

TOWN OF ELLINGTON, CONNECTICUT

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

JUNE 30, 2014

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance of the
Town of Ellington, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Ellington, Connecticut (the "Town"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison schedule for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-16 and the schedule of funding progress on page 57 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 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 February 13, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Glastonbury, Connecticut
February 13, 2015

Management's Discussion and Analysis

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

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by \$78,512,412 (net position). Of this amount, \$15,588,810 (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, 2014 amounted to an increase of \$3,184,645 or 4.2% 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 \$14,519,921, an increase of \$1,752,424 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 \$2,094,065 or 3.95% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 0.5 months of General Fund operating expenditures. Committed fund balance for future "Capital Reserves" and other "Capital and Nonrecurring" requirements totaled \$4,967,019 at June 30, 2014.
- The Town's total long-term bonded debt had a net increase of \$2,670,000 or 23.5% during the current fiscal year due to the issuance of bonded debt totaling \$4,205,000 offset by scheduled principal repayments.
- 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 \$4,478,650 or 9.1% of budgetary expenditures for the year ended June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows 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.

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).

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, 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 30-56 of this report.

Required Supplementary Information

The schedule of funding progress for the Town's healthcare plan for other post-employment benefits (OPEB) can be found on page 57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains combining and individual fund statements and schedules that can be found on pages 58-96 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 \$78,51,552 and \$75,327,767 as of June 30, 2014 and 2013, respectively, and are summarized as follows:

Town of Ellington
Net Position
June 30, 2014

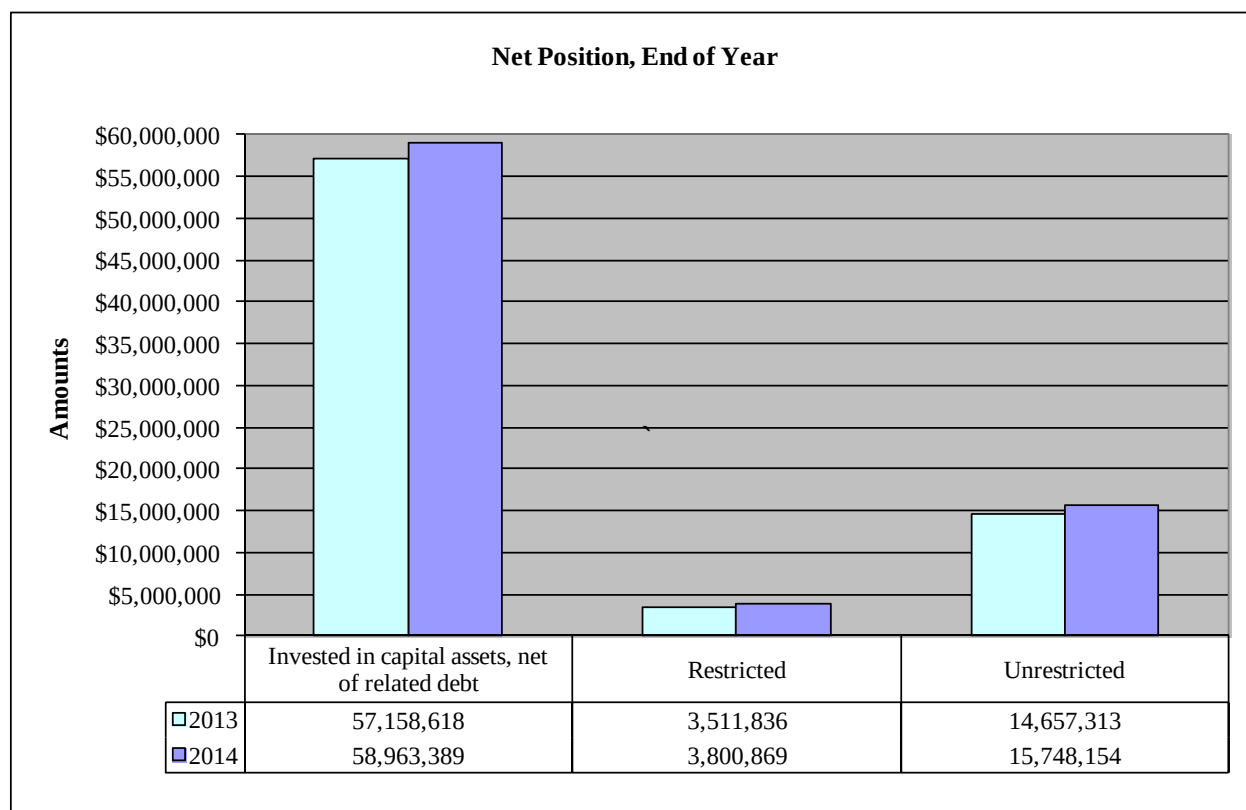
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 18,238,897	\$ 6,743,154	\$ 24,982,051
Capital assets	63,144,774	10,708,329	73,853,103
Total assets	81,383,671	17,451,483	98,835,154
Deferred outflows of resources	162,891	-	162,891
Other liabilities	2,769,817	59,696	2,829,513
Long-term liabilities	16,033,745	1,622,375	17,656,120
Total liabilities	18,803,562	1,682,071	20,485,633
Net position:			
Net investment in capital assets	49,480,060	9,483,329	58,963,389
Restricted	3,800,869	-	3,800,869
Unrestricted	9,462,071	6,286,083	15,748,154
Total net position	\$ 62,743,000	\$ 15,769,412	\$ 78,512,412

Town of Ellington
Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 17,766,247	\$ 7,138,123	\$ 24,904,370
Capital assets	59,246,926	10,638,590	69,885,516
Total assets	77,013,173	17,776,713	94,789,886
Deferred outflows of resources	189,518	5,867	195,385
Other liabilities	3,745,077	328,811	4,073,888
Long-term liabilities	13,359,376	2,224,240	15,583,616
Total liabilities	17,104,453	2,553,051	19,657,504
Net position:			
Net investment in capital assets	48,142,944	9,015,674	57,158,618
Restricted	3,511,836	-	3,511,836
Unrestricted	8,443,458	6,213,855	14,657,313
Total net position	\$ 60,098,238	\$ 15,229,529	\$ 75,327,767

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



75.3% 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.

4.8% 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 \$3,184,645 or 4.2% 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, 2014 and 2013 are as follows:

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	<u>57,350,208</u>	<u>2,977,950</u>	<u>60,328,158</u>
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	<u>54,445,446</u>	<u>2,698,067</u>	<u>57,143,513</u>
Change in net position before transfers	2,904,762	279,883	3,184,645
Transfers	<u>(260,000)</u>	<u>260,000</u>	<u>-</u>
Change in net position	2,644,762	539,883	3,184,645
Net position - beginning	<u>60,098,238</u>	<u>15,229,529</u>	<u>75,327,767</u>
Net position - ending	<u>\$ 62,743,000</u>	<u>\$ 15,769,412</u>	<u>\$ 78,512,412</u>

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

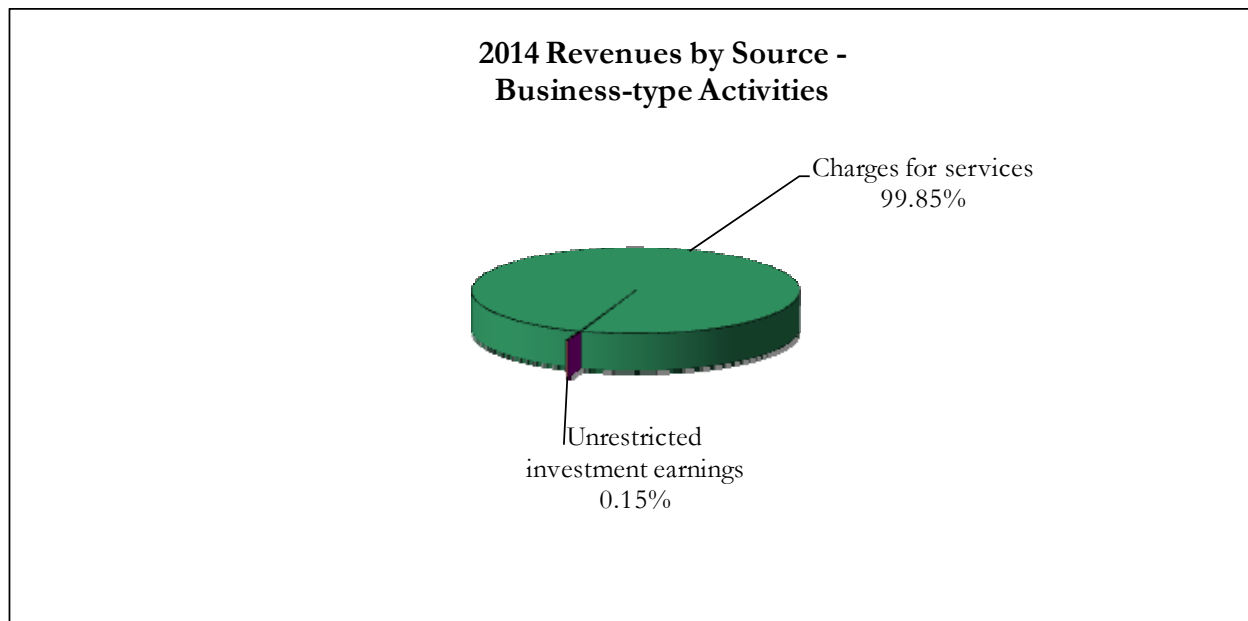
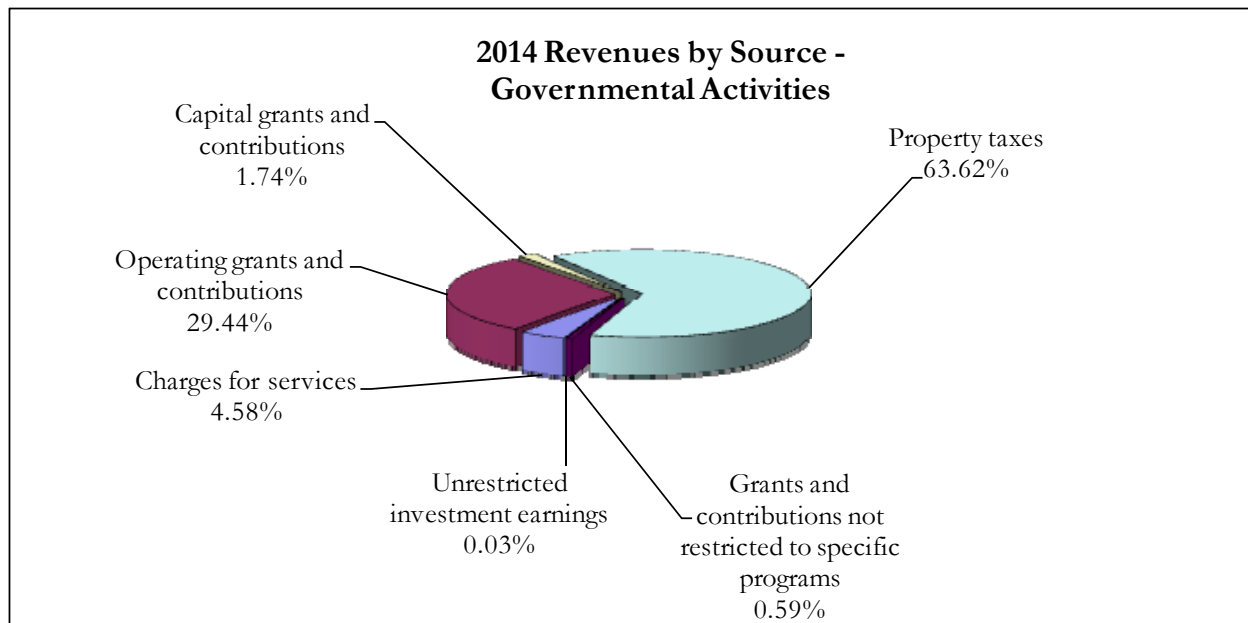
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)

Town of Ellington Changes in Net Position For the Year Ended June 30, 2013			
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 2,435,941	\$ 2,367,803	\$ 4,803,744
Operating grants and contributions	15,437,413	-	15,437,413
Capital grants and contributions	1,525,945	-	1,525,945
General revenues:			
Property taxes	35,911,010	-	35,911,010
Grants and contributions not restricted to specific programs	535,251	-	535,251
Unrestricted investment earnings	51,773	1,794	53,567
Total revenues	<u>55,897,333</u>	<u>2,369,597</u>	<u>58,266,930</u>
Program expenses			
General government	4,522,587	-	4,522,587
Boards and agencies	119,490	-	119,490
Public safety	2,740,546	-	2,740,546
Public works	3,927,383	-	3,927,383
Recreation	400,118	-	400,118
Library	730,947	-	730,947
Human services	1,581,678	-	1,581,678
Town properties	530,147	-	530,147
Education	39,388,446	-	39,388,446
Interest on long-term debt	303,924	-	303,924
Sewer and solid waste	-	2,957,445	2,957,445
Total expenses	<u>54,245,266</u>	<u>2,957,445</u>	<u>57,202,711</u>
Change in net assets before transfers	1,652,067	(587,848)	1,064,219
Transfers	<u>(70,291)</u>	<u>70,291</u>	<u>-</u>
Change in net position	1,581,776	(517,557)	1,064,219
Net position - beginning	<u>58,516,462</u>	<u>15,747,086</u>	<u>74,263,548</u>
Net position - ending	<u>\$ 60,098,238</u>	<u>\$ 15,229,529</u>	<u>\$ 75,327,767</u>

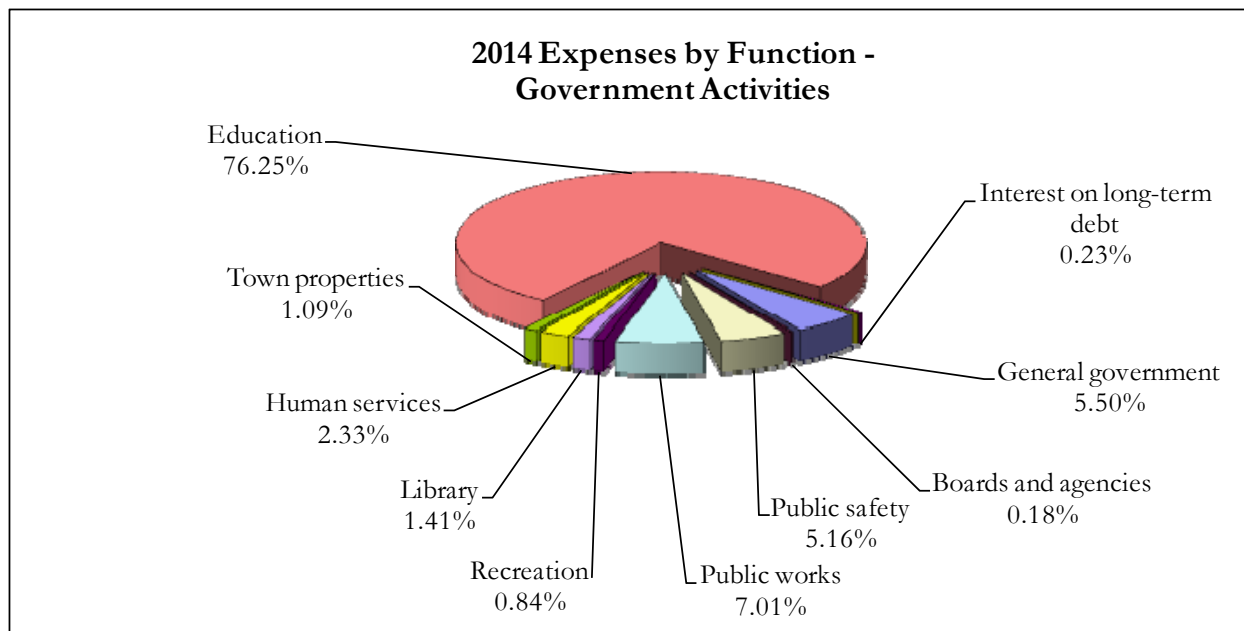
GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

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 \$2,644,762.

Business-type Activities

Business-type activities increased the Town's net position by \$539,883.

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 \$14,519,921, an increase of \$1,752,424 in comparison with the prior year. Of the total governmental fund balances, \$1,399,288 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 \$2,094,065, while total fund balance was \$11,044,785. Committed fund balance for future "Capital Reserves" and "Capital and Nonrecurring" totaled \$4,967,019. The remaining \$3,983,701 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 3.95% of total General Fund expenditures, while total fund balance represents 20.81% of that same amount. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 0.5 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$577,510 during the current fiscal year.

Crystal Lake School Addition/Renovation Fund

The fund balance of the Town's CLS Add/Renov Fund decreased by \$768,631 due to the continuation of the construction project.

Small Cities Program Income Fund

The fund balance of the Town's Small Cities Program Income Fund increased by \$170,911 due to the transfer in of \$167,962 which represents the addition of new small cities loans.

Proprietary Funds

Unrestricted net position of the Sewer Authority Fund at the end of the year totaled \$5,957,334, an increase of \$426,778 over the prior year. Unrestricted net position of the Crystal Lake Sewer Fund at the end of the year totaled \$346,777, a decrease of \$466,732 over the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for 2014 planned for the utilization of fund balance of \$2,394,980. The final budget for 2014 planned on the utilization of fund balance of \$2,671,937. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$104,215. Expenditures were \$1,076,311 less than budgeted and revenues were \$1,699,841 higher than expected due primarily to increases in property tax collections and permit and fee revenues. Additional appropriations during 2014 totaled \$276,957.

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, 2014 totaled \$73,853,103 (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 \$3,967,587 which was comprised of a \$3,897,848 increase or a 6.58% increase for governmental activities and a \$69,739 or a 0.66% increase for business-type activities.

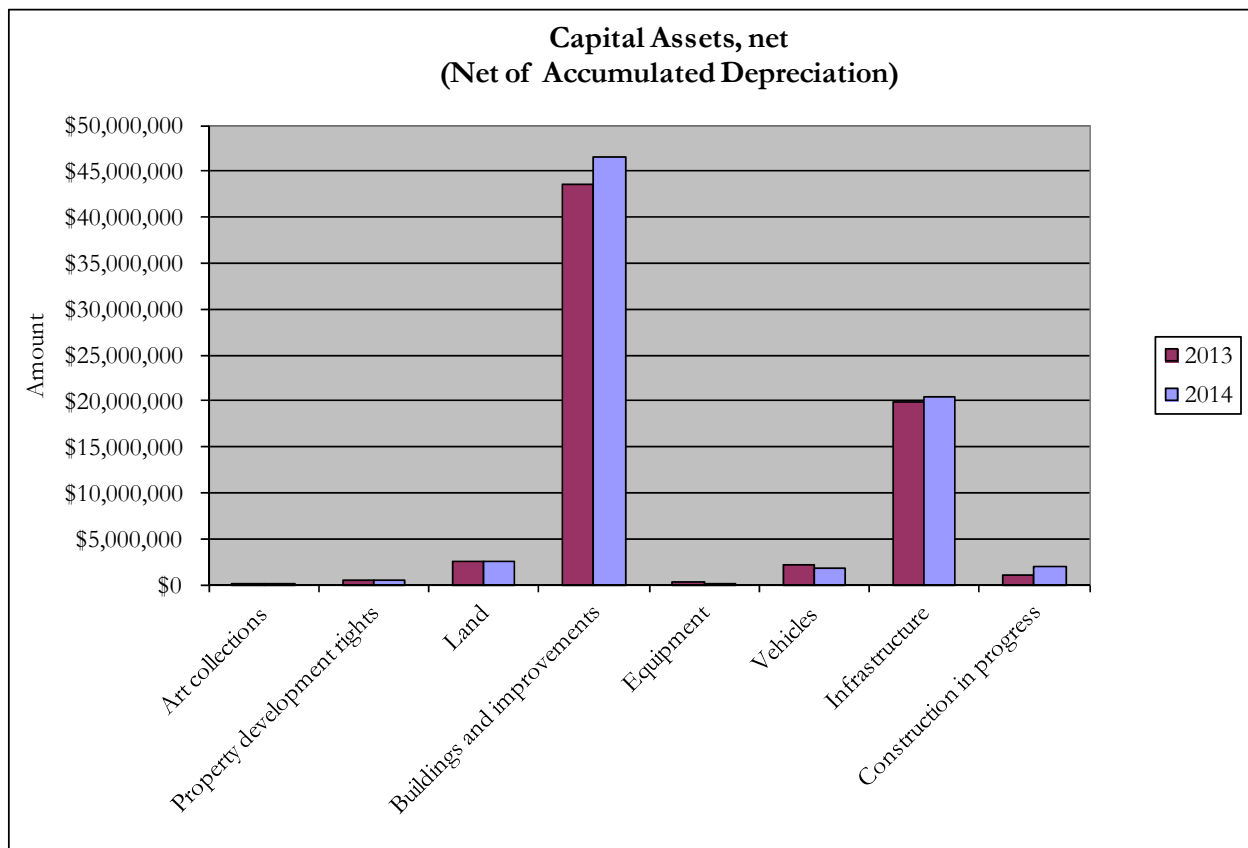
The following table is a two year comparison of the investment in capital assets presented for both governmental and business-type activities:

Town of Ellington
Capital Assets, net
June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Art collections	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Property development rights	489,361	489,361	-	-	489,361	489,361
Land	2,507,844	2,507,844	-	-	2,507,844	2,507,844
Buildings and improvements	46,511,191	43,579,394	-	-	46,511,191	43,579,394
Equipment	32,449	163,185	78,590	28,845	111,039	192,030
Vehicles	1,785,787	2,150,037	-	-	1,785,787	2,150,037
Infrastructure	9,874,226	9,398,190	10,577,928	10,545,776	20,452,154	19,943,966
Construction in progress	1,908,318	923,317	51,811	63,969	1,960,129	987,286
Totals	<u>\$ 63,144,774</u>	<u>\$ 59,246,926</u>	<u>\$ 10,708,329</u>	<u>\$ 10,638,590</u>	<u>\$ 73,853,103</u>	<u>\$ 69,885,516</u>

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.

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 \$14,025,000. 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 \$2,670,000 or 23.5%.

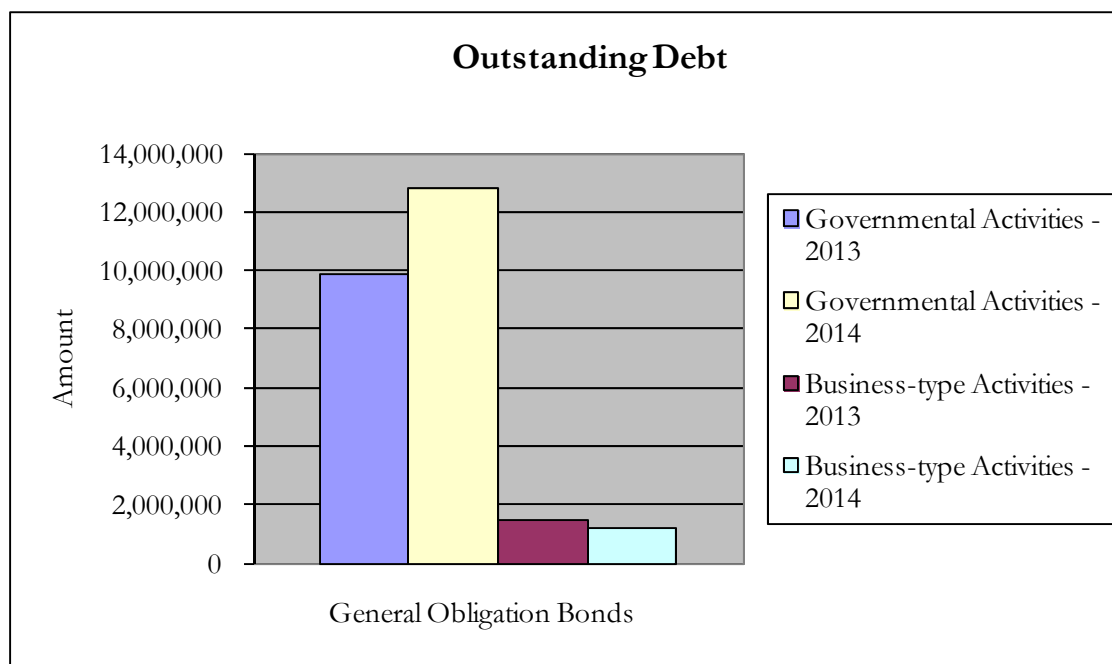
The Town maintains an Aa3 rating from Moody's Investor Service.

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 \$256,809,119, 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, 2014 and 2013**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 12,800,000	\$ 9,880,000	\$ 1,225,000	\$ 1,475,000	\$ 14,025,000	\$ 11,355,000



Additional information on the Town's long-term debt can be found in Note 8 on pages 47-50 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 2015 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 2015.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,591,365	\$ -	\$ 1,591,365
Investments	11,286,303	5,039,634	16,325,937
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$119,287	838,872	-	838,872
Interest, net of allowance for uncollectibles of \$99,562	242,832	-	242,832
Sewer usage charges receivable, net of allowance for uncollectibles of \$10,554	-	101,536	101,536
Solid waste charges receivable, net of allowance for uncollectibles of \$12,436	-	81,540	81,540
Assessments, interest and liens receivable, current portion	-	104,568	104,568
Grants and contracts receivable	782,330	-	782,330
Other, net of allowance for uncollectibles of \$157,461	3,193,232	7,270	3,200,502
Internal balances	292,667	(292,667)	-
Inventories	10,218	-	10,218
Prepaid expenses	1,078	-	1,078
Deferred asset - pump station	-	556,719	556,719
Long-term assessment receivable	-	1,144,554	1,144,554
Capital assets:			
Non-depreciable	4,941,121	51,811	4,992,932
Depreciable, net	58,203,653	10,656,518	68,860,171
Total assets	<u>81,383,671</u>	<u>17,451,483</u>	<u>98,835,154</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	162,891	-	162,891
LIABILITIES			
Accounts payable	2,109,904	-	2,109,904
Accrued liabilities:			
Other accrued liabilities	45,437	-	45,437
Due to funding source	14,320	-	14,320
Unearned revenue	600,156	59,696	659,852
Noncurrent liabilities:			
Due within one year:	1,892,705	277,852	2,170,557
Due in more than one year:	14,141,040	1,344,523	15,485,563
Total liabilities	<u>18,803,562</u>	<u>1,682,071</u>	<u>20,485,633</u>
NET POSITION			
Net investment in capital assets	49,480,060	9,642,673	59,122,733
Restricted for human services	2,882,909	-	2,882,909
Restricted for endowments:			
Expendable	52,497	-	52,497
Nonexpendable	865,463	-	865,463
Unrestricted	9,462,071	6,126,739	15,588,810
Total net position	<u>\$ 62,743,000</u>	<u>\$ 15,769,412</u>	<u>\$ 78,512,412</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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 2,992,780	\$ 754,143	\$ 378,678	\$ -	\$ (1,859,959)	\$ -	\$ (1,859,959)	
Boards and agencies	100,283	347,478	-	-	247,195	-	247,195	
Public safety	2,811,699	532,359	56,716	-	(2,222,624)	-	(2,222,624)	
Public works	3,817,452	4,709	-	690,140	(3,122,603)	-	(3,122,603)	
Recreation	457,629	266,066	-	-	(191,563)	-	(191,563)	
Library	766,496	-	-	-	(766,496)	-	(766,496)	
Human services	1,269,587	239,187	127,580	305,973	(596,847)	-	(596,847)	
Town properties	594,015	30,786	-	-	(563,229)	-	(563,229)	
Education	41,508,765	454,771	16,320,558	1,701	(24,731,735)	-	(24,731,735)	
Interest on long-term debt	126,740	-	-	-	(126,740)	-	(126,740)	
Total governmental activities	54,445,446	2,629,499	16,883,532	997,814	(33,934,601)	-	(33,934,601)	
Business-type activities:								
Sewer and solid waste	2,698,067	2,973,445	-	-	-	275,378	275,378	
Total business-type activities	2,698,067	2,973,445	-	-	-	275,378	275,378	
Total primary government	\$ 57,143,513	\$ 5,602,944	\$ 16,883,532	\$ 997,814	(33,934,601)	275,378	(33,659,223)	
General revenues:								
Property taxes, levied for general purposes					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	
Transfers					(260,000)	260,000	-	
Total general revenues					36,579,363	264,505	36,843,868	
Change in net position					2,644,762	539,883	3,184,645	
Net position - beginning					60,098,238	15,229,529	75,327,767	
Net position - ending					\$ 62,743,000	\$ 15,769,412	\$ 78,512,412	

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

TOWN OF ELLINGTON, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Crystal Lake School Addition/ Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,212,085	\$ -	\$ -	\$ 379,280	\$ 1,591,365
Investments	8,771,844	-	25,835	2,488,624	11,286,303
Receivables:					
Property taxes receivable, net of allowance for uncollectibles of \$119,287	838,872	-	-	-	838,872
Grants and contracts receivable	42,490	-	-	739,840	782,330
Other, net of allowance for uncollectibles of \$157,461	229,964	-	2,882,909	80,359	3,193,232
Due from other funds	2,858,844	-	-	246,156	3,105,000
Prepaid expenses	1,078	-	-	-	1,078
Inventories	-	-	-	10,218	10,218
Total assets	<u>\$ 13,955,177</u>	<u>\$ -</u>	<u>\$ 2,908,744</u>	<u>\$ 3,944,477</u>	<u>\$ 20,808,398</u>
LIABILITIES					
Accounts payable	\$ 1,519,008	\$ 368,235	\$ -	\$ 220,094	\$ 2,107,337
Accrued liabilities	45,437	-	-	-	45,437
Due to other funds	639,620	924,611	652	1,250,017	2,814,900
Unearned revenue	-	-	-	600,156	600,156
Due to funding source	-	-	-	14,320	14,320
Total liabilities	<u>2,204,065</u>	<u>1,292,846</u>	<u>652</u>	<u>2,084,587</u>	<u>5,582,150</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	<u>706,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,327</u>
FUND BALANCES:					
Nonspendable:					
Endowments	-	-	-	52,497	52,497
Inventories	-	-	-	10,218	10,218
Restricted for:					
Human services	-	-	2,882,909	-	2,882,909
Committed:					
Capital reserves	4,478,650	-	-	-	4,478,650
Capital and nonrecurring	488,369	-	-	-	488,369
School lunch operations	-	-	-	97,217	97,217
Public safety	-	-	-	488,120	488,120
Human services	-	-	-	54,508	54,508
Town properties	-	-	-	480,662	480,662
Land use	-	-	-	46,276	46,276
General government	-	-	-	57,506	57,506
Assigned:					
General government	883,774	-	-	-	883,774
Public works	249,237	-	-	-	249,237
Sanitation	48,287	-	-	-	48,287
Subsequent budget	2,802,403	-	-	-	2,802,403
Unassigned	2,094,065	(1,292,846)	25,183	572,886	1,399,288
Total fund balances (deficit)	<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>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,955,177</u>	<u>\$ -</u>	<u>\$ 2,908,744</u>	<u>\$ 3,944,477</u>	<u>\$ 20,808,398</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, 2014

Total fund balances for governmental funds	\$	14,519,921
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Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$	2,507,844	
Arts collection		35,598	
Property development rights		489,361	
Construction in progress		1,908,318	
Buildings and improvements		74,595,589	
Equipment		2,336,082	
Vehicles		8,262,915	
Infrastructure		12,685,854	
Less: accumulated depreciation and amortization		(39,676,787)	
Total capital assets, net			63,144,774

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.

706,327

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

242,832

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	(12,800,000)		
Unamortized premiums	(571,580)		
Unamortized deferred amount on refundings	162,891		
Obligations under capital lease	(456,025)		
Other long-term liabilities:			
Compensated absences	(1,377,767)		
Net OPEB obligation	(828,373)		
Total long-term liabilities			(15,870,854)

Net position of governmental activities	\$	62,743,000
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The accompanying notes are an integral part of these financial statements.

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Crystal Lake School Addition/ Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 36,379,511	\$ -	\$ -	\$ -	\$ 36,379,511
Licenses, permits and fees	320,208	-	-	-	320,208
Intergovernmental	15,675,412	-	-	2,604,319	18,279,731
Charges for services	965,030	-	55,918	592,046	1,612,994
Food sales	-	-	-	454,771	454,771
Investment earnings	252	-	5	68,323	68,580
Other income	453,453	-	-	85,474	538,927
Total revenues	53,793,866	-	55,923	3,804,933	57,654,722
EXPENDITURES					
Current:					
General government	1,315,806	-	-	-	1,315,806
Boards and agencies	95,993	-	-	-	95,993
Public safety	2,283,245	-	-	-	2,283,245
Public works	3,429,914	-	-	-	3,429,914
Recreation	457,629	-	-	-	457,629
Library	689,922	-	-	-	689,922
Human services	636,646	-	-	-	636,646
Town properties	594,015	-	-	-	594,015
Education	37,658,420	-	-	-	37,658,420
Miscellaneous	2,831,356	-	-	1,076	2,832,432
Program expenditures	-	-	52,974	3,087,460	3,140,434
Debt service:					
Principal payments	1,718,671	-	-	-	1,718,671
Interest and fiscal charges	208,870	-	-	-	208,870
Capital outlays	1,142,637	768,631	-	3,030,566	4,941,834
Total expenditures	53,063,124	768,631	52,974	6,119,102	60,003,831
Excess (deficiency) of revenues over expenditures	730,742	(768,631)	2,949	(2,314,169)	(2,349,109)
OTHER FINANCING SOURCES (USES)					
Proceeds from bonds issued and premiums	-	-	-	4,361,533	4,361,533
Transfers in	106,768	-	167,962	-	274,730
Transfers out	(260,000)	-	-	(274,730)	(534,730)
Total other financing sources (uses)	(153,232)	-	167,962	4,086,803	4,101,533
Net change in fund balances	577,510	(768,631)	170,911	1,772,634	1,752,424
Fund balances (deficit) - beginning	10,467,275	(524,215)	2,737,181	87,256	12,767,497
Fund balances (deficit) - ending	\$ 11,044,785	\$ (1,292,846)	\$ 2,908,092	\$ 1,859,890	\$ 14,519,921

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, 2014

Net change in fund balances for governmental funds	\$	1,752,424
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Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets, net	\$	6,450,306	
Depreciation and amortization expense		<u>(2,552,458)</u>	
Net adjustment			3,897,848

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net position.

(88,314)

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		(4,205,000)	
Premium on bonds issued		(156,533)	
Amortization of bond premium		108,757	
Amortization of deferred amount on refunding		(26,627)	
Principal repayments:			
Bonds payable		1,285,000	
Capital leases		<u>433,671</u>	
Net adjustment			(2,560,732)

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, 2014

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	\$	(12,302)	
Net OPEB obligation		<u>(127,961)</u>	
	\$		(140,263)
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.			(196,002)
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.			<u>(20,199)</u>
Change in net position of governmental activities	\$		<u><u>2,644,762</u></u>

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, 2014

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxation	\$ 35,741,022	\$ 35,741,022	\$ 36,699,719	\$ 958,697
Intergovernmental - education	9,786,571	9,786,571	9,782,419	(4,152)
Intergovernmental - other	912,514	912,514	1,228,063	315,549
Charges for goods and services	709,820	709,820	965,030	255,210
Interest and dividends	15,000	15,000	248	(14,752)
Other revenues	620,930	620,930	810,219	189,289
Total revenues	<u>47,785,857</u>	<u>47,785,857</u>	<u>49,485,698</u>	<u>1,699,841</u>
EXPENDITURES				
Current:				
General government	1,437,048	1,450,393	1,313,306	(137,087)
Boards and agencies	108,049	110,161	95,993	(14,168)
Public safety	2,358,273	2,394,890	2,283,244	(111,646)
Public works	3,700,637	3,813,315	3,559,019	(254,296)
Recreation	438,326	457,729	457,629	(100)
Library	688,724	689,922	689,922	-
Human services	617,931	658,387	636,646	(21,741)
Town properties	487,772	595,187	594,015	(1,172)
Miscellaneous	3,312,480	3,168,957	2,931,357	(237,600)
Education	32,915,950	32,915,950	32,886,721	(29,229)
Debt service	2,695,811	2,695,811	2,437,540	(258,271)
Capital outlays	1,419,836	1,507,092	1,496,091	(11,001)
Total expenditures	<u>50,180,837</u>	<u>50,457,794</u>	<u>49,381,483</u>	<u>(1,076,311)</u>
Excess (deficiency) of revenues over expenditures	(2,394,980)	(2,671,937)	104,215	2,776,152
OTHER FINANCING SOURCES				
Appropriation of fund balance	<u>2,394,980</u>	<u>2,671,937</u>	<u>-</u>	<u>(2,671,937)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	104,215	<u>\$ 104,215</u>
Fund balance - beginning of year			<u>7,661,065</u>	
Fund balance - ending of year			<u>\$ 7,765,280</u>	

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2014

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
ASSETS				
Current assets:				
Investments	\$ 4,542,359	\$ 497,275	\$ -	\$ 5,039,634
Receivables:				
Accounts receivable, net of allowance for uncollectibles of \$10,554	101,536	-	-	101,536
Solid waste charges receivable, net of allowance for uncollectibles of \$12,436	-	31,700	49,840	81,540
Assessments, interest and liens receivable	101,498	3,070	-	104,568
Other	-	7,270	-	7,270
Due from other funds	388,347	600	-	388,947
Total current assets	5,133,740	539,915	49,840	5,723,495
Noncurrent assets:				
Deferred asset - pump station	397,375	159,344	-	556,719
Long-term assessments receivable	1,047,608	58,763	38,183	1,144,554
Capital assets:				
Construction in progress	51,811	-	-	51,811
Depreciable, net	6,652,809	4,003,709	-	10,656,518
Total noncurrent assets	8,149,603	4,221,816	38,183	12,409,602
Total assets	13,283,343	4,761,731	88,023	18,133,097
LIABILITIES				
Current liabilities:				
Unearned revenue	59,696	-	-	59,696
Due to other funds	164,318	251,901	265,395	681,614
Bonds payable - current	75,000	-	-	75,000
Note payable - current	202,852	-	-	202,852
Total current liabilities	501,866	251,901	265,395	1,019,162
Noncurrent liabilities:				
Bonds payable	1,150,000	-	-	1,150,000
Note payable	194,523	-	-	194,523
Total noncurrent liabilities	1,344,523	-	-	1,344,523
Total liabilities	1,846,389	251,901	265,395	2,363,685
NET POSITION (DEFICIT)				
Net investment in capital assets	5,479,620	4,163,053	-	9,642,673
Unrestricted (deficit)	5,957,334	346,777	(177,372)	6,126,739
Total net position (deficit)	\$ 11,436,954	\$ 4,509,830	\$ (177,372)	\$ 15,769,412

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, 2014

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
OPERATING REVENUES				
Assessments	\$ 650,547	\$ 36,812	\$ -	\$ 687,359
User charges, interest and lien fees	1,471,721	198,033	-	1,669,754
Permits and fees	14,400	600	-	15,000
Solid waste fees	-	-	554,283	554,283
Other	47,049	-	-	47,049
Total operating revenues	2,183,717	235,445	554,283	2,973,445
OPERATING EXPENSES				
Salaries and benefits	143,625	30,867	-	174,492
Services and supplies	9,583	27,057	-	36,640
Town of Vernon	978,884	-	-	978,884
Town of Stafford	-	66,209	-	66,209
Depreciation and amortization	261,230	146,104	-	407,334
Utilities	39,294	13,569	-	52,863
General maintenance and repairs	48,144	10,431	-	58,575
Engineering	1,425	-	-	1,425
Public works and administrative expenses	213,449	3,265	599,365	816,079
Legal	4,243	3,490	-	7,733
Advertising	840	31,836	-	32,676
Other	1,873	3,929	2,080	7,882
Total operating expenses	1,702,590	336,757	601,445	2,640,792
Operating income (loss)	481,127	(101,312)	(47,162)	332,653
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment income	1,194	3,311	-	4,505
Debt service-interest expense	(56,500)	-	-	(56,500)
Debt issuance costs - amortization	-	(775)	-	(775)
Total non-operating revenue (expenses)	(55,306)	2,536	-	(52,770)
Income (loss) before transfers in	425,821	(98,776)	(47,162)	279,883
OTHER FINANCING SOURCES				
Transfers in	56,500	203,500	-	260,000
Change in net position	482,321	104,724	(47,162)	539,883
Net position (deficit) - beginning	10,954,633	4,405,106	(130,210)	15,229,529
Net position (deficit) - ending	\$ 11,436,954	\$ 4,509,830	\$ (177,372)	\$ 15,769,412

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, 2014

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,868,670	\$ 258,552	\$ 544,164	\$ 2,671,386
Receipts from interfund services provided	(275,711)	34,458	55,201	(186,052)
Payments to suppliers	(1,104,925)	(180,051)	(599,365)	(1,884,341)
Payments for interfund services	(37,678)	251,901	-	214,223
Payments to employees	(143,625)	-	-	(143,625)
Net cash provided by operating activities	306,731	364,860	-	671,591
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets, net	(241,773)	(235,300)	-	(477,073)
Principal paid on capital debt, net	(267,810)	(334,055)	-	(601,865)
Interest paid on capital debt	(56,500)	(2,275)	-	(58,775)
Transfers in	56,500	203,500	-	260,000
Net cash used in capital and related financing activities	(509,583)	(368,130)	-	(877,713)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from (purchases of) investments, net	201,658	(41)	-	201,617
Interest and dividends	1,194	3,311	-	4,505
Net cash provided by investing activities	202,852	3,270	-	206,122
Net change in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash provided by operating activities:				
Operating income (loss)	\$ 481,127	\$ (101,312)	\$ (47,162)	\$ 332,653
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	9,538	-	-	9,538
Solid waste usage receivable, net	-	623	(8,039)	(7,416)
Assessment, interest and liens receivable	(55,020)	(1,141)	-	(56,161)
Other receivable	-	-	-	-
Due from other funds	(275,711)	34,458	-	(241,253)
Deferred asset	192,810	22,419	-	215,229
Long-term assessments receivable	(280,667)	20,162	-	(260,505)
Decrease in deferred outflows of resources:				
Deferred charge on refunding	-	5,867	-	5,867
Increase (decrease) in liabilities:				
Accounts payable	-	(11,817)	-	(11,817)
Unearned revenue	11,102	(2,404)	-	8,698
Due to other funds	(37,678)	251,901	55,201	269,424
Net cash provided by operating activities	\$ 306,731	\$ 364,860	\$ -	\$ 671,591

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2014

	Private- Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 150,175	\$ 558,278
Investments	437,381	18,558
Due from other funds/others	4,517	-
Total assets	592,073	576,836
LIABILITIES		
Due to others	1,950	576,836
Total liabilities	1,950	\$ 576,836
NET POSITION		
Held in trust for other purposes	\$ 590,123	

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, 2014

	Private- Purpose Trust Funds
ADDITIONS	
Contributions - private donations	\$ 107,861
Other income	32,241
Total contributions	140,102
Investment earnings:	
Interest	84
Net increase in the fair value of investments	17,787
Total investment earnings	17,871
Total additions	157,973
DEDUCTIONS	
Program expenditures	111,358
	111,358
Change in net position	46,615
Net position - beginning	543,508
Net position - ending	\$ 590,123

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

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, 2014.

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 \$69,652 for the year ended June 30, 2014.

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.

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.

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 \$28,491 as of June 30, 2014.

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 fair value of investments traded on public markets is determined using quoted market prices. The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office and in the Cooperative Liquid Assets Security Fund (CLASS), which is an investment pool managed by Cutwater Asset Management. The Town's balance in the pools is reported at net asset value, which are representative of the fair value of the pools' shares.

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, 2014 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 revenue.

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.

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:

Assets	Years
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, 2014, the Town has a noncurrent asset in the Sewer Authority Fund of \$397,375, 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 2014. As of June 30, 2014 the Town has a noncurrent asset in the Crystal Lake Sewer fund of \$159,344, 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.

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 one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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.

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 \$4,478,650 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 the unallocated contingency fund and the capital reserve fund, both of which are budgeted within the General Fund. Amounts transferred to this account totaled \$175,000 and \$175,000, respectively, for 2014.

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures or expenses in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Interfund Reimbursements

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

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

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 \$276,957.
- 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.

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, 2014:

	<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	\$ 49,485,698	\$ 49,381,483	\$ -	\$ 104,215	\$ 7,765,280
"On-behalf" payments - State Teachers Retirement Fund <i>(see Note 9)</i>	4,212,348	4,212,348	-	-	-
Changes in encumbrances:					
June 30, 2013	-	229,400	-	(229,400)	-
June 30, 2014	-	(249,237)	-	249,237	249,237
Certain grants recorded as general fund revenues/expenditures for budgetary purposes but relate to another fund for GAAP purposes	(106,768)	(106,768)	-	-	-
Certain transfers recorded as revenues/expenditures for budgetary purposes	(106,768)	(260,000)	(153,232)	-	-
Changes in designations recorded as expenditures for budgetary purposes:					
Capital projects	-	(3,454)	-	3,454	(154,092)
Capital and nonrecurring	-	(350,000)	-	350,000	2,536,073
Post employment benefits	-	(100,000)	-	100,000	600,000
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	559,352	559,352	-	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(250,000)	(250,000)	-	-	-
Budgetary perspective difference:					
CRRS Sanitation Control Fund	4	-	-	4	48,287
GAAP basis	<u>\$ 53,793,866</u>	<u>\$ 53,063,124</u>	<u>\$ (153,232)</u>	<u>\$ 577,510</u>	<u>\$ 11,044,785</u>

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

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

The following funds have deficit fund balances as of June 30, 2014, none of which constitutes a violation of statutory provisions:

<u>Fund</u>	<u>Amount</u>
Crystal Lake School Addition/Renovation Fund	\$ 1,292,846
Windermere School Alterations Fund	289,910
Pinney Athletic Field Fund	160,450
Charter Farm Preservation Fund	160,005
59 South Road Fund	148,478
Solid Waste Collection Fund	106,014
Watermains, Tripp and Middle Roads Fund	71,358
Baher Farms Preservation Fund	8,500

The deficits in the Crystal Lake School Addition/Renovation Fund, Windermere School Alterations, Pinney Athletic Field Fund, Charter Farm Preservation Fund and the Baher Farms Preservation Fund will be funded through the future issuance of bonds. 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. The deficit in the 59 South Road Fund will be funded through reimbursements from the State of Connecticut.

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, 2014, \$4,819,328 of the Town's bank balance of \$5,819,338 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,337,395
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	481,933
	<u>\$ 4,819,328</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, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 3 - CASH DEPOSITS AND INVESTMENTS *(Continued)***Cash Deposits – Custodial Credit Risk *(Continued)***

The Town's cash and cash equivalents as of June 30, 2014 consisted of cash deposits of \$2,300,318 and various certificates of deposit with original maturities in excess of 3 months totaling \$1,889,591. 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, 2014 is as follows:

Government-wide statement of net position:

Cash and cash equivalents	\$ 1,591,865
Add: certificates of deposits classified as investments	1,889,591
	<u>3,481,456</u>

Statement of fiduciary net position:

Private purpose trust funds:	
Cash and cash equivalents	150,175
Agency funds:	
Cash and cash equivalents	558,278
	<u>708,453</u>
	<u>\$ 4,189,909</u>

Investments

As of June 30, 2014, 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)	\$ 4,176,929	\$ 4,176,929	\$ -
Cooperative Liquid Asset Security Systems Fund (CLASS)	9,579,029	9,579,029	-
Corporate bonds	293,666	-	293,666
Money market funds	153,282	153,282	-
	14,202,906	\$ 13,909,240	\$ 293,666
Other investments:			
Equity securities	644,799		
Commodities Equity Fund	7,604		
Real Estate Equity Fund	44,580		
Total	\$ 14,892,285		

Because the STIF and CLASS have weighted average maturities of less than 90 days, they were presented as investments with maturities of less than one year.

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

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

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

Government-wide statement of net position:	
Investments and endowment investments	\$ 16,325,937
Less: certificates of deposits considered cash deposits under GASB Statement No. 40	<u>(1,889,591)</u>
	<u>14,436,346</u>
Statement of fiduciary net position:	
Private purpose trust funds - Investments	437,381
Agency funds - Investments	<u>18,558</u>
	<u>455,939</u>
	<u><u>\$ 14,892,285</u></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, 2014:

Debt Securities	Fair Value	AAA	Unrated
Short Term Investment Fund (STIF)	\$ 4,176,929	\$ 4,176,929	\$ -
Cooperative Liquid Asset Security Sytem (CLASS)	9,579,029	9,579,029	-
Corporate bonds	293,666	293,666	-
Money market funds	<u>153,282</u>	<u>-</u>	<u>153,282</u>
	<u><u>\$ 14,202,906</u></u>	<u><u>\$ 14,049,624</u></u>	<u><u>\$ 153,282</u></u>

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

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 the CLASS and STIF accounts 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, 2014 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Property development rights	489,361	-	-	489,361
Land	2,507,844	-	-	2,507,844
Construction in progress	923,317	1,908,318	(923,317)	1,908,318
Total capital assets, not being depreciated	<u>3,956,120</u>	<u>1,908,318</u>	<u>(923,317)</u>	<u>4,941,121</u>
Capital assets, being depreciated:				
Buildings and improvements	70,101,266	4,494,323	-	74,595,589
Equipment	2,336,082	-	-	2,336,082
Vehicles	8,022,915	240,000	-	8,262,915
Infrastructure	11,954,872	730,982	-	12,685,854
Total capital assets, being depreciated	<u>92,415,135</u>	<u>5,465,305</u>	<u>-</u>	<u>97,880,440</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	26,521,872	1,562,526	-	28,084,398
Equipment	2,172,897	130,736	-	2,303,633
Vehicles	5,872,878	604,250	-	6,477,128
Infrastructure	2,556,682	254,946	-	2,811,628
Total accumulated depreciation and amortization	<u>37,124,329</u>	<u>2,552,458</u>	<u>-</u>	<u>39,676,787</u>
Total capital assets, being depreciated, net	<u>55,290,806</u>	<u>2,912,847</u>	<u>-</u>	<u>58,203,653</u>
Governmental activities capital assets, net	<u>\$ 59,246,926</u>	<u>\$ 4,821,165</u>	<u>\$ (923,317)</u>	<u>\$ 63,144,774</u>

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 4 - CAPITAL ASSETS *(Continued)*

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ 5,860	\$ 45,951	\$ -	\$ 51,811
Construction in progress - Crystal Lake	58,109	-	(58,109)	-
Total capital assets, not being depreciated	<u>63,969</u>	<u>45,951</u>	<u>(58,109)</u>	<u>51,811</u>
Capital assets, being depreciated:				
Equipment - Sewer Authority	160,834	62,020	-	222,854
Infrastructure - Sewer Authority	11,927,238	133,802	-	12,061,040
Equipment - Crystal Lake	23,909	-	(774)	23,135
Infrastructure - Crystal Lake	6,673,516	288,688	-	6,962,204
Total capital assets, being depreciated	<u>18,785,497</u>	<u>484,510</u>	<u>(774)</u>	<u>19,269,233</u>
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	139,266	10,136	-	149,402
Infrastructure - Sewer Authority	5,230,589	251,094	-	5,481,683
Equipment - Crystal Lake	16,632	1,365	-	17,997
Infrastructure - Crystal Lake	2,824,389	139,244	-	2,963,633
Total accumulated depreciation and amortization	<u>8,210,876</u>	<u>401,839</u>	<u>-</u>	<u>8,612,715</u>
Total capital assets, being depreciated, net	<u>10,574,621</u>	<u>82,671</u>	<u>(774)</u>	<u>10,656,518</u>
Business-type activities capital assets, net	<u>\$ 10,638,590</u>	<u>\$ 128,622</u>	<u>\$ (58,883)</u>	<u>\$ 10,708,329</u>

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

Governmental Activities:

Education	\$ 1,608,048
Public safety	382,869
Public works	280,770
General government	204,197
Library	76,574
Total depreciation and amortization expense - governmental activities	<u>\$ 2,552,458</u>

Business-type Activities:

Sewer	<u>\$ 401,839</u>
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TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 1,250,017
	Crystal Lake Sewers	251,901
	Other Enterprise Funds	265,395
	Sewer Authority Fund	164,318
	Crystal Lake School Addition/Renovation Fund	924,611
	Small Cities Program Income Fund	652
	Private Purpose Trust Funds	1,950
		<u>2,858,844</u>
Nonmajor Governmental Funds	General Fund	<u>246,156</u>
		<u><u>\$ 3,105,000</u></u>
Enterprise Funds		
Sewer Authority Fund	General Fund	\$ 388,347
Crystal Lake Sewers Fund	General Fund	600
		<u>388,947</u>
Fiduciary Funds		
Private Purpose Trust Funds	General Fund	4,517
		<u>4,517</u>
Total due from/to other funds		<u><u>\$ 3,498,464</u></u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	<u>\$ 106,768</u>
Small Cities Program Income Fund	Nonmajor Governmental Funds	<u>167,962</u>
Enterprise Funds		
Sewer Authority Fund	General Fund	<u>56,500</u>
Crystal Lake Sewers Fund	General Fund	<u>203,500</u>
Total Transfers		<u><u>\$ 534,730</u></u>

The transfers to the Crystal Lake Sewers Fund and the Sewer Authority Fund were to assist in the operations of these funds. The transfer from the Nonmajor Governmental Funds to the Small Cities Program Income Fund was to record the Small Cities loans made from the Small Cities grants. The transfers from the Nonmajor Governmental Funds to the General Fund was to reimburse the General Fund for expenditures incurred.

NOTE 7 - SHORT-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation note payable issued in April 2013, original amount \$410,000	<u>\$ 410,000</u>	<u>\$ -</u>	<u>\$ (410,000)</u>	<u>\$ -</u>
	<u><u>\$ 410,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (410,000)</u></u>	<u><u>\$ -</u></u>

The proceeds from the bond anticipation note were used to provide interim financing until general obligation bonds are issued in 2014.

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 8 - LONG-TERM LIABILITIES

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 9,880,000	\$ 4,205,000	\$ (1,285,000)	\$ 12,800,000	\$ 1,345,000
Unamortized amounts:					
Unamortized premiums	523,804	156,533	(108,757)	571,580	96,259
Total bonds payable	10,403,804	4,361,533	(1,393,757)	13,371,580	1,441,259
Other liabilities:					
Capital leases	889,696	-	(433,671)	456,025	396,192
Compensated absences	1,365,465	112,701	(100,399)	1,377,767	55,254
Net OPEB obligation <i>(see Note 10)</i>	700,412	127,961	-	828,373	-
	<u>\$ 13,359,377</u>	<u>\$ 4,602,195</u>	<u>\$ (1,927,827)</u>	<u>\$ 16,033,745</u>	<u>\$ 1,892,705</u>
Business-type Activities					
Bonds payable:					
General obligation bonds	\$ 1,475,000	\$ -	\$ (250,000)	\$ 1,225,000	\$ 75,000
Unamortized amounts:					
Unamortized premiums	11,139	-	(11,139)	-	-
	1,486,139	-	(261,139)	1,225,000	75,000
Other liabilities:					
Note payable	738,101	-	(340,726)	397,375	202,852
	<u>\$ 2,224,240</u>	<u>\$ -</u>	<u>\$ (601,865)</u>	<u>\$ 1,622,375</u>	<u>\$ 277,852</u>

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

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 8 - LONG-TERM LIABILITIES *(Continued)***General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2014 is as follows:

<u>Description of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities			
General obligation refunding bonds issued 2010, original amount of \$3,580,000	2018	2.0% - 5.0%	\$ 1,645,000
General obligation refunding bonds issued 2011, original amount of \$8,240,000	2024	2.0-4.0%	6,950,000
General obligation bonds issued 2013, original amount of \$4,205,000	2034	2.0-4.0%	4,205,000
			<u>\$ 12,800,000</u>
Business-type Activities			
Sewer bonds issued 2007, original amount of \$1,750,000	2027	4.0% - 5.5%	\$ 1,225,000
			<u>\$ 1,225,000</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 \$256,809,119 of June 30, 2014. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2014.

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 8 - LONG-TERM LIABILITIES *(Continued)***General Obligation Bonds *(Continued)***

Annual debt service requirements to maturity at June 30, 2014 are as follows:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2015	\$ 1,345,000	\$ 414,269	\$ 1,759,269
2016	1,325,000	379,769	1,704,769
2017	1,305,000	339,194	1,644,194
2018	1,285,000	229,119	1,514,119
2019	1,270,000	260,569	1,530,569
2020-2024	4,230,000	715,768	4,945,768
2025-2029	1,025,000	289,228	1,314,228
2030-2034	1,015,000	100,900	1,115,900
	<u>\$ 12,800,000</u>	<u>\$ 2,728,816</u>	<u>\$ 15,528,816</u>

Year ending June 30:	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2015	\$ 75,000	\$ 52,750	\$ 127,750
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
2020-2024	500,000	126,250	626,250
2025-2027	300,000	25,500	325,500
	<u>\$ 1,225,000</u>	<u>\$ 377,750</u>	<u>\$ 1,602,750</u>

School Bond Reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of principal reimbursement for the year ended June 30, 2014 was \$88,314, bringing the bond to maturity.

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 8 - LONG-TERM LIABILITIES *(Continued)***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, 2014 was \$397,375.

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
2015	\$ 196,702	\$ 6,150	\$ 202,852
2016	200,673	2,179	202,852
	<u>\$ 397,375</u>	<u>\$ 8,329</u>	<u>\$ 405,704</u>

Capital Leases

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

	Governmental Activities
Vehicles	\$ 1,760,704
Computers	263,000
	<u>2,023,704</u>
Less: accumulated amortization	<u>(1,784,481)</u>
	<u>\$ 239,223</u>

Amortization expense relative to leased property under capital leases totaled \$374,481 for the year ended June 30, 2014 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, 2014 are as follows:

Year Ending June 30:	Governmental Activities
2015	\$ 396,193
2016	82,985
Total minimum lease payments	<u>479,178</u>
Less: amount representing interest	<u>23,153</u>
Present value of minimum lease payments	<u>\$ 456,025</u>

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2014

NOTE 9 - PENSION PLANS

Defined Contribution Plans

Money Purchase Plan

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

The Town's contribution amounted to \$241,118 for the year ended June 30, 2014. 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 \$234,968 for the year ended June 30, 2014. Plan enrollment totaled 39 people at June 30, 2014. 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

Plan Description and Benefit Provisions

All full-time employees for the Town, except for certified board of education personnel, who are age 55 or younger at the date of hire participate in the Connecticut Municipal Employees' Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost of living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members which have reached age 65. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. 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. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2014

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System (Continued)

Contributions

Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 11.79% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the MERF for the years ended June 30, 2014, 2013 and 2012 were \$531,269, \$512,950, and \$452,874, respectively, and were equal to the required contributions for each year.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. Prior to completing five years of service, teachers are fully vested in their contributions up to 5% of their earnings. After five years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on actuarial information for the plan as a whole which does not provide actuarial information on an individual town basis. For the year ended June 30, 2014, Town teachers contributed \$1,231,929 to the plan and covered payroll.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on-behalf" payments of \$4,212,348 made by the State of Connecticut into the Teachers' Retirement System as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***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	\$	322,758
Interest on net OPEB obligation		28,016
Adjustment to annual required contribution		<u>(33,733)</u>
Annual OPEB cost (expense)		317,041
Contributions made		<u>189,080</u>
Increase in net OPEB obligation		127,961
Net OPEB obligation, beginning of year		<u>700,412</u>
Net OPEB obligation, end of year	\$	<u>828,373</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014, 2013 and 2012 are as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 309,122	48.8%	\$ 557,762
2013	305,421	53.3%	700,411
2014	317,041	59.6%	828,373

TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2012 (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, 2012	\$ -	\$ 4,080,961	\$ 4,080,961	0.0%	\$ 19,268,871	21.2%

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:

Valuation date:	July 1, 2012
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	25.5 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

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2014

NOTE 11 - RISK MANAGEMENT

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

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

NOTE 12 - CONTINGENT LIABILITIES

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

NOTE 13 – RECENTLY ISSUED ACCOUNTING STANDARDS

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and early adoption is permitted. Management is currently evaluating the effect implementation of this standard will have on its financial statements.

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2014

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Required
Supplementary
Information

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
JUNE 30, 2014

OPEB Plan

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)
July 1, 2012	\$ -	\$ 4,080,961	\$ 4,080,961	0.0%	\$ 19,268,871	21.2%
July 1, 2010	-	3,675,039	3,675,039	0.0%	21,414,616	17.2%
July 1, 2008	-	3,311,285	3,311,285	0.0%	20,550,656	16.1%

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
PROPERTY TAXATION				
Revenues from Property Taxes	\$ 35,631,022	\$ 35,631,022	\$ 36,379,511	\$ 748,489
Interest and Lien Fees	110,000	110,000	320,208	210,208
Total Property Taxation	35,741,022	35,741,022	36,699,719	958,697
INTERGOVERNMENTAL - EDUCATION				
Education Cost Sharing Grants	9,682,048	9,682,048	9,677,638	(4,410)
Adult Education and Vocational Agricultural	14,509	14,509	14,767	258
Building Grants	90,014	90,014	90,014	-
Total Intergovernmental - Education	9,786,571	9,786,571	9,782,419	(4,152)
INTERGOVERNMENTAL - OTHER				
Town Road Aid	338,983	338,983	492,793	153,810
Elderly Circuit Breaker Reimb	74,563	74,563	75,395	832
Disability Reimbursement	1,745	1,745	1,601	(144)
State Property Forest	-	-	7,217	7,217
Pequot/Mohegan Funds	-	-	52,634	52,634
Circuit Court Fines	3,000	3,000	5,818	2,818
Dog Damage	100	100	-	(100)
Telecomm Serv Pers Prop Tax	-	-	23,771	23,771
Additional Income Veterans	16,317	16,317	17,492	1,175
Local Capital Imp Program	160,706	160,706	106,768	(53,938)
Hold Harmless Grant	278,975	278,975	147,860	(131,115)
Municipal Grants-In-Aid	-	-	210,227	210,227
DWI Grant	34,125	34,125	19,966	(14,159)
Historical Preserve Award	-	-	4,000	4,000
Erase Grant	-	-	3,105	3,105
Emergency Management	3,000	3,000	5,396	2,396
North Central Area Agency on Aging	1,000	1,000	7,985	6,985
Municipal Video Competition Trust Acct Grant	-	-	2,655	2,655
DOT Reimb Winter Salt	-	-	8,005	8,005
CROG-HUD Planning Grant	-	-	21,500	21,500
CRRA-Pilot	-	-	13,875	13,875
Total Intergovernmental - Other	912,514	912,514	1,228,063	315,549

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, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR GOODS AND SERVICES				
Building Department	\$ 120,000	\$ 120,000	\$ 299,801	\$ 179,801
Planning and Zoning	30,000	30,000	38,832	8,832
Fire Marshal	450	450	430	(20)
Recreation Program Receipts	263,770	263,770	266,066	2,296
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Town Clerk Conveyance Tax	110,000	110,000	147,659	37,659
Town Clerk Recording Fees and Licenses	105,000	105,000	111,979	6,979
Aircraft Registration	2,500	2,500	3,170	670
Animal Control Officer Fees and Licenses	25,000	25,000	27,212	2,212
Animal Control Donations	100	100	120	20
Cultural Arts Commission	500	500	-	(500)
Board Of Education	500	500	83	(417)
Police - Special Duty	20,000	20,000	42,731	22,731
Youth Service Donations	1,000	1,000	-	(1,000)
Youth Service Activities	4,000	4,000	4,661	661
Human Services Municipal Agent	500	500	-	(500)
Human Service Fuel Administration	1,000	1,000	320	(680)
Human Services Fuel Donations	1,000	1,000	15,327	14,327
Human Services Enrichment Prgm Donations	4,000	4,000	-	(4,000)
Human Services-Food Pantry	1,000	1,000	3,425	2,425
Human Services Donations	5,000	5,000	1,810	(3,190)
Senior Center Donations	500	500	-	(500)
Senior Center EMATS	1,000	1,000	861	(139)
Senior Center Transportation Prgm	500	500	543	43
Total Charges for Goods and Services	709,820	709,820	965,030	255,210

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, 2014

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	OVER (UNDER)
INVESTMENT EARNINGS				
Interest on earnings	\$ 15,000	\$ 15,000	\$ 248	\$ (14,752)
	15,000	15,000	248	(14,752)
DEBT RETIREMENT				
Crystal Lake Sewer Debt	175,000	175,000	175,000	-
Airport Sewer Debt	75,000	75,000	75,000	-
	250,000	250,000	250,000	-
OTHER REVENUES				
Ambulance Fee Program	100,500	100,500	104,638	4,138
DPW Maintenance Fund	-	-	70,000	70,000
Insurance Claims and Refunds	7,500	7,500	26,946	19,446
WPCA Reimbursement	30,245	30,245	31,645	1,400
WPCA-Reimb Maintenance Budget	207,710	207,710	265,524	57,814
Building Demolition/Evictions	5,000	5,000	-	(5,000)
Snow Removal Charge-Developers	5,000	5,000	4,709	(291)
Sundry Refunds and Receipts	5,000	5,000	25,971	20,971
Rental Income of Town Property	9,975	9,975	9,975	-
Sale of Property	-	-	20,811	20,811
Total Other Revenues	370,930	370,930	560,219	189,289
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	2,394,980	2,671,937	-	(2,671,937)
Total Revenues and Other Financing Sources	\$ 50,180,837	\$ 50,457,794	\$ 49,485,698	\$ (972,096)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE (UNDER) OVER
	ORIGINAL	FINAL		
GENERAL GOVERNMENT				
Board of Selectmen	\$ 207,813	\$ 211,473	\$ 211,473	\$ -
Board of Finance	6,950	6,950	6,445	(505)
Auditors	43,000	43,000	43,000	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	271,571	271,571	256,504	(15,067)
Tax Assessor	236,729	236,729	209,504	(27,225)
Tax Collector	146,023	155,223	155,223	-
Board of Assessments Appeals	400	400	65	(335)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	168,317	168,317	162,800	(5,517)
Town Counsel	110,000	110,000	73,286	(36,714)
Probate Court	6,156	6,641	6,640	(1)
Town Planner	239,889	239,889	188,366	(51,523)
Total General Government	1,437,048	1,450,393	1,313,306	(137,087)
BOARDS AND AGENCIES				
Registrars and Electors	64,198	64,198	55,665	(8,533)
Economic Development Commission	4,500	4,500	4,137	(363)
Planning and Zoning	24,550	25,012	25,012	-
Design Review Board	100	100	-	(100)
Zoning Board of Appeals	4,100	4,100	2,153	(1,947)
Shared Services Commission	100	100	-	(100)
Permanent Building Commission	1,350	1,350	875	(475)
Ethics Commission	750	2,400	2,400	-
Inland Wetland Agency	6,300	6,300	3,752	(2,548)
Flood & Erosion Control Board	100	100	-	(100)
Conservation Commission	2,000	2,000	1,999	(1)
WPCA	1	1	-	(1)
Total Boards and Agencies	108,049	110,161	95,993	(14,168)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE (UNDER) OVER
	ORIGINAL	FINAL		
PUBLIC SAFETY				
Center Fire Department	\$ 220,023	\$ 220,023	\$ 216,800	\$ (3,223)
Crystal Lake Fire Department	69,403	71,247	71,247	-
Fire Protection Hydrants	314,682	316,200	316,199	(1)
Emergency 911	46,163	46,163	46,145	(18)
Police	876,999	876,999	792,625	(84,374)
Police Special Duty	20,000	33,290	33,290	-
Police Drug Abuse Resistance Education	1,500	1,500	1,277	(223)
Animal Control Officer	92,551	92,551	89,873	(2,678)
Emergency Management	32,359	32,359	31,572	(787)
Building Department	129,071	137,718	137,717	(1)
Volunteer Ambulance	302,550	302,550	300,965	(1,585)
Emergency Service Incentive Program	128,250	128,250	111,919	(16,331)
Adhoc Emergency Service Committee	700	700	231	(469)
Preemption Service Townwide	1,640	1,640	-	(1,640)
Public Safety Commission	100	100	-	(100)
Fire Marshal	122,282	133,600	133,384	(216)
Total Public Safety	2,358,273	2,394,890	2,283,244	(111,646)
PUBLIC WORKS				
General Town Roads	1,661,727	1,661,727	1,580,450	(81,277)
New Equipment	10,000	10,000	6,187	(3,813)
Equipment Maintenance	278,545	278,545	256,582	(21,963)
Town Garage Maintenance	71,400	84,427	84,427	-
Street Signs	15,000	15,000	13,431	(1,569)
Grounds Maintenance - BOE/Parks	77,000	88,000	73,917	(14,083)
Town Aid Road - Winter	270,000	345,988	345,987	(1)
Town Aid Road - Materials	286,000	286,945	286,945	-
Sanitary Landfill	355,400	355,400	269,548	(85,852)
Sanitary Recycling	359,333	359,333	326,346	(32,987)
Household Hazardous Waste	13,135	17,604	17,603	(1)
WPCA Maintenance	107,710	114,959	114,959	-
Street Lighting	95,387	95,387	84,032	(11,355)
Engineer and Inspections	100,000	100,000	98,605	(1,395)
Total Public Works	3,700,637	3,813,315	3,559,019	(254,296)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE (UNDER) OVER
	ORIGINAL	FINAL	ACTUAL	
RECREATION				
Administration	\$ 174,614	\$ 165,170	\$ 172,128	\$ 6,958
Town-wide Maintenance	1,500	12,500	10,572	(1,928)
Summer Play Grounds	33,805	33,805	33,847	42
Water Front	23,350	23,350	26,010	2,660
Recreation Programs	99,457	99,457	98,026	(1,431)
Mini-Programs	60,000	74,905	74,904	(1)
Parks Recreation Equipment	4,000	4,000	-	(4,000)
Teen Center Activities	4,000	4,000	1,700	(2,300)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	14,898	14,898	-
Crystal Lake Water Monitor	25,000	25,544	25,544	-
Total Recreation	438,326	457,729	457,629	(100)
LIBRARY				
Hall Memorial Library	688,724	689,922	689,922	-
Total Library	688,724	689,922	689,922	-
HUMAN SERVICES				
Public Health Nursing	3,500	3,500	2,388	(1,112)
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	29,000	29,000	29,000	-
Food Pantry	1,000	1,000	564	(436.00)
Fuel Bank	1,000	12,102	12,101	(1.00)
Youth Enrichment	20,000	20,000	10,296	(9,704)
Youth Activity Programs	48,455	48,455	44,871	(3,584)
Hartford Interval House	1,500	1,500	1,500	-
Human Services	195,787	202,725	202,724	(1)
North Central Health District	69,652	69,652	69,652	-
Welfare	16,000	16,000	9,200	(6,800)
Municipal Agent	1,800	1,800	1,697	(103)
Senior Center	222,145	244,561	244,561	-
Total Human Services	617,931	658,387	636,646	(21,741)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE (UNDER) OVER
	ORIGINAL	FINAL		
TOWN PROPERTIES				
Town Hall	\$ 443,072	\$ 489,475	\$ 489,474	\$ (1)
Center Cemetary	3,700	3,700	3,700	-
Arbor Commons	28,500	57,520	57,519	(1)
Senior Center Building	-	31,992	31,992	-
Pinney House	2,500	2,500	1,745	(755)
Old Crystal Lake School House	10,000	10,000	9,585	(415)
Total Town Properties	487,772	595,187	594,015	(1,172)
DEBT SERVICE				
Debt Redemption - Principal	2,178,672	2,178,672	1,968,670	(210,002)
Debt Redemption - Interest	517,139	517,139	468,870	(48,269)
Total Debt Service	2,695,811	2,695,811	2,437,540	(258,271)
MISCELLANEOUS				
Social Security	365,300	365,300	339,626	(25,674)
Insurance	2,165,090	2,021,567	1,945,231	(76,336)
Insurance Reimbursement and Claims	7,500	7,500	742	(6,758)
Insurance Prior Year	5,000	5,000	-	(5,000)
Service Insurance	79,200	79,200	79,200	-
Contingency Fund	175,000	175,000	175,000	-
Capital Reserve Fund	175,000	175,000	175,000	-
AD HOC Prevention Council Developing				
Positive Youth Culture	7,000	7,000	6,986	(14)
Erase	3,105	3,105	3,105	-
AD HOC Patriotic Committee	4,700	4,700	2,535	(2,165)
Miscellaneous	2,000	2,000	1,370	(630)
GASB-OPEB	100,000	100,000	100,000	-
Referendum	18,000	18,000	3,842	(14,158)
Building Demolition/Eviction	10,000	10,000	1,425	(8,575)
Salary Adjustment	74,600	74,600	-	(74,600)
Employee Education Development	7,500	7,500	381	(7,119)
Town Communications	18,628	18,628	17,657	(971)
Town Web Site	6,800	6,800	6,500	(300)
Grant Applications	2,000	2,000	-	(2,000)
GIS	15,000	15,000	1,700	(13,300)
GIS Centric Permitting/Licensing	71,057	71,057	71,057	-
Total Miscellaneous	3,312,480	3,168,957	2,931,357	(237,600)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE (UNDER) OVER
	ORIGINAL	FINAL		
CAPITAL OUTLAYS				
Unimproved Road Improvement	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Local Capital Improvement Program	160,706	160,982	160,982	-
Road Overlay	500,000	500,000	500,000	-
Road Drainage	10,000	10,000	10,000	-
Culvert Replacement	50,000	50,000	50,000	-
DPW- Mini Excavator	-	70,000	70,000	-
EVAC- Defib/CPR Equipment	20,000	36,980	36,979	(1)
DPW-Snowplow/Dumptruck	170,000	170,000	170,000	-
Police-Radio Equipment	19,500	19,500	19,500	-
General Government Telephone Sys	33,500	33,500	33,500	-
High School Track	60,000	60,000	49,000	(11,000)
Plating Field Surfaces	10,000	10,000	10,000	-
Brookside Pavillion Needs	15,000	15,000	15,000	-
Arbor Park- Maintenance	30,000	30,000	30,000	-
DPW-Field Line Striper	12,000	12,000	12,000	-
DPW-Renovate Public Works Facility	40,000	40,000	40,000	-
DPW- Transfer Station Imp Town Garage	10,000	10,000	10,000	-
EVFD-Firefighter Clothing	66,700	66,700	66,700	-
BOE-Wireless Infrast-Schools	202,430	202,430	202,430	-
Total Capital Outlays	1,419,836	1,507,092	1,496,091	(11,001)
EDUCATION				
Salaries				
Administrative	1,710,582	1,710,582	1,672,150	(38,432)
Faculty	15,213,714	15,213,714	14,898,549	(315,165)
Secretarial	816,076	816,076	786,050	(30,026)
Custodial	1,017,335	1,017,335	979,443	(37,892)
Nurses	337,175	337,175	322,444	(14,731)
Instructor Aides	936,378	936,378	1,005,302	68,924
General / Media Aides	281,641	281,641	281,191	(450)
Media	78,750	78,750	81,621	2,871
Severance	(86,513)	(86,513)	164,700	251,213
Secretarial Subs	39,165	39,165	32,848	(6,317)
Custodial Subs	41,834	41,834	87,872	46,038
Substitute Teachers	248,425	248,425	248,553	128
Coaches & Advisors	245,245	245,245	234,363	(10,882)
Custodial Overtime	97,469	97,469	75,890	(21,579)
Total Salaries	20,977,276	20,977,276	20,870,976	(106,300)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE (UNDER) OVER
	ORIGINAL	FINAL	ACTUAL	
EDUCATION (<i>Continued</i>)				
Employee Benefits				
Health Benefits	\$ 4,650,059	\$ 4,650,059	\$ 4,507,867	\$ (142,192)
Social Security	524,558	524,558	532,044	7,486
Unemployment	10,000	10,000	11,849	1,849
Retirement - MERS	468,960	468,960	501,437	32,477
Course Tuition	1,000	1,000	2,637	1,637
Total Employee Benefits	5,654,577	5,654,577	5,555,834	(98,743)
Contracted Services				
Purchased Contracted Services	-	-	10,864	10,864
Program Improvement	199,653	199,653	197,282	(2,371)
Pupil Services	78,536	78,536	93,435	14,899
Management Services	24,000	24,000	16,938	(7,062)
Professional/Tech Services	559,813	559,813	627,440	67,627
Public Utilities-Electricity	389,394	389,394	367,727	(21,667)
Other Property Services	183,042	183,042	211,586	28,544
Property Insurance	266,050	266,050	289,037	22,987
Rentals	94,229	94,229	107,734	13,505
Repairs Instrument Equipment	40,162	40,162	36,629	(3,533)
Propane/Natural Gas	211,662	211,662	151,927	(59,735)
Water Utility	46,642	46,642	47,383	741
Repairs/Maintenance	146,213	146,213	151,361	5,148
Reg. Pupil Transportation	1,405,093	1,405,093	1,453,789	48,696
Conference/Travel	31,000	31,000	26,205	(4,795)
Teacher Conf/Travel	10,000	10,000	11,430	1,430
Special Ed Transportation	491,237	491,237	441,983	(49,254)
Athletic Transportation	40,783	40,783	35,979	(4,804)
Cheney Vo-Ag Transportation	56,415	56,415	56,839	424
Support Staff Conf/Travel	3,694	3,694	3,562	(132)
Other Transportation Serv	8,000	8,000	6,473	(1,527)
Telephone	45,179	45,179	54,870	9,691
Townwide Maintenance	40,500	40,500	35,692	(4,808)
Printing /Advertising	26,555	26,555	23,583	(2,972)
Outside Tuition	948,373	948,373	824,237	(124,136)
Total Contracted Services	5,346,225	5,346,225	5,283,985	(62,240)
Capital Outlays				
Replacement Equipment	66,432	66,432	295,583	229,151
Total Capital Outlays	66,432	66,432	295,583	229,151

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE (UNDER) OVER
	ORIGINAL	FINAL		
EDUCATION <i>(Continued)</i>				
Supplies and Materials				
Supplies	\$ -	\$ -	\$ 1,940	\$ 1,940
Administrative Supplies	56,615	56,615	55,969	(646)
Program Supplies	277,427	277,427	270,677	(6,750)
Special Education	29,357	29,357	28,320	(1,037)
Basic	126,113	126,113	119,968	(6,145)
Maintenance Gasoline	25,000	25,000	34,676	9,676
Custodial Supplies	80,443	80,443	81,170	727
Heating Fuel and Gasoline	80,850	80,850	70,082	(10,768)
Textbooks	100,777	100,777	121,448	20,671
Library/Media	52,169	52,169	50,089	(2,080)
Total Supplies and Materials	828,751	828,751	834,339	5,588
Miscellaneous				
Dues and Memberships	42,689	42,689	41,036	(1,653)
Other Supplies	-	-	2,067	2,067
Transfer Account	-	-	2,901	2,901
Total Miscellaneous	42,689	42,689	46,004	3,315
Total Board of Education	32,915,950	32,915,950	32,886,721	(29,229)
Total Budgetary Expenditures	\$ 50,180,837	\$ 50,457,794	\$ 49,381,483	\$ (1,076,311)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2014

GRAND LIST YEAR	BALANCE UNCOLLECTED JUNE 30, 2013	CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	BALANCE TO BE COLLECTED	COLLECTIONS				BALANCE UNCOLLECTED JUNE 30, 2014
			ADDITIONS	DEDUCTIONS			TAXES	INTEREST	LIEN FEES	TOTAL	
2012	\$ -	\$ 36,440,625	\$ 95,461	\$ 220,252	\$ -	\$ 36,315,834	\$ 35,893,052	\$ 100,665	\$ 2,360	\$ 35,996,077	\$ 422,782
2011	442,042	-	42,468	107,600	-	376,910	192,568	48,433	3,186	244,187	184,342
2010	238,498	-	51,188	103,886	(23,709)	162,091	74,677	29,284	1,176	105,137	87,414
2009	143,697	-	-	-	-	143,697	43,172	24,734	456	68,362	100,525
2008	98,352	-	-	-	-	98,352	25,718	21,177	336	47,231	72,634
2007	61,871	-	-	-	-	61,871	20,077	11,550	264	31,891	41,794
2006	34,525	-	-	-	-	34,525	10,142	9,986	144	20,272	24,383
2005	14,218	-	-	-	-	14,218	4,321	6,579	96	10,996	9,897
2004	9,003	-	-	-	-	9,003	4,831	7,207	72	12,110	4,172
2003	8,295	-	-	-	-	8,295	4,238	7,419	48	11,705	4,057
2002	5,924	-	-	-	-	5,924	4,063	7,556	46	11,665	1,861
2001	4,830	-	-	-	-	4,830	3,933	8,024	24	11,981	897
2000	6,500	-	-	-	-	6,500	3,765	8,448	24	12,237	2,735
1999	4,128	-	-	-	-	4,128	3,786	9,087	24	12,897	342
1998	3,933	-	-	-	-	3,933	3,609	9,311	24	12,944	324
1997	1,930	-	-	-	-	1,930	1,930	-	-	1,930	-
	<u>\$ 1,077,746</u>	<u>\$ 36,440,625</u>	<u>\$ 189,117</u>	<u>\$ 431,738</u>	<u>\$ (23,709)</u>	<u>\$ 37,252,041</u>	<u>\$ 36,293,882</u>	<u>\$ 309,460</u>	<u>\$ 8,280</u>	<u>\$ 36,611,622</u>	<u>\$ 958,159</u>

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)

FOR THE YEAR ENDED JUNE 30, 2014

Total cash collections for the
year ended June 30, 2014

Taxes	\$ 36,293,882
Interest and lien fees	317,740
Total	<u>36,611,622</u>

Reimbursed for	
Tax relief for elderly (CGS 12-129d)	75,395
Total	<u>75,395</u>

Base	<u><u>\$ 36,687,017</u></u>
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	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
Debt limitation:					
2-1/4 times base	\$ 82,545,788	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	165,091,577	-	-	-
3-3/4 times base	-	-	137,576,314	-	-
3-1/4 times base	-	-	-	119,232,805	-
3 times base	-	-	-	-	110,061,051
Total debt limitation	<u>82,545,788</u>	<u>165,091,577</u>	<u>137,576,314</u>	<u>119,232,805</u>	<u>110,061,051</u>
Indebtedness:					
Bonds and notes payable	<u>5,982,700</u>	<u>6,817,300</u>	<u>1,622,375</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>5,982,700</u>	<u>6,817,300</u>	<u>1,622,375</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of					
Outstanding and authorized debt	<u><u>\$ 76,563,088</u></u>	<u><u>\$ 158,274,277</u></u>	<u><u>\$ 135,953,939</u></u>	<u><u>\$ 119,232,805</u></u>	<u><u>\$ 110,061,051</u></u>
Total capacity of borrowing (7 times base)	\$ 256,809,119				
Total present indebtedness	<u>14,422,375</u>				
Margin for additional borrowing	<u><u>\$ 242,386,744</u></u>				

Combining Statements

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET - BY FUND TYPE

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 379,280	\$ -	\$ -	\$ 379,280
Investments	1,286,268	300,341	902,015	2,488,624
Receivables:				
Grants and contracts receivable	281,304	458,536	-	739,840
Other, net of allowance for uncollectibles of \$157,461	80,359	-	-	80,359
Due from other funds	55,786	174,425	15,945	246,156
Inventories	10,218	-	-	10,218
Total assets	<u>\$ 2,093,215</u>	<u>\$ 933,302</u>	<u>\$ 917,960</u>	<u>\$ 3,944,477</u>
LIABILITIES				
Accounts payable	\$ 54,561	\$ 165,533	\$ -	\$ 220,094
Due to other funds	189,671	1,060,346	-	1,250,017
Unearned revenue	600,156	-	-	600,156
Due to funding source	14,320	-	-	14,320
Total liabilities	<u>858,708</u>	<u>1,225,879</u>	<u>-</u>	<u>2,084,587</u>
FUND BALANCES (DEFICIT)				
Nonspendable:				
Endowments	-	-	52,497	52,497
Inventories	10,218	-	-	10,218
Committed:				
School lunch operations	97,217	-	-	97,217
Public safety	488,120	-	-	488,120
Human services	54,508	-	-	54,508
Town properties	480,662	-	-	480,662
Land use	46,276	-	-	46,276
General government	57,506	-	-	57,506
Unassigned (deficit)	-	(292,577)	865,463	572,886
Total fund balances (deficit)	<u>1,234,507</u>	<u>(292,577)</u>	<u>917,960</u>	<u>1,859,890</u>
Total liabilities and fund balances (deficit)	<u>\$ 2,093,215</u>	<u>\$ 933,302</u>	<u>\$ 917,960</u>	<u>\$ 3,944,477</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, 2014

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 2,252,551	\$ 351,768	\$ -	\$ 2,604,319
Charges for services	592,046	-	-	592,046
Food sales	454,771	-	-	454,771
Interest and dividends	308	27	3	338
Net increase in the fair value of investments	-	-	67,985	67,985
Other income	29,651	-	55,823	85,474
Total revenues	<u>3,329,327</u>	<u>351,795</u>	<u>123,811</u>	<u>3,804,933</u>
EXPENDITURES				
Current:				
Program expenditures	2,979,572	106,768	1,120	3,087,460
Miscellaneous	-	1,076	-	1,076
Capital outlays	-	3,030,566	-	3,030,566
Total expenditures	<u>2,979,572</u>	<u>3,138,410</u>	<u>1,120</u>	<u>6,119,102</u>
Excess (deficiency) of revenues over expenditures	349,755	(2,786,615)	122,691	(2,314,169)
OTHER FINANCING USES				
Proceeds from bonds issued and premiums	-	4,361,533	-	4,361,533
Transfers out	(274,730)	-	-	(274,730)
Total other financing uses	<u>(274,730)</u>	<u>4,361,533</u>	<u>-</u>	<u>4,086,803</u>
Net change in fund balances	75,025	1,574,918	122,691	1,772,634
Fund balances (deficit) - beginning	<u>1,159,482</u>	<u>(1,867,495)</u>	<u>795,269</u>	<u>87,256</u>
Fund balances (deficit) - ending	<u>\$ 1,234,507</u>	<u>\$ (292,577)</u>	<u>\$ 917,960</u>	<u>\$ 1,859,890</u>

Special Revenue Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	Dog Fund	Education Grants Fund	School Lunch Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 242,313	\$ 29,249	\$ 107,678	\$ -	\$ -	\$ -
Investments	-	-	55,993	419,550	-	58,384	39,614
Receivables:							
Grants and contracts receivable	-	145,841	21,638	-	-	-	-
Other, net of allowance for uncollectibles of \$157,461	-	8,340	-	72,019	-	-	-
Due from other funds	14,310	6,255	-	-	-	-	17,892
Inventories	-	-	10,218	-	-	-	-
Total assets	<u>14,310</u>	<u>402,749</u>	<u>117,098</u>	<u>599,247</u>	<u>-</u>	<u>58,384</u>	<u>57,506</u>
LIABILITIES							
Accounts payable	-	13,862	1,509	2,534	-	-	-
Due to other funds	-	-	-	108,593	-	3,886	-
Unearned revenue	-	388,887	8,154	-	-	-	-
Due to funding source	14,310	-	-	-	-	-	-
Total liabilities	<u>14,310</u>	<u>402,749</u>	<u>9,663</u>	<u>111,127</u>	<u>-</u>	<u>3,886</u>	<u>-</u>
FUND BALANCES							
Nonspendable:							
Inventories	-	-	10,218	-	-	-	-
Committed to:							
School lunch operations	-	-	97,217	-	-	-	-
Public safety	-	-	-	488,120	-	-	-
Human services	-	-	-	-	-	54,498	-
Town properties	-	-	-	-	-	-	-
Land use	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	57,506
Total fund balances	<u>-</u>	<u>-</u>	<u>107,435</u>	<u>488,120</u>	<u>-</u>	<u>54,498</u>	<u>57,506</u>
Total liabilities and fund balances	<u>\$ 14,310</u>	<u>\$ 402,749</u>	<u>\$ 117,098</u>	<u>\$ 599,247</u>	<u>\$ -</u>	<u>\$ 58,384</u>	<u>\$ 57,506</u>

TOWN OF ELLINGTON, CONNECTICUT

 COMBING BALANCE SHEET *(Continued)*

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2014

	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	HUD Small Cities Rehab 2010 Fund	Airport Improvement Grant Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ -
Investments	33,218	-	46,279	633,230	-	-
Receivables:						
Grants and contracts receivable	-	6,756	-	-	-	5,640
Other, net of allowance for uncollectibles of \$157,461	-	-	-	-	-	-
Due from other funds	17,329	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>50,547</u>	<u>6,756</u>	<u>46,279</u>	<u>633,230</u>	<u>10</u>	<u>5,640</u>
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Due to other funds	-	6,756	3	-	-	5,640
Unearned revenue	-	-	-	203,115	-	-
Due to funding source	-	-	-	-	10	-
Total liabilities	<u>-</u>	<u>6,756</u>	<u>3</u>	<u>203,115</u>	<u>10</u>	<u>5,640</u>
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Committed to:						
School lunch operations	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Town properties	50,547	-	-	430,115	-	-
Land use	-	-	46,276	-	-	-
General government	-	-	-	-	-	-
Total fund balances	<u>50,547</u>	<u>-</u>	<u>46,276</u>	<u>430,115</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 50,547</u>	<u>\$ 6,756</u>	<u>\$ 46,279</u>	<u>\$ 633,230</u>	<u>\$ 10</u>	<u>\$ 5,640</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBING BALANCE SHEET *(Continued)*

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2014

	Partnership Success Initiative Fund	SC Regular Rehab 12	Snispic Village	SC Regular Rehab 13	Side by Side	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 10	\$ 10	\$ 10	\$ -	\$ 379,280
Investments	-	-	-	-	-	1,286,268
Receivables:						
Grants and contracts receivable	-	83,020	-	16,909	1,500	281,304
Other, net of allowance for uncollectibles of \$157,461	-	-	-	-	-	80,359
Due from other funds	-	-	-	-	-	55,786
Inventories	-	-	-	-	-	10,218
Total assets	-	83,030	10	16,919	1,500	2,093,215
LIABILITIES						
Accounts payable	-	36,656	-	-	-	54,561
Due to other funds	-	46,374	-	16,919	1,500	189,671
Unearned revenue	-	-	-	-	-	600,156
Due to funding source	-	-	-	-	-	14,320
Total liabilities	-	83,030	-	16,919	1,500	858,708
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	10,218
Committed to:						
School lunch operations	-	-	-	-	-	97,217
Public safety	-	-	-	-	-	488,120
Human services	-	-	10	-	-	54,508
Town properties	-	-	-	-	-	480,662
Land use	-	-	-	-	-	46,276
General government	-	-	-	-	-	57,506
Total fund balances	-	-	10	-	-	1,234,507
Total liabilities and fund balances	\$ -	\$ 83,030	\$ 10	\$ 16,919	\$ 1,500	\$ 2,093,215

TOWN OF ELLINGTON, CONNECTICUT

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

	Dog Fund	Education Grants Fund	School Lunch Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund
REVENUES							
Intergovernmental	\$ -	\$ 1,588,048	\$ 197,900	\$ -	\$ 19,196	\$ -	\$ -
Charges for services	89,874	-	-	372,112	-	4	-
Food sales	-	-	454,771	-	-	-	-
Interest and dividends	-	-	212	38	-	-	3
Other income	-	-	-	-	-	-	6,032
Total revenues	89,874	1,588,048	652,883	372,150	19,196	4	6,035
EXPENDITURES							
Current:							
Program expenditures	89,874	1,588,048	635,453	213,172	36,730	3,886	-
Total expenditures	89,874	1,588,048	635,453	213,172	36,730	3,886	-
Excess (deficiency) of revenues over expenditures	-	-	17,430	158,978	(17,534)	(3,882)	6,035
OTHER FINANCING USES							
Transfers out	-	-	-	(106,768)	-	-	-
Net change in fund balances	-	-	17,430	52,210	(17,534)	(3,882)	6,035
Fund balances - beginning	-	-	90,005	435,910	17,534	58,380	51,471
Fund balances - ending	\$ -	\$ -	\$ 107,435	\$ 488,120	\$ -	\$ 54,498	\$ 57,506

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, 2014

	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	HUD Small Cities Rehab 2010 Fund	Airport Improvement Grant Fund
REVENUES						
Intergovernmental	\$ -	\$ 27,023	\$ -	\$ -	\$ -	\$ -
Charges for services	130,056	-	-	-	-	-
Food sales	-	-	-	-	-	-
Interest and dividends	2	-	3	50	-	-
Other income	-	-	8,845	14,774	-	-
Total revenues	130,058	27,023	8,848	14,824	-	-
EXPENDITURES						
Current:						
Program expenditures	128,674	27,023	4,290	-	-	-
Total expenditures	128,674	27,023	4,290	-	-	-
Excess (deficiency) of revenues over expenditures	1,384	-	4,558	14,824	-	-
OTHER FINANCING USES						
Transfers out	-	-	-	-	-	-
Net change in fund balances	1,384	-	4,558	14,824	-	-
Fund balances - beginning	49,163	-	41,718	415,291	-	-
Fund balances - ending	\$ 50,547	\$ -	\$ 46,276	\$ 430,115	\$ -	\$ -

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, 2014

	Partnership Success Initiative Fund	SC Regular Rehab 12	Snipsic Village	SC Regular Rehab 13	Side by Side	Total Nonmajor Special Revenue Funds
REVENUES						
Intergovernmental	\$ 104,411	\$ 233,438	\$ 1,615	\$ 70,920	\$ 10,000	\$ 2,252,551
Charges for services	-	-	-	-	-	592,046
Food sales	-	-	-	-	-	454,771
Interest and dividends	-	-	-	-	-	308
Other income	-	-	-	-	-	29,651
Total revenues	104,411	233,438	1,615	70,920	10,000	3,329,327
EXPENDITURES						
Current:						
Program expenditures	104,411	87,448	1,615	48,948	10,000	2,979,572
Total expenditures	104,411	87,448	1,615	48,948	10,000	2,979,572
Excess (deficiency) of revenues over expenditures	-	145,990	-	21,972	-	349,755
OTHER FINANCING USES						
Transfers out	-	(145,990)	-	(21,972)	-	(274,730)
Net change in fund balances	-	-	-	-	-	75,025
Fund balances - beginning	-	-	10	-	-	1,159,482
Fund balances - ending	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ 1,234,507

Capital Projects Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2014

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund
ASSETS					
Investments	\$ 25,699	\$ -	\$ 60,316	\$ 18,344	\$ 195,982
Grants and contract receivables	-	213,536	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>25,699</u>	<u>213,536</u>	<u>60,316</u>	<u>18,344</u>	<u>195,982</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Due to other funds	-	213,536	-	-	-
Total liabilities	<u>-</u>	<u>213,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Committed to:					
Unassigned (deficits)	25,699	-	60,316	18,344	195,982
Total fund balances (deficits)	<u>25,699</u>	<u>-</u>	<u>60,316</u>	<u>18,344</u>	<u>195,982</u>
Total liabilities and fund balances (deficits)	<u>\$ 25,699</u>	<u>\$ 213,536</u>	<u>\$ 60,316</u>	<u>\$ 18,344</u>	<u>\$ 195,982</u>

TOWN OF ELLINGTON, CONNECTICUTCOMBINING BALANCE SHEET *(Continued)*

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2014

	Dojo Association Fund	Hall HVAC System Fund	59 South Road Fund	Windermere Heat Control	Senior Center Building
ASSETS					
Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts receivable	-	-	-	-	-
Due from other funds	24,350	17,514	-	33,522	99,039
Total assets	<u>24,350</u>	<u>17,514</u>	<u>-</u>	<u>33,522</u>	<u>99,039</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	148,478	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>148,478</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Committed to:					
Unassigned (deficits)	24,350	17,514	(148,478)	33,522	99,039
Total fund balances (deficits)	<u>24,350</u>	<u>17,514</u>	<u>(148,478)</u>	<u>33,522</u>	<u>99,039</u>
Total liabilities and fund balances (deficits)	<u>\$ 24,350</u>	<u>\$ 17,514</u>	<u>\$ -</u>	<u>\$ 33,522</u>	<u>\$ 99,039</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET *(Continued)*

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2014

	Windermere School Alterations	Baher Farm Preservations	Charter Farm Preservations	STEAP Human Service Building	Pinney Athletic Field	Total Nonmajor Capital Projects Funds
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,341
Grants and contracts receivable	-	-	-	245,000	-	458,536
Due from other funds	-	-	-	-	-	174,425
Total assets	-	-	-	245,000	-	933,302
LIABILITIES						
Accounts payable	164,463	-	-	-	1,070	165,533
Due to other funds	125,447	8,500	160,005	245,000	159,380	1,060,346
Total liabilities	289,910	8,500	160,005	245,000	160,450	1,225,879
FUND BALANCES (DEFICITS)						
Committed to:						
Unassigned (deficits)	(289,910)	(8,500)	(160,005)	-	(160,450)	(292,577)
Total fund balances (deficits)	(289,910)	(8,500)	(160,005)	-	(160,450)	(292,577)
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ -	\$ 245,000	\$ -	\$ 933,302

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, 2014

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund
REVENUES					
Intergovernmental	\$ -	\$ 106,768	\$ -	\$ -	\$ -
Interest and dividends	2	-	5	1	19
Total revenues	2	106,768	5	1	19
EXPENDITURES					
Current:					
Program expenditures	-	106,768	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital outlays	-	-	-	-	70,000
Total expenditures	-	106,768	-	-	70,000
Excess (deficiency) of revenues over expenditures	2	-	5	1	(69,981)
OTHER FINANCING USES					
Bonds and notes issued	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	2	-	5	1	(69,981)
Fund balances (deficits) - beginning	25,697	-	60,311	18,343	265,963
Fund balances (deficits) - ending	\$ 25,699	\$ -	\$ 60,316	\$ 18,344	\$ 195,982

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, 2014

	Dojo Association Fund	Hall HVAC System Fund	59 South Road Fund	Windermere Heat Control	Senior Center Building
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	-	\$ -
Interest and dividends	-	-	-	-	-
Total revenues	-	-	-	-	-
EXPENDITURES					
Current:					
Program expenditures	-	-	-	-	-
Interest and Fiscal Charges	1,076	-	-	-	-
Capital outlays	5,452	41,325	2,856	4,274	2,122,682
Total expenditures	6,528	41,325	2,856	4,274	2,122,682
Excess (deficiency) of revenues over expenditures	(6,528)	(41,325)	(2,856)	(4,274)	(2,122,682)
OTHER FINANCING USES					
Bonds and notes issued	456,373	446,013	197,075	357,836	2,904,236
Transfers out	-	-	-	-	-
Total other financing sources	456,373	446,013	197,075	357,836	2,904,236
Net change in fund balances	449,845	404,688	194,219	353,562	781,554
Fund balances (deficits) - beginning	(425,495)	(387,174)	(342,697)	(320,040)	(682,515)
Fund balances (deficits) - ending	\$ 24,350	\$ 17,514	\$ (148,478)	\$ 33,522	\$ 99,039

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, 2014

	Windermere School Alterations	Baier Farms Preservation	Charter Farm Preservation	STEAP Human Service Building	Pinney Athletic Field	Total Nonmajor Capital Projects Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 245,000	\$ -	\$ 351,768
Interest and dividends	-	-	-	-	-	27
Total revenues	-	-	-	245,000	-	351,795
EXPENDITURES						
Current:						
Program expenditures	-	-	-	-	-	106,768
Interest and Fiscal Charges	-	-	-	-	-	1,076
Capital outlays	210,022	8,500	160,005	245,000	160,450	3,030,566
Total expenditures	210,022	8,500	160,005	245,000	160,450	3,138,410
Excess (deficiency) of revenues over expenditures	(210,022)	(8,500)	(160,005)	-	(160,450)	(2,786,615)
OTHER FINANCING USES						
Bonds and notes Issued	-	-	-	-	-	4,361,533
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	4,361,533
Net change in fund balances	(210,022)	(8,500)	(160,005)	-	(160,450)	1,574,918
Fund balances (deficits) - beginning	(79,888)	-	-	-	-	(1,867,495)
Fund balances (deficits) - ending	<u>\$ (289,910)</u>	<u>\$ (8,500)</u>	<u>\$ (160,005)</u>	<u>\$ -</u>	<u>\$ (160,450)</u>	<u>\$ (292,577)</u>

Permanent Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR PERMANENT FUNDS

JUNE 30, 2014

	Marshall E. Charter Fund	Kimball Memorial Fund	John T. McKnight Maintenance Fund	Eugene K. Mosley Fund	Arthur Hyde Fund
ASSETS					
Investments	\$ 488,664	\$ 101,882	\$ 20,439	\$ 100	\$ 200
Due from other funds	8,888	2,027	407	-	-
Total assets	<u>497,552</u>	<u>103,909</u>	<u>20,846</u>	<u>100</u>	<u>200</u>
LIABILITIES					
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Endowments	29,697	5,000	1,000	100	200
Unassigned	467,855	98,909	19,846	-	-
Total fund balances	<u>497,552</u>	<u>103,909</u>	<u>20,846</u>	<u>100</u>	<u>200</u>
Total liabilities and fund balances	<u>\$ 497,552</u>	<u>\$ 103,909</u>	<u>\$ 20,846</u>	<u>\$ 100</u>	<u>\$ 200</u>

TOWN OF ELLINGTON, CONNECTICUTCOMBINING BALANCE SHEET *(Continued)*

NONMAJOR PERMANENT FUNDS

JUNE 30, 2014

	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
ASSETS					
Investments	\$ 500	\$ 75,769	\$ 213,461	\$ 1,000	\$ 902,015
Due from other funds	-	376	4,247	-	15,945
Total assets	<u>500</u>	<u>76,145</u>	<u>217,708</u>	<u>1,000</u>	<u>917,960</u>
LIABILITIES					
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Endowments	500	5,000	10,000	1,000	52,497
Unassigned	-	71,145	207,708	-	865,463
Total fund balances	<u>500</u>	<u>76,145</u>	<u>217,708</u>	<u>1,000</u>	<u>917,960</u>
Total liabilities and fund balances	<u>\$ 500</u>	<u>\$ 76,145</u>	<u>\$ 217,708</u>	<u>\$ 1,000</u>	<u>\$ 917,960</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES

NONMAJOR PERMANENT FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Marshall E. Charter Fund	Kimball Memorial Fund	John T. McKnight Maintenance Fund	Eugene K. Mosley Fund	Arthur Hyde Fund
REVENUES					
Interest and dividends	\$ 3	\$ -	\$ -	\$ -	\$ -
Net increase in the fair value of investments	35,374	8,088	1,622	-	-
Other income	26,764	7,450	1,495	-	-
Total revenues	<u>62,141</u>	<u>15,538</u>	<u>3,117</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Program expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	62,141	15,538	3,117	-	-
Fund balances - beginning	<u>435,411</u>	<u>88,371</u>	<u>17,729</u>	<u>100</u>	<u>200</u>
Fund balances - ending	<u><u>\$ 497,552</u></u>	<u><u>\$ 103,909</u></u>	<u><u>\$ 20,846</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 200</u></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, 2014

	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
REVENUES					
Interest and dividends	\$ -	\$ -	\$ -	\$ -	\$ 3
Net increase in the fair value of investments	-	5,955	16,946	-	67,985
Other income	-	4,506	15,608	-	55,823
Total revenues	-	10,461	32,554	-	123,811
EXPENDITURES					
Current:					
Program expenditures	-	1,120	-	-	1,120
Total expenditures	-	1,120	-	-	1,120
Excess of revenues over expenditure	-	9,341	32,554	-	122,691
Fund balances - beginning	500	66,804	185,154	1,000	795,269
Fund balances - ending	<u>\$ 500</u>	<u>\$ 76,145</u>	<u>\$ 217,708</u>	<u>\$ 1,000</u>	<u>\$ 917,960</u>

Proprietary Funds

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2014

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$8,649	\$ 49,840	\$ -	\$ 49,840
Noncurrent assets:			
Long-term assessments receivable	-	38,183	38,183
Total assets	<u>49,840</u>	<u>38,183</u>	<u>88,023</u>
LIABILITIES			
Current liabilities:			
Due to other funds	<u>155,854</u>	<u>109,541</u>	<u>265,395</u>
Total liabilities	<u>155,854</u>	<u>109,541</u>	<u>265,395</u>
NET POSITION (DEFICITS)			
Unrestricted (deficits)	<u>(106,014)</u>	<u>(71,358)</u>	<u>(177,372)</u>
Total net position (deficits)	<u><u>\$ (106,014)</u></u>	<u><u>\$ (71,358)</u></u>	<u><u>\$ (177,372)</u></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, 2014**

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Solid waste fees	\$ 554,283	\$ -	\$ 554,283
Total operating revenues	554,283	-	554,283
 OPERATING EXPENSES			
Public works and administrative expenses	599,365	-	599,365
Bad debt expense	2,080	-	2,080
Total operating expenses	601,445	-	601,445
 Change in net position	(47,162)	-	(47,162)
 Net position (deficits) - beginning	(58,852)	(71,358)	(130,210)
 Net position (deficits) - ending	\$ (106,014)	\$ (71,358)	\$ (177,372)

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 544,164	\$ -	\$ 544,164
Receipts from interfund services provided	55,201	-	55,201
Payments to suppliers	(599,365)	-	(599,365)
Net cash provided by operating activities	-	-	-
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (47,162)	\$ -	\$ (47,162)
Decrease in assets:			
Solid waste charges receivable, net	(8,039)	-	(8,039)
Long-term assessments receivable	-	-	-
Increase in liabilities:			
Due to other funds	55,201	-	55,201
Net cash provided by operating activities	\$ -	\$ -	\$ -

Fiduciary Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

	Municipal Land Trust Fund	Public Health Nursing Fund	John T. McKnight Fund	Hall Memorial Library Fund	Senior Center Donation Fund	Graduation Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 133,938	\$ -	\$ 557
Investments	21,241	2,266	25,530	-	30,762	20,280
Due from other funds	-	-	-	-	-	-
Total assets	<u>21,241</u>	<u>2,266</u>	<u>25,530</u>	<u>133,938</u>	<u>30,762</u>	<u>20,837</u>
LIABILITIES						
Due to other funds	-	-	-	-	1,008	942
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,008</u>	<u>942</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 21,241</u>	<u>\$ 2,266</u>	<u>\$ 25,530</u>	<u>\$ 133,938</u>	<u>\$ 29,754</u>	<u>\$ 19,895</u>

TOWN OF ELLINGTON, CONNECTICUTCOMBINING STATEMENT OF FIDUCIARY NET POSITION *(Continued)*

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

	Senior Citizen Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building Fund	Total Private Purpose Trust Funds
ASSETS						
Cash and cash equivalents	\$ 15,680	\$ -	\$ -	\$ -	\$ -	\$ 150,175
Investments	-	203,645	6,828	13,578	113,251	437,381
Due from other funds	-	4,052	30	60	375	4,517
Total assets	<u>15,680</u>	<u>207,697</u>	<u>6,858</u>	<u>13,638</u>	<u>113,626</u>	<u>592,073</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	1,950
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 15,680</u>	<u>\$ 207,697</u>	<u>\$ 6,858</u>	<u>\$ 13,638</u>	<u>\$ 113,626</u>	<u>\$ 590,123</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Municipal Land Trust Fund	Public Health Nursing Fund	John T. McKnight Fund	Hall Memorial Library Fund	Senior Center Donation Fund	Graduation Fund
ADDITIONS						
Contributions - private donations	\$ -	\$ -	\$ -	\$ 38,551	\$ 64	\$ 14,179
Other income	-	-	-	16,442	-	-
Total contributions	-	-	-	54,993	64	14,179
Investment earnings:						
Interest	2	1	2	59	4	1
Net increase in the fair value of investments	-	-	-	-	-	-
Net investment earnings	2	1	2	59	4	1
Total additions	2	1	2	55,052	68	14,180
DEDUCTIONS						
Program expenditures	-	-	-	42,368	18,052	15,230
Total deductions	-	-	-	42,368	18,052	15,230
Change in net position	2	1	2	12,684	(17,984)	(1,050)
Net position - beginning	21,239	2,265	25,528	121,254	47,738	20,945
Net position - ending	<u>\$ 21,241</u>	<u>\$ 2,266</u>	<u>\$ 25,530</u>	<u>\$ 133,938</u>	<u>\$ 29,754</u>	<u>\$ 19,895</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION *(Continued)*

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Senior Citizen Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building Fund	Total Private Purpose Trust Funds
ADDITIONS						
Contributions - private donations	\$ 31,732	\$ -	\$ -	\$ -	\$ 23,335	\$ 107,861
Other income	-	14,890	304	605	-	32,241
Total contributions	31,732	14,890	304	605	23,335	140,102
Investment earnings:						
Interest	6	-	-	-	9	84
Net increase in the fair value of investments	-	16,167	542	1,078	-	17,787
Net investment earnings	6	16,167	542	1,078	9	17,871
Total additions	31,738	31,057	846	1,683	23,344	157,973
DEDUCTIONS						
Program expenditures	28,540	-	-	-	7,168	111,358
Total deductions	28,540	-	-	-	7,168	111,358
Change in net position	3,198	31,057	846	1,683	16,176	46,615
Net position - beginning	12,482	176,640	6,012	11,955	97,450	543,508
Net position - ending	\$ 15,680	\$ 207,697	\$ 6,858	\$ 13,638	\$ 113,626	590,123

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY

ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Student Activities	Performance Bonds	Total Agency Funds
Cash and cash equivalents	\$ 558,278	\$ -	\$ 558,278
Investments	-	18,558	18,558
Total Assets	<u>\$ 558,278</u>	<u>\$ 18,558</u>	<u>\$ 576,836</u>
Due to Others			
Total Due to Others	<u>558,278</u>	<u>18,558</u>	<u>576,836</u>
Total Liabilities	<u>\$ 558,278</u>	<u>\$ 18,558</u>	<u>\$ 576,836</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN

FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Balance, June 30, 2013	Additions	Deletions	Balance, June 30, 2014
CASH AND CASH EQUIVALENTS				
Ellington Center School	\$ 7,356	\$ 14,565	\$ 15,942	\$ 5,979
Ellington High School	144,436	408,253	434,460	118,229
Ellington School Use Activity	16,410	3,493	5,008	14,895
Crystal Lake School	3,259	5,476	5,585	3,150
Windermere School	28,100	48,782	60,327	16,555
Special Education Preschool Department	28,630	61,156	35,825	53,961
Board of Education Educational Services	19,116	26,566	24,089	21,593
Special Education Petty Cash Reimbursement	1,016	9,193	9,193	1,016
Ellington Middle School	90,534	155,824	170,066	76,292
Special Education Account	130,915	146,301	100,000	177,216
Petty Cash - BOE	376	2,345	2,445	276
Petty Cash - All Schools	800	-	281	519
Central Office Flex Spending	9,631	11,652	9,908	11,375
COBRA Reimbursement	10,867	312,968	266,613	57,222
	491,446	1,206,574	1,139,742	558,278
INVESTMENTS				
Construction Performance Bonds	44,562	16,500	42,504	18,558
Total Assets	\$ 536,008	\$ 1,223,074	\$ 1,182,246	\$ 576,836
ACCOUNTS PAYABLE				
Ellington High School	\$ 17,994	\$ -	\$ 17,994	\$ -
Ellington Middle School	13,502	-	13,502	-
Total Accounts Payable	31,496	-	31,496	-
DUE TO OTHERS				
Ellington Center School	7,356	14,565	15,942	5,979
Ellington High School	126,442	408,253	416,466	118,229
Ellington School Use Activity	16,410	3,493	5,008	14,895
Crystal Lake School	3,259	5,476	5,585	3,150
Windermere School	28,100	48,782	60,327	16,555
Special Education Preschool Department	28,630	61,156	35,825	53,961
Board of Education Educational Services	19,116	26,566	24,089	21,593
Special Education Petty Cash Reimbursement	1,016	9,193	9,193	1,016
Ellington Middle School	77,032	155,824	156,564	76,292
Special Education Account	130,915	146,301	100,000	177,216
Petty Cash - BOE	376	2,345	2,445	276
Petty Cash - All Schools	800	-	281	519
Central Office Flex Spending	9,631	11,652	9,908	11,375
COBRA Reimbursement	10,867	312,968	266,613	57,222
Due to Contractors	44,562	16,500	42,504	18,558
Total Due to Others	504,512	1,223,074	1,150,750	576,836
Total Liabilities	\$ 536,008	\$ 1,223,074	\$ 1,182,246	\$ 576,836