u> | <u>\$ 2,572,279</u> |

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments consist primarily of investments in external investment pools which are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer.

NOTE 4 - REHABILITATION LOANS

The Town administers a Residential Rehabilitation Loan Program for low to moderate income families. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2013, loans receivable totaled \$788,507 under this program.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 consisted of the following:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------|---------------------|---------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,464,199 | \$ - | \$ - | \$ 2,464,199 |
| Construction in progress | 367,318 | 53,863 | (367,318) | 53,863 |
| Total capital assets, not being depreciated | <u>2,831,517</u> | <u>53,863</u> | <u>(367,318)</u> | <u>2,518,062</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 594,269 | - | - | 594,269 |
| Buildings and improvements | 13,875,364 | 116,807 | - | 13,992,171 |
| Machinery and equipment | 2,130,407 | 125,938 | (47,813) | 2,208,532 |
| Infrastructure | 24,542,700 | 831,000 | - | 25,373,700 |
| Vehicles | 1,467,045 | 9,000 | (1,000) | 1,475,045 |
| Furniture and fixtures | 414,231 | 1,472 | (550) | 415,153 |
| Total capital assets, being depreciated | <u>43,024,016</u> | <u>1,084,217</u> | <u>(49,363)</u> | <u>44,058,870</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | 129,657 | 29,714 | - | 159,371 |
| Buildings and improvements | 8,933,822 | 176,460 | - | 9,110,282 |
| Machinery and equipment | 1,396,457 | 110,862 | (46,922) | 1,460,397 |
| Infrastructure | 22,099,899 | 146,147 | - | 22,246,046 |
| Vehicles | 590,607 | 116,140 | (650) | 706,097 |
| Furniture and fixtures | 357,311 | 12,595 | (500) | 369,406 |
| Total accumulated depreciation | <u>33,507,753</u> | <u>591,918</u> | <u>(48,072)</u> | <u>34,051,599</u> |
| Total capital assets, being depreciated, net | <u>9,516,263</u> | <u>492,299</u> | <u>(1,291)</u> | <u>10,007,271</u> |
| Governmental activities capital assets, net | <u>\$ 12,347,780</u> | <u>\$ 546,162</u> | <u>\$ (368,609)</u> | <u>\$ 12,525,333</u> |
| | | | | |
| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
| Business-type Activities | | | | |
| Capital assets, being depreciated: | | | | |
| Infrastructure | \$ 1,526,633 | \$ - | \$ - | \$ 1,526,633 |
| Total capital assets, being depreciated | <u>1,526,633</u> | <u>-</u> | <u>-</u> | <u>1,526,633</u> |
| Less accumulated depreciation: | | | | |
| Infrastructure | 217,782 | 50,133 | - | 267,915 |
| Total accumulated depreciation | <u>217,782</u> | <u>50,133</u> | <u>-</u> | <u>267,915</u> |
| Total capital assets, being depreciated, net | <u>1,308,851</u> | <u>(50,133)</u> | <u>-</u> | <u>1,258,718</u> |
| Business-type activities capital assets, net | <u>\$ 1,308,851</u> | <u>\$ (50,133)</u> | <u>\$ -</u> | <u>\$ 1,258,718</u> |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 5 - CAPITAL ASSETS (Continued)

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

| | | |
|--|----|----------------|
| Governmental Activities: | | |
| General government | \$ | 36,394 |
| Public safety | | 79,288 |
| Public works | | 258,500 |
| Culture and recreation | | 96,475 |
| Education | | 121,261 |
| Total depreciation and amortization expense - governmental activities | \$ | <u>591,918</u> |
| Business-type Activities: | | |
| Utility - water | \$ | 50,133 |
| Total depreciation and amortization expense - business-type activities | \$ | <u>50,133</u> |

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following as of June 30, 2013:

| | General Fund | Other Governmental Funds | Total |
|-------------------------------|-------------------|--------------------------------|-------------------|
| Accounts payable | \$ 107,338 | \$ 75,366 | \$ 182,704 |
| Salaries and benefits payable | 532,614 | 33,325 | 565,939 |
| | <u>\$ 639,952</u> | <u>\$ 108,691</u> | <u>\$ 748,643</u> |

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2013 are as follows:

| Receivable Fund | Payable Fund | Amount |
|-------------------------------|-----------------------------|-------------------|
| Governmental Funds | | |
| General Fund | Nonmajor Governmental Funds | \$ <u>215,348</u> |
| Nonmajor Governmental Funds | General Fund | <u>297,187</u> |
| Proprietary Funds | | |
| Utility Fund | General Fund | <u>4,470</u> |
| Total due from/to other funds | | <u>\$ 517,005</u> |

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 8 - INTERFUND TRANSFERS

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u> |
|---------------------------------|-----------------------------|-------------------|
| Governmental Funds | | |
| Small Cities Grant Housing Fund | Nonmajor Governmental Funds | \$ 3,996 |
| Nonmajor Governmental Funds | General Fund | 796,430 |
| Total transfers | | <u>\$ 800,426</u> |

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

NOTE 9 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2013:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|------------------------------------|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 2,250,000 | \$ - | \$ (150,000) | \$ 2,100,000 | \$ 150,000 |
| Unamortized bond premium | 5,121 | - | (353) | 4,768 | - |
| Total bonds payable | 2,255,121 | - | (150,353) | 2,104,768 | 150,000 |
| Other liabilities: | | | | | |
| Capital leases | 553,071 | - | (149,119) | 403,952 | 85,096 |
| Compensated absences | 445,144 | 51,956 | (40,497) | 456,603 | 65,000 |
| Accrued landfill postclosure costs | 84,000 | 7,800 | (14,030) | 77,770 | 7,000 |
| Net OPEB obligation | 769,207 | 169,705 | - | 938,912 | - |
| | <u>\$ 4,106,543</u> | <u>\$ 229,461</u> | <u>\$ (353,999)</u> | <u>\$ 3,982,005</u> | <u>\$ 307,096</u> |

Long-term liabilities typically have been liquidated in the General and Other Governmental Funds.

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2013 is as follows:

| <u>Bond Issue</u> | <u>Final Maturity Dates</u> | <u>Interest Rates</u> | <u>Amount Outstanding</u> |
|--------------------------------|-------------------------------------|---------------------------|-------------------------------|
| Governmental Activities | | | |
| 2006 General obligation bonds | 2027 | 3.625 - 5.5% | <u>\$ 2,100,000</u> |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2013:

| Year ending June 30: | Governmental Activities | | |
|----------------------|--------------------------|-------------------|---------------------|
| | General Obligation Bonds | | |
| | Principal | Interest | Total |
| 2014 | \$ 150,000 | \$ 80,250 | \$ 230,250 |
| 2015 | 150,000 | 73,688 | 223,688 |
| 2016 | 150,000 | 67,219 | 217,219 |
| 2017 | 150,000 | 61,781 | 211,781 |
| 2018 | 150,000 | 56,344 | 206,344 |
| 2019-2023 | 750,000 | 194,813 | 944,813 |
| 2024-2027 | 600,000 | 48,000 | 648,000 |
| | <u>\$ 2,100,000</u> | <u>\$ 582,095</u> | <u>\$ 2,682,095</u> |

The Town is contingently liable for its pro-rata share of Regional School District No. 19's (the "District") outstanding bonds. At June 30, 2013, the District's total outstanding bonds were \$10,180,000 of which \$5,822,271 is to be reimbursed by the State of Connecticut. The remaining balance of \$4,357,729 represents the District's net obligation with 23.18%, or \$1,010,122, representing the Town's share. Regional School District No. 19 has no authorized, unissued bonds, for which the Town would be contingently liable.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2013.

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2013:

| | Governmental Activities |
|--------------------------------|----------------------------|
| Machinery and equipment | \$ 881,250 |
| Vehicles | 153,750 |
| | <u>1,035,000</u> |
| Less: accumulated amortization | 491,786 |
| | <u>\$ 543,214</u> |

Amortization expense relative to leased property under capital leases totaled \$147,857 for the year ended June 30, 2013 and is included in depreciation and amortization expense disclosed in Note 5.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases (Continued)

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2013 is as follows:

| Year ending June 30: | Governmental Activities |
|---|------------------------------------|
| 2014 | \$ 96,715 |
| 2015 | 96,715 |
| 2016 | 96,715 |
| 2017 | 96,715 |
| 2018 | 48,358 |
| Total minimum lease payments | 435,218 |
| Less: amount representing interest | 31,266 |
| Present value of minimum lease payments | 403,952 |
| Less: current portion | 85,096 |
| | <u><u>\$ 318,856</u></u> |

Landfill Post-closure Costs

The Town landfill has been closed. State and federal laws and regulations require continued monitoring of closed landfills. Estimated monitoring costs of \$7,070 per year for the next 11 years total \$77,770 at June 30, 2013. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

NOTE 10 - PENSION PLANS

Defined Benefit Plan

Plan Description

The Town maintains the Town of Willington Pension Plan (the "Plan"), a single-employer, contributory, defined benefit pension plan covering substantially all employees except Board of Education employees. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. Benefit provisions are established and can be amended by the Board of Selectmen. The Plan does not issue stand-alone financial statements and is considered to be part of the Town's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a Pension Trust Fund.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 10 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan administrative expenses are funded through the assets of the Plan.

Investments are reported at fair value, and income is recognized when earned.

Plan Membership

Membership of the Plan consisted of 4 active Plan participants at July 1, 2013, the date of the latest actuarial valuation.

Funding Policy

The contribution requirements of Plan members and the Town are established and can be amended by the Board of Selectmen. Employees are required to contribute 2.5%. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

Additional Information and Actuarial Assumptions

The required contribution was determined as part of the July 1, 2013 actuarial valuation using the individual aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities. Because these assumptions use a level dollar amortization, inflation rates are assumed to be zero. Assumptions used in the actuarial valuation are as follows:

| | |
|----------------------------|---|
| Valuation date: | July 1, 2013 |
| Actuarial cost method: | Individual Aggregate Cost |
| Asset valuation method: | Market Value |
| Actuarial assumptions: | |
| Investment rate of return | 6.5% pre-retirement 6.0% post-retirement |
| Projected salary increases | 4.0% |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 10 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Concentrations

The following investments represent five percent or more of Plan net assets:

| | |
|-----------------------|------------|
| ING Fixed Accounts | \$ 156,110 |
| ING Variable Accounts | 267,757 |

Schedule of Funded Status

The funded status of the Plan as of July 1, 2013 (the date of the most recent actuarial valuation) was as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) Entry Age Normal Method (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| July 1, 2013 | \$ 479,496 | \$ 573,045 | \$ 93,549 | 83.7% | \$ 232,522 | 40.2% |

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

The aggregate actuarial cost method is used to determine the annual required contribution of the employer (ARC) for the Plan. Because this method does not identify or separately amortize unfunded actuarial liabilities, information about the funded status of the Plans have been prepared using the entry age normal cost actuarial method and is intended to serve as a surrogate for the funded status of the Plans.

Annual Pension Cost and Net Pension Asset

| | |
|--|--------------------|
| Annual required contribution | \$ 24,763 |
| Interest on net pension obligation | (2,376) |
| Adjustment to annual required contribution | 3,958 |
| Annual pension cost | 26,345 |
| Contributions made | 25,908 |
| Increase in net pension asset | 437 |
| Net pension asset, beginning of the year | (36,558) |
| Net pension asset, end of the year | <u>\$ (36,121)</u> |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 10 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Schedule of Contributions

| Year Ended | Annual | Actual | Percentage |
|-------------------|---------------------|---------------------|--------------------|
| June 30, | Required | Contribution | Contributed |
| | Contribution | | |
| 2008 | \$ 16,789 | \$ 17,466 | 104% |
| 2009 | 19,511 | 16,598 | 85% |
| 2010 | 20,796 | 20,356 | 98% |
| 2011 | 21,744 | 25,871 | 119% |
| 2012 | 23,420 | 25,860 | 110% |
| 2013 | 24,763 | 25,908 | 105% |

Three Year Trend Information

| Plan Year | Annual | Actual | Percentage | Net Pension |
|-----------------------|-------------------|---------------------|--------------------|--------------------|
| Ended June 30, | Pension | Contribution | of APC | (Asset) |
| | Cost (APC) | | Contributed | |
| 2011 | \$ 22,706 | \$ 25,871 | 114% | \$ (35,360) |
| 2012 | 24,662 | 25,860 | 105% | (36,558) |
| 2013 | 26,345 | 25,908 | 98% | (36,121) |

Plan Financial Statements

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

| | Pension |
|------------------------------------|-------------------|
| | Trust Fund |
| ASSETS | |
| Investments: | |
| Variable investment contracts | \$ 267,757 |
| Fixed investment contracts | 156,110 |
| Other assets | 55,629 |
| Total assets | <u>479,496</u> |
| NET POSITION | |
| Held in trust for pension benefits | |
| and other purposes | <u>\$ 479,496</u> |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 10 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Plan Financial Statements (Continued)

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

| | Pension Trust Fund |
|--|-------------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 20,095 |
| Employee | 5,813 |
| Total contributions | <u>25,908</u> |
| Investment earnings: | |
| Interest and dividends | 3,156 |
| Net increase in the fair value of investments | <u>53,118</u> |
| Total investment earnings | <u>56,274</u> |
| Total additions | <u>82,182</u> |
| DEDUCTIONS | |
| Administrative expenses | <u>5,095</u> |
| Total deductions | <u>5,095</u> |
| Change in net position | 77,087 |
| Net position - beginning | <u>402,409</u> |
| Net position - ending | <u><u>\$ 479,496</u></u> |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 10 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual town basis. For the year ended June 30, 2013, Town teachers contributed \$282,796 to the plan and covered payroll for the year was \$3,900,634.

The Town has reported "on-behalf" payments of \$817,963 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town, in accordance with various collective bargaining and employment agreements, is committed to provide health benefits to certain eligible retirees and their spouses. Teachers covered under the union contract are eligible to receive other post-employment benefits. The Willington Board of Education pays 1% per every year of service of the post retirement costs for teachers hired before September 1, 1989 for five years until the retiree reaches age 65. Actuarial valuations involve estimates of the fair value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other cost trends. The Government Accounting Standards Board (GASB) has issued statements to establish financial reporting, liability calculation, along with the requirement to disclose the government's funding strategy and progress.

The benefits include individual, two person, or family coverage under the Connecticare Health Plan (or equivalent), including hospitalization, surgical, prescriptions, dental and major medical. Eligible teachers, who choose to participate, must pay the same percentage of the premium cost as full time employees covered by this agreement, less the 1% per year of service contribution paid by the Town.

Currently, the State Teachers' Retirement Board will subsidize the monthly payments for a member in the amount of \$110 per month, or for a member and a spouse, \$220 per months. P.A. 08-112 effective July 1, 2008 provides a health insurance subsidy of \$220 per month for an eligible retired member, spouse, surviving spouse or civil union partner who meets all the eligibility requirements. These subsidies are paid to the Town in quarterly installments. In addition, the current contract calls for the teacher to pay 18% towards their insurance premium.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy

The Town's strategy currently is to fund through the purchase of premium based coverage, the current claims and administrative costs for post-employment benefits. Although a trust fund may be established to exclusively control the funding and reporting of post-employment benefits, the Town currently funds the post-employment benefits provided to the retirees on a pay-as-you-go basis. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The Town has not established a trust fund as of June 30, 2013, to irrevocably segregate assets to fund the liability for post-employment benefits.

The following is the current census of the Town's post employment benefit participants as of June 30, 2011:

| | |
|----------------|----|
| Active members | 34 |
| Retirees | 7 |
| Spouses | 28 |
| Total | 69 |

OPEB payments for the year ended June 30, 2013, net of retiree and other contributions, amounted to approximately \$29,000.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

| | |
|--|------------|
| Annual required contribution | \$ 144,662 |
| Interest on net OPEB obligation | 53,844 |
| Annual OPEB cost | 198,506 |
| Contributions made | 28,801 |
| Increase in net OPEB obligation | 169,705 |
| Net OPEB obligation, beginning of the year | 769,207 |
| Net OPEB obligation, end of the year | \$ 938,912 |

Three-year Trend Information

| Plan Year Ended June 30, | Annual OPEB Cost | Percentage of AOC Contributed | Net OPEB Obligation |
|-----------------------------|------------------------|-------------------------------------|------------------------|
| 2011 | 216,876 | 7.6% | 614,714 |
| 2012 | 187,692 | 17.7% | 769,207 |
| 2013 | 198,506 | 14.5% | 938,912 |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011 (the date of the most recent actuarial valuation) was as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) - Entry Age Normal Method (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| June 30, 2011 | \$ - | \$ 2,331,404 | \$ 2,331,404 | 0.0% | Not applicable | Not applicable |

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

Actuarial Methods and Assumptions

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

| | |
|--------------------------------|---|
| Valuation date: | June 30, 2011 |
| Actuarial cost method: | Entry Age Actuarial Cost Method |
| Amortization method: | Level Percentage of Payroll |
| Remaining amortization period: | 30 years open |
| Asset valuation method: | Alternative Measurement Method |
| Actuarial assumptions: | |
| Investment rate of return | 4.0% |
| Inflation rate | 2.5% |
| Healthcare cost trend rate | 9.0% initial 1.0% decrease per year to ultimate 6.0% |

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 12 - FUND BALANCE

The Town has committed and assigned fund balance as of June 30, 2013 for the following purposes:

| | Committed | Assigned |
|-------------------------------------|---------------------|-------------------|
| Compensated absences | \$ 131,595 | \$ - |
| Library | 373,661 | - |
| Emergency preparedness | 4,000 | - |
| Capital purposes | 517,506 | - |
| General government | 7,298 | - |
| Public safety | 319,532 | - |
| Culture and recreation | 70,371 | - |
| Public works | 291 | - |
| Educational purposes | 90,903 | - |
| For use in subsequent year's budget | - | 300,000 |
| Encumbrances (<i>see Note 15</i>) | - | 154,926 |
| | <u>\$ 1,515,157</u> | <u>\$ 454,926</u> |

NOTE 13 - ADJUSTMENT

The Town adjusted the beginning fund balance of the Small Cities Grant Housing Fund from \$68,374 to \$849,922 as a result of reclassifying amounts previously reported as deferred revenue to fund balance.

NOTE 14 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The Town purchases commercial insurance for some risks and participates in various risk pools for other risks as described below. During the year ended June 30, 2013, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage in the last three years. There have been no reductions in coverage from those of the prior year.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)

As of June 30, 2013, the Town has recorded \$154,926 in encumbrances. Such encumbrances have been included as part of the assigned fund balance within the General Fund. Encumbrances have been assigned for the following purposes:

| | |
|--------------------|-------------------|
| General government | \$ 1,856 |
| Public safety | 93 |
| Public works | 330 |
| Educational | 130,242 |
| Capital purposes | 5,150 |
| Other purposes | 17,255 |
| | <u>\$ 154,926</u> |

NOTE 16 - RECENTLY ISSUED ACCOUNTING STANDARDS

The GASB has issued several new accounting standards that will become effective in future years. Management is currently evaluating the effect implementation of these standards, as applicable, will have on its financial statements. A summary of recently issued accounting standards that will become effective in future years is as follows:

The GASB has issued Statement No. 66, *Technical Corrections – 2012*, which amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for 1) operating lease payments that vary from a straight-line basis, 2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The provisions in GASB 66 are effective for periods beginning after December 15, 2012 and early adoption is permitted.

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25*, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. The provisions in GASB 67 are effective for financial statements for periods beginning after June 15, 2013 and early adoption is permitted.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(CONTINUED)*
JUNE 30, 2013

NOTE 16 - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and early adoption is permitted.

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TOWN OF WILLINGTON, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS (Unaudited)
JUNE 30, 2013

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) Individual Spread Gain (B) * | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|---|--|---|--|-----------------------------------|------------------------------------|--|
| Employees' Pension Plan | | | | | | |
| July 1, 2012 | \$ 402,409 | \$ 514,970 | \$ 112,561 | 78.1% | \$ 230,591 | 48.8% |
| July 1, 2011 | 382,790 | 461,825 | 79,035 | 82.9% | 231,019 | 34.2% |
| July 1, 2010 | 344,709 | 463,748 | 119,039 | 74.3% | 210,457 | 56.6% |
| July 1, 2009 | 355,908 | - | - | 0.0% | 210,553 | 0.0% |
| July 1, 2008 | 513,825 | - | - | 0.0% | 243,608 | 0.0% |

* The Accrued Actuarial Liability has been presented using the Individual Spread Gain method for the July 1, 2012 actuarial valuation. The July 1, 2011 and 2010 actuarial valuations were presented using the Entry Age Normal Method. Prior to July 1, 2010, the Accrued Actuarial Liability was calculated using the Aggregate Actuarial Cost Method.

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) Entry Age Cost Method (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|---|--|--|--|-----------------------------------|------------------------------------|--|
| Other Post-Employment Benefit Plan | | | | | | |
| June 30, 2011 | \$ - | \$ 2,331,404 | \$ 2,331,404 | 0.0% | Not applicable | Not applicable |
| June 30, 2008 | - | 3,540,659 | 3,540,659 | 0.0% | Not applicable | Not applicable |

GENERAL FUND

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variance With |
|---|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| | | | | Over (Under) |
| PROPERTY TAXES | | | | |
| Taxes | 11,467,530 | 11,467,530 | \$ 11,574,855 | \$ 107,325 |
| Interest and lien fees | 30,000 | 30,000 | 59,095 | 29,095 |
| Total property taxes | 11,497,530 | 11,497,530 | 11,633,950 | 136,420 |
| INTERGOVERNMENTAL REVENUES | | | | |
| Education: | | | | |
| Education cost sharing | 3,710,213 | 3,710,213 | 3,715,243 | 5,030 |
| Transportation | 46,826 | 46,826 | 54,612 | 7,786 |
| Miscellaneous (excess costs student based) | - | - | 23,857 | 23,857 |
| Noneducation: | | | | |
| State property reimbursement | 45,986 | 45,986 | 44,407 | (1,579) |
| Elderly and disabled property tax homeowner | 16,000 | 16,000 | 18,467 | 2,467 |
| Disability reimbursement | 600 | 600 | 576 | (24) |
| Municipal revenue sharing | 15,000 | 15,000 | 56,536 | 41,536 |
| Pequot funds | 29,615 | 29,615 | 27,059 | (2,556) |
| Additional vetran's exemption | 976 | 976 | 837 | (139) |
| Judicial fines | 8,000 | 8,000 | 12,650 | 4,650 |
| FEMA planning grant | 3,000 | 3,000 | - | (3,000) |
| FEMA Storm Sandy | - | - | 37,020 | 37,020 |
| FEMA Blizzard Charoltte | - | - | 36,378 | 36,378 |
| Emergency Planning and Preparedness | - | - | 3,666 | 3,666 |
| Town aid roads | 130,006 | 130,006 | 128,886 | (1,120) |
| Total intergovernmental revenues | 4,006,222 | 4,006,222 | 4,160,194 | 153,972 |
| LICENSES, FEES AND PERMITS | | | | |
| Building, zoning fees and permits | 48,500 | 48,500 | 45,557 | (2,943) |
| Zoning board of appeals | 1,000 | 1,000 | 2,046 | 1,046 |
| Inland/wetland fees | 5,000 | 5,000 | 5,733 | 733 |
| Conveyance tax | 23,000 | 23,000 | 27,600 | 4,600 |
| Permits - bingo, pistol, etc. | 1,750 | 1,750 | 4,915 | 3,165 |
| Town clerk fees | 22,000 | 22,000 | 32,388 | 10,388 |
| Transfer station fees | 5,000 | 5,000 | 5,826 | 826 |
| Reimbursement - recycling | 400 | 400 | 679 | 279 |
| Reimbursement - road maintenance | - | - | 524 | 524 |
| Total licenses, fees and permits | 106,650 | 106,650 | 125,268 | 18,618 |
| INVESTMENT EARNINGS | 8,000 | 8,000 | 11,102 | 3,102 |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variance With |
|--|--------------------------|--------------------------|--------------------------|-----------------------|
| | Original | Final | Actual | Final Budget |
| | | | | Over (Under) |
| MISCELLANEOUS | | | | |
| Telecommunications grant | \$ 15,000 | \$ 15,000 | \$ 13,603 | \$ (1,397) |
| Other | 25,000 | 25,000 | 25,296 | 296 |
| Total miscellaneous | 40,000 | 40,000 | 38,899 | (1,101) |
| Total revenues | 15,658,402 | 15,658,402 | 15,969,413 | 311,011 |
| OTHER FINANCING SOURCES | | | | |
| Appropriation of fund balance | 300,000 | 313,600 | - | (313,600) |
| Total other financing sources | 300,000 | 313,600 | - | (313,600) |
| Total revenues and other financing sources | <u>\$ 15,958,402</u> | <u>\$ 15,972,002</u> | <u>\$ 15,969,413</u> | <u>\$ (2,589)</u> |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variance With |
|---------------------------------|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| | | | | Over (Under) |
| GENERAL GOVERNMENT | | | | |
| Selectmen | \$ 102,833 | \$ 106,365 | \$ 105,131 | \$ (1,234) |
| Probate court | 2,150 | 2,416 | 2,416 | - |
| Elections/registrars | 25,200 | 25,200 | 24,947 | (253) |
| Accounting services | 189,651 | 189,651 | 189,304 | (347) |
| Board of finance | 3,713 | 3,713 | 3,589 | (124) |
| Town treasurer | 28,401 | 28,401 | 28,401 | - |
| Auditor | 36,000 | 34,000 | 34,000 | - |
| Assessor | 82,697 | 82,697 | 82,687 | (10) |
| Board of assessment appeals | 1,273 | 1,273 | 1,273 | - |
| Revenue collector | 68,576 | 72,471 | 72,457 | (14) |
| Legal counsel | 30,000 | 42,434 | 42,434 | - |
| Town clerk | 95,792 | 96,155 | 96,155 | - |
| Conservation commission | 1,500 | 1,500 | 1,499 | (1) |
| Planning and zoning | 96,440 | 96,440 | 94,183 | (2,257) |
| Zoning board of appeals | 4,270 | 4,469 | 4,439 | (30) |
| Economic development commission | 900 | 1,807 | 1,783 | (24) |
| Inland/wetlands commission | 2,000 | 2,000 | 481 | (1,519) |
| Town office operations | 77,568 | 77,568 | 75,725 | (1,843) |
| Town hall operations | 6,519 | 7,919 | 7,803 | (116) |
| Senior Center operations | 24,178 | 27,225 | 27,225 | - |
| Consulting engineers | 29,000 | 29,000 | 28,679 | (321) |
| Total general government | 908,661 | 932,704 | 924,611 | (8,093) |
| PUBLIC SAFETY | | | | |
| Ambulance | 325,500 | 325,500 | 325,500 | - |
| Fire marshal | 21,823 | 21,826 | 21,825 | (1) |
| Fire protection | 28,446 | 28,446 | 28,445 | (1) |
| Public safety & welfare | 27,218 | 27,218 | 27,218 | - |
| Emergency management director | 7,000 | 7,000 | 6,325 | (675) |
| Fire main and hydrant | 6,134 | 6,239 | 6,238 | (1) |
| Building official | 18,225 | 18,225 | 14,529 | (3,696) |
| Total public safety | 434,346 | 434,454 | 430,080 | (4,374) |
| PUBLIC WORKS | | | | |
| Public works department | 893,440 | 911,006 | 910,587 | (419) |
| Cemetery | 2,000 | 2,000 | 2,000 | - |
| Transfer station | 240,195 | 240,195 | 227,929 | (12,266) |
| Total public works | 1,135,635 | 1,153,201 | 1,140,516 | (12,685) |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variance With |
|---------------------------------|-------------------------|-------------------|-------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| | | | | Over (Under) |
| EDUCATION | | | | |
| Elementary education | \$ 2,784,350 | \$ 2,845,843 | \$ 2,830,487 | \$ (15,356) |
| Special education | 1,349,068 | 1,371,120 | 1,373,268 | 2,148 |
| Summer school | 37,165 | 37,104 | 36,248 | (856) |
| Fringe benefits | 904,842 | 819,362 | 822,103 | 2,741 |
| Pupil services | 367,999 | 360,309 | 359,890 | (419) |
| Staff and program development | 129,135 | 125,244 | 110,902 | (14,342) |
| Educational media | 118,010 | 118,851 | 120,493 | 1,642 |
| Board of Education | 483,851 | 480,853 | 468,291 | (12,562) |
| Principal's office | 419,038 | 418,301 | 414,743 | (3,558) |
| Plant operations | 571,917 | 583,733 | 569,437 | (14,296) |
| Transportation | 474,003 | 478,658 | 470,968 | (7,690) |
| Total education | <u>7,639,378</u> | <u>7,639,378</u> | <u>7,576,830</u> | <u>(62,548)</u> |
| REGIONAL SCHOOL DISTRICT NO. 19 | <u>4,503,368</u> | <u>4,503,368</u> | <u>4,503,368</u> | <u>-</u> |
| MISCELLANEOUS | | | | |
| Social security | 77,000 | 77,000 | 72,378 | (4,622) |
| Unemployment | 500 | 500 | 353 | (147) |
| Employee health insurance | 275,297 | 233,078 | 232,998 | (80) |
| Pension fund | 48,593 | 48,269 | 47,484 | (785) |
| Insurance | 90,024 | 92,497 | 92,497 | - |
| Miscellaneous | 2,500 | 2,405 | 1,149 | (1,256) |
| Total miscellaneous | <u>493,914</u> | <u>453,749</u> | <u>446,859</u> | <u>(6,890)</u> |
| DEBT SERVICE | | | | |
| Principal payments | 150,000 | 150,000 | 150,000 | - |
| Interest and fiscal charges | <u>85,875</u> | <u>85,875</u> | <u>85,875</u> | <u>-</u> |
| Total debt service | <u>235,875</u> | <u>235,875</u> | <u>235,875</u> | <u>-</u> |
| CAPITAL OUTLAYS | <u>28,105</u> | <u>26,837</u> | <u>17,882</u> | <u>(8,955)</u> |
| Total expenditures | <u>15,379,282</u> | <u>15,379,566</u> | <u>15,276,021</u> | <u>(103,545)</u> |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variance With Final Budget Over (Under) |
|--|------------------|---------------|---------------|---|
| | Original | Final | Actual | |
| OTHER FINANCING USES | | | | |
| Transfers out: | | | | |
| Reserve for compensated absences | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ - |
| Dog Fund | 19,000 | 19,000 | 19,000 | - |
| Fire Department Fund | 228,594 | 228,594 | 228,594 | - |
| Mary D. Edwards Public Library | 136,206 | 136,206 | 136,206 | - |
| Recreation Commission Fund | 43,682 | 43,682 | 43,682 | - |
| Willington Youth, Family and Social Services Fund | 45,177 | 45,177 | 45,177 | - |
| Emergency preparedness fund | - | 4,000 | 4,000 | - |
| Capital projects | - | 9,316 | 9,316 | - |
| Reserve for capital and nonrecurring | 96,461 | 96,461 | 96,461 | - |
| Total other financing uses | 579,120 | 592,436 | 592,436 | - |
| | | | | |
| Total expenditures and other financing uses | \$ 15,958,402 | \$ 15,972,002 | \$ 15,868,457 | \$ (103,545) |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2013

| Grand List Year | Uncollected Taxes | Current Year Levy | Lawful Corrections | | Transfers to Suspense | Adjusted Taxes Collectible | Collections | | | Uncollected Taxes June 30, 2013 |
|-----------------------|----------------------|----------------------|--------------------|------------------|-----------------------------|----------------------------------|----------------------|------------------|-----------------|---------------------------------------|
| | July 1, 2012 | | Additions | Deletions | | | Taxes | Interest | Liens | |
| 2011 | \$ - | \$ 11,555,108 | \$ 13,379 | \$ 46,627 | \$ 6,872 | 11,514,988 | \$ 11,483,077 | \$ 37,540 | \$ 6,161 | \$ 31,911 |
| 2010 | 68,422 | - | 1,497 | 1,096 | 2,781 | 66,042 | 54,850 | 14,036 | 1,092 | 11,193 |
| 2009 | 23,656 | - | 863 | 879 | - | 23,640 | 20,326 | 5,438 | 269 | 3,314 |
| 2008 | 4,192 | - | 570 | - | - | 4,762 | 1,477 | 375 | 127 | 3,285 |
| 2007 | 2,472 | - | 321 | - | - | 2,793 | 321 | 256 | 68 | 2,472 |
| 2006 | 2,385 | - | 47 | - | - | 2,432 | 47 | 49 | - | 2,385 |
| 2005 | 2,367 | - | 54 | - | - | 2,421 | 54 | 64 | 2 | 2,367 |
| 2004 | 2,362 | - | 56 | - | - | 2,418 | 56 | 76 | 28 | 2,362 |
| 2003 | 2,292 | - | - | - | - | 2,292 | - | - | - | 2,292 |
| 2002 | 2,141 | - | - | - | - | 2,141 | - | - | - | 2,141 |
| 2001 and prior | - | - | 124 | - | - | 124 | 124 | 318 | 303 | - |
| | <u>\$ 110,289</u> | <u>\$ 11,555,108</u> | <u>\$ 16,911</u> | <u>\$ 48,602</u> | <u>\$ 9,653</u> | <u>\$ 11,624,054</u> | <u>\$ 11,560,331</u> | <u>\$ 58,154</u> | <u>\$ 8,050</u> | <u>\$ 63,722</u> |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2013

Total cash collections for the year ended

June 30, 2013:

| | |
|------------------------|-------------------|
| Taxes | \$ 11,560,331 |
| Interest and lien fees | 66,204 |
| Total | <u>11,626,535</u> |

Reimbursement for revenue loss:

| | |
|--------------------------|--------|
| Tax relief (CGS 12-129d) | 18,467 |
|--------------------------|--------|

| | |
|------|-----------------------------|
| Base | <u><u>\$ 11,645,002</u></u> |
|------|-----------------------------|

| | General Purposes | Schools | Sewers | Urban Renewal | Pension Deficit |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt limitation: | | | | | |
| 2-1/4 times base | \$ 26,201,255 | \$ - | \$ - | \$ - | \$ - |
| 4-1/2 times base | - | 52,402,511 | - | - | - |
| 3-3/4 times base | - | - | 43,668,759 | - | - |
| 3-1/4 times base | - | - | - | 37,846,258 | - |
| 3 times base | - | - | - | - | 34,935,007 |
| Total debt limitation | <u>26,201,255</u> | <u>52,402,511</u> | <u>43,668,759</u> | <u>37,846,258</u> | <u>34,935,007</u> |
| Indebtedness: | | | | | |
| Bonds payable | 2,100,000 | - | - | - | - |
| Regional School District No. 19 | - | 4,357,729 | - | - | - |
| Total indebtedness | <u>2,100,000</u> | <u>4,357,729</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt limitation in excess of outstanding and authorized debt | <u><u>\$ 24,101,255</u></u> | <u><u>\$ 48,044,782</u></u> | <u><u>\$ 43,668,759</u></u> | <u><u>\$ 37,846,258</u></u> | <u><u>\$ 34,935,007</u></u> |
| Total capacity of borrowing (7 times base) | \$ 81,515,017 | | | | |
| Total present indebtedness | 6,457,729 | | | | |
| Margin for additional borrowing | <u><u>\$ 75,057,288</u></u> | | | | |

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes. Nonmajor special revenue funds include the following:

Preservation Management Fund - To account for revenues and expenditures of document preservation work.

Dog Fund - To account for the revenues and expenditures of animal control operations.

Parks and Recreation Fund - To account for the revenues and expenditures of recreation operations.

Willington Youth Family and Social Services Fund - To account for the revenues and expenditures of social services operations.

Fuel Bank Fund - To account for donations and disbursements of funds for fuel emergencies.

State and Federal Grants Fund - To account for the expenditures of grants not otherwise accounted for in the General Fund.

School Lunch Fund - To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and State Grants and USDA food donations.

Education Fund - To account for the revenues and expenditures of other educational grants and donations.

Fire and Ambulance Fund - To account for the revenues and expenditures associated with the fire department.

CAPITAL PROJECT FUNDS

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects, other than those financed by proprietary funds. The nonmajor capital project funds include the following:

Park and Recreation Capital and Nonrecurring Expenditures Fund - To account for contributions and donations made for the specific purpose of purchasing and improving Town park and recreational facilities and infrastructure.

Reserve for Capital and Nonrecurring Expenditures Fund - To account for the accumulation of reserve funds set aside for large capital expenditures.

Open Space Fund - To account for receipt of donations and payments from builders in lieu of land. Money will be accumulated for the purchase and preservation of land for open space.

Michalec Road Fund - To account for the funds available from the developer for future maintenance of this road.

Capital Projects Fund - To account for revenues and expenditures associated with the construction of Town facilities and infrastructure.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2013

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|------------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 390,421 | \$ 566,243 | \$ 956,664 |
| Receivables: | | | |
| Grants and contracts receivable | 11,171 | 63,490 | 74,661 |
| Accounts receivable | 1,428 | - | 1,428 |
| Due from other funds | 205,828 | 91,359 | 297,187 |
| Inventories | 2,076 | - | 2,076 |
| Total assets | <u>\$ 610,924</u> | <u>\$ 721,092</u> | <u>\$ 1,332,016</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 98,377 | \$ 10,314 | \$ 108,691 |
| Due to other funds | 22,076 | 193,272 | 215,348 |
| Total liabilities | <u>120,453</u> | <u>203,586</u> | <u>324,039</u> |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Inventories | 2,076 | - | 2,076 |
| Committed | 488,395 | 517,506 | 1,005,901 |
| Total fund balances | <u>490,471</u> | <u>517,506</u> | <u>1,007,977</u> |
| Total liabilities and fund balance | <u>\$ 610,924</u> | <u>\$ 721,092</u> | <u>\$ 1,332,016</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2013

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|-----------------------------|------------------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 374,650 | \$ 503,844 | \$ 878,494 |
| Licenses, fees and permits | 230,890 | - | 230,890 |
| Food sales | 121,048 | - | 121,048 |
| Investment earnings | 1,738 | 159 | 1,897 |
| Miscellaneous | 113,189 | 4,976 | 118,165 |
| Total revenues | <u>841,515</u> | <u>508,979</u> | <u>1,350,494</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 4,067 | - | 4,067 |
| Public safety | 716,159 | - | 716,159 |
| Public works | 9,811 | - | 9,811 |
| Culture and recreation | 133,784 | 1,500 | 135,284 |
| Education | 471,871 | - | 471,871 |
| Debt service: | | | |
| Principal payments | 88,549 | - | 88,549 |
| Interest and fiscal charges | 11,478 | - | 11,478 |
| Capital outlays | - | 343,734 | 343,734 |
| Total expenditures | <u>1,435,719</u> | <u>345,234</u> | <u>1,780,953</u> |
| Deficiency of revenues over expenditures | (594,204) | 163,745 | (430,459) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | - | (3,996) | (3,996) |
| Transfers in | 690,653 | 105,777 | 796,430 |
| Total other financing sources (uses) | <u>690,653</u> | <u>101,781</u> | <u>792,434</u> |
| Net changes in fund balances | 96,449 | 265,526 | 361,975 |
| Fund balances - beginning | <u>394,022</u> | <u>251,980</u> | <u>646,002</u> |
| Fund balances - ending | <u>\$ 490,471</u> | <u>\$ 517,506</u> | <u>\$ 1,007,977</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

| | Preservation Management Fund | Dog Fund | Parks and Recreation Fund | Willington Youth, Family and Social Services Fund | Fuel Bank Fund |
|--|---|---------------------|--|--|---------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 7,298 | \$ - | \$ - | \$ 14,164 | \$ 4,219 |
| Receivables: | | | | | |
| Grants and contracts receivable | - | - | - | - | - |
| Accounts receivable | - | 195 | - | - | - |
| Due from other funds | - | 6,010 | 9,654 | 49,350 | - |
| Inventories | - | - | - | - | - |
| Total assets | <u>\$ 7,298</u> | <u>\$ 6,205</u> | <u>\$ 9,654</u> | <u>\$ 63,514</u> | <u>\$ 4,219</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 3,977 | \$ 2,797 | \$ - | \$ 354 |
| Due to other funds | - | - | - | - | 3,574 |
| Total liabilities | <u>-</u> | <u>3,977</u> | <u>2,797</u> | <u>-</u> | <u>3,928</u> |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventories | - | - | - | - | - |
| Committed | <u>7,298</u> | <u>2,228</u> | <u>6,857</u> | <u>63,514</u> | <u>291</u> |
| Total fund balances | <u>7,298</u> | <u>2,228</u> | <u>6,857</u> | <u>63,514</u> | <u>291</u> |
| Total liabilities and fund balances | <u>\$ 7,298</u> | <u>\$ 6,205</u> | <u>\$ 9,654</u> | <u>\$ 63,514</u> | <u>\$ 4,219</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2013

| | State and Federal Grants Fund | School Lunch Fund | Education Fund | Fire and Ambulance Fund | Total Nonmajor Special Revenue Funds |
|--|-------------------------------------|----------------------|-------------------|-------------------------------|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ 47,491 | \$ - | \$ 317,249 | \$ 390,421 |
| Receivables: | | | | | |
| Grants and contracts receivable | 1,929 | 9,242 | - | - | 11,171 |
| Accounts receivable | - | 248 | - | 985 | 1,428 |
| Due from other funds | 36,100 | - | 46,868 | 57,846 | 205,828 |
| Inventories | - | 2,076 | - | - | 2,076 |
| Total assets | <u>\$ 38,029</u> | <u>\$ 59,057</u> | <u>\$ 46,868</u> | <u>\$ 376,080</u> | <u>\$ 610,924</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 38,029 | \$ 6,866 | \$ 972 | \$ 45,382 | \$ 98,377 |
| Due to other funds | - | 5,108 | - | 13,394 | 22,076 |
| Total liabilities | <u>38,029</u> | <u>11,974</u> | <u>972</u> | <u>58,776</u> | <u>120,453</u> |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventories | - | 2,076 | - | - | 2,076 |
| Committed | - | 45,007 | 45,896 | 317,304 | 488,395 |
| Total fund balances | <u>-</u> | <u>47,083</u> | <u>45,896</u> | <u>317,304</u> | <u>490,471</u> |
| Total liabilities and fund balances | <u>\$ 38,029</u> | <u>\$ 59,057</u> | <u>\$ 46,868</u> | <u>\$ 376,080</u> | <u>\$ 610,924</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Preservation Management Fund | Dog Fund | Parks and Recreation Fund | Willington Youth, Family and Social Services Fund | Fuel Bank Fund |
|--|---|---------------------|--|--|---------------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 4,000 | \$ - | \$ - | \$ 18,087 | \$ - |
| Licenses, fees and permits | 1,897 | 6,610 | 26,730 | 3,427 | - |
| Food sales | - | - | - | - | - |
| Investment earnings | 60 | - | - | 23 | - |
| Miscellaneous | - | 561 | 849 | 10,552 | 6,411 |
| Total revenues | <u>5,957</u> | <u>7,171</u> | <u>27,579</u> | <u>32,089</u> | <u>6,411</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 4,067 | - | - | - | - |
| Public safety | - | 29,480 | - | - | - |
| Public works | - | - | - | - | 9,811 |
| Culture and recreation | - | - | 67,110 | 66,674 | - |
| Education | - | - | - | - | - |
| Total expenditures | <u>4,067</u> | <u>29,480</u> | <u>67,110</u> | <u>66,674</u> | <u>9,811</u> |
| Excess (deficiency) of revenues over expenditures | 1,890 | (22,309) | (39,531) | (34,585) | (3,400) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | - | 19,000 | 43,682 | 45,177 | - |
| Total other financing sources | <u>-</u> | <u>19,000</u> | <u>43,682</u> | <u>45,177</u> | <u>-</u> |
| Net changes in fund balances | 1,890 | (3,309) | 4,151 | 10,592 | (3,400) |
| Fund balances - beginning | <u>5,408</u> | <u>5,537</u> | <u>2,706</u> | <u>52,922</u> | <u>3,691</u> |
| Fund balances - ending | <u>\$ 7,298</u> | <u>\$ 2,228</u> | <u>\$ 6,857</u> | <u>\$ 63,514</u> | <u>\$ 291</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

| | State and Federal Grants Fund | School Lunch Fund | Education Fund | Fire and Ambulance Fund | Total Nonmajor Special Revenue Funds |
|--|-------------------------------------|----------------------|-------------------|-------------------------------|---|
| REVENUES | | | | | |
| Intergovernmental | \$ 251,026 | \$ 60,451 | \$ 41,086 | \$ - | \$ 374,650 |
| Licenses, fees and permits | - | - | - | 192,226 | 230,890 |
| Food sales | - | 121,048 | - | - | 121,048 |
| Investment earnings | - | - | - | 1,655 | 1,738 |
| Miscellaneous | - | - | 1,200 | 93,616 | 113,189 |
| Total revenues | <u>251,026</u> | <u>181,499</u> | <u>42,286</u> | <u>287,497</u> | <u>841,515</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 4,067 |
| Public safety | - | - | - | 686,679 | 716,159 |
| Public works | - | - | - | - | 9,811 |
| Culture and recreation | - | - | - | - | 133,784 |
| Education | 251,026 | 191,057 | 29,788 | - | 471,871 |
| Debt service: | | | | | |
| Principal payments | - | - | - | 88,549 | 88,549 |
| Interest and fiscal charges | - | - | - | 11,478 | 11,478 |
| Total expenditures | <u>251,026</u> | <u>191,057</u> | <u>29,788</u> | <u>786,706</u> | <u>1,435,719</u> |
| Excess (deficiency) of revenues over expenditures | - | (9,558) | 12,498 | (499,209) | (594,204) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | - | - | - | 582,794 | 690,653 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>582,794</u> | <u>690,653</u> |
| Net changes in fund balances | - | (9,558) | 12,498 | 83,585 | 96,449 |
| Fund balances - beginning | <u>-</u> | <u>56,641</u> | <u>33,398</u> | <u>233,719</u> | <u>394,022</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 47,083</u> | <u>\$ 45,896</u> | <u>\$ 317,304</u> | <u>\$ 490,471</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2013

| | Park and Recreation Capital and Nonrecurring Fund | Reserve for Capital and Nonrecurring Fund | Open Space Fund | Michalec Road Fund | Capital Projects Fund | Total Nonmajor Capital Projects Funds |
|--|--|--|----------------------------|-------------------------------|--------------------------------------|--|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 12,891 | \$ 461,363 | \$ 32,322 | \$ 12,155 | \$ 47,512 | \$ 566,243 |
| Grants and contracts receivable | - | - | - | - | 63,490 | 63,490 |
| Due from other funds | - | - | - | - | 91,359 | 91,359 |
| Total assets | <u>\$ 12,891</u> | <u>\$ 461,363</u> | <u>\$ 32,322</u> | <u>\$ 12,155</u> | <u>\$ 202,361</u> | <u>\$ 721,092</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 3,331 | \$ - | \$ - | \$ 6,983 | \$ 10,314 |
| Due to other funds | 1,640 | 188,682 | - | 2,950 | - | 193,272 |
| Total liabilities | <u>1,640</u> | <u>192,013</u> | <u>-</u> | <u>2,950</u> | <u>6,983</u> | <u>203,586</u> |
| Fund Balances: | | | | | | |
| Committed | 11,251 | 269,350 | 32,322 | 9,205 | 195,378 | 517,506 |
| Total fund balances | <u>11,251</u> | <u>269,350</u> | <u>32,322</u> | <u>9,205</u> | <u>195,378</u> | <u>517,506</u> |
| Total liabilities and fund balance | <u>\$ 12,891</u> | <u>\$ 461,363</u> | <u>\$ 32,322</u> | <u>\$ 12,155</u> | <u>\$ 202,361</u> | <u>\$ 721,092</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Park and Recreation Capital and Nonrecurring Fund | Reserve for Capital and Nonrecurring Fund | Open Space Fund | Michalec Road Fund | Capital Projects Fund | Total Nonmajor Capital Projects Funds |
|--|--|--|----------------------------|-------------------------------|--------------------------------------|--|
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 503,844 | \$ 503,844 |
| Investment earnings | 2 | 75 | 40 | 2 | 40 | 159 |
| Miscellaneous | 350 | 626 | - | - | 4,000 | 4,976 |
| Total revenues | 352 | 701 | 40 | 2 | 507,884 | 508,979 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Culture and recreation | 1,500 | - | - | - | - | 1,500 |
| Capital outlays | - | 135,079 | - | - | 208,655 | 343,734 |
| Total expenditures | 1,500 | 135,079 | - | - | 208,655 | 345,234 |
| Excess (deficiency) of revenues over expenditures | (1,148) | (134,378) | 40 | 2 | 299,229 | 163,745 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers out | - | - | - | - | (3,996) | (3,996) |
| Transfers in | - | 96,461 | - | - | 9,316 | 105,777 |
| Total other financing sources (uses) | - | 96,461 | - | - | 5,320 | 101,781 |
| Net changes in fund balances | (1,148) | (37,917) | 40 | 2 | 304,549 | 265,526 |
| Fund balances - beginning | 12,399 | 307,267 | 32,282 | 9,203 | (109,171) | 251,980 |
| Fund balances - ending | \$ 11,251 | \$ 269,350 | \$ 32,322 | \$ 9,205 | \$ 195,378 | \$ 517,506 |

AGENCY FUNDS

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

Center School Activity Fund - To account for monies generated by student activities at Center Elementary School.

Hall Memorial School Activity Fund - To account for monies generated by student activities at Hall Memorial School.

Performance Bond Fund - To account for contractor's bonds which are held to ensure performance on contracts. Once the project is completed, the bonds are released to the contractors.

Flex Benefit Fund - To account for monies deducted from pre-tax employee payroll for the employee's non-covered medical expenses and child care expenses.

Tax Sale Proceeds Fund - To account for monies collected on the sales of property to reimburse the Town for unpaid taxes, with the excess refunded to the state.

Scholarship Fund - To account for monies from donations for school scholarships.

Willington Day Fund - To account for monies collected for the Town's Willington Day activities and the Town's upcoming tercentennial celebration.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2013

| | Center School Activity Fund | Hall Memorial School Activity Fund | Performance Bond Fund | Flex Benefit Fund | Tax Sale Proceeds Fund | Scholarship Fund | Willington Day Fund | Total Agency Funds |
|---------------------------|--------------------------------------|---|-----------------------------|-------------------------|---------------------------------|---------------------|---------------------------|--------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 9,986 | \$ 23,465 | \$ 114,231 | \$ 3,873 | \$ 7,583 | \$ 11,474 | \$ 2,550 | \$ 173,162 |
| Total assets | <u>\$ 9,986</u> | <u>\$ 23,465</u> | <u>\$ 114,231</u> | <u>\$ 3,873</u> | <u>\$ 7,583</u> | <u>\$ 11,474</u> | <u>\$ 2,550</u> | <u>\$ 173,162</u> |
| LIABILITIES | | | | | | | | |
| Due to others | \$ 9,986 | \$ 23,465 | \$ 114,231 | \$ 1,773 | \$ 7,583 | \$ 11,474 | \$ 2,550 | \$ 171,062 |
| Other | - | - | - | 2,100 | - | - | - | 2,100 |
| Total liabilities | <u>\$ 9,986</u> | <u>\$ 23,465</u> | <u>\$ 114,231</u> | <u>\$ 3,873</u> | <u>\$ 7,583</u> | <u>\$ 11,474</u> | <u>\$ 2,550</u> | <u>\$ 173,162</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | Balance, July 1, 2012 | Additions | Deletions | Balance, June 30, 2013 |
|---|--------------------------|------------------|------------------|---------------------------|
| Center School Activity Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 8,065 | \$ 19,746 | \$ 17,825 | \$ 9,986 |
| Total assets | <u>\$ 8,065</u> | <u>\$ 19,746</u> | <u>\$ 17,825</u> | <u>\$ 9,986</u> |
| Liabilities | | | | |
| Due to others | \$ 8,065 | \$ 19,746 | \$ 17,825 | \$ 9,986 |
| Total liabilities | <u>\$ 8,065</u> | <u>\$ 19,746</u> | <u>\$ 17,825</u> | <u>\$ 9,986</u> |
| Hall Memorial School Activity Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 26,261 | \$ 45,922 | \$ 48,718 | \$ 23,465 |
| Total assets | <u>\$ 26,261</u> | <u>\$ 45,922</u> | <u>\$ 48,718</u> | <u>\$ 23,465</u> |
| Liabilities | | | | |
| Due to others | \$ 26,261 | \$ 45,922 | \$ 48,718 | \$ 23,465 |
| Total liabilities | <u>\$ 26,261</u> | <u>\$ 45,922</u> | <u>\$ 48,718</u> | <u>\$ 23,465</u> |
| Performance Bond Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 113,696 | \$ 6,943 | \$ 6,408 | \$ 114,231 |
| Total assets | <u>\$ 113,696</u> | <u>\$ 6,943</u> | <u>\$ 6,408</u> | <u>\$ 114,231</u> |
| Liabilities | | | | |
| Due to others | \$ 113,696 | \$ 6,943 | \$ 6,408 | \$ 114,231 |
| Total liabilities | <u>\$ 113,696</u> | <u>\$ 6,943</u> | <u>\$ 6,408</u> | <u>\$ 114,231</u> |
| Flex Benefit Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 4,588 | \$ 13,545 | \$ 14,260 | \$ 3,873 |
| Total assets | <u>\$ 4,588</u> | <u>\$ 13,545</u> | <u>\$ 14,260</u> | <u>\$ 3,873</u> |
| Liabilities | | | | |
| Due to others | \$ 2,488 | \$ 13,545 | \$ 14,260 | \$ 1,773 |
| Other | 2,100 | - | - | 2,100 |
| Total liabilities | <u>\$ 4,588</u> | <u>\$ 13,545</u> | <u>\$ 14,260</u> | <u>\$ 3,873</u> |
| Tax Sale Proceeds Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 7,575 | \$ 8 | \$ - | \$ 7,583 |
| Total assets | <u>\$ 7,575</u> | <u>\$ 8</u> | <u>\$ -</u> | <u>\$ 7,583</u> |
| Liabilities | | | | |
| Due to others | \$ 7,575 | \$ 8 | \$ - | \$ 7,583 |
| Total liabilities | <u>\$ 7,575</u> | <u>\$ 8</u> | <u>\$ -</u> | <u>\$ 7,583</u> |

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS (*Concluded*)
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Balance,</u> <u>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance,</u> <u>June 30, 2013</u> |
|----------------------------|--|------------------|------------------|---|
| Scholarship Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 11,407 | \$ 67 | \$ - | \$ 11,474 |
| Total assets | <u>\$ 11,407</u> | <u>\$ 67</u> | <u>\$ -</u> | <u>\$ 11,474</u> |
| Liabilities | | | | |
| Due to others | \$ 11,407 | \$ 67 | \$ - | \$ 11,474 |
| Total liabilities | <u>\$ 11,407</u> | <u>\$ 67</u> | <u>\$ -</u> | <u>\$ 11,474</u> |
| Willington Day Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 2,367 | \$ 965 | \$ 782 | \$ 2,550 |
| Total assets | <u>\$ 2,367</u> | <u>\$ 965</u> | <u>\$ 782</u> | <u>\$ 2,550</u> |
| Liabilities | | | | |
| Due to others | \$ 2,367 | \$ 965 | \$ 782 | \$ 2,550 |
| Total liabilities | <u>\$ 2,367</u> | <u>\$ 965</u> | <u>\$ 782</u> | <u>\$ 2,550</u> |
| Total Agency Funds | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 173,959 | \$ 87,196 | \$ 87,993 | \$ 173,162 |
| Total assets | <u>\$ 173,959</u> | <u>\$ 87,196</u> | <u>\$ 87,993</u> | <u>\$ 173,162</u> |
| Liabilities | | | | |
| Due to others | \$ 171,859 | \$ 87,196 | \$ 87,993 | \$ 171,062 |
| Other | 2,100 | - | - | 2,100 |
| Total liabilities | <u>\$ 173,959</u> | <u>\$ 87,196</u> | <u>\$ 87,993</u> | <u>\$ 173,162</u> |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS - BY SOURCE
JUNE 30, 2013

| | |
|---|----------------------|
| Governmental funds capital assets: | |
| Land and improvements | \$ 3,058,468 |
| Construction in progress | 53,863 |
| Buildings and improvements | 13,992,171 |
| Machinery and equipment | 2,208,532 |
| Infrastructure | 25,373,700 |
| Vehicles | 1,475,045 |
| Furniture and fixtures | 415,153 |
| Total governmental funds capital assets | <u>\$ 46,576,932</u> |
| Investments in governmental funds capital assets by source: | |
| Assets put into service prior to July 1, 2003 | \$ 34,677,113 |
| Assets put into service subsequent to July 1, 2003: | |
| General Fund Appropriations: | |
| General government | 2,433,218 |
| Board of education | 1,209,240 |
| Public safety | 2,183,401 |
| Public works | (749,927) * |
| Culture and recreation | 3,431,687 |
| Contributed capital | 283,539 |
| Intergovernmental grants and contracts | 2,865,273 |
| Transfer of program income from Small Cities Grant | |
| Housing Fund | 243,388 |
| Total governmental funds capital assets | <u>\$ 46,576,932</u> |

* - Includes assets put into service prior to July 1, 2003 that were transferred to the Utility Fund subsequent to July 1, 2003.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 2013

| | Land and Improvements | Buildings and Improvements | Construction in Progress | Machinery and Equipment | Infrastructure | Vehicles | Furniture and Fixtures | Total |
|--|--------------------------------------|---|-------------------------------------|------------------------------------|-----------------------|---------------------|-----------------------------------|----------------------|
| General government: | | | | | | | | |
| Selectmen | \$ - | \$ - | \$ - | \$ 1,877 | \$ - | \$ - | \$ 3,930 | \$ 5,807 |
| Election/registrars | - | - | - | 19,968 | - | - | 3,720 | 23,688 |
| Accounting services | - | - | - | 21,927 | - | - | 29,105 | 51,032 |
| Assessor | - | - | - | 6,407 | - | - | 8,240 | 14,647 |
| Revenue collector | - | - | - | 6,936 | - | - | 1,420 | 8,356 |
| Town clerk | - | 7,100 | - | 10,779 | - | - | 24,030 | 41,909 |
| Planning and zoning | - | - | - | 15,896 | - | - | 22,760 | 38,656 |
| Town office operations | - | 9,073 | - | 25,474 | - | - | 17,520 | 52,067 |
| Town Hall operations | - | 16,660 | - | - | - | - | 175 | 16,835 |
| Unclassified | 2,203,544 | 2,160,329 | - | 17,627 | - | - | - | 4,381,500 |
| Total general government | 2,203,544 | 2,193,162 | - | 126,891 | - | - | 110,900 | 4,634,497 |
| Public safety | - | 195,170 | - | 626,011 | - | 776,528 | - | 1,597,709 |
| Public works | 33,900 | 515,045 | 53,863 | 313,110 | 25,316,214 | 688,517 | 3,850 | 26,924,499 |
| Culture and recreation | 562,546 | 3,260,818 | - | 69,081 | 16,844 | 10,000 | 107,966 | 4,027,255 |
| Board of education | 258,478 | 7,827,976 | - | 1,073,439 | 40,642 | - | 192,437 | 9,392,972 |
| Total governmental fund capital assets | <u>\$ 3,058,468</u> | <u>\$ 13,992,171</u> | <u>\$ 53,863</u> | <u>\$ 2,208,532</u> | <u>\$ 25,373,700</u> | <u>\$ 1,475,045</u> | <u>\$ 415,153</u> | <u>\$ 46,576,932</u> |

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN GOVERNMENTAL FUND CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2013

| | Balance July 1, 2012 | Transfers | Additions | Deletions | Balance June 30, 2013 |
|--|---------------------------------|------------------|-------------------|------------------|----------------------------------|
| General government: | | | | | |
| Selectmen | \$ 5,807 | \$ - | \$ - | \$ - | \$ 5,807 |
| Election/registrars | 23,873 | - | - | 185 | 23,688 |
| Accounting services | 49,880 | 1,152 | - | - | 51,032 |
| Assessor | 14,647 | - | - | - | 14,647 |
| Revenue collector | 7,622 | - | 734 | - | 8,356 |
| Town clerk | 41,909 | - | - | - | 41,909 |
| Planning and zoning | 38,656 | - | - | - | 38,656 |
| Town office operations | 52,067 | - | - | - | 52,067 |
| Town Hall operations | 16,835 | - | - | - | 16,835 |
| Unclassified | 4,381,500 | - | - | - | 4,381,500 |
| Total general government | 4,632,796 | 1,152 | 734 | 185 | 4,634,497 |
| Public safety | 1,597,709 | - | - | - | 1,597,709 |
| Public works: | | | | | |
| Public works department | 26,290,522 | - | 597,242 | 1,000 | 26,886,764 |
| Transfer station | 37,735 | - | - | - | 37,735 |
| Total public works | 26,328,257 | - | 597,242 | 1,000 | 26,924,499 |
| Culture and recreation | 4,026,560 | - | 695 | - | 4,027,255 |
| Board of education | 9,270,211 | (1,152) | 172,091 | 48,178 | 9,392,972 |
| Total governmental fund capital assets allocated by function and activity | <u>\$ 45,855,533</u> | <u>\$ -</u> | <u>\$ 770,762</u> | <u>\$ 49,363</u> | <u>\$ 46,576,932</u> |

STATISTICAL SECTION

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

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Sources: Unless otherwise noted, the information in the accompanying tables is derived from the comprehensive annual financial reports for the relevant year. The Town implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* in fiscal year 2003; tables presenting government-wide information include information beginning in that year.

Table 1

TOWN OF WILLINGTON, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 4,734,758 | \$ 5,627,332 | \$ 5,988,609 | \$ 8,801,505 | \$ 9,940,670 |
| Restricted | - | - | 651,739 | - | - |
| Unrestricted | 3,316,722 | 3,587,258 | 3,831,921 | 3,920,144 | 4,129,815 |
| Total governmental activities net position | <u>\$ 8,051,480</u> | <u>\$ 9,214,590</u> | <u>\$ 10,472,269</u> | <u>\$ 12,721,649</u> | <u>\$ 14,070,485</u> |
| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 9,376,364 | \$ 9,615,588 | \$ 9,210,797 | \$ 9,559,588 | \$ 10,016,613 |
| Restricted | - | - | - | 849,922 | 851,790 |
| Unrestricted | 4,194,124 | 3,894,012 | 3,136,048 | 2,367,750 | 2,535,119 |
| Total governmental activities net position | <u>\$ 13,570,488</u> | <u>\$ 13,509,600</u> | <u>\$ 12,346,845</u> | <u>\$ 12,777,260</u> | <u>\$ 13,403,522</u> |

Table 2

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 899,884 | \$ 819,523 | \$ 962,560 | \$ 941,163 | \$ 1,023,653 | \$ 1,057,511 | \$ 1,148,876 | \$ 1,286,720 | \$ 1,547,828 | \$ 1,196,728 |
| Public Safety | 585,760 | 599,944 | 619,175 | 664,389 | 693,424 | 791,602 | 804,561 | 835,768 | 808,026 | 943,852 |
| Public works | 817,018 | 978,144 | 1,140,811 | 1,851,496 | 1,603,545 | 1,966,935 | 1,185,785 | 1,272,702 | 1,288,640 | 1,298,263 |
| Culture and recreation | 303,097 | 248,078 | 243,115 | 533,467 | 402,768 | 466,019 | 423,964 | 748,023 | 438,907 | 434,295 |
| Education | 6,835,686 | 6,999,851 | 7,385,860 | 7,686,701 | 10,476,004 | 8,519,218 | 8,912,951 | 8,858,705 | 8,957,714 | 8,989,285 |
| Regional School District No. 19 | 3,192,188 | 3,611,142 | 3,744,190 | 3,796,225 | 3,640,407 | 3,768,771 | 4,069,389 | 4,047,308 | 4,341,454 | 4,503,368 |
| Townwide | 285,510 | 314,706 | 303,653 | 310,952 | 331,335 | 334,617 | 396,744 | - | - | - |
| Interest on long-term debt | 97,598 | 78,658 | 56,742 | 238,255 | 159,031 | 137,956 | 82,262 | 105,003 | 114,644 | 101,373 |
| Total governmental activities expenses | 13,016,741 | 13,650,046 | 14,456,106 | 16,022,648 | 18,330,167 | 17,042,629 | 17,024,532 | 17,154,229 | 17,497,213 | 17,467,164 |
| Business-type activities: | | | | | | | | | | |
| Utility | - | - | - | - | 15,981 | 20,497 | 19,487 | 62,439 | 68,401 | 67,067 |
| Total business-type activities expenses | - | - | - | - | 15,981 | 20,497 | 19,487 | 62,439 | 68,401 | 67,067 |
| Total primary government expenses | <u>\$ 13,016,741</u> | <u>\$ 13,650,046</u> | <u>\$ 14,456,106</u> | <u>\$ 16,022,648</u> | <u>\$ 18,346,148</u> | <u>\$ 17,063,126</u> | <u>\$ 17,044,019</u> | <u>\$ 17,216,668</u> | <u>\$ 17,565,614</u> | <u>\$ 17,534,231</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | \$ 292,485 | \$ 298,899 | \$ 311,657 | \$ 305,276 | \$ 447,746 | \$ 168,246 | \$ 186,728 | \$ 161,332 | \$ 240,799 | \$ 170,064 |
| Public Safety | 110,118 | 124,985 | 121,582 | 155,596 | 175,614 | 222,788 | 225,218 | 196,839 | 221,818 | 243,897 |
| Public Works | 15,000 | - | 9,383 | 1,706 | 21,824 | 12,591 | - | - | - | - |
| Parks and recreation | 47,811 | 48,611 | 59,503 | 57,685 | 58,383 | 67,552 | 84,670 | 57,773 | 39,586 | 30,157 |
| Education | 116,588 | 127,714 | 124,550 | 119,810 | 126,379 | 133,383 | 131,859 | 123,771 | 126,632 | 121,048 |
| Operating grants and contributions | 3,817,281 | 4,083,514 | 4,558,213 | 4,193,977 | 6,996,530 | 4,904,463 | 5,109,733 | 5,557,023 | 5,629,502 | 5,292,739 |
| Capital grants and contributions | 922,557 | 548,751 | 424,555 | 346,179 | 365,789 | 13,266 | 138,284 | 147,600 | 229,526 | 503,844 |
| Total governmental activities program revenues | <u>5,321,840</u> | <u>5,232,474</u> | <u>5,609,443</u> | <u>5,180,229</u> | <u>8,192,265</u> | <u>5,522,289</u> | <u>5,876,492</u> | <u>6,244,338</u> | <u>6,487,863</u> | <u>6,361,749</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Utility | \$ - | \$ - | \$ - | \$ - | \$ 507 | \$ 19,066 | \$ 22,559 | \$ 20,427 | \$ 21,725 | \$ 23,541 |
| Operating grants and contributions | - | - | - | - | 48,000 | - | - | - | - | - |
| Total business-type activities program revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>48,507</u> | <u>19,066</u> | <u>22,559</u> | <u>20,427</u> | <u>21,725</u> | <u>23,541</u> |
| Total primary government program revenues | <u>\$ 5,321,840</u> | <u>\$ 5,232,474</u> | <u>\$ 5,609,443</u> | <u>\$ 5,180,229</u> | <u>\$ 8,240,772</u> | <u>\$ 5,541,355</u> | <u>\$ 5,899,051</u> | <u>\$ 6,264,765</u> | <u>\$ 6,509,588</u> | <u>\$ 6,385,290</u> |

Table 2

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (7,694,901) | \$ (8,417,572) | \$ (8,846,663) | \$ (10,842,419) | \$ (10,137,902) | \$ (11,520,340) | \$ (11,148,040) | \$ (10,909,891) | \$ (11,009,350) | \$ (11,105,415) |
| Business-type activities | - | - | - | - | 32,526 | (1,431) | 3,072 | (42,012) | (46,676) | (43,526) |
| Total primary government net expense | <u>\$ (7,694,901)</u> | <u>\$ (8,417,572)</u> | <u>\$ (8,846,663)</u> | <u>\$ (10,842,419)</u> | <u>\$ (10,105,376)</u> | <u>\$ (11,521,771)</u> | <u>\$ (11,144,968)</u> | <u>\$ (10,951,903)</u> | <u>\$ (11,056,026)</u> | <u>\$ (11,148,941)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 8,971,109 | \$ 9,302,153 | \$ 9,748,778 | \$ 10,049,269 | \$ 10,266,751 | \$ 10,787,383 | \$ 10,996,767 | \$ 11,052,558 | \$ 11,290,284 | \$ 11,565,819 |
| Unrestricted grants and contributions | 87,957 | 76,535 | 86,439 | 586,846 | 981,488 | 158,623 | 74,902 | 84,338 | 141,365 | 152,569 |
| (Loss) on disposal of capital assets | - | 105,704 | - | 12,885 | (9,353) | (4,654) | - | - | - | - |
| Investment earnings | 39,696 | 96,290 | 269,125 | 292,822 | 223,853 | 71,297 | 23,176 | 14,168 | 8,116 | 13,289 |
| Special Item | - | - | - | - | 24,000 | - | - | (1,403,928) | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities | <u>9,098,762</u> | <u>9,580,682</u> | <u>10,104,342</u> | <u>10,941,822</u> | <u>11,486,739</u> | <u>11,012,649</u> | <u>11,094,845</u> | <u>9,747,136</u> | <u>11,439,765</u> | <u>11,731,677</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | - | - | - | - | 438 | 160 | 40 | 24 | 2 | 3 |
| Transfers | - | - | - | - | (24,000) | - | - | 1,403,928 | - | - |
| Total business-type activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(23,562)</u> | <u>160</u> | <u>40</u> | <u>1,403,952</u> | <u>2</u> | <u>3</u> |
| Total primary government | <u>\$ 9,098,762</u> | <u>\$ 9,580,682</u> | <u>\$ 10,104,342</u> | <u>\$ 10,941,822</u> | <u>\$ 11,463,177</u> | <u>\$ 11,012,809</u> | <u>\$ 11,094,885</u> | <u>\$ 11,151,088</u> | <u>\$ 11,439,767</u> | <u>\$ 11,731,680</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,403,861 | \$ 1,163,110 | \$ 1,257,679 | \$ 99,403 | \$ 1,348,837 | \$ (507,691) | \$ (53,195) | \$ (1,162,755) | \$ 430,415 | \$ 626,262 |
| Business-type activities | - | - | - | - | 8,964 | (1,271) | 3,112 | 1,361,940 | (46,674) | (43,523) |
| Total primary government | <u>\$ 1,403,861</u> | <u>\$ 1,163,110</u> | <u>\$ 1,257,679</u> | <u>\$ 99,403</u> | <u>\$ 1,357,801</u> | <u>\$ (508,962)</u> | <u>\$ (50,083)</u> | <u>\$ 199,185</u> | <u>\$ 383,741</u> | <u>\$ 582,739</u> |

Table 3

TOWN OF WILLINGTON, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

| | Fiscal Year | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | | | |
| Reserved | \$ 52,830 | \$ 166,587 | \$ 201,400 | \$ 112,732 | \$ 80,857 | \$ 225,027 | \$ 168,787 |
| Unreserved | 1,318,248 | 1,365,114 | 1,640,220 | 1,537,232 | 1,440,115 | 1,599,726 | 1,779,101 |
| Total general fund | <u>\$ 1,371,078</u> | <u>\$ 1,531,701</u> | <u>\$ 1,841,620</u> | <u>\$ 1,649,964</u> | <u>\$ 1,520,972</u> | <u>\$ 1,824,753</u> | <u>\$ 1,947,888</u> |
| All Other Governmental Funds | | | | | | | |
| Reserved | \$ 1,233 | \$ 193 | \$ 1,311 | \$ 1,564 | \$ 1,502 | \$ 2,210 | \$ 2,055 |
| Reserved, reported in: | | | | | | | |
| Special revenue funds | 520,986 | 817,993 | 1,036,367 | 914,620 | 986,212 | 1,001,784 | 1,194,178 |
| Capital projects funds | 748,811 | 696,592 | 1,756,285 | 797,684 | 1,121,434 | 1,106,432 | 898,521 |
| Total all other governmental funds | <u>\$ 1,271,030</u> | <u>\$ 1,514,778</u> | <u>\$ 2,793,963</u> | <u>\$ 1,713,868</u> | <u>\$ 2,109,148</u> | <u>\$ 2,110,426</u> | <u>\$ 2,094,754</u> |
| | | | | | | | |
| | 2011 | 2012 | 2013 | | | | |
| General Fund | | | | | | | |
| Committed | \$ 570,100 | \$ 557,088 | \$ 509,256 | | | | |
| Assigned | 473,892 | 448,670 | 454,926 | | | | |
| Unassigned | 1,450,023 | 1,876,686 | 1,946,688 | | | | |
| Total general fund | <u>\$ 2,494,015</u> | <u>\$ 2,882,444</u> | <u>\$ 2,910,870</u> | | | | |
| All Other Governmental Funds | | | | | | | |
| Nonspendable | \$ 2,387 | \$ 1,706 | \$ 790,583 | | | | |
| Restricted | - | - | 63,283 | | | | |
| Committed | 1,039,433 | 821,841 | 1,005,901 | | | | |
| Unassigned | (66,046) | (109,171) | - | | | | |
| Total all other governmental funds | <u>975,774</u> | <u>714,376</u> | <u>1,859,767</u> | | | | |

Table 4

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

| | Fiscal Year | | | | | | | | | |
|---|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 8,957,348 | \$ 9,304,350 | \$ 9,738,700 | \$ 10,040,332 | \$ 10,241,129 | \$ 10,738,692 | \$ 11,056,874 | \$ 10,996,151 | \$ 11,325,330 | \$ 11,633,950 |
| Licenses, fees and permits | 392,262 | 407,032 | 452,485 | 461,208 | 523,005 | 547,271 | 578,172 | 498,499 | 555,071 | 481,206 |
| Intergovernmental | 4,881,914 | 4,761,153 | 5,005,287 | 5,096,475 | 8,170,394 | 5,144,523 | 5,298,338 | 5,702,429 | 5,743,765 | 5,858,800 |
| Investment earnings | 39,696 | 96,290 | 269,125 | 292,822 | 223,853 | 71,297 | 23,176 | 14,168 | 8,116 | 13,289 |
| Other revenues | 270,112 | 292,759 | 344,926 | 214,119 | 361,231 | 73,967 | 176,862 | 133,748 | 152,660 | 174,312 |
| Total revenues | 14,541,332 | 14,861,584 | 15,810,523 | 16,104,956 | 19,519,612 | 16,575,750 | 17,133,422 | 17,344,995 | 17,784,942 | 18,161,557 |
| Expenditures | | | | | | | | | | |
| General government | 788,080 | 778,854 | 862,829 | 906,976 | 959,921 | 938,359 | 1,028,705 | 947,647 | 1,464,786 | 1,126,690 |
| Public Safety | 530,994 | 542,444 | 561,250 | 598,219 | 634,380 | 692,661 | 703,816 | 734,964 | 764,927 | 864,564 |
| Miscellaneous | 285,510 | 314,706 | 303,653 | 310,952 | 331,335 | 334,617 | 396,744 | 535,855 | - | - |
| Public works | 847,113 | 934,781 | 1,015,115 | 1,024,759 | 1,204,816 | 1,107,169 | 1,139,121 | 1,157,346 | 1,081,972 | 1,285,478 |
| Culture and recreation | 300,802 | 246,317 | 246,360 | 393,024 | 339,296 | 375,970 | 328,953 | 660,698 | 348,050 | 338,515 |
| Education | 10,016,348 | 10,600,328 | 11,163,022 | 11,449,174 | 14,112,764 | 11,984,889 | 12,704,676 | 12,640,106 | 13,152,418 | 13,396,260 |
| Capital outlay | 1,061,018 | 856,604 | 2,765,321 | 2,190,527 | 1,108,876 | 267,143 | 170,680 | 1,425,000 | 384,187 | 356,466 |
| Debt service: | | | | | | | | | | |
| Debt issuance costs | - | - | 12,224 | - | - | - | - | - | - | - |
| Interest | 101,952 | 83,043 | 64,026 | 116,397 | 163,612 | 142,278 | 86,757 | 105,856 | 115,466 | 102,194 |
| Principal | 347,898 | 350,136 | 247,479 | 274,075 | 422,323 | 427,606 | 466,507 | 325,376 | 362,905 | 299,121 |
| Total expenditures | 14,279,715 | 14,707,213 | 17,241,279 | 17,264,103 | 19,277,323 | 16,270,692 | 17,025,959 | 18,532,848 | 17,674,711 | 17,769,288 |
| Excess of revenues over (under) expenditures | 261,617 | 154,371 | (1,430,756) | (1,159,147) | 242,289 | 305,058 | 107,463 | (1,187,853) | 110,231 | 392,269 |

Table 4 (Concluded)

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

| Other Financing Sources (Uses) | Fiscal Year | | | | | | | | | |
|---|-------------|------------|--------------|----------------|------------|------------|------------|--------------|------------|------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Proceeds from sale of land | \$ - | \$ 250,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Proceeds from sale of capital assets | | | | | | | | | 16,800 | - |
| Proceeds from BAN | - | - | 3,000,000 | (3,000,000) | - | - | - | - | - | - |
| Premium on note issued | - | - | 19,860 | - | - | - | - | - | - | - |
| Premium on bond issued | - | - | - | 7,063 | - | - | - | - | - | - |
| Proceeds from bonds | - | - | - | 3,000,000 | - | - | - | - | - | - |
| Interest charged on BAN | - | - | - | (119,667) | - | - | - | - | - | - |
| Settlement of lawsuit | - | - | - | - | - | - | - | - | - | - |
| Capital lease financing | - | - | - | - | - | - | - | 615,000 | - | - |
| Transfers in | 845,923 | 622,612 | 698,260 | 961,542 | 660,239 | 689,875 | 493,846 | 429,819 | 387,716 | 800,426 |
| Transfers out | (845,923) | (622,612) | (698,260) | (961,542) | (636,239) | (689,875) | (493,846) | (429,819) | (387,716) | (800,426) |
| Total other financing sources (uses) | - | 250,000 | 3,019,860 | (112,604) | 24,000 | - | - | 615,000 | 16,800 | - |
| Net change in fund balances | \$ 261,617 | \$ 404,371 | \$ 1,589,104 | \$ (1,271,751) | \$ 266,289 | \$ 305,058 | \$ 107,463 | \$ (572,853) | \$ 127,031 | \$ 392,269 |
| Debt service as a percentage of noncapital expenditures | 3.4% | 3.1% | 2.2% | 2.6% | 3.2% | 3.6% | 3.3% | 2.5% | 2.8% | 2.3% |

Table 5

TOWN OF WILLINGTON, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year Ended June 30, | Residential Property | Commercial & Industrial Property | All Other Land | Personal Property | Motor Vehicle | Less: Tax Exempt Property | Total Taxable Assessed Value | (1) Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---------------------------------|---|---------------------------|------------------------------|--------------------------|--|---|--|---|---|
| 2004 | 158,046,388 | 52,169,700 | 32,647,420 | 20,550,560 | 33,659,368 | 1,750,440 | 295,322,996 | 28.80 | 424,390,623 | 70% |
| 2005 | 217,488,320 | 70,423,910 | 40,913,540 | 10,823,110 | 33,168,857 | 1,558,460 | 371,259,277 | 24.77 | 532,596,767 | 70% |
| 2006 | 222,076,160 | 69,383,970 | 40,872,050 | 11,060,910 | 35,268,590 | 1,356,950 | 377,304,730 | 25.51 | 540,945,257 | 70% |
| 2007 | 225,439,145 | 70,167,485 | 42,279,896 | 12,970,000 | 38,006,299 | 1,180,130 | 387,682,695 | 25.57 | 555,518,321 | 70% |
| 2008 | 229,645,000 | 71,295,120 | 41,446,686 | 14,185,828 | 37,865,284 | 1,179,062 | 393,258,856 | 25.78 | 563,482,740 | 70% |
| 2009 | 232,349,040 | 72,659,780 | 42,304,650 | 12,963,337 | 39,213,770 | 1,405,654 | 398,084,923 | 26.72 | 570,700,824 | 70% |
| 2010 | 326,155,040 | 78,302,630 | 17,119,040 | 12,887,480 | 36,125,337 | 1,483,142 | 469,106,385 | 23.35 | 672,270,753 | 70% |
| 2011 | 327,140,360 | 78,528,290 | 16,749,020 | 13,627,035 | 37,577,401 | 1,882,904 | 471,739,202 | 23.40 | 676,603,009 | 70% |
| 2012 | 329,875,350 | 78,711,600 | 16,273,870 | 14,342,968 | 38,987,880 | 2,252,390 | 475,939,278 | 23.58 | 683,130,954 | 70% |
| 2013 | 331,342,650 | 77,308,500 | 15,748,930 | 15,526,645 | 41,511,660 | 2,341,600 | 479,096,785 | 23.96 | 687,769,121 | 70% |

(1) The Direct Tax Rate shown above is the mill rate. The mill rate is divided by 1,000 and then multiplied by the taxable assessed value in arriving at the current property tax levy.

Notes: Taxes for the fiscal year are levied based on the Grand List of October 1 and are due July 1 payable in two installments, one-half July 1 and one-half January 1 with the exception of motor vehicles which are due July 1. Failure to pay any installment within one month of the installment due date makes the installment delinquent and subject to an interest charge of 1-1/2% per month or \$2.00 minimum interest charge, whichever is greater. Real estate is lien for delinquent taxes unpaid within one year after the due date. The amount collected to the end of each fiscal year represents collections of twelve months.

Revaluation was completed and effective for October 1, 2003 grand list and October 1, 2008 grand list.

Source: Town of Willington, Office of the Assessor

Table 6

TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

| <u>Taxpayer</u> | FISCAL YEAR | | | | | |
|-------------------------------------|---------------------------------------|-------------|--|---------------------------------------|-------------|--|
| | 2013 | | | 2004 | | |
| | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value |
| FEDEX Ground Package System | 25,048,630 | 1 | 5.23% | 24,514,150 | 1&2 | 8.29% |
| GLK Realty LTD Partnership | 10,580,400 | 2 | 2.21% | 6,470,610 | 4 | 2.19% |
| ING US Students No 7 LLC | 6,498,500 | 3 | 1.36% | 3,229,670 | 5 | 1.09% |
| Royce Properties LLC | 5,130,950 | 4 | 1.07% | 7,484,510 | 3 | 2.53% |
| Storrs Polo Run Limited Partnership | 4,955,440 | 5 | 1.03% | 2,182,640 | 7 | 0.74% |
| Connecticut Light & Power | 4,687,620 | 6 | 0.98% | 2,522,260 | 6 | 0.85% |
| Lawrence Becker | 2,949,540 | 7 | 0.62% | 1,614,230 | 8 | 0.55% |
| Perryridge Investors LLC | 2,422,350 | 8 | 0.51% | 1,242,760 | 10 | 0.42% |
| Edan Management Services Inc | 1,990,800 | 9 | 0.42% | 1,301,990 | 9 | 0.44% |
| C & S Willington Ltd Partnership | 1,831,900 | 10 | 0.38% | 1,165,890 | 11 | 0.39% |
| Total | 66,096,130 | | 13.81% | 51,728,710 | | 17.49% |

Note: A property revaluation was performed on the grand list dated October 1, 2008.

Source: Town of Willington, Office of the Assessor.

Table 7

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years (1) | Total Collections to Date | |
|-------------------------------------|--|---|-----------------------|---|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2004 | \$ 8,627,425 | \$ 8,675,275 | 100.55% | (56,626) | \$ 8,618,649 | 99.90% |
| 2005 | 9,290,665 | 9,213,600 | 99.17% | 61,431 | 9,275,031 | 99.83% |
| 2006 | 9,737,618 | 9,642,552 | 99.02% | 80,097 | 9,722,649 | 99.85% |
| 2007 | 10,016,998 | 9,943,771 | 99.27% | 56,774 | 10,000,545 | 99.84% |
| 2008 | 10,226,951 | 10,131,369 | 99.07% | 79,264 | 10,210,633 | 99.84% |
| 2009 | 10,742,791 | 10,577,596 | 98.46% | 155,794 | 10,733,390 | 99.91% |
| 2010 | 11,004,367 | 10,911,259 | 99.15% | 87,109 | 10,998,368 | 99.95% |
| 2011 | 11,101,296 | 10,919,642 | 98.36% | 157,998 | 11,077,640 | 99.79% |
| 2012 | 11,253,644 | 11,150,609 | 99.08% | 91,842 | 11,242,451 | 99.90% |
| 2013 | 11,555,108 | 11,483,077 | 99.38% | | 11,483,077 | 99.38% |

(1) Negative collections are due to presentation of current levy prior to lawful corrections and transfers to suspense.

Source: Town of Willington, Office of the Tax Collector.

Table 8

TOWN OF WILLINGTON, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | Net General Obligation Bonds | Capital Leases | Total Primary Government | Percentage of Actual Property Value (1) | Percentage of Personal Income (2) | Per Capita (2) |
|------------------------|---|---------------------------|---|--|--|---------------------------|
| 2004 | \$ 1,275,000 | \$ 473,193 | \$ 1,748,193 | 0.41% | 1.04% | 282 |
| 2005 | 975,000 | 423,057 | 1,398,057 | 0.26% | 0.83% | 226 |
| 2006 | 780,000 | 370,578 | 1,150,578 | 0.21% | 0.68% | 185 |
| 2007 | 3,585,000 | 675,288 | 4,260,288 | 0.77% | 2.52% | 682 |
| 2008 | 3,240,000 | 564,095 | 3,804,095 | 0.68% | 2.06% | 604 |
| 2009 | 2,895,000 | 447,859 | 3,342,859 | 0.59% | 1.78% | 523 |
| 2010 | 2,550,000 | 326,352 | 2,876,352 | 0.43% | 1.45% | 466 |
| 2011 | 2,400,000 | 765,976 | 3,165,976 | 0.47% | 1.83% | 524 |
| 2012 | 2,250,000 | 553,071 | 2,803,071 | 0.41% | 1.51% | 465 |
| 2013 | 2,100,000 | 403,952 | 2,503,952 | 0.36% | 1.36% | 418 |

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

(1) See Table 5 for taxable property value data

(2) See Table 10 for personal income and population data

Table 9

TOWN OF WILLINGTON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Legal Debt Margin Calculation: | | | | | | | | | | |
| Total cash collections for the fiscal year: | | | | | | | | | | |
| Taxes | \$ 8,869,200 | \$ 9,262,695 | \$ 9,685,458 | \$ 10,005,964 | \$ 10,184,931 | \$ 10,661,035 | \$ 11,019,197 | \$ 10,960,912 | \$ 11,253,385 | \$ 11,560,331 |
| Interest and lien fees | 99,644 | 41,956 | 41,596 | 45,044 | 51,714 | 65,595 | 57,246 | 60,520 | 77,913 | 66,204 |
| | 8,968,844 | 9,304,651 | 9,727,054 | 10,051,008 | 10,236,645 | 10,726,630 | 11,076,443 | 11,021,432 | 11,331,298 | 11,626,535 |
| Reimbursements for revenue loss: | | | | | | | | | | |
| Tax relief (CGS 12-129d) | - | - | 663 | 698 | 18,916 | 17,210 | 17,165 | 17,717 | 20,031 | 18,467 |
| Base | <u>\$ 8,968,844</u> | <u>\$ 9,304,651</u> | <u>\$ 9,727,717</u> | <u>\$ 10,051,706</u> | <u>\$ 10,255,561</u> | <u>\$ 10,743,840</u> | <u>\$ 11,093,608</u> | <u>\$ 11,039,149</u> | <u>\$ 11,351,329</u> | <u>\$ 11,645,002</u> |
| Indebtedness: | | | | | | | | | | |
| General Purposes: | | | | | | | | | | |
| Bonds payable | \$ 345,000 | \$ 200,000 | \$ 160,000 | \$ 3,120,000 | \$ 2,930,000 | \$ 2,740,000 | \$ 2,550,000 | \$ 2,400,000 | \$ 2,250,000 | \$ 2,100,000 |
| Authorized, unissued bonds | 3,020,000 | 3,000,000 | 3,000,000 | - | - | - | - | - | - | - |
| Subtotal general purposes | <u>3,365,000</u> | <u>3,200,000</u> | <u>3,160,000</u> | <u>3,120,000</u> | <u>2,930,000</u> | <u>2,740,000</u> | <u>2,550,000</u> | <u>2,400,000</u> | <u>2,250,000</u> | <u>2,100,000</u> |
| Schools: | | | | | | | | | | |
| Bonds payable | 930,000 | 775,000 | 620,000 | 465,000 | 310,000 | 155,000 | - | - | - | - |
| Regional School District 19 | 1,794,265 | 1,723,485 | 1,551,043 | 1,300,715 | 1,203,612 | 1,091,590 | 1,018,288 | 3,293,184 | 3,134,832 | 4,357,729 |
| Authorized, unissued bonds | 376,000 | 376,000 | | | | | | | | |
| Authorized, unissued bonds, Regional School District 19 | - | - | - | - | - | - | - | - | - | - |
| Subtotal schools | <u>3,100,265</u> | <u>2,874,485</u> | <u>2,171,043</u> | <u>1,765,715</u> | <u>1,513,612</u> | <u>1,246,590</u> | <u>1,018,288</u> | <u>3,293,184</u> | <u>3,134,832</u> | <u>4,357,729</u> |
| Less: amounts to be provided by State | 500,874 | 333,916 | 250,437 | 250,437 | 166,958 | 83,479 | - | - | - | - |
| Total indebtedness | <u>\$ 5,964,391</u> | <u>\$ 5,740,569</u> | <u>\$ 5,080,606</u> | <u>\$ 4,635,278</u> | <u>\$ 4,276,654</u> | <u>\$ 3,903,111</u> | <u>\$ 3,568,288</u> | <u>\$ 5,693,184</u> | <u>\$ 5,384,832</u> | <u>\$ 6,457,729</u> |
| Total capacity of borrowing (7 times base) | \$ 62,781,908 | \$ 65,132,557 | \$ 68,094,019 | \$ 70,361,942 | \$ 71,788,927 | \$ 75,206,880 | \$ 77,655,256 | \$ 77,274,043 | \$ 79,459,303 | \$ 81,515,014 |
| Total present indebtedness | 5,964,391 | 5,740,569 | 5,080,606 | 4,635,278 | 4,276,654 | 3,903,111 | 3,568,288 | 5,693,184 | 5,384,832 | 6,457,729 |
| Margin for additional borrowing | <u>\$ 56,817,517</u> | <u>\$ 59,391,988</u> | <u>\$ 63,013,413</u> | <u>\$ 65,726,664</u> | <u>\$ 67,512,273</u> | <u>\$ 71,303,769</u> | <u>\$ 74,086,968</u> | <u>\$ 71,580,859</u> | <u>\$ 74,074,471</u> | <u>\$ 75,057,285</u> |
| Total net debt applicable to the debt limit as a percentage of the debt limit | <u>10%</u> | <u>9%</u> | <u>7%</u> | <u>7%</u> | <u>6%</u> | <u>5%</u> | <u>5%</u> | <u>7%</u> | <u>7%</u> | <u>8%</u> |

Note: Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may incur to 7 times total tax collections, including interest and lien fees and the tax relief for the elderly freeze grant.

Table 10

**TOWN OF WILLINGTON, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**
(Unaudited)

| Year | (1) Population | Personal Income <i>(in thousands)</i> | (2) Per Capita Personal Income | (3) Median Age | (4) School Enrollment | (5) Unemployment Rate |
|-------------|-----------------------------|---|---|---------------------------------|--|--|
| 2004 | 6,198 | \$ 167,730 | \$ 27,062 | 33.6 | 899 | 3.6% |
| 2005 | 6,197 | 167,703 | 27,062 | 33.6 | 878 | 3.7% |
| 2006 | 6,216 | 168,217 | 27,062 | 34.6 | 887 | 3.9% |
| 2007 | 6,248 | 169,083 | 27,062 | 34.6 | 857 | 3.8% |
| 2008 | 6,297 | 184,767 | 29,342 | 34.8 | 855 | 3.9% |
| 2009 | 6,396 | 187,671 | 29,342 | 34.8 | 810 | 6.5% |
| 2010 | 6,169 | 197,976 | 32,092 | 34.8 | 782 | 6.9% |
| 2011 | 6,041 | 173,159 | 28,664 | 34.0 | 792 | 7.1% |
| 2012 | 6,033 | 185,865 | 30,808 | 46.0 | 755 | 6.9% |
| 2013 | 5,994 | 184,663 | 30,808 | 32.0 | 713 | 6.3% |

(1) Connecticut Department of Public Health Census Website, <http://www.ct.gov/dph> Statistics and Research

(2) U.S. Census Bureau, American FactFinder

(3) Connecticut Economic Resource Center, Inc Town Profile 2011

(4) Town of Willington, Board of Education and Regional District 19

(5) Connecticut Department of Labor, Office of Research

Table 11

TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO
(Unaudited)

| <u>Employer</u> | <u>2013</u> | | | <u>2006</u> | | |
|---------------------------------------|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Town Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Town Employment</u> |
| Fed Ex Ground | 633 | 1 | 18.03% | 600 | 1 | 16.26% |
| Travel Centers of America | 118 | 2 | 3.36% | 170 | 2 | 4.61% |
| Town of Willington | 136 | 3 | 3.87% | 144 | 3 | 3.90% |
| Willington Pizza | 65 | 4 | 1.85% | 120 | 4 | 3.25% |
| St of Ct - Depart of Transportation | 30 | 5 | 0.85% | 25 | 5 | 0.68% |
| Becker Construction | 22 | 6 | 0.63% | 23 | 7 | 0.62% |
| Cable Technology, Inc | 18 | 7 | 0.51% | 25 | 6 | 0.68% |
| Lyon Manor | 15 | 8 | 0.43% | 14 | 8 | 0.38% |
| First Niagara Bank (NewAlliance Bank) | 6 | 9 | 0.17% | 7 | 10 | 0.19% |
| Rodeway Inn | 2 | 10 | 0.06% | 10 | 9 | 0.27% |
| Total | <u>1,045</u> | | <u>29.76%</u> | <u>1,128</u> | | <u>30.85%</u> |

Source: Town of Willington Finance Office

The Town began reporting Principal Employers in 2006 when GASB 44 was implemented.

Table 12

TOWN OF WILLINGTON, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Function/Program</u> | <u>Full-time Equivalent Employees as of June 30</u> | | | | | | | | | |
|-------------------------|---|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| General government | | | | | | | | | | |
| Management services | 6.3 | 6.3 | 6.3 | 6.3 | 6.2 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Finance | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 |
| Planning | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Building | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.6 | 4.6 | 4.6 | 4.1 | 4.1 |
| Fire | | | | | | | | | | |
| Volunteer Firefighters | 76.0 | 76.0 | 76.0 | 59.0 | 60.0 | 60.0 | 49.0 | 58.0 | 65.0 | 45.0 |
| Transfer Station | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Other public works | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.2 | 5.2 |
| Parks and recreation | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 |
| Library | 3.0 | 3.0 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.4 | 3.4 | 3.9 |
| Total | <u>102.8</u> | <u>102.8</u> | <u>102.8</u> | <u>85.8</u> | <u>86.8</u> | <u>87.3</u> | <u>76.3</u> | <u>85.6</u> | <u>92.2</u> | <u>72.6</u> |

Note: A full-time employee is scheduled to work 40 hours per week (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor by 40.

Source: Town of Willington, Treasurer's Office.

Table 13

TOWN OF WILLINGTON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | | | | | | |
|---------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Fire | | | | | | | | | | |
| Emergency responses | 474 | 497 | 508 | 523 | 525 | 917 | 1,058 | 1,693 | 877 | 798 |
| Non-Emergency responses | 363 | 399 | 399 | 400 | 405 | 351 | | | (1) | (1) |
| Inspections | 490 | 515 | 515 | 465 | 455 | 455 | 489 | 591 | 489 | 341 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per year) | 989.7 | 1,063.6 | 1,417.9 | 1,371.6 | 2,229.1 | 2,229.8 | 2,043.0 | 1,933.2 | 1,855.3 | 1,664.7 |
| Recyclables collected (tons per year) | 785.7 | 841.6 | 780.2 | 743.9 | 712.5 | 669.5 | 770.3 | 710.1 | 705.9 | 695.2 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 11.8 | 10.4 | 11.6 | 12.2 | 11.9 | 9.5 | 8.0 | 8.0 | 4.9 | 4.9 |
| Library | | | | | | | | | | |
| Volumes in collection | 17,700 | 17,700 | 20,387 | 20,206 | 28,103 | 33,464 | 37,470 | 37,470 | 37,470 | 44,496 |

Source: Various Town departments.

(1) Data is no longer available on the number of non-emergency responses.

Table 14

TOWN OF WILLINGTON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Function/Program</u> | Fiscal Year | | | | | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Fire stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Other public works | | | | | | | | | | |
| Streets (miles) | 71.1 | 71.1 | 72.7 | 72.7 | 72.7 | 72.7 | 73.9 | 73.9 | 73.9 | 73.9 |
| Streetlights | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Traffic signals | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 298 |
| Playgrounds | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Baseball/softball diamonds | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Soccer/football fields | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |