

TOWN OF ELLINGTON, CONNECTICUT

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance of the
Town of Ellington, 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 Town of Ellington, Connecticut (the "Town"), as of and for the year ended June 30, 2016, 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 Ellington, Connecticut, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison schedule 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 16 and the schedules of the Town's pension plans and other postretirement benefit plan on pages 62 through 65 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 combining and individual fund financial statements and schedules on pages 66 through 102 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 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.

Mahoney Sabol + Company, LLP

Glastonbury, Connecticut
April 6, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,054,575	\$ 4,072,042	\$ 13,126,617
Investments	1,925,342	753,393	2,678,735
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$85,265	474,607	-	474,607
Interest on property taxes, net of allowance for uncollectibles of \$90,565	155,456	-	155,456
Sewer usage charges receivable, net of allowance for uncollectibles of \$7,915	-	94,947	94,947
Solid waste charges receivable, net of allowance for uncollectibles of \$13,974	-	77,875	77,875
Assessments, interest and liens receivable, current portion	-	77,701	77,701
Grants and contracts receivable	331,475	-	331,475
Other	3,138,661	7,270	3,145,931
Internal balances	(1,037,065)	1,037,065	-
Inventories	5,408	-	5,408
Deferred asset - pump station	-	249,193	249,193
Long-term assessments receivable	-	923,582	923,582
Capital assets:			
Non-depreciable	26,211,586	-	26,211,586
Depreciable, net	57,124,717	10,507,418	67,632,135
Total assets	<u>97,384,762</u>	<u>17,800,486</u>	<u>115,185,248</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on pension	216,560	-	216,560
Deferred charge on refunding	109,637	-	109,637
Total deferred outflows of resources	<u>326,197</u>	<u>-</u>	<u>326,197</u>
LIABILITIES			
Accounts payable	3,337,235	6,777	3,344,012
Due to funding source	15,242	-	15,242
Unearned revenue	659,624	33,101	692,725
Noncurrent liabilities:			
Due within one year	2,098,321	175,838	2,274,159
Due in more than one year	24,607,774	1,000,000	25,607,774
Total liabilities	<u>30,718,196</u>	<u>1,215,716</u>	<u>31,933,912</u>
NET POSITION			
Net investment in capital assets	62,378,909	9,580,773	71,959,682
Restricted for human services	2,812,054	-	2,812,054
Restricted for endowments:			
Expendable	865,904	-	865,904
Nonexpendable	52,497	-	52,497
Unrestricted	883,399	7,003,997	7,887,396
Total net position	<u>\$ 66,992,763</u>	<u>\$ 16,584,770</u>	<u>\$ 83,577,533</u>

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 4,425,580	\$ 950,178	\$ 241,529	\$ -	\$ (3,233,873)	\$ -	\$ (3,233,873)
Boards and agencies	109,953	445,205	-	-	335,252	-	335,252
Public safety	3,749,440	542,122	62,658	-	(3,144,660)	-	(3,144,660)
Public works	3,773,923	-	15,428	595,004	(3,163,491)	-	(3,163,491)
Recreation	452,503	273,758	-	-	(178,745)	-	(178,745)
Library	650,886	-	-	-	(650,886)	-	(650,886)
Human services	884,363	191,152	-	39,109	(654,102)	-	(654,102)
Town properties	701,597	19,893	-	-	(681,704)	-	(681,704)
Education	43,166,230	896,583	15,847,549	-	(26,422,098)	-	(26,422,098)
Interest on long-term debt	664,166	-	-	-	(664,166)	-	(664,166)
Total governmental activities	<u>58,578,641</u>	<u>3,318,891</u>	<u>16,167,164</u>	<u>634,113</u>	<u>(38,458,473)</u>	<u>-</u>	<u>(38,458,473)</u>
Business-type activities:							
Sewer and solid waste	<u>2,519,928</u>	<u>2,767,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,836</u>	<u>247,836</u>
Total business-type activities	<u>2,519,928</u>	<u>2,767,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,836</u>	<u>247,836</u>
Total primary government	<u>\$ 61,098,569</u>	<u>\$ 6,086,655</u>	<u>\$ 16,167,164</u>	<u>\$ 634,113</u>	<u>(38,458,473)</u>	<u>247,836</u>	<u>(38,210,637)</u>
General revenues:							
Property taxes, levied for general purposes					40,669,789	-	40,669,789
Grants and contributions not restricted to specific programs					175,887	-	175,887
Unrestricted investment earnings					29,816	1,443	31,259
Total general revenues					<u>40,875,492</u>	<u>1,443</u>	<u>40,876,935</u>
Transfers					<u>(49,000)</u>	<u>49,000</u>	<u>-</u>
Total general revenues and transfers					<u>40,826,492</u>	<u>50,443</u>	<u>40,876,935</u>
Change in net position					<u>2,368,019</u>	<u>298,279</u>	<u>2,666,298</u>
Net position - beginning					<u>64,624,744</u>	<u>16,286,491</u>	<u>80,911,235</u>
Net position - ending					<u>\$ 66,992,763</u>	<u>\$ 16,584,770</u>	<u>\$ 83,577,533</u>

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

TOWN OF ELLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Crystal Lake School Addition/ Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,272,770	\$ -	\$ 12,658	\$ 2,769,147	\$ 9,054,575
Investments	1,140,184	-	-	785,158	1,925,342
Receivables:					
Property taxes receivable, net of allowance for uncollectibles of \$85,265	474,607	-	-	-	474,607
Grants and contracts receivable	26,564	-	-	304,911	331,475
Other receivables	185,884	-	2,812,054	140,723	3,138,661
Due from other funds	9,614,774	-	-	416,791	10,031,565
Inventories	-	-	-	5,408	5,408
Total assets	<u>\$ 17,714,783</u>	<u>\$ -</u>	<u>\$ 2,824,712</u>	<u>\$ 4,422,138</u>	<u>\$ 24,961,633</u>
LIABILITIES					
Accounts payable	\$ 3,251,838	\$ -	\$ -	\$ 74,192	\$ 3,326,030
Due to other funds	1,805,877	7,249,631	9,799	2,014,528	11,079,835
Unearned revenue	-	-	-	659,624	659,624
Due to funding source	-	-	-	15,242	15,242
Total liabilities	<u>5,057,715</u>	<u>7,249,631</u>	<u>9,799</u>	<u>2,763,586</u>	<u>15,080,731</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	469,306	-	-	-	469,306
FUND BALANCES					
Nonspendable:					
Endowments	-	-	-	52,497	52,497
Inventories	-	-	-	5,408	5,408
Restricted for:					
Human services	-	-	2,812,054	-	2,812,054
Special reserves - external	-	-	-	865,904	865,904
Committed for:					
Capital reserves	5,278,650	-	-	-	5,278,650
Capital and nonrecurring	685,996	-	-	558,921	1,244,917
School lunch operations	-	-	-	84,786	84,786
Public safety	-	-	-	494,298	494,298
Human services	-	-	-	95,416	95,416
Town properties	-	-	-	501,307	501,307
Land use	-	-	-	94,845	94,845
General government	-	-	-	70,470	70,470
Education	-	-	-	220,440	220,440
Assigned to:					
General government	1,083,774	-	-	-	1,083,774
Public works	334,575	-	-	-	334,575
Sanitation	48,445	-	-	-	48,445
Debt service	259,407	-	-	-	259,407
Subsequent budget	2,746,580	-	-	-	2,746,580
Unassigned	1,750,335	(7,249,631)	2,859	(1,385,740)	(6,882,177)
Total fund balances	<u>12,187,762</u>	<u>(7,249,631)</u>	<u>2,814,913</u>	<u>1,658,552</u>	<u>9,411,596</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,714,783</u>	<u>\$ -</u>	<u>\$ 2,824,712</u>	<u>\$ 4,422,138</u>	<u>\$ 24,961,633</u>

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

TOWN OF ELLINGTON, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances for governmental funds	\$	9,411,596
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Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$	2,507,844	
Arts collection		35,598	
Property development rights		698,980	
Construction in progress		22,969,164	
Buildings and improvements		76,253,222	
Equipment		2,621,537	
Vehicles		9,097,757	
Infrastructure		13,920,407	
Less: accumulated depreciation and amortization		<u>(44,768,206)</u>	
Total capital assets, net			83,336,303

Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflow of resources in the funds.		469,306
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Accrued interest on property taxes, net of an allowance for uncollectibles are not susceptible to accrual and therefore are not reported in the funds.		155,456
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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 fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Long-term debt:			
Bonds payable		(20,225,000)	
Unamortized premiums		(616,882)	
Unamortized deferred amount on refundings		109,637	
Obligations under capital lease		(225,149)	
Other long-term liabilities:			
Compensated absences		(1,640,481)	
Net pension liability		(2,853,323)	
Net OPEB obligation		<u>(1,145,260)</u>	
Total long-term liabilities			(26,596,458)

Deferred outflows of resources resulting from changes in the components of the net pension liability are reported in the statements of net position.		<u>216,560</u>
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Net position of governmental activities:	\$	<u><u>66,992,763</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Crystal Lake School Addition/ Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 40,924,360	\$ -	\$ -	\$ -	\$ 40,924,360
Intergovernmental	15,048,775	-	-	1,926,498	16,975,273
Charges for services	1,114,563	-	33,250	1,058,296	2,206,109
Food sales	-	-	-	444,475	444,475
Investment earnings	21,966	-	99	(12,178)	9,887
Other income	661,609	-	-	28,518	690,127
Total revenues	<u>57,771,273</u>	<u>-</u>	<u>33,349</u>	<u>3,445,609</u>	<u>61,250,231</u>
EXPENDITURES					
Current:					
General government	1,432,694	-	-	-	1,432,694
Boards and agencies	109,798	-	-	-	109,798
Public safety	2,863,610	-	-	-	2,863,610
Public works	3,380,905	-	-	-	3,380,905
Recreation	452,503	-	-	-	452,503
Library	572,804	-	-	-	572,804
Human services	633,748	-	-	-	633,748
Town properties	701,597	-	-	-	701,597
Education	39,371,523	-	-	-	39,371,523
Miscellaneous	3,139,242	-	-	-	3,139,242
Program expenditures	-	-	76,761	3,081,960	3,158,721
Debt service:					
Principal payments	2,051,728	-	-	-	2,051,728
Interest and fiscal charges	755,384	-	-	-	755,384
Capital outlays	1,082,220	7,363,509	-	2,521,734	10,967,463
Total expenditures	<u>56,547,756</u>	<u>7,363,509</u>	<u>76,761</u>	<u>5,603,694</u>	<u>69,591,720</u>
Excess (deficiency) of revenues over expenditures	1,223,517	(7,363,509)	(43,412)	(2,158,085)	(8,341,489)
OTHER FINANCING USES					
Transfers out	(49,000)	-	-	-	(49,000)
Total other financing uses	<u>(49,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,000)</u>
Net change in fund balances	1,174,517	(7,363,509)	(43,412)	(2,158,085)	(8,390,489)
Fund balances - beginning	<u>11,013,245</u>	<u>113,878</u>	<u>2,858,325</u>	<u>3,816,637</u>	<u>17,802,085</u>
Fund balances (deficit) - ending	<u>\$ 12,187,762</u>	<u>\$ (7,249,631)</u>	<u>\$ 2,814,913</u>	<u>\$ 1,658,552</u>	<u>\$ 9,411,596</u>

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

TOWN OF ELLINGTON, 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, 2016

Net change in fund balances for governmental funds \$ (8,390,489)

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 expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 11,667,398	
Depreciation and amortization expense	<u>(2,602,719)</u>	
Net adjustment		9,064,679

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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Debt issued or incurred:		
Amortization of bond premium	117,846	
Amortization of deferred amount on refunding	(26,627)	
Principal repayments:		
Bonds payable	1,860,000	
Capital leases	<u>191,727</u>	
Net adjustment		2,142,946

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. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The net effect of such items is as follows:

Compensated absences	(238,366)	
Net pension liability	(709,477)	
Net OPEB obligation	<u>(149,694)</u>	
		(1,097,537)

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

TOWN OF ELLINGTON, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2016

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in governmental funds. This amount represents the change in deferred inflows of resources.	\$ 137,565
Interest on property taxes receivable are not susceptible to accrual and therefore are only reported as revenue in the funds when the cash is received by the Town. The change in interest receivable during the year increased revenues recognized in the funds.	117,006
Deferred outflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities.	<u>393,849</u>
Change in net position of governmental activities	<u><u>\$ 2,368,019</u></u>

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxation	\$ 39,630,887	\$ 39,630,887	\$ 40,924,360	\$ 1,293,473
Intergovernmental - education	9,886,164	9,886,164	9,914,673	28,509
Intergovernmental - other	903,350	903,350	945,571	42,221
Charges for goods and services	818,090	818,090	1,114,563	296,473
Investment earnings	15,000	15,000	21,826	6,826
Other revenues	654,008	654,008	700,578	46,570
Total revenues	<u>51,907,499</u>	<u>51,907,499</u>	<u>53,621,571</u>	<u>1,714,072</u>
EXPENDITURES				
Current:				
General government	1,491,360	1,545,045	1,432,616	(112,429)
Boards and agencies	119,529	122,972	109,798	(13,174)
Public safety	2,952,539	3,011,869	2,863,610	(148,259)
Public works	3,854,515	3,921,974	3,563,814	(358,160)
Recreation	450,745	453,075	452,503	(572)
Library	572,804	574,222	572,804	(1,418)
Human services	663,028	667,269	633,748	(33,521)
Town properties	713,083	728,077	701,597	(26,480)
Miscellaneous	3,616,374	3,573,087	3,239,242	(333,845)
Education	35,050,900	35,050,900	35,040,242	(10,658)
Debt service	3,184,322	3,184,322	2,931,112	(253,210)
Capital outlays	1,289,737	1,502,837	1,502,028	(809)
Total expenditures	<u>53,958,936</u>	<u>54,335,649</u>	<u>53,043,114</u>	<u>(1,292,535)</u>
Excess (deficiency) of revenues over expenditures	(2,051,437)	(2,428,150)	578,457	3,006,607
OTHER FINANCING SOURCES				
Appropriation of fund balance	<u>2,051,437</u>	<u>2,428,150</u>	<u>-</u>	<u>(2,428,150)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	578,457	<u>\$ 578,457</u>
Fund balance - beginning of year			<u>6,787,348</u>	
Fund balance - ending of year			<u>\$ 7,365,805</u>	

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities - Enterprise Funds			Total
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,573,131	\$ 498,911	\$ -	\$ 4,072,042
Investments	753,393	-	-	753,393
Receivables:				
Sewer usage receivable, net of allowance for uncollectibles of \$7,915	94,947	-	-	94,947
Solid waste charges receivable, net of allowance for uncollectibles of \$13,974	-	31,799	46,076	77,875
Assessments, interest and liens receivable	76,676	1,025	-	77,701
Other, net	-	7,270	-	7,270
Due from other funds	1,267,499	109,853	-	1,377,352
Deferred asset - pump station	100,838	-	-	100,838
Total current assets	<u>5,866,484</u>	<u>648,858</u>	<u>46,076</u>	<u>6,561,418</u>
Noncurrent assets:				
Deferred asset - pump station	-	148,355	-	148,355
Long-term assessments receivable	852,164	33,235	38,183	923,582
Capital assets:				
Depreciable, net	6,784,927	3,722,491	-	10,507,418
Total noncurrent assets	<u>7,637,091</u>	<u>3,904,081</u>	<u>38,183</u>	<u>11,579,355</u>
Total assets	<u>13,503,575</u>	<u>4,552,939</u>	<u>84,259</u>	<u>18,140,773</u>
LIABILITIES				
Current liabilities:				
Accounts payable	6,777	-	-	6,777
Unearned revenue	33,101	-	-	33,101
Due to other funds	147,700	41,359	151,228	340,287
Bonds payable - current	75,000	-	-	75,000
Note payable - current	100,838	-	-	100,838
Total current liabilities	<u>363,416</u>	<u>41,359</u>	<u>151,228</u>	<u>556,003</u>
Noncurrent liabilities:				
Bonds payable	1,000,000	-	-	1,000,000
Total noncurrent liabilities	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total liabilities	<u>1,363,416</u>	<u>41,359</u>	<u>151,228</u>	<u>1,556,003</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	5,709,927	3,870,846	-	9,580,773
Unrestricted (deficit)	6,430,232	640,734	(66,969)	7,003,997
Total net position (deficit)	<u>\$ 12,140,159</u>	<u>\$ 4,511,580</u>	<u>\$ (66,969)</u>	<u>\$ 16,584,770</u>

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds			
	Sewer	Crystal	Other	Total
	Authority	Lake	Enterprise	
Fund	Sewers Fund	Funds		
OPERATING REVENUES				
Assessments	\$ 243,848	\$ 21,138	\$ -	\$ 264,986
User charges, interest and lien fees	1,554,810	282,930	-	1,837,740
Permits and fees	12,900	600	-	13,500
Solid waste fees	-	-	645,649	645,649
Other	-	4,215	1,674	5,889
Total operating revenues	<u>1,811,558</u>	<u>308,883</u>	<u>647,323</u>	<u>2,767,764</u>
OPERATING EXPENSES				
Salaries and benefits	71,536	14,594	-	86,130
Services and supplies	850	32,179	-	33,029
Equipment	22,373	-	-	22,373
Town of Vernon fees	959,547	-	-	959,547
Town of Stafford fees	-	62,008	-	62,008
Depreciation and amortization	274,588	146,104	-	420,692
Utilities	32,282	11,731	-	44,013
General maintenance and repairs	11,717	-	-	11,717
Public works and administrative expenses	232,108	3,283	589,272	824,663
Legal	4,357	-	-	4,357
Advertising	1,308	-	-	1,308
Other	53	-	-	53
Total operating expenses	<u>1,610,719</u>	<u>269,899</u>	<u>589,272</u>	<u>2,469,890</u>
Operating income	200,839	38,984	58,051	297,874
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment income	-	1,443	-	1,443
Debt service -interest expense	(49,000)	-	-	(49,000)
Debt service - bad debt expense	(1,038)	-	-	(1,038)
Total non-operating revenue (expenses)	<u>(50,038)</u>	<u>1,443</u>	<u>-</u>	<u>(48,595)</u>
Income before transfers in	150,801	40,427	58,051	249,279
OTHER FINANCING SOURCES				
Transfers in	49,000	-	-	49,000
Change in net position	199,801	40,427	58,051	298,279
Net position (deficit) - beginning	<u>11,940,358</u>	<u>4,471,153</u>	<u>(125,020)</u>	<u>16,286,491</u>
Net position (deficit) - ending	<u>\$ 12,140,159</u>	<u>\$ 4,511,580</u>	<u>\$ (66,969)</u>	<u>\$ 16,584,770</u>

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,977,305	\$ 326,654	\$ 650,323	\$ 2,954,282
Receipts from interfund services provided	(421,261)	(108,653)	(61,051)	(590,965)
Payments to suppliers	(1,157,983)	(114,086)	(589,272)	(1,861,341)
Payments for interfund services	11,963	(98,420)	-	(86,457)
Payments to employees	(71,536)	-	-	(71,536)
Net cash provided by operating activities	<u>338,488</u>	<u>5,495</u>	<u>-</u>	<u>343,983</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets, net	(166,084)	(5,495)	-	(171,579)
Principal paid on capital debt, net	(174,835)	-	-	(174,835)
Interest paid on capital debt	(49,000)	-	-	(49,000)
Transfers in	49,000	-	-	49,000
Net cash used in capital and related financing activities	<u>(340,919)</u>	<u>(5,495)</u>	<u>-</u>	<u>(346,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from investments, net of purchases	3,575,562	497,468	-	4,073,030
Interest and dividends	-	1,443	-	1,443
Net cash provided by investing activities	<u>3,575,562</u>	<u>498,911</u>	<u>-</u>	<u>4,074,473</u>
Net change in cash and cash equivalents	3,573,131	498,911	-	4,072,042
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	<u>\$ 3,573,131</u>	<u>\$ 498,911</u>	<u>\$ -</u>	<u>\$ 4,072,042</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 200,839	\$ 38,984	\$ 58,051	\$ 297,874
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	274,588	146,104	-	420,692
(Increase) decrease in assets:				
Sewer usage receivable, net	(11,070)	-	-	(11,070)
Solid waste usage receivable, net	-	3,045	3,000	6,045
Assessment, interest and liens receivable	37,120	3,174	-	40,294
Due from other funds	(421,261)	(108,653)	-	(529,914)
Deferred asset	99,835	5,494	-	105,329
Long-term assessments receivable	157,659	15,767	-	173,426
Increase (decrease) in liabilities:				
Accounts payable	6,777	-	-	6,777
Unearned revenue	(17,962)	-	-	(17,962)
Due to other funds	11,963	(98,420)	(61,051)	(147,508)
Net cash provided by operating activities	<u>\$ 338,488</u>	<u>\$ 5,495</u>	<u>\$ -</u>	<u>\$ 343,983</u>

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Private- Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 249,978	\$ 535,575
Investments	212,788	-
Due from other funds	11,733	-
Total assets	474,499	\$ 535,575
LIABILITIES		
Due to other funds	529	535,575
Total liabilities	529	\$ 535,575
NET POSITION		
Held in trust for other purposes	\$ 473,970	

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Private- Purpose Trust Funds
ADDITIONS	
Contributions - private donations	\$ 152,703
Other income	18,257
Total contributions	170,960
Investment earnings:	
Interest	376
Net decrease in the fair value of investments	(4,523)
Total investment earnings	(4,147)
Total additions	166,813
DEDUCTIONS	
Other expenses	2,385
Program expenses	152,932
	155,317
Change in net position	11,496
Net position - beginning	462,474
Net position - ending	\$ 473,970

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Ellington, 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

The Town is governed by an elected, seven-member Board of Selectmen. The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Related Organizations

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments. The Town did not receive any proceeds from the Housing Authority for the year ended June 30, 2016.

The Board of Selectmen is also responsible for appointing a Board member to the Town's regional group for public health. Amounts paid to the health district amounted to \$73,721 for the year ended June 30, 2016.

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 distinguish between the governmental and business-type activities of the Town. 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 or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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 and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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

Government-wide and Fund Financial Statements *(Continued)*

Fund Financial Statements *(Continued)*

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 general government, except those required to be accounted for in another fund.

Crystal Lake School Addition/Renovation Fund – This fund accounts for activities related to the Crystal Lake School renovation project.

Small Cities Program Income Fund – This fund accounts for activities related to deferred rehabilitation loans made to citizens.

The Town reports the following major enterprise funds:

Sewer Authority Fund – This fund accounts for all sewer use activities and assessments in the Hockanum River section of the Town.

Crystal Lake Sewers Fund – This fund accounts for all sewer use activities and assessments in the Crystal Lake section of the Town.

In addition, the Town reports the following fund types:

Private Purpose Trust Funds – These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

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 and for performance bonds.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements, except for agency funds which have no measurement focus, 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.

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 Town’s enterprise funds consist of charges to customers for services and sewer use. Operating expenses of the Town’s proprietary funds consist of the cost of services, maintenance, administrative expenses, and depreciation and amortization of capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Measurement Focus and Basis of Accounting *(Continued)*

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Implementation of Accounting Standards

Effective July 1, 2015, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and certain provisions of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The adoption of these statements did not have a material effect on the Town's financial statements.

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

Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

The Town presents all investments at fair value, except for certain external investment pools, which the Town reports at net asset value per share as determined by the pool.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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

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

Donor-restricted Endowments

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Donor-restricted endowments available for expenditure by the Town totaled \$865,904 as of June 30, 2016 and are included in restricted net position. Town policy requires all investment income to be recorded in the respective fund earned and is to be used to offset future donor restricted program expenditures.

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. Liens are filed on delinquent real estate taxes within one year. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

Property tax revenues are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected within 60 days of the end of the current period. Property taxes receivable that are not expected to be collected during the available period are reflected as deferred inflows of resources.

Sewer Assessments and Usage Charges

Upon completion of sewer projects, sewer assessments are levied and assessed to the users. Sewer assessments and usage charges are billed in April and October. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties with assessments until the assessment is paid in full. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of U.S. Department of Agriculture (USDA) food products of the School Lunch Fund (a Nonmajor Special Revenue Fund) are valued at amounts assigned by the USDA.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Loans Receivable

The Town records loans receivable at the time the loan proceeds are advanced. Such amounts are reported net of an allowance for uncollectible amounts.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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

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

Capital Assets

Capital assets, which include an arts collection, property development rights, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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. Such assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, equipment and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	50
Buildings and improvements	40
Vehicles	5 – 10
Equipment	3 – 7

Deferred Asset – Waste Water Treatment Facility – Sewer Authority

The Town has an operating agreement with a nearby town that owns and operates a waste water treatment facility (“Facility”), which the Town pays an annual user fee in order to use. In 1992, the Facility incurred significant upgrades to improve its operations. These upgrades are to be repaid by all towns that are using the Facility on an allocated basis. The Town has a note payable with the Facility for the Town’s portion of the facility upgrades. As of June 30, 2016, the Town has a noncurrent asset in the Sewer Authority Fund of \$100,838, which represents the value of allocated upgrades and net of accumulated amortization. This amount is being amortized over the life of the note payable between the Town and the Facility.

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resource until then.

Deferred outflows of resources consist of deferred charges on refundings and deferred pension expenses reported in the government-wide statement of net position. Deferred charges on refundings are amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred pension expenses are amortized as a component of pension expense on a systematic and rational basis.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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

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

Deferred Outflows/Inflows of Resources *(Continued)*

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension 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.

Compensated Absences

Town and Board of Education employees accumulate vacation and sick leave for subsequent use or for payment upon termination or retirement. Compensated absences are accrued when incurred in the government-wide financial statements. Vacation and sick leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year, or the amount is expected to be paid with available resources.

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 position. 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 and Fund Equity

Information presented in the government-wide statement of net position column includes the Town's non-fiduciary assets and liabilities, with the difference reported as net position. Net position are reported in three categories:

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

Restricted net position - This category consists of 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 position - This category consists of net position which do not meet the definition of the two preceding categories.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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

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

Net Position and Fund Equity *(Continued)*

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

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

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

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level 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.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance has delegated the responsibility to assign fund balance to management of the Town.

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.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over the use of fund balance. The Town uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

The amount committed for Capital Reserves in the General Fund totaling \$5,278,650 was created by the Board of Finance, as mandated by Section 1004 of the Town Charter, to maintain a reserve of at least 5% of the total expenditures for the current year. No expenditure or transfer may be made from the Capital Reserves without the approval of the Board of Finance. Each year, the Board of Finance transfers amounts from the unallocated contingency fund and the capital reserve fund, both of which are budgeted within the General Fund. Amounts transferred to this account totaled \$200,000 and \$200,000, respectively, for 2016.

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

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

Net Position and Fund Equity *(Continued)*

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

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 the 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 ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

Budgetary Information

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level for the Board of Education and the object level for all other departments. Because the legal level of control is more detailed than the accompanying budgetary comparison schedule presented herein, a separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$40,000 must be approved by the Board of Finance. Appropriations in excess of \$40,000 must be approved at a Town meeting. During the year, the Board of Finance and, where required, Town meetings, approved additional appropriations from fund balance of \$376,713.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and "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.
- All unexpended appropriations lapse at year-end.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

Budgetary Information (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows for the year ended June 30, 2016:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses) - Transfers, net</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance</u>
Budgetary basis	\$ 53,621,571	\$ 53,043,114	\$ -	\$ 578,457	\$ 7,365,805
"On-behalf" payments - State Teachers Retirement Fund (see Note 9)	3,887,251	3,887,251	-	-	-
Changes in encumbrances:					
June 30, 2015	-	258,385	-	(258,385)	-
June 30, 2016	-	(334,497)	-	334,497	334,497
Certain grants recorded as General Fund revenues/expenditures for budgetary purposes but relate to another fund for GAAP purposes	(106,719)	(106,719)	-	-	-
Certain transfers recorded as revenues/expenditures for budgetary purposes	-	(49,000)	(49,000)	-	-
Changes in designations recorded as expenditures for budgetary purposes:					
Capital reserves	-	(400,000)	-	400,000	3,336,073
Capital and nonrecurring	-	(19,808)	-	19,808	43,535
Post - employment benefits	-	(100,000)	-	100,000	800,000
Debt repayment reserve	-	-	-	-	259,407
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	444,030	444,030	-	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(75,000)	(75,000)	-	-	-
Budgetary perspective difference:					
MIRA Sanitation Control Fund	140	-	-	140	48,445
GAAP basis	<u>\$ 57,771,273</u>	<u>\$ 56,547,756</u>	<u>\$ (49,000)</u>	<u>\$ 1,174,517</u>	<u>\$ 12,187,762</u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

Deficit Fund Balances

The following funds have deficit fund balances as of June 30, 2016, none of which constitutes a violation of statutory provisions:

Fund	Amount
Crystal Lake School Addition/Renovation Fund	\$ 7,249,631
6 Nutmeg Drive Fund	1,356,134
Watermains, Tripp and Middle Roads Fund	71,358
Baher Farms Preservation	29,606

The deficit in the Watermains, Tripp and Middle Roads Fund and the Baher Farms Preservation Fund will be funded through future operations and transfers from the General Fund. The deficit in the 6 Nutmeg Drive Fund will be funded through the future issuance of bonds. The Crystal Lake School Addition/Renovation Fund will be funded through reimbursements from the State of Connecticut and/or the future issuance of bonds.

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, 2016, \$4,083,239 of the Town's bank balance of \$4,833,239 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,674,915
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	408,324
	\$ 4,083,239

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

A reconciliation of the Town's cash deposits as of June 30, 2016 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 13,126,617
Statement of fiduciary net position:	
Cash and cash equivalents	785,553
	13,912,170
Add: certificates of deposit classified as investments	1,893,577
Less: investments classified as cash equivalents	(11,118,350)
Total Cash Deposits	\$ 4,687,397

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2016 is as follows:

Government-wide statement of net position:		
Investments	\$	2,678,735
Statement of fiduciary net position:		
Private purpose trust funds - Investments		212,788
		2,891,523
Add: investments classified as cash equivalents		11,118,350
Less: certificates of deposit classified as investments		(1,893,577)
		\$ 12,116,296

As of June 30, 2016, 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	6 to 10
Debt Securities:						
<i>Governmental activities:</i>						
Short Term Investment Fund (STIF)	Net Asset Value	AAA	\$ 6,877,869	\$ 6,877,869	\$ -	\$ -
Corporate bonds	Fair Value	A	107,962	-	76,751	31,211
Corporate bonds	Fair Value	AA	16,184	-	16,184	-
Corporate bonds	Fair Value	BBB	61,934	-	61,934	-
Municipal bonds	Fair Value	AAA	173,265	-	173,265	-
Money market mutual funds	Net Asset Value	Unrated	43,222	43,222	-	-
<i>Business-type activities:</i>						
Short Term Investment Fund (STIF)	Net Asset Value	AAA	4,072,042	4,072,042	-	-
<i>Fiduciary Funds:</i>						
Short Term Investment Fund (STIF)	Net Asset Value	AAA	121,249	121,249	-	-
Money market mutual funds	Net Asset Value	Unrated	3,968	3,968	-	-
			11,477,695	\$ 11,118,350	\$ 328,134	\$ 31,211
Other investments:						
<i>Governmental activities:</i>						
Mutual funds	Fair Value		425,813			
<i>Fiduciary Funds:</i>						
Equity securities	Fair Value		212,788			
Total			\$ 12,116,296			

Because investments in the Short-term Investment Fund and the money market mutual funds have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 3 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

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 General Statutes. Connecticut general statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; 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; 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. The pension trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of 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's investments are not exposed to custodial risk because they are either not evidenced by securities that exist in physical or book entry form or they are held by a reputable custodian in the name of the Town.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2016, 93% of the Town's investments within the government-wide statement of net position were invested in the Short-term Investment Fund. As of June 30, 2016, 36% of the Town's investments within the fiduciary statement of net position were also invested in the Short-term Investment Fund.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measure at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2016, by level within the fair value hierarchy are presented in the table below.

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 425,813	\$ -	\$ -	\$ 425,813
Equity securities	212,788	-	-	212,788
Corporate and municipal bonds	-	359,350	-	359,350
	<u>\$ 638,601</u>	<u>\$ 359,350</u>	<u>\$ -</u>	<u>\$ 997,951</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Property development rights	698,980	-	-	698,980
Land	2,507,844	-	-	2,507,844
Construction in progress	13,341,380	9,879,797	(252,013)	22,969,164
Total capital assets, not being depreciated	<u>16,583,802</u>	<u>9,879,797</u>	<u>(252,013)</u>	<u>26,211,586</u>
Capital assets, being depreciated:				
Buildings and improvements	75,591,848	661,374	-	76,253,222
Equipment	2,336,082	285,455	-	2,621,537
Vehicles	8,612,757	485,000	-	9,097,757
Infrastructure	13,312,622	607,785	-	13,920,407
Total capital assets, being depreciated	<u>99,853,309</u>	<u>2,039,614</u>	<u>-</u>	<u>101,892,923</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	29,624,469	1,595,645	-	31,220,114
Equipment	2,336,082	142,728	-	2,478,810
Vehicles	7,131,964	590,657	-	7,722,621
Infrastructure	3,072,972	273,689	-	3,346,661
Total accumulated depreciation and amortization	<u>42,165,487</u>	<u>2,602,719</u>	<u>-</u>	<u>44,768,206</u>
Total capital assets, being depreciated, net	<u>57,687,822</u>	<u>(563,105)</u>	<u>-</u>	<u>57,124,717</u>
Governmental activities capital assets, net	<u>\$ 74,271,624</u>	<u>\$ 9,316,692</u>	<u>\$ (252,013)</u>	<u>\$ 83,336,303</u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ 501,852	\$ -	\$ (501,852)	\$ -
Total capital assets, not being depreciated	<u>501,852</u>	<u>-</u>	<u>(501,852)</u>	<u>-</u>
Capital assets, being depreciated:				
Equipment - Sewer Authority	222,854	-	-	222,854
Infrastructure - Sewer Authority	12,061,040	667,936	-	12,728,976
Equipment - Crystal Lake	23,135	-	-	23,135
Infrastructure - Crystal Lake	6,962,204	-	-	6,962,204
Total capital assets, being depreciated	<u>19,269,233</u>	<u>667,936</u>	<u>-</u>	<u>19,937,169</u>
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	159,538	10,136	-	169,674
Infrastructure - Sewer Authority	5,732,777	264,452	-	5,997,229
Equipment - Crystal Lake	19,362	1,365	-	20,727
Infrastructure - Crystal Lake	3,102,877	139,244	-	3,242,121
Total accumulated depreciation and amortization	<u>9,014,554</u>	<u>415,197</u>	<u>-</u>	<u>9,429,751</u>
Total capital assets, being depreciated, net	<u>10,254,679</u>	<u>252,739</u>	<u>-</u>	<u>10,507,418</u>
Business-type activities capital assets, net	<u>\$ 10,756,531</u>	<u>\$ 252,739</u>	<u>\$ (501,852)</u>	<u>\$ 10,507,418</u>

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

Governmental Activities:	
Education	\$ 1,639,713
Public safety	390,408
Public works	286,299
General government	208,218
Library	<u>78,081</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,602,719</u>
 Business-type Activities:	
Sewer	<u>\$ 415,197</u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2016 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Crystal Lake School Addition/Renovation Fund	\$ 7,249,631
	Nonmajor Governmental Funds	2,014,528
	Other Enterprise Funds	151,228
	Sewer Authority Fund	147,700
	Crystal Lake Sewers Fund	41,359
	Small Cities Program Income Fund	9,799
	Private Purpose Trust Funds	529
		<u>9,614,774</u>
Nonmajor Governmental Funds	General Fund	<u>416,791</u>
		<u>\$ 10,031,565</u>
Enterprise Funds		
Sewer Authority Fund	General Fund	\$ 1,267,499
Crystal Lake Sewers Fund	General Fund	109,853
		<u>\$ 1,377,352</u>
Fidiciary Funds		
Private Purpose Trust Funds	General Fund	<u>\$ 11,733</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.

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Enterprise Funds		
Sewer Authority Fund	General Fund	<u>\$ 49,000</u>

The transfer to the Sewer Authority Fund was to assist with the debt service interest paid by the fund.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	<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	\$ 22,085,000	\$ -	\$ (1,860,000)	\$ 20,225,000	\$ 1,840,000
Unamortized premiums	734,728	-	(117,846)	616,882	103,473
Total bonds payable	<u>22,819,728</u>	<u>-</u>	<u>(1,977,846)</u>	<u>20,841,882</u>	<u>1,943,473</u>
Other liabilities:					
Capital leases	416,876	-	(191,727)	225,149	111,389
Compensated absences	1,402,115	308,549	(70,183)	1,640,481	43,459
Net pension liability (see Note 9)	2,143,846	709,477	-	2,853,323	-
Net OPEB obligation (see Note 10)	995,566	149,694	-	1,145,260	-
	<u>\$ 27,778,131</u>	<u>\$ 1,167,720</u>	<u>\$ (2,239,756)</u>	<u>\$ 26,706,095</u>	<u>\$ 2,098,321</u>
Business-type Activities					
Bonds payable:					
General obligation bonds	\$ 1,150,000	\$ -	\$ (75,000)	\$ 1,075,000	\$ 75,000
Other liabilities:					
Note payable	200,674	-	(99,836)	100,838	100,838
	<u>\$ 1,350,674</u>	<u>\$ -</u>	<u>\$ (174,836)</u>	<u>\$ 1,175,838</u>	<u>\$ 175,838</u>

Bonds payable and other liabilities of Governmental Activities have typically been liquidated by the General Fund.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM LIABILITIES (Continued)

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2016 is as follows:

<u>Description of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities			
General obligation refunding bonds issued 2010, original amount of \$3,580,000	2018	2.0% - 5.0%	\$ 975,000
General obligation refunding bonds issued 2011, original amount of \$8,240,000	2024	2.0% - 4.0%	5,390,000
General obligation bonds issued 2013, original amount of \$4,205,000	2034	2.0% - 4.0%	3,765,000
General obligation bonds issued 2015, original amount of \$10,630,000	2035	2.0% - 4.0%	<u>10,095,000</u>
			<u>\$ 20,225,000</u>
Business-type Activities			
Sewer bonds issued 2007, original amount of \$1,750,000	2027	4.0% - 5.5%	<u>\$ 1,075,000</u>
			<u>\$ 1,075,000</u>

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, or \$287,986,153 as of June 30, 2016. 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, 2016.

Authorized, Unissued Bonds

AS of June 30, 2016, the Town has authorized but unissued bonds totaling \$13,270,000.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 8 - LONG-TERM LIABILITIES *(Continued)*

General Obligation Bonds *(Continued)*

Annual debt service requirements to maturity at June 30, 2016 are as follows:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 1,840,000	\$ 693,920	\$ 2,533,920
2018	1,820,000	637,795	2,457,795
2019	1,805,000	577,845	2,382,845
2020	1,480,000	516,195	1,996,195
2021	1,465,000	457,295	1,922,295
2022-2026	5,415,000	1,353,642	6,768,642
2027-2031	3,675,000	844,976	4,519,976
2032-2036	2,725,000	221,600	2,946,600
	<u>\$ 20,225,000</u>	<u>\$ 5,303,268</u>	<u>\$ 25,528,268</u>

Year ending June 30:	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 75,000	\$ 45,250	\$ 120,250
2018	100,000	41,500	141,500
2019	100,000	37,500	137,500
2020	100,000	33,500	133,500
2021	100,000	29,375	129,375
2022-2026	500,000	84,625	584,625
2027	100,000	4,250	104,250
	<u>\$ 1,075,000</u>	<u>\$ 276,000</u>	<u>\$ 1,351,000</u>

Notes Payable

The Town has a note payable to a local municipal water pollution control authority to pay for the Town's portion of capital costs incurred for various pump station upgrades. This note has an interest rate of 1.5% and requires semi-annual payments including interest. The remaining balance on the note as of June 30, 2016 was \$100,838.

Aggregate principal maturities on the note payable in subsequent years are as follows:

Year ending June 30:	Business-Type Activities		
	Note Payable		
	Principal	Interest	Total
2017	\$ 100,838	\$ 587	\$ 101,425
	<u>\$ 100,838</u>	<u>\$ 587</u>	<u>\$ 101,425</u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM LIABILITIES (Continued)

Capital Leases

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

	Governmental Activites
Vehicles	\$ 339,842
Computers	285,455
	625,297
Less: accumulated amortization	(312,664)
	\$ 312,633

Amortization expense relative to leased property under capital leases totaled \$210,696 for the year ended June 30, 2016 and is included in depreciation and amortization expense disclosed in Note 5.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

	Governmental Activites
Year Ending June 30:	
2017	\$ 116,300
2018	121,978
Total minimum lease payments	238,278
Less: amount representing interest	13,129
Present value of minimum lease payments	\$ 225,149

NOTE 9 - PENSION PLANS

Defined Contribution Plans

Money Purchase Plan

The Town provides retirement benefits for all full-time and part-time employees of the Town through a non-contributory money purchase plan. Employees are eligible to participate from the date of employment. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The Town is required to contribute 7.1% of the payroll of the active employees. In addition, the Town matches employee contributions up to an additional 3% of the employee's salary.

The Town's contribution amounted to \$271,174 for the year ended June 30, 2016. All monies contributed are used to purchase insurance contracts on-behalf of the participants, therefore the assets of the plan are not included in the Town's basic financial statements.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Defined Contribution Plans (Continued)

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. Employee deferrals amounted to \$207,433 for the year ended June 30, 2016. Plan enrollment totaled 72 people at June 30, 2016. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the trust are not included in the Town's basic financial statements.

Connecticut Municipal Employees' Retirement System

The Town participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

Connecticut Municipal Employees' Retirement System (Continued)

Plan Description

Plan administration - CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

Plan membership - All full-time employees of the Town, except for certified Board of Education personnel who are eligible for the State Teachers' Retirement System, who are age 55 or younger at the date of hire, participate in the CMERS plan for general employees with social security. Police employees of the Town participate in the CMERS plan for police and firemen with social security.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

Benefits provided - General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

For members not covered by social security, the benefit is 2% of average final compensation times years of service. For members covered by social security, the benefit is 1% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Employees are eligible for early retirement after 5 years of continuous or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. The current rate is 11.38% of the annual covered payroll. The Town's contributions to the CMERS for the years ended June 30, 2016, 2015 and 2014 were \$587,703, \$526,289, and \$531,269, respectively, and were equal to the required contributions for each year.

For employees not covered by social security, each person is required to contribute 5% of compensation. For employees covered by social security, each person is required to contribute 2.25% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Summary of Significant Accounting Policies

Pensions - For purposes of measuring the net pension liability, deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investment policy - The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

Net Pension Liability

The total estimated net pension liability of the CMERS as of June 30, 2015 was \$192.737 million, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$2.853 million or approximately 0.86% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward for the year ending June 30, 2015. The portion of the net pension liability associated with the Town was based on the 2014 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

Actuarial assumptions - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2014, rolled forward for the year ending June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% - 11.00%, including inflation
Investment rate of return	8.00%
Discount rate	8.00%

Mortality rates were based on the RP-2000 Combined Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Net Pension Liability *(Continued)*

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap U.S. Equities	16%	5.80%
Developed Non-U.S. Equities	14%	6.60%
Emerging Markets (Non-U.S.)	7%	8.30%
Core Fixed Income	8%	1.30%
Inflation Linked Bonds	5%	1.00%
Emerging Market Bonds	8%	3.70%
High Yield Bonds	14%	3.90%
Real Estate	7%	5.10%
Private Equity	10%	7.60%
Alternative Investment	8%	4.10%
Liquidity Fund	3%	0.40%

Discount rate - The discount rate used to measure the CMERS' 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.

Sensitivity of the net pension liability to changes in the discount rate - 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:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town proportionate share of the net pension liability as of June 30, 2016	\$5,136,861	\$ 2,853,323	\$ 918,614

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Pension Expense and Deferred Outflows of Resources

For the year ended June 30, 2016, the Town recognized pension expense related to the CMERS of \$527,485. At June 30, 2016, the Town reported its proportionate share of deferred outflows of resources related to the CMERS from the following source:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 216,560

Amounts reported as deferred outflows of resources related to the CMERS will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	
2017	\$ 11,238
2018	11,238
2019	11,238
2020	182,846
	\$ 216,560

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 ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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 one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. For the year ended June 30, 2016, plan members of the Town contributed \$1,153,605 to the plan and covered payroll for the year was \$15,911,793. The Town has recognized on-behalf payments of \$3,887,251 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, 2015 was \$10.972 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$48.421 million or approximately 0.44% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward for the year ending June 30, 2015. 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 pension expense attributed to the Town totaled \$3,879,766 for the year ended June 30, 2016.

The total pension liability in the June 30, 2014 actuarial valuation, rolled forward to June 30, 2015, was determined using the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap U.S. Equities	21%	5.80%
Developed Non-U.S. Equities	18%	6.60%
Emerging Markets (Non-U.S.)	9%	8.30%
Core Fixed Income	7%	1.30%
Inflation Linked Bonds	3%	1.00%
Emerging Market Bonds	5%	3.70%
High Yield Bonds	5%	3.90%
Real Estate	7%	5.10%
Private Equity	11%	7.60%
Alternative Investment	8%	4.10%
Cash	6%	0.40%

The discount rate used to measure the total pension liability was 8.50%. 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 8.50%, 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 (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	<u>1% Decrease (7.50%)</u>	<u>Current Discount (8.50%)</u>	<u>1% Increase (9.50%)</u>
Town proportionate share of the net pension liability	\$61.1 million	\$48.4 million	\$37.7 million

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town of Ellington administers the Town of Ellington Retirement Healthcare Plan (the "Plan"), which is a single-employer defined benefit healthcare plan. The Plan provides lifetime healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Town and the union representing Town employees and are renegotiated each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Funding Policy

Contribution requirements of the plan members and the Town are established in the Plan document and may be amended through negotiations between the Town and the respective labor union. Currently, Board of Education employees age 55 with 5 or more consecutive years of service or any age with 25 years of service in the Ellington School System are eligible to receive benefits. Also, Town employees with 25 or more years of service and age plus service must be greater than or equal to 75 years are eligible to receive benefits. Retirees contribute 100% towards dental and medical premiums. For Non-Union employees, the Town contributes 100% of the premium cost for retiree's health and dental insurance coverage. For Supervisor and White Collar employees, the Town contributes 90% towards pre age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after December 4, 2008 are not eligible for any post employment town contributions. For Public Works Department employees, the Town contributes 88% towards pre age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after March 25, 2008 are not eligible for any post-employment contributions from the Town.

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 over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 361,660
Interest on net OPEB obligation	39,823
Adjustment to annual required contribution	<u>(50,160)</u>
Annual OPEB cost (expense)	351,323
Contributions made	<u>201,629</u>
Increase in net OPEB obligation	149,694
Net OPEB obligation, beginning of year	<u>995,566</u>
Net OPEB obligation, end of year	<u><u>\$ 1,145,260</u></u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

Annual OPEB Cost and Net OPEB Obligation (Continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2016, 2015 and 2014 are as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 317,041	59.6%	\$ 828,373
2015	338,649	50.6%	995,566
2016	351,323	57.4%	1,145,260

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014 (the date of the most recent actuarial valuation) was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
July 1, 2014	\$ -	\$ 4,620,616	\$ 4,620,616	0.0%	\$25,310,529	18.3%

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

Actuarial Methods and Assumptions

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

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

Actuarial Methods and Assumptions *(Continued)*

Valuation date:	July 1, 2014
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	24.15 years, closed
Asset valuation method:	N/A
Actuarial assumptions:	
Interest rate	4.00%
Inflation rate	2.50%
Healthcare cost trend rate	9.00% initial 5.00% final

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town has commercial insurance for all risks of loss including workers' compensation, employee health and accident and property and casualty insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 12 - CONTINGENT LIABILITIES

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 - RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans and replaces the requirements of GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 13 - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement establishes disclosure of information about the nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial position and economic condition. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Certain provisions of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This statement amends the blending requirements established in GASB Statement No. 14, *The Financial Reporting Entity, as amended*. 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 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.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2016

NOTE 13 - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

In March 2016, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. 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.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ELLINGTON , CONNECTICUT
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (Unaudited)
 CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
 LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.86%	0.90%
Town's proportionate share of the net pension liability	<u>\$ 2,853,323</u>	<u>\$ 2,143,846</u>
Town's covered payroll	\$ 4,624,684	\$ 4,624,684
Town's proportionate share of the net pension liability as a percentage of its covered payroll	61.70%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	92.72%	90.48%

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 year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2016 is based on a June 30, 2015 measurement date).

Benefit changes - None noted.

Assumption changes - None noted.

The allocation totals and percentages for the year ended June 30, 2015 have been adjusted based on a restatement to the Connecticut Municipal Employees Retirement System fiduciary net assets. The July 1, 2014 fiduciary net position was increased \$139,565,000 to include the gross amount of contributions receivable.

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS (Unaudited)
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	2016	2015
Contractually required contribution	\$ 587,703	\$ 526,289
Contributions in relation to the contractually required contribution	587,703	526,289
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 4,624,684	\$ 4,624,684
Contributions as a percentage of covered employee payroll	12.71%	11.38%

Notes to Schedule:

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

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

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.441%	0.441%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>48,421</u>	<u>44,756</u>
Total	<u>\$ 48,421</u>	<u>\$ 44,756</u>
Town's covered payroll	\$ 15,912	\$ 17,176
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	59.5%	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 2016 is based on a June 30, 2015 measurement date).

Benefit changes - None noted.

Assumption changes - None noted.

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
JUNE 30, 2016

Town of Ellington Retirement Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (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						
7/1/2014	\$ -	\$ 4,620,616	\$ 4,620,616	0%	\$ 25,310,529	18%
7/1/2012	-	4,080,961	4,080,961	0%	19,268,871	21%
7/1/2010	-	3,675,039	3,675,039	0%	21,414,616	17%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER
				(UNDER)
PROPERTY TAXATION				
Revenues from Property Taxes	\$ 39,520,887	\$ 39,520,887	\$ 40,562,420	\$ 1,041,533
Interest and Lien Fees	110,000	110,000	361,940	251,940
Total Property Taxation	<u>39,630,887</u>	<u>39,630,887</u>	<u>40,924,360</u>	<u>1,293,473</u>
INTERGOVERNMENTAL - EDUCATION				
Education Cost Sharing Grants	9,722,237	9,722,237	9,773,751	51,514
Adult Education and Vocational Agricultural	14,277	14,277	14,890	613
Transportation	149,650	149,650	126,032	(23,618)
Total Intergovernmental - Education	<u>9,886,164</u>	<u>9,886,164</u>	<u>9,914,673</u>	<u>28,509</u>
INTERGOVERNMENTAL - OTHER				
Town Road Aid	339,904	339,904	336,233	(3,671)
Elderly Circuit Breaker Reimb	71,952	71,952	74,762	2,810
Disability Reimbursement	1,736	1,736	1,848	112
State Property Forest	7,405	7,405	-	(7,405)
Pequot/Mohegan Funds	54,810	54,810	49,491	(5,319)
Circuit Court Fines	5,000	5,000	9,375	4,375
Dog Damage	1,000	1,000	-	(1,000)
Telecomm Serv Pers Prop Tax	22,466	22,466	23,409	943
Additional Income Veterans	18,455	18,455	19,726	1,271
Local Capital Imp Program	105,415	105,415	106,719	1,304
Municipal Grants-In-Aid	223,527	223,527	223,527	-
DWI Grant	37,575	37,575	36,585	(990)
Erase Grant	3,105	3,105	802	(2,303)
MIRA-Recycables Rebate	-	-	7,074	7,074
Historical Preserve Award	5,000	5,000	3,000	(2,000)
North Central Area- Agency on Aging	3,000	3,000	5,548	2,548
Emergency Management	3,000	3,000	6,691	3,691
DOT - Speed enforcement	-	-	15,428	15,428
DEEP - Charging station	-	-	7,178	7,178
Milfoil Removal Crystal Lake	-	-	15,000	15,000
DEEP - Ellington Bridge Grant	-	-	3,175	3,175
Total Intergovernmental - Other	<u>903,350</u>	<u>903,350</u>	<u>945,571</u>	<u>42,221</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR GOODS AND SERVICES				
Building Department	\$ 200,000	\$ 200,000	\$ 401,326	\$ 201,326
Planning and Zoning	30,000	30,000	43,354	13,354
Fire Marshal	450	450	435	(15)
Rights of Way Permits	-	-	945	945
Recreation Program Receipts	265,940	265,940	273,758	7,818
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Cultural Arts Commission	500	500	-	(500)
Town Clerk Conveyance Tax	142,000	142,000	158,612	16,612
Town Clerk Recording Fees and Licenses	100,000	100,000	115,851	15,851
Aircraft Registration	2,500	2,500	2,500	-
Board Of Education	500	500	-	(500)
Police - Special Duty	20,000	20,000	58,291	38,291
Police DARE Donations	500	500	300	(200)
Animal Control Officer Fees and Licenses	25,000	25,000	24,854	(146)
Animal Control Donations	100	100	-	(100)
ADHOC Patriotic Committee	100	100	225	125
Youth Service Donations	1,000	1,000	400	(600)
Youth Service Activities	1,000	1,000	4,886	3,886
Human Services Donations	1,000	1,000	1,615	615
Human Services-Food Pantry	1,000	1,000	1,190	190
Human Service Fuel Administration	1,000	1,000	240	(760)
Human Services Fuel Donations	1,000	1,000	13,761	12,761
Human Services Municipal Agent	500	500	-	(500)
Human Services Emergency Donations	-	-	300	300
Senior Center Donations	500	500	-	(500)
Senior Center Programs	10,000	10,000	9,765	(235)
Senior Center EMATS	500	500	1,355	855
Senior Center Transportation Prgm	500	500	600	100
Total Charges for Goods and Services	818,090	818,090	1,114,563	296,473

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER
				(UNDER)
INVESTMENT EARNINGS				
Interest on earnings	\$ 15,000	\$ 15,000	\$ 21,826	\$ 6,826
	<u>15,000</u>	<u>15,000</u>	<u>21,826</u>	<u>6,826</u>
WPCA	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
OTHER REVENUES				
Ambulance Fee Program	300,950	300,950	343,180	42,230
Insurance Claims and Refunds	7,500	7,500	69,474	61,974
WPCA Reimbursement	31,645	31,645	32,540	895
WPCA-Reimb Maintenance Budget	195,016	195,016	136,086	(58,930)
Building Demolition/Evictions	5,000	5,000	-	(5,000)
Snow Removal Charge-Developers	5,000	5,000	-	(5,000)
Sundry Refunds and Receipts	23,822	23,822	24,405	583
Rental Income of Town Property	9,975	9,975	9,975	-
Sale of Property	100	100	9,918	9,818
Total Other Revenues	<u>579,008</u>	<u>579,008</u>	<u>625,578</u>	<u>46,570</u>
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	<u>2,051,437</u>	<u>2,428,150</u>	<u>-</u>	<u>(2,428,150)</u>
Total Revenues and Other Financing Sources	<u>\$ 53,958,936</u>	<u>\$ 54,335,649</u>	<u>\$ 53,621,571</u>	<u>\$ (714,078)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>			VARIANCE (UNDER) OVER
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
GENERAL GOVERNMENT				
Board of Selectmen	\$ 228,200	\$ 233,818	\$ 233,817	\$ (1)
Board of Finance	6,950	7,649	7,649	-
Auditors	44,000	44,000	44,000	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	294,420	297,523	281,990	(15,533)
Tax Assessor	219,356	219,356	175,733	(43,623)
Tax Collector	162,560	162,560	156,567	(5,993)
Board of Assessments Appeals	400	400	68	(332)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	181,572	181,572	166,839	(14,733)
Town Counsel	110,000	150,378	144,320	(6,058)
Probate Court	10,353	10,353	7,353	(3,000)
Town Planner	233,349	237,236	214,280	(22,956)
Total General Government	<u>1,491,360</u>	<u>1,545,045</u>	<u>1,432,616</u>	<u>(112,429)</u>
BOARDS AND AGENCIES				
Registrars and Electors	72,554	72,554	64,024	(8,530)
Economic Development Commission	4,500	4,500	3,279	(1,221)
Planning and Zoning	27,154	30,306	30,306	-
Design Review Board	100	100	-	(100)
Zoning Board of Appeals	4,100	4,100	3,409	(691)
Shared Services Commission	100	100	-	(100)
Permanent Building Commission	1,450	1,450	1,375	(75)
Ethics Commission	1,170	1,170	200	(970)
Inland Wetland Agency	6,300	6,300	4,914	(1,386)
Flood & Erosion Control Board	100	100	-	(100)
Conservation Commission	2,000	2,291	2,291	-
WPCA	1	1	-	(1)
Total Boards and Agencies	<u>119,529</u>	<u>122,972</u>	<u>109,798</u>	<u>(13,174)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	(UNDER) OVER
PUBLIC SAFETY				
Center Fire Department	\$ 243,963	\$ 270,607	\$ 270,606	\$ (1)
Crystal Lake Fire Department	79,552	79,552	74,513	(5,039)
Fire Protection Hydrants	326,604	328,427	328,426	(1)
Emergency 911	50,546	50,546	50,364	(182)
Police	1,325,411	1,325,411	1,231,734	(93,677)
Police Special Duty	20,000	39,978	39,977	(1)
Police Drug Abuse Resistance Education	1,500	1,500	580	(920)
Animal Control Officer	98,197	98,197	83,956	(14,241)
Emergency Management	34,145	37,235	37,234	(1)
Building Department	140,401	145,001	145,000	(1)
Volunteer Ambulance	295,100	295,100	274,310	(20,790)
Emergency Service Incentive Program	149,700	149,700	143,699	(6,001)
Adhoc Emergency Service Committee	535	535	-	(535)
Public Safety Commission	100	100	-	(100)
Fire Marshal	186,785	189,980	183,211	(6,769)
Total Public Safety	<u>2,952,539</u>	<u>3,011,869</u>	<u>2,863,610</u>	<u>(148,259)</u>
PUBLIC WORKS				
General Town Roads	1,745,607	1,750,169	1,654,109	(96,060)
New Equipment	10,000	10,000	9,879	(121)
Equipment Maintenance	273,600	273,600	223,134	(50,466)
Town Garage Maintenance	71,400	71,400	66,084	(5,316)
Street Signs	15,000	15,000	13,652	(1,348)
Grounds Maintenance - BOE/Parks	103,000	144,250	144,249	(1)
Town Aid Road - Winter	270,000	274,541	274,540	(1)
Town Aid Road - Materials	290,000	305,434	305,434	-
Sanitary Landfill	375,550	375,550	282,695	(92,855)
Sanitary Recycling	373,368	373,368	335,542	(37,826)
Household Hazardous Waste	13,739	13,739	11,576	(2,163)
WPCA Maintenance	116,016	116,016	49,425	(66,591)
Street Lighting	97,235	97,235	91,823	(5,412)
Engineer and Inspections	100,000	101,672	101,672	-
Total Public Works	<u>3,854,515</u>	<u>3,921,974</u>	<u>3,563,814</u>	<u>(358,160)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNDER)</u>
RECREATION				
Parks Recreation Equipment	\$ 413,145	\$ 415,475	\$ 415,382	\$ (93)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	12,500	12,121	(379)
Crystal Lake Water Monitor	25,000	25,000	25,000	-
Total Recreation	<u>450,745</u>	<u>453,075</u>	<u>452,503</u>	<u>(572)</u>
LIBRARY				
Hall Memorial Library	572,804	574,222	572,804	(1,418)
Total Library	<u>572,804</u>	<u>574,222</u>	<u>572,804</u>	<u>(1,418)</u>
HUMAN SERVICES				
Public Health Nursing	3,500	3,500	2,776	(724)
Nutmeg Big Brothers Big Sisters	500	500	500	-
Tri-Town Emergency Shelter	500	500	500	-
Cornerstone Foundation Inc.	500	500	500	-
Connecticut Legal Services	2,200	2,200	2,200	-
YWCA/SACS	800	800	800	-
Regional Mental Health Board	1,092	1,092	1,092	-
Kidsafe CT	3,000	3,000	3,000	-
Hockanum Valley Community Council	33,000	36,383	36,383	-
Food Pantry	1,000	1,047	1,047	-
Fuel Bank	1,500	1,500	519	(981)
Youth Enrichment	20,000	20,811	20,811	-
Youth Activity Programs	67,870	67,870	59,235	(8,635)
Hartford Interval House	2,000	2,000	2,000	-
Human Services	218,885	218,885	214,537	(4,348)
North Central Health District	73,721	73,721	73,721	-
Welfare	16,000	16,000	10,605	(5,395)
Municipal Agent	2,300	2,300	2,300	-
Senior Center	214,660	214,660	201,222	(13,438)
Total Human Services	<u>663,028</u>	<u>667,269</u>	<u>633,748</u>	<u>(33,521)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	(UNDER) OVER
TOWN PROPERTIES				
Town Hall	\$ 449,656	\$ 449,656	\$ 427,822	\$ (21,834)
Center Cemetery	3,700	3,700	3,700	-
Hall Memorial Library Building	147,775	147,775	147,775	-
Arbor Commons - Human services	20,550	21,214	21,213	(1)
Arbor Commons - Police	19,750	19,750	15,804	(3,946)
Senior Center Building	59,952	74,282	74,281	(1)
Pinney House	1,500	1,500	1,343	(157)
Old Crystal Lake School House	10,200	10,200	9,659	(541)
Total Town Properties	<u>713,083</u>	<u>728,077</u>	<u>701,597</u>	<u>(26,480)</u>
DEBT SERVICE				
Debt Redemption - Principal	2,202,317	2,202,317	2,126,728	(75,589)
Debt Redemption - Interest	982,005	982,005	804,384	(177,621)
Total Debt Service	<u>3,184,322</u>	<u>3,184,322</u>	<u>2,931,112</u>	<u>(253,210)</u>
MISCELLANEOUS				
Social Security	395,000	395,000	363,846	(31,154)
Insurance	2,451,600	2,354,308	2,138,546	(215,762)
Insurance Reimbursement and Claims	7,500	62,500	57,478	(5,022)
Insurance Prior Year	5,000	5,000	-	(5,000)
Service Insurance	96,341	96,341	96,341	-
Contingency Fund	200,000	200,000	200,000	-
Capital Reserve Fund	200,000	200,000	200,000	-
AD HOC Prevention Council Developing	7,000	7,000	6,911	(89)
Erase	3,105	3,105	812	(2,293)
AD HOC Patriotic Committee	4,700	4,700	2,501	(2,199)
Charter Revision Commission	7,000	7,000	1,645	(5,355)
Miscellaneous	2,000	2,000	1,000	(1,000)
GASB-OPEB	100,000	100,000	100,000	-
Referendum	18,000	19,511	19,510	(1)
Building Demolition/Eviction	10,000	10,000	1,360	(8,640)
Salary Adjustment	60,000	33,892	-	(33,892)
Employee Education Development	7,500	7,500	-	(7,500)
Town Communications	18,628	18,628	17,805	(823)
Town Web Site	7,000	30,602	26,787	(3,815)
Grant Applications	2,000	2,000	-	(2,000)
GIS	14,000	14,000	4,700	(9,300)
Total Miscellaneous	<u>3,616,374</u>	<u>3,573,087</u>	<u>3,239,242</u>	<u>(333,845)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>			VARIANCE (UNDER) OVER
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
CAPITAL OUTLAYS				
Local Capital Improvement Program	\$ 107,785	\$ 107,785	\$ 106,976	\$ (809)
Road Overlay	500,000	500,000	500,000	-
DPW - Snow Plow Dumptrucks Replacements	180,000	180,000	180,000	-
DPW - Mower Replacements	20,000	20,000	20,000	-
Animal Control Vehicle	32,000	32,000	32,000	-
Town Hall Study Phase I/II	-	53,000	53,000	-
Municipal Broadband Connections	35,500	35,500	35,500	-
Building Department File storage	24,000	24,000	24,000	-
HML - Reroofing of Original Building	-	85,100	85,100	-
Parking Lot Renovations	40,000	40,000	40,000	-
Field Irrigation	25,000	25,000	25,000	-
EVAC - Ambulance replacement	210,000	210,000	210,000	-
EVAC - Service Vehicle	-	75,000	75,000	-
BOE - EMS Phone System	48,268	48,268	48,268	-
BOE - EHS Exterior Auditorium Wall Repair	18,670	18,670	18,670	-
BOE - Replacement Vans - Special Ed	48,514	48,514	48,514	-
Total Capital Outlays	<u>1,289,737</u>	<u>1,502,837</u>	<u>1,502,028</u>	<u>(809)</u>
EDUCATION				
Salaries				
Administrative	1,847,950	1,847,950	1,861,295	13,345
Faculty	16,118,964	16,118,964	16,087,874	(31,090)
Secretarial	842,825	842,825	793,670	(49,155)
Custodial	1,259,782	1,259,782	1,251,887	(7,895)
Nurses	344,715	344,715	359,797	15,082
Instructor Aides	1,011,068	1,011,068	1,011,068	-
General / Media Aides	411,645	411,645	419,515	7,870
Severance	112,833	112,833	112,833	-
Total Salaries	<u>21,949,782</u>	<u>21,949,782</u>	<u>21,897,939</u>	<u>(51,843)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>			VARIANCE (UNDER) OVER
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
EDUCATION (Continued)				
Employee Benefits				
Health Benefits	\$ 5,261,910	\$ 5,261,910	\$ 5,210,524	\$ (51,386)
Social Security	553,937	553,937	553,937	-
Unemployment	10,000	10,000	13,500	3,500
Retirement - MERS	524,442	524,442	524,442	-
Course Tuition	1,000	1,000	1,000	-
Total Employee Benefits	<u>6,351,289</u>	<u>6,351,289</u>	<u>6,303,403</u>	<u>(47,886)</u>
Contracted Services				
Program Improvement	320,949	320,949	320,949	-
Pupil Services	79,831	79,831	79,831	-
Management Services	24,000	24,000	24,000	-
Professional/Tech Services	552,068	552,068	626,435	74,367
Public Utilities-Electricity	681,700	681,700	706,700	25,000
Other Property Services	186,000	186,000	186,000	-
Property Insurance	322,635	322,635	336,236	13,601
Rentals	106,721	106,721	106,721	-
Repairs Instrument Equipment	44,488	44,488	44,488	-
Repairs/Maintenance	150,071	150,071	150,071	-
Reg. Pupil Transportation	1,560,701	1,560,701	1,560,701	-
Conference/Travel	54,700	54,700	54,700	-
Special Ed Transportation	495,766	495,766	495,766	-
Athletic Transportation	46,051	46,051	46,051	-
Telephone	58,864	58,864	58,908	44
Printing /Advertising	24,970	24,970	24,970	-
Outside Tuition	984,593	984,593	1,019,593	35,000
Total Contracted Services	<u>5,694,108</u>	<u>5,694,108</u>	<u>5,842,120</u>	<u>148,012</u>
Capital Outlays				
Replacement Equipment	68,687	68,687	68,687	-
Total Capital Outlays	<u>68,687</u>	<u>68,687</u>	<u>68,687</u>	<u>-</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNDER)</u>
EDUCATION (Continued)				
Supplies and Materials				
Security	\$ -	\$ -	\$ 513	\$ 513
Administrative Supplies	58,665	58,665	58,665	-
Program Supplies	297,104	297,104	297,104	-
Special Education	54,060	54,060	54,060	-
Basic	127,568	127,568	127,568	-
Custodial Supplies	128,000	128,000	128,000	-
Heating Fuel and Gasoline	73,300	73,300	13,300	(60,000)
Textbooks	103,437	103,437	103,437	-
Library/Media	56,388	56,388	56,388	-
Total Supplies and Materials	<u>898,522</u>	<u>898,522</u>	<u>839,035</u>	<u>(59,487)</u>
Miscellaneous				
Dues and Memberships	48,012	48,012	48,012	-
Other Supplies	40,500	40,500	41,046	546
Total Miscellaneous	<u>88,512</u>	<u>88,512</u>	<u>89,058</u>	<u>546</u>
Total Board of Education	<u>35,050,900</u>	<u>35,050,900</u>	<u>35,040,242</u>	<u>(10,658)</u>
Total Budgetary Expenditures	<u>\$ 53,958,936</u>	<u>\$ 54,335,649</u>	<u>\$ 53,043,114</u>	<u>\$ (1,292,535)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2016

GRAND LIST YEAR	BALANCE UNCOLLECTED	CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO	BALANCE TO BE	COLLECTIONS				BALANCE UNCOLLECTED
	JUNE 30, 2015		ADDITIONS	DEDUCTIONS	SUSPENSE	COLLECTED	TAXES	INTEREST	LIEN FEES	TOTAL	JUNE 30, 2016
2014	\$ -	\$ 40,456,002	\$ 72,620	\$ 123,019	\$ -	\$ 40,405,603	\$ 40,168,926	\$ 97,873	\$ 2,340	\$ 40,269,139	\$ 236,677
2013	328,371	-	11,382	8,459	-	331,294	210,625	47,234	1,329	259,188	120,669
2012	192,905	-	8,929	2,597	(28,377)	170,860	117,707	45,920	720	164,347	53,153
2011	105,555	-	-	1,863	-	103,692	67,352	36,319	384	104,055	36,340
2010	79,314	-	209	1,836	-	77,687	45,664	33,952	288	79,904	32,023
2009	65,734	-	-	1,803	-	63,931	34,145	29,803	192	64,140	29,786
2008	50,077	-	-	1,782	-	48,295	28,185	28,919	144	57,248	20,110
2007	33,692	-	-	1,739	-	31,953	22,059	22,919	120	45,098	9,894
2006	19,818	-	-	1,746	-	18,072	9,222	8,679	24	17,925	8,850
2005	9,897	-	-	1,732	-	8,165	2,904	2,110	-	5,014	5,261
2004	4,172	-	-	1,654	-	2,518	-	-	-	-	2,518
2003	4,057	-	-	1,610	-	2,447	-	-	-	-	2,447
2002	1,861	-	-	992	-	869	-	-	-	-	869
2001	897	-	-	-	-	897	-	-	-	-	897
2000	2,735	-	-	-	-	2,735	-	38	21	59	2,735
	<u>\$ 899,085</u>	<u>\$ 40,456,002</u>	<u>\$ 93,140</u>	<u>\$ 150,832</u>	<u>\$ (28,377)</u>	<u>\$ 41,269,018</u>	<u>\$ 40,706,789</u>	<u>\$ 353,766</u>	<u>\$ 5,562</u>	<u>\$ 41,066,117</u>	<u>\$ 562,229</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)
FOR THE YEAR ENDED JUNE 30, 2016

Total cash collections for the
year ended June 30, 2016

Taxes	\$ 40,706,789
Interest and lien fees	359,328
Total	<u>41,066,117</u>

Reimbursed for

Tax relief for elderly (CGS 12-129d)	74,762
Total	<u>74,762</u>

Base \$ 41,140,879

	<u>GENERAL PURPOSE</u>	<u>SCHOOLS</u>	<u>SEWERS</u>	<u>URBAN RENEWAL</u>	<u>PENSION DEFICIT</u>
Debt limitation:					
2-1/4 times base	\$ 92,566,978	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	185,133,956	-	-	-
3-3/4 times base	-	-	154,278,296	-	-
3-1/4 times base	-	-	-	133,707,857	-
3 times base	-	-	-	-	123,422,637
Total debt limitation	<u>92,566,978</u>	<u>185,133,956</u>	<u>154,278,296</u>	<u>133,707,857</u>	<u>123,422,637</u>
Indebtedness:					
Bonds and notes payable	5,142,400	15,082,600	1,075,000	-	-
Authorized but unissued bonds	730,000	12,540,000	-	-	-
Total indebtedness	<u>5,872,400</u>	<u>27,622,600</u>	<u>1,075,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of Outstanding and authorized debt	<u>\$ 86,694,578</u>	<u>157,511,356</u>	<u>153,203,296</u>	<u>133,707,857</u>	<u>123,422,637</u>
Total capacity of borrowing (7 times base)	\$ 287,986,153				
Total present indebtedness	<u>34,570,000</u>				
Margin for additional borrowing	<u>\$ 253,416,153</u>				

COMBINING STATEMENTS

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET - BY FUND TYPE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,418,999	\$ 247,578	\$ 102,570	\$ 2,769,147
Investments	-	-	785,158	785,158
Receivables:				
Grants and contracts receivable	40,694	264,217	-	304,911
Other	140,723	-	-	140,723
Due from other funds	70,805	315,260	30,726	416,791
Inventories	5,408	-	-	5,408
Total assets	<u>\$ 2,676,629</u>	<u>\$ 827,055</u>	<u>\$ 918,454</u>	<u>\$ 4,422,138</u>
LIABILITIES				
Accounts payable	\$ 70,222	\$ 3,917	\$ 53	\$ 74,192
Due to other funds	364,571	1,649,957	-	2,014,528
Unearned revenue	659,624	-	-	659,624
Due to funding source	15,242	-	-	15,242
Total liabilities	<u>1,109,659</u>	<u>1,653,874</u>	<u>53</u>	<u>2,763,586</u>
FUND BALANCES				
Nonspendable:				
Endowments	-	-	52,497	52,497
Inventories	5,408	-	-	5,408
Restricted for:				
Special reserves - external	-	-	865,904	865,904
Committed:				
School lunch operations	84,786	-	-	84,786
After school program	220,440	-	-	220,440
Public safety	494,298	-	-	494,298
Human services	95,416	-	-	95,416
Town properties	501,307	-	-	501,307
Land use	94,845	-	-	94,845
General government	70,470	-	-	70,470
Capital nonrecurring	-	558,921	-	558,921
Unassigned	-	(1,385,740)	-	(1,385,740)
Total fund balances	<u>1,566,970</u>	<u>(826,819)</u>	<u>918,401</u>	<u>1,658,552</u>
Total liabilities and fund balances	<u>\$ 2,676,629</u>	<u>\$ 827,055</u>	<u>\$ 918,454</u>	<u>\$ 4,422,138</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BY FUND TYPE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,667,727	\$ 258,771	\$ -	\$ 1,926,498
Charges for services	1,058,296	-	-	1,058,296
Food sales	444,475	-	-	444,475
Interest and dividends	4,168	766	171	5,105
Net decrease in the fair value of investments	-	-	(17,283)	(17,283)
Other income	18,455	-	10,063	28,518
Total revenues	<u>3,193,121</u>	<u>259,537</u>	<u>(7,049)</u>	<u>3,445,609</u>
EXPENDITURES				
Current:				
Program expenditures	2,965,702	106,719	9,539	3,081,960
Capital outlays	-	2,521,734	-	2,521,734
Total expenditures	<u>2,965,702</u>	<u>2,628,453</u>	<u>9,539</u>	<u>5,603,694</u>
Net change in fund balances	227,419	(2,368,916)	(16,588)	(2,158,085)
Fund balances - beginning	<u>1,339,551</u>	<u>1,542,097</u>	<u>934,989</u>	<u>3,816,637</u>
Fund balances - ending	<u>\$ 1,566,970</u>	<u>\$ (826,819)</u>	<u>\$ 918,401</u>	<u>\$ 1,658,552</u>

SPECIAL REVENUE FUNDS

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Dog Fund	Education Grants Fund	After School Program Fund	School Lunch Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund	HUD Small Cities Housing Rehab Program Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 283,734	\$ 457,645	\$ 64,805	\$ 701,802	\$ -	\$ 95,416
Receivables:							
Grants and contracts receivable	-	-	-	20,918	-	-	-
Other	-	-	-	-	140,723	-	-
Due from other funds	13,342	2,831	-	-	-	-	-
Inventories	-	-	-	5,408	-	-	-
Total assets	<u>\$ 13,342</u>	<u>\$ 286,565</u>	<u>\$ 457,645</u>	<u>\$ 91,131</u>	<u>\$ 842,525</u>	<u>\$ -</u>	<u>\$ 95,416</u>
LIABILITIES							
Accounts payable	\$ -	\$ 65,843	\$ -	\$ 937	\$ 3,442	\$ -	\$ -
Due to other funds	-	-	-	-	344,785	-	-
Unearned revenue	-	218,822	237,205	-	-	-	-
Due to funding source	13,342	1,900	-	-	-	-	-
Total liabilities	<u>13,342</u>	<u>286,565</u>	<u>237,205</u>	<u>937</u>	<u>348,227</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable:							
Inventories	-	-	-	5,408	-	-	-
Committed to:							
School lunch operations	-	-	-	84,786	-	-	-
Education	-	-	220,440	-	-	-	-
Public safety	-	-	-	-	494,298	-	-
Human services	-	-	-	-	-	-	95,416
Town properties	-	-	-	-	-	-	-
Land use	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>220,440</u>	<u>90,194</u>	<u>494,298</u>	<u>-</u>	<u>95,416</u>
Total liabilities and fund balances	<u>\$ 13,342</u>	<u>\$ 286,565</u>	<u>\$ 457,645</u>	<u>\$ 91,131</u>	<u>\$ 842,525</u>	<u>\$ -</u>	<u>\$ 95,416</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBING BALANCE SHEET (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2016

	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Small Cities Regular Rehab 13 Fund	Airport Improvement Grant Fund	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 39,744	\$ 33,327	\$ -	\$ 48,183	\$ 694,333	\$ 10	\$ -	\$ 2,418,999
Receivables:								
Grants and contracts receivable	-	-	6,756	-	-	7,380	5,640	40,694
Other	-	-	-	-	-	-	-	140,723
Due from other funds	30,726	20,211	-	3,695	-	-	-	70,805
Inventories	-	-	-	-	-	-	-	5,408
Total assets	<u>\$ 70,470</u>	<u>53,538</u>	<u>6,756</u>	<u>51,878</u>	<u>694,333</u>	<u>7,390</u>	<u>5,640</u>	<u>2,676,629</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,222
Due to other funds	-	-	6,756	-	-	7,390	5,640	364,571
Unearned revenue	-	-	-	-	203,597	-	-	659,624
Due to funding source	-	-	-	-	-	-	-	15,242
Total liabilities	<u>-</u>	<u>-</u>	<u>6,756</u>	<u>-</u>	<u>203,597</u>	<u>7,390</u>	<u>5,640</u>	<u>1,109,659</u>
FUND BALANCES								
Nonspendable:								
Inventories	-	-	-	-	-	-	-	5,408
Committed to:								
School lunch operations	-	-	-	-	-	-	-	84,786
After school program	-	-	-	-	-	-	-	220,440
Public safety	-	-	-	-	-	-	-	494,298
Human services	-	-	-	-	-	-	-	95,416
Town properties	-	10,571	-	-	490,736	-	-	501,307
Land use	-	42,967	-	51,878	-	-	-	94,845
General government	70,470	-	-	-	-	-	-	70,470
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>70,470</u>	<u>53,538</u>	<u>-</u>	<u>51,878</u>	<u>490,736</u>	<u>-</u>	<u>-</u>	<u>1,566,970</u>
Total liabilities and fund balances	<u>\$ 70,470</u>	<u>\$ 53,538</u>	<u>\$ 6,756</u>	<u>\$ 51,878</u>	<u>\$ 694,333</u>	<u>\$ 7,390</u>	<u>\$ 5,640</u>	<u>\$ 2,676,629</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUNDS BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Dog Fund	Education Grants Fund	After School Program Fund	School Lunch Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund
REVENUES								
Intergovernmental	\$ -	\$ 1,102,225	\$ 270,281	\$ 210,436	\$ -	\$ 18,653	\$ -	\$ -
Charges for services	83,956	-	452,108	-	373,116	-	40,717	-
Food sales	-	-	-	444,475	-	-	-	-
Interest and dividends	-	-	-	142	1,502	-	202	115
Other income	-	-	-	-	-	-	-	5,952
Total revenues	<u>83,956</u>	<u>1,102,225</u>	<u>722,389</u>	<u>655,053</u>	<u>374,618</u>	<u>18,653</u>	<u>40,919</u>	<u>6,067</u>
EXPENDITURES								
Current:								
Program expenditures	83,956	1,102,225	501,949	673,434	411,466	18,653	573	10
Total expenditures	<u>83,956</u>	<u>1,102,225</u>	<u>501,949</u>	<u>673,434</u>	<u>411,466</u>	<u>18,653</u>	<u>573</u>	<u>10</u>
Net change in fund balances	-	-	220,440	(18,381)	(36,848)	-	40,346	6,057
Fund balances - beginning	-	-	-	108,575	531,146	-	55,070	64,413
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,440</u>	<u>\$ 90,194</u>	<u>\$ 494,298</u>	<u>\$ -</u>	<u>\$ 95,416</u>	<u>\$ 70,470</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUNDS BALANCES *(Continued)*
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Small Cities Regular Rehab 13 Fund	Airport Improvement Grant Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	\$ -	\$ 27,023	\$ -	\$ -	\$ 39,109	\$ -	\$ 1,667,727
Charges for services	108,399	-	-	-	-	-	1,058,296
Food sales	-	-	-	-	-	-	444,475
Interest and dividends	96	-	139	1,972	-	-	4,168
Other income	-	-	525	11,978	-	-	18,455
Total revenues	<u>108,495</u>	<u>27,023</u>	<u>664</u>	<u>13,950</u>	<u>39,109</u>	<u>-</u>	<u>3,193,121</u>
EXPENDITURES							
Current:							
Program expenditures	107,149	27,023	155	-	39,109	-	2,965,702
Total expenditures	<u>107,149</u>	<u>27,023</u>	<u>155</u>	<u>-</u>	<u>39,109</u>	<u>-</u>	<u>2,965,702</u>
Net change in fund balances	1,346	-	509	13,950	-	-	227,419
Fund balances - beginning	52,192	-	51,369	476,786	-	-	1,339,551
Fund balances - ending	<u>\$ 53,538</u>	<u>\$ -</u>	<u>\$ 51,878</u>	<u>\$ 490,736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,566,970</u>

CAPITAL PROJECTS FUNDS

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2016

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund	Dojo Association Fund	Hall HVAC System Fund
ASSETS							
Cash and cash equivalents	\$ 25,783	\$ -	\$ 6,767	\$ 18,404	\$ 196,624	\$ -	\$ -
Grants and contract receivables	-	106,719	-	-	-	-	-
Due from other funds	-	-	-	-	-	24,350	16,823
Total assets	<u>\$ -</u>	<u>\$ 106,719</u>	<u>\$ 6,767</u>	<u>\$ 18,404</u>	<u>\$ 196,624</u>	<u>\$ 24,350</u>	<u>\$ 16,823</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	106,719	-	-	-	-	-
Total liabilities	<u>-</u>	<u>106,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Committed to:							
Capital nonrecurring	25,783	-	6,767	18,404	196,624	24,350	16,823
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>25,783</u>	<u>-</u>	<u>6,767</u>	<u>18,404</u>	<u>196,624</u>	<u>24,350</u>	<u>16,823</u>
Total liabilities and fund balances	<u>\$ 25,783</u>	<u>\$ 106,719</u>	<u>\$ 6,767</u>	<u>\$ 18,404</u>	<u>\$ 196,624</u>	<u>\$ 24,350</u>	<u>\$ 16,823</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET *(Continued)*
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2016

	<u>59 South Road Fund</u>	<u>Windermere Heat Control Fund</u>	<u>Senior Center Building Fund</u>	<u>Windermere School Alterations Fund</u>	<u>Baheer Farm Preservation Fund</u>	<u>Charter Farm Preservation Fund</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts receivable	-	-	-	-	-	-
Due from other funds	7,582	33,522	88,594	133,808	-	3,006
Total assets	<u>\$ 7,582</u>	<u>\$ 33,522</u>	<u>\$ 88,594</u>	<u>\$ 133,808</u>	<u>\$ -</u>	<u>\$ 3,006</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	3,917	-	-
Due to other funds	-	-	-	-	29,606	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,917</u>	<u>29,606</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Committed to:						
Capital nonrecurring	7,582	33,522	88,594	129,891	-	3,006
Unassigned	-	-	-	-	(29,606)	-
Total fund balances (deficits)	<u>7,582</u>	<u>33,522</u>	<u>88,594</u>	<u>129,891</u>	<u>(29,606)</u>	<u>3,006</u>
Total liabilities and fund balances	<u>\$ 7,582</u>	<u>\$ 33,522</u>	<u>\$ 88,594</u>	<u>\$ 133,808</u>	<u>\$ -</u>	<u>\$ 3,006</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	McKingt Farm Preservation Fund	STEAP Human Service Building Fund	Pinney Athletic Field Fund	STEAP Ellington Fire House Fund	6 Nutmeg Drive	Total Nonmajor Capital Projects Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,578
Grants and contracts receivable	-	-	-	157,498	-	264,217
Due from other funds	1,714	-	5,861	-	-	315,260
Total assets	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 5,861</u>	<u>\$ 157,498</u>	<u>\$ -</u>	<u>\$ 827,055</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,917
Due to other funds	-	-	-	157,498	1,356,134	1,649,957
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,498</u>	<u>1,356,134</u>	<u>1,653,874</u>
FUND BALANCES (DEFICITS)						
Committed to:						
Capital nonrecurring	1,714	-	5,861	-	-	558,921
Unassigned	-	-	-	-	(1,356,134)	(1,385,740)
Total fund balances (deficits)	<u>1,714</u>	<u>-</u>	<u>5,861</u>	<u>-</u>	<u>(1,356,134)</u>	<u>(826,819)</u>
Total liabilities and fund balances	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 5,861</u>	<u>\$ 157,498</u>	<u>\$ -</u>	<u>\$ 827,055</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund	Dojo Association Fund	Hall HVAC System Fund
REVENUES							
Intergovernmental	\$ -	\$ 106,719	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and dividends	74	-	72	53	567	-	-
Total revenues	<u>74</u>	<u>106,719</u>	<u>72</u>	<u>53</u>	<u>567</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current:							
Program expenditures	-	106,719	-	-	-	-	-
Capital outlays	-	-	53,130	-	-	-	-
Total expenditures	<u>-</u>	<u>106,719</u>	<u>53,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	74	-	(53,058)	53	567	-	-
Fund balances - beginning	<u>25,709</u>	<u>-</u>	<u>59,825</u>	<u>18,351</u>	<u>196,057</u>	<u>24,350</u>	<u>16,823</u>
Fund balances (deficits) - ending	<u>\$ 25,783</u>	<u>\$ -</u>	<u>\$ 6,767</u>	<u>\$ 18,404</u>	<u>\$ 196,624</u>	<u>\$ 24,350</u>	<u>\$ 16,823</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS) *(Continued)*
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	59 South Road Fund	Windermere Heat Control Fund	Senior Center Building Fund	Windermere School Alterations Fund	Baher Farm Preservation Fund	Charter Farm Preservation Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and dividends	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Program expenditures	-	-	-	-	-	-
Capital outlays	-	-	65,716	477,419	371,879	-
Total expenditures	<u>-</u>	<u>-</u>	<u>65,716</u>	<u>477,419</u>	<u>371,879</u>	<u>-</u>
Net change in fund balances	-	-	(65,716)	(477,419)	(371,879)	-
Fund balances - beginning	<u>7,582</u>	<u>33,522</u>	<u>154,310</u>	<u>607,310</u>	<u>342,273</u>	<u>3,006</u>
Fund balances (deficits) - ending	<u>\$ 7,582</u>	<u>\$ 33,522</u>	<u>\$ 88,594</u>	<u>\$ 129,891</u>	<u>\$ (29,606)</u>	<u>\$ 3,006</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS) *(Continued)*
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	McKnight Farm Preservation Fund	STEAP Human Service Building Fund	Pinney Athletic Field Fund	STEAP Ellington Fire House Fund	6 Nutmeg Drive	Total Nonmajor Capital Projects Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 152,052	\$ -	\$ 258,771
Interest and dividends	-	-	-	-	-	766
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,052</u>	<u>-</u>	<u>259,537</u>
EXPENDITURES						
Current:						
Program expenditures	-	-	-	-	-	106,719
Capital outlays	-	-	45,404	152,052	1,356,134	2,521,734
Total expenditures	<u>-</u>	<u>-</u>	<u>45,404</u>	<u>152,052</u>	<u>1,356,134</u>	<u>2,628,453</u>
Net change in fund balances	-	-	(45,404)	-	(1,356,134)	(2,368,916)
Fund balances - beginning	<u>1,714</u>	<u>-</u>	<u>51,265</u>	<u>-</u>	<u>-</u>	<u>1,542,097</u>
Fund balances (deficits) - ending	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 5,861</u>	<u>\$ -</u>	<u>\$ (1,356,134)</u>	<u>\$ (826,819)</u>

PERMANENT FUNDS

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
JUNE 30, 2016

	<u>Marshall E. Charter Fund</u>	<u>Kimball Memorial Fund</u>	<u>John T. McKnight Maintenance Fund</u>	<u>Eugene K. Mosley Fund</u>	<u>Arthur Hyde Fund</u>
ASSETS					
Cash and cash equivalents	\$ 99,360	\$ -	\$ -	\$ 100	\$ 200
Investments	387,794	98,557	19,754	-	-
Due from other funds	11,199	5,479	1,099	-	-
Total assets	<u>\$ 498,353</u>	<u>\$ 104,036</u>	<u>\$ 20,853</u>	<u>\$ 100</u>	<u>\$ 200</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Endowments	29,697	5,000	1,000	100	200
Special reserves - external	468,656	99,036	19,853	-	-
Total fund balances	<u>498,353</u>	<u>104,036</u>	<u>20,853</u>	<u>100</u>	<u>200</u>
Total liabilities and fund balances	<u>\$ 498,353</u>	<u>\$ 104,036</u>	<u>\$ 20,853</u>	<u>\$ 100</u>	<u>\$ 200</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (Continued)
NONMAJOR PERMANENT FUNDS
JUNE 30, 2016

	<u>Sarah H. McKinney Fund</u>	<u>Mary Wadsworth Gardner Fund</u>	<u>Hall Memorial Library Fund</u>	<u>Wiley Fund</u>	<u>Total Nonmajor Permanent Funds</u>
ASSETS					
Cash and cash equivalents	\$ 502	\$ 1,404	\$ -	\$ 1,004	\$ 102,570
Investments	-	72,533	206,520	-	785,158
Due from other funds	-	1,470	11,479	-	30,726
Total assets	<u>\$ 502</u>	<u>\$ 75,407</u>	<u>\$ 217,999</u>	<u>\$ 1,004</u>	<u>\$ 918,454</u>
LIABILITIES					
Accounts payable	\$ 2	\$ 47	\$ -	\$ 4	\$ 53
Total liabilities	<u>2</u>	<u>47</u>	<u>-</u>	<u>4</u>	<u>53</u>
FUND BALANCES					
Nonspendable:					
Endowments	500	5,000	10,000	1,000	52,497
Special reserves - external	-	70,360	207,999	-	865,904
Total fund balances	<u>500</u>	<u>75,360</u>	<u>217,999</u>	<u>1,000</u>	<u>918,401</u>
Total liabilities and fund balances	<u>\$ 502</u>	<u>\$ 75,407</u>	<u>\$ 217,999</u>	<u>\$ 1,004</u>	<u>\$ 918,454</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Marshall E. Charter Fund</u>	<u>Kimball Memorial Fund</u>	<u>John T. McKnight Maintenance Fund</u>	<u>Eugene K. Mosley Fund</u>	<u>Arthur Hyde Fund</u>
REVENUES					
Interest and dividends	\$ 162	\$ -	\$ -	\$ -	\$ -
Net decrease in the fair value of investments	(8,993)	(2,056)	(412)	-	-
Other income	5,236	1,197	240	-	-
Total revenues	<u>(3,595)</u>	<u>(859)</u>	<u>(172)</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Program expenditures	4,744	1,085	217	-	-
Total expenditures	<u>4,744</u>	<u>1,085</u>	<u>217</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,339)	(1,944)	(389)	-	-
Fund balances - beginning	<u>506,692</u>	<u>105,980</u>	<u>21,242</u>	<u>100</u>	<u>200</u>
Fund balances - ending	<u>\$ 498,353</u>	<u>\$ 104,036</u>	<u>\$ 20,853</u>	<u>\$ 100</u>	<u>\$ 200</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES *(Continued)*
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
REVENUES					
Interest and dividends	\$ 2	\$ 4	\$ -	\$ 3	\$ 171
Net decrease in the fair value of investments	-	(1,513)	(4,309)	-	(17,283)
Other income	-	881	2,509	-	10,063
Total revenues	<u>2</u>	<u>(628)</u>	<u>(1,800)</u>	<u>3</u>	<u>(7,049)</u>
EXPENDITURES					
Current:					
Program expenditures	<u>2</u>	<u>1,215</u>	<u>2,273</u>	<u>3</u>	<u>9,539</u>
Total expenditures	<u>2</u>	<u>1,215</u>	<u>2,273</u>	<u>3</u>	<u>9,539</u>
Net change in fund balances	-	(1,843)	(4,073)	-	(16,588)
Fund balances - beginning	<u>500</u>	<u>77,203</u>	<u>222,072</u>	<u>1,000</u>	<u>934,989</u>
Fund balances - ending	<u>\$ 500</u>	<u>\$ 75,360</u>	<u>\$ 217,999</u>	<u>\$ 1,000</u>	<u>\$ 918,401</u>

PROPRIETARY FUNDS

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION (DEFICITS)
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2016

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$5,925	\$ 46,076	\$ -	\$ 46,076
Noncurrent assets:			
Long-term assessments receivable	-	38,183	38,183
Total assets	46,076	38,183	84,259
LIABILITIES			
Current liabilities:			
Due to other funds	41,687	109,541	151,228
Total liabilities	41,687	109,541	151,228
NET POSITION (DEFICITS)			
Unrestricted (deficits)	4,389	(71,358)	(66,969)
Total net position (deficits)	\$ 4,389	\$ (71,358)	\$ (66,969)

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION (DEFICITS)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Solid waste fees	\$ 645,649	\$ -	\$ 645,649
Other	1,674	-	1,674
Total operating revenues	<u>647,323</u>	<u>-</u>	<u>647,323</u>
OPERATING EXPENSES			
Public works and administrative expenses	<u>589,272</u>	-	<u>589,272</u>
Total operating expenses	<u>589,272</u>	<u>-</u>	<u>589,272</u>
Change in net position	58,051	-	58,051
Net position (deficits) - beginning	<u>(53,662)</u>	<u>(71,358)</u>	<u>(125,020)</u>
Net position (deficits) - ending	<u>\$ 4,389</u>	<u>\$ (71,358)</u>	<u>\$ (66,969)</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 650,323	\$ -	\$ 650,323
Receipts from interfund services provided	(61,051)	-	(61,051)
Payments to suppliers	(589,272)	-	(589,272)
Net cash provided by operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 58,051	\$ -	\$ 58,051
Decrease in assets:			
Solid waste charges receivable, net	3,000	-	3,000
Decrease in liabilities:			
Due to other funds	(61,051)	-	(61,051)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2016

	Municipal Land Trust Fund	Public Health Nursing Fund	John T. McKnight Fund	Hall Memorial Library Fund	Senior Center Donation Fund	Graduation Fund
ASSETS						
Cash and cash equivalents	\$ 21,311	\$ 2,274	\$ 25,614	\$ 94,708	\$ 9,954	\$ 37,305
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>21,311</u>	<u>2,274</u>	<u>25,614</u>	<u>94,708</u>	<u>9,954</u>	<u>37,305</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	529
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 21,311</u>	<u>\$ 2,274</u>	<u>\$ 25,614</u>	<u>\$ 94,708</u>	<u>\$ 9,954</u>	<u>\$ 36,776</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION *(Continued)*
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2016

	Senior Citizen Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building Fund	Total Private Purpose Trust Funds
ASSETS						
Cash and cash equivalents	\$ 30,146	\$ 3,974	\$ -	\$ -	\$ 24,692	\$ 249,978
Investments	-	193,036	6,584	13,168	-	212,788
Due from other funds	-	10,950	262	521	-	11,733
Total assets	<u>30,146</u>	<u>207,960</u>	<u>6,846</u>	<u>13,689</u>	<u>24,692</u>	<u>474,499</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	529
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 30,146</u>	<u>\$ 207,960</u>	<u>\$ 6,846</u>	<u>\$ 13,689</u>	<u>\$ 24,692</u>	<u>\$ 473,970</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Municipal Land Trust Fund	Public Health Nursing Fund	John T. McKnight Fund	Hall Memorial Library Fund	Senior Center Donation Fund	Graduation Fund
ADDITIONS						
Contributions - private donations	\$ -	\$ -	\$ -	\$ 60,299	\$ 1,900	\$ 27,235
Other income	-	-	-	15,624	-	-
Total contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,923</u>	<u>1,900</u>	<u>27,235</u>
Investment earnings:						
Interest	62	7	74	44	57	68
Net decrease in the fair value of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>62</u>	<u>7</u>	<u>74</u>	<u>44</u>	<u>57</u>	<u>68</u>
Total additions	<u>62</u>	<u>7</u>	<u>74</u>	<u>75,967</u>	<u>1,957</u>	<u>27,303</u>
DEDUCTIONS						
Other expenses	-	-	-	-	-	-
Program expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,765</u>	<u>7,298</u>	<u>13,790</u>
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,765</u>	<u>7,298</u>	<u>13,790</u>
Change in net position	62	7	74	202	(5,341)	13,513
Net position - beginning	<u>21,249</u>	<u>2,267</u>	<u>25,540</u>	<u>94,506</u>	<u>15,295</u>	<u>23,263</u>
Net position - ending	<u>\$ 21,311</u>	<u>\$ 2,274</u>	<u>\$ 25,614</u>	<u>\$ 94,708</u>	<u>\$ 9,954</u>	<u>\$ 36,776</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION *(Continued)*
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Senior Citizen Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building Fund	Total Private Purpose Trust Funds
ADDITIONS						
Contributions - private donations	\$ 54,469	\$ -	\$ -	\$ -	\$ 8,800	\$ 152,703
Other income	-	2,393	80	160	-	18,257
Total contributions	<u>54,469</u>	<u>2,393</u>	<u>80</u>	<u>160</u>	<u>8,800</u>	<u>170,960</u>
Investment earnings:						
Interest	13	-	-	-	51	376
Net decrease in the fair value of investments	-	(4,111)	(137)	(275)	-	(4,523)
Net investment earnings	<u>13</u>	<u>(4,111)</u>	<u>(137)</u>	<u>(275)</u>	<u>51</u>	<u>(4,147)</u>
Total additions	<u>54,482</u>	<u>(1,718)</u>	<u>(57)</u>	<u>(115)</u>	<u>8,851</u>	<u>166,813</u>
DEDUCTIONS						
Other expenses	-	2,168	72	145	-	2,385
Program expenses	<u>45,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,494</u>	<u>152,932</u>
Total deductions	<u>45,585</u>	<u>2,168</u>	<u>72</u>	<u>145</u>	<u>10,494</u>	<u>155,317</u>
Change in net position	8,897	(3,886)	(129)	(260)	(1,643)	11,496
Net position - beginning	<u>21,249</u>	<u>211,846</u>	<u>6,975</u>	<u>13,949</u>	<u>26,335</u>	<u>462,474</u>
Net position - ending	<u>\$ 30,146</u>	<u>\$ 207,960</u>	<u>\$ 6,846</u>	<u>\$ 13,689</u>	<u>\$ 24,692</u>	<u>\$ 473,970</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Student Activities	Performance Bonds	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 523,524	\$ 12,051	\$ 535,575
Total assets	\$ 523,524	\$ 12,051	\$ 535,575
LIABILITIES			
Due to others	\$ 523,524	\$ 12,051	\$ 535,575
Total liabilities	\$ 523,524	\$ 12,051	\$ 535,575

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance, June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2016</u>
CASH AND CASH EQUIVALENTS				
Ellington Center School	\$ 4,587	\$ 16,656	\$ 15,362	\$ 5,881
Ellington High School	150,171	345,875	308,922	187,124
Ellington School Use Activity	17,162	3,149	10,939	9,372
Crystal Lake School	3,454	9,665	9,769	3,350
Windermere School	16,399	52,685	49,956	19,128
Special Education Preschool Department	55,472	83,100	109,076	29,496
Board of Education Educational Services	22,062	20,977	2,997	40,042
Special Education Petty Cash Reimbursement	438	6,739	6,161	1,016
Ellington Middle School	88,135	159,741	158,793	89,083
Petty Cash - BOE	941	-	941	-
Petty Cash - All Schools	519	110	-	629
Central Office Flex Spending	10,337	41,055	37,468	13,924
COBRA Reimbursement	85,135	337,247	297,903	124,479
Construction Performance Bonds	14,534	5,028	7,511	12,051
Total cash and cash equivalents	<u>469,346</u>	<u>1,082,027</u>	<u>1,015,798</u>	<u>535,575</u>
Total assets	<u>\$ 469,346</u>	<u>\$ 1,082,027</u>	<u>\$ 1,015,798</u>	<u>\$ 535,575</u>
DUE TO OTHERS				
Ellington Center School	4,587	16,656	15,362	5,881
Ellington High School	150,171	345,875	308,922	187,124
Ellington School Use Activity	17,162	3,149	10,939	9,372
Crystal Lake School	3,454	9,665	9,769	3,350
Windermere School	16,399	52,685	49,956	19,128
Special Education Preschool Department	55,472	83,100	109,076	29,496
Board of Education Educational Services	22,062	20,977	2,997	40,042
Special Education Petty Cash Reimbursement	438	6,739	6,161	1,016
Ellington Middle School	88,135	159,741	158,793	89,083
Petty Cash - BOE	941	-	941	-
Petty Cash - All Schools	519	110	-	629
Central Office Flex Spending	10,337	41,055	37,468	13,924
COBRA Reimbursement	85,135	337,247	297,903	124,479
Due to Contractors	14,534	5,028	7,511	12,051
Total Due to others	<u>469,346</u>	<u>1,082,027</u>	<u>1,015,798</u>	<u>535,575</u>
Total liabilities	<u>\$ 469,346</u>	<u>\$ 1,082,027</u>	<u>\$ 1,015,798</u>	<u>\$ 535,575</u>