

**TOWN OF WILLINGTON,
CONNECTICUT**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2014

TOWN OF WILLINGTON, CONNECTICUT

Comprehensive Annual Financial Report

Year Ended June 30, 2014

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 24, 2014

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, 2014 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 auditors’ 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 auditors’ 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 State of Connecticut mandated “Single Audit” designed to meet the special needs of state grantor agencies. The Single Audit Report contains the independent auditor’s reports on compliance and internal control and the schedules of expenditures of state financial assistance and the schedule of state 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 motor common 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, update the conveyor belt system, 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.

Local Economy (*Continued*)

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 2012-2013 fiscal year, both Love's Travel Stop & Country Stores and Dunkin Donuts put in applications for special permits to build within the Town. Both were approved this fiscal year and are expected to 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 2011-2012 fiscal year to repair and renovate the Old Town Hall building. The STEAP funds are being used for renovations, which began in March 2013 and is anticipated to be completed early in the next fiscal year. Additional work totaling \$57,000 was appropriated and spent using income from the HUD Lien Program.

The Turnpike Road drainage and resurfacing project is a multi-phase project with various sources of funding. Phase One began during fiscal year 2011-2012 with LoCIP funding of \$145,000 and was completed during the 2012-2013 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 was completed during the current fiscal year. Phases Two and Three began in this fiscal year and is expected to be completed in the next fiscal year. A STEAP Grant of \$500,000 was appropriated in the 2013-2014 fiscal year and is expected to fund the resurfacing of roadwork not completed with the \$400,000 STEAP Grant. The Town expects to complete the resurfacing during the 2015-2016 fiscal year. Other funding sources are being sought to complete the Turnpike Road project.

The completed projects for fiscal year 2013-2014 included the renovation of the school bus lot, the storm water drainage system at Public Works and the purchases of a used van for the Senior Center, trash compactor for the Transfer Station, pick-up truck for Willington Fire Department #1, and a used sweeper for Public Works. Working in conjunction with the Housing Authority, infrastructure work for the new Senior Housing Cottages has begun. Monies were appropriated for a partial roof replacement at the Center Elementary School.

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, 2014 the net assets held in trust for the Plan were \$426,893. Total additions to the plan during the fiscal year were \$20,990. There was one benefit payments made during the year.

Additional information on the Town’s pension plan can be found in Note 9 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, 2013. This was the 14th 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 Latincsics and her department. Credit must also be given to the Board of Selectmen, the Board of Finance and especially its Chairman, Alan Ference 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

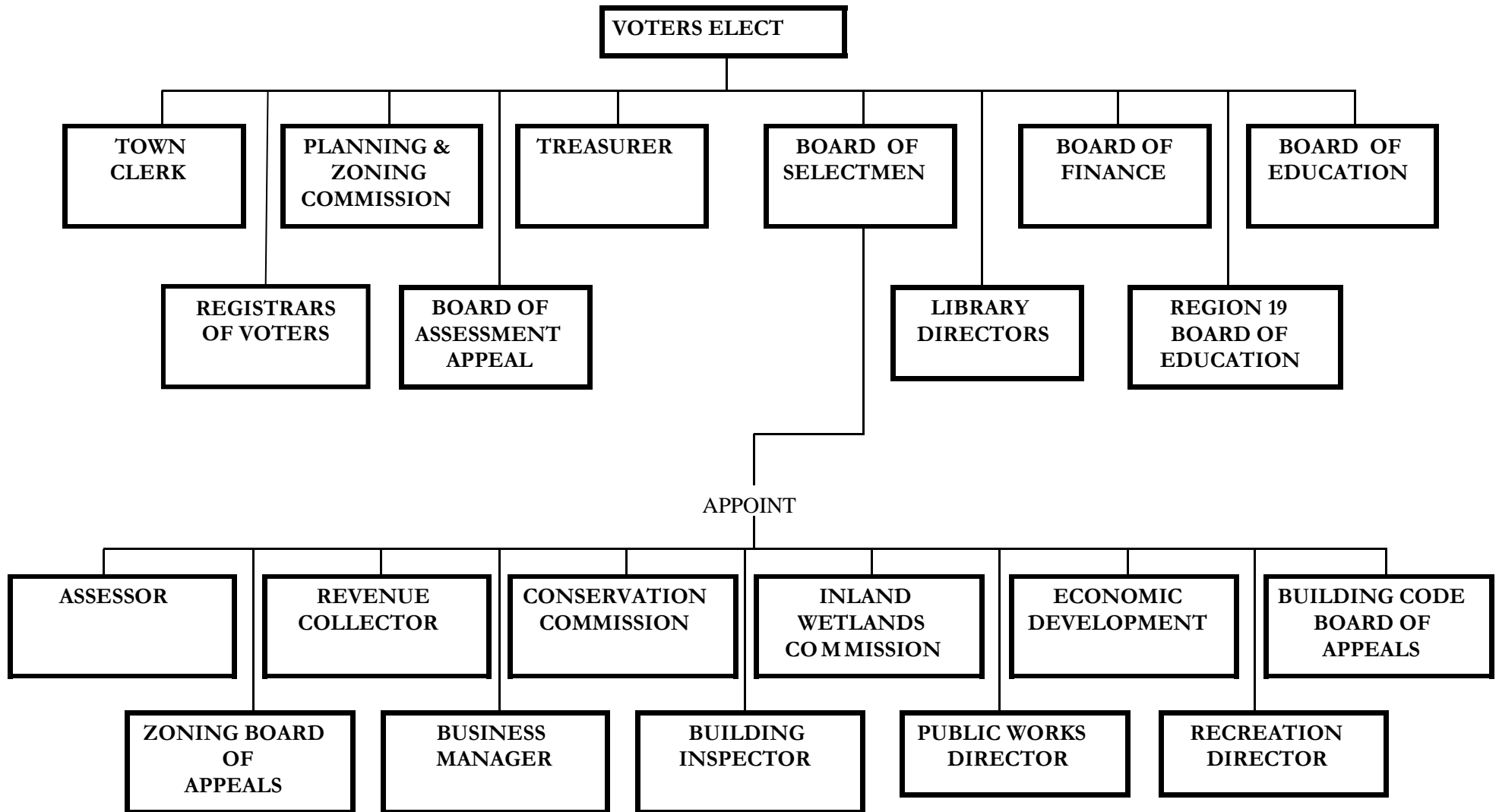
**Town of Willington
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

**TOWN OF WILLINGTON, CONNECTICUT
ORGANIZATIONAL CHART
JUNE 30, 2014**



**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2014**

TOWN MEETING - BOARD OF SELECTMEN FORM OF GOVERNMENT

BOARD OF SELECTMEN

Christina B. Mailhos, First Selectman
Kim L. Kowalyshyn, Selectman
John Blessington, Selectman

First Selectman.....	Christina B. Mailhos
Chairman, Board of Finance.....	Alan John Ference
Town Treasurer.....	Patricia Ignatowicz
Business Manager.....	Donna Latincsics
Director of Public Works.....	Derek Dimmock
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
Ann Grosjean
Mark Jones
Leonardo Mercado
Barry Wallett

BOARD OF FINANCE

Alan John Ference, Chairman
James Bulick
Peter J. Latincsics
John Patton
Elizabeth Treiber
Robert Wiecenski
Geoffrey Prusak, Alternate
Annemarie Poole, Alternate

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
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, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Willington, Connecticut, as of June 30, 2014, 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 on the Town's pension plan and other post-retirement benefit plan on page 51 through 53 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 23, 2014, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut
December 23, 2014

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

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - 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 \$14,783,770 (net position). Of this amount, \$2,731,587 represents the Town's unrestricted net position, an increase of \$172,638 over the prior year unrestricted net position. The Town's total overall net position increased by \$97,700 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 \$5,169,577, an increase of \$398,941 in comparison with the prior year combined ending fund balance.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$1,946,264 or 12.2% of total General Fund expenditures (excluding on-behalf payments) and non-capital transfers. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.5 months of General Fund operating expenditures.
- The Town's total long-term debt, consisting of general obligation bonds and capital lease obligations, increased by \$32,473 during the fiscal year from \$2,503,952 as of June 30, 2013 to \$2,536,425 as of June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets 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 operations of 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 50 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 pages 51 through 53 of this report. Combining and individual fund statements and schedules can be found on pages 54 through 72 of this report and statistical information can be found starting on page 73.

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 \$14,783,770 and \$14,686,070 as of June 30, 2014 and 2013, respectively and is summarized as follows:

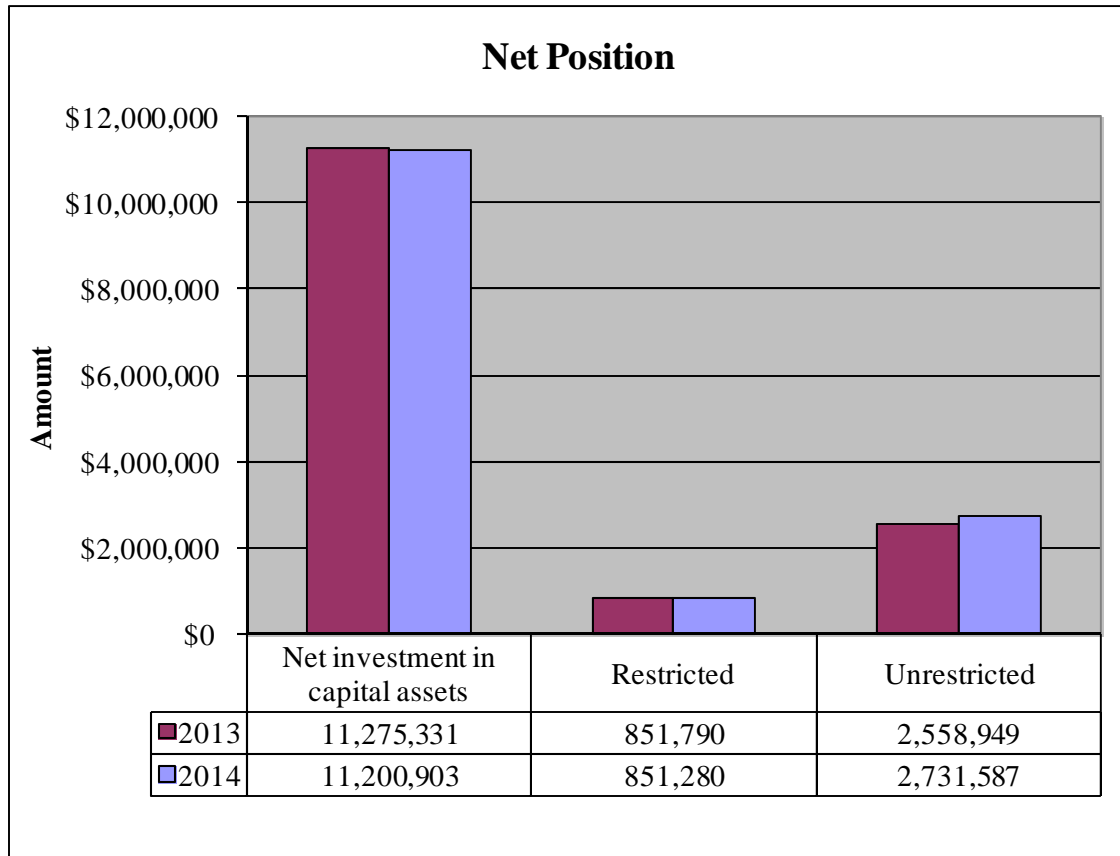
**TOWN OF WILLINGTON, CONNECTICUT
NET POSITION
JUNE 30, 2014 AND 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 6,155,940	\$ 5,620,501	\$ 25,612	\$ 24,253	\$ 6,181,552	\$ 5,644,754
Capital assets	12,325,034	12,525,333	1,208,585	1,258,718	13,533,619	13,784,051
Total assets	18,480,974	18,145,834	1,234,197	1,282,971	19,715,171	19,428,805
Other liabilities	843,765	760,307	142	423	843,907	760,730
Long-term liabilities	4,087,494	3,982,005	-	-	4,087,494	3,982,005
Total liabilities	4,931,259	4,742,312	142	423	4,931,401	4,742,735
Net position:						
Net investment in capital assets	9,992,318	10,016,613	1,208,585	1,258,718	11,200,903	11,275,331
Restricted	851,280	851,790	-	-	851,280	851,790
Unrestricted	2,706,117	2,535,119	25,470	23,830	2,731,587	2,558,949
Total net position	<u>\$ 13,549,715</u>	<u>\$ 13,403,522</u>	<u>\$ 1,234,055</u>	<u>\$ 1,282,548</u>	<u>\$ 14,783,770</u>	<u>\$ 14,686,070</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2014, approximately 75.8% of the Town's net position reflect the Town's 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 \$97,700 compared to a prior year increase of \$582,739. Changes in net position for the years ended June 30, 2014 and 2013 are as follows:

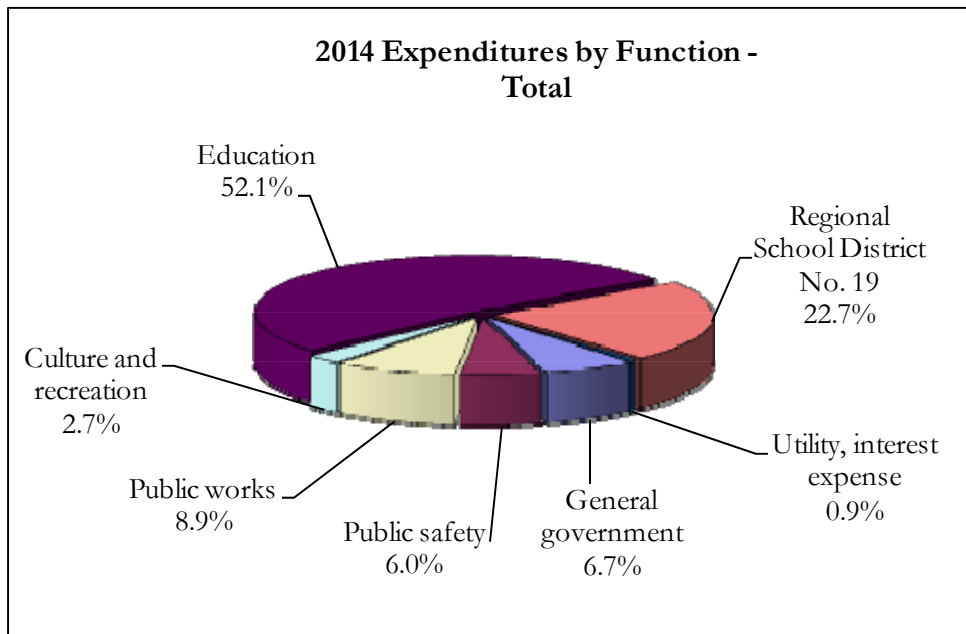
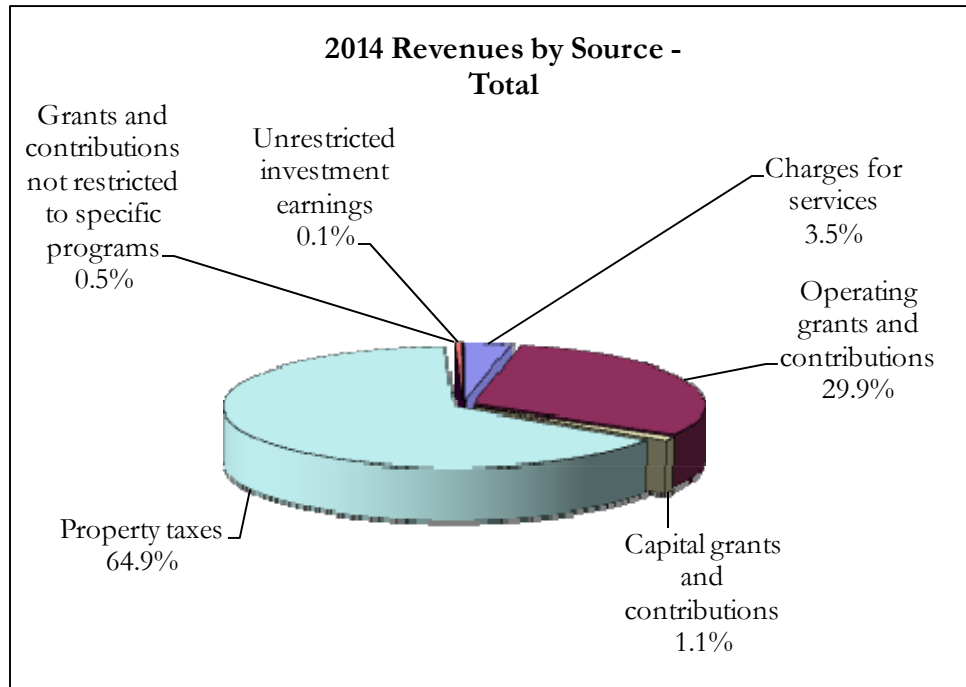
TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 608,023	\$ 565,166	\$ 32,468	\$ 23,541	\$ 640,491	\$ 588,707
Operating grants and contributions	5,425,821	5,292,739	-	-	5,425,821	5,292,739
Capital grants and contributions	193,698	503,844	-	-	193,698	503,844
General revenues:						
Property taxes, levied for general purposes	11,762,778	11,565,819	-	-	11,762,778	11,565,819
Grants and contributions not restricted to specific programs	85,033	152,569	-	-	85,033	152,569
Unrestricted investment earnings	15,607	13,289	2	3	15,609	13,292
Total revenues	<u>18,090,960</u>	<u>18,093,426</u>	<u>32,470</u>	<u>23,544</u>	<u>18,123,430</u>	<u>18,116,970</u>
Expenses						
General government	1,206,149	1,196,728	-	-	1,206,149	1,196,728
Public safety	1,082,315	943,852	-	-	1,082,315	943,852
Public works	1,608,946	1,298,263	-	-	1,608,946	1,298,263
Culture and recreation	478,474	434,295	-	-	478,474	434,295
Education	9,378,240	8,989,285	-	-	9,378,240	8,989,285
Regional School District No. 19	4,099,908	4,503,368	-	-	4,099,908	4,503,368
Interest expense	90,735	101,373	-	-	90,735	101,373
Utility	-	-	80,963	67,067	80,963	67,067
Total expenses	<u>17,944,767</u>	<u>17,467,164</u>	<u>80,963</u>	<u>67,067</u>	<u>18,025,730</u>	<u>17,534,231</u>
Change in net position	146,193	626,262	(48,493)	(43,523)	97,700	582,739
Net position, beginning	<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>
Net position, ending	<u>\$ 13,549,715</u>	<u>\$ 13,403,522</u>	<u>\$ 1,234,055</u>	<u>\$ 1,282,548</u>	<u>\$ 14,783,770</u>	<u>\$ 14,686,070</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 \$146,193 in the current year compared to an increase of \$626,262 in the prior year. Key elements of the change over prior year are as follows:

1. A decrease in capital grants and contributions in the amount of \$310,146, primarily related to the recognition of grant revenue received in the prior year from the State of Connecticut's Small Town Economic Assistance program to fund costs relating to the water main extension project, offset by an increase of \$133,082 in operating grants driven by an increase of \$147,089 in the amount of on-behalf contributions recognized for payments made by the State of Connecticut into the State Teachers' Retirement System and an increase of \$196,959 in property tax revenues.
2. An increase in public works expenses of \$310,683, primarily due to a \$107,517 increase in budgetary operating costs combined with an overall increase in allocated depreciation expense.

Business-type activities decreased the Town's net position by \$48,493 compared to a decrease of \$43,523 in the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, 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 close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,169,577, an increase of \$398,941 in comparison with prior year. Of this amount, \$1,946,264 constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed for specific purposes.

**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 \$1,946,264, while total fund balance was \$3,082,049. 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 represented 12.2% of total General Fund expenditures (excluding on-behalf payments) and non-capital transfers. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.5 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$171,179.

Small Cities Grant Housing Fund

The Town's Small Cities Grant Housing Fund is used to account for the expenditures of Federal housing funds and related program revenue provided in the form of rehabilitation loans to property owners. No significant activity occurred during the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's original budget contemplated the use of fund balance in the amount of \$300,000. During the current fiscal year, the Town appropriated an additional use of fund balance in the amount of \$75,490. The actual change in the fund balance was a decrease of \$83,687, resulting in a favorable variance of \$291,803. Actual revenues were \$186,789 higher than budgeted and actual expenditures were \$105,014 lower than budgeted.

The overall revenue surplus was primarily generated from the receipt of unbudgeted grant revenues totaling approximately \$158,000. The overall expenditure surplus was primarily generated by lower than budgeted education expenditures in the amount of \$88,962, which represents only a 1.1% of the overall education budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2014 and 2013 totaled \$13,527,487 and \$13,784,051, 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 decrease in the Town's investment in capital assets for the current fiscal year was \$256,564. Major capital asset events during the current fiscal year consisted of depreciation and amortization expense of \$627,717, offset by capital improvements to the Town's road and road drainage system, renovations to the Old Town Hall and the purchase of vehicles and equipment.

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

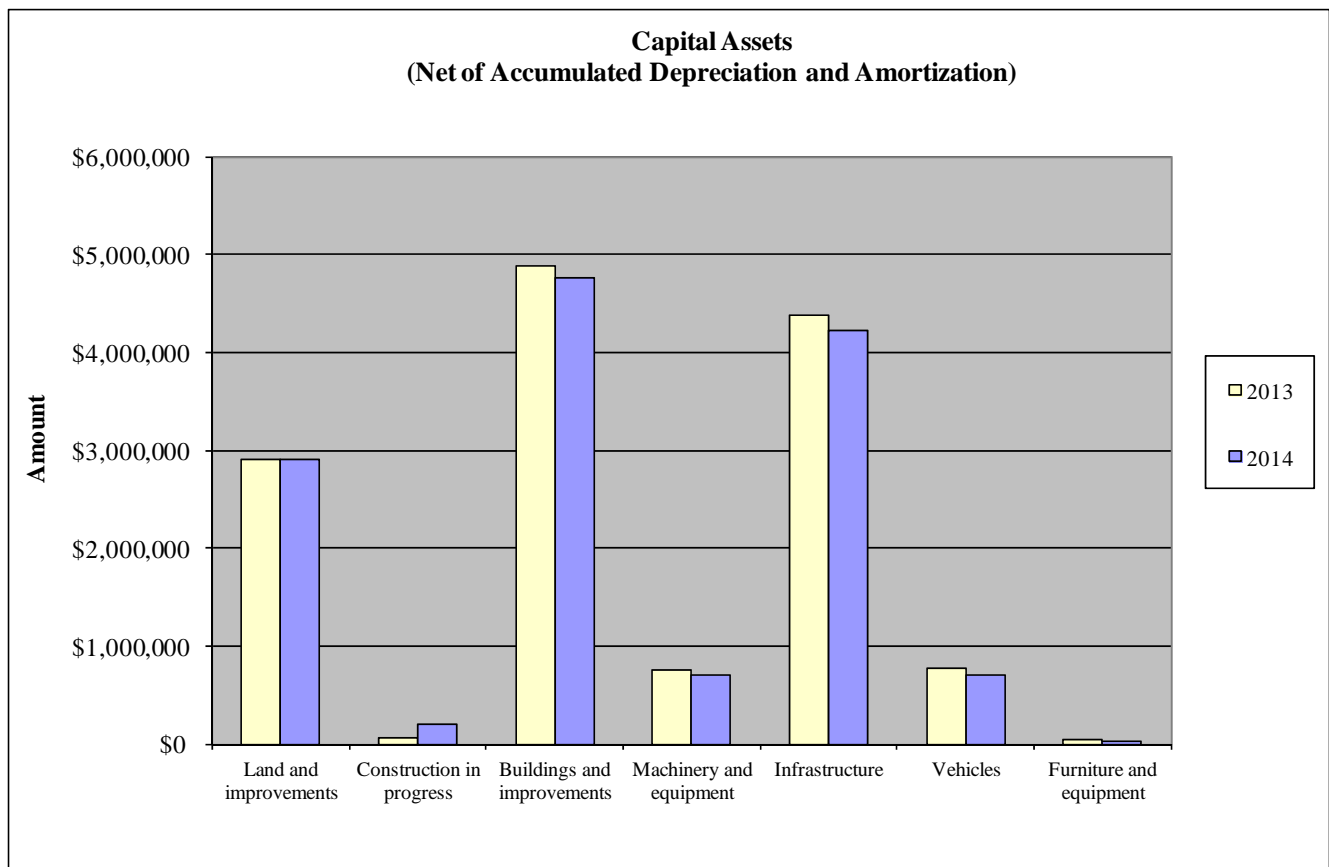
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

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, 2014 AND 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and improvements	\$ 2,901,917	\$ 2,899,097	\$ -	\$ -	\$ 2,901,917	\$ 2,899,097
Construction in progress	204,286	53,863	-	-	204,286	53,863
Buildings and improvements	4,753,623	4,881,889	-	-	4,753,623	4,881,889
Machinery and equipment	695,235	748,135	-	-	695,235	748,135
Infrastructure	3,022,133	3,127,654	1,208,585	1,258,718	4,230,718	4,386,372
Vehicles	708,721	768,948	-	-	708,721	768,948
Furniture and equipment	32,987	45,747	-	-	32,987	45,747
Totals	<u>\$ 12,318,902</u>	<u>\$ 12,525,333</u>	<u>\$ 1,208,585</u>	<u>\$ 1,258,718</u>	<u>\$ 13,527,487</u>	<u>\$ 13,784,051</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

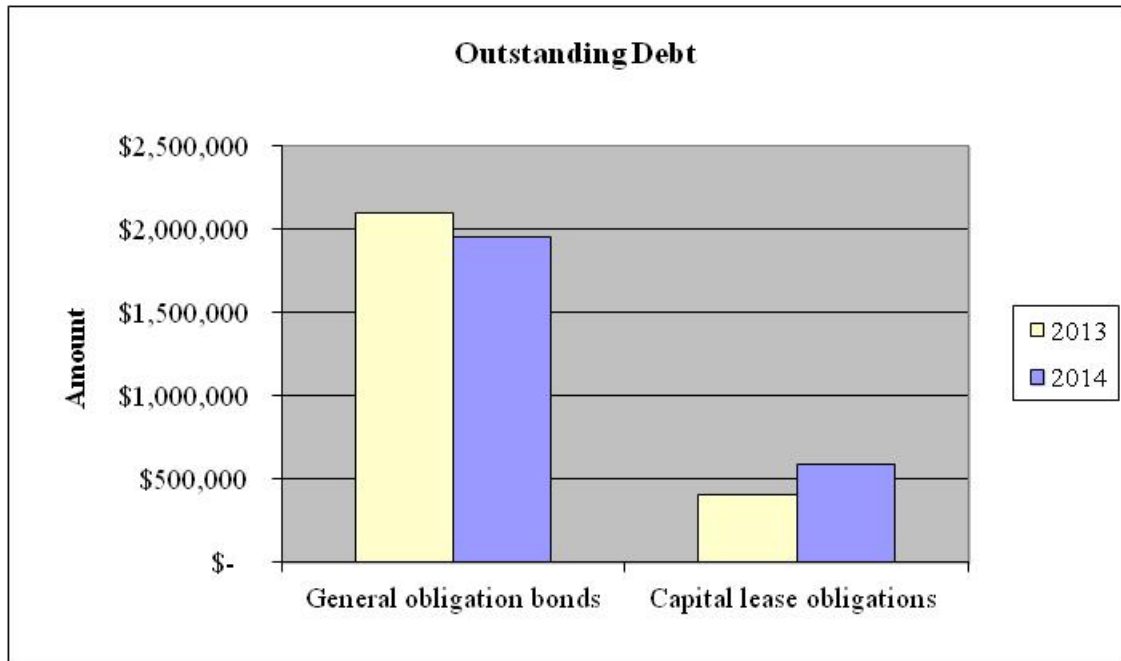
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$1,950,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$150,000 during the current fiscal year due to current year principal repayments. The Town maintains an A2 rating from Moody's Investor Service for general obligation debt. In addition, the Town has total capital lease obligations outstanding as of June 30, 2014 of \$586,425, which is an increase of \$182,473 over the prior year. During the current fiscal year the Town made capital lease payments of \$110,969 and entered into two new leases totaling \$293,442 for the purchase of a public works vehicle, an ambulance, and a road sweeper. As of June 30, 2014, proceeds from the lease of \$208,124 is being held in escrow to fund the purchase of the ambulance.

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, 2014 AND 2013

	June 30,	
	2014	2013
General obligation bonds	\$ 1,950,000	\$ 2,100,000
Capital lease obligations	586,425	403,952
Totals	<u>\$ 2,536,425</u>	<u>\$ 2,503,952</u>



Additional information on the Town's long-term debt can be found in Note 8 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 \$210,000 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 2015, 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 2015.

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, 2014

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,793,390	\$ 21,322	\$ 4,814,712
Receivables:			
Property taxes	103,822	-	103,822
Interest on property taxes	13,674	-	13,674
Grants and contracts	205,458	-	205,458
Other	11,327	8,327	19,654
Inventories	2,076	-	2,076
Internal balances	4,037	(4,037)	-
Restricted cash	208,124	-	208,124
Net pension asset	36,121	-	36,121
Rehabilitation loans receivable	777,911	-	777,911
Capital assets:			
Non-depreciable	2,668,485	-	2,668,485
Depreciable, net	9,656,549	1,208,585	10,865,134
Total assets	<u>18,480,974</u>	<u>1,234,197</u>	<u>19,715,171</u>
LIABILITIES			
Accounts payable	266,495	142	266,637
Accrued liabilities	568,983	-	568,983
Unearned revenue	2,146	-	2,146
Accrued interest	6,141	-	6,141
Noncurrent liabilities:			
Due within one year	355,497	-	355,497
Due in more than one year	3,731,997	-	3,731,997
Total liabilities	<u>4,931,259</u>	<u>142</u>	<u>4,931,401</u>
NET POSITION			
Net investment in capital assets	9,992,318	1,208,585	11,200,903
Restricted for:			
Housing rehabilitation	851,280	-	851,280
Unrestricted	2,706,117	25,470	2,731,587
Total net position	<u>\$ 13,549,715</u>	<u>\$ 1,234,055</u>	<u>\$ 14,783,770</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, 2014**

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	\$ 1,206,149	\$ 221,922	\$ 25,522	\$ -	\$ (958,705)	\$ -	\$ (958,705)
Public safety	1,082,315	236,473	2,663	-	(843,179)	-	(843,179)
Public works	1,608,946	-	285,558	193,698	(1,129,690)	-	(1,129,690)
Culture and recreation	478,474	32,431	37,963	-	(408,080)	-	(408,080)
Education	9,378,240	117,197	5,074,115	-	(4,186,928)	-	(4,186,928)
Regional School District No. 19	4,099,908	-	-	-	(4,099,908)	-	(4,099,908)
Interest expense	90,735	-	-	-	(90,735)	-	(90,735)
Total governmental activities	17,944,767	608,023	5,425,821	193,698	(11,717,225)	-	(11,717,225)
Business- type activities:							
Utility - water	80,963	32,468	-	-	-	(48,495)	(48,495)
	\$ 18,025,730	\$ 640,491	\$ 5,425,821	\$ 193,698	(11,717,225)	(48,495)	(11,765,720)
General revenues:							
Property taxes, levied for general purposes					11,762,778	-	11,762,778
Grants and contributions not restricted to specific programs					85,033	-	85,033
Unrestricted investment earnings					15,607	2	15,609
Total general revenues					11,863,418	2	11,863,420
Change in net position					146,193	(48,493)	97,700
Net position - beginning					13,403,522	1,282,548	14,686,070
Net position - ending					\$ 13,549,715	\$ 1,234,055	\$ 14,783,770

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

TOWN OF WILLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>Small Cities Grant Housing Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,765,100	\$ 70,154	\$ 958,136	\$ 4,793,390
Receivables:				
Property taxes	103,822	-	-	103,822
Interest on property taxes	13,674	-	-	13,674
Grants and contracts	-	-	205,458	205,458
Rehabilitation loans	-	777,911	-	777,911
Other	7,945	3,215	167	11,327
Due from other funds	79,126	-	224,983	304,109
Restricted cash	208,124	-	-	208,124
Inventories	-	-	2,076	2,076
Total assets	<u>\$ 4,177,791</u>	<u>\$ 851,280</u>	<u>\$ 1,390,820</u>	<u>\$ 6,419,891</u>
LIABILITIES				
Accounts payable	\$ 193,769	\$ -	\$ 72,726	\$ 266,495
Accrued liabilities	562,226	-	6,757	568,983
Due to other funds	224,983	-	75,089	300,072
Unearned revenue	2,146	-	-	2,146
Total liabilities	<u>983,124</u>	<u>-</u>	<u>154,572</u>	<u>1,137,696</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>112,618</u>	<u>-</u>	<u>-</u>	<u>112,618</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	2,076	2,076
Rehabilitation loans receivable	-	777,911	-	777,911
Restricted for:				
Rehabilitation loans	-	73,369	-	73,369
Capital purposes	208,124	-	-	208,124
Committed for:				
Capital purposes	-	-	701,258	701,258
Other purposes	468,486	-	532,914	1,001,400
Assigned	459,175	-	-	459,175
Unassigned	1,946,264	-	-	1,946,264
Total fund balances	<u>3,082,049</u>	<u>851,280</u>	<u>1,236,248</u>	<u>5,169,577</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,177,791</u>	<u>\$ 851,280</u>	<u>\$ 1,390,820</u>	<u>\$ 6,419,891</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, 2014**

Total fund balances for governmental funds	\$ 5,169,577
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.	12,325,034
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.	112,617
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	\$ (1,950,000)
Unamortized premium	(4,415)
Capital leases	(586,425)
Accrued interest payable	(6,140)
Other long-term liabilities:	
Compensated absences	(441,277)
Accrued landfill post closure costs	(71,400)
Net OPEB obligation	(1,033,977)
Total long-term liabilities	(4,093,634)
Net position of governmental activities	\$ 13,549,715

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, 2014

	General Fund	Small Cities Grant Housing Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 11,710,518	\$ -	\$ -	\$ 11,710,518
Intergovernmental	5,137,701	-	533,702	5,671,403
Charges for services	172,765	-	343,141	515,906
Investment earnings	14,833	3	771	15,607
Miscellaneous	62,449	-	62,817	125,266
Total revenues	<u>17,098,266</u>	<u>3</u>	<u>940,431</u>	<u>18,038,700</u>
EXPENDITURES				
Current:				
General government	1,127,825	512	-	1,128,337
Public safety	159,911	-	767,172	927,083
Public works	1,428,910	-	-	1,428,910
Culture and recreation	223,533	-	145,876	369,409
Education	8,786,408	-	426,960	9,213,368
Regional School District No. 19	4,099,908	-	-	4,099,908
Debt service:				
Principal payments	177,223	-	83,746	260,969
Interest and fiscal charges	83,155	-	8,714	91,869
Capital outlays	99,494	-	313,854	413,348
Total expenditures	<u>16,186,367</u>	<u>512</u>	<u>1,746,322</u>	<u>17,933,201</u>
Excess (deficiency) of revenues over expenditures	911,899	(509)	(805,891)	105,499
OTHER FINANCING SOURCES (USES)				
Capital lease	293,442	-	-	293,442
Transfers in	-	-	1,034,162	1,034,162
Transfers out	(1,034,162)	-	-	(1,034,162)
Total other financing sources (uses)	<u>(740,720)</u>	<u>-</u>	<u>1,034,162</u>	<u>293,442</u>
Net changes in fund balances	171,179	(509)	228,271	398,941
Fund balances - beginning	2,910,870	851,789	1,007,977	4,770,636
Fund balances - ending	<u>\$ 3,082,049</u>	<u>\$ 851,280</u>	<u>\$ 1,236,248</u>	<u>\$ 5,169,577</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, 2014

Net change in fund balances for governmental funds	\$	398,941
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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	\$	379,014	
Depreciation and amortization expense		(577,584)	
Net adjustment			(198,570)

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. (1,729)

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:

Debt issued or incurred:			
Capital leases		(293,442)	
Principal repayments:			
Bonds		150,000	
Obligations under capital lease		110,969	
Net adjustment			(32,473)

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		15,326	
Accrued interest		781	
Net OPEB obligation		(95,065)	
Amortization of bond premiums		353	
Landfill closure and post closure costs		6,370	
			(72,235)

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.

		52,259
Change in net position of governmental activities	\$	146,193

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

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, 2014

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 11,702,886	\$ 11,702,886	\$ 11,710,518	\$ 7,632
Intergovernmental	4,046,935	4,046,935	4,170,550	123,615
Licenses, fees and permits	128,800	128,800	172,765	43,965
Investment income	10,000	10,000	14,104	4,104
Other revenues	39,000	39,000	46,473	7,473
Total revenues	<u>15,927,621</u>	<u>15,927,621</u>	<u>16,114,410</u>	<u>186,789</u>
EXPENDITURES				
Current:				
General government	961,630	947,081	936,449	(10,632)
Public safety	474,122	474,372	472,372	(2,000)
Public works	1,197,583	1,250,585	1,248,033	(2,552)
Education	8,009,617	8,009,617	7,920,655	(88,962)
Regional School District No. 19	4,108,224	4,108,224	4,108,224	-
Miscellaneous	488,473	495,760	494,993	(767)
Debt service:				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	80,250	80,250	80,250	-
Capital outlays	17,000	17,000	16,899	(101)
Total expenditures	<u>15,486,899</u>	<u>15,532,889</u>	<u>15,427,875</u>	<u>(105,014)</u>
Excess of revenues over expenditures	440,722	394,732	686,535	291,803
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	300,000	375,490	-	(375,490)
Transfers out	(740,722)	(770,222)	(770,222)	-
Total other financing sources (uses)	<u>(440,722)</u>	<u>(394,732)</u>	<u>(770,222)</u>	<u>(375,490)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(83,687)	<u>\$ (83,687)</u>
Fund balance - beginning			<u>2,239,242</u>	
Fund balance - ending			<u>\$ 2,155,555</u>	

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities
	Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 21,322
Receivables	8,327
Total current assets	<u>29,649</u>
Noncurrent assets:	
Capital assets:	
Depreciable, net	1,208,585
Total assets	<u>1,238,234</u>
LIABILITIES	
Current liabilities:	
Accounts payable	142
Due to other funds	4,037
Total liabilities	<u>4,179</u>
NET POSITION	
Investment in capital assets	1,208,585
Unrestricted	25,470
Total net position	<u><u>\$ 1,234,055</u></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, 2014

	<u>Business-Type Activities</u>
	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for service	\$ 32,468
OPERATING EXPENSES	
Monitoring pump station	30,830
Depreciation expense	50,133
Total operating expenses	<u>80,963</u>
Operating loss	(48,495)
NONOPERATING REVENUES	
Interest income	<u>2</u>
Change in net position	(48,493)
Net position - beginning	<u>1,282,548</u>
Net position - ending	<u><u>\$ 1,234,055</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, 2014**

	Business-Type Activities
	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 31,728
Payments for operating expenses	(27,074)
Net cash provided by operating activities	<u>4,654</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>2</u>
Net cash provided by investing activities	<u>2</u>
Net increase in cash and cash equivalents	4,656
Cash and cash equivalents - beginning	<u>16,666</u>
Cash and cash equivalents - ending	<u><u>\$ 21,322</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (48,495)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	50,133
Change in assets and liabilities:	
Accounts receivable	(5,210)
Due from other funds	4,470
Accounts payable	(281)
Due to other funds	<u>4,037</u>
Net cash provided by operating activities	<u><u>\$ 4,654</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, 2014

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 158,552
Investments:		
Variable investment contracts	257,736	-
Fixed investment contracts	123,721	-
Certificates of deposit	-	11,511
Other assets	45,435	-
Total assets	<u>426,892</u>	<u>\$ 170,063</u>
LIABILITIES		
Due to others	<u>-</u>	<u>\$ 170,063</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 426,892</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, 2014

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 16,203
Employee	4,787
Total contributions	<u>20,990</u>
Investment earnings:	
Interest and dividends	1,266
Net increase in the fair value of investments	<u>37,951</u>
Total investment earnings	<u>39,217</u>
Total additions	<u>60,207</u>
DEDUCTIONS	
Benefit payments	<u>112,811</u>
Total deductions	<u>112,811</u>
 Change in net position	 (52,604)
 Net position - beginning	 <u>479,496</u>
 Net position - ending	 <u><u>\$ 426,892</u></u>

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, 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.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2014

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

Measurement Focus and Basis of Accounting *(Continued)*

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.

Implementation of New Accounting Standards

The Town has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, effective July 1, 2013. GASB Statement No. 67 replaced 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*. The implementation of GASB Statement No. 67 resulted in changes to the disclosures and required supplementary information relating to the Town's defined benefit pension plan. The implementation of GASB Statement No. 67 had no impact on the Town's financial position or on the financial position of the Town's Pension Trust Fund.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2014

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

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

Cash and 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, 2014

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

Eligible employees can accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement pursuant to the terms of the applicable union contract. Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they have matured; that is, only the amounts of reimbursable unused vacation leave or sick leave payable to employees who had terminated their employment as of the end of the fiscal year are recognized. Amounts are typically liquidated by the General Fund.

Vacation and sick leave benefits to be paid in future periods are accrued when earned by employees in the government-wide financial statements.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2014

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

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

Long-term Obligations *(Continued)*

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.

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 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2014

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

Assets, Liabilities and Fund Equity *(Continued)*

Net Position/Fund Balance *(Continued)*

The Town does not have a formal policy over the use of net position and fund balance. In accordance with the applicable accounting guidance, the Town uses 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.

Use of Estimates

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2014

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, 2014, the Board of Finance approved additional appropriations from fund balance of \$75,490.
- 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, 2014

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, 2014:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 16,114,410	\$ 15,427,875	\$ (770,222)	\$ (83,687)
"On-behalf" payments -				
State Teachers Retirement				
Fund	965,052	965,052	-	-
Encumbrances outstanding:				
June 30, 2013	-	154,926	-	(154,926)
June 30, 2014	-	(249,175)	-	249,175
Capital lease activity not reported on a budgetary basis	-	85,344	293,442	208,098
Budgetary perspective differences - funds combined for GAAP financial reporting purposes:				
Reserve for Compensated				
Absences Fund	10	48,498	10,000	(38,488)
Public Library Fund	18,040	189,982	162,239	(9,703)
Emergency Preparedness Fund	754	1,344	1,300	710
Elimination of interfund transfers	-	(437,479)	(437,479)	-
GAAP basis	<u>\$ 17,098,266</u>	<u>\$ 16,186,367</u>	<u>\$ (740,720)</u>	<u>\$ 171,179</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

As of June 30, 2014 the carrying value of the Town's cash deposits totaled \$1,919,805. A reconciliation of the Town's cash deposits as of June 30, 2014 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 4,814,712
Restricted cash	208,124
Statement of fiduciary net position:	
Cash and cash equivalents	158,552
Add: certificates of deposit classified as investments	11,511
Less: investments classified as cash equivalents	(3,273,093)
	<u>\$ 1,919,805</u>

Investments in CLASS and STIF totaling \$3,273,093 are included in cash and cash equivalents in the accompanying statements of net position. For purposes of disclosure, such amounts are considered investments and are included in the disclosure of investments. Certificates of deposit totaling \$11,511 are included in investments in the accompanying statements of net position. For purposes of disclosure, such amounts are considered cash deposits.

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, 2014, \$1,350,954 of the Town's bank balance of \$2,154,350 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,215,859
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	135,095
	<u>\$ 1,350,954</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, 2014

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2014 is as follows:

Government-wide statement of net position:	
Investments	\$ -
Statement of fiduciary net position:	
Investments	392,968
Less: certificates of deposit classified as investments	(11,511)
Add: investments classified as cash equivalents	3,273,093
	<u>\$ 3,654,550</u>

As of June 30, 2014, 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)	\$ 767,018	\$ 767,018
Short-Term Investment Fund (STIF)	2,506,075	2,506,075
	3,273,093	<u>\$ 3,273,093</u>
Other investments:		
Variable investment contracts	257,736	
Fixed investment contracts	123,721	
Total	<u>\$ 3,654,550</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, 2014

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, 2014:

Debt Securities	Fair Value	Standard & Poor's AAA
Cooperative Liquid Asset Security Systems Fund (CLASS)	\$ 767,018	\$ 767,018
Short Term Investment Fund (STIF)	2,506,075	2,256,075
	<u>\$ 3,273,093</u>	<u>\$ 3,023,093</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, 2014, loans receivable totaled \$777,911 under this program.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,464,199	\$ -	\$ -	\$ 2,464,199
Construction in progress	53,863	150,423	-	204,286
Total capital assets, not being depreciated	<u>2,518,062</u>	<u>150,423</u>	<u>-</u>	<u>2,668,485</u>
Capital assets, being depreciated:				
Land improvements	594,269	32,534	-	626,803
Buildings and improvements	13,992,171	12,500	-	14,004,671
Machinery and equipment	2,208,532	83,472	(7,861)	2,284,143
Infrastructure	25,373,700	43,272	-	25,416,972
Vehicles	1,475,045	56,813	-	1,531,858
Furniture and fixtures	415,153	-	-	415,153
Total capital assets, being depreciated	<u>44,058,870</u>	<u>228,591</u>	<u>(7,861)</u>	<u>44,279,600</u>
Less accumulated depreciation:				
Land improvements	159,371	29,714	-	189,085
Buildings and improvements	9,110,282	140,766	-	9,251,048
Machinery and equipment	1,460,397	128,511	-	1,588,908
Infrastructure	22,246,046	148,793	-	22,394,839
Vehicles	706,097	117,040	-	823,137
Furniture and fixtures	369,406	12,760	-	382,166
Total accumulated depreciation	<u>34,051,599</u>	<u>577,584</u>	<u>-</u>	<u>34,629,183</u>
Total capital assets, being depreciated, net	<u>10,007,271</u>	<u>(348,993)</u>	<u>(7,861)</u>	<u>9,650,417</u>
Governmental activities capital assets, net	<u>\$ 12,525,333</u>	<u>\$ (198,570)</u>	<u>\$ (7,861)</u>	<u>\$ 12,318,902</u>
	Beginning Balance	Increases	Decreases	Ending Balance
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	267,915	50,133	-	318,048
Total accumulated depreciation	<u>267,915</u>	<u>50,133</u>	<u>-</u>	<u>318,048</u>
Total capital assets, being depreciated, net	<u>1,258,718</u>	<u>(50,133)</u>	<u>-</u>	<u>1,208,585</u>
Business-type activities capital assets, net	<u>\$ 1,258,718</u>	<u>\$ (50,133)</u>	<u>\$ -</u>	<u>\$ 1,208,585</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 51,634
Public safety	92,088
Public works	220,651
Culture and recreation	109,065
Education	104,146
Total depreciation and amortization expense - governmental activities	<u><u>\$ 577,584</u></u>
Business-type Activities:	
Utility - water	\$ 50,133
Total depreciation and amortization expense - business-type activities	<u><u>\$ 50,133</u></u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2014 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 75,089
General Fund	Utility Fund	<u>4,037</u>
		79,126
Nonmajor Governmental Funds	General Fund	<u>224,983</u>
Total due from/to other funds		<u><u>\$ 304,109</u></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, 2014

NOTE 7 - INTERFUND TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Nonmajor Governmental Funds	General Fund	<u>\$ 1,034,162</u>

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 8 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2014:

	<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	\$ 2,100,000	\$ -	\$ (150,000)	\$ 1,950,000	\$ 150,000
Unamortized bond premium	4,768	-	(353)	4,415	-
Total bonds payable	2,104,768	-	(150,353)	1,954,415	150,000
Other liabilities:					
Capital leases	403,952	293,442	(110,969)	586,425	133,497
Compensated absences	456,603	55,825	(71,151)	441,277	65,000
Accrued landfill postclosure costs	77,770	6,960	(13,330)	71,400	7,000
Net OPEB obligation	938,912	95,065	-	1,033,977	-
	<u>\$ 3,982,005</u>	<u>\$ 451,292</u>	<u>\$ (345,803)</u>	<u>\$ 4,087,494</u>	<u>\$ 355,497</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, 2014 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>\$ 1,950,000</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 8 - 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, 2014:

Year ending June 30:	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2015	\$ 150,000	\$ 73,688
2016	150,000	67,219
2017	150,000	61,781
2018	150,000	56,344
2019	150,000	50,813
2020-2024	750,000	165,000
2025-2027	450,000	27,000
	<u>\$ 1,950,000</u>	<u>\$ 501,845</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, 2014, the District's total outstanding bonds were \$8,070,000 of which \$4,472,576 is to be reimbursed by the State of Connecticut. The remaining balance of \$3,597,424 represents the District's net obligation with 23.44%, or \$843,236, 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, 2014.

Capital Leases

During the year ended June 30, 2014, the Town received proceeds from a capital lease arrangement in the amount \$258,500 for the purpose of acquiring a public works vehicle and an ambulance. As of June 30, 2014, the Town had not taken delivery of the ambulance and the portion of the proceeds to be used for the purchase of the ambulance remained in escrow. The amount held in escrow as of June 30, 2014 of \$208,124 has been presented as restricted cash in the accompanying government-wide and fund financial statements.

A summary of assets acquired through capital leases is as follows as of June 30, 2014:

	Governmental
	Activities
Machinery and equipment	\$ 754,692
Vehicles	153,750
	<u>908,442</u>
Less: accumulated amortization	679,647
	<u>\$ 228,795</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases (Continued)

Amortization expense relative to leased property under capital leases totaled \$124,786 for the year ended June 30, 2014 and is included in depreciation and amortization expense disclosed in Note 5.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2014 is as follows:

Year ending June 30:	Governmental Activities
2015	\$ 148,460
2016	148,460
2017	142,511
2018	88,205
2019	39,847
2020-2024	<u>59,770</u>
Total minimum lease payments	627,253
Less: amount representing interest	<u>40,828</u>
Present value of minimum lease payments	586,425
Less: current portion	<u>133,497</u>
	<u><u>\$ 452,928</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 \$7,140 per year for the next 10 years total \$71,400 at June 30, 2014. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

NOTE 9 - PENSION PLANS

Defined Benefit Plan

Plan Description

Plan administration - 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 authority to establish and amend the benefit terms is held by Town's Board of Selectman. Management of the Plan is vested in the Board of Selectman, which consists of three members, all of which are elected by town members. The Plan has been closed to new entrants.

Plan membership - At June 30, 2014, pension plan membership consisted of 3 active members.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Plan Description (Continued)

Benefits provided – The Plan provides retirement and death benefits. Retirement benefits for plan members are calculated as 1.667 percent of the member's highest 5-year average salary, excluding compensation earned in the last 5 years prior to retirement, times the member's years of service. Plan members are eligible to retire at age 65 or are eligible for early retirement at age 55 with 15 years of service. Death benefits equal up to 100 times the participant's anticipated monthly pension and are provided by insurance policies purchased by the Plan.

Contributions – The Town establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the required contribution rate of 2.5% of compensation by plan members. For the year ended June 30, 2014, the Town contributed \$16,203 or 8.6% of covered annual payroll.

Summary of Significant Accounting Principles

Investment policy – The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Town. It is the policy of the Town to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the asset allocation as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	60%
Fixed Income	30%
Insurance Contracts	10%
	<u>100%</u>

Concentrations - The following investments represent five percent or more of the Plan's net position.

ING Fixed Accounts	123,721
ING Variable Accounts	257,736

Rate of return – For the year ended June 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.38%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Obligation and Net Pension Liability of the Town

The Town has not yet implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which is effective for fiscal years beginning after June 15, 2014. GASB Statement No. 68 will require the Town to record the net pension liability of its defined benefit pension plan in its government-wide financial statements. The net pension liability has been disclosed below in accordance with the implementation of GASB Statement No. 67. The Town continues to apply the provisions of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which requires employers to recognize a net pension asset or obligation in its government-wide financial statements based on the cumulative difference between the annual pension cost and the amounts contributed to the plan.

The following presents the Town's net pension asset as of June 30, 2014 and the related change in the net pension asset for the year ended June 30, 2014:

Annual required contribution	\$ 19,730
Interest on net pension asset	(1,893)
Adjustment to annual required contribution	<u>3,153</u>
Annual pension cost	20,990
Contributions made	<u>20,990</u>
Change in net pension asset	-
Net pension asset, beginning of the year	<u>(36,121)</u>
Net pension asset, end of the year	<u><u>\$ (36,121)</u></u>

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

Total pension liability	\$ 568,204
Plan fiduciary net position	<u>(426,892)</u>
Town's net pension liability	<u><u>\$ 141,312</u></u>
Plan fiduciary net position as a percentage of the total pension liability	75.13%

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Salary increases	4.0 percent, average, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Unisex Healthy Annuitant Mortality Table, with adjustments to the valuation year for mortality improvements based on Scale AA.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Obligation and Net Pension Liability of the Town (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term expected Real Rate of Return</u>
Equity	7.0%
Fixed Income	3.5%
Insurance Contracts	1.0%

Discount rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>Discount Rate</u>		
	<u>6.0%</u>	<u>7.0%</u>	<u>8.0%</u>
Net pension liability	\$ 179,655	\$ 141,312	\$ 100,644

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, 2014, Town teachers contributed \$282,236 to the plan and covered payroll for the year was \$3,892,910.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The Town has reported "on-behalf" payments of \$965,052 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 10 - 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.

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, 2014, to irrevocably segregate assets to fund the liability for post-employment benefits.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy (Continued)

The following is the current census of the Town's post employment benefit participants as of June 30, 2014:

Active members	37
Retirees	4
Spouses	1
Total	<u>42</u>

OPEB payments for the year ended June 30, 2014, net of retiree and other contributions, amounted to approximately \$32,252.

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	\$ 61,593
Interest on net OPEB obligation	<u>65,724</u>
Annual OPEB cost	127,317
Contributions made	<u>32,252</u>
Increase in net OPEB obligation	95,065
Net OPEB obligation, beginning of the year	<u>938,912</u>
Net OPEB obligation, end of the year	<u>\$ 1,033,977</u>

Three-year Trend Information

Plan Year Ended June 30,	Annual OPEB Cost	Percentage of AOC Contributed	Net OPEB Obligation
2012	\$ 187,692	17.7%	\$ 769,207
2013	198,506	14.5%	938,912
2014	127,317	25.3%	1,033,977

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2014 (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, 2014	\$ -	\$ 1,075,973	\$ 1,075,973	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.

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, 2014
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level Percentage of Payroll
Remaining amortization period:	30 years
Asset valuation method:	Alternative Measurement Method
Actuarial assumptions:	
Discount rate	4.0%
Medical inflation rate	5.5% - 4.4% over 71 years
Dental inflation rate	3.0%
Amortization growth rate	3.50%

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 11 - FUND BALANCE

The Town has committed and assigned fund balance as of June 30, 2014 for the following purposes:

	Committed	Assigned
Compensated absences	\$ 100,533	\$ -
Library	363,953	-
Emergency preparedness	4,000	-
General government	8,322	-
Public safety	343,664	-
Culture and recreation	75,644	-
Public works	6,163	-
Educational purposes	99,121	-
For use in subsequent year's budget	-	210,000
Encumbrances	-	249,175
	<u>\$ 1,001,400</u>	<u>\$ 459,175</u>

Encumbrances represent commitments entered into as of June 30, 2014 for goods or services to be provided in the subsequent fiscal year. Encumbrances have been assigned for the following purposes:

General government	\$ 5,617
Educational	237,857
Capital purposes	4,899
Other purposes	802
	<u>\$ 249,175</u>

NOTE 12 - 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, 2014, 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 13 - 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, 2014

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARD

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. Management is currently evaluating the effect that implementation of this standards will have on its financial statements.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF TOWN CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION (Unaudited)
LAST 6 FISCAL YEARS

	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 53,197	\$ 48,905	\$ 38,946	\$ 34,499	\$ 31,227	\$ 19,860
Contributions in relation to the actuarially determined contribution	16,203	20,095	20,095	20,095	15,095	10,580
Contribution deficiency	<u>\$ 36,994</u>	<u>\$ 28,810</u>	<u>\$ 18,851</u>	<u>\$ 14,404</u>	<u>\$ 16,132</u>	<u>\$ 9,280</u>
Covered employee payroll	\$ 188,376	\$ 232,522	\$ 230,591	\$ 231,019	\$ 210,457	\$ 210,553
Contributions as a percentage of covered employee payroll	8.60%	8.64%	8.71%	8.70%	7.17%	5.02%
Annual money-weighted rate of return, net of investment expense	11.38%	11.65%	Not available	Not available	Not available	Not available

Notes to Schedule

Valuation date

Actuarially determined contribution rates are calculated as of June 30 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Included in cost as level % of payroll over compensation weighted average working life
Remaining amortization period	N/A
Asset valuation method	Market value
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	6.50%
Retirement age	65
Pre-Retirement Mortality	None
Post-Retirement Mortality	2013 Unisex Applicable Mortality Table from IRS Rev. Rul. 2006-67

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS - PENSION (Unaudited)
JUNE 30, 2014

Total pension liability

Service cost	\$ 22,477
Interest	35,764
Differences between expected and actual experience	20,828
Changes of assumptions	28,901
Benefit payments, including refunds or employee contributions	<u>(112,811)</u>
Net change in total pension liability	(4,841)
Total pension liability - beginning	<u>573,045</u>
Total pension liability - ending	<u><u>\$ 568,204</u></u>

Plan fiduciary net position

Contributions - employer	\$ 16,203
Contributions - members	4,787
Net investment income	39,217
Benefit payments, including refunds	<u>(112,811)</u>
Net change in plan fiduciary net position	(52,604)
Plan fiduciary net position - beginning	<u>479,496</u>
Plan fiduciary net position - ending	<u><u>\$ 426,892</u></u>

Town's net pension liability	<u><u>\$ 141,312</u></u>
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**Plan fiduciary net position as a percentage
of total pension liability**

75.13%

Covered employee payroll

\$ 188,376

**Town's net pension liability as a percentage
of covered employee payroll**

75.02%

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - OTHER POST-RETIREMENT BENEFITS (Unaudited)
LAST 3 ACTUARIAL VALUATIONS

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, 2014	\$ -	\$ 1,075,973	\$ 1,075,973	0.0%	Not applicable	Not applicable
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

See Independent Auditor's Report.

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, 2014

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
PROPERTY TAXES				
Taxes	\$ 11,672,886	\$ 11,672,886	\$ 11,662,858	\$ (10,028)
Interest and lien fees	30,000	30,000	47,660	17,660
Total property taxes	11,702,886	11,702,886	11,710,518	7,632
INTERGOVERNMENTAL REVENUES				
Education:				
Education cost sharing grant	3,760,189	3,760,189	3,714,824	(45,365)
Transportation grant	-	-	52,681	52,681
School security grant	-	-	18,810	18,810
Noneducation:				
Town aid road grant	257,771	257,771	258,023	252
State property reimbursement	-	-	42,154	42,154
Pequot funds	-	-	25,917	25,917
Municipal project grant	-	-	18,827	18,827
Judicial fines	8,500	8,500	16,250	7,750
Elderly and disabled property reimbursement	16,200	16,200	15,632	(568)
Emergency planning and preparedness grant	3,000	3,000	6,102	3,102
Veteran's exemption	800	800	793	(7)
Disability reimbursement	475	475	537	62
Total intergovernmental revenues	4,046,935	4,046,935	4,170,550	123,615
LICENSES, FEES AND PERMITS				
Building, zoning fees and permits	60,000	60,000	62,413	2,413
Zoning board of appeals	1,000	1,000	842	(158)
Inland/wetland fees	5,000	5,000	4,346	(654)
Conveyance taxes	28,000	28,000	62,916	34,916
Permits	2,450	2,450	3,175	725
Town clerk fees	26,950	26,950	30,047	3,097
Transfer station fees	5,000	5,000	4,941	(59)
Reimbursement - recycling	400	400	664	264
Reimbursement - road maintenance	-	-	3,421	3,421
Total licenses, fees and permits	128,800	128,800	172,765	43,965
INVESTMENT EARNINGS	10,000	10,000	14,104	4,104

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
MISCELLANEOUS				
Telecommunications grant	\$ 14,000	\$ 14,000	\$ 13,306	\$ (694)
Other	25,000	25,000	33,167	8,167
Total miscellaneous	39,000	39,000	46,473	7,473
 Total revenues	 15,927,621	 15,927,621	 16,114,410	 186,789
OTHER FINANCING SOURCES				
Appropriation of fund balance	300,000	375,490	-	(375,490)
 Total revenues and other financing sources	 <u>\$ 16,227,621</u>	 <u>\$ 16,303,111</u>	 <u>\$ 16,114,410</u>	 <u>\$ (188,701)</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, 2014

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
GENERAL GOVERNMENT				
Selectmen	\$ 111,907	\$ 113,714	\$ 113,663	\$ (51)
Probate court	2,419	2,419	2,418	(1)
Elections/registrars	26,871	25,496	25,202	(294)
Accounting services	193,517	188,159	187,484	(675)
Board of finance	4,385	3,585	3,269	(316)
Town treasurer	28,981	28,981	28,976	(5)
Auditor	38,000	32,500	32,500	-
Assessor	91,139	91,139	86,672	(4,467)
Board of assessment appeals	1,273	1,273	1,273	-
Revenue collector	75,532	75,532	74,008	(1,524)
Legal counsel	30,000	35,231	35,231	-
Town clerk	99,435	99,435	99,221	(214)
Conservation commission	1,500	1,500	755	(745)
Planning and zoning	98,271	98,271	96,724	(1,547)
Zoning board of appeals	4,331	4,331	4,331	-
Economic development commission	900	900	803	(97)
Inland/wetlands commission	2,000	2,000	1,749	(251)
Town office operations	90,348	86,971	86,601	(370)
Town hall operations	6,977	12,293	12,265	(28)
Senior Center operations	24,844	24,974	24,928	(46)
Consulting engineers	29,000	18,377	18,376	(1)
Total general government	961,630	947,081	936,449	(10,632)
PUBLIC SAFETY				
Ambulance	364,300	364,300	364,300	-
Fire marshal	22,430	22,680	22,097	(583)
Fire protection	28,446	28,446	28,440	(6)
Public safety and welfare	27,752	27,752	27,752	-
Emergency management director	6,200	6,200	6,000	(200)
Fire mains and hydrants	6,432	6,432	6,290	(142)
Building official	18,562	18,562	17,493	(1,069)
Total public safety	474,122	474,372	472,372	(2,000)
PUBLIC WORKS				
Public works department	954,550	1,001,881	999,727	(2,154)
Cemetery	2,000	2,000	2,000	-
Transfer station	241,033	246,704	246,306	(398)
Total public works	1,197,583	1,250,585	1,248,033	(2,552)

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, 2014

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
EDUCATION				
Elementary education	\$ 2,846,389	\$ 2,891,750	\$ 2,865,336	\$ (26,414)
Special education	1,455,528	1,448,497	1,449,207	710
Summer school	38,500	38,500	38,500	-
Fringe benefits	999,188	882,587	865,074	(17,513)
Pupil services	376,273	371,434	370,069	(1,365)
Staff and program development	122,242	124,572	123,599	(973)
Educational media	122,176	135,721	134,731	(990)
Board of Education	499,274	515,829	493,647	(22,182)
Principal's office	428,283	428,533	422,248	(6,285)
Plant operations	578,250	642,569	640,927	(1,642)
Transportation	543,514	529,625	517,317	(12,308)
Total education	8,009,617	8,009,617	7,920,655	(88,962)
REGIONAL SCHOOL DISTRICT NO. 19	4,108,224	4,108,224	4,108,224	-
MISCELLANEOUS				
Social security	77,438	74,804	74,803	(1)
Unemployment	500	13,190	12,467	(723)
Employee health insurance	266,209	272,543	272,542	(1)
Pension fund	49,884	46,867	46,867	-
Insurance	91,942	86,756	86,756	-
Miscellaneous	2,500	1,600	1,558	(42)
Total miscellaneous	488,473	495,760	494,993	(767)
DEBT SERVICE				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	80,250	80,250	80,250	-
Total debt service	230,250	230,250	230,250	-
CAPITAL OUTLAYS	17,000	17,000	16,899	(101)
Total expenditures	15,486,899	15,532,889	15,427,875	(105,014)

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, 2014

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
OTHER FINANCING USES				
Transfers out:				
Reserve for compensated absences fund	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Dog fund	19,794	19,794	19,794	-
Fire department fund	228,790	228,790	228,790	-
Mary D. Edwards public library fund	162,214	162,214	162,214	-
Recreation commission fund	48,017	48,017	48,017	-
Willington youth, family and social services fund	47,607	47,607	47,607	-
Emergency preparedness fund	1,300	1,300	1,300	-
Capital projects fund	-	29,500	29,500	-
Reserve for capital and nonrecurring fund	223,000	223,000	223,000	-
Total other financing uses	<u>740,722</u>	<u>770,222</u>	<u>770,222</u>	<u>-</u>
 Total expenditures and other financing uses	 <u>\$ 16,227,621</u>	 <u>\$ 16,303,111</u>	 <u>\$ 16,198,097</u>	 <u>\$ (105,014)</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2014

Grand List Year	Uncollected Taxes	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes
	July 1, 2013		Additions	Deletions			Taxes	Interest	Liens	
2012	\$ -	\$ 11,778,438	\$ 17,561	\$ 37,623	\$ 10,260	\$ 11,748,116	\$ 11,662,829	\$ 35,106	\$ 5,899	\$ 85,287
2011	31,911	-	10,210	1,103	7,229	33,789	15,254	8,424	1,313	18,535
2010	11,193	-	1,103	201	4,467	7,628	7,628	1,305	133	-
2009	3,314	-	622	-	3,452	484	484	278	186	-
2008	3,285	-	303	-	3,437	151	151	252	88	-
2007	2,472	-	231	-	2,473	230	230	199	12	-
2006	2,385	-	61	-	2,386	60	60	75	23	-
2005	2,367	-	62	-	2,366	63	63	86	104	-
2004	2,362	-	225	-	2,361	226	226	345	45	-
2003	2,292	-	125	48	2,292	77	77	137	8	-
2002 and prior	2,141	-	172	-	2,141	172	172	350	56	-
	<u>\$ 63,722</u>	<u>\$ 11,778,438</u>	<u>\$ 30,675</u>	<u>\$ 38,975</u>	<u>\$ 42,864</u>	<u>\$ 11,790,996</u>	<u>\$ 11,687,174</u>	<u>\$ 46,557</u>	<u>\$ 7,867</u>	<u>\$ 103,822</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2014

Total cash collections for the year ended
June 30, 2014:

Taxes	\$ 11,687,174
Interest and lien fees	54,424
Total	<u>11,741,598</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	15,632
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Base	<u><u>\$ 11,757,230</u></u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 26,453,768	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	52,907,535	-	-	-
3-3/4 times base	-	-	44,089,613	-	-
3-1/4 times base	-	-	-	38,210,998	-
3 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,271,690</u>
Total debt limitation	<u>26,453,768</u>	<u>52,907,535</u>	<u>44,089,613</u>	<u>38,210,998</u>	<u>35,271,690</u>
Indebtedness:					
Bonds payable	1,950,000	-	-	-	-
Allocated portion of Regional School District No. 19 bonds payable	<u>-</u>	<u>843,236</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>1,950,000</u>	<u>843,236</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 24,503,768</u></u>	<u><u>\$ 52,064,299</u></u>	<u><u>\$ 44,089,613</u></u>	<u><u>\$ 38,210,998</u></u>	<u><u>\$ 35,271,690</u></u>
Total capacity of borrowing (7 times base)	\$ 82,300,610				
Total present indebtedness	<u>2,793,236</u>				
Margin for additional borrowing	<u><u>\$ 79,507,374</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, 2014

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 395,417	\$ 562,719	\$ 958,136
Receivables:			
Grants and contracts	10,068	195,390	205,458
Other	167	-	167
Due from other funds	188,219	36,764	224,983
Inventories	2,076	-	2,076
Total assets	<u>\$ 595,947</u>	<u>\$ 794,873</u>	<u>\$ 1,390,820</u>
LIABILITIES			
Accounts payable	\$ 53,394	\$ 19,332	\$ 72,726
Accrued liabilities	6,757	-	6,757
Due to other funds	806	74,283	75,089
Total liabilities	<u>60,957</u>	<u>93,615</u>	<u>154,572</u>
FUND BALANCES			
Nonspendable:			
Inventories	2,076	-	2,076
Committed for:			
Capital purposes	-	701,258	701,258
Other purposes	532,914	-	532,914
Total fund balances	<u>534,990</u>	<u>701,258</u>	<u>1,236,248</u>
Total liabilities and fund balance	<u>\$ 595,947</u>	<u>\$ 794,873</u>	<u>\$ 1,390,820</u>

See Independent Auditor's Report.

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, 2014

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 332,178	\$ 201,524	\$ 533,702
Charges for services	343,141	-	343,141
Investment earnings	668	103	771
Miscellaneous	61,338	1,479	62,817
Total revenues	<u>737,325</u>	<u>203,106</u>	<u>940,431</u>
EXPENDITURES			
Current:			
Public safety	767,172	-	767,172
Culture and recreation	145,876	-	145,876
Education	426,960	-	426,960
Debt service:			
Principal payments	83,746	-	83,746
Interest and fiscal charges	8,714	-	8,714
Capital outlays	-	313,854	313,854
Total expenditures	<u>1,432,468</u>	<u>313,854</u>	<u>1,746,322</u>
Deficiency of revenues over expenditures	(695,143)	(110,748)	(805,891)
OTHER FINANCING SOURCES			
Transfers in	739,662	294,500	1,034,162
Total other financing sources	<u>739,662</u>	<u>294,500</u>	<u>1,034,162</u>
Net changes in fund balances	44,519	183,752	228,271
Fund balances - beginning	<u>490,471</u>	<u>517,506</u>	<u>1,007,977</u>
Fund balances - ending	<u><u>\$ 534,990</u></u>	<u><u>\$ 701,258</u></u>	<u><u>\$ 1,236,248</u></u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund
ASSETS					
Cash and cash equivalents	\$ 8,322	\$ -	\$ -	\$ 13,883	\$ 4,219
Receivables:					
Grants and contracts	-	-	-	-	-
Other	-	30	-	-	-
Due from other funds	-	5,210	15,178	49,282	1,944
Inventories	-	-	-	-	-
Total assets	<u>\$ 8,322</u>	<u>\$ 5,240</u>	<u>\$ 15,178</u>	<u>\$ 63,165</u>	<u>\$ 6,163</u>
LIABILITIES					
Accounts payable	\$ -	\$ 3,566	\$ 2,583	\$ 116	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,566</u>	<u>2,583</u>	<u>116</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Committed for other purposes	8,322	1,674	12,595	63,049	6,163
Total fund balances	<u>8,322</u>	<u>1,674</u>	<u>12,595</u>	<u>63,049</u>	<u>6,163</u>
Total liabilities and fund balances	<u>\$ 8,322</u>	<u>\$ 5,240</u>	<u>\$ 15,178</u>	<u>\$ 63,165</u>	<u>\$ 6,163</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2014

	State and Federal Grants Fund	School Lunch Fund	Education Fund	Fire and Ambulance Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 32,896	\$ -	\$ 336,097	\$ 395,417
Receivables:					
Grants and contracts	212	9,856	-	-	10,068
Other	-	137	-	-	167
Due from other funds	17,258	-	59,751	39,596	188,219
Inventories	-	2,076	-	-	2,076
Total assets	<u>\$ 17,470</u>	<u>\$ 44,965</u>	<u>\$ 59,751</u>	<u>\$ 375,693</u>	<u>\$ 595,947</u>
LIABILITIES					
Accounts payable	\$ 17,470	\$ 2,737	\$ 782	\$ 26,140	\$ 53,394
Accrued liabilities	-	-	-	6,757	6,757
Due to other funds	-	-	-	806	806
Total liabilities	<u>17,470</u>	<u>2,737</u>	<u>782</u>	<u>33,703</u>	<u>60,957</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	2,076	-	-	2,076
Committed for other purposes	-	40,152	58,969	341,990	532,914
Total fund balances	<u>-</u>	<u>42,228</u>	<u>58,969</u>	<u>341,990</u>	<u>534,990</u>
Total liabilities and fund balances	<u>\$ 17,470</u>	<u>\$ 44,965</u>	<u>\$ 59,751</u>	<u>\$ 375,693</u>	<u>\$ 595,947</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 17,259	\$ -
Charges for services	1,930	6,586	29,429	3,002	-
Investment earnings	18	-	-	19	-
Miscellaneous	-	350	-	2,056	8,708
Total revenues	<u>1,948</u>	<u>6,936</u>	<u>29,429</u>	<u>22,336</u>	<u>8,708</u>
EXPENDITURES					
Current:					
Public safety	-	27,283	-	-	-
Culture and recreation	924	-	71,708	70,408	2,836
Education	-	-	-	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>924</u>	<u>27,283</u>	<u>71,708</u>	<u>70,408</u>	<u>2,836</u>
Excess (deficiency) of revenues over expenditures	1,024	(20,347)	(42,279)	(48,072)	5,872
OTHER FINANCING SOURCES					
Transfers in	-	19,794	48,017	47,607	-
Total other financing sources	<u>-</u>	<u>19,794</u>	<u>48,017</u>	<u>47,607</u>	<u>-</u>
Net changes in fund balances	1,024	(553)	5,738	(465)	5,872
Fund balances - beginning	<u>7,298</u>	<u>2,228</u>	<u>6,857</u>	<u>63,514</u>	<u>291</u>
Fund balances - ending	<u>\$ 8,322</u>	<u>\$ 1,674</u>	<u>\$ 12,595</u>	<u>\$ 63,049</u>	<u>\$ 6,163</u>

See Independent Auditor's Report.

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, 2014

	State and Federal Grants Fund	School Lunch Fund	Education Fund	Fire and Ambulance Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	\$ 232,725	\$ 62,761	\$ 19,433	\$ -	\$ 332,178
Charges for services	-	117,197	-	184,997	343,141
Investment earnings	-	-	-	631	668
Miscellaneous	-	-	3,061	47,163	61,338
Total revenues	<u>232,725</u>	<u>179,958</u>	<u>22,494</u>	<u>232,791</u>	<u>737,325</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	739,889	767,172
Culture and recreation	-	-	-	-	145,876
Education	232,725	184,813	9,421	-	426,959
Debt service:					
Principal payments	-	-	-	83,746	83,746
Interest and fiscal charges	-	-	-	8,714	8,714
Total expenditures	<u>232,725</u>	<u>184,813</u>	<u>9,421</u>	<u>832,349</u>	<u>1,432,467</u>
Excess (deficiency) of revenues over expenditures	-	(4,855)	13,073	(599,558)	(695,142)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	624,244	739,662
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,244</u>	<u>739,662</u>
Net changes in fund balances	-	(4,855)	13,073	24,686	44,520
Fund balances - beginning	<u>-</u>	<u>47,083</u>	<u>45,896</u>	<u>317,304</u>	<u>490,471</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 42,228</u>	<u>\$ 58,969</u>	<u>\$ 341,990</u>	<u>\$ 534,990</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2014

	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	\$ 11,601	\$ 461,401	\$ 33,330	\$ 8,840	\$ 47,547	\$ 562,719
Grants and contracts receivable	-	7,829	-	-	187,561	195,390
Due from other funds	-	-	-	-	36,764	36,764
Total assets	<u>\$ 11,601</u>	<u>\$ 469,230</u>	<u>\$ 33,330</u>	<u>\$ 8,840</u>	<u>\$ 271,872</u>	<u>\$ 794,873</u>
LIABILITIES						
Accounts payable	\$ -	\$ 4,500	\$ -	\$ -	\$ 14,832	\$ 19,332
Due to other funds	-	34,645	-	-	39,638	74,283
Total liabilities	<u>-</u>	<u>39,145</u>	<u>-</u>	<u>-</u>	<u>54,470</u>	<u>93,615</u>
FUND BALANCES						
Committed for capital purposes	11,601	430,085	33,330	8,840	217,402	701,258
Total liabilities and fund balance	<u>\$ 11,601</u>	<u>\$ 469,230</u>	<u>\$ 33,330</u>	<u>\$ 8,840</u>	<u>\$ 271,872</u>	<u>\$ 794,873</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	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	\$ -	\$ 7,829	\$ -	\$ -	\$ 193,695	\$ 201,524
Investment earnings	-	38	31	-	34	103
Miscellaneous	350	-	977	-	152	1,479
Total revenues	<u>350</u>	<u>7,867</u>	<u>1,008</u>	<u>-</u>	<u>193,881</u>	<u>203,106</u>
EXPENDITURES						
Capital outlays	-	112,132	-	365	201,357	313,854
Total expenditures	<u>-</u>	<u>112,132</u>	<u>-</u>	<u>365</u>	<u>201,357</u>	<u>313,854</u>
Excess (deficiency) of revenues over expenditures	350	(104,265)	1,008	(365)	(7,476)	(110,748)
OTHER FINANCING SOURCES						
Transfers in	-	265,000	-	-	29,500	294,500
Total other financing sources	<u>-</u>	<u>265,000</u>	<u>-</u>	<u>-</u>	<u>29,500</u>	<u>294,500</u>
Net changes in fund balances	350	160,735	1,008	(365)	22,024	183,752
Fund balances - beginning	<u>11,251</u>	<u>269,350</u>	<u>32,322</u>	<u>9,205</u>	<u>195,378</u>	<u>517,506</u>
Fund balances - ending	<u>\$ 11,601</u>	<u>\$ 430,085</u>	<u>\$ 33,330</u>	<u>\$ 8,840</u>	<u>\$ 217,402</u>	<u>\$ 701,258</u>

See Independent Auditor's Report.

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, 2014

	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	\$ 7,843	\$ 32,644	\$ 102,193	\$ 6,044	\$ 7,590	\$ -	\$ 2,238	\$ 158,552
Investments	-	-	-	-	-	11,511	-	11,511
Total assets	<u>\$ 7,843</u>	<u>\$ 32,644</u>	<u>\$ 102,193</u>	<u>\$ 6,044</u>	<u>\$ 7,590</u>	<u>\$ 11,511</u>	<u>\$ 2,238</u>	<u>\$ 170,063</u>
LIABILITIES								
Due to others	\$ 7,843	\$ 32,644	\$ 102,193	\$ 6,044	\$ 7,590	\$ 11,511	\$ 2,238	\$ 170,063
Total liabilities	<u>\$ 7,843</u>	<u>\$ 32,644</u>	<u>\$ 102,193</u>	<u>\$ 6,044</u>	<u>\$ 7,590</u>	<u>\$ 11,511</u>	<u>\$ 2,238</u>	<u>\$ 170,063</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance,</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2014</u>
Assets				
Cash and cash equivalents:				
Center School Activity Fund	\$ 9,986	\$ 12,605	\$ 14,748	\$ 7,843
Hall Memorial School Activity Fund	23,465	51,959	42,780	32,644
Performance Bond Fund	114,231	10,093	22,131	102,193
Flex Benefit Fund	3,873	13,920	11,749	6,044
Tax Sale Proceeds Fund	7,583	7	-	7,590
Scholarship Fund	6,501	15	6,516	-
Willington Day Fund	2,550	1,628	1,940	2,238
Investments:				
Scholarship Fund	4,973	6,538	-	11,511
Total assets	<u>\$ 173,162</u>	<u>\$ 96,765</u>	<u>\$ 99,864</u>	<u>\$ 170,063</u>
Liabilities				
Due to others	\$ 171,062	\$ 96,765	\$ 97,764	\$ 170,063
Other	2,100	-	2,100	-
Total liabilities	<u>\$ 173,162</u>	<u>\$ 96,765</u>	<u>\$ 99,864</u>	<u>\$ 170,063</u>

See Independent Auditor's Report.

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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These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. 74

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Debt Capacity

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Demographic and Economic Information

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Operating Information

These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs. 88

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)

	2005	2006	2007	2008	2009
Governmental activities					
Net investment in capital assets	\$ 5,627,332	\$ 5,988,609	\$ 8,801,505	\$ 9,940,670	\$ 9,376,364
Restricted	757,420	1,413,489	665,858	666,869	667,171
Unrestricted	2,829,838	3,070,171	3,254,286	3,462,946	3,519,260
Total governmental activities net position	<u>\$ 9,214,590</u>	<u>\$ 10,472,269</u>	<u>\$ 12,721,649</u>	<u>\$ 14,070,485</u>	<u>\$ 13,562,795</u>
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 9,615,588	\$ 9,210,797	\$ 9,559,588	\$ 10,016,613	\$ 9,992,318
Restricted	672,083	703,772	849,922	851,790	851,280
Unrestricted	3,221,929	2,432,276	2,367,750	2,535,119	2,706,117
Total governmental activities net position	<u>\$ 13,509,600</u>	<u>\$ 12,346,845</u>	<u>\$ 12,777,260</u>	<u>\$ 13,403,522</u>	<u>\$ 13,549,715</u>

Table 2

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 819,523	\$ 962,560	\$ 941,163	\$ 1,023,653	\$ 1,057,511	\$ 1,148,876	\$ 1,286,720	\$ 1,547,828	\$ 1,196,728	\$ 1,206,149
Public Safety	599,944	619,175	664,389	693,424	791,602	804,561	835,768	808,026	943,852	1,082,315
Public works	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	1,608,946
Culture and recreation	248,078	243,115	533,467	402,768	466,019	423,964	748,023	438,907	434,295	478,474
Education	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	9,378,240
Regional School District No. 19	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	4,099,908
Townwide	314,706	303,653	310,952	331,335	334,617	396,744	-	-	-	-
Interest on long-term debt	78,658	56,742	238,255	159,031	137,956	82,262	105,003	114,644	101,373	90,735
Total governmental activities expenses	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	17,944,767
Business-type activities:										
Utility	-	-	-	15,981	20,497	19,487	62,439	68,401	67,067	80,963
Total business-type activities expenses	-	-	-	15,981	20,497	19,487	62,439	68,401	67,067	80,963
Total primary government expenses	\$ 13,650,046	\$ 14,456,106	\$ 16,022,648	\$ 18,346,148	\$ 17,063,126	\$ 17,044,019	\$ 17,216,668	\$ 17,565,614	\$ 17,534,231	\$ 18,025,730
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 298,899	\$ 311,657	\$ 305,276	\$ 447,746	\$ 168,246	\$ 186,728	\$ 161,332	\$ 240,799	\$ 170,064	\$ 221,922
Public Safety	124,985	121,582	155,596	175,614	222,788	225,218	196,839	221,818	243,897	236,473
Public Works	-	9,383	1,706	21,824	12,591	-	-	-	-	-
Parks and recreation	48,611	59,503	57,685	58,383	67,552	84,670	57,773	39,586	30,157	32,431
Education	127,714	124,550	119,810	126,379	133,383	131,859	123,771	126,632	121,048	117,197
Operating grants and contributions	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	5,425,821
Capital grants and contributions	548,751	424,555	346,179	365,789	13,266	138,284	147,600	229,526	503,844	193,698
Total governmental activities program revenues	5,232,474	5,609,443	5,180,229	8,192,265	5,522,289	5,876,492	6,244,338	6,487,863	6,361,749	6,227,542
Business-type activities:										
Charges for services:										
Utility	\$ -	\$ -	\$ -	\$ 507	\$ 19,066	\$ 22,559	\$ 20,427	\$ 21,725	\$ 23,541	\$ 32,468
Operating grants and contributions	-	-	-	48,000	-	-	-	-	-	-
Total business-type activities program revenues	-	-	-	48,507	19,066	22,559	20,427	21,725	23,541	32,468
Total primary government program revenues	\$ 5,232,474	\$ 5,609,443	\$ 5,180,229	\$ 8,240,772	\$ 5,541,355	\$ 5,899,051	\$ 6,264,765	\$ 6,509,588	\$ 6,385,290	\$ 6,260,010

Table 2

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (11,717,225)
Business-type activities	-	-	-	32,526	(1,431)	3,072	(42,012)	(46,676)	(43,526)	(48,495)
Total primary government net expense	<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>	<u>\$ (11,765,720)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 11,762,778
Unrestricted grants and contributions	76,535	86,439	586,846	981,488	158,623	74,902	84,338	141,365	152,569	85,033
(Loss) on disposal of capital assets	105,704	-	12,885	(9,353)	(4,654)	-	-	-	-	-
Investment earnings	96,290	269,125	292,822	223,853	71,297	23,176	14,168	8,116	13,289	15,607
Special Item	-	-	-	24,000	-	-	(1,403,928)	-	-	-
Total governmental activities	<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>	<u>11,863,418</u>
Business-type activities:										
Investment earnings	-	-	-	438	160	40	24	2	3	2
Transfers	-	-	-	(24,000)	-	-	1,403,928	-	-	-
Total business-type activities	<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>	<u>2</u>
Total primary government	<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>	<u>\$ 11,863,420</u>
Change in Net Position										
Governmental activities	\$ 1,163,110	\$ 1,257,679	\$ 99,403	\$ 1,348,837	\$ (507,691)	\$ (53,195)	\$ (1,162,755)	\$ 430,415	\$ 626,262	\$ 146,193
Business-type activities	-	-	-	8,964	(1,271)	3,112	1,361,940	(46,674)	(43,523)	(48,493)
Total primary government	<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>	<u>\$ 97,700</u>

Table 3

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
General Fund						
Reserved	\$ 166,587	\$ 201,400	\$ 112,732	\$ 80,857	\$ 225,027	\$ 168,787
Unreserved	1,365,114	1,640,220	1,537,232	1,440,115	1,599,726	1,779,101
Total general fund	<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	\$ 193	\$ 1,311	\$ 1,564	\$ 1,502	\$ 2,210	\$ 2,055
Reserved, reported in:						
Special revenue funds	817,993	1,036,367	914,620	986,212	1,001,784	1,194,178
Capital projects funds	696,592	1,756,285	797,684	1,121,434	1,106,432	898,521
Total all other governmental funds	<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	2014		
General Fund						
Restricted	\$ -	\$ -	\$ -	\$ 208,124		
Committed	570,100	557,088	509,256	468,486		
Assigned	473,892	448,670	454,926	539,175		
Unassigned	1,450,023	1,876,686	1,946,688	1,866,264		
Total general fund	<u>\$ 2,494,015</u>	<u>\$ 2,882,444</u>	<u>\$ 2,910,870</u>	<u>\$ 3,082,049</u>		
All Other Governmental Funds						
Nonspendable	\$ 2,387	\$ 1,706	\$ 790,583	\$ 779,987		
Restricted	-	-	63,283	73,369		
Committed	1,039,433	821,841	1,005,901	1,234,172		
Unassigned	(66,046)	(109,171)	-	-		
Total all other governmental funds	<u>975,774</u>	<u>714,376</u>	<u>1,859,767</u>	<u>2,087,528</u>		

* - In 2011 the Town implemented the guidance in GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 11,710,518
Licenses, fees and permits	407,032	452,485	461,208	523,005	547,271	578,172	498,499	555,071	481,206	515,906
Intergovernmental	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	5,671,403
Investment earnings	96,290	269,125	292,822	223,853	71,297	23,176	14,168	8,116	13,289	15,607
Other revenues	292,759	344,926	214,119	361,231	73,967	176,862	133,748	152,660	174,312	125,266
Total revenues	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	18,038,700
Expenditures										
General government	778,854	862,829	906,976	959,921	938,359	1,028,705	947,647	1,464,786	1,126,690	1,128,337
Public Safety	542,444	561,250	598,219	634,380	692,661	703,816	734,964	764,927	864,564	927,083
Miscellaneous	314,706	303,653	310,952	331,335	334,617	396,744	535,855	-	-	-
Public works	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	1,428,910
Culture and recreation	246,317	246,360	393,024	339,296	375,970	328,953	660,698	348,050	338,515	369,409
Education	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	13,313,276
Capital outlay	856,604	2,765,321	2,190,527	1,108,876	267,143	170,680	1,425,000	384,187	356,466	413,348
Debt service:										
Debt issuance costs	-	12,224	-	-	-	-	-	-	-	-
Interest	83,043	64,026	116,397	163,612	142,278	86,757	105,856	115,466	102,194	91,869
Principal	350,136	247,479	274,075	422,323	427,606	466,507	325,376	362,905	299,121	260,969
Total expenditures	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	17,933,201
Excess of revenues over (under) expenditures	154,371	(1,430,756)	(1,159,147)	242,289	305,058	107,463	(1,187,853)	110,231	392,269	105,499

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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)	-	-	-	-	-	-	-
Capital lease financing	-	-	-	-	-	-	615,000	-	-	293,442
Transfers in	622,612	698,260	961,542	660,239	689,875	493,846	429,819	387,716	800,426	1,034,162
Transfers out	(622,612)	(698,260)	(961,542)	(636,239)	(689,875)	(493,846)	(429,819)	(387,716)	(800,426)	(1,034,162)
Total other financing sources (uses)	<u>250,000</u>	<u>3,019,860</u>	<u>(112,604)</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>615,000</u>	<u>16,800</u>	<u>-</u>	<u>293,442</u>
Net change in fund balances	<u>\$ 404,371</u>	<u>\$ 1,589,104</u>	<u>\$ (1,271,751)</u>	<u>\$ 266,289</u>	<u>\$ 305,058</u>	<u>\$ 107,463</u>	<u>\$ (572,853)</u>	<u>\$ 127,031</u>	<u>\$ 392,269</u>	<u>\$ 398,941</u>
Debt service as a percentage of noncapital expenditures	3.1%	2.2%	2.6%	3.2%	3.6%	3.3%	2.5%	2.8%	2.3%	2.0%

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
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%
2014	332,443,930	77,563,090	15,282,280	15,737,699	40,998,970	2,258,220	479,767,749	24.38	688,608,527	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					
	2014			2005		
	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	24,453,130	1	5.10%	26,545,360	1	7.15%
GLK Realty LTD Partnership	10,585,220	2	2.21%	8,000,270	2	2.15%
ING US Students No 7 LLC	6,499,160	3	1.35%	3,540,900	4	0.95%
Royce Properties LLC	5,274,080	4	1.10%	2,549,520	6	0.69%
Storrs Polo Run Limited Partnership	5,130,950	5	1.07%	7,518,820	3	2.03%
Connecticut Light & Power	4,977,280	6	1.04%	3,261,200	5	0.88%
Lawrence Becker	2,918,250	7	0.61%	1,738,940	8	0.47%
Perryridge Investors LLC	2,446,540	8	0.51%	1,323,770	12	0.36%
Edan Management Services Inc	1,990,800	9	0.41%	1,336,300	11	0.36%
C & S Willington Ltd Partnership	1,831,900	10	0.38%	1,812,770	7	0.49%
Total	66,107,310		13.78%	57,627,850		15.52%

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
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%	53,496	11,536,573	99.84%
2014	11,778,438	11,659,945	98.99%		11,659,945	98.99%

(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)
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
2014	1,950,000	586,426	2,536,426	0.37%	1.22%	425

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal Debt Margin Calculation:										
Total cash collections for the fiscal year:										
Taxes	\$ 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	\$ 11,687,174
Interest and lien fees	41,956	41,596	45,044	51,714	65,595	57,246	60,520	77,913	66,204	54,424
	<u>9,304,651</u>	<u>9,727,054</u>	<u>10,051,008</u>	<u>10,236,645</u>	<u>10,726,630</u>	<u>11,076,443</u>	<u>11,021,432</u>	<u>11,331,298</u>	<u>11,626,535</u>	<u>11,741,598</u>
Reimbursements for revenue loss:										
Tax relief (CGS 12-129d)	-	663	698	18,916	17,210	17,165	17,717	20,031	18,467	15,632
Base	<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>	<u>\$ 11,757,230</u>
Indebtedness:										
General Purposes:										
Bonds payable	\$ 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	\$ 1,950,000
Authorized, unissued bonds	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal general purposes	<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>	<u>1,950,000</u>
Schools:										
Bonds payable	775,000	620,000	465,000	310,000	155,000	-	-	-	-	-
Regional School District 19	1,723,485	1,551,043	1,300,715	1,203,612	1,091,590	1,018,288	3,293,184	3,134,832	1,010,122	843,236
Authorized, unissued bonds	<u>376,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authorized, unissued bonds, Regional School District 19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal schools	<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>1,010,122</u>	<u>843,236</u>
Less: amounts to be provided by State	333,916	250,437	250,437	166,958	83,479	-	-	-	-	-
Total indebtedness	<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>\$ 3,110,122</u>	<u>\$ 2,793,236</u>
Total capacity of borrowing (7 times base)	\$ 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	\$ 82,300,610
Total present indebtedness	<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>3,110,122</u>	<u>2,793,236</u>
Margin for additional borrowing	<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>\$ 78,404,892</u>	<u>\$ 79,507,374</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	<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>4%</u>	<u>3%</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
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%
2014	5,965	208,274	34,916	35.0	708	5.9%

(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 2014

(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>2014</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	700	1	19.59%	600	1	16.26%
Travel Centers of America	123	2	3.44%	170	2	4.61%
Town of Willington	142	3	3.97%	144	3	3.90%
Willington Pizza	65	4	1.82%	120	4	3.25%
St of Ct - Depart of Transportation	28	5	0.78%	25	5	0.68%
Becker Construction	22	6	0.62%	23	7	0.62%
Cable Technology, Inc	21	7	0.59%	25	6	0.68%
Lyon Manor	14	8	0.39%	14	8	0.38%
First Niagara Bank (NewAlliance Bank)	5	9	0.14%	7	10	0.19%
Hilltop Restaurant						
Total	<u>1,120</u>		<u>31.34%</u>	<u>1,128</u>		<u>30.58%</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>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>	<u>2014</u>
General government										
Management services	6.3	6.3	6.3	6.2	7.0	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	0.3	0.3	0.3	0.3	0.3	0.3
Other	4.8	4.8	4.8	4.8	4.6	4.6	4.6	4.1	4.1	4.1
Fire										
Volunteer Firefighters	76.0	76.0	59.0	60.0	60.0	49.0	58.0	65.0	45.0	47.0
Transfer Station	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.0
Other public works	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.8
Parks and recreation	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7
Library	3.0	3.0	3.0	3.1	3.1	3.1	3.4	3.4	3.9	3.5
Total	<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>	<u>74.6</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>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>	<u>2014</u>
Fire										
Emergency responses	497	508	523	525	917	1,058	1,693	877	798	748
Non-Emergency responses	399	399	400	405	351			(1)	(1)	(1)
Inspections	515	515	465	455	455	489	591	489	341	318
Refuse collection										
Refuse collected (tons per year)	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	1,666.7
Recyclables collected (tons per year)	841.6	780.2	743.9	712.5	669.5	770.3	710.1	705.9	695.2	582.7
Other public works										
Street resurfacing (miles)	10.4	11.6	12.2	11.9	9.5	8.0	8.0	4.9	4.9	6.8
Library										
Volumes in collection	17,700	20,387	20,206	28,103	33,464	37,470	37,470	37,470	44,496	49,192

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>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>	<u>2014</u>
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	71.1	72.7	72.7	72.7	72.7	73.9	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	298	292
Playgrounds	2	2	2	2	2	2	3	3	3	3
Baseball/softball diamonds	5	5	6	6	6	6	6	6	7	5
Soccer/football fields	2	2	3	3	3	3	3	3	4	3