

**TOWN OF WILLINGTON,
CONNECTICUT**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

TOWN OF WILLINGTON, CONNECTICUT

Comprehensive Annual Financial Report

Year Ended June 30, 2015

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 28, 2015

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, 2015 is hereby submitted.

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

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

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

The CAFR is presented in three sections:

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

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

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

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

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

Profile of the Town of Willington

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

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 Tollard 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 last fiscal year. Dunkin Donuts has begun the building process and is expected open in the next fiscal year. Love's Travel Stop and Country Stores are awaiting State approval, 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. These renovations began in March 2014 and were completed in December, 2014 requiring additional funding of \$57,000 which was appropriated from the HUD Lien Program.

The Turnpike Road drainage and resurfacing project is a multi-phase project with various sources of funding. Phase One was begun 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. Phase Two began last fiscal year and is expected to be completed early 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 the roadwork completed with the \$400,000 STEAP Grant. It is expected 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 2015 included the repair of the Polster Road bridge, purchase of land on Hancock Road, a planning study in the South Willington District, and the Center School partial roof replacement. 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 Hall Memorial School to occur in the summer of 2015.

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 is invested in the State of Connecticut Short Term Investment Fund ("STIF") which is an investment pool managed by the State Treasurer's Office. The fair value of the Town's position in this pool 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, 2015 the net position held in trust for the Plan was \$481,543. Total additions to the plan during the fiscal year were \$36,429. There were no 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, 2014. This was the 15th 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

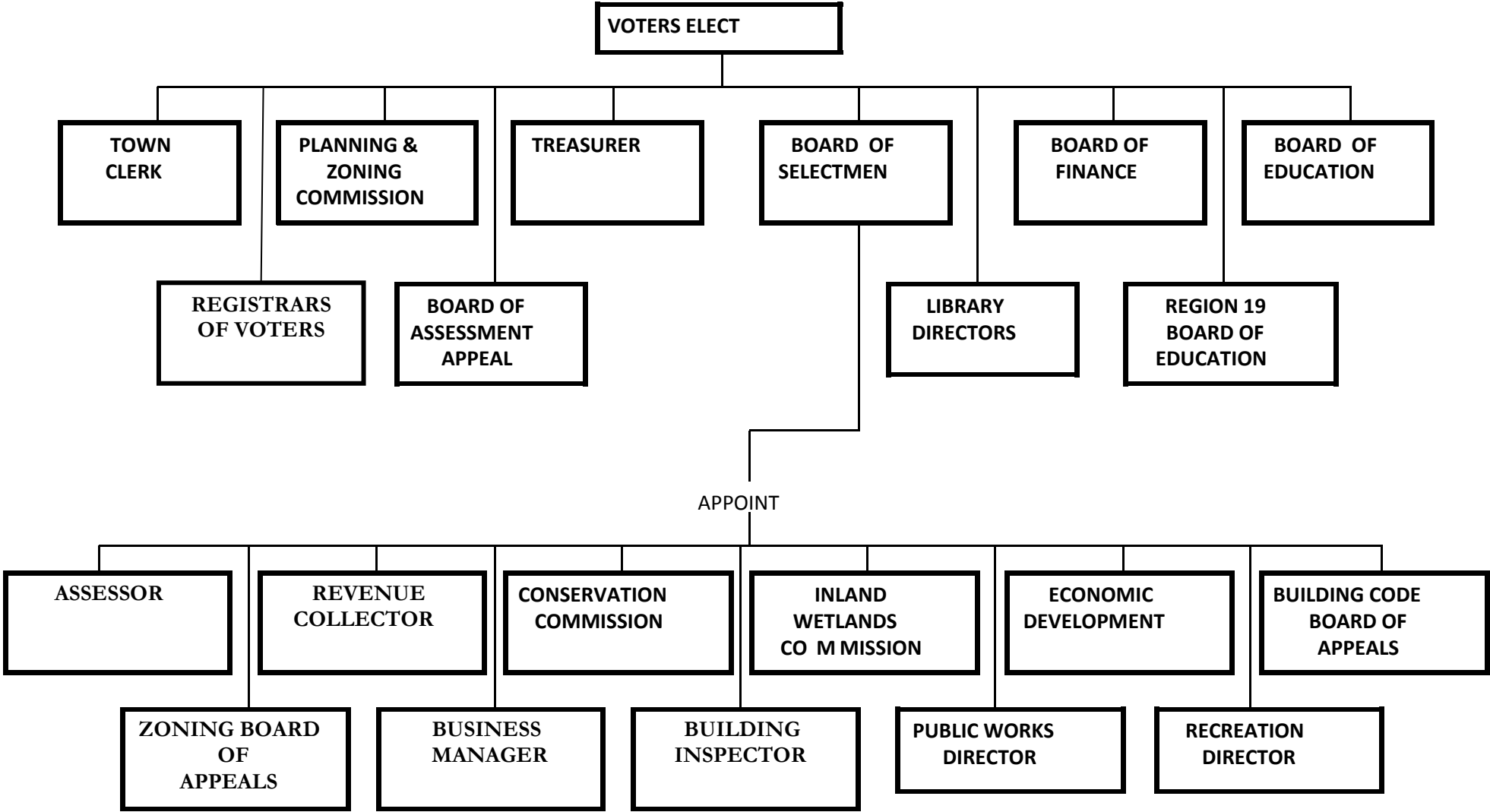
**Town of Willington
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**TOWN OF WILLINGTON, CONNECTICUT
ORGANIZATIONAL CHART
JUNE 30, 2015**



**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2015**

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
Mark Makuch
Barry Wallett

BOARD OF FINANCE

Alan John Ference, Chairman
James Bulick
John Patton
Elizabeth Treiber
Robert Wiecenski
Annemarie Poole
Geoffrey Prusak, Alternate
Vacant, 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, 2015, 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, 2015, 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 and other post-employment benefit plans on page 53 through 56 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

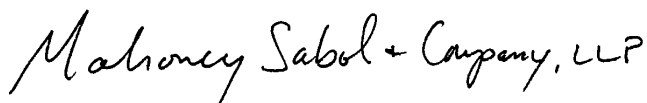
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional 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 22, 2015, 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 22, 2015

**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, 2015. 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 and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,547,699 (net position). Of this amount, \$2,518,528 represents the Town's unrestricted net position. The Town's total overall net position decreased by \$104,210 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$4,827,917, a decrease of \$341,660 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 \$1,588,620 or 8.9% of total General Fund expenditures and transfers to other funds. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.1 months of General Fund operating expenditures.
- The Town's total long-term debt, consisting of general obligation bonds and capital lease obligations, decreased by \$145,029 during the fiscal year from \$2,536,425 as of June 30, 2014 to \$2,391,396 as of June 30, 2015.

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.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

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.

The government-wide financial statements can be found on pages 13 and 14 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 15 through 19 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.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Fund Financial Statements (*Continued*)

Proprietary Funds (*Continued*)

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 20 through 22 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 23 and 24 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 25 through 52 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 53 through 56 of this report. Combining and individual fund statements and schedules can be found on pages 57 through 75 of this report and statistical information can be found starting on page 76.

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 \$14,547,699 and \$14,651,909 (as adjusted) as of June 30, 2015 and 2014, respectively and is summarized as follows. Amounts reported in the statement of net position as of June 30, 2014 have been adjusted for the effects of implementing GASB Statement No. 68.

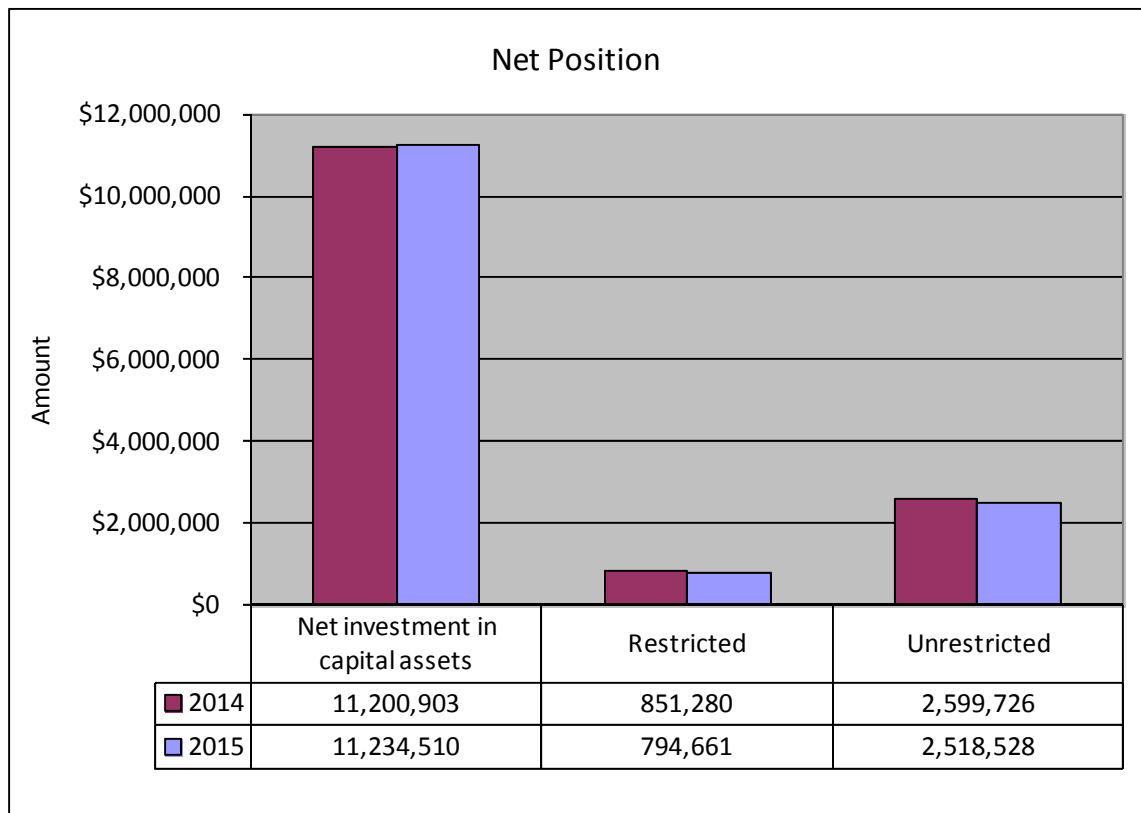
TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position (Continued)

TOWN OF WILLINGTON, CONNECTICUT
NET POSITION
JUNE 30, 2015 AND 2014 (As Adjusted)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 6,055,462	\$ 6,119,819	\$ 30,198	\$ 25,612	\$ 6,085,660	\$ 6,145,431
Capital assets	12,471,516	12,325,034	1,158,452	1,208,585	13,629,968	13,533,619
Total assets	18,526,978	18,444,853	1,188,650	1,234,197	19,715,628	19,679,050
Deferred outflows of resources	46,390	51,153	-	-	46,390	51,153
Other liabilities	1,121,166	843,765	600	142	1,121,766	843,907
Long-term liabilities	4,086,234	4,226,886	-	-	4,086,234	4,226,886
Total liabilities	5,207,400	5,070,651	600	142	5,208,000	5,070,793
Deferred inflows of resources	6,319	7,501	-	-	6,319	7,501
Net position:						
Net investment in capital assets	10,076,058	9,992,318	1,158,452	1,208,585	11,234,510	11,200,903
Restricted	794,661	851,280	-	-	794,661	851,280
Unrestricted	2,488,930	2,574,256	29,598	25,470	2,518,528	2,599,726
Total net position	<u>\$ 13,359,649</u>	<u>\$ 13,417,854</u>	<u>\$ 1,188,050</u>	<u>\$ 1,234,055</u>	<u>\$ 14,547,699</u>	<u>\$ 14,651,909</u>



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position (Continued)

As of June 30, 2015, approximately 77.2% 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.

5.5% 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.

Changes in Net Position

Overall, the Town's net position decreased by \$104,210 compared to a prior year increase of \$97,700. Changes in net position for the years ended June 30, 2015 and 2014 are as follows. Amounts reported in the statement of changes in net position for the year ended June 30, 2014 have not been adjusted for the effects of implementing GASB Statement No. 68 as the effects are not readily determinable.

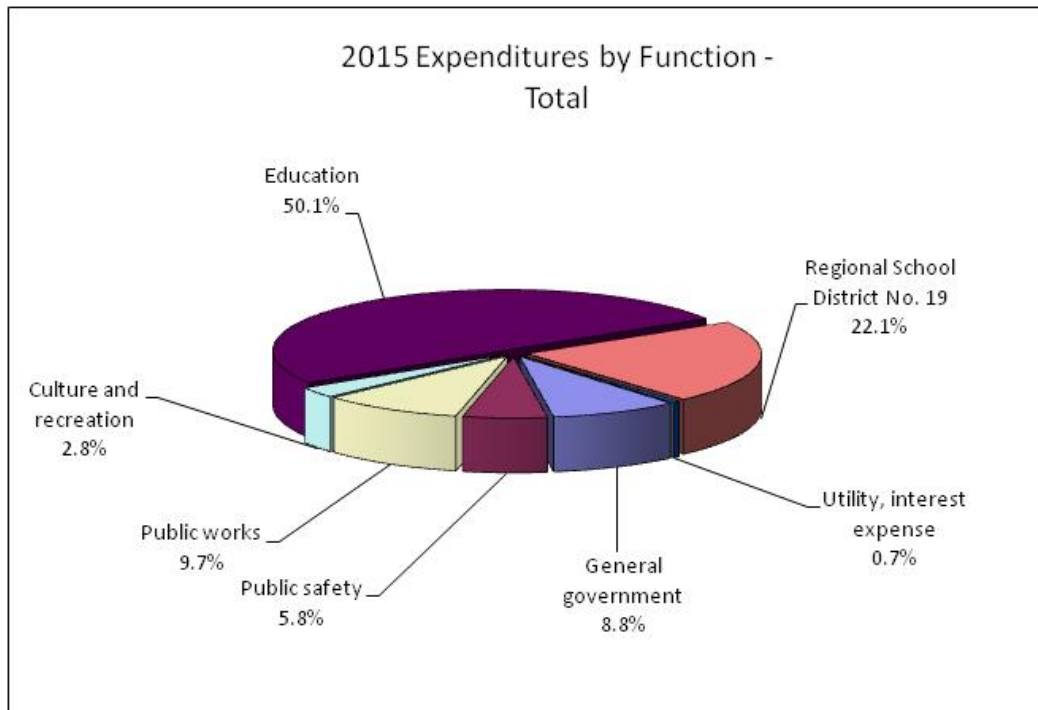
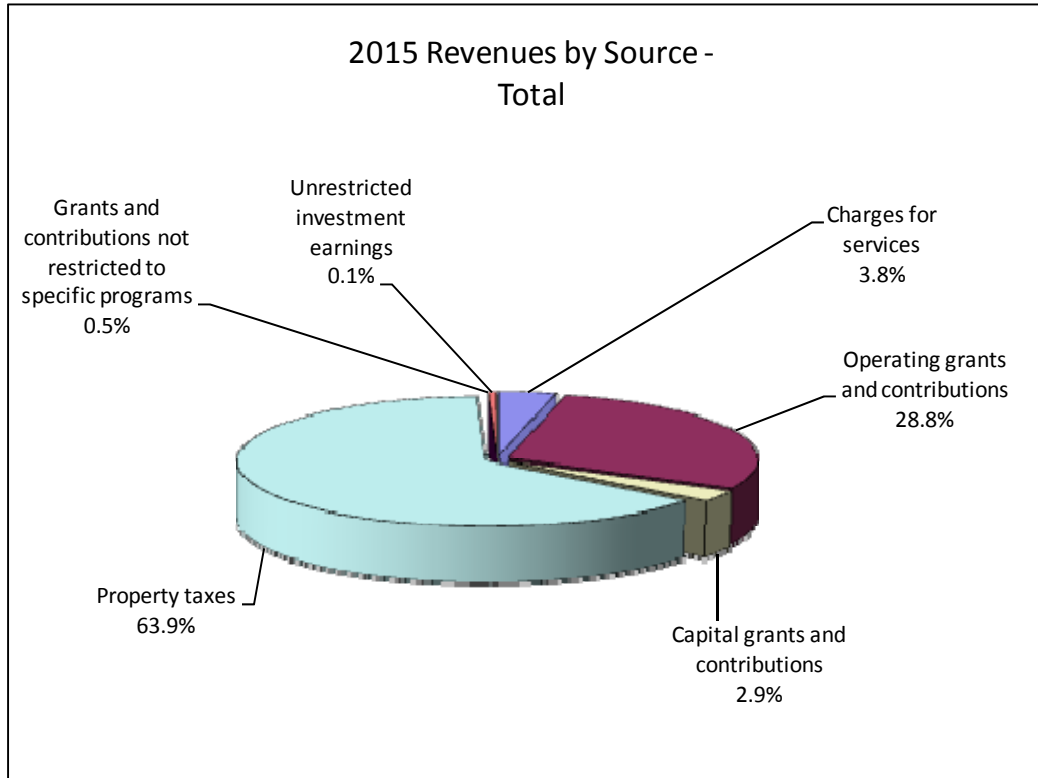
**CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 693,027	\$ 608,023	\$ 26,576	\$ 32,468	\$ 719,603	\$ 640,491
Operating grants and contributions	5,414,272	5,425,821	-	-	5,414,272	5,425,821
Capital grants and contributions	539,080	193,698	-	-	539,080	193,698
General revenues:						
Property taxes, levied for general purposes	11,995,197	11,762,778	-	-	11,995,197	11,762,778
Grants and contributions not restricted to specific programs	92,957	85,033	-	-	92,957	85,033
Unrestricted investment earnings	15,731	15,607	46	2	15,777	15,609
Total revenues	18,750,264	18,090,960	26,622	32,470	18,776,886	18,123,430
Expenses						
General government	1,653,628	1,206,149	-	-	1,653,628	1,206,149
Public safety	1,093,329	1,082,315	-	-	1,093,329	1,082,315
Public works	1,827,171	1,608,946	-	-	1,827,171	1,608,946
Culture and recreation	530,867	478,474	-	-	530,867	478,474
Education	9,450,674	9,378,240	-	-	9,450,674	9,378,240
Regional School District No. 19	4,163,435	4,099,908	-	-	4,163,435	4,099,908
Interest expense	89,365	90,735	-	-	89,365	90,735
Utility	-	-	72,627	80,963	72,627	80,963
Total expenses	18,808,469	17,944,767	72,627	80,963	18,881,096	18,025,730
Change in net position	\$ (58,205)	\$ 146,193	\$ (46,005)	\$ (48,493)	\$ (104,210)	\$ 97,700

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 decreased the Town's net position by \$58,205 in the current year compared to an increase of \$146,193 in the prior year.

Business-type activities decreased the Town's net position by \$46,005 in the current year compared to a decrease of \$48,493 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 \$4,827,917, a decrease of \$341,660 in comparison with prior year. Of this amount, \$1,588,620 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.

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 \$1,588,620, while total fund balance was \$2,710,620. 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 8.9% of total General Fund expenditures and transfers to other funds. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.1 months of General Fund operating expenditures.

The fund balance of the Town's General Fund decreased by \$371,429.

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.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's original budget contemplated the use of fund balance in the amount of \$210,000. During the current fiscal year, the Town appropriated an additional use of fund balance in the amount of \$551,110. The actual change in the fund balance was a decrease of \$148,866, resulting in a favorable variance of \$481,244. Actual revenues were \$198,405 higher than budgeted and actual expenditures were \$282,839 lower than budgeted.

The overall revenue surplus was primarily generated from the receipt of unbudgeted tax and interest revenues totaling approximately \$127,500. The overall expenditure surplus was primarily generated by lower than budgeted education expenditures in the amount of \$172,553.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2015 and 2014 totaled \$13,629,968 and \$13,533,619, 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, furniture and fixtures. The total increase in the Town's investment in capital assets for the current fiscal year was \$96,349. Major capital asset events during the current fiscal year consisted of depreciation and amortization expense of \$1,032,564, offset by road improvements, renovations to the Old Town Hall and the purchase of various vehicles and equipment.

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

TOWN OF WILLINGTON, CONNECTICUT
CAPITAL ASSETS, NET
JUNE 30, 2015 AND 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and improvements	\$ 2,891,372	\$ 2,901,917	\$ -	\$ -	\$ 2,891,372	\$ 2,901,917
Construction in progress	334,403	204,286	-	-	334,403	204,286
Buildings and improvements	4,684,057	4,753,623	-	-	4,684,057	4,753,623
Machinery and equipment	536,481	695,235	-	-	536,481	695,235
Infrastructure	2,956,458	3,028,265	1,158,452	1,208,585	4,114,910	4,236,850
Vehicles	1,048,110	708,721	-	-	1,048,110	708,721
Furniture and fixtures	20,635	32,987	-	-	20,635	32,987
Totals	<u>\$ 12,471,516</u>	<u>\$ 12,325,034</u>	<u>\$ 1,158,452</u>	<u>\$ 1,208,585</u>	<u>\$ 13,629,968</u>	<u>\$ 13,533,619</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

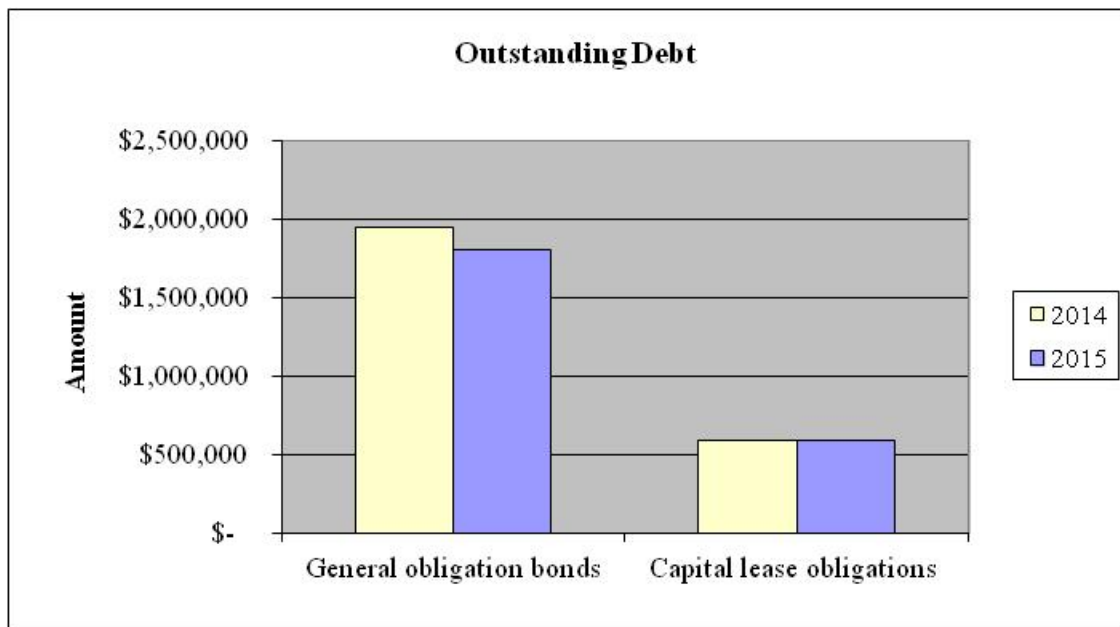
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$1,800,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$150,000 during the current fiscal year due to scheduled principal repayments. 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, 2015 of \$591,396. During the current fiscal year the Town made capital lease payments of \$156,615 and entered into one new lease obligation totaling \$161,586 for the purchase of a public works 2015 freightliner truck.

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, 2015 AND 2014

	June 30,	
	2015	2014
General obligation bonds	\$ 1,800,000	\$ 1,950,000
Capital lease obligations	591,396	586,425
Totals	<u>\$ 2,391,396</u>	<u>\$ 2,536,425</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 2016, 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 2016.

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, 2015

	Primary Government		
	Governmental	Business- Type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,052,721	\$ 27,092	\$ 5,079,813
Receivables:			
Property taxes	107,616	-	107,616
Interest on property taxes	14,863	-	14,863
Grants and contracts	125,326	-	125,326
Other	20,662	3,488	24,150
Inventories	8,416	-	8,416
Internal balances	382	(382)	-
Rehabilitation loans receivable	725,476	-	725,476
Capital assets:			
Non-depreciable	2,818,602	-	2,818,602
Depreciable, net	9,652,914	1,158,452	10,811,366
Total assets	<u>18,526,978</u>	<u>1,188,650</u>	<u>19,715,628</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension expense	<u>46,390</u>	<u>-</u>	<u>46,390</u>
LIABILITIES			
Accounts payable	559,615	600	560,215
Accrued liabilities	554,790	-	554,790
Unearned revenue	1,160	-	1,160
Accrued interest	5,601	-	5,601
Noncurrent liabilities:			
Due within one year	380,866	-	380,866
Due in more than one year	3,705,368	-	3,705,368
Total liabilities	<u>5,207,400</u>	<u>600</u>	<u>5,208,000</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension benefits	<u>6,319</u>	<u>-</u>	<u>6,319</u>
NET POSITION			
Net investment in capital assets	10,076,058	1,158,452	11,234,510
Restricted for housing rehabilitation	794,661	-	794,661
Unrestricted	2,488,930	29,598	2,518,528
Total net position	<u>\$ 13,359,649</u>	<u>\$ 1,188,050</u>	<u>\$ 14,547,699</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, 2015**

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	\$ 1,653,628	\$ 192,553	\$ 5,000	\$ -	\$ (1,456,075)	\$ -	\$ (1,456,075)
Public safety	1,093,329	270,043	36,273	-	(787,013)	-	(787,013)
Public works	1,827,171	-	276,636	539,080	(1,011,455)	-	(1,011,455)
Culture and recreation	530,867	46,175	21,442	-	(463,250)	-	(463,250)
Education	9,450,674	184,256	5,074,921	-	(4,191,497)	-	(4,191,497)
Regional School District No. 19	4,163,435	-	-	-	(4,163,435)	-	(4,163,435)
Interest expense	89,365	-	-	-	(89,365)	-	(89,365)
Total governmental activities	<u>18,808,469</u>	<u>693,027</u>	<u>5,414,272</u>	<u>539,080</u>	<u>(12,162,090)</u>	<u>-</u>	<u>(12,162,090)</u>
Business- type activities:							
Utility - water	<u>72,627</u>	<u>26,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,051)</u>	<u>(46,051)</u>
	<u>\$ 18,881,096</u>	<u>\$ 719,603</u>	<u>\$ 5,414,272</u>	<u>\$ 539,080</u>	<u>(12,162,090)</u>	<u>(46,051)</u>	<u>(12,208,141)</u>
General revenues:							
Property taxes, levied for general purposes					11,995,197	-	11,995,197
Grants and contributions not restricted to specific programs					92,957	-	92,957
Unrestricted investment earnings					15,731	46	15,777
Total general revenues					<u>12,103,885</u>	<u>46</u>	<u>12,103,931</u>
Change in net position					(58,205)	(46,005)	(104,210)
Net position - beginning, as originally reported					13,549,715	1,234,055	14,783,770
Cumulative effect of implementing new accounting standard (See Note 1)					(131,861)	-	(131,861)
Net position - beginning, as adjusted					<u>13,417,854</u>	<u>1,234,055</u>	<u>14,651,909</u>
Net position - ending					<u>\$ 13,359,649</u>	<u>\$ 1,188,050</u>	<u>\$ 14,547,699</u>

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

**TOWN OF WILLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Small Cities Grant Housing Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,966,594	\$ 65,970	\$ 1,020,157	\$ 5,052,721
Receivables:				
Property taxes	107,616	-	-	107,616
Interest on property taxes	14,863	-	-	14,863
Grants and contracts	19,958	-	105,368	125,326
Rehabilitation loans	-	725,476	-	725,476
Other	7,763	3,215	9,684	20,662
Due from other funds	100,669	-	439,749	540,418
Inventories	-	-	8,416	8,416
Total assets	<u>\$ 4,217,463</u>	<u>\$ 794,661</u>	<u>\$ 1,583,374</u>	<u>\$ 6,595,498</u>
LIABILITIES				
Accounts payable	\$ 399,164	\$ -	\$ 160,451	\$ 559,615
Accrued liabilities	554,790	-	-	554,790
Due to other funds	439,749	-	100,287	540,036
Unearned revenue	1,160	-	-	1,160
Total liabilities	<u>1,394,863</u>	<u>-</u>	<u>260,738</u>	<u>1,655,601</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>111,980</u>	<u>-</u>	<u>-</u>	<u>111,980</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	8,416	8,416
Rehabilitation loans receivable	-	725,476	-	725,476
Restricted for:				
Rehabilitation loans	-	69,185	-	69,185
Capital purposes	208,124	-	-	208,124
Committed for:				
Capital purposes	-	-	719,709	719,709
Other purposes	571,779	-	594,511	1,166,290
Assigned	342,097	-	-	342,097
Unassigned	1,588,620	-	-	1,588,620
Total fund balances	<u>2,710,620</u>	<u>794,661</u>	<u>1,322,636</u>	<u>4,827,917</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,217,463</u>	<u>\$ 794,661</u>	<u>\$ 1,583,374</u>	<u>\$ 6,595,498</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, 2015**

Total fund balances for governmental funds	\$ 4,827,917
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.	12,471,516
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.	111,980
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, net	\$ (1,804,062)
Capital leases	(591,396)
Accrued interest payable	(5,601)
Other long-term liabilities:	
Compensated absences	(430,184)
Accrued landfill post closure costs	(64,440)
Net pension liability	(137,556)
Net OPEB obligation	(1,058,596)
Total long-term liabilities	(4,091,835)
Deferred outflows/inflows of resources resulting from changes in the components of the net pension liability are reported in the statement of net position.	40,071
Net position of governmental activities	<u>\$ 13,359,649</u>

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Small Cities Grant Housing Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 11,995,834	\$ -	\$ -	\$ 11,995,834
Intergovernmental	5,157,470	-	888,839	6,046,309
Charges for services	140,610	-	371,021	511,631
Investment earnings	14,182	10	1,539	15,731
Miscellaneous	62,707	-	118,689	181,396
Total revenues	<u>17,370,803</u>	<u>10</u>	<u>1,380,088</u>	<u>18,750,901</u>
EXPENDITURES				
Current:				
General government	1,122,612	56,629	11,158	1,190,399
Public safety	199,482	-	737,212	936,694
Public works	1,454,710	-	4,109	1,458,819
Culture and recreation	205,458	-	139,897	345,355
Education	8,831,542	-	433,384	9,264,926
Regional School District No. 19	4,163,435	-	-	4,163,435
Debt service:				
Principal payments	206,492	-	100,123	306,615
Interest and fiscal charges	77,996	-	12,261	90,257
Capital outlays	396,372	-	1,101,275	1,497,647
Total expenditures	<u>16,658,099</u>	<u>56,629</u>	<u>2,539,419</u>	<u>19,254,147</u>
Excess (deficiency) of revenues over expenditures	712,704	(56,619)	(1,159,331)	(503,246)
OTHER FINANCING SOURCES (USES)				
Capital lease	161,586	-	-	161,586
Transfers in	-	-	1,245,719	1,245,719
Transfers out	(1,245,719)	-	-	(1,245,719)
Total other financing sources (uses)	<u>(1,084,133)</u>	<u>-</u>	<u>1,245,719</u>	<u>161,586</u>
Net changes in fund balances	(371,429)	(56,619)	86,388	(341,660)
Fund balances - beginning	<u>3,082,049</u>	<u>851,280</u>	<u>1,236,248</u>	<u>5,169,577</u>
Fund balances - ending	<u>\$ 2,710,620</u>	<u>\$ 794,661</u>	<u>\$ 1,322,636</u>	<u>\$ 4,827,917</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, 2015

Net change in fund balances for governmental funds	\$	(341,660)
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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	\$ 1,235,665	
Depreciation and amortization expense	<u>(982,431)</u>	
Net adjustment		253,234

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.		(106,752)
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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	(161,586)	
Principal repayments:		
Bonds	150,000	
Obligations under capital lease	<u>156,615</u>	
Net adjustment		145,029

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

Compensated absences	11,093	
Accrued interest	539	
Net pension liability	1,836	
Net OPEB obligation	(24,619)	
Amortization of bond premiums	353	
Landfill closure and post closure costs	<u>6,960</u>	
		(3,838)

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as unavailable revenues in the governmental funds. This amount represents the change in unavailable revenue.		(637)
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Deferred outflows/inflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities.		<u>(3,581)</u>
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Change in net position of governmental activities	\$	<u><u>(58,205)</u></u>
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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, 2015

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 11,868,349	\$ 11,868,349	\$ 11,995,834	\$ 127,485
Intergovernmental	4,141,601	4,141,601	4,187,542	45,941
Licenses, fees and permits	128,350	128,350	140,610	12,260
Investment income	10,000	10,000	13,128	3,128
Other revenues	38,000	38,000	47,591	9,591
Total revenues	<u>16,186,300</u>	<u>16,186,300</u>	<u>16,384,705</u>	<u>198,405</u>
EXPENDITURES				
Current:				
General government	978,135	977,960	949,642	(28,318)
Public safety	559,695	554,524	552,715	(1,809)
Public works	1,317,802	1,297,802	1,242,702	(55,100)
Education	7,907,165	7,915,775	7,743,222	(172,553)
Regional School District No. 19	4,155,119	4,155,119	4,155,119	-
Miscellaneous	552,392	544,738	519,734	(25,004)
Debt service:				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	73,688	73,688	73,688	-
Capital outlays	47,000	21,844	21,789	(55)
Total expenditures	<u>15,740,996</u>	<u>15,691,450</u>	<u>15,408,611</u>	<u>(282,839)</u>
Excess of revenues over expenditures	445,304	494,850	976,094	481,244
OTHER FINANCING SOURCES (USES)				
Continued appropriations - education	-	-	(79,000)	(79,000)
Appropriation of fund balance	210,000	551,110	-	(551,110)
Transfers out	(655,304)	(1,045,960)	(1,045,960)	-
Total other financing sources (uses)	<u>(445,304)</u>	<u>(494,850)</u>	<u>(1,124,960)</u>	<u>(630,110)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(148,866)</u>	<u>\$ (148,866)</u>
Fund balance - beginning			<u>2,155,555</u>	
Fund balance - ending			<u>\$ 2,006,689</u>	

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities
	Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 27,092
Receivables	3,488
Total current assets	<u>30,580</u>
Noncurrent assets:	
Capital assets:	
Depreciable, net	1,158,452
Total assets	<u>1,189,032</u>
LIABILITIES	
Current liabilities:	
Accounts payable	600
Due to other funds	382
Total liabilities	<u>982</u>
NET POSITION	
Investment in capital assets	1,158,452
Unrestricted	29,598
Total net position	<u>\$ 1,188,050</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, 2015

	<u>Business-Type Activities</u>
	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for service	\$ 26,576
OPERATING EXPENSES	
Monitoring pump station	22,494
Depreciation expense	50,133
Total operating expenses	<u>72,627</u>
Operating loss	(46,051)
NONOPERATING REVENUES	
Interest income	<u>46</u>
Change in net position	(46,005)
Net position - beginning	<u>1,234,055</u>
Net position - ending	<u><u>\$ 1,188,050</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, 2015**

	Business-Type Activities
	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 31,415
Payments for operating expenses	(25,691)
Net cash provided by operating activities	<u>5,724</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	46
Net cash provided by investing activities	<u>46</u>
Net increase in cash and cash equivalents	5,770
Cash and cash equivalents - beginning	<u>21,322</u>
Cash and cash equivalents - ending	<u><u>\$ 27,092</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (46,051)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	50,133
Change in assets and liabilities:	
Accounts receivable	4,839
Accounts payable	458
Due to other funds	<u>(3,655)</u>
Net cash provided by operating activities	<u><u>\$ 5,724</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, 2015**

	Pension Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ -	\$ 154,081
Investments:		
Variable investment contracts	292,147	-
Fixed investment contracts	142,810	-
Certificates of deposit	-	11,557
Other assets	46,586	-
Total assets	<hr/> 481,543 <hr/>	<hr/> \$ 165,638 <hr/>
 LIABILITIES		
Due to others	<hr/> - <hr/>	<hr/> \$ 165,638 <hr/>
 NET POSITION		
Held in trust for pension benefits	<hr/> \$ 481,543 <hr/>	

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, 2015

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 36,429
Employee	4,755
Total contributions	<u>41,184</u>
Investment earnings:	
Interest and dividends	1,267
Net increase in the fair value of investments	<u>12,200</u>
Total investment earnings	<u>13,467</u>
Total additions	<u>54,651</u>
DEDUCTIONS	
Benefit payments	<u>-</u>
Total deductions	<u>-</u>
Change in net position	54,651
Net position - beginning	<u>426,892</u>
Net position - ending	<u><u>\$ 481,543</u></u>

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015

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.

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, 2015

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

Effective July 1, 2014, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The implementation of these statements did not have a material effect on the Town's financial statements.

Effective July 1, 2014, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*. GASB Statement No. 68 required the Town to recognize a net pension liability relating to its long-term obligations for pension benefits in the government-wide financial statements. In addition, the implementation of GASB Statement No. 68 resulted in enhanced note disclosures and required supplementary information.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of New Accounting Standards (Continued)

The Town has reported the following cumulative effect of applying GASB Statement No. 68 as an adjustment of beginning net position as of July 1, 2014.

	<u>Governmental Activities</u>
Net position - beginning, as originally reported	\$ 13,549,715
Adjustment to remove net pension asset previously recognized under GASB Statement No. 27	(36,121)
Adjustment to record net pension liability and related deferred outflows/inflows of resources under GASB Statement No. 68	<u>(95,740)</u>
Net position - beginning, as adjusted	<u><u>\$ 13,417,854</u></u>

Assets, Liabilities, Deferred Outflows/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. STIF operates 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 qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF is subject to regulatory oversight even though it is 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

Assets	Years
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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources represents a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized until that time.

The governmental funds financial statements 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.

The government-wide financial statements report deferred outflows/inflows of resources relating to amounts deferred on pension benefits resulting from changes in the components of the Town's net pension liability. These amounts are deferred and amortized as a component of pension expense on a systematic and rational basis.

Long-term Obligations

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

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

Net Position/Fund Balance

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

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

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

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position/Fund Balance (Continued)

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

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

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

Committed – Amounts 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.

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 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2015, the Board of Finance approved additional appropriations from fund balance of \$551,110.
- 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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

Budgetary Information (Continued)

- 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.

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, 2015:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses)	Net Change In Fund Balance	Fund Balance
Budgetary basis	\$ 16,384,705	\$ 15,408,611	\$ (1,124,960)	\$ (148,866)	\$ 2,006,689
"On-behalf" payments - State Teachers Retirement Fund	968,030	968,030	-	-	-
Encumbrances outstanding:					
June 30, 2014	-	249,175	-	(249,175)	-
June 30, 2015	-	(132,097)	-	132,097	132,097
Capital lease activity not reported on a budgetary basis	-	369,684	161,586	(208,098)	-
Budgetary perspective differences - funds combined for GAAP financial reporting purposes:					
Reserve for Compensated Absences Fund	231	6,438	15,000	8,793	109,346
Public Library Fund	17,837	175,402	171,385	13,820	377,778
Emergency Preparedness Fund	-	-	1,000	1,000	5,710
Nonlapsing Education Fund	-	-	79,000	79,000	79,000
Elimination of interfund transfers	-	(387,144)	(387,144)	-	-
GAAP basis	<u>\$ 17,370,803</u>	<u>\$ 16,658,099</u>	<u>\$ (1,084,133)</u>	<u>\$ (371,429)</u>	<u>\$ 2,710,620</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

As of June 30, 2015 the carrying value of the Town's cash deposits totaled \$2,180,289. A reconciliation of the Town's cash deposits as of June 30, 2015 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 5,079,813
Statement of fiduciary net position:	
Cash and cash equivalents	154,081
Add: certificates of deposit classified as investments	11,557
Less: investments classified as cash equivalents	<u>(3,065,161)</u>
	<u>\$ 2,180,289</u>

Investments in STIF totaling \$3,065,161 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 \$11,557 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, 2015, \$1,589,614 of the Town's bank balance of \$2,350,730 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,430,653
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>158,961</u>
	<u>\$ 1,589,614</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, 2015

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2015 is as follows:

Government-wide statement of net position:	
Investments	\$ -
Statement of fiduciary net position:	
Investments	446,514
Less: certificates of deposit classified as investments	(11,557)
Add: investments classified as cash equivalents	3,065,161
	<u>\$ 3,500,118</u>

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

Investment type	Fair Value	Investment Maturities (In Years) Less Than 1
Debt Securities:		
Short-Term Investment Fund (STIF)	\$ 3,065,161	\$ 3,065,161
Other investments:		
Variable investment contracts	292,147	
Fixed investment contracts	142,810	
Total	<u>\$ 3,500,118</u>	

Because STIF has a weighted average maturity of less than 90 days, it has been presented as an investment with a maturity 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, 2015

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, 2015:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>Standard & Poor's</u>
		<u>AAA</u>
Short Term Investment Fund (STIF)	<u>\$ 3,065,161</u>	<u>\$ 3,065,161</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, 2015, loans receivable totaled \$725,476 under this program.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,464,199	\$ 20,000	\$ -	\$ 2,484,199
Construction in progress	204,286	236,869	(106,752)	334,403
Total capital assets, not being depreciated	<u>2,668,485</u>	<u>256,869</u>	<u>(106,752)</u>	<u>2,818,602</u>
Capital assets, being depreciated:				
Land improvements	626,803	965	-	627,768
Buildings and improvements	14,004,671	206,770	-	14,211,441
Machinery and equipment	2,284,143	94,805	(68,203)	2,310,745
Infrastructure	25,416,972	183,698	-	25,600,670
Vehicles	1,531,858	492,558	(291,000)	1,733,416
Furniture and fixtures	415,153	-	-	415,153
Total capital assets, being depreciated	<u>44,279,600</u>	<u>978,796</u>	<u>(359,203)</u>	<u>44,899,193</u>
Less accumulated depreciation:				
Land improvements	189,085	31,510	-	220,595
Buildings and improvements	9,251,048	276,336	-	9,527,384
Machinery and equipment	1,588,908	253,559	(68,203)	1,774,264
Infrastructure	22,388,707	255,505	-	22,644,212
Vehicles	823,137	153,169	(291,000)	685,306
Furniture and fixtures	382,166	12,352	-	394,518
Total accumulated depreciation	<u>34,623,051</u>	<u>982,431</u>	<u>(359,203)</u>	<u>35,246,279</u>
Total capital assets, being depreciated, net	<u>9,656,549</u>	<u>(3,635)</u>	<u>-</u>	<u>9,652,914</u>
Governmental activities capital assets, net	<u>\$ 12,325,034</u>	<u>\$ 253,234</u>	<u>\$ (106,752)</u>	<u>\$ 12,471,516</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	318,048	50,133	-	368,181
Total accumulated depreciation	<u>318,048</u>	<u>50,133</u>	<u>-</u>	<u>368,181</u>
Total capital assets, being depreciated, net	<u>1,208,585</u>	<u>(50,133)</u>	<u>-</u>	<u>1,158,452</u>
Business-type activities capital assets, net	<u>\$ 1,208,585</u>	<u>\$ (50,133)</u>	<u>\$ -</u>	<u>\$ 1,158,452</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 87,826
Public safety	156,635
Public works	375,312
Culture and recreation	185,512
Education	177,146
Total depreciation and amortization expense - governmental activities	<u>\$ 982,431</u>
Business-type Activities:	
Utility - water	\$ 50,133
Total depreciation and amortization expense - business-type activities	<u>\$ 50,133</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 100,287
General Fund	Utility Fund	<u>382</u>
		100,669
Nonmajor Governmental Funds	General Fund	<u>439,749</u>
Total due from/to other funds		<u>\$ 540,418</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, 2015

NOTE 7 - INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended June 30, 2015:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Nonmajor Governmental Funds	General Fund	<u>\$ 1,245,719</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, 2015:

	<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	\$ 1,950,000	\$ -	\$ (150,000)	\$ 1,800,000	\$ 150,000
Unamortized bond premium	4,415	-	(353)	4,062	-
Total bonds payable	1,954,415	-	(150,353)	1,804,062	150,000
Other liabilities:					
Capital leases	586,425	161,586	(156,615)	591,396	158,866
Compensated absences	441,277	30,949	(42,042)	430,184	65,000
Accrued landfill postclosure costs	71,400	-	(6,960)	64,440	7,000
Net OPEB obligation	1,033,977	24,619	-	1,058,596	-
Net pension liability	139,392	-	(1,836)	137,556	-
	<u>\$ 4,226,886</u>	<u>\$ 217,154</u>	<u>\$ (357,806)</u>	<u>\$ 4,086,234</u>	<u>\$ 380,866</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, 2015 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>\$ 1,800,000</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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, 2015:

Year ending June 30:	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2016	\$ 150,000	\$ 67,219
2017	150,000	61,781
2018	150,000	56,344
2019	150,000	50,813
2020	150,000	45,000
2021-2025	750,000	135,000
2026-2027	300,000	12,000
	<u>\$ 1,800,000</u>	<u>\$ 428,157</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, 2015, the District's total outstanding bonds were \$6,005,000 of which \$3,133,096 is to be reimbursed by the State of Connecticut. The remaining balance of \$2,871,904 represents the District's net obligation with 23.40%, or \$672,026, 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, 2015.

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2015:

	Governmental Activities
Machinery and equipment	\$ 916,278
Vehicles	153,750
	<u>1,070,028</u>
Less: accumulated amortization	<u>834,034</u>
	<u>\$ 235,994</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases (Continued)

Amortization expense relative to leased property under capital leases totaled \$154,387 for the year ended June 30, 2015 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, 2015 is as follows:

Year ending June 30:	Governmental Activites
2016	\$ 173,183
2017	167,233
2018	112,927
2019	64,569
2020	32,284
2021-2025	<u>76,930</u>
Total minimum lease payments	627,126
Less: amount representing interest	<u>35,730</u>
Present value of minimum lease payments	<u><u>\$ 591,396</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 9 years total \$64,440 at June 30, 2015. 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 administers a single-employer defined benefit pension plan that provides pensions for all employees of the Town who have attained age 18, excluding Board of Education employees and appointed or elected officials. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report.

Plan Membership. At June 30, 2015, pension plan membership consisted of 3 active members.

Benefits provided. The Town 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. Death benefits equal up to 100 times the participant's anticipated monthly pension and are provided by insurance policies purchase by insurance policies purchased by the Plan.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Plan Description (Continued)

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 contribution rate of plan members. For the year ended June 30, 2015, the actuarially determined contribution was \$25,273 and the actual contribution was \$36,429.

Summary of Significant Accounting Policies

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 the 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 target asset allocation as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	60.0%
Fixed Income	30.0%
Insurance Contracts	10.0%

Concentrations. The plan has no individual investments that represented five percent or more of the Plan's net position at June 30, 2015.

Rate of return. For the year ended June 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 2.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Town Plan as June 30, 2015 were as follows:

Total pension liability	\$ 619,100
Plan fiduciary net position	<u>(481,544)</u>
Town's net pension liability - Town Plan	<u>\$ 137,556</u>
Plan fiduciary net position as a percentage of the total pension liability	77.8%

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2015 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2014	\$ 568,204	\$ 428,812	\$ 139,392
Changes for the year:			
Service cost	16,852	-	16,852
Interest	40,954	-	40,954
Actuarial (gains) losses	(6,910)	-	(6,910)
Contributions - employer	-	36,429	(36,429)
Contributions - employee	-	4,755	(4,755)
Net investment income	-	11,548	(11,548)
Benefit payments, including refunds	-	-	-
Administrative expense	-	-	-
Net changes	50,896	52,732	(1,836)
Balance as of June 30, 2015	<u>\$ 619,100</u>	<u>\$ 481,544</u>	<u>\$ 137,556</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods in the measurement.

Inflation	2.0%
Salary increases	4.0%, average, including inflation
Investment rate of return	7.0%, 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.

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, 2015 are summarized in the following table:

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	60.0%	7.0%
Fixed Income	30.0%	3.5%
Insurance Contracts	10.0%	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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the 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>1% Decrease (6.0%)</u>	<u>Current Discount (7.0%)</u>	<u>1% Increase (8.0%)</u>
Town Plan's net pension liability as of June 30, 2015	\$ 177,969	\$ 137,556	\$ 98,599

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2015 the Town recognized pension expense of \$26,449. At June 30, 2015, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,548	\$ (6,319)
Changes of assumptions	24,349	-
Net difference between projected and actual earnings on pension plan investments	4,493	-
Total	<u>\$ 46,390</u>	<u>\$ (6,319)</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	\$ 3,581
2017	3,581
2018	3,579
2019	7,052
2020	3,325
Thereafter	18,953
	<u>\$ 40,071</u>

Payable to the Pension Plan

At June 30, 2015, there was no outstanding Town contributions to the pension plan required for the year ended June 30, 2015.

Connecticut State Teachers' Retirement System

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

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

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

For the year ended June 30, 2015, plan members of the Town contributed \$247,149 to the plan and covered payroll for the year was \$3,781,366. The Town has recognized on-behalf payments of \$968,030 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2014 was \$10.141 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$10.329 million, or approximately 0.10% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined.

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0%
Salary increases	3.75% - 7.0% (includes inflation)
Investment rate of return	8.5% (includes inflation)
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirements on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, the RP-2000 Combined Mortality Table projected forward 19 years using scale AA, with a two-year setback for males and females.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Large Cap U.S. Equities	21.0%	7.3 %
Developed Non-U.S. Equities	18.0	7.5
Emerging Markets (Non-U.S.)	9.0	8.6
Core Fixed Income	7.0	1.7
Inflation Linked Bonds	3.0	1.3
Emerging Market Bonds	5.0	4.8
High Yield Bonds	5.0	3.7
Real Estate	7.0	5.9
Private Equity	11.0	10.9
Alternative Investments	8.0	0.7
Liquidity	6.0	0.4

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The discount rate used to measure the total pension liability was 8.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.5%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.5%) or 1-percentage-point higher (9.5%) than the current rate:

	<u>1.0%</u> <u>Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1.0%</u> <u>Increase</u>
Town's proportionate share of the net pension liability	\$13.182 million	\$10.329 million	\$7.905 million

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

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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

Funding Policy

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

The Town has not established a trust fund as of June 30, 2015, to irrevocably segregate assets to fund the liability for post-employment benefits.

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

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

OPEB payments for the year ended June 30, 2015, net of retiree and other contributions, amounted to approximately \$39,700.

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	38,837
Adjustment to annual required contribution	<u>36,064</u>
Annual OPEB cost	64,366
Contributions made	<u>39,747</u>
Increase in net OPEB obligation	24,619
Net OPEB obligation, beginning of the year	<u>1,033,977</u>
Net OPEB obligation, end of the year	<u>\$ 1,058,596</u>

Three-year Trend Information

<u>Plan Year</u> <u>Ended June 30,</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage</u> <u>of ARC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$ 198,506	14.5%	\$ 938,912
2014	127,317	25.3%	1,033,977
2015	64,366	61.8%	1,058,596

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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 available	Not available

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, 2015

NOTE 11 - FUND BALANCE

The Town has committed and assigned fund balance for other purposes as of June 30, 2015 for the following purposes:

	Committed	Assigned
Compensated absences	\$ 109,346	\$ -
Library	377,778	-
Emergency preparedness	5,710	-
Nonlapsing Education Fund	79,000	-
General government	4,111	-
Public safety - Fire and Ambulance services	394,643	-
Culture and recreation	85,324	-
Public works	4,110	-
Educational purposes	106,268	-
For use in subsequent year's budget	-	210,000
Encumbrances	-	132,097
	<u>\$ 1,166,290</u>	<u>\$ 342,097</u>

Encumbrances represent commitments entered into as of June 30, 2015 for goods or services to be provided in the subsequent fiscal year. Encumbrances have been assigned for the following purposes:

General government	\$ 1,812
Public works	937
Educational	129,348
	<u>\$ 132,097</u>

NOTE 12 - 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.

NOTE 13 - 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, 2015, 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 13 - RISK MANAGEMENT (Continued)

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town is also a member of CIRMA's Liability-Automobile-Property (LAP) Pool, a risk sharing pool. The LAP Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's LAP Pool retains \$1,000,000 per occurrence for each line of liability coverage.

Premiums paid to CIRMA for the year ended June 30, 2015 totaled approximately \$146,000.

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for a) determining a fair value measurement for financial reporting purposes and b) applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions that are provided to the employees of state and local governmental employers and are not within the scope of GASB Statement No. 68. The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No. 68 are effective for the Town's reporting period beginning July 1, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for the Town's reporting period beginning July 1, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement No. 67, or for pensions that are within the scope of GASB Statement No. 68, are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans and replaces the requirements of GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town currently provides other post-employment benefits to certain eligible employees. Management is currently evaluating the effect implementation of this standard will have on its financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town currently provides other post-employment benefits to certain eligible employees. Management is currently evaluating the effect implementation of this standard will have on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement establishes the hierarchy of GAAP for state and local governments and supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 25,273	\$ 53,197	\$ 48,905	\$ 38,946	\$ 34,499	\$ 31,227	\$ 19,860
Contributions in relation to the actuarially determined contribution	36,429	16,203	20,095	20,095	20,095	15,095	10,580
Contribution (surplus) deficiency	<u>\$ (11,156)</u>	<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	\$ 190,195	\$ 188,376	\$ 232,522	\$ 230,591	\$ 231,019	\$ 210,457	\$ 210,553
Contributions as a percentage of covered employee payroll	19.15%	8.60%	8.64%	8.71%	8.70%	7.17%	5.02%
Annual money-weighted rate of return, net of investment expense	2.67%	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	Not applicable
Asset valuation method	Market value
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	7.00%
Retirement age	65
Pre-Retirement Mortality	None
Post-Retirement Mortality	2014 Unisex Applicable Mortality Table from IRS Rev. Rul. 2006-67

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS - PENSION
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 16,852	\$ 22,477
Interest	40,954	35,764
Differences between expected and actual experience	(6,910)	20,828
Changes of assumptions	-	28,901
Benefit payments, including refunds or employee contributions	-	(112,811)
Net change in total pension liability	50,896	(4,841)
Total pension liability - beginning	568,204	573,045
Total pension liability - ending	<u>\$ 619,100</u>	<u>\$ 568,204</u>
Plan fiduciary net position		
Contributions - employer	\$ 36,429	\$ 16,203
Contributions - members	4,755	4,787
Net investment income	11,548	46,232
Benefit payments, including refunds	-	(112,811)
Net change in plan fiduciary net position	52,732	(50,684)
Plan fiduciary net position - beginning	428,812	479,496
Plan fiduciary net position - ending	<u>\$ 481,544</u>	<u>\$ 428,812</u>
Town's net pension liability	<u>\$ 137,556</u>	<u>\$ 139,392</u>
Plan fiduciary net position as a percentage of total pension liability	77.78%	75.47%
Covered employee payroll	\$ 190,195	\$ 232,522
Town's net pension liability as a percentage of covered employee payroll	72.32%	59.95%

NOTES TO SCHEDULE:

Benefit Changes: None

Assumption Changes: None

The Town began to report this schedule when it implemented GASB Statement No. 67 in fiscal year 2014.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Connecticut State Teachers' Retirement System
(Dollar amounts in thousands)

	<u>2015</u>
Town's proportion of the net pension liability	0.102%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	10,329
Total	<u><u>\$ 10,329</u></u>
Town's covered payroll	\$ 3,781
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule:

Valuation Date	6/30/2014
Measurement Date	6/30/2014
Reporting Date	6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.50%
Salary increases	3.75% - 7.00%, including inflation
Inflation	3.00%

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

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - OTHER POST-RETIREMENT BENEFITS (Unaudited)
LAST THREE 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 available	Not available
June 30, 2011	-	2,331,404	2,331,404	0.0%	Not available	Not available
June 30, 2008	-	3,540,659	3,540,659	0.0%	Not available	Not available

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, 2015

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
PROPERTY TAXES				
Taxes	\$ 11,838,349	\$ 11,838,349	\$ 11,936,211	\$ 97,862
Interest and lien fees	30,000	30,000	59,623	29,623
Total property taxes	<u>11,868,349</u>	<u>11,868,349</u>	<u>11,995,834</u>	<u>127,485</u>
INTERGOVERNMENTAL REVENUES				
Education:				
Education cost sharing grant	3,718,418	3,718,418	3,729,428	11,010
Transportation grant	51,215	51,215	52,563	1,348
Noneducation:				
Town aid road grant	258,023	258,023	257,809	(214)
State property reimbursement	38,068	38,068	46,133	8,065
Pequot funds	25,800	25,800	28,762	2,962
Municipal project grant	18,827	18,827	18,827	-
Judicial fines	12,000	12,000	13,000	1,000
Elderly and disabled property reimbursement	15,000	15,000	16,658	1,658
Veteran's exemption	750	750	845	95
Disability reimbursement	500	500	559	59
FEMA planning grant	3,000	3,000	3,000	-
FEMA Winter Blizzard 2015	-	-	19,958	19,958
Total intergovernmental revenues	<u>4,141,601</u>	<u>4,141,601</u>	<u>4,187,542</u>	<u>45,941</u>
LICENSES, FEES AND PERMITS				
Building, zoning fees and permits	60,000	60,000	54,788	(5,212)
Zoning board of appeals	500	500	1,507	1,007
Inland/wetland fees	3,500	3,500	5,136	1,636
Conveyance taxes	30,000	30,000	33,435	3,435
Permits	2,450	2,450	2,510	60
Town clerk fees	26,500	26,500	29,356	2,856
Transfer station fees	5,000	5,000	10,895	5,895
Reimbursement - recycling	400	400	2,547	2,147
Scrap metal sales	-	-	436	436
Total licenses, fees and permits	<u>128,350</u>	<u>128,350</u>	<u>140,610</u>	<u>12,260</u>
INVESTMENT EARNINGS	<u>10,000</u>	<u>10,000</u>	<u>13,128</u>	<u>3,128</u>

See Independent Auditor's Report.

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, 2015

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
MISCELLANEOUS				
Telecommunications grant	\$ 13,000	\$ 13,000	\$ 12,111	\$ (889)
Other	25,000	25,000	35,480	10,480
Total miscellaneous	<u>38,000</u>	<u>38,000</u>	<u>47,591</u>	<u>9,591</u>
Total revenues	<u>16,186,300</u>	<u>16,186,300</u>	<u>16,384,705</u>	<u>198,405</u>
OTHER FINANCING SOURCES				
Appropriation of fund balance	<u>210,000</u>	<u>551,110</u>	<u>-</u>	<u>(551,110)</u>
Total other financing sources	<u>210,000</u>	<u>551,110</u>	<u>-</u>	<u>(551,110)</u>
Total revenues and other financing sources	<u>\$ 16,396,300</u>	<u>\$ 16,737,410</u>	<u>\$ 16,384,705</u>	<u>\$ (352,705)</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
GENERAL GOVERNMENT				
Selectmen	\$ 118,379	\$ 121,919	\$ 121,919	\$ -
Probate court	2,931	2,931	2,931	-
Elections/registrars	27,744	27,744	26,884	(860)
Accounting services	192,242	192,242	191,131	(1,111)
Board of finance	3,856	3,856	3,233	(623)
Town treasurer	29,663	29,663	29,661	(2)
Auditor	34,500	34,500	33,000	(1,500)
Assessor	93,292	93,292	88,206	(5,086)
Board of assessment appeals	1,273	1,273	1,273	-
Revenue collector	77,241	77,241	74,069	(3,172)
Legal counsel	32,000	32,000	30,399	(1,601)
Town clerk	101,468	101,468	100,392	(1,076)
Conservation commission	1,500	1,500	1,317	(183)
Planning and zoning	99,975	99,975	98,306	(1,669)
Zoning board of appeals	4,403	4,403	4,279	(124)
Economic development commission	900	1,014	1,013	(1)
Inland/wetlands commission	2,000	2,000	1,324	(676)
Town office operations	91,350	91,350	91,054	(296)
Town hall operations	6,795	6,795	6,545	(250)
Senior Center operations	27,623	29,123	28,968	(155)
Consulting engineers	29,000	23,671	13,738	(9,933)
Total general government	978,135	977,960	949,642	(28,318)
PUBLIC SAFETY				
Ambulance	386,829	386,829	386,829	-
Fire marshal	22,839	22,839	22,364	(475)
Fire protection	83,824	78,653	78,252	(401)
Public safety and welfare	28,921	28,921	28,921	-
Emergency management director	6,200	6,200	6,000	(200)
Fire mains and hydrants	6,432	6,432	6,218	(214)
Building official	24,650	24,650	24,131	(519)
Total public safety	559,695	554,524	552,715	(1,809)
PUBLIC WORKS				
Public works department	1,084,035	1,064,035	1,034,799	(29,236)
Cemetery	2,000	2,000	2,000	-
Transfer station	231,767	231,767	205,903	(25,864)
Total public works	1,317,802	1,297,802	1,242,702	(55,100)

See Independent Auditor's Report.

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, 2015

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
EDUCATION				
Elementary education	\$ 2,833,928	\$ 2,843,812	\$ 2,755,421	\$ (88,391)
Special education	1,358,949	1,467,928	1,419,397	(48,531)
Summer school	38,500	38,500	38,019	(481)
Fringe benefits	941,928	840,382	824,706	(15,676)
Pupil services	384,955	384,393	383,236	(1,157)
Staff and program development	132,512	127,187	125,434	(1,753)
Educational media	127,662	114,117	113,389	(728)
Board of Education	505,341	533,968	508,424	(25,544)
Principal's office	435,066	436,837	435,262	(1,575)
Plant operations	598,846	589,537	612,493	22,956
Transportation	549,478	539,114	527,441	(11,673)
Total education	<u>7,907,165</u>	<u>7,915,775</u>	<u>7,743,222</u>	<u>(172,553)</u>
REGIONAL SCHOOL DISTRICT NO. 19	<u>4,155,119</u>	<u>4,155,119</u>	<u>4,155,119</u>	<u>-</u>
MISCELLANEOUS				
Social security	80,265	80,265	76,357	(3,908)
Unemployment	500	4,630	4,462	(168)
Employee health insurance	314,936	303,806	288,796	(15,010)
Pension fund	69,412	69,412	68,605	(807)
Insurance	84,779	84,779	80,297	(4,482)
Miscellaneous	2,500	1,846	1,217	(629)
Total miscellaneous	<u>552,392</u>	<u>544,738</u>	<u>519,734</u>	<u>(25,004)</u>
DEBT SERVICE				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	73,688	73,688	73,688	-
Total debt service	<u>223,688</u>	<u>223,688</u>	<u>223,688</u>	<u>-</u>
CAPITAL OUTLAYS	<u>47,000</u>	<u>21,844</u>	<u>21,789</u>	<u>(55)</u>
Total expenditures	<u>15,740,996</u>	<u>15,691,450</u>	<u>15,408,611</u>	<u>(282,839)</u>

See Independent Auditor's Report.

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Continued appropriations - education	-	-	79,000	79,000
Reserve for compensated absences fund	15,000	15,000	15,000	-
Dog fund	21,330	21,330	21,330	-
Fire department fund	220,581	220,581	220,581	-
Mary D. Edwards public library fund	171,385	171,385	171,385	-
Recreation commission fund	48,708	48,708	48,708	-
Willington youth, family and social services fund	50,300	50,300	50,300	-
Emergency preparedness fund	1,000	1,000	1,000	-
Capital projects fund	-	390,656	390,656	-
Reserve for capital and nonrecurring fund	127,000	127,000	127,000	-
Total other financing uses	<u>655,304</u>	<u>1,045,960</u>	<u>1,124,960</u>	<u>79,000</u>
Total expenditures and other financing uses	<u>\$ 16,396,300</u>	<u>\$ 16,737,410</u>	<u>\$ 16,533,571</u>	<u>\$ (203,839)</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2015

Grand List Year	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2015
			Additions	Deletions			Taxes	Interest	Liens	
2013	\$ -	\$ 11,973,926	\$ 40,121	\$ 51,718	\$ 13,919	\$ 11,948,410	\$ 11,900,866	\$ 39,848	\$ 5,009	\$ 78,858
2012	88,171	-	561	2,045	12,277	74,410	53,248	14,094	1,056	22,093
2011	18,535	-	-	2	3,505	15,028	9,021	2,489	144	6,556
2010	(2,736)	-	-	-	359	(3,095)	90	68	8	109
2009	-	-	-	-	-	-	-	-	-	-
2008	(151)	-	151	-	-	-	-	-	-	-
	<u>\$ 103,819</u>	<u>\$ 11,973,926</u>	<u>\$ 40,833</u>	<u>\$ 53,765</u>	<u>\$ 30,060</u>	<u>\$ 12,034,753</u>	<u>\$ 11,963,225</u>	<u>\$ 56,499</u>	<u>\$ 6,217</u>	<u>\$ 107,616</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, 2015**

Total cash collections for the year ended

June 30, 2015:

Taxes	\$ 11,963,225
Interest and lien fees	62,716
Total	<u>12,025,941</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	16,658
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Base	<u><u>\$ 12,042,599</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	\$ 27,095,848	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	54,191,696	-	-	-
3-3/4 times base	-	-	45,159,746	-	-
3-1/4 times base	-	-	-	39,138,447	-
3 times base	-	-	-	-	36,127,797
Total debt limitation	<u>27,095,848</u>	<u>54,191,696</u>	<u>45,159,746</u>	<u>39,138,447</u>	<u>36,127,797</u>
Indebtedness:					
Bonds payable	1,800,000	-	-	-	-
Allocated portion of Regional School District No. 19 bonds payable	-	672,026	-	-	-
Total indebtedness	<u>1,800,000</u>	<u>672,026</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 25,295,848</u></u>	<u><u>\$ 53,519,670</u></u>	<u><u>\$ 45,159,746</u></u>	<u><u>\$ 39,138,447</u></u>	<u><u>\$ 36,127,797</u></u>
Total capacity of borrowing (7 times base)	\$ 84,298,193				
Total present indebtedness	<u>2,472,026</u>				
Margin for additional borrowing	<u><u>\$ 81,826,167</u></u>				

See Independent Auditor's Report.

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 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 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, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 459,643	\$ 560,514	\$ 1,020,157
Receivables:			
Grants and contracts	13,807	91,561	105,368
Other	9,684	-	9,684
Due from other funds	216,632	223,117	439,749
Inventories	8,416	-	8,416
Total assets	<u>\$ 708,182</u>	<u>\$ 875,192</u>	<u>\$ 1,583,374</u>
LIABILITIES			
Accounts payable	\$ 105,241	\$ 55,210	\$ 160,451
Due to other funds	14	100,273	100,287
Total liabilities	<u>105,255</u>	<u>155,483</u>	<u>260,738</u>
FUND BALANCES			
Nonspendable:			
Inventories	8,416	-	8,416
Committed for:			
Capital purposes	-	719,709	719,709
Other purposes	594,511	-	594,511
Total fund balances	<u>602,927</u>	<u>719,709</u>	<u>1,322,636</u>
Total liabilities and fund balance	<u>\$ 708,182</u>	<u>\$ 875,192</u>	<u>\$ 1,583,374</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, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 349,759	\$ 539,080	\$ 888,839
Charges for services	371,021	-	371,021
Investment earnings	1,195	344	1,539
Miscellaneous	56,043	62,646	118,689
Total revenues	<u>778,018</u>	<u>602,070</u>	<u>1,380,088</u>
EXPENDITURES			
Current:			
General government	11,158	-	11,158
Public safety	737,212	-	737,212
Public works	4,109	-	4,109
Culture and recreation	139,897	-	139,897
Education	433,384	-	433,384
Debt service:			
Principal payments	100,123	-	100,123
Interest and fiscal charges	12,261	-	12,261
Capital outlays	-	1,101,275	1,101,275
Total expenditures	<u>1,438,144</u>	<u>1,101,275</u>	<u>2,539,419</u>
Deficiency of revenues over expenditures	(660,126)	(499,205)	(1,159,331)
OTHER FINANCING SOURCES			
Transfers in	728,063	517,656	1,245,719
Total other financing sources	<u>728,063</u>	<u>517,656</u>	<u>1,245,719</u>
Net changes in fund balances	67,937	18,451	86,388
Fund balances - beginning	<u>534,990</u>	<u>701,258</u>	<u>1,236,248</u>
Fund balances - ending	<u><u>\$ 602,927</u></u>	<u><u>\$ 719,709</u></u>	<u><u>\$ 1,322,636</u></u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund
ASSETS					
Cash and cash equivalents	\$ 4,111	\$ -	\$ -	\$ 13,904	\$ 3,841
Receivables:					
Grants and contracts	-	-	-	-	-
Other	-	340	-	-	-
Due from other funds	-	4,293	19,332	55,951	269
Inventories	-	-	-	-	-
Total assets	<u>\$ 4,111</u>	<u>\$ 4,633</u>	<u>\$ 19,332</u>	<u>\$ 69,855</u>	<u>\$ 4,110</u>
LIABILITIES					
Accounts payable	\$ -	\$ 3,427	\$ 3,863	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,427</u>	<u>3,863</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Committed for other purposes	4,111	1,206	15,469	69,855	4,110
Total fund balances	<u>4,111</u>	<u>1,206</u>	<u>15,469</u>	<u>69,855</u>	<u>4,110</u>
Total liabilities and fund balances	<u>\$ 4,111</u>	<u>\$ 4,633</u>	<u>\$ 19,332</u>	<u>\$ 69,855</u>	<u>\$ 4,110</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2015

	State and Federal Grants Fund	School Lunch Fund	Education Fund	Fire and Ambulance Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 33,000	\$ -	\$ 404,787	\$ 459,643
Receivables:					
Grants and contracts	2,453	11,039	-	315	13,807
Other	9,139	205	-	-	9,684
Due from other funds	21,659	-	72,973	42,155	216,632
Inventories	-	8,416	-	-	8,416
Total assets	<u>\$ 33,251</u>	<u>\$ 52,660</u>	<u>\$ 72,973</u>	<u>\$ 447,257</u>	<u>\$ 708,182</u>
LIABILITIES					
Accounts payable	\$ 33,251	\$ 10,894	\$ -	\$ 53,806	\$ 105,241
Due to other funds	-	-	-	14	14
Total liabilities	<u>33,251</u>	<u>10,894</u>	<u>-</u>	<u>53,820</u>	<u>105,255</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	8,416	-	-	8,416
Committed for other purposes	-	33,350	72,973	393,437	594,511
Total fund balances	<u>-</u>	<u>41,766</u>	<u>72,973</u>	<u>393,437</u>	<u>602,927</u>
Total liabilities and fund balances	<u>\$ 33,251</u>	<u>\$ 52,660</u>	<u>\$ 72,973</u>	<u>\$ 447,257</u>	<u>\$ 708,182</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, 2015

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund
REVENUES					
Intergovernmental	\$ 5,000	\$ -	\$ -	\$ 19,544	\$ -
Charges for services	1,944	6,684	30,955	49	-
Investment earnings	3	-	-	21	8
Miscellaneous	-	-	-	-	2,048
Total revenues	<u>6,947</u>	<u>6,684</u>	<u>30,955</u>	<u>19,614</u>	<u>2,056</u>
EXPENDITURES					
Current:					
General government	11,158	-	-	-	-
Public safety	-	28,481	-	-	-
Public works	-	-	-	-	4,109
Culture and recreation	-	-	76,789	63,108	-
Education	-	-	-	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>11,158</u>	<u>28,481</u>	<u>76,789</u>	<u>63,108</u>	<u>4,109</u>
Excess (deficiency) of revenues over expenditures	(4,211)	(21,797)	(45,834)	(43,494)	(2,053)
OTHER FINANCING SOURCES					
Transfers in	-	21,330	48,708	50,300	-
Total other financing sources	<u>-</u>	<u>21,330</u>	<u>48,708</u>	<u>50,300</u>	<u>-</u>
Net changes in fund balances	(4,211)	(467)	2,874	6,806	(2,053)
Fund balances - beginning	<u>8,322</u>	<u>1,674</u>	<u>12,595</u>	<u>63,049</u>	<u>6,163</u>
Fund balances - ending	<u>\$ 4,111</u>	<u>\$ 1,206</u>	<u>\$ 15,469</u>	<u>\$ 69,855</u>	<u>\$ 4,110</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, 2015

	State and Federal Grants Fund	School Lunch Fund	Education Fund	Fire and Ambulance Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	\$ 237,343	\$ 75,767	\$ 11,790	\$ 315	\$ 349,759
Charges for services	-	118,425	-	212,964	371,021
Investment earnings	-	-	-	1,163	1,195
Miscellaneous	-	-	3,600	50,395	56,043
Total revenues	<u>237,343</u>	<u>194,192</u>	<u>15,390</u>	<u>264,837</u>	<u>778,018</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	11,158
Public safety	-	-	-	708,731	737,212
Public works	-	-	-	-	4,109
Culture and recreation	-	-	-	-	139,897
Education	237,343	194,654	1,386	-	433,383
Debt service:					
Principal payments	-	-	-	100,123	100,123
Interest and fiscal charges	-	-	-	12,261	12,261
Total expenditures	<u>237,343</u>	<u>194,654</u>	<u>1,386</u>	<u>821,115</u>	<u>1,438,143</u>
Excess (deficiency) of revenues over expenditures	-	(462)	14,004	(556,278)	(660,125)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	607,725	728,063
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,725</u>	<u>728,063</u>
Net changes in fund balances	-	(462)	14,004	51,447	67,938
Fund balances - beginning	-	42,228	58,969	341,990	534,990
Fund balances - ending	<u>\$ -</u>	<u>\$ 41,766</u>	<u>\$ 72,973</u>	<u>\$ 393,437</u>	<u>\$ 602,927</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	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	\$ 9,049	\$ 461,642	\$ 33,413	\$ 8,816	\$ 47,594	\$ 560,514
Grants and contracts receivable	-	-	-	-	91,561	91,561
Due from other funds	-	-	-	-	223,117	223,117
Total assets	<u>\$ 9,049</u>	<u>\$ 461,642</u>	<u>\$ 33,413</u>	<u>\$ 8,816</u>	<u>\$ 362,272</u>	<u>\$ 875,192</u>
LIABILITIES						
Accounts payable	\$ -	\$ 440	\$ -	\$ -	\$ 54,770	\$ 55,210
Due to other funds	-	58,581	-	-	41,692	100,273
Total liabilities	<u>-</u>	<u>59,021</u>	<u>-</u>	<u>-</u>	<u>96,462</u>	<u>155,483</u>
FUND BALANCES						
Committed for capital purposes	9,049	402,621	33,413	8,816	265,810	719,709
Total liabilities and fund balance	<u>\$ 9,049</u>	<u>\$ 461,642</u>	<u>\$ 33,413</u>	<u>\$ 8,816</u>	<u>\$ 362,272</u>	<u>\$ 875,192</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, 2015

	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	\$ -	\$ 48,535	\$ -	\$ -	\$ 490,545	\$ 539,080
Investment earnings	22	240	18	17	47	344
Miscellaneous	350	-	65	-	62,231	62,646
Total revenues	<u>372</u>	<u>48,775</u>	<u>83</u>	<u>17</u>	<u>552,823</u>	<u>602,070</u>
EXPENDITURES						
Capital outlays	2,924	203,239	-	41	895,071	1,101,275
Total expenditures	<u>2,924</u>	<u>203,239</u>	<u>-</u>	<u>41</u>	<u>895,071</u>	<u>1,101,275</u>
Excess (deficiency) of revenues over expenditures	(2,552)	(154,464)	83	(24)	(342,248)	(499,205)
OTHER FINANCING SOURCES						
Transfers in	-	127,000	-	-	390,656	517,656
Total other financing sources	<u>-</u>	<u>127,000</u>	<u>-</u>	<u>-</u>	<u>390,656</u>	<u>517,656</u>
Net changes in fund balances	(2,552)	(27,464)	83	(24)	48,408	18,451
Fund balances - beginning	<u>11,601</u>	<u>430,085</u>	<u>33,330</u>	<u>8,840</u>	<u>217,402</u>	<u>701,258</u>
Fund balances - ending	<u>\$ 9,049</u>	<u>\$ 402,621</u>	<u>\$ 33,413</u>	<u>\$ 8,816</u>	<u>\$ 265,810</u>	<u>\$ 719,709</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.

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

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

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2015

	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	\$ 11,663	\$ 18,607	\$ 109,767	\$ 4,174	\$ 7,594	\$ -	\$ 2,276	\$ 154,081
Investments	-	-	-	-	-	11,557	-	11,557
Total assets	<u>\$ 11,663</u>	<u>\$ 18,607</u>	<u>\$ 109,767</u>	<u>\$ 4,174</u>	<u>\$ 7,594</u>	<u>\$ 11,557</u>	<u>\$ 2,276</u>	<u>\$ 165,638</u>
LIABILITIES								
Due to others	\$ 11,663	\$ 18,607	\$ 109,767	\$ 4,174	\$ 7,594	\$ 11,557	\$ 2,276	\$ 165,638
Total liabilities	<u>\$ 11,663</u>	<u>\$ 18,607</u>	<u>\$ 109,767</u>	<u>\$ 4,174</u>	<u>\$ 7,594</u>	<u>\$ 11,557</u>	<u>\$ 2,276</u>	<u>\$ 165,638</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, 2015

	<u>Balance,</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2015</u>
Assets				
Cash and cash equivalents:				
Center School Activity Fund	\$ 7,843	\$ 23,804	\$ 19,984	\$ 11,663
Hall Memorial School Activity Fund	32,644	40,930	54,967	18,607
Performance Bond Fund	102,193	11,574	4,000	109,767
Flex Benefit Fund	6,044	13,056	14,926	4,174
Tax Sale Proceeds Fund	7,590	4	-	7,594
Willington Day Fund	2,238	1,200	1,162	2,276
Investments:				
Scholarship Fund	11,511	46	-	11,557
Total assets	<u>\$ 170,063</u>	<u>\$ 90,614</u>	<u>\$ 95,039</u>	<u>\$ 165,638</u>
Liabilities				
Due to others	\$ 170,063	\$ 90,614	\$ 95,039	\$ 165,638
Total liabilities	<u>\$ 170,063</u>	<u>\$ 90,614</u>	<u>\$ 95,039</u>	<u>\$ 165,638</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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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)

	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	\$ 5,988,609	\$ 8,801,505	\$ 9,940,670	\$ 9,376,364	\$ 9,615,588
Restricted	1,413,489	665,858	666,869	667,171	672,083
Unrestricted	3,070,171	3,254,286	3,462,946	3,519,260	3,221,929
Total governmental activities net position	<u>\$ 10,472,269</u>	<u>\$ 12,721,649</u>	<u>\$ 14,070,485</u>	<u>\$ 13,562,795</u>	<u>\$ 13,509,600</u>
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 9,210,797	\$ 9,559,588	\$ 10,016,613	\$ 9,992,318	\$ 10,076,058
Restricted	703,772	849,922	851,790	851,280	794,661
Unrestricted	2,432,276	2,367,750	2,535,119	2,706,117	2,488,930
Total governmental activities net position	<u>\$ 12,346,845</u>	<u>\$ 12,777,260</u>	<u>\$ 13,403,522</u>	<u>\$ 13,549,715</u>	<u>\$ 13,359,649</u>
	2011*	2012	2013	2014	2015
Business type activities					
Net investment in capital assets	\$ 1,358,984	\$ 1,308,851	\$ 1,258,718	\$ 1,208,585	\$ 1,158,452
Restricted	-	-	-	-	-
Unrestricted	13,761	17,220	23,830	25,470	29,598
Total business type activities	<u>\$ 1,372,745</u>	<u>\$ 1,326,071</u>	<u>\$ 1,282,548</u>	<u>\$ 1,234,055</u>	<u>\$ 1,188,050</u>

* Information prior to fiscal year 2011 is not readily available.

Table 2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 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	\$ 1,653,628
Public Safety	619,175	664,389	693,424	791,602	804,561	835,768	808,026	943,852	1,082,315	1,093,329
Public works	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	1,827,171
Culture and recreation	243,115	533,467	402,768	466,019	423,964	748,023	438,907	434,295	478,474	530,867
Education	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	9,450,674
Regional School District No. 19	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	4,163,435
Townwide	303,653	310,952	331,335	334,617	396,744	-	-	-	-	-
Interest on long-term debt	56,742	238,255	159,031	137,956	82,262	105,003	114,644	101,373	90,735	89,365
Total governmental activities expenses	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	18,808,469
Business-type activities:										
Utility	-	-	15,981	20,497	19,487	62,439	68,401	67,067	80,963	72,627
Total business-type activities expenses	-	-	15,981	20,497	19,487	62,439	68,401	67,067	80,963	72,627
Total primary government expenses	\$ 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	\$ 18,881,096
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 311,657	\$ 305,276	\$ 447,746	\$ 168,246	\$ 186,728	\$ 161,332	\$ 240,799	\$ 170,064	\$ 221,922	\$ 192,553
Public Safety	121,582	155,596	175,614	222,788	225,218	196,839	221,818	243,897	236,473	270,043
Public Works	9,383	1,706	21,824	12,591	-	-	-	-	-	-
Parks and recreation	59,503	57,685	58,383	67,552	84,670	57,773	39,586	30,157	32,431	46,175
Education	124,550	119,810	126,379	133,383	131,859	123,771	126,632	121,048	117,197	184,256
Operating grants and contributions	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	5,414,272
Capital grants and contributions	424,555	346,179	365,789	13,266	138,284	147,600	229,526	503,844	193,698	539,080
Total governmental activities program revenues	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	6,646,379
Business-type activities:										
Charges for services:										
Utility	\$ -	\$ -	\$ 507	\$ 19,066	\$ 22,559	\$ 20,427	\$ 21,725	\$ 23,541	\$ 32,468	\$ 26,576
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	26,576
Total primary government program revenues	\$ 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	\$ 6,672,955

Table 2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (12,162,090)
Business-type activities	-	-	32,526	(1,431)	3,072	(42,012)	(46,676)	(43,526)	(48,495)	(46,051)
Total primary government net expense	<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>	<u>\$ (12,208,141)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 11,995,197
Unrestricted grants and contributions	86,439	586,846	981,488	158,623	74,902	84,338	141,365	152,569	85,033	92,957
(Loss) on disposal of capital assets	-	12,885	(9,353)	(4,654)	-	-	-	-	-	-
Investment earnings	269,125	292,822	223,853	71,297	23,176	14,168	8,116	13,289	15,607	15,731
Special Item	-	-	24,000	-	-	(1,403,928)	-	-	-	-
Total governmental activities	<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>	<u>12,103,885</u>
Business-type activities:										
Investment earnings	-	-	438	160	40	24	2	3	2	46
Transfers	-	-	(24,000)	-	-	1,403,928	-	-	-	-
Total business-type activities	<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>	<u>46</u>
Total primary government	<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>	<u>\$ 12,103,931</u>
Change in Net Position										
Governmental activities	\$ 1,257,679	\$ 99,403	\$ 1,348,837	\$ (507,691)	\$ (53,195)	\$ (1,162,755)	\$ 430,415	\$ 626,262	\$ 146,193	\$ (58,205)
Business-type activities	-	-	8,964	(1,271)	3,112	1,361,940	(46,674)	(43,523)	(48,493)	(46,005)
Total primary government	<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>	<u>\$ (104,210)</u>

Table 3

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

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 201,400	\$ 112,732	\$ 80,857	\$ 225,027	\$ 168,787
Unreserved	1,640,220	1,537,232	1,440,115	1,599,726	1,779,101
Total general fund	<u>\$ 1,841,620</u>	<u>\$ 1,649,964</u>	<u>\$ 1,520,972</u>	<u>\$ 1,824,753</u>	<u>\$ 1,947,888</u>
All Other Governmental Funds					
Reserved	\$ 1,311	\$ 1,564	\$ 1,502	\$ 2,210	\$ 2,055
Reserved, reported in:					
Special revenue funds	1,036,367	914,620	986,212	1,001,784	1,194,178
Capital projects funds	1,756,285	797,684	1,121,434	1,106,432	898,521
Total all other governmental funds	<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	2015
General Fund					
Restricted	\$ -	\$ -	\$ -	\$ 208,124	\$ 208,124
Committed	570,100	557,088	509,256	468,486	571,779
Assigned	473,892	448,670	454,926	539,175	342,097
Unassigned	1,450,023	1,876,686	1,946,688	1,866,264	1,588,620
Total general fund	<u>\$ 2,494,015</u>	<u>\$ 2,882,444</u>	<u>\$ 2,910,870</u>	<u>\$ 3,082,049</u>	<u>\$ 2,710,620</u>
All Other Governmental Funds					
Nonspendable	\$ 2,387	\$ 1,706	\$ 790,583	\$ 779,987	\$ 733,892
Restricted	-	-	63,283	73,369	69,185
Committed	1,039,433	821,841	1,005,901	1,234,172	1,314,220
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>	<u>\$ 2,117,297</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	\$ 11,995,834
Licenses, fees and permits	452,485	461,208	523,005	547,271	578,172	498,499	555,071	481,206	515,906	511,631
Intergovernmental	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	6,046,309
Investment earnings	269,125	292,822	223,853	71,297	23,176	14,168	8,116	13,289	15,607	15,731
Other revenues	344,926	214,119	361,231	73,967	176,862	133,748	152,660	174,312	125,266	181,396
Total revenues	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	18,750,901
Expenditures										
General government	862,829	906,976	959,921	938,359	1,028,705	947,647	1,464,786	1,126,690	1,128,337	1,190,399
Public Safety	561,250	598,219	634,380	692,661	703,816	734,964	764,927	864,564	927,083	936,694
Miscellaneous	303,653	310,952	331,335	334,617	396,744	535,855	-	-	-	-
Public works	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	1,458,819
Culture and recreation	246,360	393,024	339,296	375,970	328,953	660,698	348,050	338,515	369,409	345,355
Education	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	13,428,361
Capital outlay	2,765,321	2,190,527	1,108,876	267,143	170,680	1,425,000	384,187	356,466	413,348	1,497,647
Debt service:										
Debt issuance costs	12,224	-	-	-	-	-	-	-	-	-
Interest	64,026	116,397	163,612	142,278	86,757	105,856	115,466	102,194	91,869	90,257
Principal	247,479	274,075	422,323	427,606	466,507	325,376	362,905	299,121	260,969	306,615
Total expenditures	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	19,254,147
Excess of revenues over (under) expenditures	(1,430,756)	(1,159,147)	242,289	305,058	107,463	(1,187,853)	110,231	392,269	105,499	(503,246)

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proceeds from sale of land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	161,586
Transfers in	698,260	961,542	660,239	689,875	493,846	429,819	387,716	800,426	1,034,162	1,245,719
Transfers out	(698,260)	(961,542)	(636,239)	(689,875)	(493,846)	(429,819)	(387,716)	(800,426)	(1,034,162)	(1,245,719)
Total other financing sources (uses)	<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>	<u>161,586</u>
Net change in fund balances	<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>	<u>\$ (341,660)</u>
Debt service as a percentage of noncapital expenditures	2.2%	2.6%	3.2%	3.6%	3.3%	2.5%	2.8%	2.3%	2.0%	2.2%

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
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%
2015	295,268,930	69,853,590	13,321,050	16,418,889	42,473,795	2,216,650	435,119,604	27.34	624,766,077	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, 2008 grand list and October 1, 2013 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					
	2015			2006		
	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 fka Services Development Corp	20,949,420	1	4.81%	26,545,360	1	7.04%
GLK Realty LTD Partnership	8,992,030	2	2.07%	7,297,940	3	1.93%
UConn Cedar LLC fka Storrs Polo Run Limited Partnership	6,538,050	3	1.50%	3,261,200	5	0.86%
Connecticut Light & Power	5,839,700	4	1.34%	2,674,800	6	0.71%
Willington Oak Apartments	5,632,102	5	1.29%	3,540,360	4	0.94%
Royce Properties LLC	4,154,030	6	0.95%	7,518,820	2	1.99%
Perryridge Investors LLC	2,352,990	7	0.54%			
Edam Management Services Inc	1,761,300	8	0.40%			
C&S Willington Ltd Partnership	1,566,970	9	0.36%	1,647,970	8	0.44%
Access Senior Housing of Willington	1,547,690	10	0.36%			
Lawrence Becker				2,250,590	7	0.60%
Ruby Associates General Partnership				1,477,000	9	0.39%
Total	59,334,282		13.64%	56,214,040		14.90%

Note: A property revaluation was performed on the grand list dated October 1, 2013.

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
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%	93,516	11,753,461	99.79%
2015	11,973,926	11,963,225	99.91%		11,963,225	99.91%

(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)
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
2015	1,800,000	591,396	2,391,396	0.38%	1.49%	403

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legal Debt Margin Calculation:										
Total cash collections for the fiscal year:										
Taxes	\$ 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	\$ 11,963,225
Interest and lien fees	41,596	45,044	51,714	65,595	57,246	60,520	77,913	66,204	54,424	62,716
	9,727,054	10,051,008	10,236,645	10,726,630	11,076,443	11,021,432	11,331,298	11,626,535	11,741,598	12,025,941
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	16,658
Base	\$ 9,727,717	\$ 10,051,706	\$ 10,255,561	\$ 10,743,840	\$ 11,093,608	\$ 11,039,149	\$ 11,351,329	\$ 11,645,002	\$ 11,757,230	\$ 12,042,599
Indebtedness:										
General Purposes:										
Bonds payable	\$ 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	\$ 1,800,000
Authorized, unissued bonds	3,000,000	-	-	-	-	-	-	-	-	-
Subtotal general purposes	3,160,000	3,120,000	2,930,000	2,740,000	2,550,000	2,400,000	2,250,000	2,100,000	1,950,000	1,800,000
Schools:										
Bonds payable	620,000	465,000	310,000	155,000	-	-	-	-	-	-
Regional School District 19	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	672,026
Authorized, unissued bonds	-	-	-	-	-	-	-	-	-	-
Authorized, unissued bonds, Regional School District 19	-	-	-	-	-	-	-	-	-	-
Subtotal schools	2,171,043	1,765,715	1,513,612	1,246,590	1,018,288	3,293,184	3,134,832	1,010,122	843,236	672,026
Less: amounts to be provided by State	250,437	250,437	166,958	83,479	-	-	-	-	-	-
Total indebtedness	\$ 5,080,606	\$ 4,635,278	\$ 4,276,654	\$ 3,903,111	\$ 3,568,288	\$ 5,693,184	\$ 5,384,832	\$ 3,110,122	\$ 2,793,236	\$ 2,472,026
Total capacity of borrowing (7 times base)	\$ 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	\$ 84,298,193
Total present indebtedness	5,080,606	4,635,278	4,276,654	3,903,111	3,568,288	5,693,184	5,384,832	3,110,122	2,793,236	2,472,026
Margin for additional borrowing	\$ 63,013,413	\$ 65,726,664	\$ 67,512,273	\$ 71,303,769	\$ 74,086,968	\$ 71,580,859	\$ 74,074,471	\$ 78,404,892	\$ 79,507,374	\$ 81,826,167
Total net debt applicable to the debt limit as a percentage of the debt limit										
	7%	7%	6%	5%	5%	7%	7%	4%	3%	3%

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
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%
2015	5,934	160,586	27,062	35.0	660	3.9%

(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 TEN YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2015</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	695	1	19.40%	600	1	16.26%
Town of Willington	132	2	3.68%	144	3	3.90%
Travel Centers of America	123	3	3.43%	170	2	4.61%
Willington Pizza	65	4	1.81%	120	4	3.25%
St of Ct - Depart of Transportation	33	5	0.92%	25	5	0.68%
Hilltop Restaurant	23	6	0.64%			
Becker Construction	20	7	0.56%	23	7	0.62%
Cable Technology, Inc	19	8	0.53%	25	6	0.68%
High Chase	12	9	0.33%	14	8	0.38%
First Niagara Bank (NewAlliance Bank)	5	10	0.14%	7	10	0.19%
Rodeway Inn				10	9	0.27%
Total	<u>1,127</u>		<u>31.45%</u>	<u>1,138</u>		<u>30.85%</u>

Source: Town of Willington Finance Office

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

Table 12

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Management services	6.3	6.3	6.2	7.0	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	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	4.8	4.8	4.8	4.6	4.6	4.6	4.1	4.1	4.1	4.3
Fire										
Volunteer Firefighters	76.0	59.0	60.0	60.0	49.0	58.0	65.0	45.0	47.0	42.0
Transfer Station	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.0	1.0
Other public works	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.8	5.8
Parks and recreation	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
Library	3.0	3.0	3.1	3.1	3.1	3.4	3.4	3.9	3.5	3.5
Total	102.8	85.8	86.8	87.3	76.3	85.6	92.2	72.6	74.6	69.8

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)**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fire										
Emergency responses	508	523	525	917	1,058	1,693	877	798	748	838
Non-Emergency responses	399	400	405	351			(1)	(1)	(1)	(1)
Inspections	515	465	455	455	489	591	489	341	318	309
Refuse collection										
Refuse collected (tons per year)	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	1,669.3
Recyclables collected (tons per year)	780.2	743.9	712.5	669.5	770.3	710.1	705.9	695.2	582.7	599.6
Other public works										
Street resurfacing (miles)	11.6	12.2	11.9	9.5	8.0	8.0	4.9	4.9	6.8	3.4
Library										
Volumes in collection	20,387	20,206	28,103	33,464	37,470	37,470	37,470	44,496	49,192	54,301

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>	<u>Fiscal Year</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>	<u>2015</u>
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	72.7	72.7	72.7	72.7	73.9	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	298	292	292
Playgrounds	2	2	2	2	2	3	3	3	3	3
Baseball/softball diamonds	5	6	6	6	6	6	6	7	5	5
Soccer/football fields	2	3	3	3	3	3	3	4	3	3