

**TOWN OF ELLINGTON, CONNECTICUT**

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

**JUNE 30, 2015**

# Contents

	<b>Page</b>
<b>Independent Auditor’s Report</b>	<b>1</b>
<b>Management’s Discussion and Analysis (Unaudited)</b>	<b>3</b>
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Governmental Fund Financial Statements:	
Balance Sheet	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	24
Proprietary Fund Financial Statements:	
Statement of Net Position	25
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)	26
Statement of Cash Flows	27
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to the Financial Statements	30
<b>Required Supplementary Information</b>	
Schedule of the Town’s Proportionate Share of the Net Pension Liability – State of Connecticut Municipal Employees’ Retirement System (Unaudited)	62
Schedule of Contributions – State of Connecticut Municipal Employees’ Retirement System (Unaudited)	63
Schedule of the Town’s Proportionate Share of the Net Pension Liability – Connecticut State Teacher’s Retirement System (Unaudited)	64
Schedule of Funding Progress – Other Post Employment Benefits (Unaudited)	65

# Contents *(Continued)*

	<b>Page</b>
<b>Combining and Individual Fund Statements and Schedules:</b>	
Governmental Funds:	
General Fund:	
Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	66
Schedule of Expenditures - Budget and Actual - Budgetary Basis	69
Schedule of Property Taxes Levied, Collected and Outstanding	76
Schedule of Debt Limitation	77
Combining Statements:	
Combining Balance Sheet by Fund Type - Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances by Fund Type - Nonmajor Governmental Funds	79
Special Revenue Funds:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	83
Capital Projects Funds:	
Combining Balance Sheet - Nonmajor Capital Projects Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds (Deficits)	89
Permanent Funds:	
Combining Balance Sheet - Nonmajor Permanent Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Permanent Funds	94
Proprietary Funds:	
Enterprise Funds:	
Combining Statement of Net Position (Deficit) - Nonmajor Enterprise Funds	96
Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Nonmajor Enterprise Funds	97
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	98

# Contents *(Continued)*

	<b>Page</b>
<b>Combining and Individual Fund Statements and Schedules <i>(Continued)</i>:</b>	
Fiduciary Funds:	
Private Purpose Trust Funds	
Combining Statement of Fiduciary Net Position	99
Combining Statement of Changes in Fiduciary Net Position	101
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	103
Combining Statement of Changes in Fiduciary Assets and Liabilities	104

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**INDEPENDENT AUDITOR'S REPORT**

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## 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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2015, 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.

## **Change in Accounting Principle**

As disclosed in Note 12 to the financial statements, the Town implemented new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

## **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 104 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 May 20, 2016, 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  
May 20, 2016

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**TOWN OF ELLINGTON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$80,911,235 (net position). Of this amount, \$16,223,241 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's change in net position for the year ended June 30, 2015 amounted to an increase of \$5,397,143 or 7.15% in comparison to the prior year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,802,086, an increase of \$3,282,165 in comparison with the prior year.
- At the end of the close of the current fiscal year, unassigned fund balance for the General Fund was \$1,867,100 or 3.36% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 0.40 months of General Fund operating expenditures. Committed fund balance for future "Capital Reserves" and other "Capital and Nonrecurring" requirements totaled \$5,544,838 at June 30, 2015.
- Effective January 1, 2008, Town Charter Section 1004, requires the Board of Finance to maintain at least a minimum of 5% of the total expenditures for the current year in capital reserves. No expenditure or transfer may be made from the Capital Reserves without the approval of the Board of Finance. Amounts committed for "Capital Reserves" totaled \$4,878,650 or 9.39% of budgetary expenditures for the year ended June 30, 2015.
- The Town's total long-term bonded debt had a net increase of \$9,210,000 or 65.67% during the current fiscal year due to the issuance of bonded debt totaling \$10,630,000 offset by scheduled principal repayments.
- The beginning net position of the Town's governmental activities was decreased by \$2,998,320, due to the current year implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB statement No. 27*. GASB Statements No. 68 required the Town to recognize its proportionate share of the net pension liability relating to its long-term obligations for pension benefits in the government-wide financial statements (see Note 12).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

### **Government-wide Financial Statements *(Continued)***

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, boards and agencies, public safety, public works, recreation, library, human services, town properties and education. The business-type activities of the Town include sewer activities.

The government-wide financial statements can be found on pages 17 and 18 of this report.

### **Fund Financial Statements**

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

#### ***Governmental Funds***

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

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

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

The basic governmental fund financial statements can be found on pages 19-24 of this report.

## **OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

### **Fund Financial Statements *(Continued)***

#### ***Proprietary Funds***

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

The Town maintains four individual enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Authority Fund and the Crystal Lake Sewers Fund, both of which are considered to be major funds. Data from the other two enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

#### ***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 61 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules that can be found on pages 62 through 104 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

Over time, net position may serve as one measure of a government's financial position. Total net position (governmental and business-type activities combined) of the Town totaled \$80,911,235 and \$75,514,092 (as restated) as of June 30, 2015 and 2014, respectively, and are summarized as follows. The Town has restated balances reported as of June 30, 2014 for the implementation of GASB Statement No. 68.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**

**Town of Ellington**  
**Net Position**  
**June 30, 2015**

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 23,150,938	\$ 6,931,696	\$ 30,082,634
Capital assets	74,271,624	10,756,531	85,028,155
Total assets	<u>97,422,562</u>	<u>17,688,227</u>	<u>115,110,789</u>
Deferred outflows of resources	136,264	-	136,264
Other liabilities	4,469,520	51,063	4,520,583
Long-term liabilities	27,778,131	1,350,673	29,128,804
Total liabilities	<u>32,247,651</u>	<u>1,401,736</u>	<u>33,649,387</u>
Deferred inflows of resources	686,431	-	686,431
Net position:			
Net investment in capital assets	51,171,283	9,760,379	60,931,662
Restricted	3,756,332	-	3,756,332
Unrestricted	9,697,129	6,526,112	16,223,241
Total net position	<u>\$ 64,624,744</u>	<u>\$ 16,286,491</u>	<u>\$ 80,911,235</u>

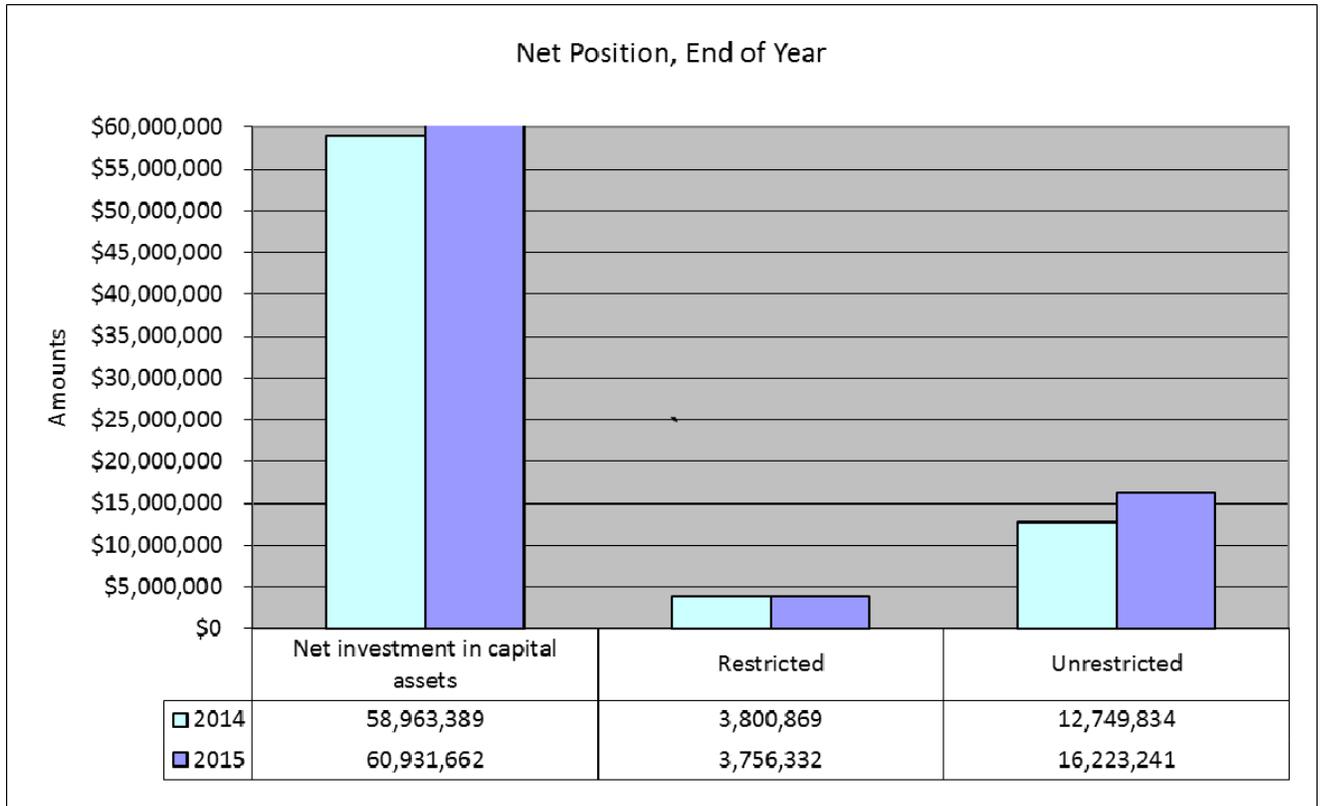
**Town of Ellington**  
**Net Position**  
**June 30, 2014**  
*(Restated)*

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 18,238,897	\$ 6,743,154	\$ 24,982,051
Capital assets	63,144,774	10,708,329	73,853,103
Total assets	<u>81,383,671</u>	<u>17,451,483</u>	<u>98,835,154</u>
Deferred outflows of resources	162,891	-	162,891
Other liabilities	2,769,817	59,696	2,829,513
Long-term liabilities	19,032,065	1,622,375	20,654,440
Total liabilities	<u>21,801,882</u>	<u>1,682,071</u>	<u>23,483,953</u>
Net position:			
Net investment in capital assets	49,480,060	9,483,329	58,963,389
Restricted	3,800,869	-	3,800,869
Unrestricted	6,463,751	6,286,083	12,749,834
Total net position	<u>\$ 59,744,680</u>	<u>\$ 15,769,412</u>	<u>\$ 75,514,092</u>

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



75.31% of the Town's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

4.64% of the Town's net position are subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position are considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased \$5,397,143 or 7.15% in comparison to the prior year.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

Changes in net position for the years ended June 30, 2015 and 2014 are as follows. The amounts presented for the fiscal year ended June 30, 2014 have not been restated for the implementation of GASB No. 68 since the effect of these adjustments are not readily determinable.

**Town of Ellington**  
**Changes in Net Position**  
**For the Year Ended June 30, 2015**

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 2,519,394	\$ 2,877,981	\$ 5,397,375
Operating grants and contributions	16,781,648	-	16,781,648
Capital grants and contributions	4,976,047	-	4,976,047
General revenues:			
Property taxes	37,651,098	-	37,651,098
Grants and contributions not restricted to specific programs	189,781	-	189,781
Unrestricted investment earnings	69,328	194	69,522
Total revenues	62,187,296	2,878,175	65,065,471
Program expenses			
General government	3,746,820	-	3,746,820
Boards and agencies	97,454	-	97,454
Public safety	3,092,339	-	3,092,339
Public works	4,132,255	-	4,132,255
Recreation	438,095	-	438,095
Library	631,713	-	631,713
Human services	1,247,971	-	1,247,971
Town properties	705,558	-	705,558
Education	42,793,916	-	42,793,916
Interest on long-term debt	368,361	-	368,361
Sewer and solid waste	-	2,413,846	2,413,846
Total expenses	57,254,482	2,413,846	59,668,328
Change in net position before transfers	4,932,814	464,329	5,397,143
Transfers	(52,750)	52,750	-
Change in net position	4,880,064	517,079	5,397,143

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

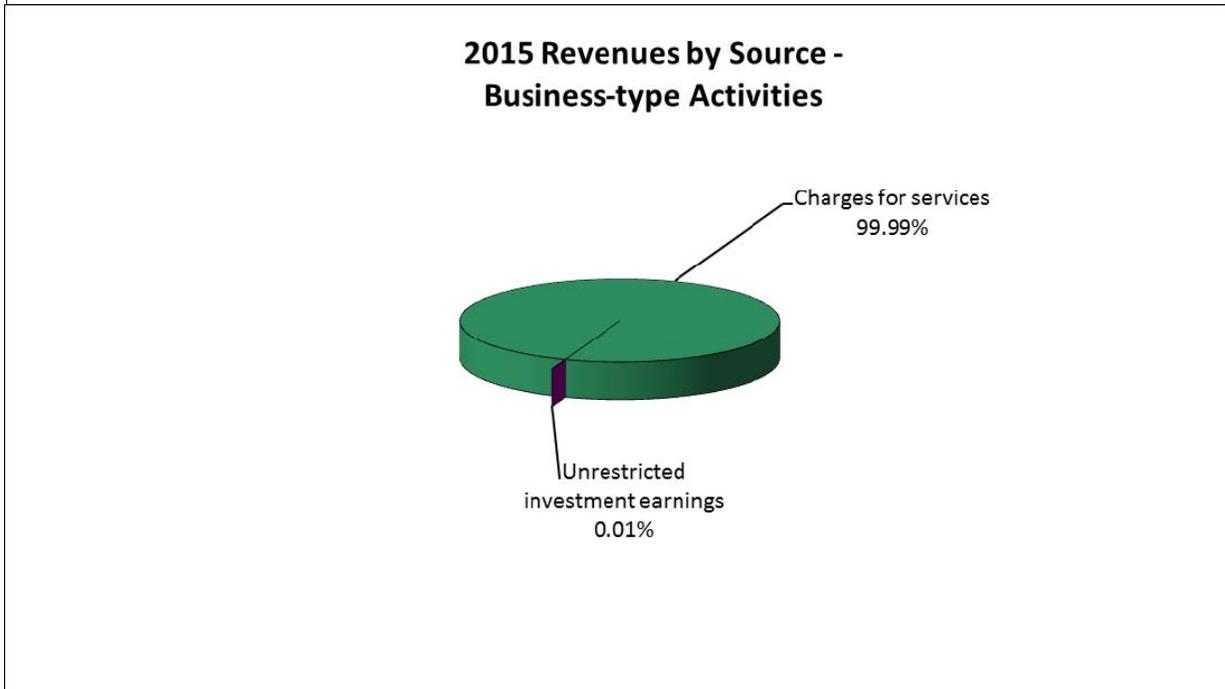
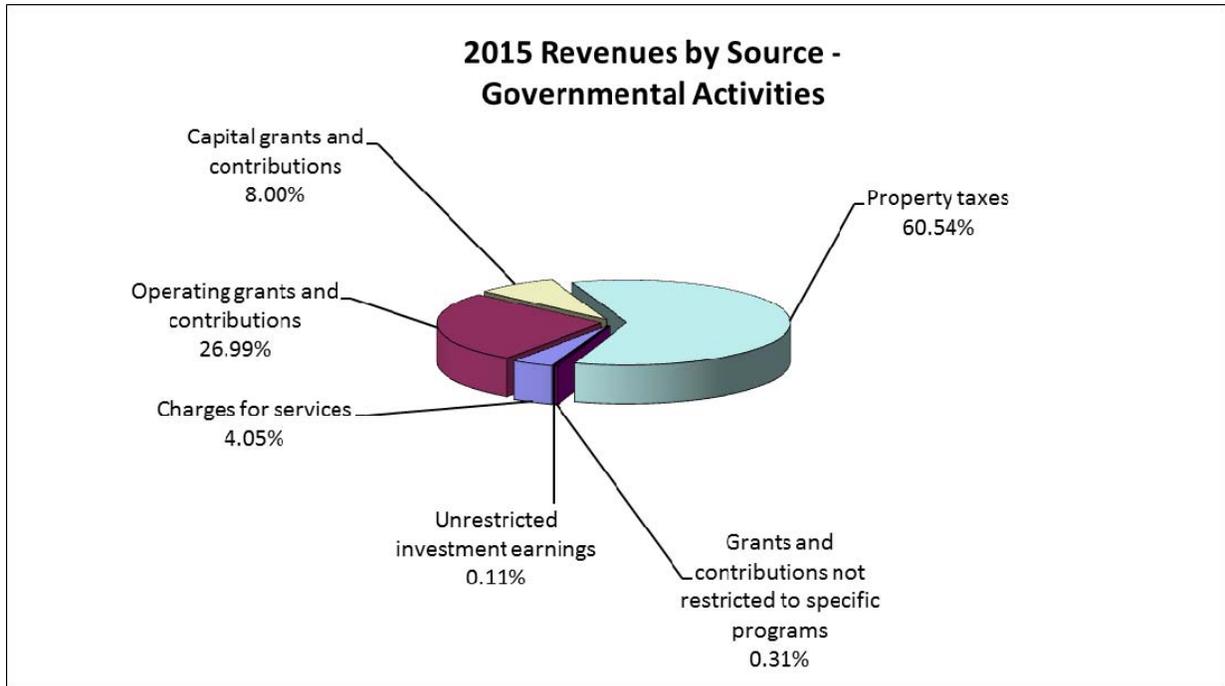
**Changes in Net Position (Continued)**

**Town of Ellington**  
**Changes in Net Position**  
**For the Year Ended June 30, 2014**

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 2,629,499	\$ 2,973,445	\$ 5,602,944
Operating grants and contributions	16,883,532	-	16,883,532
Capital grants and contributions	997,814	-	997,814
General revenues:			
Property taxes	36,483,519	-	36,483,519
Grants and contributions not restricted to specific programs	340,532	-	340,532
Unrestricted investment earnings	15,312	4,505	19,817
Total revenues	57,350,208	2,977,950	60,328,158
Program expenses			
General government	2,992,780	-	2,992,780
Boards and agencies	100,283	-	100,283
Public safety	2,811,699	-	2,811,699
Public works	3,817,452	-	3,817,452
Recreation	457,629	-	457,629
Library	766,496	-	766,496
Human services	1,269,587	-	1,269,587
Town properties	594,015	-	594,015
Education	41,508,765	-	41,508,765
Interest on long-term debt	126,740	-	126,740
Sewer and solid waste	-	2,698,067	2,698,067
Total expenses	54,445,446	2,698,067	57,143,513
Change in net assets before transfers	2,904,762	279,883	3,184,645
Transfers	(260,000)	260,000	-
Change in net position	2,644,762	539,883	3,184,645

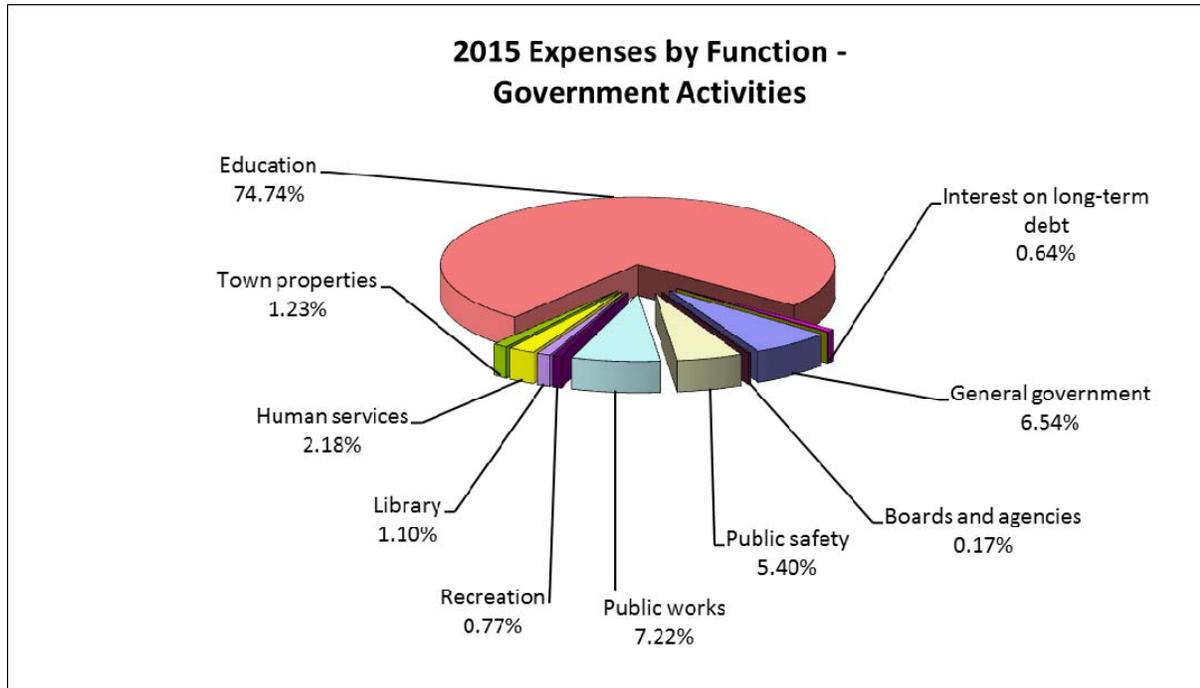
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***



***Governmental Activities***

Governmental activities increased the Town's net position by \$4,880,064.

***Business-type Activities***

Business-type activities increased the Town's net position by \$517,079.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

**Governmental Funds**

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

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

**Governmental Funds *(Continued)***

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,802,086, an increase of \$3,282,165 in comparison with the prior year. Of the total governmental fund balances, \$4,484,170 constitutes unassigned fund balance. The remainder of fund balance has been classified as either restricted, committed or assigned and is not available for other uses without authorization from the Board of Finance or external parties.

***General Fund***

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,867,100, while total fund balance was \$11,013,246. Committed fund balance for future "Capital Reserves" and "Capital and Nonrecurring" totaled \$5,544,838. The remaining \$3,601,308 of fund balance is assigned for various purposes by the Board of Finance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.36% of total General Fund expenditures, while total fund balance represents 19.85% of that same amount. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 0.40 months of General Fund operating expenditures.

The fund balance of the Town's General Fund decreased by \$31,539 during the current fiscal year.

***Crystal Lake School Addition/Renovation Fund***

The fund balance of the Town's Crystal Lake School Addition/Renovation Fund increased by \$1,406,724 due to the issuance of new bonds for the construction project.

***Small Cities Program Income Fund***

The fund balance of the Town's Small Cities Program Income Fund decreased by \$49,767 due to the overall decrease in the addition of new small cities loans.

**Proprietary Funds**

Unrestricted net position of the Sewer Authority Fund at the end of the year totaled \$6,196,927, an increase of \$239,593 over the prior year. Unrestricted net position of the Crystal Lake Sewer Fund at the end of the year totaled \$454,205, an increase of \$107,427 over the prior year.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for 2015 planned for the utilization of fund balance of \$2,802,403. The final budget for 2015 planned on the utilization of fund balance of \$3,139,027. The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$977,932. Expenditures were \$851,381 less than budgeted and revenues were \$1,309,714 higher than expected due primarily to increases in property tax collections and charges for goods and services. Additional appropriations during 2015 totaled \$336,624.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2015 totaled \$85,028,155 (net of accumulated depreciation). This investment in capital assets includes an art collection, land, property development rights, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$11,175,052 which was comprised of a \$11,126,850 increase or a 17.62% increase for governmental activities and a \$48,202 or a 0.45% increase for business-type activities.

The following table is a two year comparison of the investment in capital assets presented for both governmental and business-type activities:

**Town of Ellington**  
**Capital Assets, net**  
**June 30, 2015 and 2014**

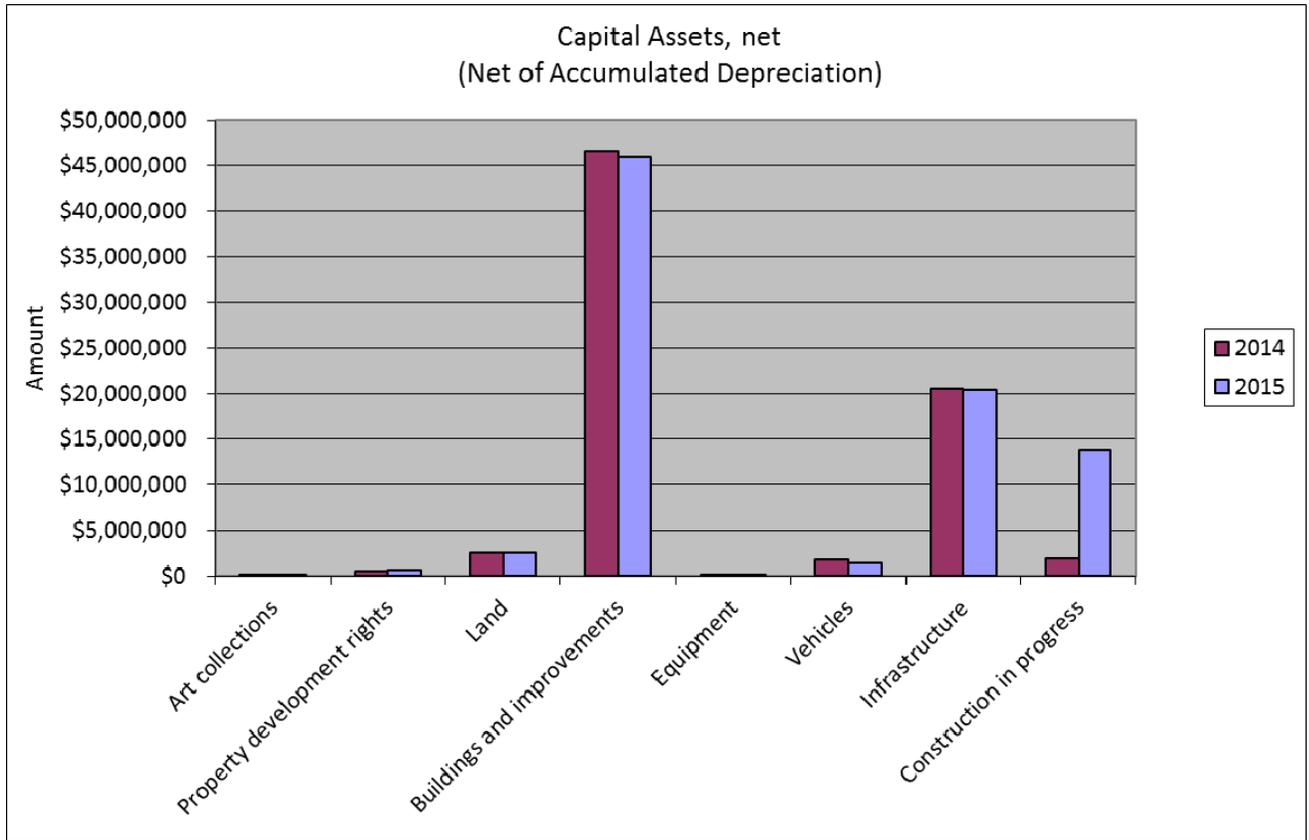
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Art collections	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Property development rights	698,980	489,361	-	-	698,980	489,361
Land	2,507,844	2,507,844	-	-	2,507,844	2,507,844
Buildings and improvements	45,967,379	46,511,191	-	-	45,967,379	46,511,191
Equipment	-	32,449	67,089	78,590	67,089	111,039
Vehicles	1,480,793	1,785,787	-	-	1,480,793	1,785,787
Infrastructure	10,239,650	9,874,226	10,187,590	10,577,928	20,427,240	20,452,154
Construction in progress	13,341,380	1,908,318	501,852	51,811	13,843,232	1,960,129
Totals	<u>\$ 74,271,624</u>	<u>\$ 63,144,774</u>	<u>\$ 10,756,531</u>	<u>\$ 10,708,329</u>	<u>\$ 85,028,155</u>	<u>\$ 73,853,103</u>

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

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**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**



Additional information on the Town's capital assets can be found in Note 4 on pages 43 and 44 of this report.

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

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Long-term Debt**

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$23,235,000. This entire amount is comprised of debt backed by the full faith and credit of the Town.

The Town's total bonded debt increased by \$9,210,000 or 65.7%.

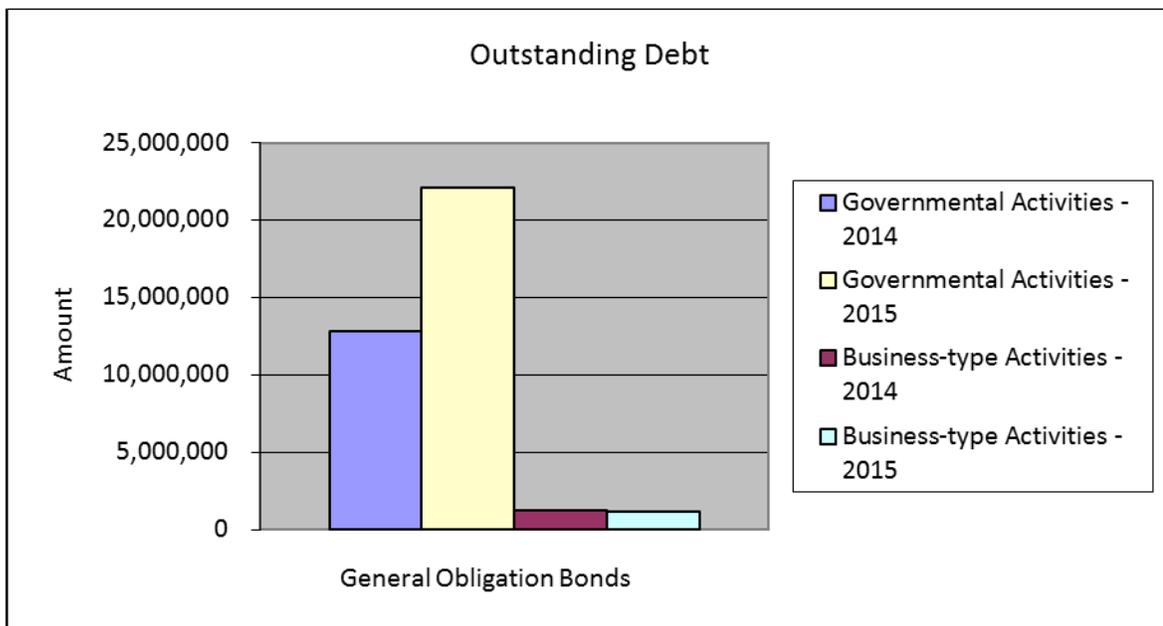
The Town maintains an Aa3 rating from Moody's Investor Service.

State statutes limit the amount of general obligation debt the Town may issue to approximately seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$264,344,387, which is significantly in excess of the Town's outstanding general obligation debt.

The following table is a two year comparison of long-term debt presented for both governmental and business-type activities:

**Town of Ellington**  
**Long-term Debt**  
**June 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 22,085,000	\$ 12,800,000	\$ 1,150,000	\$ 1,225,000	\$ 23,235,000	\$ 14,025,000



Additional information on the Town's long-term debt can be found in Note 7 on pages 46-49 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2016 and thereafter.
- The unemployment rate in the Town compares favorably to the State's average unemployment rate and the national unemployment rate.
- Inflationary trends in the region approximate the national indices.

All of these factors were considered in preparing the Town's budget for fiscal year 2016.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Officer, Town of Ellington, 55 Main Street, Ellington, CT 06029.

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**BASIC FINANCIAL STATEMENTS**

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**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,588,567	\$ -	\$ 2,588,567
Investments	16,561,520	4,827,461	21,388,981
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$137,798	761,626	-	761,626
Interest, net of allowance for uncollectibles of \$126,152	272,462	-	272,462
Sewer usage charges receivable, net of allowance for uncollectibles of \$6,877	-	83,877	83,877
Solid waste charges receivable, net of allowance for uncollectibles of \$13,938	-	83,920	83,920
Assessments, interest and liens receivable, current portion	-	117,995	117,995
Grants and contracts receivable	236,336	-	236,336
Other, net of allowance for uncollectibles of \$285,224	3,082,598	7,270	3,089,868
Internal balances	(359,643)	359,643	-
Inventories	7,472	-	7,472
Deferred asset - pump station	-	354,522	354,522
Long-term assessment receivable	-	1,097,008	1,097,008
Capital assets:			
Non-depreciable	16,583,802	501,852	17,085,654
Depreciable, net	57,687,821	10,254,679	67,942,500
Total assets	<u>97,422,561</u>	<u>17,688,227</u>	<u>115,110,788</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	136,264	-	136,264
<b>LIABILITIES</b>			
Accounts payable	3,623,053	-	3,623,053
Accrued liabilities:			
Other accrued liabilities	36,326	-	36,326
Due to funding source	13,614	-	13,614
Unearned revenue	796,526	51,063	847,589
Noncurrent liabilities:			
Due within one year	2,090,197	275,673	2,365,870
Due in more than one year	25,687,934	1,075,000	26,762,934
Total liabilities	<u>32,247,650</u>	<u>1,401,736</u>	<u>33,649,386</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension benefit	686,431	-	686,431
<b>NET POSITION</b>			
Net investment in capital assets	51,171,283	9,760,379	60,931,662
Restricted for human services	2,821,343	-	2,821,343
Restricted for endowments:			
Expendable	52,497	-	52,497
Nonexpendable	882,492	-	882,492
Unrestricted	9,697,129	6,526,112	16,223,241
Total net position	<u>\$ 64,624,744</u>	<u>\$ 16,286,491</u>	<u>\$ 80,911,235</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, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 3,746,820	\$ 726,849	\$ 325,023	\$ -	\$ (2,694,948)	\$ -	\$ (2,694,948)
Boards and agencies	97,454	418,448	-	-	320,994	-	320,994
Public safety	3,092,339	392,365	47,247	-	(2,652,727)	-	(2,652,727)
Public works	4,132,255	-	12,948	496,877	(3,622,430)	-	(3,622,430)
Recreation	438,095	239,705	-	-	(198,390)	-	(198,390)
Library	631,713	-	-	-	(631,713)	-	(631,713)
Human services	1,247,971	252,608	-	375,747	(619,616)	-	(619,616)
Town properties	705,558	11,978	-	-	(693,580)	-	(693,580)
Education	42,793,916	477,441	16,396,430	4,103,423	(21,816,622)	-	(21,816,622)
Interest on long-term debt	368,361	-	-	-	(368,361)	-	(368,361)
Total governmental activities	<u>57,254,482</u>	<u>2,519,394</u>	<u>16,781,648</u>	<u>4,976,047</u>	<u>(32,977,393)</u>	<u>-</u>	<u>(32,977,393)</u>
Business-type activities:							
Sewer and solid waste	<u>2,413,846</u>	<u>2,877,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,135</u>	<u>464,135</u>
Total business-type activities	<u>2,413,846</u>	<u>2,877,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,135</u>	<u>464,135</u>
Total primary government	<u>59,668,328</u>	<u>5,397,375</u>	<u>16,781,648</u>	<u>4,976,047</u>	<u>(32,977,393)</u>	<u>464,135</u>	<u>(32,513,258)</u>
General revenues:							
Property taxes, levied for general purposes					37,651,098	-	37,651,098
Grants and contributions not restricted to specific programs					189,781	-	189,781
Unrestricted investment earnings					69,328	194	69,522
Transfers					(52,750)	52,750	-
Total general revenues					<u>37,857,457</u>	<u>52,944</u>	<u>37,910,401</u>
Change in net position					<u>4,880,064</u>	<u>517,079</u>	<u>5,397,143</u>
Net position - beginning, as originally reported					<u>62,743,000</u>	<u>15,769,412</u>	<u>78,512,412</u>
Adjustment (See Note 12)					<u>(2,998,320)</u>	<u>-</u>	<u>(2,998,320)</u>
Net position - beginning, as restated					<u>59,744,680</u>	<u>15,769,412</u>	<u>75,514,092</u>
Net position - ending					<u>\$ 64,624,744</u>	<u>\$ 16,286,491</u>	<u>\$ 80,911,235</u>

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

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

	<u>General Fund</u>	<u>Crystal Lake School Addition/ Renovation Fund</u>	<u>Small Cities Program Income Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,725,439	\$ -	\$ -	\$ 863,128	\$ 2,588,567
Investments	14,016,830	-	36,982	2,507,708	16,561,520
Receivables:					
Property taxes receivable, net of allowance for uncollectibles of \$137,798	761,626	-	-	-	761,626
Grants and contracts receivable	75,433	-	-	160,903	236,336
Other receivables, net	163,164	-	2,821,343	98,091	3,082,598
Due from other funds	654,241	121,984	-	1,330,243	2,106,468
Inventories	-	-	-	7,472	7,472
Total assets	<u>\$ 17,396,733</u>	<u>\$ 121,984</u>	<u>\$ 2,858,325</u>	<u>\$ 4,967,545</u>	<u>\$ 25,344,587</u>
<b>LIABILITIES</b>					
Accounts payable	3,423,571	8,106	-	180,601	3,612,278
Accrued liabilities	36,326	-	-	-	36,326
Due to other funds	2,316,719	-	-	160,167	2,476,886
Unearned revenue	-	-	-	796,526	796,526
Due to funding source	-	-	-	13,614	13,614
Total liabilities	<u>\$ 5,776,616</u>	<u>\$ 8,106</u>	<u>\$ -</u>	<u>\$ 1,150,908</u>	<u>\$ 6,935,630</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	606,871	-	-	-	606,871
<b>FUND BALANCES</b>					
Nonspendable:					
Endowments	259,407	-	-	52,497	311,904
Inventories	-	-	-	7,472	7,472
Restricted for:					
Human services	-	-	2,821,343	-	2,821,343
Committed:					
Capital reserves	4,878,650	-	-	-	4,878,650
Capital and nonrecurring	666,188	-	-	-	666,188
School lunch operations	-	-	-	101,103	101,103
Public safety	-	-	-	531,146	531,146
Human services	-	-	-	55,070	55,070
Town properties	-	-	-	487,357	487,357
Land use	-	-	-	51,369	51,369
General government	-	-	-	64,413	64,413
Assigned:					
General government	983,774	-	-	-	983,774
Public works	258,385	-	-	-	258,385
Sanitation	48,305	-	-	-	48,305
Subsequent budget	2,051,437	-	-	-	2,051,437
Unassigned	1,867,100	113,878	36,982	2,466,210	4,484,170
Total fund balances	<u>11,013,246</u>	<u>113,878</u>	<u>2,858,325</u>	<u>3,816,637</u>	<u>17,802,086</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,396,733</u>	<u>\$ 121,984</u>	<u>\$ 2,858,325</u>	<u>\$ 4,967,545</u>	<u>\$ 25,344,587</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, 2015

Total fund balances for governmental funds \$ 17,802,086

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		13,341,380	
Buildings and improvements		75,591,848	
Equipment		2,336,082	
Vehicles		8,612,757	
Infrastructure		13,312,622	
Less: accumulated depreciation and amortization		<u>(42,165,488)</u>	
Total capital assets, net			74,271,623

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. 606,871

Accrued interest on property taxes net of related allowance for uncollectibles are not susceptible to accrual and therefore are not reported in the funds. 272,462

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		(22,085,000)	
Unamortized premiums		(734,728)	
Unamortized deferred amount on refundings		136,264	
Obligations under capital lease		(416,876)	
Other long-term liabilities:			
Compensated absences		(1,402,115)	
Net pension liability		(2,143,846)	
Net OPEB obligation		<u>(995,566)</u>	
Total long-term liabilities			(27,641,867)

Deferred inflows of resources resulting from changes in the components of the net pension liability are reported in the statements of net position. (686,431)

Net position of governmental activities \$ 64,624,744

*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, 2015**

	General Fund	Crystal Lake School Addition/ Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 37,720,924	\$ -	\$ -	\$ -	\$ 37,720,924
Intergovernmental	15,563,229	3,462,800	-	2,894,341	21,920,370
Charges for services	1,049,158	-	14,165	432,308	1,495,631
Food sales	-	-	-	477,441	477,441
Investment earnings	697	-	15	(23,796)	(23,084)
Other income	460,640	-	-	205,200	665,840
Total revenues	<u>54,794,648</u>	<u>3,462,800</u>	<u>14,180</u>	<u>3,985,494</u>	<u>62,257,122</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,404,465	-	-	-	1,404,465
Boards and agencies	97,454	-	-	-	97,454
Public safety	2,442,775	-	-	-	2,442,775
Public works	3,752,066	-	-	-	3,752,066
Recreation	438,095	-	-	-	438,095
Library	557,052	-	-	-	557,052
Human services	659,203	-	-	-	659,203
Town properties	705,558	-	-	-	705,558
Education	39,195,495	-	-	-	39,195,495
Miscellaneous	2,976,099	-	-	-	2,976,099
Program expenditures	-	-	63,947	3,072,142	3,136,089
Debt service:					
Principal payments	1,843,512	-	-	-	1,843,512
Interest and fiscal charges	433,927	-	-	-	433,927
Capital outlays	982,440	10,455,112	-	1,187,569	12,625,121
Total expenditures	<u>55,488,141</u>	<u>10,455,112</u>	<u>63,947</u>	<u>4,259,711</u>	<u>70,266,911</u>
Deficiency of revenues over expenditures	(693,493)	(6,992,312)	(49,767)	(274,217)	(8,009,789)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bond issuance	-	8,399,036	-	2,230,964	10,630,000
Premium on bond issuance	259,407	-	-	-	259,407
Capital lease financing	455,297	-	-	-	455,297
Transfers out	(52,750)	-	-	-	(52,750)
Total other financing sources (uses)	<u>661,954</u>	<u>8,399,036</u>	<u>-</u>	<u>2,230,964</u>	<u>11,291,954</u>
Net change in fund balances	(31,539)	1,406,724	(49,767)	1,956,747	3,282,165
Fund balances (deficit) - beginning	<u>11,044,785</u>	<u>(1,292,846)</u>	<u>2,908,092</u>	<u>1,859,890</u>	<u>14,519,921</u>
Fund balances (deficit) - ending	<u>\$ 11,013,246</u>	<u>\$ 113,878</u>	<u>\$ 2,858,325</u>	<u>\$ 3,816,637</u>	<u>\$ 17,802,086</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, 2015

Net change in fund balances for governmental funds \$ 3,282,165

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	\$	13,615,550	
Depreciation and amortization expense		(2,488,701)	
Net adjustment			11,126,849

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:			
Bonds payable		(10,630,000)	
Capital lease financing		(455,297)	
Premium on bonds issued		(259,407)	
Amortization of bond premium		96,259	
Amortization of deferred amount on refunding		(26,627)	
Principal repayments:			
Bonds payable		1,345,000	
Capital leases		494,446	
Net adjustment			(9,435,626)

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		(24,348)	
Net pension liability		854,474	
Net OPEB obligation		(167,193)	
			662,933

*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, 2015

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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.	\$ (99,456)
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 reduced revenues recognized in the funds.	29,630
Deferred inflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities	<u>(686,431)</u>
Change in net position of governmental activities	<u>\$ 4,880,064</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, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxation	\$ 36,729,334	\$ 36,729,334	\$ 37,720,924	\$ 991,590
Intergovernmental - education	9,888,904	9,888,904	9,854,437	(34,467)
Intergovernmental - other	852,088	885,088	1,008,980	123,892
Charges for goods and services	762,127	762,127	1,049,158	287,031
Investment earnings	15,000	15,000	679	(14,321)
Other revenues	527,876	527,876	483,865	(44,011)
Total revenues	<u>48,775,329</u>	<u>48,808,329</u>	<u>50,118,043</u>	<u>1,309,714</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,446,339	1,474,034	1,404,465	(69,569)
Boards and agencies	115,335	116,590	97,454	(19,136)
Public safety	2,525,381	2,561,000	2,442,775	(118,225)
Public works	3,782,288	3,937,063	3,697,804	(239,259)
Recreation	440,663	448,194	438,095	(10,099)
Library	563,439	563,439	557,052	(6,387)
Human services	674,414	689,023	659,203	(29,820)
Town properties	666,441	705,995	705,558	(437)
Miscellaneous	3,439,326	3,263,986	3,076,099	(187,887)
Education	34,075,798	34,075,798	34,052,022	(23,776)
Debt service	2,433,216	2,551,974	2,405,189	(146,785)
Capital outlays	1,415,092	1,560,260	1,560,259	(1)
Total expenditures	<u>51,577,732</u>	<u>51,947,356</u>	<u>51,095,975</u>	<u>(851,381)</u>
Excess (deficiency) of revenues over expenditures	(2,802,403)	(3,139,027)	(977,932)	2,161,095
<b>OTHER FINANCING SOURCES</b>				
Appropriation of fund balance	2,802,403	3,139,027	-	(3,139,027)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(977,932)	<u>\$ (977,932)</u>
Fund balance - beginning of year			<u>7,765,280</u>	
Fund balance - ending of year			<u>\$ 6,787,348</u>	

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

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

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Sewer Authority Fund</b>	<b>Crystal Lake Sewers Fund</b>	<b>Other Enterprise Funds</b>	
<b>ASSETS</b>				
Current assets:				
Investments	\$ 4,329,993	\$ 497,468	\$ -	\$ 4,827,461
Receivables:				
Sewer usage receivable, net of allowance for uncollectibles of \$6,877	83,877	-	-	83,877
Solid waste charges receivable, net of allowance for uncollectibles of \$13,938	-	34,844	49,076	83,920
Assessments, interest and liens receivable	113,796	4,199	-	117,995
Other, net	-	7,270	-	7,270
Due from other funds	846,238	1,200	-	847,438
Total current assets	<u>5,373,904</u>	<u>544,981</u>	<u>49,076</u>	<u>5,967,961</u>
Noncurrent assets:				
Deferred asset - pump station	200,673	153,849	-	354,522
Long-term assessments receivable	1,009,823	49,002	38,183	1,097,008
Capital assets:				
Construction in progress	501,852	-	-	501,852
Depreciable, net	6,391,579	3,863,100	-	10,254,679
Total noncurrent assets	<u>8,103,927</u>	<u>4,065,951</u>	<u>38,183</u>	<u>12,208,061</u>
Total assets	<u>13,477,831</u>	<u>4,610,932</u>	<u>87,259</u>	<u>18,176,022</u>
<b>LIABILITIES</b>				
Current liabilities:				
Unearned revenue	51,063	-	-	51,063
Due to other funds	135,737	139,779	212,279	487,795
Bonds payable - current	75,000	-	-	75,000
Note payable - current	200,673	-	-	200,673
Total current liabilities	<u>462,473</u>	<u>139,779</u>	<u>212,279</u>	<u>814,531</u>
Noncurrent liabilities:				
Bonds payable	1,075,000	-	-	1,075,000
Total noncurrent liabilities	<u>1,075,000</u>	<u>-</u>	<u>-</u>	<u>1,075,000</u>
Total liabilities	<u>1,537,473</u>	<u>139,779</u>	<u>212,279</u>	<u>1,889,531</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	5,743,431	4,016,948	-	9,760,379
Unrestricted (deficit)	6,196,927	454,205	(125,020)	6,526,112
Total net position (deficit)	<u>\$ 11,940,358</u>	<u>\$ 4,471,153</u>	<u>\$ (125,020)</u>	<u>\$ 16,286,491</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, 2015**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Crystal</b>	<b>Other</b>	<b>Total</b>
	<b>Authority</b>	<b>Lake</b>	<b>Enterprise</b>	
<b>Fund</b>	<b>Sewers Fund</b>	<b>Funds</b>		
<b>OPERATING REVENUES</b>				
Assessments	\$ 449,753	\$ 23,650	\$ -	\$ 473,403
User charges, interest and lien fees	1,523,035	215,002	-	1,738,037
Permits and fees	11,700	600	-	12,300
Solid waste fees	-	-	651,664	651,664
Other	2,577	-	-	2,577
Total operating revenues	<u>1,987,065</u>	<u>239,252</u>	<u>651,664</u>	<u>2,877,981</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	71,308	22,164	-	93,472
Services and supplies	4,829	21,665	-	26,494
Equipment	16,500	-	-	16,500
Town of Vernon	820,660	-	-	820,660
Town of Stafford	-	64,305	-	64,305
Depreciation and amortization	261,230	146,104	-	407,334
Utilities	34,977	11,658	-	46,635
General maintenance and repairs	43,075	5,109	-	48,184
Public works and administrative expenses	231,708	3,280	599,312	834,300
Legal	1,440	2,118	-	3,558
Advertising	1,083	-	-	1,083
Other	530	1,720	-	2,250
Total operating expenses	<u>1,487,340</u>	<u>278,123</u>	<u>599,312</u>	<u>2,364,775</u>
Operating income (loss)	499,725	(38,871)	52,352	513,206
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment income	-	194	-	194
Debt service -interest expense	(52,750)	-	-	(52,750)
Debt service - bad debt expense	3,679	-	-	3,679
Total non-operating revenue (expenses)	<u>(49,071)</u>	<u>194</u>	<u>-</u>	<u>(48,877)</u>
Income (loss) before transfers in	450,654	(38,677)	52,352	464,329
<b>OTHER FINANCING SOURCES</b>				
Transfers in	52,750	-	-	52,750
Change in net position	503,404	(38,677)	52,352	517,079
Net position (deficit) - beginning	<u>11,436,954</u>	<u>4,509,830</u>	<u>(177,372)</u>	<u>15,769,412</u>
Net position (deficit) - ending	<u>\$ 11,940,358</u>	<u>\$ 4,471,153</u>	<u>\$ (125,020)</u>	<u>\$ 16,286,491</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, 2015**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Authority Fund</b>	<b>Crystal Lake Sewers Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,025,257	\$ 244,740	\$ 652,428	\$ 2,922,425
Receipts from interfund services provided	(457,891)	(600)	(53,116)	(511,607)
Payments to suppliers	(958,100)	(126,524)	(599,312)	(1,683,936)
Payments for interfund services	(28,581)	(112,122)	-	(140,703)
Payments to employees	(71,308)	-	-	(71,308)
Net cash provided by operating activities	<u>509,377</u>	<u>5,494</u>	<u>-</u>	<u>514,871</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets, net	(450,041)	(5,495)	-	(455,536)
Principal paid on capital debt, net	(271,702)	-	-	(271,702)
Interest paid on capital debt	(52,750)	-	-	(52,750)
Transfers in	52,750	-	-	52,750
Net cash used in capital and related financing activities	<u>(721,743)</u>	<u>(5,495)</u>	<u>-</u>	<u>(727,238)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from (purchases of) investments, net	212,366	(193)	-	212,173
Interest and dividends	-	194	-	194
Net cash provided by investing activities	<u>212,366</u>	<u>1</u>	<u>-</u>	<u>212,367</u>
Net change in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 499,725	\$ (38,871)	\$ 52,352	\$ 513,206
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	261,230	146,104	-	407,334
(Increase) decrease in assets:				
Sewer usage receivable, net	21,338	-	-	21,338
Solid waste usage receivable, net	-	(3,144)	764	(2,380)
Assessment, interest and liens receivable	(12,298)	(1,129)	-	(13,427)
Due from other funds	(457,891)	(600)	-	(458,491)
Deferred asset	196,702	5,495	-	202,197
Long-term assessments receivable	37,785	9,761	-	47,546
Increase (decrease) in liabilities:				
Unearned revenue	(8,633)	-	-	(8,633)
Due to other funds	(28,581)	(112,122)	(53,116)	(193,819)
Net cash provided by operating activities	<u>\$ 509,377</u>	<u>\$ 5,494</u>	<u>\$ -</u>	<u>\$ 514,871</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, 2015**

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 119,149	\$ 460,656
Investments	332,550	14,534
Due from other funds/others	17,054	-
Total assets	<u>468,753</u>	<u>475,190</u>
<b>LIABILITIES</b>		
Due to others	6,279	475,190
Total liabilities	<u>6,279</u>	<u>\$ 475,190</u>
<b>NET POSITION</b>		
Held in trust for other purposes	<u>\$ 462,474</u>	

*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, 2015**

	<b>Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>	
Contributions - private donations	\$ 136,745
Other income	36,671
Total contributions	173,416
Investment earnings:	
Interest	114
Net decrease in the fair value of investments	(6,398)
Total investment earnings	(6,284)
Total additions	167,132
<b>DEDUCTIONS</b>	
Other expenditures	1,010
Program expenditures	293,771
	294,781
Change in net position	(127,649)
Net position - beginning	590,123
Net position - ending	\$ 462,474

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**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, 2015.

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 \$73,688 for the year ended June 30, 2015.

**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.

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

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

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

**Fund Financial Statements**

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

The Town reports the following major governmental funds:

**General Fund** – This fund is the Town's primary operating fund. It accounts for all financial resources of the 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.

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

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

**Measurement Focus and Basis of Accounting *(Continued)***

**Government-wide, Proprietary and Fiduciary Fund Financial Statements *(Continued)***

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.

**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.

**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 and consisted of a money market account totaling \$74,831 as of June 30, 2015.

**Investments**

The Town presents all investments at fair value, except for money market investments, which the Town has elected to report at amortized cost.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office. STIF operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF qualifies as a 2a7-like pool and is reported at the net position value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF is subject to regulatory oversight even though it is not registered by the SEC.

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

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**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 \$52,497 as of June 30, 2015 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.

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

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**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 that is due in 2016. As of June 30, 2015, the Town has a noncurrent asset in the Sewer Authority Fund of \$200,673, which represents the remaining value of allocated upgrades and the amount still owed by the Town to the Facility. This amount will be amortized over the life of the note payable between the Town and the Facility.

**Deferred Asset – Waste Water Treatment Facility – Crystal Lake Sewers**

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 2013, 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 that is due in 2015. As of June 30, 2015 the Town has a noncurrent asset in the Crystal Lake Sewer fund of \$153,849, which represents the remaining value of allocated upgrades and the amount still owed by the Town to the Facility. This amount will be amortized over the life of the note payable between the Town and the Facility.

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

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

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

**Unearned Revenue**

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of deferred inflows. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and interest. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also recognizes deferred inflows of resources in the government-wide statement of net position for deferred amounts on pension benefits resulting from changes in the components of the Town's net pension liability. This amount is deferred and amortized as a component of pension expense on a systematic and rational basis.

**Compensated Absences**

Town employees are not entitled to accumulate vacation and sick leave. 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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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**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**

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.

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

***Non-spendable*** - 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.

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

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**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)***

***Fund Balance Flow Assumption (Continued)***

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 \$4,878,650 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 2015.

**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.

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

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

**Interfund Activities *(Continued)***

**Interfund Reimbursements**

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

**Use of Estimates**

The preparation of 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.

**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 \$336,624.
- 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, 2015**

**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, 2015:

	<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	\$ 50,118,043	\$ 51,095,975	\$ -	\$ (977,932)	\$ 6,787,348
"On-behalf" payments - State Teachers Retirement Fund (see Note 8)	4,397,021	4,397,021	-	-	-
Changes in encumbrances:					
June 30, 2014	-	249,237	-	(249,237)	-
June 30, 2015	-	(258,385)	-	258,385	258,385
Certain grants recorded as General Fund revenues/expenditures for budgetary purposes but relate to another fund for GAAP purposes	(106,432)	(106,432)	-	-	-
Certain transfers recorded as revenues/expenditures for budgetary purposes	-	(52,750)	(52,750)	-	-
Changes in designations recorded as expenditures for budgetary purposes:					
Capital reserves	-	(400,000)	-	400,000	23,727
Capital and nonrecurring	-	(177,819)	-	177,819	2,936,073
Post employment benefits	-	(100,000)	-	100,000	700,000
Debt repayment reserve	-	-	259,407	259,407	259,407
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	460,997	460,997	-	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(75,000)	(75,000)	-	-	-
Capital lease proceeds not recorded for budgetary purposes	-	455,297	455,297	-	-
Budgetary perspective difference:					
MIRA Sanitation Control Fund	19	-	-	19	48,306
GAAP basis	<u>\$ 54,794,648</u>	<u>\$ 55,488,141</u>	<u>\$ 661,954</u>	<u>\$ (31,539)</u>	<u>\$ 11,013,246</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (*Continued*)  
June 30, 2015

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

**Deficit Fund Balances**

The following funds have deficit fund balances as of June 30, 2015, none of which constitutes a violation of statutory provisions:

Fund	Amount
Watermains, Tripp and Middle Roads Fund	\$ 71,358
Solid Waste Collection Fund	53,662

The deficit in the Solid Waste Collection Fund and the Watermains, Tripp and Middle Roads Fund will be funded through future operations and transfers from the General Fund.

**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, 2015, \$5,011,750 of the Town's bank balance of \$5,761,750 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,510,575
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>501,175</u>
	<u><u>\$ 5,011,750</u></u>

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.

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (Continued)  
June 30, 2015

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

**Cash Deposits – Custodial Credit Risk (Continued)**

The Town's cash and cash equivalents as of June 30, 2015 consisted of cash deposits of \$3,168,372 and various certificates of deposit with original maturities in excess of 3 months totaling \$1,891,481. These certificates of deposit are classified as investments in the accompanying financial statements, although they are considered to be cash deposits for purposes of disclosure under GASB No. 40.

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

Government-wide statement of net position:	
Cash and cash equivalents	\$ 2,588,567
Add: certificate of deposits classified as investments	1,891,481
	4,480,048
Statement of fiduciary net position:	
Private purpose trust funds:	
Cash and cash equivalents	119,149
Agency funds:	
Cash and cash equivalents	460,656
	579,805
	\$ 5,059,853

**Investments**

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

Investment type	Fair Value	Investment Maturities (In Years)	
		Less Than 1	1 to 5
Debt Securities:			
Short Term Investment Fund (STIF)	\$ 18,758,684	\$ 18,758,684	\$ -
Corporate bonds	441,876	-	441,876
Money market funds	27,678	27,678	-
	19,228,238	\$ 18,786,362	\$ 441,876
Other investments:			
Equity securities	590,816		
Other	25,530		
Total	\$ 19,844,584		

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

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (*Continued*)  
June 30, 2015

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

**Investments (*Continued*)**

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

Government-wide statement of net position:	
Investments and endowment investments	\$ 21,388,981
Less: certificates of deposits classified as cash equivalents	<u>(1,891,481)</u>
	<u>19,497,500</u>
Statement of fiduciary net position:	
Private purpose trust funds - Investments	332,550
Agency funds - Investments	<u>14,534</u>
	347,084
	<u>\$ 19,844,584</u>

**Interest Rate Risk**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in 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.

The Town's investments in debt securities were rated by Standard & Poor's as follows at June 30, 2015:

	<b>Fair Value</b>	<b>AAA</b>	<b>Unrated</b>
Short Term Investment Fund (STIF)	\$ 18,758,684	\$ 18,758,684	\$ -
Corporate bonds	441,876	441,876	-
Money market funds	<u>27,678</u>	<u>-</u>	<u>27,678</u>
	<u>\$ 19,228,238</u>	<u>\$ 19,200,560</u>	<u>\$ 27,678</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (*Continued*)  
June 30, 2015

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

**Investments (*Continued*)**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. In accordance with GASB No. 40, the Town's investments in debt securities do not require custodial credit risk disclosures because they are not evidenced by securities that exist in physical or book entry form.

**Concentrations of Credit Risk**

The Town places no limit on the amount of investment in any one issuer. No other issuer other than STIF constitute an investment in excess of 5% of the Town's total investments. These investments are considered diversified by nature.

**NOTE 4 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Property development rights	489,361	209,619	-	698,980
Land	2,507,844	-	-	2,507,844
Construction in progress	<u>1,908,318</u>	<u>11,433,062</u>	-	<u>13,341,380</u>
Total capital assets, not being depreciated	<u>4,941,121</u>	<u>11,642,681</u>	-	<u>16,583,802</u>
Capital assets, being depreciated:				
Buildings and improvements	74,595,589	996,259	-	75,591,848
Equipment	2,336,082	-	-	2,336,082
Vehicles	8,262,915	349,842	-	8,612,757
Infrastructure	<u>12,685,854</u>	<u>626,768</u>	-	<u>13,312,622</u>
Total capital assets, being depreciated	<u>97,880,440</u>	<u>1,972,869</u>	-	<u>99,853,309</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	28,084,398	1,540,071	-	29,624,469
Equipment	2,303,633	32,449	-	2,336,082
Vehicles	6,477,128	654,836	-	7,131,964
Infrastructure	<u>2,811,628</u>	<u>261,344</u>	-	<u>3,072,972</u>
Total accumulated depreciation and amortization	<u>39,676,787</u>	<u>2,488,700</u>	-	<u>42,165,487</u>
Total capital assets, being depreciated, net	<u>58,203,653</u>	<u>(515,831)</u>	-	<u>57,687,822</u>
Governmental activities capital assets, net	<u>\$ 63,144,774</u>	<u>\$11,126,850</u>	<u>\$ -</u>	<u>\$ 74,271,624</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (*Continued*)  
June 30, 2015

**NOTE 4 - CAPITAL ASSETS (*Continued*)**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ 51,811	\$ 450,041	\$ -	\$ 501,852
Total capital assets, not being depreciated	51,811	450,041	-	501,852
Capital assets, being depreciated:				
Equipment - Sewer Authority	222,854	-	-	222,854
Infrastructure - Sewer Authority	12,061,040	-	-	12,061,040
Equipment - Crystal Lake	23,135	-	-	23,135
Infrastructure - Crystal Lake	6,962,204	-	-	6,962,204
Total capital assets, being depreciated	19,269,233	-	-	19,269,233
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	149,402	10,136	-	159,538
Infrastructure - Sewer Authority	5,481,683	251,094	-	5,732,777
Equipment - Crystal Lake	17,997	1,365	-	19,362
Infrastructure - Crystal Lake	2,963,633	139,244	-	3,102,877
Total accumulated depreciation and amortization	8,612,715	401,839	-	9,014,554
Total capital assets, being depreciated, net	10,656,518	(401,839)	-	10,254,679
Business-type activities capital assets, net	\$ 10,708,329	\$ 48,202	\$ -	\$ 10,756,531

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

Governmental Activities:

Education	\$ 1,567,881
Public safety	373,305
Public works	273,757
General government	199,096
Library	74,661
Total depreciation and amortization expense - governmental activities	\$ 2,488,700

Business-type Activities:

Sewer	\$ 401,839
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**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (*Continued*)  
June 30, 2015

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

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

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 160,167
	Crystal Lake Sewers	139,779
	Other Enterprise Funds	212,279
	Sewer Authority Fund	135,737
	Private Purpose Trust Funds	6,279
		654,241
Crystal Lake School Addition/Renovation Fund	General Fund	121,984
Nonmajor Governmental Funds	General Fund	1,330,243
		\$ 2,106,468
Enterprise Funds		
Sewer Authority Fund	General Fund	\$ 846,238
Crystal Lake Sewers Fund	General Fund	1,200
		\$ 847,438
Fidiciary Funds		
Private Purpose Trust Funds	General Fund	\$ 17,054

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 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2015 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
Sewer Authority Fund	General Fund	\$ 52,750

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, 2015

**NOTE 7 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	<b>Beginning Balance (As Restated)</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 12,800,000	\$ 10,630,000	\$ (1,345,000)	\$ 22,085,000	\$ 1,860,000
Unamortized amounts:					
Unamortized premiums	571,580	259,407	(96,259)	734,728	-
Total bonds payable	<u>13,371,580</u>	<u>10,889,407</u>	<u>(1,441,259)</u>	<u>22,819,728</u>	<u>1,860,000</u>
Other liabilities:					
Capital leases	456,025	455,297	(494,446)	416,876	191,727
Compensated absences	1,377,767	84,189	(59,841)	1,402,115	38,470
Net pension liability ( <i>see Note 8</i> )	2,998,320	-	(854,474)	2,143,846	-
Net OPEB obligation ( <i>see Note 9</i> )	828,373	167,193	-	995,566	-
	<u>\$ 19,032,065</u>	<u>\$ 11,596,086</u>	<u>\$ (2,850,020)</u>	<u>\$ 27,778,131</u>	<u>\$ 2,090,197</u>
<b>Business-type Activities</b>					
Bonds payable:					
General obligation bonds	\$ 1,225,000	\$ -	\$ (75,000)	\$ 1,150,000	\$ 75,000
Other liabilities:					
Note payable	397,375	-	(196,702)	200,673	200,673
	<u>\$ 1,622,375</u>	<u>\$ -</u>	<u>\$ (271,702)</u>	<u>\$ 1,350,673</u>	<u>\$ 275,673</u>

The beginning balance for long-term liabilities has been restated due to the implantation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as disclosed in Note 12.

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, 2015

**NOTE 7 - LONG-TERM LIABILITIES (*Continued*)**

**General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2015 is as follows:

<u>Description of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>			
General obligation refunding bonds issued 2010, original amount of \$3,580,000	2018	2.0% - 5.0%	\$ 1,310,000
General obligation refunding bonds issued 2011, original amount of \$8,240,000	2024	2.0-4.0%	6,160,000
General obligation bonds issued 2013, original amount of \$4,205,000	2034	2.0-4.0%	3,985,000
General obligation bonds issued 2015, original amount of \$10,630,000	2035	2.0-4.0%	10,630,000
			<u>\$ 22,085,000</u>
<b>Business-type Activities</b>			
Sewer bonds issued 2007, original amount of \$1,750,000	2027	4.0% - 5.5%	\$ 1,150,000
			<u>\$ 1,150,000</u>

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 \$264,344,381 of June 30, 2015. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2015.

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements (Continued)  
June 30, 2015

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**General Obligation Bonds (Continued)**

Annual debt service requirements to maturity at June 30, 2015 are as follows:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 1,860,000	\$ 742,149	\$ 2,602,149
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
2021-2025	6,145,000	1,726,122	7,871,122
2026-2030	3,675,000	962,851	4,637,851
2031-2035	3,460,000	341,988	3,801,988
	<u>\$ 22,085,000</u>	<u>\$ 6,198,865</u>	<u>\$ 28,283,865</u>

Year ending June 30:	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 75,000	\$ 49,000	\$ 124,000
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
2020-2024	500,000	105,500	605,500
2025-2027	200,000	12,750	212,750
	<u>\$ 1,150,000</u>	<u>\$ 325,000</u>	<u>\$ 1,475,000</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, 2015 was \$200,673.

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
2016	\$ 200,673	\$ 2,179	\$ 202,852
	<u>\$ 200,673</u>	<u>\$ 2,179</u>	<u>\$ 202,852</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 7 - LONG-TERM LIABILITIES *(Continued)***

**Capital Leases**

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

	<b>Governmental Activites</b>
Vehicles	\$ 3,269,041
Computers	285,455
	3,554,496
Less: accumulated amortization	(1,868,822)
	\$ 1,685,674

Amortization expense relative to leased property under capital leases totaled \$209,021 for the year ended June 30, 2015 and is included in depreciation and amortization expense disclosed in Note 4.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

	<b>Governmental Activites</b>
Year Ending June 30:	
2016	\$ 204,962
2017	121,977
2018	121,978
Total minimum lease payments	448,917
Less: amount representing interest	32,041
Present value of minimum lease payments	\$ 416,876

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 8 - 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 \$253,984 for the year ended June 30, 2015. 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.

**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 \$550,951 for the year ended June 30, 2015. Plan enrollment totaled 83 people at June 30, 2015. 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

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 8 - PENSION PLANS *(Continued)***

**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.

*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.

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Plan Description *(Continued)***

*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, 2015, 2014 and 2013 were \$526,289, \$531,269, and \$512,950, 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.

**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, 2014 was \$238.116 million, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$2.144 million or approximately 0.900% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the Town was based on 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.

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Net Pension Liability *(Continued)***

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

Inflation	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:

<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.

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Net Pension Liability *(Continued)***

*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:

	<b>1% Decrease (7.00%)</b>	<b>Current Discount (8.00%)</b>	<b>1% Increase (9.00%)</b>
Town proportionate share of the net pension liability as of June 30, 2015	\$ 4,353,505	\$ 2,143,846	\$ 273,181

*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.

**Pension Expense and Deferred Inflows of Resources**

For the year ended June 30, 2015, the Town recognized pension expense related to the CMERS of \$387,166. At June 30, 2015, the Town reported its proportionate share of deferred inflows of resources related to the MERS from the following source:

	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 686,431
Total	\$ 686,431

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

Year ended June 30,	
2016	\$ 171,608
2017	171,608
2018	171,608
2019	171,607
	\$ 686,431

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut State Teachers' Retirement System**

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

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

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. For the year ended June 30, 2015, plan members of the Town contributed \$1,245,250 to the plan and covered payroll for the year was \$17,175,862. The Town has recognized on-behalf payments of \$4,397,021 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, 2014 was \$10.141 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$44,756 million or approximately 0.441% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined. The pension expense attributed to the Town totaled \$3,357,964 for the year ended June 30, 2015.

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

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

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

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
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%
Liquidity Fund	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:

	<b>1% Decrease (7.50%)</b>	<b>Current Discount (8.50%)</b>	<b>1% Increase (9.50%)</b>
Town proportionate share of the net pension liability	\$57.1 million	\$44.8 million	\$34.3 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, 2015

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**NOTE 9 - 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 in accordance with the parameters of GASB Statement 45. 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	\$ 346,108
Interest on net OPEB obligation	33,135
Adjustment to annual required contribution	<u>(40,594)</u>
Annual OPEB cost (expense)	338,649
Contributions made	<u>171,456</u>
Increase in net OPEB obligation	167,193
Net OPEB obligation, beginning of year	<u>828,373</u>
Net OPEB obligation, end of year	<u><u>\$ 995,566</u></u>

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

**NOTE 9 - 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 2015, 2014 and 2013 are as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 305,421	53.3%	\$ 700,411
2014	317,041	59.6%	828,373
2015	338,649	50.6%	995,566

**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:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
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, 2015

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Actuarial Methods and Assumptions**

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 10 - 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 11 - 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 12 – IMPLEMENTATION OF ACCOUNTING STANDARDS**

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

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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**NOTE 12 - IMPLEMENTATION OF ACCOUNTING STANDARDS *(Continued)***

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

The Town has reported the following cumulative effect of applying GASB Statement No. 68 as an adjustment of beginning net position as of July 1, 2014. The adjustment recorded does not include the beginning effects of any deferred outflows or inflows of resources.

Net position - beginning, as originally reported	\$ 62,743,000
Adjustment to record net pension liability under GASB Statement No. 68	<u>(2,998,320)</u>
Net position - beginning, as restated	<u>\$ 59,744,680</u>

**NOTE 13 - RECENTLY ISSUED ACCOUNTING STANDARDS**

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

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

**TOWN OF ELLINGTON, CONNECTICUT**  
Notes to Financial Statements *(Continued)*  
June 30, 2015

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

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.

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Notes to Schedule:

Valuation Date	6/30/2014
Measurement Date	6/30/2014
Reporting Date	6/30/2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market (20% write up)
Investment rate of return	8%
Salary increases	4.25% - 11.00%, including inflation
Inflation	3%

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS (Unaudited)**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

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

Notes to Schedule:

Benefit Changes      None noted

Assumption Changes   None noted

Note:                      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**  
(Dollar amounts in thousands)

	<b>2015</b>
Town's proportion of the net pension liability	0.441%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	44,756
Total	\$ 44,756
Town's covered payroll	\$ 17,176
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%
Plan fiduciary net position as a percentage of the total pension liability	61.51%
 Notes to Schedule:	
Valuation Date	6/30/2014
Measurement Date	6/30/2014
Reporting Date	6/30/2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.50%
Salary increases	3.75% - 7.00%, including inflation
Inflation	3.00%

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF FUNDING PROGRESS - UNAUDITED**  
**JUNE 30, 2015**

**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)
<b>Other Post- Employment Benefit Plan</b>						
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%

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**GENERAL FUND**

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**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>OVER</b>
				<b>(UNDER)</b>
<b>PROPERTY TAXATION</b>				
Revenues from Property Taxes	\$ 36,619,334	\$ 36,619,334	\$ 37,458,539	\$ 839,205
Interest and Lien Fees	110,000	110,000	262,385	152,385
Total Property Taxation	<u>36,729,334</u>	<u>36,729,334</u>	<u>37,720,924</u>	<u>991,590</u>
<b>INTERGOVERNMENTAL - EDUCATION</b>				
Education Cost Sharing Grants	9,722,237	9,722,237	9,689,494	(32,743)
Adult Education and Vocational Agricultural	14,231	14,231	14,417	186
Transportation	152,436	152,436	150,526	(1,910)
Total Intergovernmental - Education	<u>9,888,904</u>	<u>9,888,904</u>	<u>9,854,437</u>	<u>(34,467)</u>
<b>INTERGOVERNMENTAL - OTHER</b>				
Town Road Aid	338,372	338,372	339,904	1,532
Elderly Circuit Breaker Reimb	75,395	75,395	71,953	(3,442)
Disability Reimbursement	1,601	1,601	1,737	136
State Property Forest	6,519	6,519	7,900	1,381
Pequot/Mohegan Funds	49,972	49,972	54,191	4,219
Circuit Court Fines	4,500	4,500	6,855	2,355
Dog Damage	100	100	-	(100)
Telecomm Serv Pers Prop Tax	-	-	22,467	22,467
Additional Income Veterans	17,492	17,492	18,455	963
Local Capital Imp Program	107,785	107,785	106,432	(1,353)
Municipal Grants-In-Aid	210,227	210,227	210,227	-
DWI Grant	34,125	34,125	34,884	759
Historical Preserve Award	-	-	5,000	5,000
Erase Grant	-	-	3,105	3,105
OPM - Connect Nutmeg Broadband	-	33,000	33,000	-
Emergency Management	3,000	3,000	7,914	4,914
North Central Area Agency on Aging	3,000	3,000	565	(2,435)
NCAAA - Nurtition PP	-	-	542	542
CROG-HUD Planning Grant	-	-	3,500	3,500
FEMA Disaster	-	-	66,353	66,353
MIRA-Pilot	-	-	13,996	13,996
Total Intergovernmental - Other	<u>852,088</u>	<u>885,088</u>	<u>1,008,980</u>	<u>123,892</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, 2015**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>OVER (UNDER)</b>
<b>CHARGES FOR GOODS AND SERVICES</b>				
Building Department	\$ 150,000	\$ 150,000	\$ 370,482	\$ 220,482
Planning and Zoning	30,000	30,000	42,891	12,891
Fire Marshal	450	450	351	(99)
Recreation Program Receipts	260,077	260,077	239,705	(20,372)
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Town Clerk Conveyance Tax	120,000	120,000	178,863	58,863
Town Clerk Recording Fees and Licenses	115,000	115,000	109,837	(5,163)
Aircraft Registration	2,500	2,500	2,410	(90)
Animal Control Officer Fees and Licenses	25,000	25,000	26,300	1,300
Animal Control Donations	100	100	150	50
Cultural Arts Commission	500	500	-	(500)
Board Of Education	500	500	-	(500)
ADHOC Patriotic Committee	-	-	905	905
Police - Special Duty	20,000	20,000	43,812	23,812
Police DARE Donations	-	-	1,730	1,730
Youth Service Donations	1,000	1,000	-	(1,000)
Youth Service Activities	-	-	4,718	4,718
Human Services Municipal Agent	500	500	-	(500)
Human Service Fuel Administration	1,000	1,000	1,060	60
Human Services Fuel Donations	-	-	11,476	11,476
Human Services-Food Pantry	1,000	1,000	3,483	2,483
Human Services Donations	5,000	5,000	-	(5,000)
Senior Center Donations	500	500	-	(500)
Senior Center Programs	15,000	15,000	9,790	(5,210)
Senior Center EMATS	1,000	1,000	685	(315)
Senior Center Transportation Prgm	500	500	510	10
Total Charges for Goods and Services	762,127	762,127	1,049,158	287,031

**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, 2015**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>OVER</b>
				<b>(UNDER)</b>
<b>INVESTMENT EARNINGS</b>				
Interest on earnings	\$ 15,000	\$ 15,000	\$ 679	\$ (14,321)
	<u>15,000</u>	<u>15,000</u>	<u>679</u>	<u>(14,321)</u>
<b>WPCA</b>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>OTHER REVENUES</b>				
Ambulance Fee Program	111,000	111,000	127,241	16,241
Insurance Claims and Refunds	7,500	7,500	30,930	23,430
WPCA Reimbursement	31,385	31,385	32,135	750
WPCA-Reimb Maintenance Budget	278,016	278,016	193,967	(84,049)
Building Demolition/Evictions	5,000	5,000	-	(5,000)
Snow Removal Charge-Developers	5,000	5,000	-	(5,000)
Sundry Refunds and Receipts	5,000	5,000	12,614	7,614
Rental Income of Town Property	9,975	9,975	9,975	-
Sale of Property	-	-	2,003	2,003
Total Other Revenues	<u>452,876</u>	<u>452,876</u>	<u>408,865</u>	<u>(44,011)</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriation of Fund Balance	<u>2,802,403</u>	<u>3,139,027</u>	<u>-</u>	<u>(3,139,027)</u>
Total Revenues and Other Financing Sources	<u>\$ 51,577,732</u>	<u>\$ 51,947,356</u>	<u>\$ 50,118,043</u>	<u>\$ (1,829,313)</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>GENERAL GOVERNMENT</b>				
Board of Selectmen	\$ 217,190	\$ 221,872	\$ 219,057	\$ (2,815)
Board of Finance	6,950	7,107	7,106	(1)
Auditors	44,000	44,000	44,000	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	277,839	280,897	279,972	(925)
Tax Assessor	225,170	225,170	190,546	(34,624)
Tax Collector	161,904	161,904	158,361	(3,543)
Board of Assessments Appeals	400	400	68	(332)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	174,472	174,472	156,922	(17,550)
Town Counsel	110,000	128,072	128,071	(1)
Probate Court	7,350	7,350	7,350	-
Town Planner	220,864	222,590	213,012	(9,578)
Total General Government	<u>1,446,339</u>	<u>1,474,034</u>	<u>1,404,465</u>	<u>(69,569)</u>
<b>BOARDS AND AGENCIES</b>				
Registrars and Electors	71,484	71,484	57,976	(13,508)
Economic Development Commission	4,500	4,500	3,040	(1,460)
Planning and Zoning	24,550	25,374	25,373	(1)
Design Review Board	100	100	-	(100)
Zoning Board of Appeals	4,100	4,100	3,010	(1,090)
Shared Services Commission	100	100	-	(100)
Permanent Building Commission	1,350	1,450	1,450	-
Ethics Commission	750	750	440	(310)
Inland Wetland Agency	6,300	6,300	3,834	(2,466)
Flood & Erosion Control Board	100	100	-	(100)
Conservation Commission	2,000	2,331	2,331	-
WPCA	1	1	-	(1)
Total Boards and Agencies	<u>115,335</u>	<u>116,590</u>	<u>97,454</u>	<u>(19,136)</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE (UNDER) OVER</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>PUBLIC SAFETY</b>				
Center Fire Department	\$ 230,763	\$ 235,120	\$ 235,119	\$ (1)
Crystal Lake Fire Department	79,552	86,302	86,301	(1)
Fire Protection Hydrants	322,020	322,020	314,133	(7,887)
Emergency 911	48,192	48,192	48,156	(36)
Police	1,001,804	1,001,804	935,494	(66,310)
Police Special Duty	20,000	34,125	34,124	(1)
Police Drug Abuse Resistance Education	1,500	1,500	746	(754)
Animal Control Officer	94,097	94,097	85,115	(8,982)
Emergency Management	33,420	33,820	30,127	(3,693)
Building Department	127,568	136,492	131,790	(4,702)
Volunteer Ambulance	302,175	302,175	279,988	(22,187)
Emergency Service Incentive Program	128,250	128,250	126,930	(1,320)
Adhoc Emergency Service Committee	700	700	90	(610)
Preemption Service Townwide	1,640	1,640	-	(1,640)
Public Safety Commission	100	100	-	(100)
Fire Marshal	133,600	134,663	134,662	(1)
Total Public Safety	<u>2,525,381</u>	<u>2,561,000</u>	<u>2,442,775</u>	<u>(118,225)</u>
<b>PUBLIC WORKS</b>				
General Town Roads	1,703,419	1,707,806	1,640,057	(67,749)
New Equipment	10,000	10,000	9,741	(259)
Equipment Maintenance	278,450	278,450	262,450	(16,000)
Town Garage Maintenance	71,400	79,042	79,042	-
Street Signs	15,000	15,022	15,022	-
Grounds Maintenance - BOE/Parks	93,000	93,000	89,718	(3,282)
Town Aid Road - Winter	270,000	396,378	396,378	-
Town Aid Road - Materials	290,000	301,564	301,564	-
Sanitary Landfill	357,400	357,400	276,136	(81,264)
Sanitary Recycling	367,368	367,368	325,695	(41,673)
Household Hazardous Waste	13,000	13,000	11,078	(1,922)
WPCA Maintenance	116,016	116,016	99,030	(16,986)
Street Lighting	97,235	97,235	87,112	(10,123)
Engineer and Inspections	100,000	104,782	104,781	(1)
Total Public Works	<u>3,782,288</u>	<u>3,937,063</u>	<u>3,697,804</u>	<u>(239,259)</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>RECREATION</b>				
Parks Recreation Equipment	\$ 403,063	\$ 405,344	\$ 395,345	\$ (9,999)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	17,750	17,750	-
Crystal Lake Water Monitor	25,000	25,000	25,000	-
Total Recreation	<u>440,663</u>	<u>448,194</u>	<u>438,095</u>	<u>(10,099)</u>
<b>LIBRARY</b>				
Hall Memorial Library	<u>563,439</u>	<u>563,439</u>	<u>557,052</u>	<u>(6,387)</u>
Total Library	<u>563,439</u>	<u>563,439</u>	<u>557,052</u>	<u>(6,387)</u>
<b>HUMAN SERVICES</b>				
Public Health Nursing	3,500	3,500	2,654	(846)
Nutmeg Big Brothers Big Sisters	500	500	500	-
Tri-Town Emergency Shelter	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	33,000	33,000	-
Food Pantry	1,000	2,489	2,488	(1)
Fuel Bank	1,500	4,882	4,881	(1)
Youth Enrichment	20,000	21,919	21,919	-
Youth Activity Programs	56,370	61,881	61,881	-
Hartford Interval House	2,000	2,000	2,000	-
Human Services	210,763	210,763	206,063	(4,700)
North Central Health District	73,688	73,688	73,688	-
Welfare	16,000	18,308	18,308	-
Municipal Agent	2,000	2,000	1,999	(1)
Senior Center	246,501	246,501	222,230	(24,271)
Total Human Services	<u>674,414</u>	<u>689,023</u>	<u>659,203</u>	<u>(29,820)</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>TOWN PROPERTIES</b>				
Town Hall	\$ 418,872	\$ 418,872	\$ 418,437	\$ (435)
Center Cemetary	3,700	3,700	3,700	-
Hall Memorial Library Building	143,775	150,163	150,162	-
Arbor Commons - Human services	17,050	32,557	32,556	(1)
Arbor Commons - Police	13,450	17,675	17,675	-
Senior Center Building	58,394	69,705	69,705	-
Pinney House	1,500	2,038	2,038	-
Old Crystal Lake School House	9,700	11,285	11,285	-
Total Town Properties	<u>666,441</u>	<u>705,995</u>	<u>705,558</u>	<u>(436)</u>
<b>DEBT SERVICE</b>				
Debt Redemption - Principal	1,799,755	1,918,513	1,918,512	(1)
Debt Redemption - Interest	633,461	633,461	486,677	(146,784)
Total Debt Service	<u>2,433,216</u>	<u>2,551,974</u>	<u>2,405,189</u>	<u>(146,785)</u>
<b>MISCELLANEOUS</b>				
Social Security	374,000	374,000	354,252	(19,748)
Insurance	2,318,893	2,146,248	2,051,036	(95,212)
Insurance Reimbursement and Claims	7,500	30,173	30,172	(1)
Insurance Prior Year	5,000	5,000	-	(5,000)
Service Insurance	90,200	90,200	90,200	-
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	6,993	(7)
Erase	3,105	3,250	3,250	-
AD HOC Patriotic Committee	4,700	4,700	3,862	(838)
Charter Revision Commission	-	1,008	1,008	-
Miscellaneous	2,000	2,000	-	(2,000)
GASB-OPEB	100,000	100,000	100,000	-
Referendum	18,000	18,000	4,542	(13,458)
Building Demolition/Eviction	10,000	10,000	1,010	(8,990)
Salary Adjustment	45,000	18,479	-	(18,479)
Employee Education Development	7,500	7,500	-	(7,500)
Town Communications	18,628	18,628	17,765	(863)
Town Web Site	6,800	6,800	1,850	(4,950)
Grant Applications	2,000	2,000	844	(1,156)
GIS	19,000	19,000	9,315	(9,685)
Total Miscellaneous	<u>3,439,326</u>	<u>3,263,986</u>	<u>3,076,099</u>	<u>(187,887)</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>(UNDER) OVER</b>
<b>CAPITAL OUTLAYS</b>				
Unimproved Road Improvement	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Local Capital Improvement Program	106,768	106,768	106,768	-
Road Overlay	500,000	500,000	500,000	-
Road Drainage	10,000	10,000	10,000	-
DPW - Small Dump Trucks	70,000	70,000	70,000	-
DPW- Pick-Up Truck	35,000	35,000	35,000	-
DPW-Garage Renovations	65,000	65,000	65,000	-
Police Replmnt/Radios	-	25,000	25,000	-
Police Cruisers	-	33,000	33,000	-
HML-Reroof Original Building	64,454	64,454	64,454	-
State Police Facility Renovation	25,000	25,890	25,890	-
Revaluation	150,000	150,000	150,000	-
EVAC-Defib/CPR Equipment	40,000	57,335	57,335	-
Gen Govt Telephone Sys Replmnt	24,150	24,150	24,150	-
Municipal Broadband Connections	50,000	50,000	50,000	-
OPM Nutmeg Network Broadband	-	33,000	33,000	-
Arbor Park-Maintenance	10,000	10,000	10,000	-
Backstops and Fencing	15,000	15,000	15,000	-
Parking Lot Renovations	40,000	40,000	40,000	-
Town Green Gazebo	16,000	16,000	16,000	-
Town Hall Study Phase 1	-	32,480	32,480	-
DPW-Transfer Station Imp Town Garage	10,000	10,000	10,000	-
EVFD-Replmnt Boat	10,000	10,000	10,000	-
EVFD-Protective Gear Washer/Dyer	21,000	21,000	21,000	-
EVFD-Replmnt Fire Hose	12,000	12,000	12,000	-
CLFD-Replmnt FireFighting Turnout Gear	33,000	34,738	34,738	-
BOE-Windermere Generator	66,475	68,200	68,200	-
BOE-EMS Courtyard Repair	31,245	31,245	31,245	-
Total Capital Outlays	<u>1,415,092</u>	<u>1,560,260</u>	<u>1,560,260</u>	<u>-</u>
<b>EDUCATION</b>				
<b>Salaries</b>				
Administrative	1,746,249	1,746,249	1,756,868	10,619
Faculty	15,358,726	15,358,726	15,073,877	(284,849)
Secretarial	832,459	832,459	800,987	(31,472)
Custodial	1,071,450	1,071,450	1,032,656	(38,794)
Nurses	337,423	337,423	337,423	-
Instructor Aides	991,830	991,830	945,134	(46,696)
General / Media Aides	330,783	330,783	328,936	(1,847)
Media	81,772	81,772	85,225	3,453
Severance	(8,571)	(8,571)	76,890	85,461
Secretarial Subs	48,298	48,298	43,840	(4,458)
Custodial Subs	63,000	63,000	96,849	33,849
Substitute Teachers	248,425	248,425	318,300	69,875
Coaches & Advisors	253,736	253,736	251,381	(2,355)
Custodial Overtime	96,571	96,571	82,025	(14,546)
Total Salaries	<u>21,452,151</u>	<u>21,452,151</u>	<u>21,230,391</u>	<u>(221,760)</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EDUCATION (Continued)</b>				
<b>Employee Benefits</b>				
Health Benefits	\$ 5,148,985	\$ 5,148,985	\$ 5,044,179	\$ (104,806)
Social Security	522,040	522,040	555,237	33,197
Unemployment	10,000	10,000	6,352	(3,648)
Retirement - MERS	528,916	528,916	548,124	19,208
Course Tuition	1,000	1,000	-	(1,000)
Total Employee Benefits	<u>6,210,941</u>	<u>6,210,941</u>	<u>6,153,892</u>	<u>(57,049)</u>
<b>Contracted Services</b>				
Program Improvement	251,120	251,120	277,678	26,558
Pupil Services	75,029	75,029	50,517	(24,512)
Management Services	24,000	24,000	34,802	10,802
Professional/Tech Services	583,680	583,680	604,403	20,723
Public Utilities-Electricity	389,000	389,000	370,555	(18,445)
Other Property Services	183,042	183,042	187,240	4,198
Property Insurance	292,056	292,056	309,246	17,190
Rentals	97,894	97,894	103,961	6,067
Repairs Instrument Equipment	45,677	45,677	41,240	(4,437)
Propane/Natural Gas	140,100	140,100	162,449	22,349
Water Utility	48,700	48,700	50,456	1,756
Repairs/Maintenance	144,306	144,306	170,967	26,661
Reg. Pupil Transportation	1,485,641	1,485,641	1,418,807	(66,834)
Conference/Travel	24,500	24,500	23,410	(1,090)
Teacher Conf/Travel	15,000	15,000	17,031	2,031
Special Ed Transportation	523,035	523,035	437,405	(85,630)
Athletic Transportation	45,667	45,667	37,749	(7,918)
Cheney Vo-Ag Transportation	56,839	56,839	45,799	(11,040)
Support Staff Conf/Travel	3,700	3,700	3,113	(587)
Other Transportation Services	8,000	8,000	8,171	171
Telephone	54,630	54,630	60,922	6,292
Townwide Maintenance	40,500	40,500	219,755	179,255
Printing /Advertising	25,860	25,860	25,121	(739)
Outside Tuition	892,124	892,124	855,507	(36,617)
Total Contracted Services	<u>5,450,100</u>	<u>5,450,100</u>	<u>5,516,304</u>	<u>66,204</u>
<b>Capital Outlays</b>				
Replacement Equipment	64,947	64,947	172,642	107,695
Total Capital Outlays	<u>64,947</u>	<u>64,947</u>	<u>172,642</u>	<u>107,695</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EDUCATION (Continued)</b>				
<b>Supplies and Materials</b>				
Supplies	\$ -	\$ -	\$ 3,121	\$ 3,121
Administrative Supplies	57,915	57,915	86,346	28,431
Program Supplies	282,907	282,907	263,643	(19,264)
Special Education	34,672	34,672	33,207	(1,465)
Basic	127,199	127,199	122,797	(4,402)
Maintenance Gasoline	43,000	43,000	33,568	(9,432)
Custodial Supplies	82,000	82,000	99,548	17,548
Heating Fuel and Gasoline	73,250	73,250	39,784	(33,466)
Textbooks	99,573	99,573	183,797	84,224
Library/Media	52,554	52,554	44,296	(8,258)
Total Supplies and Materials	<u>853,070</u>	<u>853,070</u>	<u>910,107</u>	<u>57,037</u>
<b>Miscellaneous</b>				
Dues and Memberships	44,589	44,589	44,053	(536)
Other Supplies	-	-	380	380
Transfer Account	-	-	24,253	24,253
Total Miscellaneous	<u>44,589</u>	<u>44,589</u>	<u>68,686</u>	<u>24,097</u>
Total Board of Education	<u>34,075,798</u>	<u>34,075,798</u>	<u>34,052,022</u>	<u>(23,776)</u>
Total Budgetary Expenditures	<u>\$ 51,577,732</u>	<u>\$ 51,947,356</u>	<u>\$ 51,095,976</u>	<u>\$ (851,379)</u>

**TOWN OF ELLINGTON, CONNECTICUT**

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2015

GRAND LIST YEAR	BALANCE UNCOLLECTED	CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	BALANCE TO BE COLLECTED	COLLECTIONS				BALANCE UNCOLLECTED JUNE 30, 2014
	JUNE 30, 2014		ADDITIONS	DEDUCTIONS		COLLECTED	TAXES	INTEREST	LIEN FEES	TOTAL	
2013	\$ -	\$ 37,424,319	\$ 98,561	\$ 202,045	\$ -	\$ 37,320,835	\$ 36,992,464	\$ 98,726	\$ 3,410	\$ 37,094,600	\$ 328,371
2012	422,782	-	40,363	8,582	-	454,563	261,658	47,521	1,566	310,745	192,905
2011	184,342	-	38,454	4,079	(23,862)	194,855	89,300	29,355	(1,128)	117,527	105,555
2010	87,414	-	11,760	-	-	99,174	19,860	17,082	(2,184)	34,758	79,314
2009	100,525	-	-	-	-	100,525	34,791	24,610	216	59,617	65,734
2008	72,634	-	-	-	-	72,634	22,557	20,458	168	43,183	50,077
2007	41,794	-	-	-	-	41,794	8,102	16,349	144	24,595	33,692
2006	24,383	-	-	-	-	24,383	4,565	1,826	24	6,415	19,818
2005	9,897	-	-	-	-	9,897	-	-	-	-	9,897
2004	4,172	-	-	-	-	4,172	-	-	-	-	4,172
2003	4,057	-	-	-	-	4,057	-	-	-	-	4,057
2002	1,861	-	-	-	-	1,861	-	-	-	-	1,861
2001	897	-	-	-	-	897	-	-	-	-	897
2000	2,735	-	-	-	-	2,735	-	15	75	90	2,735
1999	342	-	-	-	-	342	-	-	-	-	342
1998	326	-	-	-	-	326	-	-	-	-	326
	<u>\$ 958,161</u>	<u>\$ 37,424,319</u>	<u>\$ 189,138</u>	<u>\$ 214,706</u>	<u>\$ (23,862)</u>	<u>\$ 38,333,050</u>	<u>\$ 37,433,297</u>	<u>\$ 255,942</u>	<u>\$ 2,291</u>	<u>\$ 37,691,530</u>	<u>\$ 899,753</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Total cash collections for the  
year ended June 30, 2015

Taxes	\$ 37,433,297
Interest and lien fees	258,233
Total	37,691,530

Reimbursed for  
Tax relief for elderly (CGS 12-129d)  
Total

	71,953
Total	71,953

Base \$ 37,763,483

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
Debt limitation:					
2-1/4 times base	\$ 84,967,837	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	169,935,674	-	-	-
3-3/4 times base	-	-	141,613,061	-	-
3-1/4 times base	-	-	-	122,731,320	-
3 times base	-	-	-	-	113,290,449
Total debt limitation	84,967,837	169,935,674	141,613,061	122,731,320	113,290,449
Indebtedness:					
Bonds and notes payable	5,500,000	16,585,000	1,150,000	-	-
Total indebtedness	5,500,000	16,585,000	1,150,000	-	-
Debt limitation in excess of Outstanding and authorized debt	\$ 79,467,837	153,350,674	140,463,061	122,731,320	113,290,449
Total capacity of borrowing (7 times base)	\$ 264,344,381				
Total present indebtedness	23,235,000				
Margin for additional borrowing	\$ 241,109,381				

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## COMBINING STATEMENTS

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**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING BALANCE SHEET - BY FUND TYPE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 863,128	\$ -	\$ -	\$ 863,128
Investments	1,287,390	300,456	919,862	2,507,708
Receivables:				
Grants and contracts receivable	115,362	45,541	-	160,903
Other, net of allowance for uncollectibles of \$285,224	98,091	-	-	98,091
Due from other funds	71,981	1,243,135	15,127	1,330,243
Inventories	7,472	-	-	7,472
Total assets	<u>\$ 2,443,424</u>	<u>\$ 1,589,132</u>	<u>\$ 934,989</u>	<u>\$ 4,967,545</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 174,175	\$ 6,426	\$ -	\$ 180,601
Due to other funds	119,558	40,609	-	160,167
Unearned revenue	796,526	-	-	796,526
Due to funding source	13,614	-	-	13,614
Total liabilities	<u>1,103,873</u>	<u>47,035</u>	<u>-</u>	<u>1,150,908</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Endowments	-	-	52,497	52,497
Inventories	7,472	-	-	7,472
Committed:				
School lunch operations	101,103	-	-	101,103
Public safety	531,146	-	-	531,146
Human services	55,070	-	-	55,070
Town properties	487,357	-	-	487,357
Land use	51,369	-	-	51,369
General government	64,413	-	-	64,413
Unassigned	41,621	1,542,097	882,492	2,466,210
Total fund balances	<u>1,339,551</u>	<u>1,542,097</u>	<u>934,989</u>	<u>3,816,637</u>
Total liabilities and fund balances	<u>\$ 2,443,424</u>	<u>\$ 1,589,132</u>	<u>\$ 934,989</u>	<u>\$ 4,967,545</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, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Intergovernmental	\$ 2,096,745	\$ 797,596	\$ -	\$ 2,894,341
Charges for services	432,308	-	-	432,308
Food sales	477,441	-	-	477,441
Interest and dividends	774	115	18	907
Net decrease in the fair value of investments	-	-	(24,703)	(24,703)
Other income	59,421	100,000	45,779	205,200
Total revenues	<u>3,066,689</u>	<u>897,711</u>	<u>21,094</u>	<u>3,985,494</u>
<b>EXPENDITURES</b>				
Current:				
Program expenditures	2,961,645	106,432	4,065	3,072,142
Capital outlays	-	1,187,569	-	1,187,569
Total expenditures	<u>2,961,645</u>	<u>1,294,001</u>	<u>4,065</u>	<u>4,259,711</u>
Excess (deficiency) of revenues over expenditures	105,044	(396,290)	17,029	(274,217)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from bond issuance	-	2,230,964	-	2,230,964
Total other financing sources	<u>-</u>	<u>2,230,964</u>	<u>-</u>	<u>2,230,964</u>
Net change in fund balances	105,044	1,834,674	17,029	1,956,747
Fund balances (deficit) - beginning	<u>1,234,507</u>	<u>(292,577)</u>	<u>917,960</u>	<u>1,859,890</u>
Fund balances - ending	<u>\$ 1,339,551</u>	<u>\$ 1,542,097</u>	<u>\$ 934,989</u>	<u>\$ 3,816,637</u>

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**SPECIAL REVENUE FUNDS**

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

	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
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 359,360	\$ 383,035	\$ 76,298	\$ 44,425	\$ -	\$ -
Investments	-	-	-	-	431,033	-	55,070
Receivables:							
Grants and contracts receivable	-	2,224	-	24,831	-	-	-
Other, net of allowance for uncollectibles of \$285,224	-	8,340	-	-	89,751	-	-
Due from other funds	13,614	11,297	-	-	-	-	-
Inventories	-	-	-	7,472	-	-	-
Total assets	<u>\$ 13,614</u>	<u>\$ 381,221</u>	<u>\$ 383,035</u>	<u>\$ 108,601</u>	<u>\$ 565,209</u>	<u>\$ -</u>	<u>\$ 55,070</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 171,327	\$ -	\$ 26	\$ 2,822	\$ -	\$ -
Due to other funds	-	-	-	-	31,241	-	-
Unearned revenue	-	209,894	383,035	-	-	-	-
Due to funding source	13,614	-	-	-	-	-	-
Total liabilities	<u>13,614</u>	<u>381,221</u>	<u>383,035</u>	<u>26</u>	<u>34,063</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Inventories	-	-	-	7,472	-	-	-
Committed to:							
School lunch operations	-	-	-	101,103	-	-	-
Public safety	-	-	-	-	531,146	-	-
Human services	-	-	-	-	-	-	55,070
Town properties	-	-	-	-	-	-	-
Land use	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,575</u>	<u>531,146</u>	<u>-</u>	<u>55,070</u>
Total liabilities and fund balances	<u>\$ 13,614</u>	<u>\$ 381,221</u>	<u>\$ 383,035</u>	<u>\$ 108,601</u>	<u>\$ 565,209</u>	<u>\$ -</u>	<u>\$ 55,070</u>

TOWN OF ELLINGTON, CONNECTICUT  
 COMBING BALANCE SHEET (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2015

	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Airport Improvement Grant Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	39,629	33,231	-	48,044	680,383	-
Receivables:						
Grants and contracts receivable	-	-	-	-	-	5,640
Other, net of allowance for uncollectibles of \$157,461	-	-	-	-	-	-
Due from other funds	24,784	18,961	-	3,325	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 64,413</u>	<u>\$ 52,192</u>	<u>\$ -</u>	<u>\$ 51,369</u>	<u>\$ 680,383</u>	<u>\$ 5,640</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	5,640
Unearned revenue	-	-	-	-	203,597	-
Due to funding source	-	-	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,597</u>	<u>\$ 5,640</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	-	-	-	-	-	-
Committed to:						
School lunch operations	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Town properties	-	10,571	-	-	476,786	-
Land use	-	-	-	51,369	-	-
General government	64,413	-	-	-	-	-
Unassigned	-	41,621	-	-	-	-
Total fund balances	<u>64,413</u>	<u>52,192</u>	<u>-</u>	<u>51,369</u>	<u>476,786</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 64,413</u>	<u>\$ 52,192</u>	<u>\$ -</u>	<u>\$ 51,369</u>	<u>\$ 680,383</u>	<u>\$ 5,640</u>

TOWN OF ELLINGTON, CONNECTICUT  
 COMBING BALANCE SHEET (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2015

	Small Cities Regular Rehab 12 Fund	Snispic Village Fund	Small Cities Regular Rehab 13 Fund	Side by Side Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 10	\$ -	\$ 863,128
Investments	-	-	-	-	1,287,390
Receivables:					
Grants and contracts receivable	-	-	80,271	2,396	115,362
Other, net of allowance for uncollectibles of \$157,461	-	-	-	-	98,091
Due from other funds	-	-	-	-	71,981
Inventories	-	-	-	-	7,472
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,281</u>	<u>\$ 2,396</u>	<u>\$ 2,443,424</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 174,175
Due to other funds	-	-	80,281	2,396	119,558
Unearned revenue	-	-	-	-	796,526
Due to funding source	-	-	-	-	13,614
Total liabilities	<u>-</u>	<u>-</u>	<u>80,281</u>	<u>2,396</u>	<u>1,103,873</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	-	-	-	-	7,472
Committed to:					
School lunch operations	-	-	-	-	101,103
Public safety	-	-	-	-	531,146
Human services	-	-	-	-	55,070
Town properties	-	-	-	-	487,357
Land use	-	-	-	-	51,369
General government	-	-	-	-	64,413
Unassigned	-	-	-	-	41,621
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,339,551</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,281</u>	<u>\$ 2,396</u>	<u>\$ 2,443,424</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, 2015

	<u>Dog Fund</u>	<u>Education Grants Fund</u>	<u>After School Program Fund</u>	<u>School Lunch Fund</u>	<u>Ambulance Fee Program Fund</u>	<u>Youth Service Bureau Fund</u>	<u>HUD Small Cities Housing Rehab Program Fund</u>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ 1,393,781	\$ 93,370	\$ 177,887	\$ -	\$ 18,937	\$ -
Charges for services	85,115	-	-	-	234,002	-	-
Food sales	-	-	-	477,441	-	-	-
Interest and dividends	-	-	-	287	168	-	22
Other income	-	-	-	-	-	-	550
Total revenues	<u>85,115</u>	<u>1,393,781</u>	<u>93,370</u>	<u>655,615</u>	<u>234,170</u>	<u>18,937</u>	<u>572</u>
<b>EXPENDITURES</b>							
Current:							
Program expenditures	<u>85,115</u>	<u>1,393,781</u>	<u>93,370</u>	<u>654,475</u>	<u>191,144</u>	<u>18,937</u>	<u>-</u>
Total expenditures	<u>85,115</u>	<u>1,393,781</u>	<u>93,370</u>	<u>654,475</u>	<u>191,144</u>	<u>18,937</u>	<u>-</u>
Net change in fund balances	-	-	-	1,140	43,026	-	572
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,435</u>	<u>488,120</u>	<u>-</u>	<u>54,498</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,575</u>	<u>\$ 531,146</u>	<u>\$ -</u>	<u>\$ 55,070</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, 2015

	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Airport Improvement Grant Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 27,023	\$ -	\$ -	\$ -
Charges for services	-	113,191	-	-	-	-
Food sales	-	-	-	-	-	-
Interest and dividends	15	13	-	18	251	-
Other income	6,894	-	-	5,075	46,902	-
Total revenues	<u>6,909</u>	<u>113,204</u>	<u>27,023</u>	<u>5,093</u>	<u>47,153</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
Program expenditures	<u>2</u>	<u>111,559</u>	<u>27,023</u>	<u>-</u>	<u>482</u>	<u>-</u>
Total expenditures	<u>2</u>	<u>111,559</u>	<u>27,023</u>	<u>-</u>	<u>482</u>	<u>-</u>
Net change in fund balances	6,907	1,645	-	5,093	46,671	-
Fund balances - beginning	<u>57,506</u>	<u>50,547</u>	<u>-</u>	<u>46,276</u>	<u>430,115</u>	<u>-</u>
Fund balances - ending	<u>\$ 64,413</u>	<u>\$ 52,192</u>	<u>\$ -</u>	<u>\$ 51,369</u>	<u>\$ 476,786</u>	<u>\$ -</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, 2015

	Small Cities Regular Rehab 12 Fund	Snipsic Village Fund	Small Cities Regular Rehab 13 Fund	Side by Side Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>					
Intergovernmental	\$ 28,385	\$ -	\$ 347,362	\$ 10,000	\$ 2,096,745
Charges for services	-	-	-	-	432,308
Food sales	-	-	-	-	477,441
Interest and dividends	-	-	-	-	774
Other income	-	-	-	-	59,421
Total revenues	<u>28,385</u>	<u>-</u>	<u>347,362</u>	<u>10,000</u>	<u>3,066,689</u>
<b>EXPENDITURES</b>					
Current:					
Program expenditures	28,385	10	347,362	10,000	2,961,645
Total expenditures	<u>28,385</u>	<u>10</u>	<u>347,362</u>	<u>10,000</u>	<u>2,961,645</u>
Net change in fund balances	-	(10)	-	-	105,044
Fund balances - beginning	-	10	-	-	1,234,507
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,339,551</u>

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**CAPITAL PROJECTS FUNDS**

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

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund
<b>ASSETS</b>					
Investments	\$ 25,709	\$ -	\$ 60,339	\$ 18,351	\$ 196,057
Grants and contract receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 25,709</u>	<u>\$ -</u>	<u>\$ 60,339</u>	<u>\$ 18,351</u>	<u>\$ 196,057</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	514	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>514</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Unassigned	25,709	-	59,825	18,351	196,057
Total fund balances	<u>25,709</u>	<u>-</u>	<u>59,825</u>	<u>18,351</u>	<u>196,057</u>
Total liabilities and fund balances	<u>\$ 25,709</u>	<u>\$ -</u>	<u>\$ 60,339</u>	<u>\$ 18,351</u>	<u>\$ 196,057</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
 COMBINING BALANCE SHEET *(Continued)*  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2015

	<u>Dojo Association Fund</u>	<u>Hall HVAC System Fund</u>	<u>59 South Road Fund</u>	<u>Windermere Heat Control Fund</u>	<u>Senior Center Building Fund</u>	<u>Windermere School Alterations Fund</u>
<b>ASSETS</b>						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts receivable	-	-	-	-	-	-
Due from other funds	24,350	16,823	7,582	33,522	154,310	607,428
Total assets	<u>\$ 24,350</u>	<u>\$ 16,823</u>	<u>\$ 7,582</u>	<u>\$ 33,522</u>	<u>\$ 154,310</u>	<u>\$ 607,428</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118</u>
<b>FUND BALANCES</b>						
Unassigned	24,350	16,823	7,582	33,522	154,310	607,310
Total fund balances	<u>24,350</u>	<u>16,823</u>	<u>7,582</u>	<u>33,522</u>	<u>154,310</u>	<u>607,310</u>
Total liabilities and fund balances	<u>\$ 24,350</u>	<u>\$ 16,823</u>	<u>\$ 7,582</u>	<u>\$ 33,522</u>	<u>\$ 154,310</u>	<u>\$ 607,428</u>

TOWN OF ELLINGTON, CONNECTICUT  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2015

	Baher Farm Preservation Fund	Charter Farm Preservation Fund	McKight Farm Preservation Fund	STEAP Human Service Building Fund	Pinney Athletic Field Fund	STEAP Ellington Fire House Fund	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,456
Grants and contracts receivable	-	-	-	-	-	45,541	45,541
Due from other funds	343,032	3,025	1,739	-	51,324	-	1,243,135
Total assets	<u>\$ 343,032</u>	<u>\$ 3,025</u>	<u>\$ 1,739</u>	<u>\$ -</u>	<u>\$ 51,324</u>	<u>\$ 45,541</u>	<u>\$ 1,589,132</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 759	\$ 19	\$ 25	\$ -	\$ 59	\$ 5,446	\$ 6,426
Due to other funds	-	-	-	-	-	40,095	40,609
Total liabilities	<u>759</u>	<u>19</u>	<u>25</u>	<u>-</u>	<u>59</u>	<u>45,541</u>	<u>47,035</u>
<b>FUND BALANCES (DEFICITS)</b>							
Unassigned	342,273	3,006	1,714	-	51,265	-	1,542,097
Total fund balances	<u>342,273</u>	<u>3,006</u>	<u>1,714</u>	<u>-</u>	<u>51,265</u>	<u>-</u>	<u>1,542,097</u>
Total liabilities and fund balances	<u>\$ 343,032</u>	<u>\$ 3,025</u>	<u>\$ 1,739</u>	<u>\$ -</u>	<u>\$ 51,324</u>	<u>\$ 45,541</u>	<u>\$ 1,589,132</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, 2015

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 106,432	\$ -	\$ -	\$ -
Interest and dividends	10	-	23	7	75
Other income	-	-	-	-	-
Total revenues	<u>10</u>	<u>106,432</u>	<u>23</u>	<u>7</u>	<u>75</u>
<b>EXPENDITURES</b>					
Current:					
Program expenditures	-	106,432	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlays	-	-	514	-	-
Total expenditures	<u>-</u>	<u>106,432</u>	<u>514</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	10	-	(491)	7	75
<b>OTHER FINANCING SOURCES</b>					
Proceeds from bond issuance	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10	-	(491)	7	75
Fund balances (deficits) - beginning	<u>25,699</u>	<u>-</u>	<u>60,316</u>	<u>18,344</u>	<u>195,982</u>
Fund balances - ending	<u>\$ 25,709</u>	<u>\$ -</u>	<u>\$ 59,825</u>	<u>\$ 18,351</u>	<u>\$ 196,057</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, 2015

	Dojo Association Fund	Hall HVAC System Fund	59 South Road Fund	Windermere Heat Control Fund	Senior Center Building Fund	Windermere School Alterations Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 156,060	\$ -	\$ -	\$ 484,563
Interest and dividends	-	-	-	-	-	-
Other income	-	-	-	-	100,000	-
Total revenues	<u>-</u>	<u>-</u>	<u>156,060</u>	<u>-</u>	<u>100,000</u>	<u>484,563</u>
<b>EXPENDITURES</b>						
Current:						
Program expenditures	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlays	-	691	-	-	44,729	588,307
Total expenditures	<u>-</u>	<u>691</u>	<u>-</u>	<u>-</u>	<u>44,729</u>	<u>588,307</u>
Excess (deficiency) of revenues over expenditures	-	(691)	156,060	-	55,271	(103,744)
<b>OTHER FINANCING SOURCES</b>						
Proceeds from bond issuance	-	-	-	-	-	1,000,964
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,964</u>
Net change in fund balances	-	(691)	156,060	-	55,271	897,220
Fund balances (deficits) - beginning	<u>24,350</u>	<u>17,514</u>	<u>(148,478)</u>	<u>33,522</u>	<u>99,039</u>	<u>(289,910)</u>
Fund balances - ending	<u>\$ 24,350</u>	<u>\$ 16,823</u>	<u>\$ 7,582</u>	<u>\$ 33,522</u>	<u>\$ 154,310</u>	<u>\$ 607,310</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, 2015

	Baher Farm Preservation Fund	Charter Farm Preservation Fund	McKnight Farm Preservation Fund	STEAP Human Service Building Fund	Pinney Athletic Field Fund	STEAP Ellington Fire House Fund	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 45,541	\$ 797,596
Interest and dividends	-	-	-	-	-	-	115
Other income	-	-	-	-	-	-	100,000
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>45,541</u>	<u>897,711</u>
<b>EXPENDITURES</b>							
Current:							
Program expenditures	-	-	-	-	-	-	106,432
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital outlays	3,561	1,322	209,619	5,000	288,285	45,541	1,187,569
Total expenditures	<u>3,561</u>	<u>1,322</u>	<u>209,619</u>	<u>5,000</u>	<u>288,285</u>	<u>45,541</u>	<u>1,294,001</u>
Excess (deficiency) of revenues over expenditures	(3,561)	(1,322)	(209,619)	-	(288,285)	-	(396,290)
<b>OTHER FINANCING SOURCES</b>							
Proceeds from bond issuance	354,334	164,333	211,333	-	500,000	-	2,230,964
Total other financing sources	<u>354,334</u>	<u>164,333</u>	<u>211,333</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>2,230,964</u>
Net change in fund balances	350,773	163,011	1,714	-	211,715	-	1,834,674
Fund balances (deficits) - beginning	<u>(8,500)</u>	<u>(160,005)</u>	<u>-</u>	<u>-</u>	<u>(160,450)</u>	<u>-</u>	<u>(292,577)</u>
Fund balances - ending	<u>\$ 342,273</u>	<u>\$ 3,006</u>	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 51,265</u>	<u>\$ -</u>	<u>\$ 1,542,097</u>

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**PERMANENT FUNDS**

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**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR PERMANENT FUNDS**  
**JUNE 30, 2015**

	<b>Marshall E. Charter Fund</b>	<b>Kimball Memorial Fund</b>	<b>John T. McKnight Maintenance Fund</b>	<b>Eugene K. Mosley Fund</b>	<b>Arthur Hyde Fund</b>
<b>ASSETS</b>					
Investments	\$ 503,802	\$ 102,401	\$ 20,524	\$ 100	\$ 200
Due from other funds	2,890	3,579	718	-	-
Total assets	<u>\$ 506,692</u>	<u>\$ 105,980</u>	<u>\$ 21,242</u>	<u>\$ 100</u>	<u>\$ 200</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Endowments	29,697	5,000	1,000	100	200
Unassigned	476,995	100,980	20,242	-	-
Total fund balances	<u>\$ 506,692</u>	<u>\$ 105,980</u>	<u>\$ 21,242</u>	<u>\$ 100</u>	<u>\$ 200</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING BALANCE SHEET (Continued)**  
**NONMAJOR PERMANENT FUNDS**  
**JUNE 30, 2015**

	<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>
<b>ASSETS</b>					
Investments	\$ 500	\$ 76,761	\$ 214,574	\$ 1,000	\$ 919,862
Due from other funds	-	442	7,498	-	15,127
Total assets	<u>\$ 500</u>	<u>\$ 77,203</u>	<u>\$ 222,072</u>	<u>\$ 1,000</u>	<u>\$ 934,989</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Endowments	500	5,000	10,000	1,000	52,497
Unassigned	-	72,203	212,072	-	882,492
Total fund balances	<u>\$ 500</u>	<u>\$ 77,203</u>	<u>\$ 222,072</u>	<u>\$ 1,000</u>	<u>\$ 934,989</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<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>
<b>REVENUES</b>					
Interest and dividends	\$ 18	\$ -	\$ -	\$ -	\$ -
Net decrease in the fair value of investments	(12,851)	(2,939)	(590)	-	-
Other income	23,858	5,441	1,072	-	-
Total revenues	<u>11,025</u>	<u>2,502</u>	<u>482</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Program expenditures	1,885	431	86	-	-
Total expenditures	<u>1,885</u>	<u>431</u>	<u>86</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	9,140	2,071	396	-	-
Fund balances - beginning	<u>497,552</u>	<u>103,909</u>	<u>20,846</u>	<u>100</u>	<u>200</u>
Fund balances - ending	<u>\$ 506,692</u>	<u>\$ 105,980</u>	<u>\$ 21,242</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, 2015

	<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>
<b>REVENUES</b>					
Interest and dividends	\$ -	\$ -	\$ -	\$ -	\$ 18
Net decrease in the fair value of investments	-	(2,164)	(6,159)	-	(24,703)
Other income	-	3,982	11,426	-	45,779
Total revenues	<u>-</u>	<u>1,818</u>	<u>5,267</u>	<u>-</u>	<u>21,094</u>
<b>EXPENDITURES</b>					
Current:					
Program expenditures	-	760	903	-	4,065
Total expenditures	<u>-</u>	<u>760</u>	<u>903</u>	<u>-</u>	<u>4,065</u>
Excess of revenues over expenditure	-	1,058	4,364	-	17,029
Fund balances - beginning	<u>500</u>	<u>76,145</u>	<u>217,708</u>	<u>1,000</u>	<u>917,960</u>
Fund balances - ending	<u>\$ 500</u>	<u>\$ 77,203</u>	<u>\$ 222,072</u>	<u>\$ 1,000</u>	<u>\$ 934,989</u>

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**PROPRIETARY FUNDS**

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**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION (DEFICIT)**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2015**

	<u>Solid Waste Collection Fund</u>	<u>Watermains, Tripp and Middle Roads Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$5,925	\$ 49,076	\$ -	\$ 49,076
Noncurrent assets:			
Long-term assessments receivable	-	38,183	38,183
Total assets	<u>49,076</u>	<u>38,183</u>	<u>87,259</u>
<b>LIABILITIES</b>			
Current liabilities:			
Due to other funds	102,738	109,541	212,279
Total liabilities	<u>102,738</u>	<u>109,541</u>	<u>212,279</u>
<b>NET POSITION (DEFICITS)</b>			
Unrestricted (deficits)	(53,662)	(71,358)	(125,020)
Total net position (deficits)	<u>\$ (53,662)</u>	<u>\$ (71,358)</u>	<u>\$ (125,020)</u>

**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, 2015**

	<b>Solid Waste Collection Fund</b>	<b>Watermains, Tripp and Middle Roads Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Solid waste fees	\$ 651,664	\$ -	\$ 651,664
Total operating revenues	<u>651,664</u>	<u>-</u>	<u>651,664</u>
 <b>OPERATING EXPENSES</b>			
Public works and administrative expenses	<u>599,312</u>	<u>-</u>	<u>599,312</u>
Total operating expenses	<u>599,312</u>	<u>-</u>	<u>599,312</u>
 Change in net position	52,352	-	52,352
 Net position (deficits) - beginning	<u>(106,014)</u>	<u>(71,358)</u>	<u>(177,372)</u>
 Net position (deficits) - ending	<u><u>\$ (53,662)</u></u>	<u><u>\$ (71,358)</u></u>	<u><u>\$ (125,020)</u></u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Solid Waste Collection Fund</b>	<b>Watermains, Tripp and Middle Roads Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 652,428	\$ -	\$ 652,428
Receipts from interfund services provided	(53,116)	-	(53,116)
Payments to suppliers	(599,312)	-	(599,312)
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>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 52,352	\$ -	\$ 52,352
Decrease in assets:			
Solid waste charges receivable, net	764	-	764
Decrease in liabilities:			
Due to other funds	(53,116)	-	(53,116)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**FIDUCIARY FUNDS**

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**TOWN OF ELLINGTON, CONNECTICUT**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2015

	<b>Municipal Land Trust Fund</b>	<b>Public Health Nursing Fund</b>	<b>John T. McKnight Fund</b>	<b>Hall Memorial Library Fund</b>	<b>Senior Center Donation Fund</b>	<b>Graduation Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 94,506	\$ -	\$ 3,394
Investments	21,249	2,267	25,540	-	21,155	20,288
Due from other funds	-	-	-	-	-	-
Total assets	<u>21,249</u>	<u>2,267</u>	<u>25,540</u>	<u>94,506</u>	<u>21,155</u>	<u>23,682</u>
<b>LIABILITIES</b>						
Due to other funds	-	-	-	-	5,860	419
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,860</u>	<u>419</u>
<b>NET POSITION</b>						
Held in trust for other purposes	<u>\$ 21,249</u>	<u>\$ 2,267</u>	<u>\$ 25,540</u>	<u>\$ 94,506</u>	<u>\$ 15,295</u>	<u>\$ 23,263</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION *(Continued)*  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2015

	<b>Senior Citizen Activity Fund</b>	<b>Hall Memorial Endowment Fund</b>	<b>Hall Memorial Myrtle Eddy Fund</b>	<b>Hall Memorial Moriarty Fund</b>	<b>Ellington Senior Center Building Fund</b>	<b>Total Private Purpose Trust Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 21,249	\$ -	\$ -	\$ -	\$ -	\$ 119,149
Investments	-	204,693	6,841	13,682	16,835	332,550
Due from other funds	-	7,153	134	267	9,500	17,054
Total assets	<u>21,249</u>	<u>211,846</u>	<u>6,975</u>	<u>13,949</u>	<u>26,335</u>	<u>468,753</u>
<b>LIABILITIES</b>						
Due to other funds	-	-	-	-	-	6,279
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,279</u>
<b>NET POSITION</b>						
Held in trust for other purposes	<u>\$ 21,249</u>	<u>\$ 211,846</u>	<u>\$ 6,975</u>	<u>\$ 13,949</u>	<u>\$ 26,335</u>	<u>\$ 462,474</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Municipal Land Trust Fund</b>	<b>Public Health Nursing Fund</b>	<b>John T. McKnight Fund</b>	<b>Hall Memorial Library Fund</b>	<b>Senior Center Donation Fund</b>	<b>Graduation Fund</b>
<b>ADDITIONS</b>						
Contributions - private donations	\$ -	\$ -	\$ -	\$ 47,508	\$ -	\$ 18,242
Other income	-	-	-	24,686	-	-
Total contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,194</u>	<u>-</u>	<u>18,242</u>
Investment earnings:						
Interest	8	1	10	65	9	8
Net decrease in the fair value of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>8</u>	<u>1</u>	<u>10</u>	<u>65</u>	<u>9</u>	<u>8</u>
Total additions	<u>8</u>	<u>1</u>	<u>10</u>	<u>72,259</u>	<u>9</u>	<u>18,250</u>
<b>DEDUCTIONS</b>						
Other expenditures	-	-	-	-	-	-
Program expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,691</u>	<u>14,468</u>	<u>14,882</u>
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,691</u>	<u>14,468</u>	<u>14,882</u>
Change in net position	8	1	10	(39,432)	(14,459)	3,368
Net position - beginning	<u>21,241</u>	<u>2,266</u>	<u>25,530</u>	<u>133,938</u>	<u>29,754</u>	<u>19,895</u>
Net position - ending	<u>\$ 21,249</u>	<u>\$ 2,267</u>	<u>\$ 25,540</u>	<u>\$ 94,506</u>	<u>\$ 15,295</u>	<u>\$ 23,263</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION *(Continued)*  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<b>Senior Citizen Activity Fund</b>	<b>Hall Memorial Endowment Fund</b>	<b>Hall Memorial Myrtle Eddy Fund</b>	<b>Hall Memorial Moriarty Fund</b>	<b>Ellington Senior Center Building Fund</b>	<b>Total Private Purpose Trust Funds</b>
<b>ADDITIONS</b>						
Contributions - private donations	\$ 58,295	\$ -	\$ -	\$ -	\$ 12,700	\$ 136,745
Other income	-	10,881	343	761	-	36,671
Total contributions	<u>58,295</u>	<u>10,881</u>	<u>343</u>	<u>761</u>	<u>12,700</u>	<u>173,416</u>
Investment earnings:						
Interest	4	-	-	-	9	114
Net decrease in the fair value of investments	-	(5,809)	(197)	(392)	-	(6,398)
Net investment earnings	<u>4</u>	<u>(5,809)</u>	<u>(197)</u>	<u>(392)</u>	<u>9</u>	<u>(6,284)</u>
Total additions	<u>58,299</u>	<u>5,072</u>	<u>146</u>	<u>369</u>	<u>12,709</u>	<u>167,132</u>
<b>DEDUCTIONS</b>						
Other expenditures	-	923	29	58	-	1,010
Program expenditures	<u>52,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>293,771</u>
Total deductions	<u>52,730</u>	<u>923</u>	<u>29</u>	<u>58</u>	<u>100,000</u>	<u>294,781</u>
Change in net position	5,569	4,149	117	311	(87,291)	(127,649)
Net position - beginning	<u>15,680</u>	<u>207,697</u>	<u>6,858</u>	<u>13,638</u>	<u>113,626</u>	<u>590,123</u>
Net position - ending	<u>\$ 21,249</u>	<u>\$ 211,846</u>	<u>\$ 6,975</u>	<u>\$ 13,949</u>	<u>\$ 26,335</u>	<u>\$ 462,474</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Student Activities</u>	<u>Performance Bonds</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 460,656	\$ -	\$ 460,656
Investments	-	14,534	14,534
Total assets	<u>\$ 460,656</u>	<u>\$ 14,534</u>	<u>\$ 475,190</u>
<b>LIABILITIES</b>			
Due to others			
Total liabilities	<u>\$ 460,656</u>	<u>\$ 14,534</u>	<u>\$ 475,190</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance, June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2015</u>
<b>CASH AND CASH EQUIVALENTS</b>				
Ellington Center School	\$ 5,979	\$ 14,129	\$ 15,521	\$ 4,587
Ellington High School	118,229	510,585	478,643	150,171
Ellington School Use Activity	14,895	7,490	5,223	17,162
Crystal Lake School	3,150	8,095	7,791	3,454
Windermere School	16,555	48,577	48,733	16,399
Special Education Preschool Department	53,961	82,327	80,816	55,472
Board of Education Educational Services	21,593	19,018	18,549	22,062
Special Education Petty Cash Reimbursement	1,016	6,508	7,086	438
Ellington Middle School	76,292	169,207	157,364	88,135
Special Education Account	177,216	58,628	230,000	5,844
Petty Cash - BOE	276	3,965	3,300	941
Petty Cash - All Schools	519	-	-	519
Central Office Flex Spending	11,375	26,909	27,947	10,337
COBRA Reimbursement	57,222	254,522	226,609	85,135
	<u>558,278</u>	<u>1,209,960</u>	<u>1,307,582</u>	<u>460,656</u>
<b>INVESTMENTS</b>				
Construction Performance Bonds	18,558	7,506	11,530	14,534
Total assets	<u>\$ 576,836</u>	<u>\$ 1,217,466</u>	<u>\$ 1,319,112</u>	<u>\$ 475,190</u>
<b>DUE TO OTHERS</b>				
Ellington Center School	5,979	14,129	15,521	4,587
Ellington High School	118,229	510,585	478,643	150,171
Ellington School Use Activity	14,895	7,490	5,223	17,162
Crystal Lake School	3,150	8,095	7,791	3,454
Windermere School	16,555	48,577	48,733	16,399
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Special Education Account	177,216	58,628	230,000	5,844
Petty Cash - BOE	276	3,965	3,300	941
Petty Cash - All Schools	519	-	-	519
Central Office Flex Spending	11,375	26,909	27,947	10,337
COBRA Reimbursement	57,222	254,522	226,609	85,135
Due to Contractors	18,558	7,506	11,530	14,534
Total Due to others	<u>576,836</u>	<u>1,217,466</u>	<u>1,319,112</u>	<u>475,190</u>
Total liabilities	<u>\$ 576,836</u>	<u>\$ 1,217,466</u>	<u>\$ 1,319,112</u>	<u>\$ 475,190</u>