

**TOWN OF WILLINGTON,
CONNECTICUT**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017

TOWN OF WILLINGTON, CONNECTICUT

Comprehensive Annual Financial Report

Year Ended June 30, 2017

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, 2017

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, 2017 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 independent audit of the basic financial statements of the Town was part of a broader, State of Connecticut mandated “Single Audit” designed to meet the special needs of state grantor agencies. The Single Audit Report contains the independent auditor’s reports on compliance and internal control, the schedules of expenditures of state financial assistance, and the schedule of findings and questioned costs.

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

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 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. The First Selectman 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, Treasurer and Business Manager 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 for the purpose of sending 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. Since then, they have completed more than \$15 million dollars in expansions and improvements to their facility to include adding another 5 acres of land, building two office buildings and a storage building, expanding their maintenance building, parking areas, fuel island and loading docks, upgrading the gatehouse, conveyor belt and sorting systems and re-aligning the parking areas to maximize the flow.

In addition to the FedEx distribution facility, other industrial development in Town is limited to the mining and quarrying of earth products near the center of Town, a water bottling company, a bulk spring water supply and several small-scale industrial operations in South Willington.

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

During the 2012-2013 fiscal year, Love's Travel Stop & Country Stores put in an application for a special permit to build within the Town and was approved during the 2013-2014 fiscal year. They are awaiting State approval, and are expected to begin the zoning and building process once these approvals are received.

An Economic Development Commission is charged with promoting and developing the economic resources of the Town and work closely with businesses looking to open or expand their business within the Town.

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.

The Turnpike Road drainage and resurfacing project is a multi-phase project with various sources of funding. Phase One was begun during fiscal year 11-12 with LoCIP funding of \$145,000 and was completed during the 12-13 fiscal year. A \$400,000 STEAP Grant was appropriated in October, 2011 for this long-term project and funded phases One A, Two and partially Three. Phase One A was completed during the 14-15 fiscal year. Phase Two began in the 14-15 fiscal year and was completed in the 15-16 fiscal year. A STEAP Grant of \$500,000 was appropriated in the 14-15 fiscal year and funded Phase Three, which was the resurfacing of the roadwork, and the beginning of Phase Four. Phase Four was the completion of drainage in the last section of Turnpike Road as well as the final resurfacing of the road. One last STEAP Grant of \$500,000 was received in the 16-17 fiscal and was used to complete the entire project.

The completed projects for fiscal year 2017 included installation of a generator for the Willington Hill Fire Department, an irrigation project at the River Road Athletic Center, electrical improvements to the Old Town Hall, improvements to the Public Works' building, timber harvest at Fenton Ruby Park, playscape replacement at Hall Memorial School, and replacement of doors at Center Elementary School. Working in conjunction with the Housing Authority, the new Senior Housing Cottages named Button Hill were completed.

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 reposting 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, 2017 the net assets held in trust for the Plan were \$606,894. Total additions to the plan during the fiscal year were \$87,462. There were no 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, 2016. This was the 16th 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, James Bulick 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

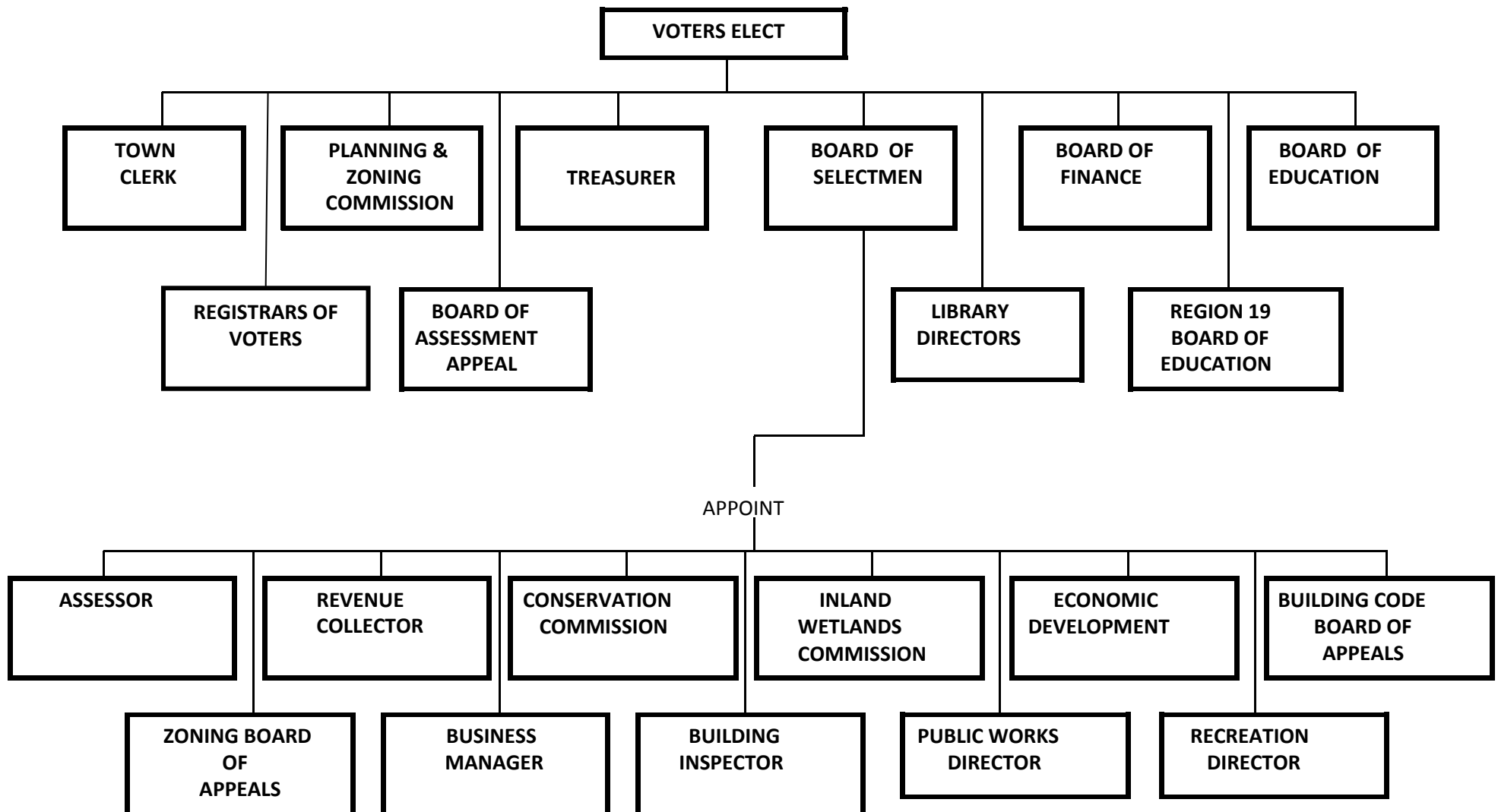
**Town of Willington
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

**TOWN OF WILLINGTON, CONNECTICUT
ORGANIZATIONAL CHART (UNAUDITED)
JUNE 30, 2017**



**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS (UNAUDITED)
AS OF JUNE 30, 2017**

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.....	James Bulick
Town Treasurer.....	Patricia Ignatowicz
Business Manager.....	Donna Latincsics
Director of Public Works.....	Derek Dimmock
Town Clerk.....	Donna J. Hardie
Collector of Revenue.....	Lisa A. Madden
Superintendent of Schools.....	Jacqueline J. Jacoby, Ed.D.

BOARD OF EDUCATION

Herbert C. Arico
Michelle Cunningham, Vice Chairman
Ann Grosjean
Melissa McKinnon
Margaret Roberts
Marybeth Wallett
Erika G. Wiecenski, Chairman

BOARD OF FINANCE

Alernate, vacant
James Bulick, Chairman
John Patton, Vice Chairman
Annemarie Poole, Alternate
Geoff Prusak
Peter Tanaka
Barry Wallett
Robert Wiecenski

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, 2017, 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, 2017, 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 12 and the schedules on the Town's pension and other post-employment benefit plans on page 55 through 58 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

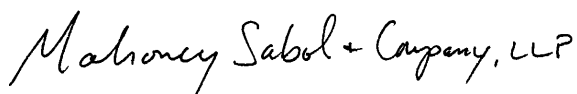
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional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

The combining and individual fund financial statements and schedules on pages 59 through 77 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 section on pages i through viii and the statistical section on pages 78 through 94 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 28, 2017, 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 28, 2017

**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, 2017. 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 \$15,615,447 (net position). Of this amount, \$3,069,699 represents the Town's unrestricted net position. The Town's total overall net position increased by \$896,374 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,184,564, an increase of \$197,327 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 \$1,819,030 or 10.4% of total General Fund expenditures and transfers to other funds on a GAAP basis. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.2 months of General Fund operating expenditures.
- The Town's total long-term debt, consisting of general obligation bonds and capital lease obligations, decreased by \$380,968 during the fiscal year from \$2,800,314 as of June 30, 2016 to \$2,419,346 as of June 30, 2017.

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, liabilities, and deferred outflows and inflows of resources, with the difference between these elements 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, the Small Cities Grant Housing Fund, and the Capital Projects Funds, 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 54 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 55 through 58 of this report. Combining and individual fund statements and schedules can be found on pages 59 through 77 of this report and statistical information can be found starting on page 78.

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 \$15,615,447 and \$14,719,073 as of June 30, 2017 and 2016, respectively.

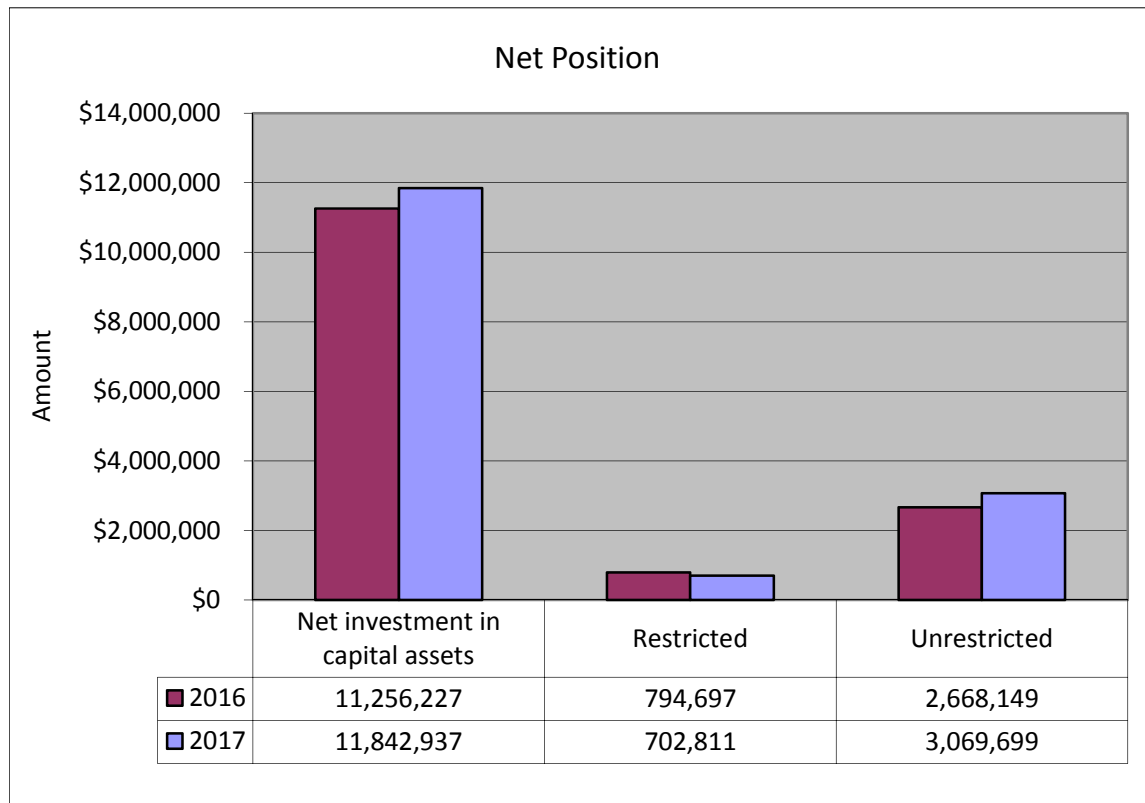
TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position (Continued)

The Town's government-wide statement of net position is summarized as follows.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 6,221,771	\$ 6,476,054	\$ 62,665	\$ 45,185	\$ 6,284,436	\$ 6,521,239
Capital assets	13,207,453	12,951,931	1,058,186	1,108,319	14,265,639	14,060,250
Total assets	<u>19,429,224</u>	<u>19,427,985</u>	<u>1,120,851</u>	<u>1,153,504</u>	<u>20,550,075</u>	<u>20,581,489</u>
Deferred outflows of resources	70,278	71,908	-	-	70,278	71,908
Other liabilities	968,059	1,398,167	11,575	1,582	979,634	1,399,749
Long-term liabilities	3,975,609	4,491,902	-	-	3,975,609	4,491,902
Total liabilities	<u>4,943,668</u>	<u>5,890,069</u>	<u>11,575</u>	<u>1,582</u>	<u>4,955,243</u>	<u>5,891,651</u>
Deferred inflows of resources	49,663	42,673	-	-	49,663	42,673
Net position:						
Net investment in capital assets	10,784,751	10,147,908	1,058,186	1,108,319	11,842,937	11,256,227
Restricted	702,811	794,697	-	-	702,811	794,697
Unrestricted	3,018,609	2,624,546	51,090	43,603	3,069,699	2,668,149
Total net position	<u>\$ 14,506,171</u>	<u>\$ 13,567,151</u>	<u>\$ 1,109,276</u>	<u>\$ 1,151,922</u>	<u>\$ 15,615,447</u>	<u>\$ 14,719,073</u>



TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position (Continued)

As of June 30, 2017 and 2016, approximately 75.8% and 76.5% of the Town's net position, respectively, 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.

As of June 30, 2017 and 2016, approximately 4.5% and 5.4% of the Town's net position, respectively, are 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

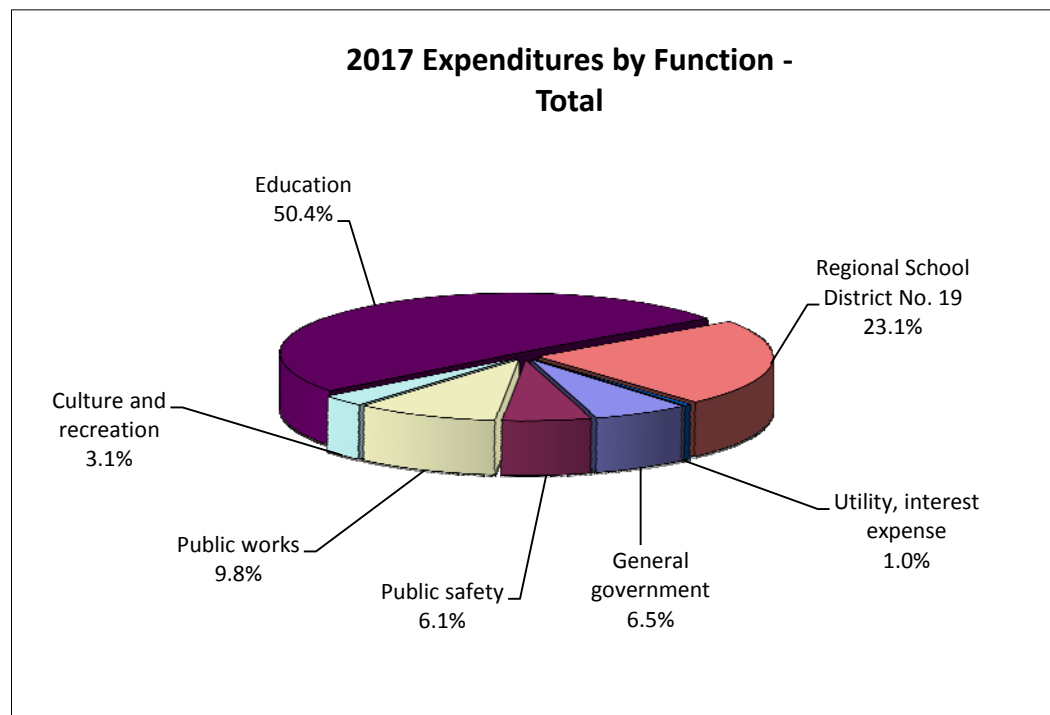
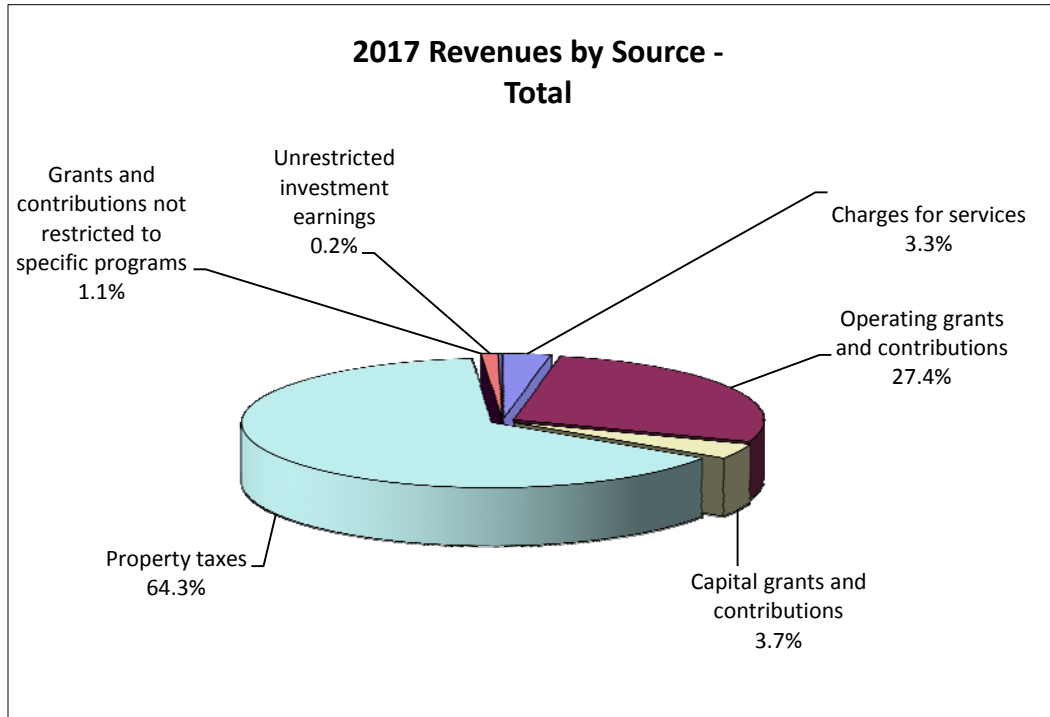
Overall, the Town's net position increased by \$896,374 compared to a prior year increase of \$171,374. Changes in net position for the years ended June 30, 2017 and 2016 are as follows.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 579,891	\$ 626,452	\$ 49,198	\$ 35,412	\$ 629,089	\$ 661,864
Operating grants and contributions	5,263,047	5,409,390	-	-	5,263,047	5,409,390
Capital grants and contributions	714,792	146,450	-	-	714,792	146,450
General revenues:						
Property taxes, levied for general purposes	12,354,133	12,131,770	-	-	12,354,133	12,131,770
Grants and contributions not restricted to specific programs	206,391	91,664	-	-	206,391	91,664
Unrestricted investment earnings	38,385	26,677	40	64	38,425	26,741
Total revenues	<u>19,156,639</u>	<u>18,432,403</u>	<u>49,238</u>	<u>35,476</u>	<u>19,205,877</u>	<u>18,467,879</u>
Expenses						
General government	1,199,801	1,285,970	-	-	1,199,801	1,285,970
Public safety	1,113,193	1,052,766	-	-	1,113,193	1,052,766
Public works	1,786,365	1,671,396	-	-	1,786,365	1,671,396
Culture and recreation	561,434	518,593	-	-	561,434	518,593
Education	9,234,772	9,409,756	-	-	9,234,772	9,409,756
Regional School District No. 19	4,230,939	4,197,296	-	-	4,230,939	4,197,296
Interest expense	91,115	89,124	-	-	91,115	89,124
Utility	-	-	91,884	71,604	91,884	71,604
Total expenses	<u>18,217,619</u>	<u>18,224,901</u>	<u>91,884</u>	<u>71,604</u>	<u>18,309,503</u>	<u>18,296,505</u>
Change in net position	939,020	207,502	(42,646)	(36,128)	896,374	171,374
Net assets - beginning	<u>13,567,151</u>	<u>13,359,649</u>	<u>1,151,922</u>	<u>1,188,050</u>	<u>14,719,073</u>	<u>14,547,699</u>
Net assets - ending	<u>\$ 14,506,171</u>	<u>\$ 13,567,151</u>	<u>\$ 1,109,276</u>	<u>\$ 1,151,922</u>	<u>\$ 15,615,447</u>	<u>\$ 14,719,073</u>

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)

Governmental activities increased the Town's net position by \$939,020 in the current year compared to an increase of \$207,502 in the prior year. Total revenues increased by \$724,236 or 3.9% over the prior year while total expenses decreased by \$7,282. The Town recognized an increase in Capital grants and contributions in the amount of \$568,342 or 3.7% due to funding received in connection with improvements made to Turnpike Road.

Business-type activities decreased the Town's net position by \$42,646 in the current year compared to a decrease of \$36,128 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. As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,184,564, an increase of \$197,327 in comparison with prior year. Of this amount, \$1,819,030 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 \$1,819,030, while total fund balance was \$3,030,339. 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 10.4% of total General Fund GAAP expenditures and transfers to other funds. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.2 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$126,517.

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.

Capital Projects Fund

At the end of the current fiscal year, the Town's Capital Projects Fund had a fund balance of \$307,017, an increase of \$141,031. Major expenditures consisted of improvements to Turnpike Road funded by the State of Connecticut Department of Transportation.

TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

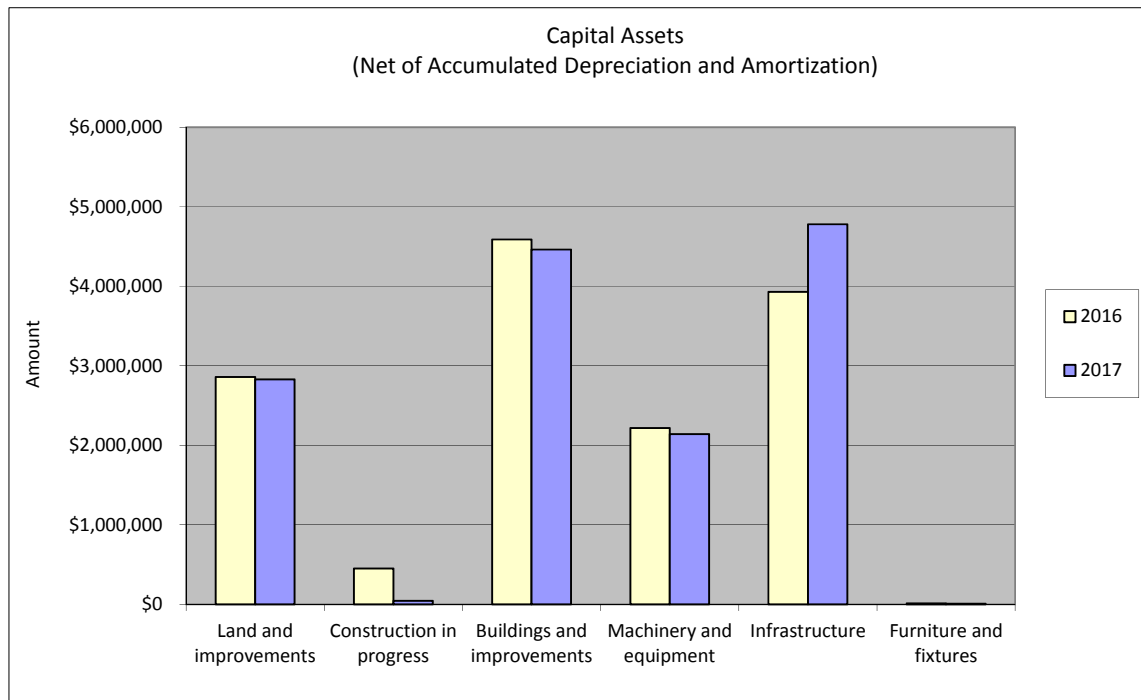
The Town's original and final budget contemplated the use of fund balance in the amount of \$260,000. The actual change in the fund balance was an increase of \$52,937, resulting in a favorable budgetary variance of \$312,937. Actual revenues were \$109,990 higher than budgeted and actual expenditures were \$202,947 less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2017 and 2016 totaled \$14,265,639 and \$14,060,250, 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 \$205,389. Major capital asset events during the current fiscal year consisted of depreciation and amortization expense of \$696,301, offset by \$907,124 in capital asset additions. The following table is a two year comparison of the investment in capital assets:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and improvements	\$ 2,828,691	\$ 2,859,984	\$ -	\$ -	\$ 2,828,691	\$ 2,859,984
Construction in progress	44,729	451,428	-	-	44,729	451,428
Buildings and improvements	4,461,562	4,587,875	-	-	4,461,562	4,587,875
Machinery and equipment	2,141,502	2,217,542	-	-	2,141,502	2,217,542
Infrastructure	3,721,578	2,821,680	1,058,186	1,108,319	4,779,764	3,929,999
Furniture and fixtures	9,391	13,422	-	-	9,391	13,422
Totals	\$ 13,207,453	\$ 12,951,931	\$ 1,058,186	\$ 1,108,319	\$ 14,265,639	\$ 14,060,250



**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

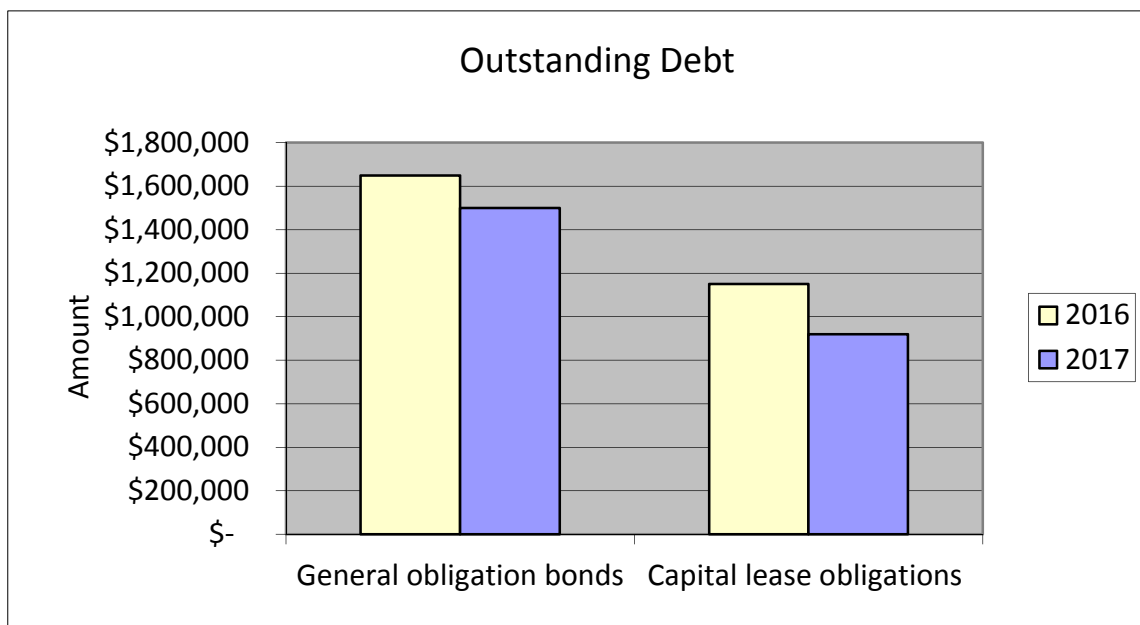
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$1,500,000. 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, 2017 of \$919,346. During the current fiscal year the Town made capital lease payments of \$261,378 and entered into a new lease obligation in the amount of \$30,800.

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:

	Governmental Activities	
	2017	2016
General obligation bonds	\$ 1,500,000	\$ 1,650,000
Capital lease obligations	919,346	1,150,314
Totals	<u>\$ 2,419,346</u>	<u>\$ 2,800,314</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 national average unemployment rate and the unemployment rate of the State of Connecticut.
- 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 2018, 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 has assigned \$460,000 of the General Fund's fund balance for use in the subsequent year's budget.

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.

In April 2017, the Town approved its fiscal year 2018 General Fund budget at a Town-wide Referendum. The approved expenditures in the amount of \$17,807,364 represents an increase of \$934,874 or 5.54% over the prior year and resulted in a 8.51% increase in the Town's mill rate from 27.73 mills to 30.09 mills.

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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,367,712	\$ 53,853	\$ 5,421,565
Receivables:			
Property taxes and interest	92,621	-	92,621
Grants and contracts	37,446	-	37,446
Other	19,434	9,201	28,635
Inventories	1,358	-	1,358
Internal balances	389	(389)	-
Rehabilitation loans receivable	702,811	-	702,811
Capital assets:			
Non-depreciable	2,528,928	-	2,528,928
Depreciable, net	10,678,525	1,058,186	11,736,711
Total assets	<u>19,429,224</u>	<u>1,120,851</u>	<u>20,550,075</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on pension	<u>70,278</u>	<u>-</u>	<u>70,278</u>
LIABILITIES			
Accounts payable	151,965	11,575	163,540
Accrued liabilities	432,441	-	432,441
Unearned revenue	383,653	-	383,653
Noncurrent liabilities:			
Due within one year	482,968	-	482,968
Due in more than one year	<u>3,492,641</u>	<u>-</u>	<u>3,492,641</u>
Total liabilities	<u>4,943,668</u>	<u>11,575</u>	<u>4,955,243</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on pension	<u>49,663</u>	<u>-</u>	<u>49,663</u>
NET POSITION			
Net investment in capital assets	10,784,751	1,058,186	11,842,937
Restricted for rehabilitation loan program	702,811	-	702,811
Unrestricted	<u>3,018,609</u>	<u>51,090</u>	<u>3,069,699</u>
Total net position	<u>\$ 14,506,171</u>	<u>\$ 1,109,276</u>	<u>\$ 15,615,447</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, 2017**

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	\$ 1,199,801	\$ 199,031	\$ 20,250	\$ -	\$ (980,520)	\$ -	\$ (980,520)
Public safety	1,113,193	216,841	30,972	-	(865,380)	-	(865,380)
Public works	1,786,365	-	258,132	714,792	(813,441)	-	(813,441)
Culture and recreation	561,434	49,851	54,341	-	(457,242)	-	(457,242)
Education	9,234,772	114,168	4,899,352	-	(4,221,252)	-	(4,221,252)
Regional School District No. 19	4,230,939	-	-	-	(4,230,939)	-	(4,230,939)
Interest expense	91,115	-	-	-	(91,115)	-	(91,115)
Total governmental activities	18,217,619	579,891	5,263,047	714,792	(11,659,889)	-	(11,659,889)
Business- type activities:							
Utility - water	91,884	49,198	-	-	-	(42,686)	(42,686)
	\$ 18,309,503	\$ 629,089	\$ 5,263,047	\$ 714,792	(11,659,889)	(42,686)	(11,702,575)
General revenues:							
Property taxes, levied for general purposes					12,354,133	-	12,354,133
Grants and contributions not restricted to specific programs					206,391	-	206,391
Unrestricted investment earnings					38,385	40	38,425
Total general revenues					12,598,909	40	12,598,949
Change in net position					939,020	(42,646)	896,374
Net position - beginning					13,567,151	1,151,922	14,719,073
Net position - ending					\$ 14,506,171	\$ 1,109,276	\$ 15,615,447

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

**TOWN OF WILLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Small Cities Grant Housing Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,911,985	\$ 88,707	\$ 348,229	\$ 1,018,791	\$ 5,367,712
Receivables:					
Property taxes	77,102	-	-	-	77,102
Interest on property taxes	15,519	-	-	-	15,519
Grants and contracts	-	-	13,663	23,783	37,446
Rehabilitation loans	-	702,811	-	-	702,811
Other	15,907	3,215	-	312	19,434
Due from other funds	168,950	-	310,791	237,822	717,563
Inventories	-	-	-	1,358	1,358
Total assets	<u>\$ 4,189,463</u>	<u>\$ 794,733</u>	<u>\$ 672,683</u>	<u>\$ 1,282,066</u>	<u>\$ 6,938,945</u>
LIABILITIES					
Accounts payable	\$ 84,980	\$ -	\$ 2,782	\$ 64,203	\$ 151,965
Accrued liabilities	427,745	-	-	-	427,745
Due to other funds	548,613	-	13,663	154,898	717,174
Unearned revenue	33,942	-	349,221	490	383,653
Total liabilities	<u>1,095,280</u>	<u>-</u>	<u>365,666</u>	<u>219,591</u>	<u>1,680,537</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes and interest	73,844	-	-	-	73,844
Total deferred inflows of resources	<u>73,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,844</u>
FUND BALANCES					
Nonspendable - inventories	-	-	-	1,358	1,358
Restricted for rehabilitation loan program	-	794,733	-	-	794,733
Committed for:					
Capital purposes	-	-	307,017	580,017	887,034
Other purposes	566,345	-	-	481,100	1,047,445
Assigned	634,964	-	-	-	634,964
Unassigned	1,819,030	-	-	-	1,819,030
Total fund balances	<u>3,020,339</u>	<u>794,733</u>	<u>307,017</u>	<u>1,062,475</u>	<u>5,184,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,189,463</u>	<u>\$ 794,733</u>	<u>\$ 672,683</u>	<u>\$ 1,282,066</u>	<u>\$ 6,938,945</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, 2017**

Total fund balances for governmental funds	\$ 5,184,564
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.	13,207,453
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 unavailable revenues in the governmental funds.	73,844
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	\$ (1,503,356)
Capital lease obligations	(919,346)
Accrued interest payable	(4,696)
Other long-term liabilities:	
Compensated absences	(346,447)
Landfill post-closure care liability	(49,600)
Net pension liability	(115,183)
Net OPEB obligation	(1,041,677)
Total long-term liabilities	(3,980,305)
Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are reported in the statement of net position.	20,615
Net position of governmental activities	<u>\$ 14,506,171</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, 2017

	General Fund	Small Cities Grant Housing Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$12,376,087	\$ -	\$ -	\$ -	\$12,376,087
Intergovernmental	5,054,219	-	714,812	384,227	6,153,258
Charges for services	133,606	-	-	378,002	511,608
Investment income	31,090	36	2,131	5,128	38,385
Other	61,175	-	-	38,080	99,255
Total revenues	<u>17,656,177</u>	<u>36</u>	<u>716,943</u>	<u>805,437</u>	<u>19,178,593</u>
EXPENDITURES					
Current:					
General government	1,141,337	-	-	5,160	1,146,497
Public safety	200,504	-	-	809,665	1,010,169
Public works	1,511,534	-	-	3,384	1,514,918
Culture and recreation	253,776	-	-	185,642	439,418
Education	8,747,316	-	-	484,425	9,231,741
Regional School District No. 19	4,230,939	-	-	-	4,230,939
Debt service:					
Principal payments	232,227	-	-	179,151	411,378
Interest and fiscal charges	74,265	-	-	17,656	91,921
Capital outlays	93,465	-	735,521	106,099	935,085
Total expenditures	<u>16,485,363</u>	<u>-</u>	<u>735,521</u>	<u>1,791,182</u>	<u>19,012,066</u>
Excess (deficiency) of revenues over expenditures	1,170,814	36	(18,578)	(985,745)	166,527
OTHER FINANCING SOURCES (USES)					
Capital lease financing	30,800	-	-	-	30,800
Transfers in	-	-	161,656	915,488	1,077,144
Transfers out	(1,075,097)	-	(2,047)	-	(1,077,144)
Total other financing sources (uses)	<u>(1,044,297)</u>	<u>-</u>	<u>159,609</u>	<u>915,488</u>	<u>30,800</u>
Net changes in fund balances	126,517	36	141,031	(70,257)	197,327
Fund balances - beginning	<u>2,893,822</u>	<u>794,697</u>	<u>165,986</u>	<u>1,132,732</u>	<u>4,987,237</u>
Fund balances - ending	<u>\$ 3,020,339</u>	<u>\$ 794,733</u>	<u>\$ 307,017</u>	<u>\$ 1,062,475</u>	<u>\$ 5,184,564</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, 2017

Net change in fund balances for governmental funds	\$	197,327
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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	\$	907,124	
Depreciation and amortization expense		(646,168)	
Net adjustment			260,956

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.	(5,434)
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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 lease obligations		(30,800)	
Principal repayments:			
Bonds		150,000	
Obligations under capital lease		261,768	
Net adjustment			380,968

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		73,034	
Accrued interest		452	
Net pension liability		12,691	
Net OPEB obligation		40,447	
Amortization of bond premiums		353	
Landfill post-closure costs		8,800	
			135,777

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.	(21,954)
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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.	(8,620)
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Change in net position of governmental activities	\$	939,020
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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, 2017

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 12,255,101	\$ 12,255,101	\$ 12,376,087	\$ 120,986
Intergovernmental	4,151,139	4,151,139	4,136,982	(14,157)
Licenses, fees and permits	158,250	158,250	133,606	(24,644)
Investment income	12,500	12,500	30,034	17,534
Other	35,500	35,500	45,771	10,271
Total revenues	<u>16,612,490</u>	<u>16,612,490</u>	<u>16,722,480</u>	<u>109,990</u>
EXPENDITURES				
Current:				
General government	1,104,172	1,081,915	1,042,875	(39,040)
Public safety	547,659	547,659	546,348	(1,311)
Public works	1,359,735	1,324,964	1,308,034	(16,930)
Education	8,055,669	8,035,669	7,917,651	(118,018)
Regional School District No. 19	4,230,939	4,230,939	4,230,939	-
Other	540,410	499,766	485,009	(14,757)
Debt service:				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	66,281	66,281	66,181	(100)
Capital outlays	126,151	61,009	48,218	(12,791)
Total expenditures	<u>16,181,016</u>	<u>15,998,202</u>	<u>15,795,255</u>	<u>(202,947)</u>
Excess of revenues over expenditures	431,474	614,288	927,225	312,937
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	260,000	260,000	-	(260,000)
Transfers out	(691,474)	(874,288)	(874,288)	-
Total other financing sources (uses)	<u>(431,474)</u>	<u>(614,288)</u>	<u>(874,288)</u>	<u>(260,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	52,937	<u>\$ 52,937</u>
Fund balance - beginning			<u>2,226,093</u>	
Fund balance - ending			<u>\$ 2,279,030</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017**

	Business-Type Activities
	Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 53,853
Receivables	9,201
Total current assets	<u>63,054</u>
Noncurrent assets:	
Capital assets:	
Depreciable, net	1,058,186
Total assets	<u>1,121,240</u>
LIABILITIES	
Current liabilities:	
Accounts payable	11,575
Due to other funds	389
Total liabilities	<u>11,964</u>
NET POSITION	
Investment in capital assets	1,058,186
Unrestricted	51,090
Total net position	<u>\$ 1,109,276</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, 2017

	Business-Type Activities
	Utility Fund
OPERATING REVENUES	
Charges for services	\$ 49,198
Total operating revenues	<u>49,198</u>
OPERATING EXPENSES	
Monitoring pump station	41,751
Depreciation expense	<u>50,133</u>
Total operating expenses	<u>91,884</u>
Operating loss	(42,686)
NONOPERATING REVENUES	
Interest income	<u>40</u>
Change in net position	(42,646)
Net position - beginning	<u>1,151,922</u>
Net position - ending	<u><u>\$ 1,109,276</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, 2017**

	Business-Type Activities
	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 48,552
Payments for operating expenses	(31,369)
Net cash provided by operating activities	<u>17,183</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	40
Net cash provided by investing activities	<u>40</u>
Net increase in cash and cash equivalents	17,223
Cash and cash equivalents - beginning	<u>36,630</u>
Cash and cash equivalents - ending	<u><u>\$ 53,853</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (42,686)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	50,133
Change in assets and liabilities:	
Accounts receivable	(3,995)
Accounts payable	9,993
Due to/from other funds	<u>3,738</u>
Net cash provided by operating activities	<u><u>\$ 17,183</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, 2017**

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 141,262
Investments	521,870	11,651
Other	85,024	-
Total assets	<u>606,894</u>	<u>\$ 152,913</u>
LIABILITIES		
Due to others	<u>-</u>	<u>\$ 152,913</u>
NET POSITION		
Restricted for pension benefits	<u>\$ 606,894</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 28,433
Employee	4,820
Total contributions	<u>33,253</u>
Investment earnings:	
Net increase in the fair value of investments	<u>54,210</u>
Total investment earnings	<u>54,210</u>
Total additions	<u>87,463</u>
DEDUCTIONS	
Benefit payments	<u>-</u>
Total deductions	<u>-</u>
Change in net position	87,463
Net position restricted for pensions - beginning	<u>519,431</u>
Net position restricted for pensions - ending	<u><u>\$ 606,894</u></u>

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 and Related Organizations

The Town is a member of Regional School District No. 19 (the "District"), which is located in the Mansfield, Connecticut. The District provides educational services for the grade 9 through 12 populations within its member towns. The activities of the District are primarily supported by assessments made to member towns. Assessments for the Town totaled \$4,230,939 for the year ended June 30, 2017, which represented approximately 23.57% of total member assessments. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District's outstanding bonds (see Note 9). The District is governed by an elected Board of Education and issues publicly available financial reports.

The Town is a member of the Mid-Northeast Recycling Operating Committee (the "Committee"). The Committee was established to provide regional household chemical waste recycling services to member towns. Each member town appoints a representative to serve on the Committee. The activities of the Committee are included as an Agency Fund in the basic financial statements of the Town of Mansfield, Connecticut.

The Town is a member of the Eastern Highlands Health District (the "District"). The District is a governmental entity established under Connecticut statutes for the purpose of providing local public health services. Each member town appoints a representative to serve on the Board of Directors of the District. The District issues publicly available financial reports.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Capital Projects Fund – This fund is used to account for revenues and expenditures associated with the construction of Town facilities and infrastructure.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 has been received during the period or is available to be received by the Town 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of New Accounting Standards

Effective July 1, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No.67, No.68, and No. 73*. The adoption of these statements did not have a material effect on the Town's financial statements.

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 are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools and guaranteed investment contracts as described below.

Investments in certain external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

Investments in pooled separate accounts consist of insurance contracts. Investments in these types of contracts are measured by the Town at contract value.

Property Taxes

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

Inventories

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

Capital Assets

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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:

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

Unearned Revenue

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

Compensated Absences

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

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

Deferred Outflows/Inflows of Resources

Deferred outflows and 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.

Deferred outflows of resources consists of deferred pension expenses reported in the government-wide statement of net position. Deferred pension expenses are amortized as a component of pension expense on a systematic and rational basis.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pensions benefits. Unavailable revenue is reported in the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported in the government-wide statement of net position and are amortized as a component of pension expense on a systematic and rational basis.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-term Obligations

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

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

Net Position/Fund Balance

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

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

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

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

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

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

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

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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:

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.

Interfund Reimbursements

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

Use of Estimates

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 2 - BUDGETARY INFORMATION

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, 2017, there were no additional appropriations from fund balance.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must be approved at a Town Meeting if over \$20,000.
- Management is not authorized to transfer budgeted amounts or to approve additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Generally, all unexpended and unencumbered General Fund appropriations lapse at year-end. Encumbered appropriations in the General Fund are not re-appropriated 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 2 - BUDGETARY INFORMATION (Continued)

Budgetary Information (Continued)

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, 2017:

	Total Revenues	Total Expenditures	Total Other Financing Sources (Uses)	Net Change In Fund Balance	Fund Balance
Budgetary basis	\$ 16,722,480	\$ 15,795,255	\$ (874,288)	\$ 52,937	\$ 2,279,030
"On-behalf" payments - State Teachers' Retirement Fund	883,072	883,072	-	-	-
Encumbrances outstanding:					
June 30, 2016	-	141,335	-	(141,335)	-
June 30, 2017	-	(174,964)	-	174,964	174,964
Capital lease activity not reported on a budgetary basis	-	30,800	30,800	-	-
Budgetary perspective differences - funds combined for GAAP financial reporting purposes:					
Reserve for Compensated Absences Fund	271	23,626	25,000	1,645	127,025
Public Library Fund	50,354	220,407	188,414	18,361	404,150
Emergency Preparedness Fund	-	-	-	-	5,710
Nonlapsing Education Fund	-	-	20,000	20,000	29,460
Other funds	-	55	-	(55)	-
Elimination of interfund transfers	-	(434,223)	(434,223)	-	-
GAAP basis	<u>\$ 17,656,177</u>	<u>\$ 16,485,363</u>	<u>\$ (1,044,297)</u>	<u>\$ 126,517</u>	<u>\$ 3,020,339</u>

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

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, 2017, \$1,736,380 of the Town's bank balance of \$2,780,665 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,562,742
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	173,638
	<u>\$ 1,736,380</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Cash Deposits (Continued)

Custodial Credit Risk (Continued)

All of the Town's deposits are in qualified public institutions as defined by Connecticut 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.

A reconciliation of the Town's cash deposits as of June 30, 2017 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 5,421,565
Statement of fiduciary net position:	
Cash and cash equivalents	141,262
Add: certificates of deposit classified as investments	11,651
Less: investments classified as cash equivalents	(3,134,609)
Total cash deposits	<u>\$ 2,439,869</u>

Investments

A reconciliation of the Town's investments as of June 30, 2017 is as follows:

Government-wide statement of net position:	
Investments	\$ -
Statement of fiduciary net position:	
Investments	533,521
Less: certificates of deposit classified as investments	(11,651)
Add: investments classified as cash equivalents	3,134,609
	<u>\$ 3,656,479</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2017, the Town's investments consisted of the following:

Investment Type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years)		
				Less Than 1	1 to 5	More Than 10
Debt Securities:						
Government-wide statement of net position:						
Short-term Investment Fund (STIF)	Net asset value	AAA	\$3,134,609	<u>\$3,134,609</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments:						
Statement of fiduciary net position:						
Pooled separate accounts	Contract value		<u>521,870</u>			
			\$3,656,479			

Because investments in the Short-term Investment Fund have 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.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 in external investment pools and insurance contracts are not evidenced by securities and are therefore not exposed to custodial credit risk.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2017, all of the Town's investments within the government-wide statement of net position were invested in the Short-term Investment Fund, which is managed by the State of Connecticut Treasurer's Office. As of June 30, 2017, more than 10% of the Town's investments within the fiduciary statement of net position were invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Voya Retirement Insurance and Annuity Company	GAC - Fixed Account	\$ 173,263	33.1%
Voya Retirement Insurance and Annuity Company	GAC - American Funds Fundamental Investors - R3	161,322	34.8%
Voya Retirement Insurance and Annuity Company	GAC - Lord Abbett Fundamental Equity - R3	187,285	108.1%

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, 2017, loans receivable totaled \$702,811 under this program.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the Town's governmental activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,484,199	\$ -	\$ -	\$ 2,484,199
Construction in progress	451,428	668,443	(1,075,142)	44,729
Total capital assets, not being depreciated	<u>2,935,627</u>	<u>668,443</u>	<u>(1,075,142)</u>	<u>2,528,928</u>
Capital assets, being depreciated:				
Land improvements	627,768	-	-	627,768
Buildings and improvements	14,310,608	64,963	-	14,375,571
Vehicles, machinery and equipment	4,976,108	171,394	(13,573)	5,133,929
Infrastructure	25,622,929	1,075,142	-	26,698,071
Furniture and fixtures	418,226	2,324	(3,885)	416,665
Total capital assets, being depreciated	<u>45,955,639</u>	<u>1,313,823</u>	<u>(17,458)</u>	<u>47,252,004</u>
Less accumulated depreciation:				
Land improvements	251,983	31,293	-	283,276
Buildings and improvements	9,722,733	191,276	-	9,914,009
Vehicles, machinery and equipment	2,758,566	242,000	(8,139)	2,992,427
Infrastructure	22,801,249	175,244	-	22,976,493
Furniture and fixtures	404,804	6,355	(3,885)	407,274
Total accumulated depreciation	<u>35,939,335</u>	<u>646,168</u>	<u>(12,024)</u>	<u>36,573,479</u>
Total capital assets, being depreciated, net	<u>10,016,304</u>	<u>667,655</u>	<u>(5,434)</u>	<u>10,678,525</u>
Governmental activities capital assets, net	<u>\$ 12,951,931</u>	<u>\$ 1,336,098</u>	<u>\$ (1,080,576)</u>	<u>\$ 13,207,453</u>

Capital asset activity for the Town's business-type activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, being depreciated:				
Infrastructure	\$ 1,526,633	\$ -	\$ -	\$ 1,526,633
Total capital assets, being depreciated	<u>1,526,633</u>	<u>-</u>	<u>-</u>	<u>1,526,633</u>
Less accumulated depreciation:				
Infrastructure	418,314	50,133	-	468,447
Total accumulated depreciation	<u>418,314</u>	<u>50,133</u>	<u>-</u>	<u>468,447</u>
Total capital assets, being depreciated, net	<u>1,108,319</u>	<u>(50,133)</u>	<u>-</u>	<u>1,058,186</u>
Business-type activities capital assets, net	<u>\$ 1,108,319</u>	<u>\$ (50,133)</u>	<u>\$ -</u>	<u>\$ 1,058,186</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 57,765
Public safety	103,023
Public works	246,852
Culture and recreation	122,016
Education	116,512
Total depreciation and amortization expense - governmental activities	<u>\$ 646,168</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, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 154,898
	Capital Projects Fund	13,663
	Utility Fund	389
		<u>168,950</u>
Capital Projects Fund	General Fund	<u>310,791</u>
Nonmajor Governmental Funds	General Fund	<u>237,822</u>
Total due from/to other funds		<u>\$ 717,563</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, 2017

NOTE 7 - INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended June 30, 2017:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital Projects Fund	General Fund	\$ 161,656
Nonmajor Governmental Funds	General Fund	913,441
	Capital Projects Fund	2,047
		<u>915,488</u>
Total transfers		<u><u>\$ 1,077,144</u></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, 2017:

	<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	\$ 1,650,000	\$ -	\$ (150,000)	\$ 1,500,000	\$ 150,000
Unamortized bond premium	3,709	-	(353)	3,356	-
Total bonds payable	1,653,709	-	(150,353)	1,503,356	150,000
Other liabilities:					
Capital leases	1,150,314	30,800	(261,768)	919,346	261,768
Compensated absences	419,481	56,480	(129,514)	346,447	65,000
Accrued landfill post-closure costs	58,400	-	(8,800)	49,600	6,200
Net OPEB obligation	1,082,124	-	(40,447)	1,041,677	-
Net pension liability	127,874	-	(12,691)	115,183	-
	<u><u>\$ 4,491,902</u></u>	<u><u>\$ 87,280</u></u>	<u><u>\$ (603,573)</u></u>	<u><u>\$ 3,975,609</u></u>	<u><u>\$ 482,968</u></u>

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2017 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>\$ 1,500,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2017:

Year ending June 30:	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 150,000	\$ 56,344
2019	150,000	50,813
2020	150,000	45,000
2021	150,000	39,000
2022	150,000	33,000
2023–2027	<u>750,000</u>	<u>75,000</u>
	<u>\$ 1,500,000</u>	<u>\$ 299,157</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, 2017, the District's total outstanding bonds were \$2,280,000 of which \$685,689 is to be reimbursed by the State of Connecticut. The remaining balance of \$1,594,311 represents the District's net obligation with 23.57%, or \$375,779, 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, 2017.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases

A summary of assets acquired through capital leases outstanding is as follows as of June 30, 2016:

	Governmental Activites
Machinery and equipment	\$ 1,116,153
Vehicles	809,550
	<u>1,925,703</u>
Less: accumulated amortization	<u>1,065,269</u>
	<u><u>\$ 860,434</u></u>

Amortization expense relative to leased property under capital leases totaled \$265,466 for the year ended June 30, 2017 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, 2017 are as follows:

Year ending June 30:	Governmental Activites
2018	\$ 233,505
2019	185,035
2020	152,634
2021	94,775
2022	94,781
Thereafter	<u>216,765</u>
Total minimum lease payments	977,495
Less: amount representing interest	<u>58,149</u>
Present value of minimum lease payments	<u><u>\$ 919,346</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 \$6,200 per year for the next 8 years total \$49,600 at June 30, 2017. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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, 2017, 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% 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 purchased by the Plan.

Contributions - The Town establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended June 30, 2017, the actuarially determined contribution was \$24,667 and the actual contribution was \$28,433.

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, 2017:

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Plan Description (Continued)

Concentrations - As of June 30, 2017, more than 10% of the Town's investments within the pension trust fund were invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Voya Retirement Insurance and Annuity Company	GAC - Fixed Account	\$ 173,263	33.1%
Voya Retirement Insurance and Annuity Company	GAC - American Funds Fundamental Investors - R3	161,322	34.8%
Voya Retirement Insurance and Annuity Company	GAC - Lord Abbett Fundamental Equity - R3	187,285	108.1%

Rate of return - For the year ended June 30, 2017 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 10.33%. 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, 2017 were as follows:

Total pension liability	\$ 722,077
Plan fiduciary net position	(606,894)
Town's net pension liability - Town Plan	<u>\$ 115,183</u>
Plan fiduciary net position as a percentage of the total pension liability	84.05%

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2016	\$ 647,305	\$ 519,431	\$ 127,874
Changes for the year:			
Service cost	15,342	-	15,342
Interest	46,386	-	46,386
Actuarial (gains) losses	13,044	-	13,044
Contributions - employer	-	28,433	(28,433)
Contributions - employee	-	4,820	(4,820)
Net investment income	-	54,210	(54,210)
Benefit payments, including refunds	-	-	-
Administrative expense	-	-	-
Net changes	<u>74,772</u>	<u>87,463</u>	<u>(12,691)</u>
Balance as of June 30, 2017	<u><u>\$ 722,077</u></u>	<u><u>\$ 606,894</u></u>	<u><u>\$ 115,183</u></u>

Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2017, 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	60.0%	8.0%
Fixed Income	30.0%	4.0%
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, 2017	\$ 153,800	\$ 115,183	\$ 77,931

Pension Expense and Deferred Outflows/Inflows of Resources

The Town recognized pension expense of \$20,615 for the year ended June 30, 2017.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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

At June 30, 2017, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 25,967	\$ 32,045	\$ (6,078)
Changes of assumptions	19,797	-	19,797
Net difference between projected and actual earnings on pension plan investments	24,514	17,618	6,896
Total	<u>\$ 70,278</u>	<u>\$ 49,663</u>	<u>\$ 20,615</u>

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

Year ended June 30,	
2018	\$ 3,981
2019	7,454
2020	3,729
2021	(1,960)
2022	1,577
Thereafter	5,834
	<u>\$ 20,615</u>

Payable to the Pension Plan

At June 30, 2017, there was no outstanding Town contributions to the pension plan required for the year ended June 30, 2017.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

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 100% 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. The Town has recognized on-behalf payments of \$894,596 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.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2016 was \$14.245 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$12.90 million or approximately 0.091% 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, 2016. 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 as of June 30, 2016 was determined from the June 30, 2016 actuarial valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	8.0%, net of investment related expense
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.00%
Retirements on or after 9/1/1992	2.00%

For healthy retirees and beneficiaries, mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equities	21.0%	5.80%
Developed Non-U.S. Equities	18.0%	6.60%
Fixed Income (Core)	7.0%	1.30%
Private Equity	11.0%	7.60%
Emerging Markets (Non-U.S.)	9.0%	8.30%
Alternative investments	8.0%	4.10%
Inflation Linked Bonds	3.0%	1.00%
Cash	6.0%	0.40%
Real Estate	7.0%	5.10%
Emerging Market Bonds	5.0%	3.70%
High Yield Bonds	5.0%	3.90%
	100%	

The discount rate used to measure the total pension liability was 8.00%. 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 8.00%, 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 (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease 7.0%	Current Discount 8.0%	1% Increase 9.0%
Proportionate share of the net pension liability attributed to the Town	\$ 15,907,958	\$ 12,894,306	\$ 10,346,737

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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 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 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.

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, 2017, 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, 2017:

Active members	33
Retirees	4
Spouses	1
Total	<u>38</u>

OPEB payments for the year ended June 30, 2017, net of retiree and other contributions, amounted to \$40,572.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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

Annual OPEB Cost and Net OPEB Obligation (Continued)

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	\$ 66,173
Interest on net OPEB obligation	36,483
Adjustment to annual required contribution	(39,489)
Annual OPEB cost	63,167
Contributions made	(40,572)
Adjustment to net OPEB obligation	(63,042)
Increase in net OPEB obligation	(40,447)
Net OPEB obligation, beginning of the year	1,082,124
Net OPEB obligation, end of the year	<u>\$ 1,041,677</u>

Three-year Trend Information

Plan Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 64,366	61.8%	\$ 1,058,596
2016	61,981	62.0%	1,082,124
2017	63,167	64.2%	1,041,677

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2017 (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, 2017	\$ -	\$ 1,122,628	\$ 1,122,628	0.0%	\$ 2,244,291	50.0%

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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

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, 2017
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level Percentage of Payroll
Remaining amortization period:	30 years
Actuarial assumptions:	
Discount rate	3.58%
Medical inflation rate	5.3% - 4.4% over 68 years
Dental inflation rate	3.0%
Amortization growth rate	3.50%

NOTE 11 - FUND BALANCE

The Town has committed and assigned fund balance for other purposes as of June 30, 2017 for the following purposes:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed for:			
Compensated absences	\$ 127,025	\$ -	\$ 127,025
Library	404,150	-	404,150
Emergency preparedness	5,710	-	5,710
Nonlapsing Education Fund	29,460	-	29,460
General government	-	5,938	5,938
Public safety	-	320,177	320,177
Culture and recreation	-	62,600	62,600
Public works	-	3,450	3,450
Educational purposes	-	88,935	88,935
	<u>\$ 566,345</u>	<u>\$ 481,100</u>	<u>\$ 1,047,445</u>
Assigned to:			
Use in subsequent year's budget	\$ 460,000	\$ -	\$ 460,000
Encumbrances	174,964	-	174,964
	<u>\$ 634,964</u>	<u>\$ -</u>	<u>\$ 634,964</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 11 - FUND BALANCE (Continued)

Encumbrances represent commitments entered into as of June 30, 2017 for goods or services to be provided in the subsequent fiscal year. Encumbrances have been assigned for the following purposes:

General government	\$ 18,039
Educational	156,925
	<u>\$ 174,964</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, 2016, 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.

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, 2017 totaled \$158,075.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

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 has not yet determined the impact that this statement will have on its financial statements.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement addresses accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. 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, 2017

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE (Continued)

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 24,667	\$ 25,801	\$ 25,273	\$ 53,197	\$ 48,905	\$ 38,946	\$ 34,499	\$ 31,227	\$ 19,860
Contributions in relation to the actuarially determined contribution	28,433	27,905	36,429	16,203	20,095	20,095	20,095	15,095	10,580
Contribution (surplus) deficiency	<u>\$ (3,766)</u>	<u>\$ (2,104)</u>	<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	\$ 192,750	\$ 181,863	\$ 190,195	\$ 188,376	\$ 232,522	\$ 230,591	\$ 231,019	\$ 210,457	\$ 210,553
Contributions as a percentage of covered employee payroll	14.75%	15.34%	19.15%	8.60%	8.64%	8.71%	8.70%	7.17%	5.02%
Annual money-weighted rate of return, net of investment expense	10.33%	1.12%	2.67%	11.38%	11.65%	*	*	*	*

* Rate not readily available.

NOTES TO SCHEDULE:

Actuarially determined contribution rates are calculated as of the first day of the fiscal year and rolled forward assuming mid-year payment.

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, including inflation	4.00%
Investment rate of return	7.00%
Retirement age	65
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 (Unaudited)
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 15,342	\$ 16,786	\$ 16,852
Interest	46,386	44,514	40,953
Changes in benefit terms			-
Differences between expected and actual experience	13,044	(33,094)	(6,910)
Net change in total pension liability	<u>74,772</u>	<u>28,206</u>	<u>50,895</u>
Total pension liability - beginning	<u>647,305</u>	<u>619,099</u>	<u>568,204</u>
Total pension liability - ending	<u>722,077</u>	<u>647,305</u>	<u>619,099</u>
Plan fiduciary net position			
Contributions - employer	28,433	27,905	36,429
Contributions - members	4,820	4,548	4,755
Net investment income	54,210	5,435	11,547
Benefit payments, including refunds	-	-	-
Net change in plan fiduciary net position	<u>87,463</u>	<u>37,888</u>	<u>52,731</u>
Plan fiduciary net position - beginning	<u>519,431</u>	<u>481,543</u>	<u>428,812</u>
Plan fiduciary net position - ending	<u>606,894</u>	<u>519,431</u>	<u>481,543</u>
Town's net pension liability	<u><u>\$ 115,183</u></u>	<u><u>\$ 127,874</u></u>	<u><u>\$ 137,556</u></u>
Plan fiduciary net position as a percentage of total pension liability	84.05%	80.25%	77.78%
Covered employee payroll	\$ 192,750	\$ 181,863	\$ 190,195
Town's net pension liability as a percentage of covered employee payroll	59.76%	70.31%	72.32%

NOTES TO SCHEDULE:

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

Benefit Changes: None

Assumption Changes: None significant

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
(Dollar amounts in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.091%	0.102%	0.102%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	12,894	11,175	10,329
Total	<u>\$ 12,894</u>	<u>\$ 11,175</u>	<u>\$ 10,329</u>
Town's covered payroll	\$ 3,615	\$ 3,662	\$ 3,781
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

NOTES TO SCHEDULE:

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

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

Benefit changes: There were no changes in benefit terms that affected the measurement of the total pension liability.

Assumption changes: The following assumptions were changed in connection with the most recent valuation:

- Inflation assumption was reduced from 3.00% to 2.75%.
- Real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change resulted in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
- The annual rate of wage increase assumption was reduced from 0.75% to 0.50%.
- The payroll growth assumption was reduced from 3.75% to 3.25%.
- Various demographic assumption changes utilizing the RPH-2014 mortality tables.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - OTHER POST-RETIREMENT BENEFITS (Unaudited)
LAST FOUR 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, 2017	\$ -	\$ 1,122,628	\$ 1,122,628	\$ -	\$ 2,244,291	50.0%
June 30, 2014	-	1,075,973	1,075,973	-	2,477,000	43.4%
June 30, 2011	-	2,331,404	2,331,404	-	Not available	Not available
June 30, 2008	-	3,540,659	3,540,659	-	Not available	Not available

* - Based on the number of plan participants, the Town obtains an actuarial valuation every three years.

NOTES TO SCHEDULE:

Benefit changes: In connection with the June 30, 2014 valuation, all participants are covered by a high deductible health plan. In connection with the June 30, 2011 valuation, all participants were covered by a high deductible health plan, a HMO plan or a POS plan. A high deductible health plan was not offered as of the June 30, 2008 valuation date. Decreases in the actuarial accrued liability reflect significantly lower premiums for the high deductible health plan.

Changes in assumptions: None significant.

Other information: A full valuation was performed as of June 30, 2014. Prior valuations were prepared using an alternative measurement method, which utilized a standardized approach and assumptions.

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, 2017

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
PROPERTY TAXES				
Taxes	\$ 12,225,101	\$ 12,225,101	\$ 12,328,367	\$ 103,266
Interest and lien fees	30,000	30,000	47,720	17,720
Total property taxes	<u>12,255,101</u>	<u>12,255,101</u>	<u>12,376,087</u>	<u>120,986</u>
INTERGOVERNMENTAL REVENUES				
Education:				
Education cost sharing grant	3,669,422	3,669,422	3,656,229	(13,193)
Noneducation:				
Town aid road grant	258,353	258,353	258,132	(221)
State property reimbursement	17,136	17,136	17,136	-
Pequot funds	33,250	33,250	33,250	-
Municipal project grant	20,018	20,018	20,018	-
Judicial fines	13,000	13,000	16,230	3,230
Elderly and disabled property reimbursement	14,500	14,500	13,501	(999)
Municipal revenue sharing	121,568	121,568	121,568	-
Veteran's exemption	492	492	434	(58)
Disability reimbursement	400	400	484	84
FEMA	3,000	3,000	-	(3,000)
Total intergovernmental revenues	<u>4,151,139</u>	<u>4,151,139</u>	<u>4,136,982</u>	<u>(14,157)</u>
LICENSES, FEES AND PERMITS				
Building, zoning fees and permits	90,000	90,000	49,881	(40,119)
Zoning board of appeals	500	500	543	43
Inland/wetland fees	3,500	3,500	2,260	(1,240)
Conveyance taxes	27,000	27,000	34,476	7,476
Permits	2,450	2,450	3,835	1,385
Town clerk fees	24,000	24,000	25,062	1,062
Transfer station fees	10,000	10,000	13,705	3,705
Reimbursement - recycling	800	800	3,844	3,044
Total licenses, fees and permits	<u>158,250</u>	<u>158,250</u>	<u>133,606</u>	<u>(24,644)</u>
INVESTMENT INCOME	<u>12,500</u>	<u>12,500</u>	<u>30,034</u>	<u>17,534</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, 2017

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
OTHER				
Telecommunications grant	\$ 10,500	\$ 10,500	\$ 11,625	\$ 1,125
Other	25,000	25,000	34,146	9,146
Total other	<u>35,500</u>	<u>35,500</u>	<u>45,771</u>	<u>10,271</u>
 Total revenues	 <u>16,612,490</u>	 <u>16,612,490</u>	 <u>16,722,480</u>	 <u>109,990</u>
 OTHER FINANCING SOURCES				
Appropriation of fund balance	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>(260,000)</u>
Total other financing sources	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>(260,000)</u>
 Total revenues and other financing sources	 <u>\$ 16,872,490</u>	 <u>\$ 16,872,490</u>	 <u>\$ 16,722,480</u>	 <u>\$ (150,010)</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, 2017

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
GENERAL GOVERNMENT				
Selectmen	\$ 151,859	\$ 151,859	\$ 146,697	\$ (5,162)
Probate court	3,404	3,404	3,404	-
Elections/registrars	34,029	34,029	33,954	(75)
Accounting services	200,092	200,911	200,739	(172)
Board of finance	4,544	4,544	2,463	(2,081)
Town treasurer	31,294	31,294	31,239	(55)
Auditor	33,500	29,507	29,500	(7)
Assessor	92,475	92,475	84,949	(7,526)
Board of assessment appeals	1,335	1,335	1,335	-
Revenue collector	81,294	81,294	80,099	(1,195)
Legal counsel	35,000	32,217	29,044	(3,173)
Town clerk	105,779	105,779	104,193	(1,586)
Conservation commission	1,500	1,500	1,499	(1)
Planning and zoning	108,964	108,964	105,834	(3,130)
Zoning board of appeals	4,579	4,579	4,502	(77)
Economic development commission	6,745	6,745	429	(6,316)
Inland/wetlands commission	2,000	2,000	750	(1,250)
Town office operations	149,221	145,421	144,057	(1,364)
Town hall operations	6,080	6,080	3,762	(2,318)
Senior Center operations	30,478	30,478	28,827	(1,651)
Consulting engineers	20,000	7,500	5,599	(1,901)
Total general government	1,104,172	1,081,915	1,042,875	(39,040)
PUBLIC SAFETY				
Ambulance	434,223	434,223	434,223	-
Fire marshal	23,948	23,948	23,635	(313)
Fire protection	18,597	18,597	18,483	(114)
Public safety and welfare	30,946	30,946	30,950	4
Emergency management director	6,200	6,200	6,000	(200)
Fire mains and hydrants	6,659	6,659	6,926	267
Building official	27,086	27,086	26,131	(955)
Total public safety	547,659	547,659	546,348	(1,311)
PUBLIC WORKS				
Public works department	1,137,413	1,137,642	1,120,715	(16,927)
Cemetery	3,000	3,000	3,000	-
Transfer station	219,322	184,322	184,319	(3)
Total public works	1,359,735	1,324,964	1,308,034	(16,930)

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, 2017

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
EDUCATION				
Elementary education	\$ 2,612,497	\$ 2,612,497	\$ 2,615,189	\$ 2,692
Special education	1,649,066	1,629,066	1,561,559	(67,507)
Summer school	38,500	38,500	42,817	4,317
Fringe benefits	893,035	893,035	811,229	(81,806)
Pupil services	460,261	460,261	464,848	4,587
Staff and program development	136,157	136,157	135,962	(195)
Educational media	132,221	132,221	130,642	(1,579)
Board of Education	510,222	510,222	525,029	14,807
Principal's office	448,963	448,963	430,541	(18,422)
Plant operations	604,161	604,161	629,030	24,869
Transportation	570,586	570,586	570,805	219
Total education	<u>8,055,669</u>	<u>8,035,669</u>	<u>7,917,651</u>	<u>(118,018)</u>
REGIONAL SCHOOL DISTRICT NO. 19	<u>4,230,939</u>	<u>4,230,939</u>	<u>4,230,939</u>	<u>-</u>
OTHER				
Social security	86,026	80,780	77,034	(3,746)
Unemployment	1,000	-	-	-
Employee health insurance	310,599	275,874	266,956	(8,918)
Pension fund	61,731	62,058	61,559	(499)
Insurance	78,554	78,554	78,201	(353)
Other	2,500	2,500	1,259	(1,241)
Total other	<u>540,410</u>	<u>499,766</u>	<u>485,009</u>	<u>(14,757)</u>
DEBT SERVICE				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	66,281	66,281	66,181	(100)
Total debt service	<u>216,281</u>	<u>216,281</u>	<u>216,181</u>	<u>(100)</u>
CAPITAL OUTLAYS	<u>126,151</u>	<u>61,009</u>	<u>48,218</u>	<u>(12,791)</u>
Total expenditures	<u>16,181,016</u>	<u>15,998,202</u>	<u>15,795,255</u>	<u>(202,947)</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, 2017

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
OTHER FINANCING USES				
Transfers out:				
Continued appropriations - education	\$ -	\$ 20,000	\$ 20,000	\$ -
Reserve for compensated absences fund	25,000	25,000	25,000	-
Dog fund	24,442	24,442	24,442	-
Fire department	235,305	235,305	235,305	-
Mary D. Edwards public library	185,189	188,414	188,414	-
Recreation commission fund	48,245	48,245	48,245	-
Human services	45,410	45,410	45,410	-
Capital projects fund	-	159,589	159,589	-
Reserve for capital and nonrecurring fund	125,816	125,816	125,816	-
Housing Authority	2,067	2,067	2,067	-
Total other financing uses	691,474	874,288	874,288	-
Total expenditures and other financing uses	\$ 16,872,490	\$ 16,872,490	\$ 16,669,543	\$ (202,947)

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2017

Grand List Year	Uncollected Taxes July 1, 2016	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2017
			Additions	Deletions			Taxes	Interest	Liens	
2015	\$ -	\$ 12,376,257	\$ 33,318	\$ 71,966	\$ 6,833	\$ 12,330,776	\$ 12,264,642	\$ 29,553	\$ 2,979	\$ 66,134
2014	43,924		939	3,972	6,595	34,296	23,328	8,735	1,612	10,968
2013	44,699	-	-	9,828	1,836	33,035	33,035	3,646	54	-
2012	931	-	-	-	-	931	931	-	-	-
2011	549	-	-	-	-	549	549	-	-	-
2010	3,294	-	-	-	-	3,294	3,294	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2003	178	-	-	-	-	178	178	-	-	-
	<u>\$ 93,575</u>	<u>\$ 12,376,257</u>	<u>\$ 34,257</u>	<u>\$ 85,766</u>	<u>\$ 15,264</u>	<u>\$ 12,403,059</u>	<u>\$ 12,325,957</u>	<u>\$ 41,934</u>	<u>\$ 4,645</u>	<u>\$ 77,102</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, 2017**

Total cash collections for the year ended

June 30, 2017:

Taxes	\$ 12,325,957
Interest and lien fees	46,579
Total	<u>12,372,536</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	13,501
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Base \$ 12,386,037

	<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	\$ 27,868,583	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	55,737,167	-	-	-
3-3/4 times base	-	-	46,447,639	-	-
3-1/4 times base	-	-	-	40,254,620	-
3 times base	-	-	-	-	37,158,111
Total debt limitation	<u>27,868,583</u>	<u>55,737,167</u>	<u>46,447,639</u>	<u>40,254,620</u>	<u>37,158,111</u>
Indebtedness:					
Bonds payable	1,500,000	-	-	-	-
Allocated portion of Regional School District No. 19 bonds payable	-	375,779 *	-	-	-
Total indebtedness	<u>1,500,000</u>	<u>375,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 26,368,583</u>	<u>\$ 55,361,388</u>	<u>\$ 46,447,639</u>	<u>\$ 40,254,620</u>	<u>\$ 37,158,111</u>
Total capacity of borrowing (7 times base)	86,702,259				
Total present indebtedness	<u>1,875,779</u>				
Margin for additional borrowing	<u>\$ 84,826,480</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, 2017, the District's total outstanding bonds were \$2,280,000 of which \$685,689 is to be reimbursed by the State of Connecticut. The remaining balance of \$1,594,311 represents the District's net obligation with 23.57%, or \$375,779, representing the Town's share.

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.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 507,754	\$ 511,037	\$ 1,018,791
Receivables:			
Grants and contracts	23,783	-	23,783
Other	312	-	312
Due from other funds	168,842	68,980	237,822
Inventories	1,358	-	1,358
Total assets	<u>\$ 702,049</u>	<u>\$ 580,017</u>	<u>\$ 1,282,066</u>
LIABILITIES			
Accounts payable	\$ 64,203	\$ -	\$ 64,203
Due to other funds	154,898	-	154,898
Unearned revenue	490	-	490
Total liabilities	<u>219,591</u>	<u>-</u>	<u>219,591</u>
FUND BALANCES			
Nonspendable - inventories	1,358	-	1,358
Committed for:			
Capital purposes	-	580,017	580,017
Other purposes	481,100	-	481,100
Total fund balances	<u>482,458</u>	<u>580,017</u>	<u>1,062,475</u>
Total liabilities and fund balances	<u>\$ 702,049</u>	<u>\$ 580,017</u>	<u>\$ 1,282,066</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, 2017

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 384,227	\$ -	\$ 384,227
Charges for services	378,002	-	378,002
Investment income	2,254	2,874	5,128
Other	37,808	272	38,080
Total revenues	<u>802,291</u>	<u>3,146</u>	<u>805,437</u>
EXPENDITURES			
Current:			
General government	5,160	-	5,160
Public safety	809,665	-	809,665
Public works	3,384	-	3,384
Culture and recreation	185,642	-	185,642
Education	484,425	-	484,425
Debt service:			
Principal payments	179,151	-	179,151
Interest and fiscal charges	17,656	-	17,656
Capital outlays	-	106,099	106,099
Total expenditures	<u>1,685,083</u>	<u>106,099</u>	<u>1,791,182</u>
Deficiency of revenues over expenditures	(882,792)	(102,953)	(985,745)
OTHER FINANCING SOURCES			
Transfers in	787,625	127,863	915,488
Total other financing sources	<u>787,625</u>	<u>127,863</u>	<u>915,488</u>
Net changes in fund balances	(95,167)	24,910	(70,257)
Fund balances - beginning	<u>577,625</u>	<u>555,107</u>	<u>1,132,732</u>
Fund balances - ending	<u><u>\$ 482,458</u></u>	<u><u>\$ 580,017</u></u>	<u><u>\$ 1,062,475</u></u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund
ASSETS					
Cash and cash equivalents	\$ 5,938	\$ -	\$ 100	\$ 11,615	\$ 5,324
Receivables:					
Grants and contracts	-	-	-	-	-
Other	-	20	-	-	-
Due from other funds	-	13,152	29,806	28,687	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 5,938</u>	<u>\$ 13,172</u>	<u>\$ 29,906</u>	<u>\$ 40,302</u>	<u>\$ 5,324</u>
LIABILITIES					
Accounts payable	\$ -	\$ 4,461	\$ 6,006	\$ 1,602	\$ -
Due to other funds	-	-	-	-	1,874
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>4,461</u>	<u>6,006</u>	<u>1,602</u>	<u>1,874</u>
FUND BALANCES					
Nonspendable - inventories	-	-	-	-	-
Committed for other purposes	5,938	8,711	23,900	38,700	3,450
Total fund balances	<u>5,938</u>	<u>8,711</u>	<u>23,900</u>	<u>38,700</u>	<u>3,450</u>
Total liabilities and fund balances	<u>\$ 5,938</u>	<u>\$ 13,172</u>	<u>\$ 29,906</u>	<u>\$ 40,302</u>	<u>\$ 5,324</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	State and Federal Grants Fund	School Lunch Fund	Education Fund	Fire and Ambulance Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 12,158	\$ -	\$ 472,619	\$ 507,754
Receivables:					
Grants and contracts	11,835	11,948	-	-	23,783
Other	-	292	-	-	312
Due from other funds	7,313	-	67,387	22,497	168,842
Inventories	-	1,358	-	-	1,358
Total assets	<u>\$ 19,148</u>	<u>\$ 25,756</u>	<u>\$ 67,387</u>	<u>\$ 495,116</u>	<u>\$ 702,049</u>
LIABILITIES					
Accounts payable	\$ 18,658	\$ 2,316	\$ 534	\$ 30,626	\$ 64,203
Due to other funds	-	-	-	153,024	154,898
Unearned revenue	490	-	-	-	490
Total liabilities	<u>19,148</u>	<u>2,316</u>	<u>534</u>	<u>183,650</u>	<u>219,591</u>
FUND BALANCES					
Nonspendable - inventories	-	1,358	-	-	1,358
Committed for other purposes	-	22,082	66,853	311,466	481,100
Total fund balances	<u>-</u>	<u>23,440</u>	<u>66,853</u>	<u>311,466</u>	<u>482,458</u>
Total liabilities and fund balances	<u>\$ 19,148</u>	<u>\$ 25,756</u>	<u>\$ 67,387</u>	<u>\$ 495,116</u>	<u>\$ 702,049</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, 2017

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund
REVENUES					
Intergovernmental	\$ 4,000	\$ -	\$ -	\$ 20,276	\$ -
Charges for services	1,742	10,941	47,984	1,867	-
Investment income	4	-	-	74	3
Other	-	-	-	-	2,236
Total revenues	<u>5,746</u>	<u>10,941</u>	<u>47,984</u>	<u>22,217</u>	<u>2,239</u>
EXPENDITURES					
Current:					
General government	5,160	-	-	-	-
Public safety	-	31,892	-	-	-
Public works	-	-	-	-	3,384
Culture and recreation	-	-	102,128	83,514	-
Education	-	-	-	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>5,160</u>	<u>31,892</u>	<u>102,128</u>	<u>83,514</u>	<u>3,384</u>
Excess (deficiency) of revenues over expenditures	586	(20,951)	(54,144)	(61,297)	(1,145)
OTHER FINANCING SOURCES					
Transfers in	-	24,442	48,245	45,410	-
Total other financing sources	<u>-</u>	<u>24,442</u>	<u>48,245</u>	<u>45,410</u>	<u>-</u>
Net changes in fund balances	586	3,491	(5,899)	(15,887)	(1,145)
Fund balances - beginning	<u>5,352</u>	<u>5,220</u>	<u>29,799</u>	<u>54,587</u>	<u>4,595</u>
Fund balances - ending	<u>\$ 5,938</u>	<u>\$ 8,711</u>	<u>\$ 23,900</u>	<u>\$ 38,700</u>	<u>\$ 3,450</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, 2017

	State and Federal Grants Fund	School Lunch Fund	Education Fund	Fire and Ambulance Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	\$ 271,994	\$ 87,957	\$ -	\$ -	\$ 384,227
Charges for services	-	109,568	-	205,900	378,002
Investment income	-	-	-	2,173	2,254
Other	2,500	-	2,100	30,972	37,808
Total revenues	<u>274,494</u>	<u>197,525</u>	<u>2,100</u>	<u>239,045</u>	<u>802,291</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	5,160
Public safety	-	-	-	777,773	809,665
Public works	-	-	-	-	3,384
Culture and recreation	-	-	-	-	185,642
Education	274,494	208,080	1,851	-	484,425
Debt service:					
Principal payments	-	-	-	179,151	179,151
Interest and fiscal charges	-	-	-	17,656	17,656
Total expenditures	<u>274,494</u>	<u>208,080</u>	<u>1,851</u>	<u>974,580</u>	<u>1,685,083</u>
Excess (deficiency) of revenues over expenditures	-	(10,555)	249	(735,535)	(882,792)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	669,528	787,625
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>669,528</u>	<u>787,625</u>
Net changes in fund balances	-	(10,555)	249	(66,007)	(95,167)
Fund balances - beginning	<u>-</u>	<u>33,995</u>	<u>66,604</u>	<u>377,473</u>	<u>577,625</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 23,440</u>	<u>\$ 66,853</u>	<u>\$ 311,466</u>	<u>\$ 482,458</u>

See Independent Auditor's Report.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	Park and Recreation Capital and Nonrecurring Fund	Reserve for Capital and Nonrecurring Fund	Open Space Fund	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and cash equivalents	\$ 9,571	\$ 465,816	\$ 35,650	\$ 511,037
Due from other funds	150	68,830	-	68,980
Total assets	<u>\$ 9,721</u>	<u>\$ 534,646</u>	<u>\$ 35,650</u>	<u>\$ 580,017</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Committed for capital purposes	9,721	534,646	35,650	580,017
Total liabilities and fund balance	<u>\$ 9,721</u>	<u>\$ 534,646</u>	<u>\$ 35,650</u>	<u>\$ 580,017</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, 2017

	Park and Recreation Capital and Nonrecurring Fund	Reserve for Capital and Nonrecurring Fund	Open Space Fund	Total Nonmajor Capital Projects Funds
REVENUES				
Investment income	\$ 5	\$ 2,835	\$ 34	\$ 2,874
Other	150	-	122	272
Total revenues	<u>155</u>	<u>2,835</u>	<u>156</u>	<u>3,146</u>
EXPENDITURES				
Capital outlays	-	106,099	-	106,099
Total expenditures	<u>-</u>	<u>106,099</u>	<u>-</u>	<u>106,099</u>
Excess (deficiency) of revenues over expenditures	155	(103,264)	156	(102,953)
OTHER FINANCING SOURCES				
Transfers in	-	125,816	2,047	127,863
Total other financing sources	<u>-</u>	<u>125,816</u>	<u>2,047</u>	<u>127,863</u>
Net changes in fund balances	155	22,552	2,203	24,910
Fund balances - beginning	<u>9,566</u>	<u>512,094</u>	<u>33,447</u>	<u>555,107</u>
Fund balances - ending	<u>\$ 9,721</u>	<u>\$ 534,646</u>	<u>\$ 35,650</u>	<u>\$ 580,017</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, 2017

	Center School Activity Fund	Hall Memorial School Activity Fund	Performance Bond Fund	Flex Benefit Fund	Tax Sale Proceeds Fund	Willington Day Fund	Scholarship Fund	Total Agency Funds
ASSETS								
Cash and cash equivalents	\$ 9,741	\$ 11,205	\$ 106,542	\$ 4,023	\$ 7,602	\$ 2,149	\$ -	\$ 141,262
Investments	-	-	-	-	-	-	11,651	11,651
Total assets	<u>\$ 9,741</u>	<u>\$ 11,205</u>	<u>\$ 106,542</u>	<u>\$ 4,023</u>	<u>\$ 7,602</u>	<u>\$ 2,149</u>	<u>\$ 11,651</u>	<u>\$ 152,913</u>
LIABILITIES								
Due to others	\$ 9,741	\$ 11,205	\$ 106,542	\$ 4,023	\$ 7,602	\$ 2,149	\$ 11,651	\$ 152,913
Total liabilities	<u>\$ 9,741</u>	<u>\$ 11,205</u>	<u>\$ 106,542</u>	<u>\$ 4,023</u>	<u>\$ 7,602</u>	<u>\$ 2,149</u>	<u>\$ 11,651</u>	<u>\$ 152,913</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, 2017

	<u>Balance,</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2017</u>
ASSETS				
Cash and cash equivalents:				
Center School Activity Fund	\$ 8,237	\$ 19,634	\$ 18,130	\$ 9,741
Hall Memorial School Activity Fund	24,532	31,920	45,247	11,205
Performance Bond Fund	100,641	13,501	7,600	106,542
Flex Benefit Fund	5,267	10,548	11,792	4,023
Tax Sale Proceeds Fund	7,598	4	-	7,602
Willington Day Fund	2,681	1,479	2,011	2,149
Investments:				
Scholarship Fund	11,603	48	-	11,651
Total assets	<u>\$ 160,559</u>	<u>\$ 77,134</u>	<u>\$ 84,780</u>	<u>\$ 152,913</u>
LIABILITIES				
Due to others	\$ 160,559	\$ 77,134	\$ 84,780	\$ 152,913
Total liabilities	<u>\$ 160,559</u>	<u>\$ 77,134</u>	<u>\$ 84,780</u>	<u>\$ 152,913</u>

See Independent Auditor's Report.

STATISTICAL SECTION

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

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	90
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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.

Table 1

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

	Primary Government				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 9,940,670	\$ 9,376,364	\$ 9,615,588	\$ 9,210,797	\$ 9,559,588
Restricted	666,869	667,171	672,083	703,772	849,922
Unrestricted	3,462,946	3,519,260	3,221,929	2,432,276	2,367,750
Total governmental activities net position	<u>14,070,485</u>	<u>13,562,795</u>	<u>13,509,600</u>	<u>12,346,845</u>	<u>12,777,260</u>
Business type activities					
Net investment in capital assets	-	-	-	-	1,308,851
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	17,220
Total business type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,326,071</u>
Primary government					
Net investment in capital assets	9,940,670	9,376,364	9,615,588	9,210,797	10,868,439
Restricted	666,869	667,171	672,083	703,772	849,922
Unrestricted	3,462,946	3,519,260	3,221,929	2,432,276	2,384,970
Total primary government	<u>\$ 14,070,485</u>	<u>\$ 13,562,795</u>	<u>\$ 13,509,600</u>	<u>\$ 12,346,845</u>	<u>\$ 14,103,331</u>
	Primary Government				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 10,016,613	\$ 9,992,318	\$ 10,076,058	\$ 10,147,908	\$ 10,784,751
Restricted	851,790	851,280	794,661	794,697	702,811
Unrestricted	2,535,119	2,706,117	2,488,930	2,624,546	3,018,609
Total governmental activities net position	<u>13,403,522</u>	<u>13,549,715</u>	<u>13,359,649</u>	<u>13,567,151</u>	<u>14,506,171</u>
Business type activities					
Net investment in capital assets	1,258,718	1,208,585	1,158,452	1,108,319	1,058,186
Restricted	-	-	-	-	-
Unrestricted	23,830	25,470	29,598	43,603	51,090
Total business type activities	<u>1,282,548</u>	<u>1,234,055</u>	<u>1,188,050</u>	<u>1,151,922</u>	<u>1,109,276</u>
Primary government					
Net investment in capital assets	11,275,331	11,200,903	11,234,510	11,256,227	11,842,937
Restricted	851,790	851,280	794,661	794,697	702,811
Unrestricted	2,558,949	2,731,587	2,518,528	2,668,149	3,069,699
Total primary government	<u>\$ 14,686,070</u>	<u>\$ 14,783,770</u>	<u>\$ 14,547,699</u>	<u>\$ 14,719,073</u>	<u>\$ 15,615,447</u>

Table 2

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 1,023,653	\$ 1,057,511	\$ 1,148,876	\$ 1,286,720	\$ 1,547,828	\$ 1,196,728	\$ 1,206,149	\$ 1,653,628	\$ 1,285,970	\$ 1,199,801
Public Safety	693,424	791,602	804,561	835,768	808,026	943,852	1,082,315	1,093,329	1,052,766	1,113,193
Public works	1,603,545	1,966,935	1,185,785	1,272,702	1,288,640	1,298,263	1,608,946	1,827,171	1,671,396	1,786,365
Culture and recreation	402,768	466,019	423,964	748,023	438,907	434,295	478,474	530,867	518,593	561,434
Education	10,476,004	8,519,218	8,912,951	8,858,705	8,957,714	8,989,285	9,378,240	9,450,674	9,409,756	9,234,772
Regional School District No. 19	3,640,407	3,768,771	4,069,389	4,047,308	4,341,454	4,503,368	4,099,908	4,163,435	4,197,296	4,230,939
Townwide	331,335	334,617	396,744	-	-	-	-	-	-	-
Interest on long-term debt	159,031	137,956	82,262	105,003	114,644	101,373	90,735	89,365	89,124	91,115
Total governmental activities expenses	18,330,167	17,042,629	17,024,532	17,154,229	17,497,213	17,467,164	17,944,767	18,808,469	18,224,901	18,217,619
Business-type activities:										
Utility	15,981	20,497	19,487	62,439	68,401	67,067	80,963	72,627	71,604	91,884
Total business-type activities expenses	15,981	20,497	19,487	62,439	68,401	67,067	80,963	72,627	71,604	91,884
Total primary government expenses	18,346,148	17,063,126	17,044,019	17,216,668	17,565,614	17,534,231	18,025,730	18,881,096	18,296,505	18,309,503
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	447,746	168,246	186,728	161,332	240,799	170,064	221,922	192,553	259,730	199,031
Public Safety	175,614	222,788	225,218	196,839	221,818	243,897	236,473	270,043	221,176	216,841
Public Works	21,824	12,591	-	-	-	-	-	-	-	-
Parks and recreation	58,383	67,552	84,670	57,773	39,586	30,157	32,431	46,175	32,686	49,851
Education	126,379	133,383	131,859	123,771	126,632	121,048	117,197	184,256	112,860	114,168
Operating grants and contributions	6,996,530	4,904,463	5,109,733	5,557,023	5,629,502	5,292,739	5,425,821	5,414,272	5,409,390	5,263,047
Capital grants and contributions	365,789	13,266	138,284	147,600	229,526	503,844	193,698	539,080	146,450	714,792
Total governmental activities program revenues	8,192,265	5,522,289	5,876,492	6,244,338	6,487,863	6,361,749	6,227,542	6,646,379	6,182,292	6,557,730
Business-type activities:										
Charges for services:										
Utility	507	19,066	22,559	20,427	21,725	23,541	32,468	26,576	35,412	49,198
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	35,412	49,198
Total primary government program revenues	8,240,772	5,541,355	5,899,051	6,264,765	6,509,588	6,385,290	6,260,010	6,672,955	6,217,704	6,606,928

Table 2

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (10,137,902)	\$ (11,520,340)	\$ (11,148,040)	\$ (10,909,891)	\$ (11,009,350)	\$ (11,105,415)	\$ (11,717,225)	\$ (12,162,090)	\$ (12,042,609)	\$ (11,659,889)
Business-type activities	32,526	(1,431)	3,072	(42,012)	(46,676)	(43,526)	(48,495)	(46,051)	(36,192)	(42,686)
Total primary government net expense	(10,105,376)	(11,521,771)	(11,144,968)	(10,951,903)	(11,056,026)	(11,148,941)	(11,765,720)	(12,208,141)	(12,078,801)	(11,702,575)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	10,266,751	10,787,383	10,996,767	11,052,558	11,290,284	11,565,819	11,762,778	11,995,197	12,131,770	12,354,133
Unrestricted grants and contributions	981,488	158,623	74,902	84,338	141,365	152,569	85,033	92,957	91,664	206,391
(Loss) on disposal of capital assets	(9,353)	(4,654)	-	-	-	-	-	-	-	-
Investment earnings	223,853	71,297	23,176	14,168	8,116	13,289	15,607	15,731	26,677	38,385
Special Item	24,000	-	-	(1,403,928)	-	-	-	-	-	-
Total governmental activities	11,486,739	11,012,649	11,094,845	9,747,136	11,439,765	11,731,677	11,863,418	12,103,885	12,250,111	12,598,909
Business-type activities:										
Investment earnings	438	160	40	24	2	3	2	46	64	40
Transfers	(24,000)	-	-	1,403,928	-	-	-	-	-	-
Total business-type activities	(23,562)	160	40	1,403,952	2	3	2	46	64	40
Total primary government	11,463,177	11,012,809	11,094,885	11,151,088	11,439,767	11,731,680	11,863,420	12,103,931	12,250,175	12,598,949
Change in Net Position										
Governmental activities	1,348,837	(507,691)	(53,195)	(1,162,755)	430,415	626,262	146,193	(58,205)	207,502	939,020
Business-type activities	8,964	(1,271)	3,112	1,361,940	(46,674)	(43,523)	(48,493)	(46,005)	(36,128)	(42,646)
Total primary government	\$ 1,357,801	\$ (508,962)	\$ (50,083)	\$ 199,185	\$ 383,741	\$ 582,739	\$ 97,700	\$ (104,210)	\$ 171,374	\$ 896,374

Table 3

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

	Fiscal Year						
	2008	2009	2010				
General Fund							
Reserved	\$ 80,857	\$ 225,027	\$ 168,787				
Unreserved	1,440,115	1,599,726	1,779,101				
Total General Fund	<u>\$ 1,520,972</u>	<u>\$ 1,824,753</u>	<u>\$ 1,947,888</u>				
All Other Governmental Funds							
Reserved	\$ 1,502	\$ 2,210	\$ 2,055				
Reserved, reported in:							
Special revenue funds	986,212	1,001,784	1,194,178				
Capital projects funds	1,121,434	1,106,432	898,521				
Total all other governmental funds	<u>\$ 2,109,148</u>	<u>\$ 2,110,426</u>	<u>\$ 2,094,754</u>				
	2011*	2012	2013	2014	2015	2016	2017**
General Fund							
Restricted	\$ -	\$ -	\$ -	\$ 208,124	\$ 208,124	\$ -	\$ -
Committed	570,100	557,088	509,256	468,486	571,779	526,339	566,345
Assigned	473,892	448,670	454,926	539,175	342,097	401,335	634,964
Unassigned	1,450,023	1,876,686	1,946,688	1,866,264	1,588,620	1,966,148	1,819,030
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>	<u>\$ 2,893,822</u>	<u>\$ 3,020,339</u>
All Other Governmental Funds							
Nonspendable	\$ 2,387	\$ 1,706	\$ 790,583	\$ 779,987	\$ 733,892	\$ 723,897	\$ 1,358
Restricted	-	-	63,283	73,369	69,185	74,526	794,733
Committed	1,039,433	821,841	1,005,901	1,234,172	1,314,220	1,294,992	1,368,134
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>	<u>\$ 2,093,415</u>	<u>\$ 2,164,225</u>

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

** - In 2017 the Town reclassified the portion of fund balance relating to long-term loans receivable from nonspendable to restricted.

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 10,241,129	\$ 10,738,692	\$ 11,056,874	\$ 10,996,151	\$ 11,325,330	\$ 11,633,950	\$ 11,710,518	\$ 11,995,834	\$ 12,147,592	\$ 12,376,087
Licenses, fees and permits	523,005	547,271	578,172	498,499	555,071	481,206	515,906	511,631	567,048	511,608
Intergovernmental	8,170,394	5,144,523	5,298,338	5,702,429	5,743,765	5,858,800	5,671,403	6,046,309	5,521,823	6,153,258
Investment earnings	223,853	71,297	23,176	14,168	8,116	13,289	15,607	15,731	24,726	38,385
Other revenues	361,231	73,967	176,862	133,748	152,660	174,312	125,266	181,396	187,395	99,255
Total revenues	19,519,612	16,575,750	17,133,422	17,344,995	17,784,942	18,161,557	18,038,700	18,750,901	18,448,584	19,178,593
Expenditures										
General government	959,921	938,359	1,028,705	947,647	1,464,786	1,126,690	1,128,337	1,190,399	1,088,490	1,146,497
Public Safety	634,380	692,661	703,816	734,964	764,927	864,564	927,083	936,694	935,742	1,010,169
Miscellaneous	331,335	334,617	396,744	535,855	-	-	-	-	-	-
Public works	1,204,816	1,107,169	1,139,121	1,157,346	1,081,972	1,285,478	1,428,910	1,458,819	1,437,980	1,514,918
Culture and recreation	339,296	375,970	328,953	660,698	348,050	338,515	369,409	345,355	378,539	439,418
Education	14,112,764	11,984,889	12,704,676	12,640,106	13,152,418	13,396,260	13,313,276	13,428,361	13,407,939	13,462,680
Capital outlay	1,108,876	267,143	170,680	1,425,000	384,187	356,466	413,348	1,497,647	1,359,563	935,085
Debt service:										
Interest	163,612	142,278	86,757	105,856	115,466	102,194	91,869	90,257	89,930	91,921
Principal	422,323	427,606	466,507	325,376	362,905	299,121	260,969	306,615	415,957	411,378
Total expenditures	19,277,323	16,270,692	17,025,959	18,532,848	17,674,711	17,769,288	17,933,201	19,254,147	19,114,140	19,012,066
Excess of revenues over (under) expenditures	242,289	305,058	107,463	(1,187,853)	110,231	392,269	105,499	(503,246)	(665,556)	166,527

Table 4

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 16,800	\$ -	\$ -	\$ -	\$ -	\$ -
Capital lease financing	-	-	-	615,000	-	-	293,442	161,586	824,875	30,800
Transfers in	660,239	689,875	493,846	429,819	387,716	800,426	1,034,162	1,245,719	971,089	1,077,144
Transfers out	(636,239)	(689,875)	(493,846)	(429,819)	(387,716)	(800,426)	(1,034,162)	(1,245,719)	(971,089)	(1,077,144)
Total other financing sources (uses)	<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>	<u>824,875</u>	<u>30,800</u>
Net change in fund balances	<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>	<u>\$ 159,319</u>	<u>\$ 197,327</u>
Debt service as a percentage of noncapital expenditures	3.2%	3.6%	3.3%	2.5%	2.8%	2.3%	2.0%	2.2%	2.8%	2.8%

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
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%
2016	296,232,940	70,089,700	13,381,460	17,552,290	44,041,040	2,208,640	439,088,790	27.34	630,424,900	70%
2017	296,475,230	70,139,760	12,814,420	20,340,206	43,721,021	2,464,590	441,026,047	27.73	633,558,053	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 TEN YEARS AGO
Unaudited

<u>Taxpayer</u>	FISCAL YEAR					
	2017			2008		
	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	22,551,470	1	5.11%	3,287,560	6	0.84%
GLK Realty LTD Partnership	8,998,460	2	2.04%	7,306,190	3	1.86%
Connecticut Light & Power	6,896,490	3	1.56%	3,542,460	4	0.90%
UConn Cedar LLC fka Storrs Polo Run Limited Partnership	6,303,330	4	1.43%	3,261,200	7	0.83%
Willington Oak Apartments	5,647,710	5	1.28%	3,508,750	5	0.89%
Royce Properties LLC	4,154,030	6	0.94%	7,679,030	2	1.95%
Perryridge Investors LLC	2,336,720	7	0.53%			
Edan Management Services Inc	1,770,780	8	0.40%			
C & S Willington Ltd Partnership	1,559,420	9	0.35%	1,647,970	9	0.42%
Access Senior Housing of Willington	1,535,360	10	0.35%			
Services Development Corp now all FEDEX Ground Package				27,716,010	1	7.05%
Lawrence Becker				2,124,672	8	0.54%
Ruby Associates General Partnership				1,477,000	10	0.38%
Total	61,753,770		14.00%	61,550,842		15.66%

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
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%	95,136	11,245,745	99.93%
2013		11,555,108	11,483,077	99.38%	54,045	11,537,122	99.84%
2014		11,778,438	11,659,945	98.99%	94,447	11,754,392	99.80%
2015		11,973,926	11,900,866	99.39%	92,935	11,993,801	100.17%
2016		12,129,963	12,029,030	99.17%	23,328	12,052,358	99.36%
2017		12,376,257	12,325,957	99.59%	-	12,325,957	99.59%

(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)	Total Debt Per Capita (2)	Net Bonded Debt Per Capita (2)
2008	\$ 3,240,000	\$ 564,095	\$ 3,804,095	0.68%	2.25%	604	515
2009	2,895,000	447,859	3,342,859	0.59%	1.81%	523	453
2010	2,550,000	326,352	2,876,352	0.43%	1.53%	466	413
2011	2,400,000	765,976	3,165,976	0.47%	1.60%	524	397
2012	2,255,121	553,071	2,808,192	0.41%	1.62%	465	374
2013	2,104,768	403,952	2,508,720	0.36%	1.35%	419	351
2014	1,954,415	586,426	2,540,841	0.37%	1.38%	426	328
2015	1,804,062	591,396	2,395,458	0.38%	1.49%	404	304
2016	1,653,709	1,150,314	2,804,023	0.44%	1.40%	475	280
2017	1,500,000	919,346	2,419,346	0.38%	1.21%	412	255

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Legal Debt Margin Calculation:										
Total cash collections for the fiscal year:										
Taxes	\$ 10,184,931	\$ 10,661,035	\$ 11,019,197	\$ 10,960,912	\$ 11,253,385	\$ 11,560,331	\$ 11,687,174	\$ 11,963,225	\$ 12,085,613	\$ 12,325,957
Interest and lien fees	51,714	65,595	57,246	60,520	77,913	66,204	54,424	62,716	55,494	46,579
	10,236,645	10,726,630	11,076,443	11,021,432	11,331,298	11,626,535	11,741,598	12,025,941	12,141,107	12,372,536
Reimbursements for revenue loss:										
Tax relief (CGS 12-129d)	18,916	17,210	17,165	17,717	20,031	18,467	15,632	16,658	14,699	13,501
Base	\$ 10,255,561	\$ 10,743,840	\$ 11,093,608	\$ 11,039,149	\$ 11,351,329	\$ 11,645,002	\$ 11,757,230	\$ 12,042,599	\$ 12,155,806	\$ 12,386,037
Indebtedness:										
General Purposes:										
Bonds payable	\$ 2,930,000	\$ 2,740,000	\$ 2,550,000	\$ 2,400,000	\$ 2,250,000	\$ 2,100,000	\$ 1,950,000	\$ 1,800,000	\$ 1,650,000	\$ 1,500,000
Authorized, unissued bonds	-	-	-	-	-	-	-	-	-	-
Subtotal general purposes	2,930,000	2,740,000	2,550,000	2,400,000	2,250,000	2,100,000	1,950,000	1,800,000	1,650,000	1,500,000
Schools:										
Bonds payable	310,000	155,000	-	-	-	-	-	-	-	-
Regional School District 19	1,203,612	1,091,590	1,018,288	3,293,184	3,134,832	1,010,122	843,236	672,026	506,533	375,779
Authorized, unissued bonds	-	-	-	-	-	-	-	-	-	-
Subtotal schools	1,513,612	1,246,590	1,018,288	3,293,184	3,134,832	1,010,122	843,236	672,026	506,533	375,779
Less: amounts to be provided by State	166,958	83,479	-	-	-	-	-	-	-	-
Total indebtedness	\$ 4,276,654	\$ 3,903,111	\$ 3,568,288	\$ 5,693,184	\$ 5,384,832	\$ 3,110,122	\$ 2,793,236	\$ 2,472,026	\$ 2,156,533	\$ 1,875,779
Total capacity of borrowing (7 times base)	\$ 71,788,927	\$ 75,206,880	\$ 77,655,256	\$ 77,274,043	\$ 79,459,303	\$ 81,515,014	\$ 82,300,610	\$ 84,298,193	\$ 85,090,642	\$ 86,702,259
Total present indebtedness	4,276,654	3,903,111	3,568,288	5,693,184	5,384,832	3,110,122	2,793,236	2,472,026	2,156,533	1,875,779
Margin for additional borrowing	\$ 67,512,273	\$ 71,303,769	\$ 74,086,968	\$ 71,580,859	\$ 74,074,471	\$ 78,404,892	\$ 79,507,374	\$ 81,826,167	\$ 82,934,109	\$ 84,826,480
Total net debt applicable to the debt limit as a percentage of the debt limit	6%	5%	5%	7%	7%	4%	3%	3%	3%	2%

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
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%
2016	5,908	200,482	33,934	36.0	661	4.7%
2017	5,872	229,337	39,056	37.0	648	3.8%

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

(2) U.S. Census Bureau, American FactFinder
<http://factfinder.census.gov>

(3) Connecticut Economic Resource Center, Inc Town Profile 2016
<http://www.cerc.com>

(4) Town of Willington, Board of Education and Regional District 19 Budget 2016-2017

(5) Connecticut Department of Labor, Office of Research
<http://www1.ctdol.state.ct.us/lmi/LAUS/lmi123.asp>

Table 11

TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
Unaudited

<u>Employer</u>	<u>2017</u>			<u>2008</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	685	1	19.02%	600	1	16.26%
Town of Willington	133	2	3.69%	138	3	3.74%
Travel Centers of America	123	3	3.42%	170	2	4.61%
Willington Pizza	82	4	2.28%	120	4	3.25%
Kids Kingdom	28	5	0.78%			
St of Ct - Depart of Transportation	26	6	0.72%	25	5	0.68%
Hilltop Restaurant	25	7	0.69%			
Becker Construction	18	8	0.50%	24	7	0.65%
Cable Technology, Inc	16	9	0.44%	26	6	0.70%
Mycoscience Labs	14	10	0.39%			
High Chase (Lyon Manor)				14	8	0.38%
Rodeway Inn				6	9	0.16%
Key Bank (New Alliance)				6	10	0.16%
Total	<u>1,150</u>		<u>31.94%</u>	<u>1,129</u>		<u>30.60%</u>

Source: Town of Willington Finance Office

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

Table 12

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

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Management services	6.2	7.0	7.0	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	4.1	4.1
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	4.8	4.6	4.6	4.6	4.1	4.1	4.1	4.3	4.3	4.3
Fire										
Volunteer Firefighters	60.0	60.0	49.0	58.0	65.0	45.0	47.0	42.0	43.0	45.0
Transfer Station	1.2	1.2	1.2	1.2	1.2	1.2	1.0	1.0	1.0	1.0
Other public works	5.1	5.1	5.1	5.1	5.2	5.2	5.8	5.8	5.8	5.8
Parks and recreation	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7
Library	3.1	3.1	3.1	3.4	3.4	3.9	3.5	3.5	3.5	3.5
Total	86.8	87.3	76.3	85.6	92.2	72.6	74.6	69.8	70.7	72.7

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire										
Emergency responses	525	917	1,058	1,693	877	798	748	838	849	839
Inspections	455	455	489	591	489	341	318	309	294	370
Refuse collection										
Refuse collected (tons per year)	2,229.1	2,229.8	2,043.0	1,933.2	1,855.3	1,664.7	1,666.7	1,669.3	1,511.2	1,340.3
Recyclables collected (tons per year)	712.5	669.5	770.3	710.1	705.9	695.2	582.7	599.6	585.7	565.4
Other public works										
Street resurfacing (miles)	11.9	9.5	8.0	8.0	4.9	4.9	6.8	3.4	3.75	3.39
Library										
Volumes in collection	28,103	33,464	37,470	37,470	37,470	44,496	49,192	54,301	57,596	46,065

Source: Various Town departments.

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	72.7	72.7	73.9	73.9	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	298	292	292	292	292
Playgrounds	2	2	2	3	3	3	3	3	3	3
Baseball/softball diamonds	6	6	6	6	6	7	5	5	5	5
Soccer/football fields	3	3	3	3	3	4	3	3	3	3

Source: Various Town departments.