COMPREHENSIVE

ANNUAL FINANCIAL REPORT

of the

TOWN OF VERNON,

CONNECTICUT

FOR THE YEAR ENDED
JUNE 30, 2015

PREPARED BY:
THE FINANCE DEPARTMENT

JAMES LUDDECKE, FINANCE OFFICER/TREASURER

TOWN OF VERNON, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED

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Introductory Section

TOWN OF VERNON, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015

MAYOR

Daniel A. Champange

TOWN COUNCIL

Kimberly Appleyard
William F. Campbell
Julie Clay
Virginia M. Gingras
John C. Kopec
Fred Lehmann
Ann Letendre
Brian R. Motola
Steven Peterson
Pauline Schaefer
Steve Wakefield, Mayor Pro Tempore
Michael A. Winkler

TOWN OFFICIALS

Town Administrator	John D. Ward
Finance Officer / Treasurer	James M. Luddecke
Town Clerk	Bernice K. Dixon
Chief, Police	James Kenny
Captain, Police	Stephen Clark
Chief, Fire / Ambulance	William M. Call
Director, Data Processing	Robert Sigan
Director, Emergency Management	Michael J. Purcaro
Director, Public Works	Robert Kleinhans
Director, Recreation	Bruce W. Dinnie
Director, Senior Center	Paula Claydon
Director, Social Services	Marina Rodriguez
Director, Waste Treatment	Robert Grasis
Director, Youth Services	Alan M. Slobodien
Ambulance Coordinator	Jean Gauthier
Animal Control Officer	Craig P. Segar
Assessor	David A. Wheeler
Assistant Town Administrator	Dawn Maselek
Building Inspector	Basil Hobbs
Business Manager, Waste Treatment	Vacant
Cemetery Superintendent / Foreman	Alan B. West
Collector of Revenue	Terry A. Hjarne
Controller	Frank J. Zitkus
Fire Marshal	Adam Libros
Registrar (D)	Christopher Prue
Registrar (R)	John K. Anderson
Town Attorney	Vacant
Town Engineer	David Smith
Town Planner	Shaun Gately, Interim
Economic Development Coordinator	Shaun Gately

BOARD OF EDUCATION

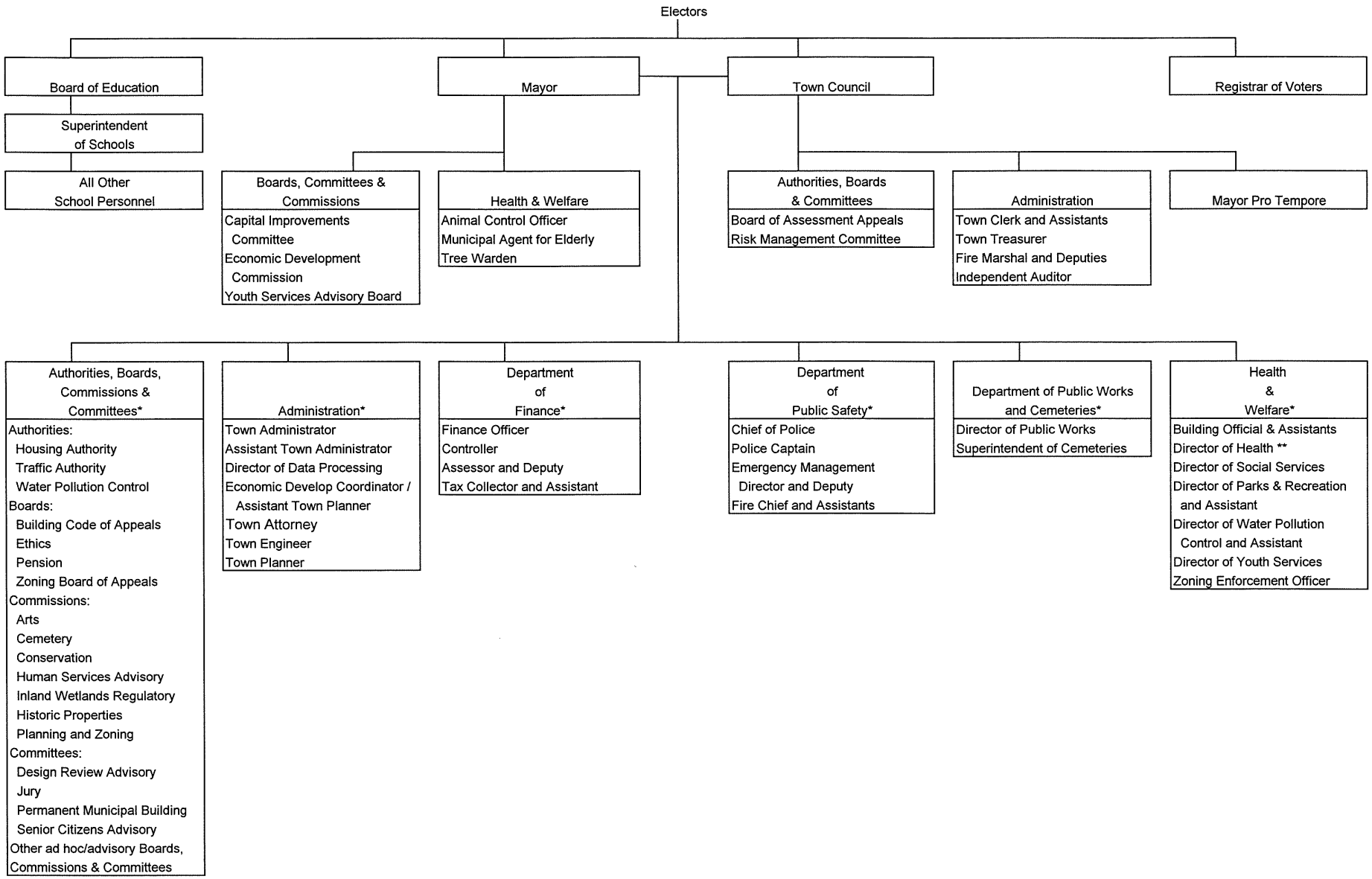
Michelle B. Arn
Laura B. Bush, Secretary
Anne H. Fischer, Chairperson
Dean A. Houle, Vice-chairperson
David Kemp
Mark Kalina
Stephen Linton
Thomasina Russell
Paul Stansel

EDUCATION OFFICIALS

Superintendent of Schools	Mary P. Conway
Assistant Superintendent of Schools	Jeffrey Burt
Director of Business and Finance	Michael J. Purcaro

TOWN OF VERNON, CONNECTICUT

ORGANIZATION CHART



* Mayor recommended, Town Council approved.

** The Town is a member of the North Central District Health Department.

TOWN OF VERNON

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OFFICE OF THE
FINANCE DEPARTMENT

February 25, 2016

To the Honorable Mayor,
Members of the Town Council, and Residents of the
Town of Vernon, Connecticut

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Vernon, Connecticut, for the year ended June 30, 2015. This report was prepared in its entirety by the Town's Finance Department and consists of management's representations concerning the finances of the Town of Vernon. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the Town's financial condition and the financial results of its operations have been made. To provide a reasonable basis for making these representations, management of the Town of Vernon has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable accounting information for the preparation of the Town of Vernon's financial statements in conformity with generally accepted accounting principles for governmental units as promulgated by various authoritative bodies through their publications, statements of position, and other pronouncements. These bodies include the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants, and the State of Connecticut Office of Policy and Management. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- the cost of control should not exceed the benefits likely to be derived and;
- the valuation of costs and benefits requires estimates and judgments by management.

The purpose of the CAFR extends beyond accepted requirements in an effort to present all the information necessary to meet the needs of many persons and groups with legitimate interests in the financial affairs of the Town.

The Town of Vernon Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the Town by independent certified public accountants selected by the Town Council. This requirement has been complied with and the Town's financial statements have been audited by CohnReznick LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2015, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentations. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The state single audit, in conformity with legal requirements and internal controls for state assistance was also performed. These reports are available in the Town's separately issued Single Audit Report.

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

Profile of the Town

The Town of Vernon located in the northeast part of the state, was originally part of Bolton, Connecticut, and eventually incorporated as a separate township in October 1808. In 1965, the Town of Vernon, in its current form, was created when the Town, the City of Rockville and the Vernon Fire District were consolidated. At that time, the Town of Vernon assumed all assets and liabilities of each of the governmental units and a new town charter was adopted. Since 1970, when the charter was revised, Vernon has operated under a Mayor-Town Council form of government with a full time professional Town Administrator. Policy-making and legislative authority are vested in the Town Council consisting of twelve council members, with the Mayor presiding over meetings and eligible to vote in the event of a tie. The Town Council is responsible, among other things, for passing ordinances, approving the budget, appointing committees, the town attorney, auditing firms, and hiring the Town Administrator and other department heads. The Town Administrator is responsible for implementing the approved policies and ordinances, and for overseeing the day-to-day operations of the government. The Mayor and the Town Council are elected at large on a partisan basis to serve two-year terms. The maximum amount of seats for one political delegation is eight.

The Town of Vernon provides a full range of services, including police and fire protection, ambulance services, construction and maintenance of streets and other infrastructure, solid waste and recycling services, building maintenance; and also offers and supports a variety of human services, recreational activities and cultural events. The Town owns and operates an advanced wastewater treatment facility that serves approximately 80% of the Town's residents. With the capability of treating an average flow of 7.1 million gallons per day, the facility also accepts sanitary waste from portions of the surrounding towns of Tolland, Ellington, Manchester and South Windsor in accordance with the provisions of Intergovernmental Sewer Agreements between each of those communities and the Town.

The Town's educational system for its residents consists of five elementary schools, one middle school, and one senior high school that includes a regional Vo-Ag school on its campus. In addition, Vernon has one parochial pre-school.

The annual operating budget serves as the foundation for the Town of Vernon's financial planning and control. Exhibit K, section II.A, in the Notes to the Basic Financial Statements (Notes) describes the budget process used by the Town. The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g. police). Department heads may request transfers of appropriations within account classifications to the Finance Officer. Other transfers within a department and between other departments, however, require the approval of the Town Council. Budget to actual comparisons are provided in this report for the general fund, the only legally adopted budget as prescribed by the Town Charter.

In addition to budget preparation and amendments, the Town maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted for the General Fund and as may be amended by the Town Council during the year. To aid in budgetary control, the Town maintains an encumbrance accounting system to record obligations by line item. Certification of funds available is required prior to issuance of purchase orders, which are recorded as encumbrances in the budgetary accounting system.

The various funds utilized by the Town of Vernon are further described in Exhibit K, section I.A, of the Notes. As demonstrated by the statements and schedules in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Local Economy and Major Initiatives

Local Economy

The Town of Vernon is a residential community of 18.6 square miles located 14 miles east of Hartford on Interstate 84 in north central Connecticut. Interstate 84, traverses the Town, having four interchanges within the Town's borders, and connects with I-90, I-384, I-91 and I-291, which provide convenient highway access to all areas of Connecticut, Massachusetts and New York. Additional accessibility is provided by U.S. Route 44 and State Routes 30, 31, 74, and 83. National and international air service is provided by Bradley International Airport, which is only thirty minutes from Vernon. The well-situated access provided by Interstate 84 within the Greater Hartford area has contributed to Vernon's development as a residential suburban community and a regional commercial center for neighboring towns.

The economic base for Connecticut, as well as for Vernon, has had an overall change from that of manufacturing to retail commerce and professional services. Of the top fifteen firms in Vernon, 63.0% are employed in services, 29.7% are employed in retail sales and only 7.3% are employed in manufacturing and printing. Approximately 37.7% of this employment is with non-profit and public organizations. The largest Vernon employer is the Town of Vernon, which has 830 employees.

The second largest employer is Visiting Nurse and Health Services with 471 employees, followed by Rockville General Hospital with 457 employees, Stop and Shop with 316, New England Mechanical Services with 275, Price Chopper with 221, Vernon Manor with 175, Healthwise Medical Associates with 160, Rein's Delicatessen with 155 and Fox Hill Nursing and Rehabilitation with 154 employees.

In Vernon, the number of individuals employed by the top ten companies decreased by 46 or 1.41% during the past year. Increases in employment by the top ten employers include 9 at the Visiting Nurse and Health Services and 5 at Fox Hill Nursing and Rehabilitation. Top ten employers reporting decreases include 16 at the Town of Vernon and 44 at Rockville General Hospital. Employment at the next top 6 employers did not change.

Vernon's population for the year ended June 30, 2015, was 29,098 compared with 29,161 on June 30, 2014, a decrease of 63 or .22%. This decrease follows an increase in population of 39 or .13% during the previous one-year period.

Approximately 82% of Vernon's labor force is employed outside the town. On a regional basis, our residents' income is derived from major insurance firms, defense industries, financial institutions and capital goods producers. The Town's unemployment rate at June 30, 2015 was 5.2%, a 1.4% decrease from the June 30, 2014 rate of 6.6%. The unemployment rate continues to be influenced by the modest growth in the overall economy. Vernon's unemployment rate compares similarly to that of the State of Connecticut, 5.7%, and for the nation, 5.3%.

Vernon Unemployment		
June 30th,	**Rate**	**Change**
2015	5.2%	-1.4%
2014	6.6%	-0.9%
2013	7.5%	-0.5%
2012	8.0%	-0.4%
2011	8.4%	0.0%
2010	8.4%	1.1%
2009	7.3%	1.8%
2008	5.5%	1.2%
2007	4.3%	0.1%
2006	4.2%	

The Town of Vernon generally shares the same economic health as the State of Connecticut and the Hartford region, therefore experiencing the growth in service producing sectors of the economy, as the recovery from the 2008 recession continues modest improvement. In terms of jobs, Connecticut has regained about eighty-four percent of the 119,000 jobs lost in the recession, trailing the national trend which now exceeds pre-recession levels. But job growth that lags behind the national trend is not a new phenomenon; it has been a consistent feature of Connecticut's economy, as has the attribute of wages long surpassing national averages. But the state's unemployment rate has not been this low since July, 2008. The projection for 2016 is continued growth at an estimated 24,100 jobs. Recent data concerning the quality of jobs created is encouraging, as indications of wage erosion have been purged due to an increase in medical industry occupations, as well those in financial and technology areas.

The Connecticut economy has been strengthened by its Small Business Express Program, which provides loans and grants to small businesses, assisting 1,441 companies with more than $219 million in loans and grants. At year's end, the state's "First Five" and "Next Five" jobs initiative program included thirteen business deals as part of the ongoing expansion, which is expected to leverage nearly $1.3 billion in private investment. Up to 5,264 jobs are expected to be created and 13,526 retained. Another new program, the Connecticut Manufacturing Innovation Fund, (MIF), comprises of a $70 million fund to support growth, innovation and development of the advanced manufacturing sector. The state's own fiscal outlook last year was impacted by a $113.2 million deficit, representing 0.06% of its budget. The deficit was addressed by drawing from the "Rainy Day" fund, reducing its balance from $519.2 million to $406 million, or 2.2 percent of the annual budget. The fiscal year 2016 budget was passed in June and then revised in December, 2015, to address a projected shortfall of $254.4 million. And according to recent forecasts, the state faces potential budget deficits of $552 million for fiscal year 2017; and $1.7 billion for fiscal year 2018. The influence of oil price declines, investment income fluctuations, capital gains reductions, Medicaid costs, pension contributions, debt service and health care expenses all factor into the projections. The impact to the Town of Vernon, as well as other communities, most likely will be either level state aid or further reductions.

The October 1, 2014 grand list, effective for fiscal year 2015-16, increased by .29% from the prior year, which included an increase in real property of .45%, an increase in personal property of 5.16% and a decrease in motor vehicles of 3.09%. This follows a 1.60% increase in the prior year grand list. That increase included increases of .69% in real estate, 13.70% in personal property and 4.73% in motor vehicles.

Property taxes have been supported by strong collection rates, averaging 98.56% over the past ten years.

The number of building permits increased from 1,938 to 2,130, and the value of those permits increased from $22,896,635 to $33,138,932.

The 2015-2016 operating budget was approved by the Town Council and sent to the annual Town Meeting and adopted on April 28, 2015. The mil rate increased by 0.80 mils, or 2.22%, from 36.11 mils to 36.91 mils. We will continue to provide the voters with information to make knowledgeable decisions, as we have a responsibility to educate our residents on the programs and services presently provided, as well as those proposed.

The local economic base serves the region as a commercial, governmental, legal, and medical center. Local employment in manufacturing has been replaced by employment in these service areas. This shift is revealed in the additions to the tax base as planned development and new construction are related to retail commerce and professional services.

In November 2011, the Vernon Planning and Zoning Commission adopted an updated Plan of Conservation and Development, which became effective January 30, 2012. The updated plan focuses, in part, on revitalization of the Rockville section and on pursuing economic development opportunities at two primary interchanges on I-84, at exits 66 and 67.

The economic areas for new development are downtown Rockville, Vernon Circle, Lafayette Square, the I-84 corridor, and the Gerber Farm area.

Rockville Section:
The former Rockville mills section has made a transition from being primarily an industrial and commercial center to being a professional and governmental center. It is the site of local government, education, and State of Connecticut administrative offices and courthouses. The initial development of downtown Rockville occurred over one hundred years ago, creating its distinctive Victorian urban character and invaluable architecture. However, this also creates the need for reinvestment and modernization. The Planning and Zoning Commission has adopted a Village District Zone in the Rockville downtown area in an effort to ensure that future development is encouraged, but also be compatible with the historic attributes and character of this area. In addition to improvements to municipal and state buildings, the following recent advancements have been made. Remediation and selective demolition efforts are underway at the former Amerbelle Mill site, in an attempt to ready the site for redevelopment. The current plan is to convert the remaining buildings into office space. A parcel across the street from the Amerbelle Mill complex, known as 19 Grove Street, has undergone environmental site remediation, conducted by the Environmental Protection Agency. The EPA then demolished long-vacated structures on the site, including the removal of remaining oil drums. This site is adjacent to the Paper Mill Pond, part of the Hockanum River, at the gateway to the downtown Rockville section. The project is near completion, at a cost of approximately $550,000. In addition to the Amerbelle Mill project, the long-awaited conversion of the former Roosevelt Mill into Loom City Lofts (68 residential units) was certified for occupancy in December 2015; and the redevelopment of the former Hockanum Mill into 150,000 square feet of industrial space is on-going.

The Town of Vernon has actively supported the redevelopment of the Village Street area adjacent to Rockville General Hospital in supporting the Vernon Nonprofit Housing Corporation's (VNHC) rehabilitation of eleven structures on the street, by providing Community Development Block Grant (CDBG) funds to assist first time home buyers. The houses controlled by VNHC have received environmental remediation and new roofs. The VNHC has renovated and sold 7 units on Village Street and has an additional 5 on vacant lots to be developed. To further this effort of reinforcing neighborhood rehabilitation activities, Village and Orchard Streets have recently been reconstructed. Also funded by the CDBG program, several housing units received rehabilitation loans during the fiscal year totaling $132,511.

The Rockville Public Library at 52 Union Street received approval in April 2009 for a new addition to the existing facility. Construction commenced in June 2013 and was completed in September 2014, adding 3,785 square feet of finished area. In support of this effort, the Town worked with the Library to transfer resources from the Alice Maxwell Trust fund; and waived the $45,210 building construction permit. In June, 2015, the Mayor created a task force to evaluate the library's financial outlook. At One Ellington Avenue, a carriage house to an existing long-vacant mansion was converted to seven apartments for veterans. Conversion of the mansion into ten similar units began in the fall of 2012 and was dedicated in August, 2013. An additional four units were approved by the Town in fiscal year 2012/13.

In October, 2008, the Vernon Planning and Zoning Commission (PZC) adopted zoning regulations for a comprehensive multi-family development zone. The PZC approved a preliminary plan in April 2010 within this zone for 35 units on a 16-acre site at 41 Pleasant Street. It is anticipated that as market conditions improve with a boost in capital lending, an application for final approval will be submitted to build these units.

In October, 2010, the PZC revised an adaptive re-use zoning regulation originally developed for conversion of obsolete mill buildings and made it applicable to any structure in Rockville built no later than 1910 and containing a minimum of 5,000 square feet. This amendment will allow old buildings that have outlived their original uses to be returned to economically viable uses. There are four Mill properties that were in the process of being redeveloped at fiscal year-end which may make use of this provision (Talcott Mill, Hockanum Mill, Amerbelle Mill and Roosevelt Mill). These projects are in various stages of redevelopment with the Roosevelt Mill redevelopment completed in December 2015.

In October 2015, an additional appropriation of $250,000 was approved to acquire and make improvements at 166 Union Street. The 1.01-acre parcel includes a vacant commercial building (former Salvation Army site), a detached garage and parking lot. The purchase will provide an additional storage facility and a supplemental parking area for municipal vehicles.

Vernon Circle Area, Routes 30 and 83: Hartford Turnpike / Talcottville Road:
The Vernon Circle area continues to make a positive adjustment to the regional shopping center development in the Buckland Hills section of Manchester, and Evergreen Park in South Windsor, just one highway exit west on I-84. The Tri-City Plaza has a successful retail mix of value-oriented stores.

The State of Connecticut completed the reconstruction and safety improvements along a section of Talcottville Road (Route 83). This project extends from the I-84 off ramp, northerly to Pitkin Street and provides for improved operations and safety, by the addition of a center landscaped median, lane additions and traffic signal additions and modifications. This project, 100% funded by the State, supports and enhances the commercial and retail developments in the area.

Activity at The Tri-City Plaza, with 300,038 square feet of retail space continues with the opening of a Wing Stop; Menchie's Frozen Yogurt; and the proposed Moe's Southwest Grill. Also, Hartford HealthCare Facility now occupies a 31,024 square foot space, previously vacated by a supermarket. The Facility's services include access to primary and urgent care, as well as rehabilitation services. There are also specialty services such as for movement disorders and other neurological conditions.

The K-Mart Plaza, located on Pitkin Road and Route 30, and the Goodyear Tire Plaza, 378 Kelly Road, although both endured transition phases of businesses closing and new businesses opening, remain stable and attractive developments in promising locations. At the Kelly Road site, a Pet Valu store recently opened, as did a Yang Zi Jiang Restaurant, offering Chinese and Japanese food for takeout, delivery and catering. Scooter Pros, 99 Restaurant, Stop and Shop and Economy Oil on Hartford Turnpike; and Dunkin Donuts, the Sunoco and Citgo service stations, Taco Bell, McDonald's, all on Talcottville Road, as well as Johnnie's Mobil on West Street, have all been renovated in recent years. At 428 Hartford Turnpike, St. Francis Medical Group opened an office for obstetrics and gynecology.

In the current year, the former Blockbuster Video store at 135 Talcottville Road was razed and two new structures are under construction for a Starbucks, Farmington Bank and an AT&T retail store. Currently, a site plan of development on 243 Talcottville Road is proposed to construct 300 luxury rental apartment units at the former Lyman Farm. The site plan also proposes four commercial pad sites at the front of the parcel with the apartments to the rear.

In the recent past, several auto dealerships have been remodeled with additions. At 704 Talcottville Road, Olenders Automotive completed construction of an 8,900 square foot addition in 2014. This project received approval for a three-year tax abatement phase-in. Other recent renovations were located at 777 Talcottville Road, Scranton Motors has added 6,250 square feet to the existing structures; at 21 Hartford Turnpike, Key Hyundai has merged two lots and completely rebuilt their 20,737 square foot structure; and at 14 Hartford Turnpike, Suburban Subaru completed a 13,144 square foot renovation along with a 1,720 square foot addition in the current year. Also on Hartford Turnpike, Planning and Zoning has approved a proposal by Carter Chevrolet to develop a new dealership, next to Langan Volkswagen. At 100 Windsor Avenue, Ray Seraphin Ford completed the addition of 2,862 square feet of space for a Quick Lane tire and auto center; and has been approved for a façade upgrade.

A proposed 70-room hotel, (Home 2 Suites project), to be located at 355-361 Kelly Road across from Holiday Express, has been approved which would include upgraded service facilities. Home 2 Suites project received approval for a seven-year phase-in tax abatement. Holiday Express completed renovations in 2014 that included a ground floor indoor pool (that eliminated the first-floor rooms) and a new third floor resulting in a net increase of 4 rooms and 9,974 square feet of additional usable space. There is a clear pattern that as the vacancies in Vernon Circle become occupied, the available space on the periphery is being filled and is becoming more attractive for extended development.

An 84-residential unit complex at Talcott Mill, 47 Main Street, is under reconstruction. In addition, an enhancement project was just completed along Main Street and Elm Hill Road in the historic section of Talcottville. Improvements include the development of a walking trail with informational signage, period lighting, the construction of an information center Kiosk, selective plantings, and entrance signage to the area. The project was 100% funded by the two federal grants, with exception of approximately $12,800 for engineering and inspections costs.

A 3-acre portion of 400 Talcottville Road was subdivided to create 404 Talcottville Road where an 18,750 square foot Tractor Supply Company store was constructed in October 2012. The store offers a welcome addition to Vernon's retail base and offers a range of products not found elsewhere in Vernon. Also, at 400 Talcottville Road 6,500 square feet of medical office space was added along with 1,320 square feet of professional office space. The site at 404 Talcottville Road was re-subdivided into two parcels, including a 9,000 square foot Dollar General store that opened in April 2014 at 426 Talcottville Road.

The new owners of the former Heartland Plaza at 425 Talcottville Road continue restoration improvements and have made a remarkable visual change to the property. This highly visible and long-time vacant and blighted commercial structure has undergone a vibrant and aesthetically pleasing overhaul. The upgraded site, which currently includes an upscale Cardio Express exercise facility, a Verizon Wireless Center, a State Farm Agency, and the Great Harvest Bread Company, has dramatically improved the marketability of the area. Two new tenants are anticipated.

A Cumberland Farms convenience store and gasoline station at 333 Talcottville Road was completed in September, 2013. Another Cumberland Farms store and gas station has been approved at a long-abandoned commercial site at 343 Hartford Turnpike, and the groundbreaking will take place in the spring of 2016. Papa John's Pizza renovated 1,911 square feet at 40 Windsorville Road and opened in early 2014. Pizza Hut, located at 504 Talcottville Road closed in December 2014 adding 2,594 square feet of prime retail space to potential tenants. Vernon Manor Health Care Center located at 180 Regan Road added 1,114 square feet to its facility and renovated 8,000 square feet of its facility.

In the prior year, approval was granted by the Town for an 8,250 square foot multi-use retail store at 444 Hartford Turnpike. Dunkin Donuts opened at this location in October 2014.

The Santini Villas apartment complex, recently added 32 high-end residential units and a club house to their 1085 Hartford Turnpike development, and the construction of 66 units was recently completed at 1031 Hartford Turnpike. The developer also received approval and began construction on an additional 254-unit addition to their Grand Lofts location. In addition, numerous condominium units with nearby access to Routes 30 and 83 have previously been constructed.

Stop & Shop, after making substantial renovations at its Windsorville Road store location, constructed a fuel station at 793 Talcottville Road, which is adjacent to the supermarket. Also, The Garden Barn, located at 212 West Street, has recently expanded their operation, doubling the useable space.

Lafayette Square:
The Lafayette Square commercial area has been experiencing steady development. The 28,000 square foot complex at 10 Hyde Avenue, known as 30 Lafayette Square, was purchased and the new owners rejuvenated the property, both interior and exterior, inclusive of architectural improvements to the building façade. In June 2010, the owners received approval to add a building containing a 1,800 square foot restaurant for a Dunkin Donuts and a 2,800 square foot area of retail space within the plaza. The building was completed and opened early in 2011. Two proposals for assisted living elderly facilities of approximately 100 units each have been approved by the Planning and Zoning Commission (PZC), but no action has occurred. On-going construction at 65 Hyde Avenue continues for 76 luxury townhouse units at the new Bridlewood development. As part of this approval, the developer had offered to construct sidewalks from the new development along Route 30 to the Northeast School to safely accommodate school children. The sidewalk project is complete. At the shopping plaza on East Street, the Red Apple Supermarket gutted the interior and was completely renovated; and neighboring Nature's Grocer, a natural and organic food facility dedicated to a wheat-free and gluten-free environment, expanded its store within the plaza. The store attracts customers from adjacent towns. A sixteen lot residential subdivision was approved and ready for construction on Laurelwood Lane within close proximity of Bolton Lake.

I-84 Corridor:
The I-84 corridor offers potential for office park development around the Exit #66 interchange and retail development around the Exit #67 interchange. Home Depot had received approval to build on the site but has since abandoned their plans. The site may, however, be marketed with the approval plan in place. The Town is presently considering a Tax Increment Financing District that would bring water and sewer lines up to the sites.

On the north side of Exit 67, the Planning and Zoning Commission significantly reduced a setback requirement within the mixed-use zone that substantially expands the buildable area within the zone.

The industrial park off Exit 66 continues to undergo minor development. A bulk propane distribution facility was approved late in 2009, and its construction was completed in 2011. A small addition was approved in 2010 for a vacant building in the park, which was purchased for the relocation of a business from a neighboring town.

In October 2015, an additional appropriation of $220,000 was approved to acquire a 7.04 vacant parcel of land located on Tunnel Road for the development of a new Senior Center. The parcel, located close to I-84, is considered more centrally located for Vernon residents and its seniors. The current location, adjacent to Town Hall, has insufficient parking and other access restrictions.

Gerber Farm:
With co-investments from the Town of Vernon, a bridge and access road for the new Hockanum Boulevard was constructed several years ago. The bridge and road provides access to the approximately 275-acre Gerber Farm area for development. The developer constructed a 424-luxury rental unit complex, the Mansions at Hockanum Crossing, and three industrial buildings amounting to 64,000 square feet. Subsequently, the construction of Mansion 2 occurred, a 280 luxury apartment complex. Nine additional apartment buildings were constructed at Mansions II, 95 Hockanum Boulevard during the past year. The project's total net assessment, considering its real estate, personal property and motor vehicles is approximately $61,725,320, ranking as the largest taxable property in the Town of Vernon.

Mill Properties (Amerbelle, Hockanum, Roosevelt and Talcottville Mills):
Industrial development continually proves to be the most difficult economic challenge for municipalities in Connecticut as manufacturers leave the state and available employment declines. The decline of industry in Vernon relates to the lack of industrial land and the obsolescence of existing facilities, as well as to the general diminishing of manufacturing employment. With only 7.57% of the town zoned for commercial and industrial use, the town continues to pursue the possibility of merging parcels of land for industrial development while facing the additional task of addressing the redevelopment of older mill properties.

The Town received a $9,000 state technical assistance grant to provide architectural adaptive reuse drawings for Talcottville Mill on 47 Main Street. The drawings were to be used to apply for federal and state tax credits and to establish potential construction costs for reuse of the mill. Owners of the former Mill have received approval for Federal and State historic property tax incentives and grants to allow them to convert the now vacant deteriorating site into an 84-unit residential complex. The project received local approvals in September 2012 and construction started in December of 2015. Owners of a planned project planned for 68 residential units at 215 East Main Street, the remediated former Roosevelt Mill site, have also received historic property tax credits. Project construction commenced in December 2014 and a Certificate of Occupancy was issued in December 2015. Two businesses currently occupy a portion of the Hockanum Mill at 200 West Main Street. The owner plans on renovating and developing a warehouse in support of a computer retail store, along with maintaining leases for other businesses. Amerbelle Mill located at Brooklyn and East Main Streets, ceased operations and closed in August 2012. The Town Council has authorized $150,000 to secure and winterize the complex due to public safety concerns. The Town has recently taken ownership of this mill site and is working with the State of Connecticut and a private developer to revitalize the site into a financial service company headquarters. The Town has secured a $4.3 million state in Brownfield grants in 2014 and 2015 to assist in this conversion by removing hazardous conditions and correcting structural building defects. In addition, a $200 thousand state Brownfield grant was awarded for environmental assessment of mill and industrial properties in town. This assessment project began in August 2014. And as stated in the Rockville Section, across the street from the Amerbelle campus, and bordering the Paper Mill pond, is 19 Grove Street, a strip site of former retail establishments and a lumber mill. The buildings were in disrepair and the Town has worked with EPA to clear and remediate the property, leaving an attractive parcel to add aesthetic value to the area.

National Economy:
The structural harm from the Great Recession's aftermath still exists, as does the chronic hesitation of balanced federal policies for economic recovery. Yet again, these are not enough to overcome the economy's current inherent strengths. There will continue to be budget showdowns, and compromises as demonstrated in the December, 2015 federal budget agreement. The annual budget deficit for 2016 is estimated to increase, after six years of decline. Although, of the $105 billion increase, $43 billion is attributed to a timing shift in certain payments as the first day of the next fiscal year falls on a weekend. The deficit remains a critical component of the overall economy, and the ability for lawmakers to overcome intrinsic differences quickly, and resolve spending and debt limitation concerns, will create a favorable backdrop for hiring, savings, and capital investment.

The continued outlook for the national economy remains positive on most fronts. The Gross Domestic Product has now grown for over six years since the recession ended in 2009, and sustained growth near 2.5% for next year is reasonable. The continuing strengthening of the dollar, together with weaker growth in key markets, including China, dropped the U.S. trade deficit by 4.6% from 2014, the second year of consecutive declines. As many of the indicators remain the same, and the likelihood of gradual increases in the federal interest rates, expectations are for a further widening of the U.S. trade gap by 4%. The unemployment rate, as of December 31, 2015, dropped to 5.0%, the lowest since April, 2008. The continuation of improved job growth was paced by food processors; makers of motor vehicles and furniture. Other sectors adding jobs included retail, health, and food services. Home sales recorded their best year in 2015 since the Great Recession began in 2007. New home sales were up 10.8%. Despite the probability of modest interest rate hikes in the coming year, mortgage rates are expected to remain at historically low levels, supporting price appreciation and further sales growth. The Federal Reserve, mindful of labor market conditions, expectations of inflation remaining low, global developments, and other indicators, decided to maintain the target range for the federal funds rate at ¼ to ½ percent. The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate. Inflation is expected to remain low in the near term, in part because of further declines in energy prices, but to rise to two percent over the medium term as the transitory effects of declines in energy prices and import prices dissipate, and the labor market strengthens further.

For over three decades, the erosion of federal domestic spending has placed a serious burden on the budgets of state and municipal governments, and the spending pressures of natural disasters and global terrorist security, continues to exacerbate the situation. Investments in infrastructure, clean water management and education, will have a positive effect locally; and will factor into an eventual long-term approach to economic recovery and stability. For the Town of Vernon, successful and continued pursuit of the economic development cited in this section enables the town to take advantage of potential overall business expansion and demand for developmental sites. This also signifies the importance of capital investment in infrastructure improvements as an essential part of a comprehensive economic and residential development plan. Continued success in this undertaking will allow Vernon to meet the future with a stable and strengthened tax base.

Major Initiatives

General Government:

Renovations at the Town Hall Memorial Building continue, following the completion of extensive renovations to the third floor, which cost $1,864,873. These improvements included an expanded Town Council Chambers and administrative offices. Funding was primarily supported by three state grants. In fiscal year 2013/14, $75,000 was authorized by the Town Council for an improved Town Council Chambers audio/visual system. This project commenced in late 2014 and $3,889 has been expended to date.

Renovations to the second floor mezzanine and former Town Council Chambers to serve the Finance Department commenced during the fiscal year and were completed in 2014. Funding for the project was provided by $90,000 available from a designation in the Town Capital Non-Recurring Fund, along with an operating budget allocation of $24,605. The renovations were completed at cost of $75,646.

Building renovations at 55 West Main Street that now house the Planning, Engineering and Economic Development Coordinator offices were completed recently at a cost of $58,592. With the movement to 55 West Main Street, along with the Registrar of Voters to Center 375, from the first floor of Town Hall, a newly constructed, and much needed conference room was completed with the vacated space for the Probate Court; and in addition, the Social Services Department moved from a rented facility to the first floor.

Also on the first floor, there is an allocation of $16,111 for current modifications to the Town Clerk's office and an additional $190,000 is available to increase storage space in the Town Clerk's office by expanding the current vault.

Town Hall electrical and generator upgrade appropriations of $40,000 and $25,000, respectively, were approved in the last fiscal year. Electrical upgrade costs are $25,850 to date. In the current year, available resources from the School Improvements Fund were authorized for a $363,000 Town Hall Generator Upgrade and Expansion project that will also support the Senior Center, Town Hall Annex and Data Center. The generator project has yet to commence.

Americans with Disabilities Act (ADA) improvements to town facilities and parks continued, and will proceed with available funds of $70,084. These funds are all available in the Town Capital Non-Recurring Fund.

Other recent renovations include the expenditure of $16,165 of State LOCIP grant funds for the replacing the Town Hall Annex building roof. The Town Data Center, located on the second floor of the Annex, operates as an internal service fund, and consolidates the general government and education IT functions. The Data Center was recently renovated to integrate and house the former school technology personnel, expanding the staff from four to ten. In response to expanding technology demands, the Town executed a four-year $660,000 operating lease for the data center to acquire servers and storage that enabled the establishment of a unified network. The project was completed in October, 2012.

In December, 2015, an agreement was executed to replace the entire server and storage cluster, for an estimated $715,000, to be financed by a five-year operating lease. The Data Center completed its optic fiber infrastructure project connecting the greater part of general government and school system buildings at a cost of $623,911. The majority of the project was being funded through the internal service fund, along with state grant funds of $142,578. In the current year, available resources from the School Improvements Fund were authorized to fund a $500,000 town-wide Telephone System Upgrade project. This project has yet to commence, as bid proposals are to be received in March, 2016. The Town also approved $83,965 to implement a new document management system for both the general government and school system, with one of the objectives to reduce physical storage requirements.

Community Development:

In a continued effort to support and initiate interest in economic development in town, $41,000 was appropriated to the Economic Development special revenue fund during the year to finance targeted advertising and marketing efforts. Annual appropriations to this Fund commenced in 1999 and have funded several property reuse studies, retail façade improvements and the most recent Plan of Conservation and Development and its Downtown Association. In addition, continued appropriations have funded various planning, marketing and gateway enhancement initiatives. A fiscal year 2015/16 appropriation of $41,000 further supports these efforts.

The town received a $300,000 Community Development Block Grant (CDBG) award for housing rehabilitation in fiscal year 2013/14, supplemented with an additional $400,000 CDBG housing rehabilitation grant award in fiscal year 2012/13. For the two grants, expenditures total $391,963 to date.

The Town is in the twelfth year of a new housing rehabilitation grant / loan program that utilizes funds derived from former programs that produced loan program income. Participants that meet income requirements are eligible for projects involving owner occupied housing. A total of $2,604 was expended this fiscal year, with $52,120 as the available balance. In June 2010, the Town Council approved a designation of $250,000 of this available program income to fund phase III reconstruction improvements to Prospect Street. Such funding was fully utilized in fiscal year 2011/12.

During the past fiscal year, a Blight Reduction Special Revenue Fund was established to purchase or demolish blighted and unsafe structures in town. Proceeds from the sale of town-owned properties will fund these activities. Receipts of $38,379 are currently available in this Fund. In recent years, the Town Council approved funding totaling $199,927 for the demolition of certain foreclosed, blighted or fire damaged properties at Ward, Lawrence, McLean and High Streets, due primarily to public safety concerns; in addition to assisting the properties return to a collectable tax status and for provided parking use by the local hospital.

In August 2012, the operations at the Amerbelle Mill ceased. The Town Council authorized two $75,000 appropriations to winterize and further secure the building for public safety concerns. A court injunction permitted the Town access to the property. Costs to secure the Mill through fiscal year 2014/15 total $67,197. Prior to its closing, the Town secured and utilized a $125,000 state grant to conduct an engineering and architectural feasibility study to determine the most effective building improvements for the Amerbelle Mill. In addition, the Town received a $196,000 federal grant to fund a roof replacement and additional building improvements, which were recently completed.

As noted previously, the town subsequently took ownership of this property, and is working with the State and a private developer, while securing two state brownfield grants totaling $4.3 million to remediate this site into usable office space. An additional $200,000 state brownfield grant was awarded to conduct environmental assessments of other mill and industrial sites in town. Of these grant funds, $209,130 have been expended to date.

As noted above, in the prior year, the Town received a $9,000 state technical assistance grant to provide architectural adaptive reuse drawings for Talcottville Mill. Owners of this former Mill plan to begin construction of residential units in the summer of 2015.

In the less recent past, the Town received two state grants totaling $1,200,000 which provided funding for selective site demolition and environmental remediation at the former Roosevelt Mills located at 215 East Main Street. Those grant funds were preceded by federal Brownfield cleanup funds utilized for a site evaluation and remediation project that was also completed. As noted in the Mill Properties section, construction of residential units, for this former Mill site, were completed in late 2015.

Also, the Town used a $20,000 state grant award to fund a feasibility study of the Citizens Block. The town-owned Citizens Block is a primarily vacant commercial and mixed use 1879 building, adjacent to the 1867 senior center building, located next to Town Hall. This study required the use of $17,303 from the town's Economic Development Fund to complete. In 2014, the Town was awarded a $400,000 state grant for replacement windows and other exterior / façade improvements. Restoration work is planned to commence in 2016.

Public Safety:

The fire department's 166 members, the largest volunteer force in the state, enable the town to apply the savings from personnel costs to equipment needs. Although the members are not employees, the Town has recognized their commitment to protecting the lives and property of our residents, and has established a Length of Service Award Program (LOSAP). This is a non-qualified employer retirement plan that commenced on January 1, 2000. To attain normal retirement, a minimum of ten years of credited service is required, with maximum credited service of thirty years. Since inception, the Town has made its employer contribution to an investment fund set up exclusively for this program as follows:

Year	Employer Contribution
2000 through 2012	$1,047,827
December 31, 2013	$34,172
December 31, 2014	$37,752

A Police Digital Radio System upgrade and a Fire Monitoring and Suppression System in the equipment systems room of the Police Department were both completed in the last fiscal year utilizing $250,000 and $16,250 of state Local Capital Improvement Program (LOCIP) funds, respectively. Preceding this radio system upgrade, the Town received and utilized a $300,000 Department of Justice COPS Tech grant and a $100,000 state LoCIP grant to fund the digital Police radio system.

In the current year, four police cruisers were purchased at a cost of $108,694. Last fiscal year, a police cruiser was purchased with fiscal year end 2013 encumbered funds and a $33,253 DOJ federal grant funded the purchase of an AWD police utility vehicle and accessories. Also in fiscal year 2015/16 two additional police cruisers were are scheduled to be purchased at a cost of $54,834.

A $29,017 base station repeater was purchased in fiscal year 2014/15, with partial funding provided by the State Asset Forfeiture Fund, which also funded three defibrillators and three body cameras for the police department. An additional 51 body cameras were acquired in fiscal year 2015/16 with the use of a $30,000 federal Justice Assistance Grant and an additional appropriation of $16,322.

The Town recently received and utilized four federal grants totaling $156,309 for two police department vehicles, digital video equipment and in-car laptops and cameras; partial grant funding for a hybrid vehicle was also received. A federal $2,826 DUI enforcement grant was used to fund DUI enforcement equipment. In addition, construction of a police firing range was completed using General and State Asset Forfeiture funds. In fiscal year 2015/16, the State Forfeiture Fund provided $4,500 in additional improvements to the range.

Appropriations of $25,000 for Firehouse renovations were approved in both the current fiscal year and in fiscal year 2015/16. Prior year renovation costs were $8,626 and, in the current fiscal year, $30,974 was expended. A balance of $32,899 is available to complete the renovations. Four air compressors were acquired in the current year at a cost of $22,000. Extrication equipment was purchased last year costing $27,275. A new vehicle for the Fire Chief was acquired in the current year at $27,121 and a Fire Marshal vehicle was purchased in fiscal year 2013/14 for $26,120 with prior year-end encumbered funds. In the current year, $81,825 was expended for 15 SCBA units; and an additional 15 SCBA units are scheduled to be purchased in next fiscal year at a cost of $99,399.

In fiscal year 2012/13, three fire trucks were acquired with proceeds of a ten-year lease purchase agreement at a cost of $1,479,761. Accessory equipment for the trucks was purchased for $25,380. Also in fiscal year 2012/13, the Town approved $30,000 to complete the $105,000 radio project undertaken by the fire department to comply with the FCC narrow banding requirement. Renovations to the $225,000 LoCIP funded Fox Hill Communication Center project has commenced with $3,400 being expended to date.

Funding was approved to retrofit a 2003 ambulance with a new chassis and refurbished body, at a cost of $104,883. In fiscal year 2015/16, the budget includes $105,000 to replace/retrofit a 2008 ambulance. In the current year, $9,895 of ambulance and $8,861 of emergency management equipment was purchased including a portable infrared handheld thermal camera for the emergency management department. This equipment was partially supported by federal funds.

From February 2011 to January 2016, a period of five years, six weather events have resulted in federally declared disasters making the Town eligible to received FEMA Public Assistance. The events included three historic snowstorms, in terms of record snowfall, a tropical storm resulting in damaging winds and flooding, a surprise October snowstorm that resulted in unprecedented tree damage and Superstorm Sandy which caused substantial tree damage as well. The town's Emergency Operations Center and Shelter locations were utilized for most of these events. Claims for a snowstorm, tropical Storm Irene and snowstorm Alfred were prepared in 2011, Superstorm Sandy in 2012, snowstorm Charlotte in 2013 and for snowstorm Juno in 2015. The Town has successfully recouped approximately 75% of the costs of the five storms from FEMA to a total reimbursement of $3,293,799, over the past five fiscal years. In addition, $22,831 was recouped from the Federal Highway Transportation Administration for debris cleanup of federal-aid roads.

For the animal control facility, appropriations totaling $123,100 for animal control renovations and caging has been approved by the Town Council. Project costs for the current year were $6,901 and total $104,633 to date.

Maintenance and Development:

On November 2, 2004 voters approved a public improvement bond authorization, and prior to June 30, 2011 the Town had issued four general obligation bonds: $10,300,000 on February 15, 2007, $5,000,000 on February 1, 2008, $720,000 on February 12, 2009; and $3,755,000 on April 12, 2011. In April 2012, the Town refunded several debt issues including several prior public improvement bond issues. The total amount of public improvement bonded (general purpose and sewer bonded) defeased debt was $13,174,000. The April 11, 2012 refunding issue includes $12,517,000 of public improvement bonded debt. The authorizations / expenditures for the above projects are as follows:

Project	Amount Authorized	Expended Current Year	Expended Cumulative
Roads; sidewalks; and bridge reconstruction	$ 17,972,610	$ 7,122	$ 17,949,115
Improvements to waste treatment plant	1,250,000	-	-
Improvements to sewer system	1,148,257	-	1,055,536
Issuance costs	335,571	-	182,301
Accrued note interest	902,562	-	712,745
Total:	**$ 21,609,000**	**$ 7,122**	**$ 19,899,697**

The roadway improvements included the reconstruction / repaving of 22 town roads, replacement of sidewalks, and the renovation of two (2) bridges, on West Main Street and Bolton Road. Sidewalks have been constructed at Peterson Road at a cost of $165,583. The sewer improvement projects have been completed and consist of relining a critical sewer line on Route 30; sewer repairs at twenty (20) various roads; and the replacement of the Dart Hill pump station equipment. The authorization to upgrade the waste treatment plant, to meet or surpass designated nitrogen limits, will not be utilized. The roadway improvement program is now 100% complete.

On January 28, 2014 voters approved a public road improvement bond authorization of $27,637,000 to fund improvements to over 200 town roads. The Town issued general obligation bonds and bond anticipation notes in August 2015 for this project in the amounts of $6,130,000 and $6,350,000, respectively. The authorizations / expenditures for the above projects through June 30, 2015 are as follows:

Project	Amount Authorized	Expended Current Year	Expended Cumulative
Roadway construction improvements	$ 24,655,130	$ 4,865,561	$ 6,498,051
Equipment	200,000	50,788	102,228
DPW labor	1,596,870	179,095	228,353
Issuance costs	603,037	-	-
Accrued note interest	581,963	-	-
Total:	**$ 27,637,000**	**$ 5,095,444**	**$ 6,828,632**

Current year costs incurred by the Road Improvements Bond Fund totaled $5,095,444 and include $50,778 of equipment purchases.

In addition to the public improvement and roadway improvement expenditures incurred by the Public Bond Improvements and Road Improvements Funds noted above, the Town's Town Aid for Roads special revenue fund expended $215,196 during the year, including $139,164 for improving; and $23,028 for patching and crack sealing various town roads. Also, $13,616 of a fiscal year $25,000 appropriation for road sealing was expended.

In the current fiscal year design work continued on the South Street reconstruction project. The design costs are estimated at $444,444, and are funded by a 90% grant, and require a 10% or $44,444 local match which has been funded. Project design costs to date total $278,705. Right-of-way costs are estimated at $355,000, requiring a 10% or $35,500 local match, of which $31,500 has been funded to date. Construction costs are estimated at $4,190,000. A Surface Transportation Program grant was awarded by the Capital Region Council of Governments (CRCOG) to provide 80% federal funding, 10% state funding and a local 10% estimated match of $419,000. Of this match requirement, $230,578 has been funded to date. This project complements significant roadway and sidewalk improvements on a portion of nearby Vernon Avenue that were constructed by the State DOT in the recent past.

Recently, in the Town's Capital Nonrecurring Fund, state LoCIP grants of $240,000 and $141,000 for roadway repairs and improvements were completed. These improvements were preceded by completion of an $800,000 authorization for roadway repairs and improvements.

Also in the recent past, a $500,000 federal CDBG grant to upgrade High Street and two CDBG grants totaling $750,000 to upgrade Prospect Street were utilized. In addition, available CDBG program funds of $250,000 financed the third phase to upgrade Prospect Street. The efforts from the Vernon Department of Public Works to complete several roads during the course of these road improvement projects, has saved the Town considerable costs.

A $925,000 federal STP grant has been awarded through CRCOG for the construction of various new sidewalks throughout the Town. A local match of $185,000, or 20%, is required. This project has yet to begin. A $150,000 portion of the required match was appropriated in the fiscal year 2014/15 budget. In addition, $23,950 of a $25,000 appropriation in the Town Capital Non-Recurring Fund for sidewalk construction was expended during the current year. In fiscal year, 2015/16, $150,000 was appropriated for additional sidewalk construction.

Construction work for the **River Street and Spring Street Bridges** has recently been completed. An 80% federal / 20% state grant provided funding for the $1,947,948 replacement cost of the Spring Street Bridge and an 80% federal / 20% state grant provided funding for the $1,581,268 River Street Bridge reconstruction project.

The **Bolton Road Bridge** reconstruction, completed in a prior year at a cost of $986,754, was partially state grant funded. A supplemental state bridge grant of $144,340 was secured by the town in the current fiscal year and will be utilized to partially fund the West Main Street Bridge reconstruction project. Funding for the recently completed **Phoenix Street Bridge** reconstruction project was provided by an 80 % federal / 10% state grant amounting to $1,251,000. The 10% local match was funded by a $145,000 Special Act state grant, avoiding the need to issue debt for this November, 2008 referendum-approved project. The bridge reconstruction was completed in the summer of 2012 at a final cost of $1,397,346.

Design, re-design and construction inspection costs of $715,189 and $2,169,500 of construction costs were incurred for the **West Main Street Bridge** reconstruction project completed in 2015. Project costs were 80% federally funded and 20% locally funded.

The estimated cost for the replacement of the **Main Street Bridge** over the Tankerhoosen River is $3,283,200. Funding for the replacement will be by an 80% federal grant of $2,626,560, with the remaining 20%, or $656,640, to be locally funded. Local funds of $250,000 are currently appropriated and available in the Town Capital Non-Recurring Fund; with the Town Council authorizing that the remaining $406,640 be provided by a state LoCIP grant. A November, 2008 referendum to authorize such local funding was unsuccessful, therefore requiring identification of these two local funding sources. Work on a preliminary design agreement for $134,900 commenced during the fiscal year with $810 expended.

In addition, the DOT is currently designing the replacement of the existing bridge over the Hockanum River on Windsorville Road. All costs associated with this project for design and construction will be state administered and state funded.

There is also a $40,000 appropriation available in the Town Capital and Nonrecurring Fund for design of the Dart Hill Road bridge reconstruction project.

As noted in a prior section, in fiscal year 2015/16 the town appropriated $250,000 for the acquisition and improvements of the parcel located at 166 Union Street, comprised of a commercial building, a detached garage, and a parking lot. The property is to be used for a secure and environmentally acceptable storage area for permanent and sensitive information; and to house municipal vehicles and equipment; and for additional parking.

The Town continues to address major ***rolling stock*** demands in an effort to replace equipment and vehicles that have met their useful life. Besides being better equipped to serve the residents of Vernon, a favorable result of this effort is the stabilization to overall maintenance budgets for subsequent years.

In fiscal year 2014/15, 2 dump trucks with chassis and plows at a cost of $328,600 and three additional pick-up trucks at $109,253 have been purchased with available funds. In fiscal year 2015/16, a pick-up truck, and loader are to be purchased at a cost of $31,293 and $143,311, respectively.

An automated side loader is also planned to be acquired at an estimated cost of $243,492; along with an estimated $17,000 trailer with available or appropriated funds. In fiscal year 2014/15, a budget amendment was approved to acquire a used 2006 Grapple truck. The vehicle was acquired in fiscal year 2015/16 at a cost of $68,945; in addition, a $35,815 leaf machine was purchased, utilizing current and subsequent fiscal year appropriations.

Last fiscal year, several vehicles were acquired by the public works department including a $30,000 aerial lift that will be used to maintain town buildings; a $51,440 mini excavator purchased with Road Improvement Bond funds for in-house road construction projects; a $49,250 used refuse / recycling truck; a $40,378 dump truck and three pickup trucks with plows at $100,593, (one for the parks department, $38,253). The combined cost of $140,971, utilized $133,236 of prior year-end encumbrances.

In fiscal year 2012/13, the town entered into two capital lease purchase agreements totaling $2,010,000 for the acquisition of two fire pumper trucks, a fire rescue truck, an automated refuse / recycling truck, an excavator, a loader mounted snow blower and a parks tractor. In the same year, a $36,505 portable lift for fire apparatus was purchased, along with a front loading refuse truck at a cost of $60,055.

In fiscal year 2014/15, four additional police cruisers have been purchased at a cost of $108,694; and in fiscal year 2015/16, two additional cruisers are to be purchased for $54,834. A police cruiser for $23,832 with prior year-end encumbered funds was purchased last fiscal year; along with a $33,253 DOJ federal grant funded AWD police utility vehicle and accessories.

As noted above, a new $27,121 vehicle was acquired for the Fire Chief in the current year and a Fire Marshal vehicle was purchased in last year for $26,120 with prior year-end encumbered funds. A used, handicapped accessible Senior Center bus was also acquired in the current year for $77,500.

In the recent past, appropriations funding the purchase of new refuse and recycling tote containers for the Town's automated refuse and single stream recycling program were approved. Available funds in the Town Capital and Nonrecurring Fund were utilized to fund the $279,000 purchase of refuse tote containers and the $170,740 purchase of recycling tote containers. Further authorizations amounting to $319,590 were approved to purchase additional refuse and recycling totes. These costs are being reimbursed to the Fund from the General Fund over a seven year period. In addition, a federal grant was obtained to purchase additional recycling containers in the amount of $108,756.

To further support this recent program, the Town Council re-designated $100,000 of available funds in the Town Capital and Nonrecurring Fund to fund the purchase of two used automated side-loading refuse / recycling trucks and authorized the use of Town Capital and Nonrecurring Funds to fund the $214,839 purchase of a new automated side-loading refuse truck. A $48,105 refuse truck was also purchased by the General Fund. In addition, as noted above, a $224,633 refuse truck was acquired via lease purchase; and a $60,055 front loading refuse truck was also purchased with available funds. An additional re-designation of $60,000 was used to construct a new transfer station compactor to handle the additional recyclable collections. This has produced significant annual savings in hauling fees.

In a prior year, an $119,380 roadside mower was acquired with funding from the CL&P Municipal Brush Control program. In accordance with a participating agreement, the equipment is jointly used by the towns of Vernon, Coventry and Somers. CL&P (now Eversource) is reimbursing the town for the total cost of the equipment over a five year term, with the final remittance to occur in fiscal year 2015/16.

The Ambulance Medical Services account in the Special Revenue Fund reserves funds to periodically replace each of the three ambulances that the department maintains. Reserves, accumulated over the past several years, were used to fund the replacement of all three ambulances in current operation. As noted above, new ambulances were acquired at a cost of $104,883 and an estimated $105,000 in fiscal year 2015/16, funded by annual appropriations in fiscal years 2014/15 and 2015/16. In addition, there is a fiscal year 2015/16 appropriation to acquire a used vehicle for the ambulance supervisor.

In the current year, the Vernon Cemeteries Special Revenue Fund acquired a new mower and mounted leaf blower at a cost of $12,028. In addition, $39,888 was expended to repoint and restore the chapel at Grove Hill Cemetery.

Bolton Lakes Wastewater Disposal**:** The Town of Vernon and the neighboring Town of Bolton entered into a consent order with the Connecticut Department of Environmental Protection (CTDEP) on October 14, 1999, that required the towns to take the necessary steps to address wastewater disposal alternatives for the Bolton Lakes area. Voters in both towns approved a special referendum held on September 27, 2005, regarding ordinances that guarantee funding for the project. Construction, which has been phased in over a five-year period to maximize grant-funding sources, commenced in the Bolton area in the spring of 2009 and in Vernon in 2012. Project work in Vernon was substantially completed in 2015, and a State of Connecticut Clean Water Fund loan obligation is to be executed in June 2016. The final design and construction costs of the sewer system are projected at $21,694,000, with 29% or $6,291,000 attributable to Vernon and the remainder to Bolton. Federal and state grants are estimated to offset approximately 57% of the costs, reducing Vernon's share to $2,705,000, prior to the levy of assessments. Debt service for the project is anticipated in fiscal year 2016/17.

Parks and Recreation:

Recreation programs remain very popular with our residents as demand and participation increases. The variety and number of recreational programs offered by the Town continue to increase with 112 programs offered in 2015. The Town has 582.5 acres dedicated to recreation, which consist of 26 parks, 35 miles of trails, two pools, two beaches on lakes providing swimming, a camp, boat launch, picnic areas, and fishing and ice skating. Additionally, the Town has a teen center, numerous playgrounds, baseball and softball diamonds, soccer fields, pavilions and tennis and basketball courts. The department is also responsible for maintaining the athletic fields throughout the public school system, which includes a lighted football field and track.

A recent generous contribution of $114,250 from the Russell Hartmann Trust to fund a pavilion at Henry Park was utilized to construct a 40' by 60' pavilion, ramp and sidewalk during last two fiscal years. Softball field lights were replaced at Henry Park last fiscal at a cost of $116,000, utilizing available contributions; and, in the current year, irrigation, field material and fencing improvements were made to the softball field at a cost of $46,482. Also, new playground swings were recently installed in Henry Park at a cost of $49,185. Several ADA improvement projects at town parks were started last fiscal year and continued into the current year including improvements to sidewalks, ramps and handrails at the Lottie Fisk Building, Henry Park Pavilion, Camp Newhoca and Walkers Reservoir and a portable ADA chair lift at Community Pool. The Phyllis Skinner King family recently donated $2,750 for the installation of railings on the stairways at both ends of the Henry Park Tower promenade. The project was completed in December, 2015.

A $20,000 appropriation was approved by the Town Council last fiscal year to establish a disc golf course at the Eckert's property. The project has been completed at a cost of $18,331. In the current year, a $25,000 appropriation was approved for continued improvements at Valley Falls Barn and a $20,000 contribution was received and authorized to fund a parks Fitness Trail. Both projects have yet to commence.

A $27,620 designation of Downstream Funds has been fully utilized to fund invasive aquatic species surveys, management studies and removal from Valley Falls and Gages Brook Ponds, Walkers Reservoir, Middle and Lower Bolton Lakes and the Hockanum Marshes. Supplementing downstream funding, a new fiscal year 2014/15 budget was established for Invasive Aquatic Plant Management in the amount of $19,000, to survey and combat aquatic invasive species. An additional $16,000 has been budgeted in fiscal year 2015/16. Other recent Town Council authorizations include $16,000 for repairs to the Fox Hill Tower at Henry Park, of which $9,058 have been expended to date; $18,500 in state LoCIP grant funds to fund roof replacements at Camp Newhoca, with project costs to date of $8,801.

The State Bonding Commission has authorized $555,000 and $50,000, respectively, for design and construction activities on the Valley Falls and Walkers' Reservoir dams. The projects require local matching appropriations. The Town's Capital Non-Recurring Fund has a $12,000 appropriation available for the Valley Falls Park Dam project. Design work on the Valley Falls project commenced late in 2015.

In the current year, a gang mower and ballfield conditioner were purchased at a cost of $95,775 and $22,977, respectively. An appropriation in fiscal year 2015/16 of $31,200 is available for a Parks department skid loader. In addition, a $21,893 parks pick-up truck was acquired in fiscal year 2015/16.

Other recently completed park improvements included the following: Federally funded enhancements to the Talcottville section of town, totaling $578,088, included period lighting, sidewalks, signage, a kiosk and other land improvements; extensive renovations to the Vernon Community Arts Center at a final cost of $1,794,846 were funded entirely by two state grants; Valley Falls Nature Center improvements of $69,040, were funded by state LoCIP grants; and $4,800 from the Downstream Fund were used to finance a completed Baseline Aquatic Study of the Dobsonville, Talcottville, Valley Falls and Eckers Ponds and Walkers Reservoir.

Education:

On March 29, 2005, voters approved three referenda questions for the renovations to school buildings and facilities and prior to June 30, 2011 the Town had issued four school bonds: $2,515,000 on February 15, 2007; $16,040,000 on February 1, 2008; $10,155,000 on February 12, 2009; and $1,600,000 on April 12, 2011. In April 2012, the Town refunded several debt issues including several prior school bond issues. The total amount of school defeased debt was $23,016,000. The April 11, 2012 refunding issue includes $22,168,000 of school bonded debt. Bond anticipation notes of $3,730,000 were issued on April 11, 2012 and were retired on October 11, 2012, with the receipt of school construction progress payments from the State of Connecticut. The authorizations and expenditures are as follows:

Project	Amount Authorized	Expended Current Year	Expended Cumulative
Rockville High School - Additions & renovations	**$ 32,216,700**	**$ -**	**$ 30,735,782**
Vernon Center Middle School - Renovations	**10,713,000**	**-**	**10,783,543**
Center Road School	4,109,200	-	4,281,052
Lake Street School	5,409,900	-	4,958,686
Maple Street School	3,474,200	-	2,643,496
Northeast School	3,297,900	-	2,933,929
Skinner Road School	4,268,400	-	4,012,396
Total Elementary Schools - Additions and renovatio	**20,559,600**	**-**	**18,829,559**
Issuance costs	752,700	-	338,891
Accrued note interest	4,080,000		1,175,907
Total:	**$ 68,322,000**	**$ -**	**$ 61,863,682**

The school building commission that was formed as of December 6, 2005, oversaw these completed projects. State progress payment reimbursements totaled $32,926,119.

In December, 2014, the Town Council approved the transfer of available Rockville High School (RHS) project funds in the amount of $1,170,000, to appropriate the net local share for school roof replacements at the Vernon Center Middle School ($272,000); and the Northeast ($383,000) and Skinner Road ($515,000) elementary schools. Work on these projects commenced in October 2015.

In May 2015, the Town Council approved the transfer of available project funds in the amount of $332,000 to pave the Vernon Center Middle School parking lots (completed in the summer of 2015).

In addition to the school bond improvement authorization, several recent appropriations from the Education Capital and Nonrecurring Fund have funded various school projects. Year-end education transfers to this Fund of $394,000, $53,306, $50,404 and $83,000 in the previous four fiscal years and $90,000 in the current fiscal year have provided funding for the following projects in past years: two $100,000 appropriations to repair the Vernon Center Middle School chimney (completed at a cost of $175,229); $80,000 to replace the boiler at the Education Central Administrative building (costs to date total $39,230); $10,000 to fund an insurance deductible for the RHS boiler replacement; $50,000 to construct a natural gas line to the Education's Central Administration building ($2,951 expended to date); $25,000 for the Center Road School's gym wall repointing, recently completed; $6,500 for Center Road School's bridge roof replacement; and $27,906 for RHS bathroom repairs. A $16,000 authorization to fund RHS track and tennis court repairs (completed at a cost of $15,523) was also recently approved.

In the current year, the Town Council authorized the use of $20,000 of available Education Capital and Nonrecurring Funds for the RHS Library Media Room Ductwork repairs. Also, an internally financed lease for $129,500 to acquire seven education vehicles was approved. Six of the seven vehicles have been purchased to date.

The School system has received recent approval for a "Safe Routes to School Infrastructure Program" 2012 federal grant, as administered by the Connecticut Department of Transportation in conjunction with the Capitol Region Council of Governments. The $491,470 grant provides funding for pedestrian access upgrades for students to the Skinner Road Elementary School and includes sidewalks, trails, signage and pedestrian bridge improvements. A design consultant will be selected shortly to perform engineering design activities associated with this project. The Town Council has approved $50,000 of available Education Capital Non-Recurring Funds to fund these design costs.

Also, the Vernon school system was awarded two state school security competitive grants totaling $467,856 to fund safety and security improvements at each of the Vernon schools. Local matches of $151,828 and $32,010 are required and are funded by $107,924 of available Education Capital and Nonrecurring Funds and a Town Council approved $75,914 current fiscal year General Fund transfer-in. The $651,394 combined projects commenced last year and $463,213 has been expended to date.

In addition, a $146,390 state grant is funding vocational education equipment. This project was completed in the current year at a final cost of $142,770. Current available resources in the Education Capital Non-Recurring Fund for future education projects total $388,671. Subsequent to June 30, 2015, the Town Council approved $120,000 of available funds for the following projects: $15,000 for the RHS Athletic Area Ventilation Repairs; $20,000 for Rockville High School Remediation projects; $25,000 for Vernon Center Middle School Cafeteria Security Gates; $10,000 for Media Central Air Conditioning at Center Road School; and $50,000 to replace an oil burner with a gas burner at the Education Central Office Building.

Long-Term Financial Planning

In fiscal year 2011/12, the Town refunded $36,190,000 of general obligation bonded debt in April 2012 with a $34,685,000 general obligation bond issue. The refunding resulted in a net present value savings of $2,789,733; and net budgetary savings of $3,716,215. Also in fiscal year 2012/13, the Town entered into capital leases for the acquisition of several public safety and public works vehicles. The $2,010,000 in capital leases were used to acquire two fire pumper trucks, a fire rescue truck, an automated refuse / recycling truck, an excavator, a loader mounted snow blower and a parks tractor. In August 2015, the town issued $6,130,000 of general obligation bonds and $6,350,000 of general obligation bond anticipation notes to finance recently approved and on-going improvements to over 200 town roads.

We will continue to revise the six-year capital improvement plan to address community demands, understanding that the budgetary constraints imposed by varied economic factors requires the diligent pursuit of grants and alternative resources to fund capital needs.

Relevant Financial Policies

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. There were no developments at the State level that impacted the current year financial statements.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Vernon for its comprehensive annual financial report (CAFR) for the year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Vernon has received a Certificate of Achievement for the last twenty-four consecutive years. We believe that our current report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the professional, efficient services of the dedicated members of the Finance Department. The preparation of a Comprehensive Annual Financial Report requires a major effort and I would like to extend special recognition to **Controller, Frank J. Zitkus;** and to express my appreciation for each of the following members of the department who assisted and contributed to the preparation of this report:

Penny Calcasola	Payroll Coordinator
Jill Conner	Administrative Assistant
Diane Luddecke	Budget Analyst
Beverly States	Assistant Treasurer
Laurie Zevallos	Accountant - Procurement

I would also like to thank the staff of CohnReznick LLP, for their assistance and review of the document. And finally, we acknowledge the Mayor, the Town Administrator, and the members of the Town Council for their continued interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

James M. Luddecke
Finance Officer and Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Vernon

Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Financial Section

INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Vernon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Vernon, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund and the aggregate remaining fund information of the Town of Vernon, Connecticut, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the general fund budgetary comparison information and the pension and other post-employment benefit schedules on pages 31 to 46 and pages 116 to 143, respectively, 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 of Vernon, Connecticut's basic financial statements. The introductory section, supplemental schedules, statistical section and trend data section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental 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 supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, statistical and trend data sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 25, 2016, on our consideration of the Town of Vernon, Connecticut'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 of Vernon, Connecticut's internal control over financial reporting and compliance.

CohnReznick LLP

Hartford, Connecticut
February 25, 2016

TOWN OF VERNON

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OFFICE OF THE
FINANCE DEPARTMENT

TOWN OF VERNON, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

This discussion and analysis of the Town of Vernon, Connecticut's (Town) financial performance is provided by management as an overview of the Town's financial activities for the fiscal year ended June 30, 2015. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits A to K.

FINANCIAL HIGHLIGHTS

- The Town was required to implement GASB Statement No. 68 related to pensions. This Statement required that the unrestricted net position, of the statement of net position as of July 1, 2014, be restated and decreased in the amount of $47.299 million. The decrease did not result from a change in plan benefits or shortfall in the annual required contribution, only the recognition of the total liability on the statement of net position.

- The Town's total net position increased as a result of this year's operations. Net position of our governmental activities increased by $3.967 million, or 5.07%; while net position of our business-type activities increased by $1.080 million, or 6.47%.

- During the year, the Town generated tax and other revenues, totaling $106.489 million, that were $3.956 million more than the $102.533 million in expenses for governmental activities.

- In the Town's business-type activities, revenues decreased to $5.890 million (a decrease of $1.388 million or 19.07%) while expenses were reduced by $778 thousand resulting in increased net position of $1.080 million.

- Total combined cost of Town governmental and business activities increased by $722 thousand from $106.621 million to $107.343 million.

- The General Fund reported a total fund balance this year of $14.285 million, inclusive of unassigned fund balance in the amount of $12.152 million.

- Revenues exceeded General Fund expenditures by $1.601 million. This was accomplished by effectively managing appropriations by means of spending and hiring controls, and increased collections of current and prior taxes, charges for services and other revenue sources.

- The tax collection rate against the original levy was 98.4% and 98.7% against the adjusted levy.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits A and B, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements and the related notes are presented in Exhibits C to K. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town.

Government Wide Financial Statements

The analysis of the Town as a whole begins with Exhibits A and B, found in the Basic Financial Statements section of this report. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes to it. The Town's net position, the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is an indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, we divide the Town into two types of activities:

- *Governmental activities* — Most of the Town's basic services are reported here, including education, public safety, maintenance and development of streets and buildings, sanitation, human services, recreation, public improvements, community planning and development, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

- *Business-type activities* — The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's operation of the wastewater treatment facility and rentals at Center 375 are reported here.

Fund Financial Statements

The fund financial statements begin with Exhibit C and provide detailed information about the most significant funds — not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Ambulance Services Fund, Sewer Assessments Fund, and Cemetery Operations) or to show that it is meeting legal responsibilities for using funds for those purposes, and other money (like grants received for education from the State and Federal governments and accounted for in the Special Revenue Fund). The Town's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental funds (Exhibits C, D and E)* — Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is described in the reconciliations on Exhibits C and E.

- *Proprietary funds (Exhibits F, G and H)* — When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide financial statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities — such as the Town's Data Processing Internal Service Fund.

- *Fiduciary funds (Exhibits I and J)* — The Town is the trustee, or fiduciary, for its employees' pension and Other Post-Employment Benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT WIDE FINANCIAL ANALYSIS

NET POSITION

The Town's combined net position increased from a year ago from $94.992 million to $100.039 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

TABLE 1
NET POSITION
JUNE 30, 2015 AND 2014
In Thousands

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 as restated	2015	2014 as restated	2015	2014 as restated
Current and other assets	$ 30,563	$ 29,358	$ 10,915	$ 10,140	$ 41,478	$ 39,498
Capital assets (net)	156,319	152,699	10,295	10,719	166,614	163,418
Total assets	186,882	182,057	21,210	20,859	208,092	202,916
Deferred outflows of resources	3,636	-	269	-	3,905	-
Non-current liabilities outstanding	85,953	86,785	3,011	3,446	88,964	90,231
Other liabilities	11,902	11,323	335	512	12,237	11,835
Total liabilities	97,855	98,108	3,346	3,958	101,201	102,066
Deferred inflows of resources	10,409	5,662	348	196	10,757	5,858
Net Position:						
Net investment in capital assets	117,079	111,596	10,295	10,719	127,374	122,315
Restricted	3,377	3,072	-	-	3,377	3,072
Unrestricted	(38,202)	(36,381)	7,490	5,986	(30,712)	(30,395)
Total Net Position	$ 82,254	$ 78,287	$ 17,785	$ 16,705	$ 100,039	$ 94,992

Governmental Activities

Net position of the Town's *governmental activities* increased by $3.967 million or 5.07%, ($78.287 million, as restated, compared to $82.254 million).

Governmental Activities, continued

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — changed from -$36.381 million, as restated, to -$38.202 million at the end of this year, a reduction of $1,821 million.

The change in governmental net position resulted primarily because of the following factors:

1) The positive operating results of the general fund of $1.601 million
2) The increase in net position of the internal service funds applicable to governmental activities of $317 thousand.
3) Capital assets activity, resulting in a net increase in position of $3.574 million, was offset by an increase in the net pension liability of $2.774 million and an increase in other long-term liabilities (compensated absences, retirement obligations, accrued interest, claims and net OPEB) of $815 thousand and reduced by the impact of debt activity totaling $4.497 million.

The largest portion of the Town's net position, $117.079 million or 142.34%, reflects 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 residents; consequently, these assets are not available for future spending. An additional portion of the Town's net position, $3.377 million or 4.11%, represents resources that are subject to restrictions on how they may be used. The unrestricted net position decrease was primarily due to an increase in the net pension liability of $2.774 million.

Business-Type Activities

In 2015, the net position of *business-type activities* increased by $1.080 million or 6.47%, ($17.785 million compared to $16.705 million). Factoring into this change are reduced wage and benefit costs of $401 thousand, reduced repair and maintenance costs of $120 thousand, a decrease in utility costs of $180 thousand and reduced general and administrative costs of $45 thousand in the Sewer User Fund. These and other favorable factors contributed to a $1.086 million increase in Sewer User Fund net position exclusive of $23 thousand of Internal Service Fund consolidated activities related to the Sewer User Fund. Center 375 rental revenues decreased by $2 thousand and although operating costs were $21 thousand lower than the prior year, the Fund experienced a $29 thousand decrease in net position.

Although there are $7.490 million in the unrestricted net position, these funds however, cannot be used to make up for any decreases reported in governmental activities. The Town generally can only use this net position to finance the continuing operations of the wastewater treatment facility and Center 375.

CHANGES IN NET POSITION

The Town's total revenues were $112.379 million. The total cost of all programs and services was $107.343 million. Our analysis below separately considers the operations of governmental and business-type activities.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 5,102	$ 4,754	$ 5,866	$ 6,154	$ 10,968	$ 10,908
Operating grants and contributions	32,660	31,447			32,660	31,447
Capital grants and contributions	2,638	4,391			2,638	4,391
General revenues:						
Property taxes	64,167	62,672			64,167	62,672
Grants and contributions not restricted to specific programs	1,054	1,158			1,054	1,158
Investment income	37	146			37	146
Miscellaneous	831	701	18	10	849	711
Capital contributions			6	1,114	6	1,114
Total revenues	106,489	105,269	5,890	7,278	112,379	112,547
Program expenses:						
General government	5,674	5,497			5,674	5,497
Community development	548	606			548	606
Public safety	14,216	12,687			14,216	12,687
Maintenance and development	10,116	11,402			10,116	11,402
Human services	1,391	1,301			1,391	1,301
Park, recreation, and culture	2,662	2,553			2,662	2,553
Education	66,523	65,638			66,523	65,638
Interest on long-term debt	1,403	1,349			1,403	1,349
Sewer user	-	-	4,614	5,371	4,614	5,371
Center 375 (rental)	-	-	196	217	196	217
Total program expenses	102,533	101,033	4,810	5,588	107,343	106,621
Increase (decrease) in net position before contributions to permanent funds	3,956	4,236	1,080	1,690	5,036	5,926
Contributions to permanent funds	11	11			11	11
Change in net position	3,967	4,247	1,080	1,690	5,047	5,937
Net Position, July 1	78,287	118,121	16,705	18,233	94,992	136,354
Restated for net pension liability		(44,081)		(3,218)	-	(47,299)
Net Position, June 30	$ 82,254	$ 78,287	$ 17,785	$ 16,705	$ 100,039	$ 94,992

Governmental Activities

As noted earlier, net position from governmental activities increased $3.967 million. Since the Town began preparing a statement of net position as of June 30, 2003, this is the tenth increase in the thirteen year period.

On the revenue side, key factors to the overall $1.209 million increase from the prior year were as follows:

- Property tax revenues, which comprise 60.25% of the Town's governmental activities revenues, increased by $1.495 million as a result of the increase in the adopted budget and related levy to fund increased appropriations.

- Charges for services increased by $348 thousand, due primarily to increases of $265 thousand in building permits, $95 thousand in sewer connection charges, $77 thousand in zoning citations, $65 thousand in park and recreational programs, $14 thousand in ambulance medical services, $66 thousand in educational charges and $28 thousand in town clerk recording fees fee collections; offset by decreases of $100 thousand in police special services, $50 thousand in cafeteria food charges and $44 thousand in tuition receipts.

- Operating grants and contributions increased by $1.213 million, including increases of $992 thousand in special, adult and other education grants, $209 thousand in brownfield remediation grants, $56 thousand in public disaster assistance grants, offset by reductions of -$6 thousand in cafeteria grants and -$160 thousand in community development grants.

- Capital grants and contributions decreased by $1.753 million due primarily to a $2.304 million reduction in school construction grants and $270 reduction in public safety LOCIP funded grants, offset by a $971 thousand increase in bridge reconstruction grants, a $298 thousand increase in grant funding use for educational facilities, including school security grants, and a $68 thousand increase in road improvement grants.

For governmental activities, expenses increased $1.500 million, or 1.48%, from the previous year. Of the total expenses of $102.533 million, 64.9% are for educational services; 13.9% for public safety; 9.9% for maintenance and development; and 5.5% for general government.

Major expense factors include:

- The cost of educational services increased by $885 thousand due primarily to increased general fund operating costs of $145 thousand, including significant increases in student transportation services and benefits costs; in addition on behalf retirement costs increased by $75 thousand, special education grant costs increased by $424 thousand, adult education increase by $6 thousand and other education related grant costs increased by $241 thousand. These increases were offset by a decrease to cafeteria operation costs of $77 thousand.

- General government costs increased by $177 thousand, which included a significant increase for law services, $93 thousand, information technology operating costs of $38 thousand and increased pension costs.

- Community development costs decreased by $58 thousand due primarily to decreased housing rehabilitation grant funded costs.

- Public safety costs increased by $1.529 million due primarily to increases in police wage costs of $204 thousand, fire fighting operating service costs of $44 thousand, ambulance service costs of $38 thousand, building inspection service costs of $76 thousand and allocable pension costs.

- Maintenance and development costs decreased $1.286 million due to increased snow removal costs of $208 thousand and increased maintenance costs for sewer lines, cemetery grounds and roadways offset by reduced refuse and recycling costs of $105 thousand.

- Interest on long-term debt increased by $54 thousand from the prior year based upon scheduled debt service payments.

Table 3 presents the cost of each of the Town's five largest programs — education, public safety, maintenance and development of streets and buildings, general government administration, interest on long-term debt and all other services — as well as each program's net cost (total cost less revenues generated by the activities.) The net cost shows the financial burden that was placed on the Town's taxpayers and other general revenues by each of these functions.

GOVERNMENTAL ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014
In Thousands

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Education	$ 66,523	$ 65,638	$ 33,309	$ 31,395
Public safety	14,216	12,687	12,952	11,375
Maintenance and development	10,116	11,402	7,052	9,139
General government	5,674	5,497	4,242	4,231
Interest on long-term debt	1,403	1,349	1,045	991
All others	4,601	4,460	3,533	3,310
Total	$ 102,533	$ 101,033	$ 62,133	$ 60,441

Business-type Activities

Revenues of the Town's business-type activities (see Table 2) decreased by 19.07%, or $1.388 million ($5.890 million in 2015 compared to $7.278 million in 2014) and expenses decreased by $778 thousand from $5.588 million in 2014 to $4.810 in 2015. The factors influencing these revenue results were: Reduced service charges of $288 thousand, comprising of an increase in sewer use fees collections of $23 thousand, decreased rental fees of $2 thousand and reduced septic fee and delinquent interest collections of $344 thousand and reduced other charges of $35 thousand; an increase in other revenue of $8 thousand; and reduced capital contributions of $1.108 million.

The decrease in expenses of $778 thousand is comprised of a decrease in wages and benefits of $401 thousand due to reduced pension costs of $429 thousand, reduced repair and maintenance costs of $120 thousand, reduced utility costs of $180 thousand, reduced depreciation expense of $29 thousand, and $48 thousand of reduced other costs.

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of $16.593 million, which is a decrease of $3.368 million from last year's total. Of total fund balance, $10.01 million is non spendable, committed or restricted because it has been committed for construction contracts, is set aside for capital projects and equipment, trust funds, special assessment debt service and inventory.

Included in this year's total change in fund balance is an increase of $1.601 million in the Town's General Fund. The unassigned fund balance, which assigned $463 thousand for encumbrances more than the prior year, reflects an overall increase of $1.009 million. The unassigned fund balance of the General Fund at June 30, 2015 is $12.152 million, which represents 14.02% of estimated revenues for the ensuing year. Maintaining adequate fund balance reserves allows the Town flexibility when budgets are restricted, emergency funds are needed, and prevents cash flow problems and the related costs that can result. It is essential to have reserves available to provide funding support for major capital projects that await reimbursement from grant or bond proceeds and for debt avoidance when applying internal financing for capital equipment. Also, income earned by keeping the funds invested assists in limiting the need for future tax increases. The primary reasons for the General Fund's increase include some of the areas discussed in the governmental funds' highlights on the following page and as reported in Exhibit D.

The Town's other major governmental fund is the Road Improvements Bond which incurred $5.095 million on roadway improvements costs during the current year resulting in a $6.829 million fund balance deficit at year-end. The Town issued a $6.130 million bond in August 2015 to substantially fund this year-end deficit. The Town intends to issue another bond in August 2016 to fund the remainder of the deficit and fiscal year 2015/16 costs.

Changes in fund balances of Nonmajor Governmental Funds include the following: in the Special Revenue Fund there was an increase of $387 thousand, with gains of $187 thousand in the Town Aid Road Fund, $58 thousand in the Sewer Connections Fund, $53 thousand in the Ambulance Medical Services Fund, $32 thousand in the Parks and Recreation Programs Fund and $289 thousand combined in the Special Education Grants and Special Education Excess Reserve Funds. Fund balance decreases include $81 thousand in the Cafeteria Fund, $57 thousand in the Vernon Cemeteries Fund, due to capital improvement projects, and $54 thousand in the Miscellaneous Grants Fund. The Debt Service Fund experienced no change in fund balance for the year as debt service expenditures involved with the Waste Treatment Plant upgrade, were matched by debt service contributions from benefiting area municipalities; and from the General Fund which transfers the Town's portion of such debt annually to the Debt Service Fund. The Nonmajor Capital Projects Fund had a decrease of $272 thousand including fund balance increases of $98 thousand increase in the Town Capital and Nonrecurring Fund, $133 thousand in the South Street Reconstruction Fund and $48 thousand in the Main Street Bridge Reconstruction Fund and a decrease of $114 thousand in the Education Capital and Nonrecurring Fund. The Public Bond Improvements Fund had a decrease of $142 thousand including a transfer of $139 thousand to the West Main Street Bridge Reconstruction Fund which incurred a reduction of $49 thousand. The School Bond Improvement Fund transferred $1.170 million and $1.439 million, respectively, to the School Roof and Renovations and Town and School Improvements Capital Projects Funds, respectively. The Town and School Improvements Fund transferred $244 thousand to the West Main Street Bridge Fund as well. The Permanent Trust Fund increased by $11 thousand due to increased investment earnings.

Proprietary Funds

The Town accounts for five proprietary funds, two as Business-Type activities and three as Governmental Activities - Internal Service Funds, which are reported in Exhibits F, G and H. The Sewer User Fund and Center 375 are established as self-supporting Business-Type activities that reported a change in net position amounting to a $1.058 million increase. The **Sewer User Fund** is established for the operation and maintenance of the wastewater treatment plant. Quarterly bills for sewer usage and interest earned on investments generate its resources. The net increase to the Sewer User Fund net position is $1.086 million as compared to an increase of $1.683 million in the prior year. The fiscal year 2014/15 increase is attributable primarily to a decrease in utility costs of $180 thousand and a $312 thousand decrease in the fund's net pension liability. The October 1, 2014 sewer rate was not increased from the prior Oct 1st. The level of treated flow from the prior year was approximately the same resulting in increased user fee collections of $23 thousand. A $366 thousand decrease in septic fees was the result of reduced waste transported directly to the plant for treatment. Delinquent interest, other fee revenue and non-operating revenues increased by $105 thousand from the prior year. The plant is in the eighteenth year of operation since major renovations, and the facility itself is reported in the Governmental Activities.

Center 375 is a former elementary school renovated for the rental of office space to private firms and to Town departments. The renovation was conducted in a manner that would enable the Town to restore the building back to a school if enrollments so demanded. The result of the year's activity decreased net position by $29 thousand.

The **Internal Service Funds** are supported by department budgets. The **Data Processing Fund** serves both the Town and school administrations, which equally support its operating expenses. Net position increased by $86 thousand as contributions from the General Fund increased by $14 thousand. An increase in the Fund's net pension liability of $99 thousand accounted for the majority of the $109 thousand increase in operating costs. The future needs of the department require continual upgrades to the various computer systems as well as maintaining a network for sharing common software and databases.

The **Workers' Compensation Fund** provides for self-insurance of workers' compensation and is supported by contributions from the General and Sewer User Funds, as well as investment income. For fiscal year-end June 30, 2015, revenues exceeded expenses by $169 thousand, decreasing the prior year net position deficit from $1.297 million to $1.128 million. Contributions to the Fund increased by $490 thousand from the prior year offset by increase in claims incurred from $368 thousand to $955 thousand. The allocation of adequate contributions in the next year to meet financial demands is based on actual experience. The **Medical Self-Insurance Fund**, which became effective January 1, 2006, provides medical prescription coverage for employees and retirees. Effective July 1, 2007, dental coverage for general government employees and retirees became self-insured. The fund is supported by contributions from all covered participants and employer contributions. Contribution amounts are based upon historical experience of claims incurred and paid, and third-party administrators process the claims. At June 30, 2015, net position was $728 thousand, an increase of $84 thousand from the prior year, primarily due to changes in prescription plan provisions, favorable dental claims and supplemental education prescription contributions.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an increase of $2.385 million. Included in that amount is $1.219 million of encumbrances carried forward from the previous fiscal year, of which $747 thousand were expended, $155 thousand liquidated and $317 thousand re-appropriated and $1.321 million of current year budget amendments that can be classified as follows:

Pass-through additional appropriations are those supported by revenue and other sources, amounting to $540 thousand during the year, including $37 thousand related to education activities; $208 thousand for collections remitted to the state of Connecticut by the Town Clerk for the community investment and historic preservation acts; $12 thousand for youth service part-time wages; $126 thousand in police special services pay; and $157 thousand for other items. Although these additional appropriations had revenue and other funding sources, they were legally appropriated from fund balance.

Other additional appropriations amounting to $781 thousand were taken from fund balance position including $79 thousand for attorney labor relations costs; $229 thousand for payment of compensated absences; $23 thousand for a public works truck, $48 thousand for property and casualty insurance, $328 thousand for snow removal, $24 thousand for pension contributions and $50 thousand in other costs. These additional appropriations include funds for primary costs and repairs to fire apparatus.

Actual final expenditures totaled $84.946 million and can be summarized as follows. The budgetary unexpended, unencumbered resulted in a favorable amount of $712 thousand. Contained within this amount are favorable variances of $141 thousand in general government spending; $82 thousand for police services; $40 thousand in firefighting services, $103 thousand in refuse and recycling collection; $93 thousand in public works maintenance; $15 thousand for parks recreation administration and maintenance; $16 thousand for FICA, $5 thousand in unemployment compensation and $27 thousand in contingency. As the fiscal year progresses, financial measures are taken to manage areas where additional costs are required, as well as projecting revenue shortfalls. One example is a hiring deferral to cover additional costs associated with the payment of compensated absences. Another is seeking out alternative revenue sources such as excess special education grants and Medicaid reimbursements to help offset the decrease in special education tuitions.

On the revenue side, final actual revenues exceeded the original budget by $1.594 million due to favorable variances in the following categories: $528 thousand in total tax collections including $240 thousand in current taxes and $112 thousand of prior years' taxes as a tax sale helped boost prior years' tax collections; intergovernmental revenues were $314 thousand above estimates including $30 thousand for Medicaid reimbursements; $73 thousand of public disaster assistance from a past declared storm; and $210 thousand from excess special education grants. Charges for services were above estimates by $477 thousand due in most part to the farmland preservation surcharge, $125 thousand, police special services, $135 thousand, and school use receipts, $62 thousand, which in turn are appropriated to cover respective costs. Education tuition receipts were below projections by $30 thousand. Licenses and permits were above projections by $209 thousand due primarily to a favorable building permits variance of $185 thousand. Fines and penalties were $77 thousand above projections including a zoning citations favorable variance of $85 thousand. The decrease in interest rates produced a shortfall of $23 thousand in investment income. Other financing sources were above original estimates by $16 thousand and other revenue, which includes items such as education, insurance and gasoline reimbursements, were below estimates by $5 thousand.

The Town's General Fund total of both revenue and expenditures differs from the amounts in Exhibit D and as reported in the budgetary basis comparison in the required supplementary information by $6.361 million. This amount represents the on-behalf payments of the State of Connecticut contributions to the Teachers' Retirement System.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the Town had $166.613 million invested in a broad range of capital assets, net of depreciation, including land, buildings, park facilities, vehicles and equipment, roads, bridges, storm water drainage and sewer lines (see Table 4). This amount represents a net increase (including additions and deductions) of $3.195 million, or 1.96%, more than last year.

TABLE 4
CAPITAL ASSETS, NET
JUNE 30, 2015 AND 2014
In Thousands

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 8,375	$ 8,325	$ 1,268	$ 1,268	$ 9,643	$ 9,593
Construction in progress	10,290	3,683			10,290	3,683
Land improvements	2,102	2,226	28	33	2,130	2,259
Buildings and improvements	79,340	81,087	1,402	1,539	80,742	82,626
Machinery and equipment	9,219	9,473	1,691	1,793	10,910	11,266
Intangible - computer software		3	44	17	44	20
Infrastructure	46,992	47,902	5,862	6,069	52,854	53,971
Total	$ 156,318	$ 152,699	$ 10,295	$ 10,719	$ 166,613	$ 163,418

Additions to total capital assets for the 2014-15 year were $9.487 million, net of construction-in-progress reductions. Deductions to capital assets include $6.246 million in depreciation expense, which considers a net loss of $46 thousand in the disposal of depreciable capital assets. Construction-in-progress of $10.290 million is for the following (in thousands):

Road & bridge reconstruction projects	$ 10,003
Animal control facility expansion	105
School additions & renovations	69
Park improvements	37
Town office improvements	73
Communications center renovations	3
Total Construction in progress	$ 10,290

More detailed information about the Town's capital assets is presented in Notes I.C. and III.C. to the financial statements.

Debt Administration

At June 30, 2015, the Town had $38.017 million in bonds, notes, and lease purchase obligations outstanding versus $42.420 million last year, a decrease of $4.403 million or 10.38% - as shown in Table 5.

TABLE 5
LONG-TERM OBLIGATIONS
JUNE 30, 2015 AND 2014
In Thousands

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds (backed by the Town)	$ 34,205	$ 36,790	$ -	$ -	$ 34,205	$ 36,790
Notes payable	2,454	4,050	-	-	2,454	4,050
Lease purchases	1,358	1,580	-	-	1,358	1,580
Total	$ 38,017	$ 42,420	$ -	$ -	$ 38,017	$ 42,420
Bond anticipation notes	$ -	$ -	$ -	$ -	$ -	$ -

There was no debt issued during the fiscal year, while long-term debt principal payments of $4.403 million were made. In August 2015, the Town issued general obligation bonds and bond anticipation notes of $6.130 million and $6.350 million, respectively, to fund road reconstruction and improvement projects that commenced last fiscal year.

The Town's Aa2 general obligation bond rating was reviewed and reaffirmed by Moody's Investors on July 15, 2015. The Town's prior rating, from March 26, 2012, was also Aa2. Moody's most recent rating, when considering recalibrations, is in essence, an equivalent rating that has been assigned to the Town's debt since 1994.

The State limits the amount of general obligation debt that cities can issue, utilizing a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this $449.9 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note III. F. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2015-2016 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The unemployment rate for the Town at year-end was 5.2%, 1.4% less than the prior year-end. This compares with the State's unemployment rate of 5.7% and the national rate of 5.3%.

Although inflation in the Northeast Urban area has consistently been more than the national Consumer Price Index (CPI) for all urban consumers - U.S. towns' rate, the Town's CPI increase was .03% for fiscal year 2015 compared with the average U.S. town rate of .12%.

These indicators were taken into account when adopting the General Fund budget for fiscal year-end 2016. Total appropriations in the General Fund budget are $86.700 million, an increase of $1.746 million over the original 2015 budget. Property taxes, total $65.374 million, a revenue increase of $1.786 million from 2015 levels. In the next fiscal year, the estimated aid from the State of Connecticut is expected to decrease by $39 thousand to $19.063 million, which represents 21.99% of total revenue in the General Fund.

The Town will use these increases in revenues to finance programs currently offered and to offset the effect that we expect price increases will have on program costs. Increased funding for education, $316 thousand, public safety, $153 thousand, general government, $41 thousand, maintenance and development, $13 thousand and parks and recreation $50 thousand, debt service, $809 thousand, group health insurance, $192 thousand and pension contributions $220 thousand constitute the major increases in the 2014-15 budget.

There was little in the way of new programs or services in the General Fund, with the exception of separating the fire hydrant costs from the fire department budget. This was done to better position the Town for federal emergency grants. There is also a collaborative risk management program with the Town and school system that is helping to stabilize general liability insurances; along with combining competitive bidding for health insurance, and redesigning health plans for current and future budgetary relief. Also, the transition from a defined benefit to a defined contribution retirement plan for new employees has been broadened to several bargaining groups, including the school system, focusing on budget relief in the long-term. The Town is currently in the process of purchasing all of the streetlights, and the projection of net budgetary savings over a twenty-year period is $3.4 million. Another capital investment underway is the creation of the Town's own telephone system, which will generate savings for both the general government and school system. This venture is made possible by the commitment to advancing our technology, most notably the completion of a town-wide connectivity infrastructure, for all town entities, including proprietary departments. That project is expected to improve departmental operations and provide internal and public access to information. In a continued effort to lower energy costs, the Town has entered into an agreement to buy solar credits, which in turn will reduce electricity costs by fifteen percent. The $27 million road improvement initiative, approved by voters in January, 2014, began at the end of fiscal year 2014, and the second and third year of construction costs, and the associated debt service for bonding those outlays, will be in the fiscal year 2017 budget.

From a financial perspective and as detailed in this annual financial report, the Town of Vernon successfully addressed the many financial obstacles of 2014-15 through prudent, conservative fiscal management without a serious interruption of services. The 2015-16 Town budget experienced an overall 2.06% increase in appropriations with an increase of 0.80 of one mil in the tax rate from 36.11 to 36.91.

With an understanding of surrounding economic conditions, and considering the factor of a slight increase in the grand list, the most immediate obstacle faced by the Town is the budgetary instability occurring at the State level. The Town receives $19 million of grants from the State or approximately 22% of the General Fund budget. This is coupled with a cap on the motor vehicle tax, and the ability of the State to impose spending caps on municipalities. Vernon will continue to address the difficult budgetary and economic times through sound management, well-managed fund balances and an active attention to its economic development program.

Concerning the Town's business-type activities, much attention has been given in the past and will continue in the future to preserve favorable unrestricted net position. As in all areas, most especially the waste treatment facility, the volatile rates of energy resources is carefully examined, and the purchasing of solar credits is one practice the Town will employ to offset the impact of energy costs.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Vernon, 14 Park Place, Vernon, Connecticut 06066.

Basic Financial Statements

TOWN OF VERNON, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current assets:			
Cash	$ 16,223,295	$ 5,680,363	$ 21,903,658
Investments	6,737,728	3,379,163	10,116,891
Receivables (net):			
Property taxes	841,363		841,363
Intergovernmental	2,198,467		2,198,467
Other	1,009,908	1,406,945	2,416,853
Internal balances	(448,867)	448,867	-
Other assets	33,086		33,086
Total current assets	26,594,980	10,915,338	37,510,318
Noncurrent assets:			
Restricted assets (temporarily):			
Cash	599,304		599,304
Restricted assets (permanently):			
Cash	125,212		125,212
Investments	1,593,648		1,593,648
Total restricted assets	2,318,164	-	2,318,164
Receivables (net):			
Property taxes	1,040,605		1,040,605
Loans	434,361		434,361
Total receivables (net)	1,474,966	-	1,474,966
Other noncurrent asset:			
Net pension asset	174,923		174,923
Capital assets (net of accumulated depreciation):			
Land	8,375,406	1,267,840	9,643,246
Construction in progress	10,289,623		10,289,623
Intangible assets (net of accumulated amortization)		43,620	43,620
Buildings and improvements	79,340,111	1,402,172	80,742,283
Land improvements	2,102,408	27,933	2,130,341
Machinery and equipment	9,219,093	1,690,880	10,909,973
Infrastructure	46,991,888	5,862,174	52,854,062
Total capital assets (net of accumulated depreciation)	156,318,529	10,294,619	166,613,148
Total noncurrent assets	160,286,582	10,294,619	170,581,201
TOTAL ASSETS	186,881,562	21,209,957	208,091,519
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	3,635,721	268,752	3,904,473

(Continued)

TOWN OF VERNON, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Current liabilities:			
Cash overdraft	$ 14,657	$	$ 14,657
Accounts payable	4,601,764	250,414	4,852,178
Accrued payroll and related liabilities	525,010		525,010
Accrued interest payable	501,352		501,352
Bond and notes payable	4,202,828		4,202,828
Capital lease payable	217,725		217,725
Compensated absences	1,021,823	85,021	1,106,844
Retirement obligations	449,021		449,021
Claims payable and other	361,037		361,037
Heart and hypertension	6,500		6,500
Total current liabilities	11,901,717	335,435	12,237,152
Noncurrent liabilities:			
Bonds and notes payable and related liabilities	32,456,194		32,456,194
Capital lease payable	1,139,748		1,139,748
Compensated absences	2,846,626	257,926	3,104,552
Retirement obligations	1,906,116		1,906,116
Claims payable and other	1,027,919		1,027,919
Heart and hypertension	341,038		341,038
Net pension liability	43,896,668	2,710,128	46,606,796
Net OPEB obligation	2,338,198	42,394	2,380,592
Total noncurrent liabilities	85,952,507	3,010,448	88,962,955
TOTAL LIABILITIES	97,854,224	3,345,883	101,200,107
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	1,222,808		1,222,808
Advance property tax collections	4,800,790		4,800,790
Pension related	4,385,196	348,087	4,733,283
TOTAL DEFERRED INFLOWS OF RESOURCES	10,408,794	348,087	10,756,881
NET POSITION			
Net investment in capital assets	117,079,226	10,294,619	127,373,845
Restricted for:			
Endowments:			
Expendable	599,304		599,304
Nonexpendable	1,718,860		1,718,860
Grant programs	409,919		409,919
Sewer assessment	10,464		10,464
Cemeteries	129,428		129,428
Housing and community development	112,257		112,257
Education grants	324,395		324,395
Adult education	72,671		72,671
Unrestricted	(38,202,259)	7,490,120	(30,712,139)
TOTAL NET POSITION	$ 82,254,265	$ 17,784,739	$ 100,039,004

(Concluded)

See Notes to Basic Financial Statements.

EXHIBIT B

TOWN OF VERNON, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 5,673,665	$ 1,425,021	$ 7,014	$	$ (4,241,630)	$	$ (4,241,630)
Community development	548,397	8,812	20,758	106,650	(412,177)		(412,177)
Public safety	14,215,899	1,204,428	59,775		(12,951,696)		(12,951,696)
Maintenance and development	10,116,217	556,001	311,697	2,196,873	(7,051,646)		(7,051,646)
Human services	1,391,161				(1,391,161)		(1,391,161)
Parks, recreation and culture	2,661,919	861,914	69,765		(1,730,240)		(1,730,240)
Education	66,522,642	1,045,766	31,833,691	334,200	(33,308,985)		(33,308,985)
Interest on long-term debt	1,403,135		357,752		(1,045,383)		(1,045,383)
Total governmental activities	102,533,035	5,101,942	32,660,452	2,637,723	(62,132,918)	-	(62,132,918)
Business-type activities:							
Sewer user	4,614,237	5,698,447		6,248		1,090,458	1,090,458
Center 375 (building rental)	196,324	167,117				(29,207)	(29,207)
Total business-type activities	4,810,561	5,865,564	-	6,248	-	1,061,251	1,061,251
Totals	$ 107,343,596	$ 10,967,506	$ 32,660,452	$ 2,643,971	$ (62,132,918)	$ 1,061,251	$ (61,071,667)
General revenues:							
Property taxes					$ 64,166,823	$	$ 64,166,823
Grants and contributions not restricted to specific programs					1,054,078		1,054,078
Investment income					37,394	1,181	38,575
Miscellaneous					830,872	17,784	848,656
Contributions to permanent funds					11,100		11,100
Total general revenues and contributions					66,100,267	18,965	66,119,232
Change in Net Position					3,967,349	1,080,216	5,047,565
Net Position at July 1, 2014 (as restated)					78,286,916	16,704,523	94,991,439
Net Position at June 30, 2015					$ 82,254,265	$ 17,784,739	$ 100,039,004

See Notes to Basic Financial Statements.

TOWN OF VERNON, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Road Improvements Bond	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 8,645,128	$	$ 7,318,887	$ 15,964,015
Investments	4,010,873		3,391,570	7,402,443
Receivables (net):				
Taxes	1,736,071			1,736,071
Intergovernmental	122,667		2,075,800	2,198,467
Other	79,891		892,014	971,905
Loans			434,361	434,361
Due from other funds	8,326,930		439,396	8,766,326
Advance to other funds	129,500			129,500
Inventory			30,661	30,661
Total assets	$ 23,051,060	$ -	$ 14,582,689	$ 37,633,749
LIABILITIES				
Cash overdraft	$	$	$ 14,657	$ 14,657
Accounts payable and accrued liabilities	1,431,312	2,019,717	1,129,001	4,580,030
Accrued wages and benefits	525,010			525,010
Due to other funds	501,580	4,808,915	2,420,739	7,731,234
Advance from other funds			129,500	129,500
Total liabilities	2,457,902	6,828,632	3,693,897	12,980,431
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues:				
Property taxes	1,507,581			1,507,581
Advance property tax collections	4,800,790			4,800,790
Grants			543,225	543,225
Loans			434,361	434,361
Sewer assessments and user charges			2,541	2,541
Ambulance services			772,269	772,269
Total deferred inflows of resources	6,308,371	-	1,752,396	8,060,767
FUND BALANCES				
Nonspendable	129,500		1,749,521	1,879,021
Restricted			1,658,438	1,658,438
Committed			6,472,283	6,472,283
Assigned	2,003,342		180,000	2,183,342
Unassigned	12,151,945	(6,828,632)	(923,846)	4,399,467
Total fund balances	14,284,787	(6,828,632)	9,136,396	16,592,551
Total liabilities, deferred inflows of resources and fund balances	$ 23,051,060	$ -	$ 14,582,689	$ 37,633,749

(Continued)

TOWN OF VERNON, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:	
TOTAL FUND BALANCE (EXHIBIT C, PAGE 1)	$ 16,592,551
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Beginning capital assets	152,698,816
Less Internal service fund capital assets	(1,072,245)
Current capital asset additions (net of construction in progress)	9,322,385
Less Internal service fund capital assets additions	(200,785)
Depreciation expense	(5,657,219)
Less Internal service fund capital assets depreciation	109,390
Disposal and sale of capital assets	(45,453)
OTHER LONG-TERM ASSETS AND DEFERRED OUTFLOWS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE UNAVAILABLE IN THE FUNDS:	
Property tax and sewer assessment interest and lien accrual	720,897
Allowance for doubtful accounts	(575,000)
Net pension asset	174,923
Deferred outflow related to pensions	3,635,721
Less Internal service fund deferred outflows related to pensions	(51,060)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE UNAVAILABLE IN THE FUNDS:	
Property tax, sewer assessment, grant, ambulance services and community development block loan receivable - accrual basis change	3,259,977
INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF VARIOUS SELF-INSURED RISK PREMIUMS AND DATA PROCESSING OPERATION TO INDIVIDUAL DEPARTMENTS:	
The portion of assets and liabilities of the Internal service funds are included in governmental activities in the statement of net position	(351,349)
SOME LIABILITIES AND DEFERRED INFLOWS, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Bonds, notes and related liabilities	(34,205,000)
Deferred charge	(1,222,808)
State of Connecticut clean water notes	(2,454,022)
Capital leases	(1,357,473)
Compensated absences	(3,868,449)
Less Internal service fund compensated absences	43,527
Retirement obligations	(2,355,137)
Heart and hypertension	(347,538)
Net pension liability	(43,896,668)
Less Internal service fund net pension liability	514,897
Net OPEB obligation	(2,338,198)
Accrued interest payable	(501,352)
Deferred inflows related to pensions	(4,385,196)
Less Internal service fund deferred inflows related to pensions	66,133
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 82,254,265

(Concluded)

See Notes to Basic Financial Statements.

EXHIBIT D

TOWN OF VERNON, CONNECTICUT

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

	General	Road Improvements Bond	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 64,116,182	$	$	$ 64,116,182
Intergovernmental	25,776,430		10,264,695	36,041,125
Assessments			10,380	10,380
Charges for services	2,356,912		2,627,599	4,984,511
Gifts and contributions			650,683	650,683
Income on investments	1,369		38,643	40,012
Net change in fair value of investments			(2,618)	(2,618)
Other	490,685		329,807	820,492
Total revenues	92,741,578	-	13,919,189	106,660,767
Expenditures:				
Current:				
General government	3,590,896		6,238	3,597,134
Community development	235,770		204,357	440,127
Public safety	8,525,361		987,455	9,512,816
Maintenance and development	5,550,883		751,240	6,302,123
Human services	962,959		98,289	1,061,248
Parks, recreation and culture	1,369,686		793,437	2,163,123
Townwide	7,469,937			7,469,937
Education	57,008,315		8,022,930	65,031,245
Debt service	4,046,497		1,662,040	5,708,537
Capital outlay	363,926	5,095,444	3,282,707	8,742,077
Total expenditures	89,124,230	5,095,444	15,808,693	110,028,367
Excess (Deficiency) of Revenues over Expenditures	3,617,348	(5,095,444)	(1,889,504)	(3,367,600)
Other Financing Sources (Uses):				
Transfers in	167,162		2,183,065	2,350,227
Transfers out	(2,183,065)		(167,162)	(2,350,227)
Total other financing sources (uses)	(2,015,903)	-	2,015,903	-
Net Change in Fund Balances	1,601,445	(5,095,444)	126,399	(3,367,600)
Fund Balances at July 1, 2014	12,683,342	(1,733,188)	9,009,997	19,960,151
Fund Balances at June 30, 2015	$ 14,284,787	$ (6,828,632)	$ 9,136,396	$ 16,592,551

See Notes to Basic Financial Statements.

TOWN OF VERNON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES (EXHIBIT B) ARE DUE TO:	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)	$ (3,367,600)
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. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay (net of internal service fund activity)	9,121,600
Depreciation expense (net of internal service fund activity)	(5,547,829)
Total	3,573,771
The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(45,453)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:	
Change in property tax, sewer assessment, grant, ambulance services and community development block loan receivable - accrual basis change	(145,423)
Change in property tax and sewer assessment interest and lien revenue	(14,960)
Total	(160,383)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of 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 details of these differences in the treatment of long-term debt and related items are as follows:	
Principal repayments:	
General obligation bonds and notes payable	4,180,621
Deferred charges	94,064
Capital lease payable	222,368
Total	4,497,053

(Continued)

TOWN OF VERNON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences (net of internal service activity)	$ (6,127)
Retirement obligations	313,351
Heart and hypertension	(347,538)
Pension expense (net of internal service fund activity)	(724,409)
Net OPEB obligation	(113,480)
Accrued interest payable	30,717
Total	(847,486)
Internal Service Funds are used by management to charge costs of various self-insured risk premiums and Data Processing operations to individual departments. A portion of the net revenue of the activities of the Internal Service Fund is reported with governmental activities	317,447
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	$ 3,967,349

(Concluded)

See Notes to Basic Financial Statements.

EXHIBIT F

TOWN OF VERNON, CONNECTICUT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities			Governmental and Business-type Activities
	Sewer User	Nonmajor Center 375	Total	Internal Service Funds
Assets:				
Current assets:				
Cash	$ 5,649,411	$ 30,952	$ 5,680,363	$ 983,796
Investments	2,338,156	1,041,007	3,379,163	928,933
Receivables (net)	1,406,945		1,406,945	21,766
Due from other funds	7,647	27	7,674	451,652
Prepaid expense			-	2,425
Total current assets	9,402,159	1,071,986	10,474,145	2,388,572
Capital assets (net):				
Land and land improvements	838,180	645,711	1,483,891	
Buildings and plant	4,445,390	1,942,056	6,387,446	
Machinery and equipment	8,754,423	26,734	8,781,157	651,095
Infrastructure	11,342,466		11,342,466	869,645
Intangibles - computer software	85,800		85,800	387,279
Accumulated depreciation	(16,302,635)	(1,483,506)	(17,786,141)	(744,379)
Capital assets (net)	9,163,624	1,130,995	10,294,619	1,163,640
Total assets	18,565,783	2,202,981	20,768,764	3,552,212
Deferred Outflows of Resources:				
Pension related	268,752		268,752	51,060
Liabilities:				
Current liabilities:				
Accounts and other payables	235,775	14,639	250,414	21,734
Claims payable			-	361,037
Due to other funds	55,937	311	56,248	1,421,933
Accrued compensated absences	85,021		85,021	13,255
Total current liabilities	376,733	14,950	391,683	1,817,959
Noncurrent liabilities:				
Claims payable			-	1,027,919
Accrued compensated absences	257,926		257,926	30,272
Net pension liability	2,710,128		2,710,128	514,897
Net OPEB obligation	42,394		42,394	
Total noncurrent liabilities	3,010,448	-	3,010,448	1,573,088
Total liabilities	3,387,181	14,950	3,402,131	3,391,047
Deferred Inflows of Resources:				
Pension related	348,087		348,087	66,133
Net Position:				
Net investment in capital assets	9,163,624	1,130,995	10,294,619	1,163,640
Unrestricted	5,935,643	1,057,036	6,992,679	(1,017,548)
Total Net Position	$ 15,099,267	$ 2,188,031	17,287,298	$ 146,092
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			497,441	
Net position of business-type activities (Exhibit A)			$ 17,784,739	

See Notes to Basic Financial Statements.

EXHIBIT G

TOWN OF VERNON, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities			Governmental and Business-type Activities
	Sewer User	Nonmajor Center 375	Total	Internal Service Funds
Operating Revenues:				
Charges for services	$ 5,393,048	$ 167,117	$ 5,560,165	$ 3,361,647
Other:				
Septic fees	175,250		175,250	
Delinquent interest	88,366		88,366	
Miscellaneous	19,125		19,125	36,993
Total operating revenues	5,675,789	167,117	5,842,906	3,398,640
Operating Expenses:				
Wages and benefits	1,611,511		1,611,511	990,546
Repairs, maintenance and rentals	217,780	15,185	232,965	387,619
Utilities	1,454,528	55,082	1,509,610	15,287
Supplies and materials	463,837	20,475	484,312	1,959
General and administrative	321,431	61,470	382,901	144,712
Claims incurred			-	1,409,367
Depreciation	545,150	44,112	589,262	109,390
Total operating expenses	4,614,237	196,324	4,810,561	3,058,880
Operating Income (Loss)	1,061,552	(29,207)	1,032,345	339,760
Nonoperating Revenues (Expenses):				
Investment income	810	371	1,181	345
Insurance and other reimbursements	17,784		17,784	
Net nonoperating revenues (expenses)	18,594	371	18,965	345
Income (loss) before capital contribution	1,080,146	(28,836)	1,051,310	340,105
Capital contribution	6,248		6,248	
Change in Net Position	1,086,394	(28,836)	1,057,558	340,105
Total Net Position at July 1, 2014 (as restated)	14,012,873	2,216,867		(194,013)
Total Net Position at June 30, 2015	$ 15,099,267	$ 2,188,031		$ 146,092
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			22,658	
Net change in net position of business-type activities (Exhibit B)			$ 1,080,216	

See Notes to Basic Financial Statements.

EXHIBIT H

TOWN OF VERNON, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities			Governmental and Business-type Activities
	Sewer User	Nonmajor Center 375	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Service charges collected	$ 5,512,619	$ 168,866	$ 5,681,485	$ 2,938,711
Other operating revenues collected	219,721		219,721	10,736
Cash payments for employee wages and benefits	(2,383,270)		(2,383,270)	(836,338)
Cash payments for goods and services	(2,301,843)	(233,692)	(2,535,535)	(532,916)
Cash payments for other operating expenses			-	(1,011,195)
Cash receipts (payments) of due from (to) balances	(6,762)		(6,762)	161,818
Net cash provided by (used in) operating activities	1,040,465	(64,826)	975,639	730,816
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	(155,735)	(2,600)	(158,335)	(200,785)
Cash Flows from Investing Activities:				
Investment income	810	371	1,181	345
Cash Flows from Noncapital Financing Activities:				
Insurance and other reimbursements	865		865	
Net Increase (Decrease) in Cash and Cash Equivalents	886,405	(67,055)	819,350	530,376
Cash and Cash Equivalents at July 1, 2014	7,101,162	1,139,014	8,240,176	1,382,353
Cash and Cash Equivalents at June 30, 2015	7,987,567	1,071,959	9,059,526	1,912,729
Cash Equivalents Reported as Investments	(2,338,156)	(1,041,007)	(3,379,163)	(928,933)
Cash, June 30, 2015	$ 5,649,411	$ 30,952	$ 5,680,363	$ 983,796
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ 1,061,552	$ (29,207)	$ 1,032,345	$ 339,760
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Add:				
Depreciation expense	545,150	44,112	589,262	109,390
Decrease in accounts receivable	53,559	1,369	54,928	5,275
Decrease in prepaid expense			-	20,314
Increase in claims payable			-	482,254
Increase in due to other funds	35,575	311	35,886	413,087
Increase in accrued compensated absences			-	15,663
Increase in deferred inflows	152,241		152,241	39,167
Increase in net pension liability			-	98,778
Deduct:				
Increase in accounts receivable			-	(17,294)
Increase in due from other funds	(7,647)		(7,647)	(451,652)
Increase in deferred outflows	(268,752)		(268,752)	(51,060)
Decrease in accounts / claims payable	(68,059)	(81,411)	(149,470)	(72,866)
Decrease in accrued compensated absences	(133,082)		(133,082)	
Decrease in due to other funds			-	(200,000)
Decrease in net pension liability	(312,068)		(312,068)	
Decrease in OPEB obligation	(18,004)		(18,004)	
Net adjustments to operating income (loss)	(21,087)	(35,619)	(56,706)	391,056
Net Cash Provided by (Used in) Operating Activities	$ 1,040,465	$ (64,826)	$ 975,639	$ 730,816

Schedule of noncash capital and related financing activities
Nonoperating accounts receivable of $16,919 were received during the fiscal year as well as $6,248 of contributed capital assets in the Sewer User Fund.

See Notes to Basic Financial Statements.

EXHIBIT I

TOWN OF VERNON, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014 AND JUNE 30, 2015

	Pension Trust Funds December 31, 2014	Other Post-Employment Benefit Trust Fund June 30, 2015	Private-Purpose Trust Fund June 30, 2015	Agency Funds June 30, 2015
Assets:				
Cash	$	$ 79,279	$ 280,204	$ 616,178
Investments, at fair value (pooled):				
Pooled fixed income		388,132	227,308	
Mutual funds:				
Common stock	22,753,693			
International common stock/ Exchange Traded Fund ("ETF")	7,042,358			
Corporate bond/ETF	13,637,725			
Commodities/ETF	24,372			
Real estate/ETF	32,886			
Money market	86,422			
Common stock	471,390			
International common stock	81,328			
Corporate bonds	148,456			
International bonds	24,222			
Government agency bonds	77,018			
Guaranteed investment account	14,715,900			
Total investments	59,095,770	388,132	227,308	
Accounts receivable		25,481	33,548	
Due from other funds		75,000		1,282
Total assets	59,095,770	567,892	541,060	617,460
Liabilities:				
Accounts and other payables	22,763			616,458
Due to other funds		91,517		1,002
Unearned revenue		13,243		-
Total liabilities	22,763	104,760	-	617,460
Net Position:				
Held in trust for pension and OPEB benefits and other purposes	$ 59,073,007	$ 463,132	$ 541,060	$ -

See Notes to Basic Financial Statements.

EXHIBIT J

TOWN OF VERNON, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND JUNE 30, 2015

	Pension Trust Funds December 31, 2014	Other Post-Employment Benefit Trust Fund June 30, 2015	Private-Purpose Trust Fund June 30, 2015
Additions:			
Contributions:			
Employer	$ 3,688,522	$ 821,913	$
Employee	1,389,713		
Retirees		850,400	
State		139,591	
Private			34,878
Other		32,342	
Total contributions	5,078,235	1,844,246	34,878
Net investment income	3,382,482	100	944
Less investment expenses	254,019		
Net investment income (loss)	3,128,463	100	944
Total additions	8,206,698	1,844,346	35,822
Deductions:			
Benefit payments/annuity purchases	5,051,222	1,618,247	
Refund of contributions	348,070		
Administrative expense	191,218		
Awards			43,044
Total deductions	5,590,510	1,618,247	43,044
Change in Net Position	2,616,188	226,099	(7,222)
Net Position at January 1 and July 1, 2014	56,456,819	237,033	548,282
Net Position at December 31, 2014 and June 30, 2015	$ 59,073,007	$ 463,132	$ 541,060

See Notes to Basic Financial Statements.

TOWN OF VERNON, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

HISTORY AND ORGANIZATION

The Town of Vernon was incorporated in 1808. The Town has operated under a Mayor-Town Council form of government, with a full-time Town Administrator, since 1970 as prescribed by the Connecticut General Statutes and its charter, which was adopted October 13, 1964 and last revised November 6, 1990. The Town provides the following services: public safety (police, fire and ambulance), public works (public facility, street and infrastructure maintenance and solid waste disposal), parks and recreation, youth and social services, wastewater treatment, and education encompassing grades PreK-12.

The Town has considered all agencies, departments, commissions, boards (including the Board of Education), authorities and funds to determine the "financial reporting entity" of the Town. The "financial reporting entity" includes all the significant funds of the Town.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

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 instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The various funds included in the financial statements are described below:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed.

General Fund is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services and interest income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Sewer User Fund and Center 375 Fund are the Town's enterprise funds.

Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Data Processing Fund, Workers' Compensation Fund and the Medical Self-Insurance Fund are the Town's internal service funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Funds account for the accumulation of resources to be used for retirement annuity payments in accordance with contract amounts and times in the future.

Other Post-Employment Benefits Trust Fund accounts for the accumulation of funds to be used for payments of retiree health insurance in accordance with employee bargaining contracts.

Private-Purpose Trust Fund accounts for the receipt of private donations to be used for awards to individual students of the Vernon school system.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The School Activity Fund, Miscellaneous Activity Fund and the Bid Bond Deposit Fund are the Town's agency funds.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported on 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The Road Improvements Bond Fund, a capital projects fund, accounts for the costs associated with reconstruction and improvements to certain town roads, as authorized by Town referendum.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town reports the following major proprietary funds:

The Sewer User Fund accounts for the activity of the waste treatment plant. The types of revenues recorded in this fund are charges for services, connection and other fees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

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 and of the Town's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Vernon Pension Plans and the Connecticut State Teachers' Retirement System (TRS) have been determined on the same basis as they are reported by the Town of Vernon Pension Plans and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

Deposits - The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town's pension funds do not have an investment policy; however, the Town has agreements with the investment advisors, who manage the investment portfolios at the direction of the Town's Pension Board and have full authority for the investment and reinvestment of pension fund assets. The current investment strategy is detailed in the pension footnotes.

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

2. Receivables and Payables

a. Interfunds

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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 10 to 50% of outstanding receivable balances, and are calculated based upon prior collections.

Property taxes are levied on assessed property as of October 1. Taxes are billed the following July and are due in two installments, July 1 and January 1, with the exception of motor vehicle taxes which are billed and due on July 1. Taxes become delinquent 30 days after the installment is due. Liens are effective on the assessment date and are continued by filing prior to the end of the fiscal year following the due date.

In the fund financial statements (General Fund), property taxes are recognized when they become available. Taxes collected during the 60 day period have been recorded as revenue. All property taxes receivable, which have not been collected within 60 days of June 30, have been recorded as a deferred inflow of resources, since they are not considered to be available to finance expenditures of the current fiscal year.

Sewer assessments levied by the Town are billed in installments annually on March 1. An installment lien is filed and is effective until the assessment is paid. Sewer assessment installments become delinquent 30 days after the installment is due at which time a delinquent lien is effective. Delinquent liens are continued by filing annually.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

4. Capital Assets

Capital assets, which include property, plant, equipment 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 government as assets with an initial individual cost of more than $300 for the Town and $1,000 for the Board of Education and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the 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 not included as part of the capitalized value of the assets constructed.

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

Assets	Years
Land improvements	15-20
Buildings	45
Building improvements	10-30
Machinery and equipment	5-25
Computer software	5-10
Computer equipment	5-10
Vehicles	4-25
Infrastructure	15-50

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 reports deferred outflows of resources related to pensions for differences in expected and actual experience, the return on investments and changes in assumptions. The deferred outflow for differences in expected and actual experience and investments will be amortized over 5 years and the changes in assumptions will be amortized over the average remaining service life of all plan members.

In addition to liabilities, the statement of net 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 reports advanced property tax collections, deferred charge on refunding and the difference between expected and actual experience and the return on investments related to pensions in this category 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. The difference between the expected and actual experience will be amortized over the average remaining service life of all plan members and the return on investments will be amortized over 5 years.

For the governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes, advance property tax collections, grants, loans, user charges, assessments and ambulances services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Compensated Absences

Certain employees are compensated by a prescribed formula for absence due to vacation or sickness. The eligibility for vacation pay vests, and unused sick leave may only be accumulated to be used for future absences, although unused sick leave may be paid upon termination, death or retirement. The liability at June 30, 2015 is calculated by multiplying the current accumulated vacation and sick days earned and payable by the employees' current daily rate of pay. The Town's share of social security and medicare payroll taxes (7.65%) has been estimated and added to the compensated absences accrual in accordance with the provisions of GASB Statement No. 16. The General Fund is the primary source of funding for compensated absences. Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year end.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund 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 any significant applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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.

9. Fund Equity and Net Position

In the **government-wide financial statements**, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted Net Position

This category presents the net position of the Town which is not restricted.

In the **fund financial statements**, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action of the Town Council. Commitments may be established, modified, or rescinded only through resolutions approved by Town Council.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by a resolution or other formal action of the Town Council and the issuance of an approved purchase order (encumbrances).

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. 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 of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

11. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Process - The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements. The operating budget includes proposed expenditures and the means of financing them.

No later than March 15, the Mayor must submit an appropriated budget to the Town Council for review. The Town Council must hold two or more public hearings, the last of which shall be the annual Town Meeting, not later than April 30. The Town Council shall approve a budget to be presented at the Annual Town Meeting. The budget becomes effective only after it has been approved by a majority vote of qualified voters present and voting at the annual Town Meeting. The vote may neither increase nor decrease the budget as approved by Town Council. Within five days after the adoption of the budget, the Council must set the mill rate for the coming fiscal year.

Budgetary Policies - The Town Council is authorized to transfer any unencumbered appropriation balance or portion thereof from one department to another; however, such transfers must occur subsequent to March 31. Transfers within account classifications of a single department are approved by the Town's Finance Officer. Individual additional appropriations of less than 1/10 of 1% of the total budgeted expenditures are approved by Town Council. The Vernon Board of Education is authorized, under State law, to make any transfers necessary within the education budget at their discretion. Authorization for additional appropriations exceeding 1/10 of 1% of total budgeted expenditures requires a public hearing followed by Town Council approval in a special Town meeting. Revised budget amounts are reported as amended by the Town Council during the course of the year. Additional appropriations of $1,321,517 were authorized during the fiscal year along with re-appropriations of $1,063,831. The legal level of control, the level at which expenditures may not legally exceed appropriations, is at the department level.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Donor-Restricted Endowments

The Town has received certain endowments for perpetual care of the cemetery and memorial maintenance. The amounts are reflected in net position as restricted for endowments. Investment income, including appreciation of $82,826 for the Cemetery Fund and $-0- for the Memorial Fund, is approved for expenditure by the individual Boards of the benefiting activities.

C. Capital Projects Authorizations

The following is a summary of certain construction project funds at June 30, 2015:

Project	Project Authorization	Expended To Date	Remaining Authorization
General Government			
ADA Building and Grounds Improvements	$ 70,084	$	$ 70,084
Town Hall Renovations	1,303,000	108,504	1,194,496
Public Safety			
Animal Control Shelter Renovations	123,100	104,633	18,467
Fox Hill Tower Communication Center Renovations	225,000	3,400	221,600
Firehouse Building Renovations	41,018	33,119	7,899
Maintenance and Development			
Road Reconstuction	42,170,110	23,701,262	18,468,848
Storm Drainage	204,000		204,000
Bridges	8,968,512	3,941,844	5,026,668
Sidewalk Reconstruction	285,000	189,533	95,467
Waste Water Treatment Improvements	1,250,000		1,250,000
Sewer System Improvements	1,148,257	1,055,536	92,721
Parks and Recreation			
Valley Falls Park Dam Reconstruction	12,000		12,000
ADA Building and Grounds Improvements*	42,900	42,032	868
Henry Park Pavilion Improvements*	11,163	11,163	-
Henry Park Softball Field Improvements*	50,000	46,481	3,519
Fox Hill Tower Renovations	16,000	9,058	6,942
Camp Newhoca Roof Replacements	18,500	8,801	9,699
Eckert's property disc golf course	20,000	18,331	1,669
Valley Falls Barn Improvements	25,000		25,000
Fitness Trail	20,000		20,000

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Capital Projects Authorizations (Continued)

Project	Project Authorization	Expended To Date	Remaining Authorization
Education			
RHS Boiler Repairs	$ 90,000	$ 39,230	$ 50,770
Central Offices Natural Gas Line	50,000	2,951	47,049
School Security Enhancements	651,694	463,213	188,481
Safe Routes to Schools	541,470		541,470
Lake Street Playscape - ADA	40,000	39,625	375
VCMS Parking Lot Paving	332,000		332,000
School Roof Replacements	1,170,000		1,170,000
RHS Additions & Renovations	34,657,000	30,735,782	3,921,218
VCMS Renovations	11,519,000	10,783,543	735,457
Elementary School Additions & Renovations:			
Center Road School	4,420,600	4,281,052	139,548
Lake Street School	5,828,800	4,958,686	870,114
Maple Street School	3,743,200	2,643,496	1,099,704
Northeast School	3,556,000	2,933,929	622,071
Skinner Road School	4,597,400	4,012,396	585,004
Total	$ 127,200,808	$ 90,167,600	$ 37,033,208

* Project completed during the fiscal year.

D. Deficit Equity Balances

The following funds had a deficit equity balance at June 30, 2015:

Major Funds:	
Road Improvements Bond	$ 6,828,632
Non-major Funds:	
Special Revenue Funds:	
Cafeteria Fund	$ 30,332
Public Safety Complex Grant-in-Aid Fund	$ 860,500
Capital Projects Funds:	
West Main Street Bridge Reconstruction	$ 2,353
Internal Service Fund:	
Workers' Compensation	$ 1,127,786

The deficit in the Road Improvements Bond will be funded by future issuance of general obligation bonded debt. The deficit in the Cafeteria Fund will be funded by future increases in food sale prices, other revenue and reducing operating costs. The deficit in the Public Safety Complex Grant-in-Aid Fund will be eliminated through future charges for services. The deficit in the West Main Street Bridge Reconstruction Fund will be funded with available current resources from other funds. The deficit in the Workers' Compensation Fund will be eliminated by future charges to other funds.

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, $25,241,147 of the Town's bank balance of $25,887,205 (including certificates of deposit and money market accounts) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 22,667,032
Uninsured and collateral held by the pledging bank's Trust department, not in the Town's name	2,574,115
Total amount subject to custodial credit risk	$ 25,241,147

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

At June 30, 2015, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS) N/A	LESS THAN 1	1-5 YEARS	5-10 YEAR	OVER 10
Mutual Funds:						
Common Stock	$ 22,972,771	$ 22,972,771	$	$	$	$
International Common Stock/ Exchange Traded Funds ("ETF")	7,326,567	7,326,567				
Corporate Bond/ETF	13,862,297			3,547,831	10,282,022	32,444
Commodities/ETF	49,535	49,535				
Real Estate/ETF	64,444	64,444				
Hedge Funds	6,382	6,382				
Money Market	116,010		116,010			
Certificates of Deposit	140,047		136,306	3,741		
Pooled Fixed Income	10,480,203		10,480,203			
Common Stock	1,088,357	1,088,357				
International Common Stock	117,728	117,728				
Corporate Bonds	274,831			63,696	211,135	
International Bonds	36,632			12,008	24,624	
Government Agency Bonds	170,045			170,045		
Guaranteed Investment Account	14,715,900			14,715,900		
TOTAL	$ 71,421,749	$ 31,625,784	$ 10,732,519	$ 18,513,221	$ 10,517,781	$ 32,444

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 limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

III. DETAILED NOTES (CONTINUED)

The Town's investments had average ratings as follows by Standard & Poor's.

Average Rating	Pooled Fixed Income	Mutual Funds: Money Market	Mutual Funds: Corporate Bond/ETF	Corporate Bonds	International Bonds	Guaranteed Investment Account
AAA	$ 10,480,203	$	$ 5,520,926	$ 29,546	$	$
AA			516,676	24,712		14,715,900
A			1,204,662	169,741	36,632	
B			1,180,691			
BB			1,173,612			
BBB			1,277,507	50,832		
CCC			483,552			
Unrated		116,010	2,504,671			
TOTAL	$ 10,480,203	$ 116,010	$13,862,297	$ 274,831	$ 36,632	$ 14,715,900

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to $500,000, including $250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
Common Stock	$ 1,088,357	$ 500,000	$ 588,357
International Common Stock	117,728		117,728
Corporate Bonds	274,831		274,831
International Bonds	36,632		36,632
Government Agency Bonds	170,045		170,045
TOTAL	$ 1,687,593	$ 500,000	$ 1,187,593

III. DETAILED NOTES (CONTINUED)

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2015, including the applicable allowances for uncollectible accounts, are presented below.

	PROPERTY TAXES		
	TAXES	INTEREST AND LIEN FEES	TOTAL
Current portion	$ 729,150	$ 112,213	$ 841,363
Long-term portion	$1,006,921	$ 608,684	$ 1,615,605
Less allowance for uncollectibles	(225,000)	(350,000)	(575,000)
Net long-term portion	$ 781,921	$ 258,684	$ 1,040,605

	SEWER USER	AMBULANCE MEDICAL SERVICES
Receivable amount	$1,555,434	$1,544,538
Less allowance for uncollectibles	(148,489)	(772,269)
Net receivable	$1,406,945	$ 772,269

There was no allowance applied to the sewer assessment receivable and loans since the amounts are liened and the lien attaches to the property and not the owner.

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for Governmental Activities was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 8,324,925	$ 50,481	$	$ 8,375,406
Construction in progress	3,683,015	7,815,892	1,209,284	10,289,623
Total capital assets, not being depreciated	12,007,940	7,866,373	1,209,284	18,665,029
Capital assets, being depreciated:				
Land improvements	6,447,108	75,502		6,522,610
Buildings and improvements	111,173,751	473,050	5,506	111,641,295
Machinery and equipment	42,080,437	1,293,172	275,992	43,097,617
Intangibles - computer software	387,279			387,279
Infrastructure	75,733,763	823,572		76,557,335
Total capital assets, being depreciated	235,822,338	2,665,296	281,498	238,206,136
Total capital assets	247,830,278	10,531,669	1,490,782	256,871,165
Less accumulated depreciation for:				
Land improvements	4,221,028	199,174		4,420,202
Buildings and improvements	30,087,047	2,219,643	5,506	32,301,184
Machinery and equipment	32,607,863	1,501,200	230,539	33,878,524
Intangibles - computer software	384,138	3,141		387,279
Infrastructure	27,831,386	1,734,061		29,565,447
Total accumulated depreciation and amortization	95,131,462	5,657,219	236,045	100,552,636
Total capital assets, being depreciated, net	140,690,876	(2,991,923)	45,453	137,653,500
Governmental activities capital assets, net	$ 152,698,816	$ 4,874,450	$ 1,254,737	$ 156,318,529

III. DETAILED NOTES (CONTINUED)

Capital asset activity for Business-Type Activities was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 1,267,840	$	$	$ 1,267,840
Capital assets, being depreciated:				
Buildings and system	6,386,373	1,073		6,387,446
Improvements other than building	216,051			216,051
Machinery and equipment	8,661,707	119,450		8,781,157
Intangibles - computer software	49,000	36,800		85,800
Infrastructure	11,335,206	7,260		11,342,466
Total capital assets, being depreciated	26,648,337	164,583	-	26,812,920
Total capital assets	27,916,177	164,583	-	28,080,760
Less accumulated depreciation:				
Buildings and system	4,847,499	137,775		4,985,274
Improvements other than building	183,240	4,878		188,118
Machinery and equipment	6,868,870	221,407		7,090,277
Intangibles - computer software	31,500	10,680		42,180
Infrastructure	5,265,770	214,522		5,480,292
Total accumulated depreciation and amortization	17,196,879	589,262	-	17,786,141
Total capital assets, being depreciated, net	9,451,458	(424,679)	-	9,026,779
Business-type activities capital assets, net	$ 10,719,298	$ (424,679)	$ -	$ 10,294,619

III. DETAILED NOTES (CONTINUED)

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

Governmental activities:	
General government	$ 148,508
Community development	441
Public safety	590,124
Maintenance and development	2,600,626
Human services	735
Parks and recreation	252,695
Education	2,064,090
Total Depreciation Expense - Governmental Activities	$ 5,657,219
Business-type activities:	
Sewer use	$ 545,150
Rental of building	44,112
Total Depreciation Expense - Business-type Activities	$ 589,262

Construction Commitments

At June 30, 2015, the Town had $352,189 of construction commitments.

D. Interfund Receivables, Payables and Transfers

Interfund transfers:

	Transfers In		
	General Fund	Nonmajor Governmental	Total Out
Transfers Out:			
General Fund	$	$2,183,065	$2,183,065
Nonmajor Governmental	167,162		167,162
Total Transfers In	$ 167,162	$2,183,065	$2,350,227

Interfund transfers primarily are the result of moving General Fund or other fund revenues to finance programs or projects that may or must be accounted for in a separate fund.

III. DETAILED NOTES (CONTINUED)

At June 30, 2015, the amounts due to and from other funds were as follows:

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund	$ 8,326,930	$ 501,580
Major Funds:		
Road Improvements Bond		4,808,915
Nonmajor Funds:		
Debt Service Fund		146
Special Revenue Funds:		
Cafeteria	371	98,190
Town Clerk Special	31	219
Insurance Exchange		5,008
Town Aid Road		3
Dog License Fund	1,984	513
Ambulance Medical Services		103,723
Public Safety Complex Grant-In-Aid		860,500
Vernon Cemetery Commission		4,299
Sewer Assessment		86
Sewer Connections		256
Adult Basic Education Tuition	2,083	
Special Education Grants	107,140	121,965
Special Education Excess Grant Reserve	206,159	
CDBG Small Cities		818
Parks and Recreation Programs		98,620
Miscellaneous Grants		11,407
Miscellaneous Special Revenue		5,607
Capital Projects Funds:		
School Bond Improvements		
Town Capital and Nonrecurring	13,531	
Education Capital and Nonrecurring	108,097	85,300
West Main Street Bridge Reconstruction		972,714
Phoenix Street Bridge Renovations		51,365
Total Nonmajor Funds	439,396	2,420,739
Fiduciary Funds:		
Other Post-Employment Trust	75,000	91,517
Student Activity	1,216	
Miscellaneous Activity	66	1,002
Total Fiduciary Funds	76,282	92,519

III. DETAILED NOTES (CONTINUED)

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
Enterprise Funds:		
Sewer User Fund	$ 7,647	$ 55,937
Center 375	27	311
Total Enterprise Funds	7,674	56,248
Internal Service Funds:		
Workers' Compensation Fund	405,000	500,000
Medical Self-Insurance	46,652	409,931
Data Processing Fund		512,002
Total Internal Service Funds	451,652	1,421,933
Total	$ 9,301,934	$ 9,301,934

Interfund balances are the result of interfund transfers, reimbursements or loans outstanding at June 30, 2015.

E. Interfund Advances

The following interfund advances exist at June 30, 2015:

	ADVANCE TO OTHER FUNDS	ADVANCE FROM OTHER FUNDS
General Fund	$ 129,500	
Nonmajor Funds:		
Capital Projects Funds:		
Education Capital and Nonrecurring		$ 129,500

The interfund advance is a result of funds loaned to be reimbursed to the General Fund over a period of more than one fiscal year.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations

1. Summary of Changes

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014 (As Restated)	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities:					
Bonds:					
General purpose	$ 12,410,000	$	$ 921,500	$ 11,488,500	$ 915,500
Schools	23,693,000		1,608,500	22,084,500	1,604,500
Sewers	687,000		55,000	632,000	55,000
Total bonds	36,790,000	-	2,585,000	34,205,000	2,575,000
Notes:					
State of Connecticut Clean Water Fund	4,049,643		1,595,621	2,454,022	1,627,828
Total bonds and notes	40,839,643	-	4,180,621	36,659,022	4,202,828
Lease purchases:					
Fire Truck:					
Asphalt Box Reclaimer	8,095		8,095	-	
Fire Trucks	1,190,937		140,332	1,050,605	142,690
Asphalt Box Reclaimer	380,809		73,941	306,868	75,035
Total lease purchases	1,579,841	-	222,368	1,357,473	217,725
Compensated absences:					
Town	2,796,796	325,466	325,167	2,797,095	658,334
Board of Education	1,021,999	77,793	71,965	1,027,827	331,679
Internal Service Fund	27,864	21,137	5,474	43,527	31,810
Total compensated absences	3,846,659	424,396	402,606	3,868,449	1,021,823

III. DETAILED NOTES (CONTINUED)

	Balance July 1, 2014 (As Restated)	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Retirement obligations:					
Net pension liability	$ 41,122,594	$ 9,384,927	$ 6,610,853	$ 43,896,668	$ -
Town:					
Net OPEB obligation*	1,028,636	383,737	283,076	1,129,297	-
Board of Education:					
Net OPEB obligation	1,196,082	530,656	517,837	1,208,901	
Estimated retirement pay	1,950,096	436,790	517,228	1,869,658	250,000
Early retirement pay	704,885	73,680	302,760	475,805	195,849
Healthcare termination	13,507		3,833	9,674	3,172
Total Board of Education retirement obligations	3,864,570	1,041,126	1,341,658	3,564,038	449,021
Total retirement obligations	46,015,800	10,809,790	8,235,587	48,590,003	449,021
Risk management:					
Claims payable	935,656	1,409,367	956,067	1,388,956	361,037
Heart and Hypertension		385,497	37,959	347,538	6,500
Total Risk Management	935,656	1,794,864	994,026	1,736,494	367,537
Total Governmental Activities Long-Term Liabilities	$ 93,217,599	$ 13,029,050	$ 14,035,208	$ 92,211,441	$ 6,258,934

* $60,398 of the net OPEB obligation is recorded in the Sewer User Fund at 7/1/14 and $42,394 at 6/30/15.

Business-Type Activities:					
Compensated absences	$ 476,029	$ 73,732	$ 206,814	$ 342,947	$ 85,021
Net pension liability	3,022,196	592,734	904,802	2,710,128	-
Net OPEB Liability	60,398	2,996	21,000	42,394	-
Total Busines-Type Activities Long-term Liabilities	$ 3,558,623	$ 669,462	$ 1,132,616	$ 3,095,469	$ 85,021

All governmental activities long-term obligations are generally liquidated by the general fund or debt service fund.

III. DETAILED NOTES (CONTINUED)

Debt Type	Issue Date	Maturity Date	Interest Rate	Amount of Original Issue	Amount Outstanding June 30, 2015
Bonded Debt					
General Purpose Bonds:					
Public Improvements (defeased)	02/01/09	02/01/24	2.50 - 4.50%	$ 720,000	$ 52,000
Public Improvements	04/12/11	04/01/25	2.00 - 3.75%	2,155,000	1,615,500
Public Improvements (refunding)	04/11/12	08/01/27	2.00 - 4.50%	11,724,000	9,821,000
Total General Purpose Bonds					11,488,500
School Bonds:					
School Renovations (defeased)	02/14/08	02/01/28	3.50 - 5.50%	10,155,000	623,000
School Renovations	04/12/11	04/01/25	2.00 - 3.75%	1,600,000	1,189,500
School Renovations (refunding)	04/11/12	08/01/27	2.00 - 4.50%	22,168,000	20,272,000
Total School Bonds					22,084,500
Sewer Bonds:					
Sewer System Improvements (refunding)	04/11/12	08/01/27	2.00 - 4.50%	793,000	632,000
Total Sewer Bonds					632,000
Total Bonded Debt					$34,205,000
Notes Payable					
State of Connecticut:					
Clean Water Fund 200-C	12/31/97	12/31/16	2.0%	27,635,550	$ 2,454,022
Lease Purchases					
Fire Trucks	8/22/2012	1/10/2022	1.68%	1,479,761	1,050,605
Asphalt Box Reclaimer	8/22/2012	1/10/2019	1.48%	530,239	306,868
Total Lease Purchases					$ 1,357,473

III. DETAILED NOTES (CONTINUED)

The following is a summary of general long-term debt principal maturities:

Fiscal Year Ending June 30	Principal: General Purpose	School	Sewer	Total	Notes Payable	Lease Purchase	Total All Debt
2016	$ 915,500	$ 1,604,500	$ 55,000	$ 2,575,000	$ 1,627,828	$ 217,725	$ 4,420,553
2017	939,000	1,747,000	54,000	2,740,000	826,194	221,232	3,787,426
2018	943,000	1,883,000	54,000	2,880,000		224,797	3,104,797
2019	963,000	2,024,000	53,000	3,040,000		228,419	3,268,419
2020	958,000	2,019,000	53,000	3,030,000		152,523	3,182,523
2021	959,000	2,028,000	53,000	3,040,000		155,086	3,195,086
2022	958,000	2,035,000	52,000	3,045,000		157,691	3,202,691
2023	982,000	2,111,000	52,000	3,145,000			3,145,000
2024	981,000	2,107,000	52,000	3,140,000			3,140,000
2025	916,000	1,227,000	52,000	2,195,000			2,195,000
2026	912,000	1,222,000	51,000	2,185,000			2,185,000
2027	759,000	1,105,000	51,000	1,915,000			1,915,000
2028	303,000	972,000		1,275,000			1,275,000
Total	$ 11,488,500	$ 22,084,500	$ 632,000	$ 34,205,000	$ 2,454,022	$1,357,473	$ 38,016,495

The following is a summary of general long-term debt interest maturities:

Fiscal Year Ending June 30	Interest: General Purpose	School	Sewer	Total	Notes Payable	Lease Purchase	Total All Debt
2016	$ 394,030	$ 772,536	$ 21,915	$ 1,188,481	$ 34,213	$ 22,192	$ 1,244,886
2017	366,806	716,833	20,280	1,103,919	4,826	18,684	1,127,429
2018	339,679	663,192	18,660	1,021,531		15,120	1,036,651
2019	313,496	609,648	17,188	940,332		11,498	951,830
2020	280,639	539,460	15,332	835,431		7,817	843,248
2021	241,741	454,823	13,080	709,644		5,254	714,898
2022	203,490	371,964	10,915	586,369		2,649	589,018
2023	164,411	287,175	8,770	460,356			460,356
2024	125,886	203,355	6,690	335,931			335,931
2025	88,681	137,215	4,610	230,506			230,506
2026	52,673	88,640	2,550	143,863			143,863
2027	20,475	45,735	765	66,975			66,975
2028	4,545	14,580		19,125			19,125
Total	$ 2,596,552	$ 4,905,156	$ 140,755	$ 7,642,463	$ 39,039	$ 83,214	$ 7,764,716

III. DETAILED NOTES (CONTINUED)

2. Termination Benefits

A termination benefit is an incentive for the early termination of services and includes cash payments or healthcare provided by the Town that would otherwise not be provided. Expenditures are recognized in governmental funds when due and payable and recognized as an expense in government-wide financial statements when the employee accepts the early retirement offer.

School Administrators

As part of the early retirement incentive plan for school administrators, the Town offers to pay a percentage of the early retiree's health insurance premium and a cash payout. Such benefit provisions, included in the school administrators' bargaining agreement with the Vernon Board of Education, require Town Council approval.

Currently, there are 2 former school administrators receiving this benefit. The cost to the Town, net of participant contributions, for the 2014/15 fiscal year is $3,833. A liability of $9,674, presented in government-wide financial statements, for this benefit is calculated based upon the discounted present value of future unadjusted premiums and includes a healthcare cost trend of 10.27% and an investment yield of .15%.

In addition to healthcare termination benefits, cash payments are available to school administrator early retirees. Also, there are 6 former school administrators receiving this benefit. The cost to the Town for the 2014/15 fiscal year is $77,760. An early retirement liability of $106,902, presented in government-wide financial statements, for this benefit is calculated based upon the discounted present value of expected future benefits and an .15% yield of investments that are expected to be used to finance such benefit payments.

School Teachers

The Town also offers an early retirement incentive plan for certified teachers in the form of cash payments. Benefit provisions, included in the school teachers' bargaining agreement with the Vernon Board of Education, require Town Council approval.

There are 46 former teachers receiving this benefit. The cost to the Town for the 2014/15 fiscal year is $225,000. An early retirement liability of $368,903, presented in government-wide financial statements, for this benefit is calculated based upon the discounted present value of expected future benefits and an .01% yield of investments that are expected to be used to finance such benefit payments.

3. Capital Leases

Capital leases outstanding at June 30, 2015 were for three fire trucks, a recycling truck, an excavator and a parks tractor. The present value of future minimum lease payments amounts to $1,357,473 at June 30, 2015.

The amount of assets capitalized under Capital Leases totaled $1,972,354 at June 30, 2015 and accumulated depreciation totaled $605,615. The amount included in depreciation expense for these assets was $230,913.

III. DETAILED NOTES (CONTINUED)

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease and the present value of the future minimum lease payments at June 30, 2015.

YEAR ENDING JUNE 30,	
2016	$ 239,917
2017	239,917
2018	239,917
2019	239,917
Thereafter	481,020
Less amount representing interest	(83,215)
Present value of minimum lease payments	$ 1,357,473

4. Heart and Hypertension Claims

Heart and Hypertension outstanding claims, including an estimated $135,485 of Incurred, But Not Reported claims, total $347,538 at fiscal year end. There are three heart and hypertension claims outstanding at June 30, 2015. Medical claims of $37,959 of claim payments were made during the fiscal year.

5. Statutory Debt Limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

CATEGORY	DEBT LIMIT	NET INDEBTEDNESS	BALANCE
General purpose	$ 144,595,523	$ 41,102,500	$ 103,493,023
Schools	289,191,047	60,096,500	229,094,547
Sewers	240,992,539	3,248,022	237,744,517
Urban renewal	208,860,200	-	208,860,200
Pension deficit	192,794,031	-	192,794,031

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $449,852,739.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued.

III. DETAILED NOTES (CONTINUED)

6. Authorized/Unissued Bonds

At a referendum held on November 4, 2004, Public Bond Improvements of $21,609,000 were authorized to fund $19,103,000 of roads, sidewalk and bridge reconstruction projects, $1,295,000 of waste treatment plant improvements and $1,211,000 of sewer system improvements. Of the $21,609,000 authorization, $18,175,000 of bonds have been issued. The remaining unissued Public Bond Improvements authorization is, therefore, $3,434,000 as of June 30, 2015. This authorization will not be utilized as the improvement projects have either been completed or will not be completed, as in the case of the $1,295,000 waste water treatment plant improvements authorization.

At a referendum held on March 29, 2005, School Bond Improvements of $68,322,000 were authorized to fund $34,657,000 of additions and renovations to Rockville High School, $11,519,000 of renovations to Vernon Center Middle School and $22,146,000 of additions and renovations to the Town's five elementary schools. Of the $68,322,000 authorization, $30,310,000 of bonds has been issued. The remaining unissued School Bond Improvements authorization is, therefore, $38,012,000 as of June 30, 2015. This authorization is not expected to be utilized as these projects have been completed with other funding sources.

On January 28, 2014, a referendum was held that appropriated $27,637,000 for Road Reconstruction and Improvements. As of June 30, 2015, bonds have yet to be issued against this appropriation.

7. Prior Year Advanced Refunding

In prior years, the Town defeased General Obligation Bonds by creating separate irrevocable trusts. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trusts. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, is no longer counted in computing the Town's debt for statutory debt limit purposes. As of June 30, 2015, the amount of defeased debt outstanding amounted to $24,800,000 (net of $7,500,000 called debt).

G. Restricted Net Position

The amount of restricted net position, which were restricted by enabling legislation, totaled $10,464 at June 30, 2015.

III. DETAILED NOTES (CONTINUED)

H. Fund Balance Classifications

Fund balance components were for the following purposes:

Fund Balance Component	General Fund	Road Improvements Bond	Nonmajor Funds	Total
Nonspendable:				
Permanent fund principal				
Cemetery	$	$	$ 1,718,860	$ 1,718,860
Cafeteria inventory			30,661	30,661
Advance to other funds	129,500			129,500
Total nonspendable	129,500	-	1,749,521	1,879,021
Restricted:				
Donor purpose restrictions			599,304	599,304
Grant programs			409,920	409,920
Sewer assessment			10,464	10,464
Cemeteries			129,428	129,428
Housing and community development			112,257	112,257
Education grants			324,394	324,394
Adult Education			72,671	72,671
Total restricted	-	-	1,658,438	1,658,438
Committed:				
Sewer repairs and maintenance			1,765,421	1,765,421
Insurance and medical			476,873	476,873
Community development			222,654	222,654
Police			28,750	28,750
Ambulance			103,165	103,165
Animal control			48,389	48,389
Human services			16,602	16,602
Maintenance for water runoff			46,790	46,790
Parks and recreation programs			232,770	232,770
Sidewalk development			2,701	2,701
Approved capital outlay projects			3,528,168	3,528,168
Total committed	-	-	6,472,283	6,472,283

III. DETAILED NOTES (CONTINUED)

Fund Balance Component	General Fund	Road Improvements Bond	Nonmajor Funds	Total
Assigned:				
General government				
Administration and finance	$ 233,523	$	$	$ 233,523
Data Processing	123,576			123,576
Pension	137,259			137,259
Insurances	79,839			79,839
Community development				
Planning	14,503			14,503
Public safety				
Police	93,864			93,864
Fire	75,498			75,498
Ambulance	56,517			56,517
Maintenance and development				
Buildings, streets and grounds	158,362			158,362
Refuse and recycling	63,351			63,351
Human services				
Social services	589			589
Youth services	56			56
Senior services	6,800			6,800
Parks and recreation				
Parks and supervision maintenance	17,693			17,693
Public celebration	12,315			12,315
Education	573,003			
Compensated absences	322,000			322,000
Debt payments	20,500		180,000	200,500
Miscellaneous	14,094			14,094
Total assigned	2,003,342	-	180,000	2,183,342
Unassigned	12,151,945	(6,828,632)	(923,846)	4,399,467
Total	$ 14,284,787	$ (6,828,632)	$ 9,136,396	$ 16,592,551

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain the risks for workers' compensation through a Workers' Compensation Fund. The fund, classified as an Internal Service Fund, is supported by contributions from the General and Sewer User Funds. Contribution amounts are based on historical experience of claims incurred and paid. Although the risk is retained by the Town, commercial insurance is purchased for individual claims in excess of $450,000 for police and fire employees and $425,000 for all other employees with no aggregate maximum per year. The claim accrual does not include other allocated or unallocated claims adjustment expenses. Settled claims have not exceeded commercial insurance coverage for each of the last three fiscal years. There has been no reduction in insurance coverage from the prior year.

CIRMA administers the claims processing for the Town, for which the Town pays a fee. Claims incurred are estimated by CIRMA by fiscal (contract) year. Claims outstanding at June 30 are based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

Workers' compensation claims transactions for the past two fiscal years are summarized below:

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Claims payable, July 1	$ 893,391	$ 1,089,952
Incurred claims, current year	657,674	370,002
Claims adjustments, prior years	297,184	(2,083)
Claims incurred for the fiscal year	954,858	367,919
Claims paid, current and prior years	472,604	564,480
Claims payable, June 30	$ 1,375,645	$ 893,391

Based on historical payment data, approximately 25.3% of claims payable at June 30, 2015, will be paid during the following fiscal year. Thus, $347,726 of claims payable at June 30, 2015, is considered as a current liability and the remaining $1,027,919 is considered as a long-term liability. Claims payable at June 30, 2015, includes $86,548 of estimated incremental claims adjustment expenses, net of estimated subrogation recoveries.

IV. OTHER INFORMATION (CONTINUED)

The Town is also self-insured for the cost of medical prescriptions for its employees and retirees. The Town Council authorized the establishment of the Medical Self-Insurance Fund, an Internal Service Fund, which became effective January 1, 2006. Effective July 1, 2007, the Town became self-insured for the cost of dental for its general government employees and retirees. The fund is supported by contributions from all covered participants with the remaining support provided by the General Fund, Cafeteria, Special Education Grants and Vernon Cemetery Funds (Special Revenue Funds), the Sewer User Fund (Enterprise Fund) and the Data Processing Fund (Internal Service Fund). Contribution amounts are based upon historical experience of claims incurred and paid.

A third party administers the prescription claims processing and the dental claims processing for the Town for which the Town pays a fee. Claims incurred and paid data are provided to the Town, which reimburses Maxor, MedCo and Anthem for the costs of the claims and administrative expenses. As of June 30, 2015, claims payable represents the cost of claims incurred and paid by Maxor, MedCo and Anthem that require reimbursement from the Town.

Medical self-insurance claims transactions for the past two fiscal years are as follows:

	Fiscal Year Ended June 30,	
	2015	2014
Claims payable, July 1	$ 42,265	$ 36,417
Incurred claims, current year	454,509	1,027,437
Claims paid, current and prior years	483,463	1,021,589
Claims payable, June 30	$ 13,311	$ 42,265

The entire portion of claims payable is considered payable in the ensuing fiscal year.

IV. OTHER INFORMATION (CONTINUED)

B. Commitments and Contingencies

Pending Suits and Claims

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, legal counsel believes would likely result in a judgment that would materially affect the Town's financial position.

State and Federal Grants

The Town receives 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. The Town's management believes such disallowances, if any, would not be material.

Waste Treatment Plant Debt

The Town permanently financed the upgrade and expansion of the Vernon Waste Treatment Plant on December 31, 1997 with a $27,635,550 State of Connecticut Clean Water Fund (CWF) loan, payable monthly through December 31, 2016. Of the $2,454,022 due on the CWF loan as of June 30, 2015, the Towns of Ellington, Manchester, South Windsor and Tolland are obligated to provide payments totaling $528,225 to the Town of Vernon in installments through December 31, 2016. The Town of Vernon is responsible for debt service payments on the loan.

Bolton Lakes Wastewater Disposal

The Town of Vernon and the neighboring Town of Bolton entered into a consent order with the Connecticut Department of Environmental Protection (CTDEP) on October 14, 1999, requiring the towns to take the necessary steps to address wastewater disposal alternatives for the Bolton Lakes' area. Two State-funded engineering studies have confirmed that specific areas around the middle and lower Bolton Lakes no longer meet the requirements of current health codes for septic systems and recommend the installation of a low-pressure sewer system with wastewater being pumped to the adjacent Town of Manchester Wastewater Treatment Facility.

The Bolton Lakes Regional Water Pollution Control Authority (BLRWPCA) was created by ordinances adopted in both towns. In Vernon, Ordinance #242 was adopted in April of 2003. The formation of the regional authority gives the BLRWPCA the power and authority, granted by State Statutes, to construct a sewerage system, charge user fees, levy assessments, bill for hook-up fees and to operate and manage the sewer system.

The final project costs are projected at $21,694,000, with Vernon's 29% share, or $6,291,000, reduced to $2,702,000 by Federal and State grant funding and further reduced by special benefit assessments to $1,289,500. Project work was substantially completed in Vernon in March of 2015 and finalized in the summer of 2015.

IV. OTHER INFORMATION (CONTINUED)

C. Employee Retirement Systems and Pension Plans

Defined Benefit Plans

1. Plan Descriptions

a. Plan Type, Participating Employer and Employees Covered

The Town administers three single employer contributory defined benefit plans, the Town of Vernon Pension Plan (Town), the Town of Vernon Police Pension Plan (Police) and the Vernon Length of Service Award Program (LOSAP). These plans substantially cover all full-time employees, except certified employees of the Board of Education who are covered by the State Teachers' Retirement System, and members of the Town's Volunteer Fire Department (VFD) based upon certain criterion. Although members of the VFD are not Town employees, the Town has recognized the VFD's commitment to protecting the lives and property of Vernon's residents with the establishment of a retirement plan known as the Town of Vernon Length of Service Award Program (LOSAP). The LOSAP provides a financial reward as an incentive for recruiting and retaining fire department volunteers. Plan benefits are established by the Town and may be amended only by the Town Council. The plans are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as a pension trust fund. The plans do not issue stand-alone financial statements. The Town may terminate the LOSAP at any time.

Management of each plan is vested in the Board of Trustees (Pension Board), which consists of 4 individuals appointed by the Mayor, including a staff liaison.

b. Participant Membership

Participant membership at January 1, 2015 was as follows:

	Police	Town	LOSAP
Retirees, disabled and beneficiaries currently receiving benefits	51	188	13
Terminated employees entitled to benefits, but not yet receiving them	1	201	37
Active employees: Vested, partially vested and nonvested	50	350	132
Total participant membership	102	739	182

IV. OTHER INFORMATION (CONTINUED)

c. Benefit Provisions

Plan benefits are established by the Town and may be amended only by the Town Council.

i. Normal Retirement Date and Benefits

Police Employees

The plan provides retirement and death benefits. Police officers receive 2.5% of their monthly average earning times credited service up to a maximum of 28 years capped at 70%.

The normal retirement date for police officers hired before July 1, 2012 is attained at the completion of 20 years of service. The normal retirement date for police officers hired after July 1, 2012 is 25 years of service and age 50.

Town Employees

The normal retirement date for members of the Public Works (P.W.) and Parks and Water Pollution Control unions is attained at age 55 and 5 years of service or after 25 years of service. The normal retirement date for P.W. Supervisors is Rule 85 with a minimum retirement age of 58. The normal retirement date for members of the Police Civilian Support union is attained at age 55 and 10 years of service. The normal retirement date for non-bargaining Town Hall employees, Education Librarian and Education Secretarial and Maintenance employees is age 62 and 10 years of service or age 60 and 32 years of service. Professionals, Waste Treatment Plant (WTP) Supervisors, P.W. Clerical, Education Supervisors and Education School Nurse union employees attain normal retirement age at age 62 and 10 years of service. The normal retirement date for all other participants is attained at age 65 and 10 years of service.

Non-bargaining Town employees receive 2.2% of their monthly average earnings times credited service with a maximum of 32 years capped at 70%. Professional, P.W. Supervisors and Water Pollution Control Supervisors receive 2.2% of their monthly average earnings times credited service with a maximum of 35 years capped at 70%. Police civilian employees receive 2% of their monthly average earnings times credited service, with a maximum of 25 years capped at 50%. P.W. and Parks and Water Pollution Control receive 2.0% of their monthly average earnings times credited service with a maximum of 40 years capped at 70%. P.W clerical and Education School Nurses receive 2.0% of their monthly average earnings times credited service, with a maximum of 30 years. Education Supervisors, Education Library and Education Secretarial and Maintenance receive 2.0% of their monthly average earnings times credited service with a maximum of 35 years capped at 70%. Education Cafeteria and Education Paraprofessionals receive 1.5% of their monthly average earnings times credited service for a maximum of 20 years.

IV. OTHER INFORMATION (CONTINUED)

LOSAP

The normal retirement date for volunteer firefighters is attained at age 65 with 10 years of credited service. A year of credited service is achieved based upon a point system established by the Fire Chief. A volunteer shall not be credited with more than 30 years of service. The benefit at normal retirement is equal to $8 per month for each year of credited service to a maximum of $240 per month.

ii. Early Retirement

Participants of the Town and Police Pension Plans may, upon 10 years of service, elect early retirement on a date which shall be within 10 years of normal retirement age. For the P.W. and Parks and the Water Pollution Control Unions, this means a minimum age 55 or 25 years of credited service. The early retirement benefit is determined as for normal retirement, based on earnings and service to date of early retirement. Members of the Police Civilian Support union are ineligible for this benefit.

iii. Death Benefits

Death benefits are payable to beneficiaries as determined by death before retirement or death after retirement provisions. For Police and Town participants, upon the death of a non-vested participant, there shall be payable to the beneficiary, a death benefit equal to the participant's contributions plus interest. A preretirement spousal death benefit is payable to vested participants who have been married five full years prior to death. The preretirement spousal death benefit is determined as for early retirement, based on earnings and credited service to the date of participant death. For volunteer firefighter department members, a preretirement spousal death benefit is payable to a member's surviving spouse in case of Death in the Line of Duty and is equal to the benefit the member would have received if the member had reached his normal retirement date and had elected to receive a 50% Joint and Survivor Annuity.

iv. Disability Benefit

In the event of participant disability in the line of duty, volunteer fire department members may elect payment of an actuarial reduced retirement benefit commencing any time prior to the date of normal retirement.

IV. OTHER INFORMATION (CONTINUED)

2. Contributions

Contribution rates are established by the Town and may be amended only with Town Council approval.

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

Police

Effective July 1, 2012, Police officers hired before July 1, 2012 are required to contribute 7.5% of their W-2 earnings to the plan and police officers hired after July 1, 2012 are required to contribute 8.5% of such earnings. Such contributions are credited with interest at a rate of 5.5% per annum.

For the year ended June 30, 2015, the average active member contribution rate was 8.50% of annual base compensation, and the Town's average contribution rate was 33.30% of annual payroll.

Town

Non-bargaining Town Hall employees, P.W. Supervisors, School Librarians, School Supervisors, and Education Custodial, Secretarial and Maintenance and the Water Pollution Control nonunion members are required to contribute 7.0% of their earnings (pre-tax). The Professional, P.W. and Parks union, Public Works Clerical, and the Water Pollution Control Supervisors are required to contribute 7.5% of their earnings (pre-tax). Police Civilian Support union members are required to contribute 7.9% of their earnings (pre-tax). Members of the Education Nurses unions are required to contribute 6.5% of earnings (pre-tax). All other participants are required to contribute 4% of their earnings (post-tax). Such contributions are credited with interest at a rate of 6% per annum.

For the current fiscal year, the average active member contribution rate was 6.97% of annual base compensation, and the Town's average contribution rate was 14.30% of annual payroll.

LOSAP

Members of the volunteer fire department are not required to contribute to the plan.

IV. OTHER INFORMATION (CONTINUED)

3. Investments

a. Investment Policy

The Town and Police pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. The allocation for the LOSAP plan is developed by Town management and the investment advisor. It is the policy of the Town's Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following are the asset allocation policies as of December 31, 2014:

	Target Allocation		
Asset Class	Police	Town	LOSAP
Large Cap Equity	33.0%	29.0%	34.0%
Mid Cap Equity	4.0%	4.0%	4.0%
Small Cap Equity	6.0%	5.0%	5.0%
International Equity	12.0%	12.0%	25.0%
Fixed Income	25.0%	30.0%	30.0%
Stable Value	20.0%	20.0%	N/A
Real Estate/Commodities	N/A	N/A	5.0%

4. Concentrations

There were no investments in any one organization that represents 5% or more of the pension plans' net position.

5. Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

Police Plan	5.90%
Town Plan	7.00%
LOSAP Plan	2.48%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

IV. OTHER INFORMATION (CONTINUED)

6. Net Pension Liability

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

	Police	Town	LOSAP
Total pension liability	$ 38,524,318	$ 65,646,673	$ 1,333,889
Plan fiduciary net position	(19,600,137)	(37,964,058)	(1,508,812)
Net pension liability (asset)	$ 18,924,181	$ 27,682,615	$ (174,923)
Plan fiduciary net position as a percentage of the total pension liability	50.88%	57.83%	113.11%

7. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

	Police	Town	LOSAP
Actuarial cost method	Entry age	Entry age	Entry age
Asset valuation method (1)	Fair value	Fair value	Fair value
Post-retirement increases	None	None	None
Amortization method	Level % closed	Level % closed	Level Dollar closed
Inflation	1.50%	1.50%	N/A
Salary increase	2.50%	3.00%	N/A
Investment rate of return	7.25%	7.25%	6.50%
Mortality rates	RP-2000 Mortality table Projected to 2014	RP-2000 mortality table Projected to 2014	RP-2000 mortality table Projected to 2014

(1) For Police and Town, assets are valued at contract value with a market value adjustment factor for the guaranteed deposit account assets, and at market value for separate accounts, which is considered the best representation of fair value. The market value of the guaranteed deposit account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year.

IV. OTHER INFORMATION (CONTINUED)

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

	Police	Town	LOSAP
Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Large Cap Equity	8.25%	8.25%	8.50%
Mid Cap Equity	8.75%	8.75%	9.00%
Small Cap Equity	9.00%	9.00%	9.25%
International Equity	8.00%	8.00%	8.25%
Fixed Income	4.90%	4.90%	4.90%
Stable Value	4.50%	4.50%	N/A
Real Estate/Commodities	N/A	N/A	3.75%

8. Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the Police and Town plans and 6.50% for the LOSAP plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

IV. OTHER INFORMATION (CONTINUED)

9. Changes in the Net Pension Liability

The Town's net pension liability was measured at December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. The changes in net pension liability for each plan for the fiscal year were as follows:

	Increase (Decrease)		
Police Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at January 1, 2014	$ 36,609,816	$ 19,139,308	$ 17,470,508
Service cost	760,493	-	760,493
Interest	2,663,012	-	2,663,012
Differences between expected and actual experience	(288,635)	-	(288,635)
Changes in assumptions	1,214,064	-	1,214,064
Contributions - employer	-	1,515,199	(1,515,199)
Contributions - member	-	358,642	(358,642)
Net investment income	-	1,092,203	(1,092,203)
Benefit payments, including refunds of member contributions	(2,434,432)	(2,434,432)	-
Administration expense	-	(70,783)	70,783
Net change	1,914,502	460,829	1,453,673
Balance at December 31, 2014	$ 38,524,318	$ 19,600,137	$ 18,924,181

IV. OTHER INFORMATION (CONTINUED)

Town Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at January 1, 2014	$ 62,527,281	$ 35,852,999	$ 26,674,282
Service cost	1,396,502	-	1,396,502
Interest	4,540,614	-	4,540,614
Differences between expected and actual experience	(3,083,615)	-	(3,083,615)
Changes in assumptions	3,200,987	-	3,200,987
Contributions - employer	-	2,135,571	(2,135,571)
Contributions - member	-	1,031,071	(1,031,071)
Net investment income	-	1,981,432	(1,981,432)
Benefit payments, including refunds of member contributions	(2,935,096)	(2,935,096)	-
Administration expense	-	(101,919)	101,919
Net change	3,119,392	2,111,059	1,008,333
Balance at December 31, 2014	$ 65,646,673	$ 37,964,058	$ 27,682,615

LOSAP Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at January 1, 2014	$ 1,285,952	$ 1,464,512	$ (178,560)
Service cost	26,292	-	26,292
Interest	82,620	-	82,620
Differences between expected and actual experience	(31,211)	-	(31,211)
Contributions - employer	-	37,752	(37,752)
Net investment income	-	54,828	(54,828)
Benefit payments, including refunds of member contributions	(29,764)	(29,764)	-
Administration expense	-	(18,516)	18,516
Net change	47,937	44,300	3,637
Balance at December 31, 2014	$ 1,333,889	$ 1,508,812	$ (174,923)

10. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.25% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

IV. OTHER INFORMATION (CONTINUED)

Police

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Net Pension Liability (asset)	$ 23,350,852	$ 18,924,181	$ 14,955,068

Town

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Net Pension Liability (asset)	$ 35,924,788	$ 27,682,615	$ 23,351,479

The following presents the net pension liability, calculated using the discount rate of 6.50% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

LOSAP

	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
Net Pension Liability (asset)	$ 38,331	$ (174,923)	$ (349,440)

11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Town recognized pension expense of $382,715 which included pension expense of $811,294 for the government-wide funds and ($428,579) for the sewer user fund. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,211	$ 2,490,599
Changes in assumptions	3,318,763	
Net difference between projected and actual earnings on pension plan investments	554,499	2,242,684
Total	$ 3,904,473	$ 4,733,283
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		$ 828,810

IV. OTHER INFORMATION (CONTINUED)

Differences between expected and actual experience and changes in assumptions are amortized over 3.74 - 5.05 years. Actual investment earnings below (or above) projected earnings are amortized over 5 years.

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

Year Ending December 31,	
2016	$ 381,589
2017	381,589
2018	389,750
2019	(314,959)
2020	(9,159)
Total	$ 828,810

IV. OTHER INFORMATION (CONTINUED)

12. *Plan Statements*

Statement of Fiduciary Fund Net Position
Pension Trust Funds
December 31, 2014

	Police Pension	Town Pension	Volunteer Firefighters Length of Service Award Program (LOSAP)	Total
Assets:				
Investments, at fair value:				
Mutual funds:				
Common stock	$ 8,271,078	$ 14,261,843	$ 220,772	$ 22,753,693
International common stock/ Exchange Traded Fund ("ETF")	2,337,865	4,438,112	266,381	7,042,358
Corporate bond/ETF	3,766,066	9,779,602	92,057	13,637,725
Commodities/ETF			24,372	24,372
Real estate/ETF			32,886	32,886
Money market	6,560	9,932	69,930	86,422
Common stock			471,390	471,390
International common stock			81,328	81,328
Corporate bonds			148,456	148,456
International bonds			24,222	24,222
Government agency bonds			77,018	77,018
Guaranteed investment account	5,228,055	9,487,845		14,715,900
Total assets	19,609,624	37,977,334	1,508,812	59,095,770
Liability:				
Accounts and other payables	9,487	13,276		22,763
Net Position:				
Held in trust for pension benefits	$ 19,600,137	$ 37,964,058	$ 1,508,812	$ 59,073,007

IV. OTHER INFORMATION (CONTINUED)

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended December 31, 2014

	Police Pension	Town Pension	Volunteer Firefighters Length of Service Award Program (LOSAP)	Total
Additions:				
Contributions:				
Employer	$ 1,515,199	$2,135,571	$ 37,752	$ 3,688,522
Employee	358,642	1,031,071		1,389,713
Total contributions	1,873,841	3,166,642	37,752	5,078,235
Net investment income	1,178,183	2,149,471	54,828	3,382,482
Less investment expenses	85,980	168,039		254,019
Net investment income (loss)	1,092,203	1,981,432	54,828	3,128,463
Net additions	2,966,044	5,148,074	92,580	8,206,698
Deductions:				
Benefit payments/annuity purchases	2,296,613	2,724,845	29,764	5,051,222
Refund of contributions	137,819	210,251		348,070
Administrative expense	70,783	101,919	18,516	191,218
Total deductions	2,505,215	3,037,015	48,280	5,590,510
Change in net position	460,829	2,111,059	44,300	2,616,188
Net Position - January 1, 2014	19,139,308	35,852,999	1,464,512	56,456,819
Net Position - December 31, 2014	$ 19,600,137	$ 37,964,058	$ 1,508,812	$ 59,073,007

IV. OTHER INFORMATION (CONTINUED)

D. Connecticut State Teachers' Retirement System

1. Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (TRS) - a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board (TRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

2. Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of average annual salary.

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the

IV. OTHER INFORMATION (CONTINUED)

costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (School Districts)

School district employers are not required to make contributions to the plan.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of their salary for the pension benefit.

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	$ -
State's proportionate share of the net pension liability associated with the Town	68,008,966
Total	$ 68,008,966

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of $6,360,944 for on-behalf amounts for the benefits provided by the State.

IV. OTHER INFORMATION (CONTINUED)

5. Actuarial Assumptions

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

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

IV. OTHER INFORMATION (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	7.3%
Developed non- U.S. equities	18.0%	7.5%
Emerging Markets (non- U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	100.0%	

6. Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is $0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers' Retirement System plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2014.

IV. OTHER INFORMATION (CONTINUED)

E. Defined Contribution Pension Plans

Establishment and Amendment

The Vernon Town Council has authorized the establishment of eight separate single-employer Defined Contribution Pension Plans for various qualifying bargaining unit members and certain non-affiliated employees. The Town Administrator is responsible for the administration of these plans and only the Town Council may approve amendments to each plan's provisions and contribution requirements.

The effective establishment dates for these eight plans are as follows:

Effective Date	Plan
July 1, 2009	Department of Public Works Clerical Bargaining Unit
January 1, 2010	Professional Employees Bargaining Unit
January 1, 2010	DPW Supervisors Bargaining Unit
January 1, 2010	Water Pollution Control Supervisors Bargaining Unit
August 4, 2010	Town non-union employees
July 1, 2011	DPW Laborers / Parks / WPC Bargaining Unit
July 1, 2013	Police Civilians Bargaining Unit
June 4, 2014	Board of Education non-union employees

Contributions

Employees are not required to contribute to the respective defined contribution plan. The required level of Employer contribution is dependent on the level of the Employee's contribution as follows:

Plan	Employee Contribution	Employer Contribution
DPW Clerical	0% < 7.5% of wages	2% of wages
	7.5 % or more of wages	4% of wages
Professionals	0% < 7.5% of wages	2% of wages
	7.5 % or more of wages	4% of wages
DPW Supervisors	0% < 7.5% of wages	2% of wages
	7.5 % or more of wages	4% of wages
WPC Supervisors	0% < 7.5% of wages	2% of wages
	7.5 % or more of wages	4% of wages
Town non-union	0% < 6.0% of wages	3% of wages
	6.0 % or more of wages	5% of wages
DPW Laborers	0% < 7.5% of wages	2% of wages
	7.5 % or more of wages	4% of wages
Police Civilians	0% < 7.5% of wages	2% of wages
	7.5 % or more of wages	4% of wages
Education non-union	0% < 6.0% of wages	3% of wages
	6.0 % or more of wages	5% of wages

IV. OTHER INFORMATION (CONTINUED)

Employee contributions and pension expense recognized by the employer for 2014/15 fiscal year are as follows:

Plan	Employee Contribution	Employer Pension Expense
Professionals	$ 35,028	$ 25,444
Town non-union	27,783	21,165
DPW Laborers / Parks / WPC	57,449	30,639
Police Civilians	6,179	6,656
Education non-union	6,575	9,305

Vesting

Town non-union and DPW Supervisors become fully vested in the Employer contribution after 5 years of credited service whereas all other eligible employees become fully vested after 10 years of credited service.

Normal Retirement Age

DPW Supervisors become eligible to retire upon age 58 and 27 years of service. DPW Laborers / Parks / WPC employees are eligible to retire at age 55 and 5 years of service. All other participants become eligible to retire at age 62 with 10 years of service.

Assets

Employee contributions are held in Trust, with the Town serving as trustee, for the exclusive benefit of Plan participants and their beneficiaries, in a qualified Deferred Compensation Plan. Employer contributions are held in Trust, with the Town serving as trustee, for the exclusive benefit of Plan participants and their beneficiaries, in a qualified 401a Money Purchase Plan.

F. Other Post-Employment Benefits Plans

1. Plan Description

a. *Plan Type, Employees Covered*

The Town has established an Other Post-Employment Benefit (OPEB) Trust Fund which incorporates 3 single-employer, post retirement healthcare plans for the Town, Police and Board of Education employees. The plans provide medical, dental and prescription benefits for eligible retirees and their spouses. The Trust was established in June 2011. The plans do not issue stand-alone financial reports.

IV. OTHER INFORMATION (CONTINUED)

b. Participant Membership

Participant membership at July 1, 2014 was as follows:

	Police	Town	Board of Education	Total
Retired members	12	3	69	84
Spouses of retired members	3	7	22	32
Active employees	43	166	600	809
Total participant membership	58	176	691	925

c. Benefit Provisions

The plan provides for medical, dental and prescription benefits for all eligible Town, Police and Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

OPEB Trust Fund financial statements are prepared on the accrual basis of accounting. Employer contributions are recognized in the period due; investment income is recognized when earned; and gains and losses on sales and exchanges of investments are recognized in the period of transaction. Benefit payments are recognized when due and payable (incurred) in accordance with the terms of the plans. Plan administrative costs are financed by net position of the Trust Fund on a pay-as-you-go basis.

b. Valuation of Plan Investments

OPEB Trust Fund investments are reported at fair value. Securities traded on national and international exchanges are valued at the last reported sales price.

IV. OTHER INFORMATION (CONTINUED)

3. Funding Policy

a. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Police, Town and Board of Education's total plan contribution for fiscal year 2014/15 was $821,913.

b. Employee Contributions

There are no employee contributions to the plan. Retiree contributions are required to pay a portion of the cost of the benefits. These contributions are considered as part of the annual required contribution amount.

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014 was as follows:

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
POLICE						
July 1, 2014	$ 162,026	$ 1,948,615	$ (1,786,589)	8.3%	$ 3,674,335	(48.62%)
TOWN						
July 1, 2014	$ 75,007	$ 1,494,936	$ (1,419,929)	5.0%	$ 8,827,941	(16.08%)
BOARD OF EDUCATION						
July 1, 2014	$ -	$ 3,007,647	$ (3,007,647)	0.0%	$ 30,988,250	(9.71%)
TOTAL						
July 1, 2014	$ 237,033	$ 6,451,198	$ (6,214,165)	3.7%	$ 43,490,526	(14.26%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress (RSI), immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

IV. OTHER INFORMATION (CONTINUED)

5. Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and 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 employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

VALUATION DATE	July 1, 2014
ACTUARIAL COST METHOD	Projected Unit Credit
ASSET VALUATION METHOD	Fair Value
AMORTIZATION METHOD	Level Percentage, Closed
REMAINING AMORTIZATION PERIOD:	
Police	23 years closed
Town	23 years closed
Board of Education	23 years closed
ACTUARIAL ASSUMPTIONS:	
Investment rate of return - Town and Police	7.00%
Investment rate of return - Board of Education	7.00%
Healthcare inflation rate:	
Initial	5.90%
Ultimate	4.70%
Inflation	2.75%

The following assumption and plan benefit changes, effective July 1, 2014, include the change in the initial healthcare inflation rate from 7.2% to 5.9% and the change in insurance coverage of certain participants to high deductible health savings account plans. The effects of these changes reduced the Accrued Liability by $1,800,000 and reduced the Annual Required Contribution (ARC) for the ensuing fiscal year by $180,000.

IV. OTHER INFORMATION (CONTINUED)

6. Annual OPEB Cost and Net OPEB Obligation (NOO)

The changes in the NOO were as follows:

	POLICE	TOWN	BOARD OF EDUCATION	TOTAL
Annual required contribution	$197,475	$179,073	$ 519,471	$ 896,019
Interest on net OPEB obligation	37,217	39,016	83,726	159,959
Adjustment to annual required contribution	(32,245)	(33,803)	(72,541)	(138,589)
Annual OPEB cost	202,447	184,286	530,656	917,389
Contributions made	142,020	162,056	517,837	821,913
Change in net OPEB obligation	60,427	22,230	12,819	95,476
Net OPEB obligation - July 1, 2014	531,669	557,365	1,196,082	2,285,116
Net OPEB obligation - June 30, 2015	$592,096	$579,595	$ 1,208,901	$2,380,592

7. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
POLICE			
2015	$ 202,447	70.2%	$ 592,096
2014	193,241	75.7%	531,669
2013	255,985	65.2%	484,778
TOWN			
2015	$ 184,286	87.9%	$ 579,595
2014	176,008	73.0%	557,365
2013	240,619	73.6%	509,787
BOARD OF EDUCATION			
2015	$ 530,656	97.6%	$1,208,901
2014	505,905	72.2%	1,196,082
2013	599,373	74.6%	1,055,426

IV. OTHER INFORMATION (CONTINUED)

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOTAL			
2015	$ 917,389	89.6%	$2,380,592
2014	875,154	73.1%	2,285,116
2013	1,095,977	72.2%	2,049,991

G. Prior Period Adjustment

The beginning net position for the Government-Wide, Business-Type, Sewer User funds, the Internal Service Funds and Data Processing Fund were restated as follows:

	Government - Wide	Business - Type	Sewer User Fund	Internal Service Funds	Data Processing Fund
Net position as previously reported at June 30, 2014	$ 122,368,006	$ 19,922,565	$ 17,230,915	$ 249,072	$ 902,817
To remove net pension asset (liability)	(421,164)				
To record beginning deferred inflow	(2,715,892)	(195,846)	(195,846)	(26,966)	(26,966)
To record beginning net pension asset (NPA)	178,560				
To record beginning net pension liability (NPL)	(41,122,594)	(3,022,196)	(3,022,196)	(416,119)	(416,119)
Net position as restated as of July 1, 2014	$ 78,286,916	$ 16,704,523	$ 14,012,873	$(194,013)	$ 459,732

H. Subsequent Events

On August 5, 2015, the Town issued $6,130,000 of general obligation bonds at a net premium of $19,401 to provide funding for Road Reconstruction and Improvements as authorized on January 28, 2014 at referendum. The bonds, payable in installments over 15 years and maturing on August 1, 2030, were issued at a net interest cost of 2.628 percent. In addition, under the same authorization and funding purpose, the Town issued $6,350,000 of general obligation bond anticipation notes at a net interest cost of .398 percent with a maturity date of August 4, 2016. The notes were issued with a net premium of $69,783.

Required Supplementary Information

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Tax revenue				
Current year taxes	$ 62,208,168	$ 62,208,168	$ 62,405,039	$ 196,871
Prior year taxes	420,000	420,000	532,472	112,472
Supplemental motor vehicle tax	710,000	710,000	753,035	43,035
Interest and lien fees	240,000	240,000	409,819	169,819
Warrant revenue	7,000	7,000	10,187	3,187
Liens	3,000	3,000	5,551	2,551
Proceeds from tax lien sale			79	79
Total tax revenue	63,588,168	63,588,168	64,116,182	528,014
Intergovernmental				
Civil preparedness grant	10,000	10,000	10,386	386
FEMA Public Assistance October Storm Alfred			72,631	72,631
Bullet Proof Vest grant	2,000	2,000	4,686	2,686
Community services block grant	20,581	20,581	20,758	177
Education cost sharing	17,645,165	17,645,165	17,634,861	(10,304)
Public pupil transportation	143,000	143,000	129,963	(13,037)
Vocational Agriculture	107,667	107,667	108,216	549
Special Education Excess Student Based			210,304	210,304
Medicaid reimbursement	70,000	70,000	100,000	30,000
PILOT - Colleges and hospitals	338,957	338,957	339,449	492
PILOT - State owned property	236,848	236,848	239,453	2,605
PILOT - Shelter rent	62,000	62,000	72,044	10,044
Tax relief - Elderly circuit breaker	145,000	145,000	143,811	(1,189)
Tax relief - Disability exemption	3,120	3,120	3,260	140
Tax relief - Veterans exemption	22,000	22,000	23,275	1,275
Mashantucket Pequot and Mohegan grant	176,035	176,035	176,683	648
Telephone tax sharing	58,300	58,300	55,014	(3,286)
Municipal Video Trust Account	16,000	16,000		(16,000)
Judicial reimbursements - Parking	100	100	50	(50)
Judicial reimbursements	300	300	919	619
Special reimbursements - Permits	200	200	120	(80)
Drug Enforcement Grant			21,710	21,710
Driving Under the Influence grant	20,000	20,000	19,364	(636)
Motor Vehicle Violation surcharge	10,000	10,000	14,015	4,015
Historic Document Preservation Grant	6,500	6,500	7,500	1,000
Other - State grants	8,000	8,000	7,014	(986)
Total intergovernmental	19,101,773	19,101,773	19,415,486	313,713

(Continued)-1

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Charges for services				
Town Clerk recording fees	$ 400,000	$ 400,000	$ 440,250	$ 40,250
Historic document preservation	13,000	13,000	10,131	(2,869)
Farmland Preservation surcharge			124,949	124,949
State Treasurer - MERS	18,396	18,396	81,166	62,770
Printing and copying fees	150	150	73	(77)
Finance administration fee	11,000	11,000	11,000	-
Planning and zoning fees	6,200	6,200	5,787	(413)
Conservation fees	1,600	1,600	2,207	607
Assessor fees	1,000	1,000	720	(280)
Police - Special services	10,000	10,000	145,105	135,105
Applicant testing fees			500	500
Fingerprint fees			4,320	4,320
Other Public Safety	4,000	4,000	125	(3,875)
Fire Marshal - services	200	200	270	70
Historic properties certification			100	100
Refuse Energy Community Outreach			20,000	20,000
Recycling	30,000	30,000	22,392	(7,608)
Recycling bin promotion	2,400	2,400	2,970	570
Bulky waste pickup	12,000	12,000	15,195	3,195
Other maintenance and development	10,000	10,000	3,939	(6,061)
Yankee Gas - administrative allocation	1,700	1,700	660	(1,040)
Energy application administration	8,189	8,189	8,766	577
Housing Rehab Administration	600	600	818	218
Recreation - Other			3,148	3,148
Tuition - Special education	70,000	70,000	78,357	8,357
Tuition - Next Step Program	100,000	100,000	89,856	(10,144)
Tuition - Vo-ag	250,000	250,000	201,204	(48,796)
Tuition - Special education Vo-ag			19,312	19,312
School Use Activity			62,169	62,169
Other - Education community	4,000	4,000	75,705	71,705
Total charges for services	954,435	954,435	1,431,194	476,759
Licenses and permits				
Building permits	530,000	530,000	715,105	185,105
Zoning Review	450	450	750	300
ZBA Fees	2,500	2,500	26,350	23,850
Zoning Permits	3,200	3,200	6,075	2,875
Town Clerk - License surcharge	2,800	2,800	1,862	(938)
Refuse licensing	3,500	3,500	2,500	(1,000)
Transfer station permits	70,000	70,000	67,729	(2,271)
Driveway & road cut permits	10,000	10,000	11,000	1,000
Total licenses and permits	622,450	622,450	831,371	208,921
Fines and penalties				
Parking tags	15,000	15,000	7,204	(7,796)
Zoning citations	2,000	2,000	87,143	85,143
Total fines and penalties	17,000	17,000	94,347	77,347

(Continued)-2

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Interest on investments				
General Fund	$ 24,000	$ 24,000	$ 1,364	$ (22,636)
Interest on investments-Post-Employment	50	50	4	(46)
Teachers' Retirement Board	10	10	1	(9)
Total interest on investments	24,060	24,060	1,369	(22,691)
Other revenue				
Purchasing Card Reimbursement	40,000	40,000	13,255	(26,745)
Rental income - Annex	24,000	24,000	24,000	-
Rental income - Senior Center			121	121
Rental management fee	50,000	50,000	50,000	-
Rental income other	10,600	10,600	16,998	6,398
Proceeds from sale of property	21,000	21,000	57,551	36,551
Medical insurance reimbursement	176,063	176,063	175,951	(112)
Insurance reimbursements			128	128
Gasoline reimbursement	110,000	110,000	92,674	(17,326)
Lease - Ellington pump station	6,600	6,600	6,733	133
Education	33,015	33,015	36,198	3,183
Miscellaneous	24,000	24,000	17,076	(6,924)
Total other revenue	495,278	495,278	490,685	(4,593)
Total revenues	84,803,164	84,803,164	86,380,634	1,577,470
Other financing sources				
Special Revenue Funds:				
Special Revenue	4,910	4,910		(4,910)
Recreation programs	62,500	62,500	62,500	-
Sewer assessments - Ord. 167	664	664		(664)
Sewer assessments - Ord. 201	538	538		(538)
Sewer assessments			20,068	20,068
Ambulance services	82,000	82,000	82,000	-
Interest on investments-Insurance Exchange	20	20	8	(12)
Interest on investments-Town Aid Road	40	40	3	(37)
Interest on investments-Sewer Assessments	40	40		(40)
Total Special Revenue Funds	150,712	150,712	164,579	13,867

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TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Transfers in:				
Capital Projects Fund:				
Interest on investments	$	$	$ 2,437	$ 2,437
Debt Service Fund:				
Interest on investments	100	100	146	46
Total transfers in	150,812	150,812	167,162	16,350
Total revenues and other financing sources	$ 84,953,976	$ 84,953,976	86,547,796	$1,593,820

Budgetary revenues are different than GAAP revenue because:
State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted 6,360,944

Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit D $ 92,908,740

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TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					
	Original	Final	Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance with Final Budget
General government						
Town Council	$ 12,245	$ 12,657	$ 4,953	$ 2,552	$ 7,505	$ 5,152
Probate court	13,649	21,229	13,423	7,390	20,813	416
Executive and administrative	684,245	727,374	645,676	27,876	673,552	53,822
Law	137,000	252,857	227,338	4,797	232,135	20,722
Registration	82,930	85,074	74,941	7,787	82,728	2,346
Elections - general	36,400	36,518	28,195	2,278	30,473	6,045
Elections - primary	1	20,451	14,596	1,755	16,351	4,100
Elections - referendum	6,500	6,586	167		167	6,419
Finance administration	496,551	522,930	510,394	8,710	519,104	3,826
Independent audit	51,965	52,065	51,665	400	52,065	-
Treasury	10,850	50,626	775	49,840	50,615	11
Purchasing	9,820	14,465	9,124	5,270	14,394	71
Assessment	260,631	277,159	276,281		276,281	878
Refunds - tax adjustments	29,700	29,700	11,401		11,401	18,299
Collector of Revenue	225,965	246,125	238,940	6,196	245,136	989
Revaluation	30,000	76,766	2,011	74,750	76,761	5
Town Clerk	269,108	515,949	465,960	33,922	499,882	16,067
Board of Assessment Appeals	2,800	2,800	2,799		2,799	1
Water Pollution Control Authority	8,304	8,304	6,298		6,298	2,006
Greater Hartford Transit District	3,794	3,794	3,793		3,793	1
Data processing	996,265	1,125,888	1,002,166	123,576	1,125,742	146
Total general government	3,368,723	4,089,317	3,590,896	357,099	3,947,995	141,322
Community development						
Town Planner - Administration	248,769	268,059	235,770	14,503	250,273	17,786

(Continued)-1

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					
	Original	Final	Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance with Final Budget
Public safety						
Police	$ 6,019,937	$ 6,375,558	$ 6,252,578	$ 40,972	$ 6,293,550	$ 82,008
School crossing guards	62,120	62,120	55,888		55,888	6,232
Traffic authority	330,000	413,395	360,111	52,892	413,003	392
Fire fighting and administration	1,235,425	1,302,448	1,198,678	63,498	1,262,176	40,272
Fire Marshal	100,043	128,908	126,199		126,199	2,709
Building inspection	362,740	395,964	348,431		348,431	47,533
Emergency Management	61,626	61,626	54,120	1,585	55,705	5,921
Animal control	130,416	130,416	129,356		129,356	1,060
Total public safety	8,302,307	8,870,435	8,525,361	158,947	8,684,308	186,127
Maintenance and development						
Public Works administration	669,729	684,825	674,754	754	675,508	9,317
General maintenance	1,297,534	1,296,467	1,172,062	58,899	1,230,961	65,506
Equipment maintenance	808,375	879,277	828,409	26,377	854,786	24,491
Maintenance of gov't buildings	754,792	775,293	763,793	8,875	772,668	2,625
Snow removal	186,970	523,171	506,454	1,407	507,861	15,310
Refuse collection and disposal	999,234	1,009,631	877,289	33,490	910,779	98,852
Recycling	329,318	345,676	311,678	29,861	341,539	4,137
Condominium refuse	4,423	4,534	4,533		4,533	1
Tree Warden	13,150	14,000	11,355	2,550	13,905	95
Leaf collection program	116,558	116,558	115,659		115,659	899
Engineering admin. services	310,899	323,036	284,897	950	285,847	37,189
Total maintenance and development	5,490,982	5,972,468	5,550,883	163,163	5,714,046	258,422

(Continued)-2

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					
	Original	Final	Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance with Final Budget
Human services						
North Central Health District	$ 136,000	$ 136,000	$ 136,000	$	$ 136,000	$ -
Visiting Nurses and Health Services	12,249	12,249	11,796	453	12,249	-
Hockanum Valley Community Council	180,000	180,000	180,000		180,000	-
Child Guidance Clinic	5,500	5,500	5,500		5,500	-
Exchange Club-Prevent Child Abuse	4,000	4,000	4,000		4,000	-
Tri-County ARC	3,500	3,500	3,500		3,500	-
MARC, Inc. of Manchester	4,000	4,000	4,000		4,000	-
Shelter Services	7,200	7,200	6,200		6,200	1,000
Connecticut Legal Services	2,000	2,000	2,000		2,000	-
Hartford Interval House	2,500	2,500	2,500		2,500	-
YWCA Sexual Assault Services	2,000	2,000	2,000		2,000	-
Hockanum Valley School Readiness	4,000	4,000	4,000		4,000	-
Social services administration	257,716	260,736	250,082		250,082	10,654
Youth services	222,835	241,658	232,541	589	233,130	8,528
Senior center	131,720	131,947	118,840	56	118,896	13,051
Total human services	975,220	997,290	962,959	1,098	964,057	33,233
Parks, recreation and culture						
Recreation administration	371,759	384,053	375,645	678	376,323	7,730
Public celebration	13,500	27,568	15,009	12,315	27,324	244
Parks maintenance	640,903	671,291	646,848	17,015	663,863	7,428
Art commission	5,524	5,524	5,497		5,497	27
Historical Society	6,055	6,055	6,055		6,055	-
Rockville Public Library	310,000	310,000	310,000		310,000	-
Invasive aquatic plant management	19,000	19,000	10,632	8,368	19,000	-
Total parks, recreation and culture	1,366,741	1,423,491	1,369,686	38,376	1,408,062	15,429

(Continued)-3

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					
	Original	Final	Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance with Final Budget
Townwide						
Social Security and Medicare	$ 978,100	$ 978,100	$ 962,358	$	$ 962,358	$ 15,742
Pension	2,550,280	2,812,217	2,674,594	137,259	2,811,853	364
Group insurance	2,514,516	2,563,479	2,500,580	58,527	2,559,107	4,372
Unemployment compensation	30,000	35,700	15,398	14,934	30,332	5,368
Municipal insurance	1,040,411	1,094,936	1,083,729	6,378	1,090,107	4,829
Contingency	117,000	32,063	5,248		5,248	26,815
Housing Authority sewer subsidy	50,200	55,307	55,119	188	55,307	-
Vernon Cemetery Commission	172,911	172,911	172,911		172,911	-
Total townwide	7,453,418	7,744,713	7,469,937	217,286	7,687,223	57,490
Subtotal - General Government	27,206,160	29,365,773	27,705,492	950,472	28,655,964	709,809
Debt service						
Debt service - principal	2,807,369	2,763,117	2,760,617	2,500	2,763,117	-
Debt service - interest	1,285,880	1,303,880	1,285,880	18,000	1,303,880	-
Total debt service	4,093,249	4,066,997	4,046,497	20,500	4,066,997	-
Capital improvements						
Capital improvements - Town	306,625	501,975	363,926	137,367	501,293	682

(Continued)-4

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					
	Original	Final	Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance with Final Budget
Education						
Regular instruction	$ 18,314,725	$ 18,362,155	$ 18,321,493	$ 86,043	$ 18,407,536	$ (45,381)
Special Education instruction	5,120,393	5,073,013	5,058,046	40	5,058,086	14,927
Continuing Education	224,130	224,130	224,130		224,130	-
Special Education program support	3,168,131	3,223,708	3,153,505		3,153,505	70,203
Social Work services	506,082	526,226	535,443		535,443	(9,217)
Guidance services	740,453	704,556	708,674		708,674	(4,118)
Health services	441,412	453,914	440,169	3,340	443,509	10,405
Psychological services	551,413	517,944	514,338		514,338	3,606
Speech pathology & audio services	435,630	435,630	490,946		490,946	(55,316)
Instructional program support	96,955	162,229	147,600		147,600	14,629
Library / Media services	369,248	371,581	369,538		369,538	2,043
Curriculum development	1,185,028	1,143,047	914,593	180,520	1,095,113	47,934
Superintendent's office	680,652	672,222	665,868		665,868	6,354
Board of Education - Elected	102,468	107,634	106,797		106,797	837
Principal office services	2,055,920	2,013,729	1,997,263	1,418	1,998,681	15,048
Business office	575,582	601,049	576,979	26,928	603,907	(2,858)
Building / Plant operations	4,062,993	4,318,634	4,023,745	271,740	4,295,485	23,149
Student transportation services	2,423,845	2,599,283	2,575,473	2,296	2,577,769	21,514
General control	63,924	62,890	63,669		63,669	(779)
Information systems	824,957	824,057	824,057		824,057	-
System-wide fringe benefits	8,765,734	8,438,775	8,466,581	18	8,466,599	(27,824)
Extra curricular student activities	489,184	455,951	445,087	660	445,747	10,204
Reserve for negotiation	75,000	18,671	23,377		23,377	(4,706)
Total education	51,273,859	51,311,028	50,647,371	573,003	51,220,374	90,654
Total Expenditures	82,879,893	85,245,773	82,763,286	1,681,342	84,444,628	801,145

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TOWN OF VERNON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					
	Original	Final	Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance with Final Budget
Other financing uses						
Transfers out:						
Special Revenue Funds:						
Town Clerk - Preservation surcharge	$	$ 9,797	$ 9,797	$	$ 9,797	$ -
Community & Economic development	41,000	41,000	41,000		41,000	-
Contingency		10,171	10,171		10,171	-
Capital Projects Funds:						
Debt service - principal	199,915	197,415	197,348		197,348	67
Debt service - interest	51,842	33,842	33,424		33,424	418
Capital improvements - Town	458,940	478,940	478,940		478,940	-
Education - Capital Reserve			90,000		90,000	(90,000)
Education - Building / Plant Operations	18,097	18,097	18,097		18,097	-
Debt Service Fund:						
Debt service - principal	1,252,166	1,252,166	1,252,166		1,252,166	-
Debt service - interest	52,123	52,123	52,122		52,122	1
Total other financing uses	2,074,083	2,093,551	2,183,065	-	2,183,065	(89,514)
Total expenditures and other financing uses	$ 84,953,976	$ 87,339,324	$ 84,946,351	$ 1,681,342	86,627,693	$ 711,631

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	6,360,944
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(1,681,342)
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit D	$ 91,307,295

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TOWN OF VERNON, CONNECTICUT

POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY
LAST TWO YEARS

	2014	2013
TOTAL PENSION LIABILITY:		
Service cost	$ 760,493	$ 759,496
Interest	2,663,012	2,620,600
Differences between expected and actual experience	(288,635)	
Changes in assumptions	1,214,064	
Benefit payments, including refunds of member contributions	(2,434,432)	(2,385,303)
NET CHANGE IN TOTAL PENSION LIABILITY	1,914,502	994,793
TOTAL PENSION LIABILITY - JANUARY 1	36,609,816	35,615,023
TOTAL PENSION LIABILITY - DECEMBER 31 (A)	$ 38,524,318	$ 36,609,816
PLAN FIDUCIARY NET POSITION:		
Contributions - employer	$ 1,515,199	$ 1,348,338
Contributions - member	358,642	368,533
Net investment income	1,092,203	2,874,222
Benefit payments, including refunds of member contributions	(2,434,432)	(2,210,603)
Administration	(70,783)	(67,398)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	460,829	2,313,092
PLAN FIDUCIARY NET POSITION - JANUARY 1	19,139,308	16,826,216
PLAN FIDUCIARY NET POSITION - DECEMBER 31 (B)	$ 19,600,137	$ 19,139,308
NET PENSION LIABILITY (ASSET) - DECEMBER 31 (A)-(B)	$ 18,924,181	$ 17,470,508

TOWN OF VERNON, CONNECTICUT

TOWN PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY
LAST TWO YEARS

	2014	2013
TOTAL PENSION LIABILITY:		
Service cost	$ 1,396,502	$ 1,355,480
Interest	4,540,614	4,472,890
Differences between expected and actual experience	(3,083,615)	
Changes in assumptions	3,200,987	
Benefit payments, including refunds of member contributions	(2,935,096)	(2,814,688)
NET CHANGE IN TOTAL PENSION LIABILITY	3,119,392	3,013,682
TOTAL PENSION LIABILITY - JANUARY 1	62,527,281	59,513,599
TOTAL PENSION LIABILITY - DECEMBER 31 (A)	$ 65,646,673	$ 62,527,281
PLAN FIDUCIARY NET POSITION:		
Contributions - employer	$ 2,135,571	$ 1,883,779
Contributions - member	1,031,071	1,001,400
Net investment income	1,981,432	4,782,653
Benefit payments, including refunds of member contributions	(2,935,096)	(2,664,672)
Administration	(101,919)	(93,140)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,111,059	4,910,020
PLAN FIDUCIARY NET POSITION - JANUARY 1	35,852,999	30,942,979
PLAN FIDUCIARY NET POSITION - DECEMBER 31 (B)	$ 37,964,058	$ 35,852,999
NET PENSION LIABILITY (ASSET) - DECEMBER 31 (A)-(B)	$ 27,682,615	$ 26,674,282

TOWN OF VERNON, CONNECTICUT

LOSAP RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY
LAST TWO YEARS

	2014	2013
TOTAL PENSION LIABILITY:		
Service cost	$ 26,292	$ 19,751
Interest	82,620	78,483
Differences between expected and actual experience	(31,211)	
Benefit payments, including refunds of member contributions	(29,764)	(19,718)
NET CHANGE IN TOTAL PENSION LIABILITY	47,937	78,516
TOTAL PENSION LIABILITY - JANUARY 1	1,285,952	1,207,436
TOTAL PENSION LIABILITY - DECEMBER 31 (A)	$ 1,333,889	$ 1,285,952
PLAN FIDUCIARY NET POSITION:		
Contributions - employer	$ 37,752	$ 34,172
Net investment income	54,828	204,365
Benefit payments, including refunds of member contributions	(29,764)	(26,184)
Administration	(18,516)	(15,668)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	44,300	196,685
PLAN FIDUCIARY NET POSITION - JANUARY 1	1,464,512	1,267,827
PLAN FIDUCIARY NET POSITION - DECEMBER 31 (B)	$ 1,508,812	$ 1,464,512
NET PENSION LIABILITY (ASSET) - DECEMBER 31 (A)-(B)	$ (174,923)	$ (178,560)

TOWN OF VERNON, CONNECTICUT

POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF NET PENSION LIABILITY
LAST TWO YEARS

	2014	2013
TOTAL PENSION LIABILITY	$ 38,524,318	$ 36,609,816
PLAN FIDUCIARY NET POSITION	(19,600,137)	(19,139,308)
NET PENSION LIABILITY (ASSET)	$ 18,924,181	$ 17,470,508
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	50.88%	52.28%
COVERED-EMPLOYEE PAYROLL	$ 4,747,257	$ 4,549,520
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	398.63%	384.01%

SCHEDULE OF INVESTMENT RETURNS

	2014	2013
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	5.90%	14.60%

TOWN OF VERNON, CONNECTICUT

TOWN PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF NET PENSION LIABILITY
LAST TWO YEARS

	2014	2013
TOTAL PENSION LIABILITY	$ 65,646,673	$ 62,527,281
PLAN FIDUCIARY NET POSITION	(37,964,058)	(35,852,999)
NET PENSION LIABILITY (ASSET)	$ 27,682,615	$ 26,674,282
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	57.83%	57.34%
COVERED-EMPLOYEE PAYROLL	$ 14,789,154	$ 14,933,089
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	187.18%	178.63%

SCHEDULE OF INVESTMENT RETURNS

	2014	2013
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	7.00%	13.50%

TOWN OF VERNON, CONNECTICUT

LOSAP RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF NET PENSION LIABILITY
LAST TWO YEARS

	2014	2013
TOTAL PENSION LIABILITY	$ 1,333,889	$ 1,285,952
PLAN FIDUCIARY NET POSITION	(1,508,812)	(1,464,512)
NET PENSION LIABILITY (ASSET)	$ (174,923)	$ (178,560)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	113.11%	113.89%
COVERED-EMPLOYEE PAYROLL	$ -	$ -
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A	N/A

SCHEDULE OF INVESTMENT RETURNS

	2014	2013
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	2.48%	12.39%

TOWN OF VERNON, CONNECTICUT

POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED-EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
2014	$ 1,515,199	$ 1,515,199	$ -	$ 4,549,520	33.30%
2013	1,348,338	1,348,338	-	4,390,111	30.71%
2012	1,365,291	1,365,291	-	4,434,630	30.79%
2011	1,240,074	1,366,874	126,800	4,352,823	31.40%
2010	1,057,949	1,057,949	-	4,350,681	24.32%
2009	1,025,928	1,025,928	-	4,181,987	24.53%
2008	1,107,688	1,107,688	-	3,927,006	28.21%
2007	1,020,600	1,020,600	-	3,701,061	27.58%
2006	931,473	931,473	-	3,512,784	26.52%
2005	933,759	933,759	-	3,739,097	24.97%

TOWN OF VERNON, CONNECTICUT

TOWN PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED-EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
2014	$ 2,135,571	$ 2,135,571	$ -	$ 14,933,089	14.30%
2013	1,883,779	1,883,779	-	14,895,476	12.65%
2012	1,788,972	1,788,972	-	14,396,003	12.43%
2011	1,704,215	1,998,579	294,364	14,247,198	14.03%
2010	1,502,551	1,502,551	-	14,074,891	10.68%
2009	1,509,046	1,509,046	-	13,857,289	10.89%
2008	1,750,784	1,750,784	-	13,408,005	13.06%
2007	1,677,731	1,677,731	-	12,743,672	13.17%
2006	1,583,333	1,583,333	-	12,469,300	12.70%
2005	1,190,512	1,190,512	-	11,910,153	10.00%

TOWN OF VERNON, CONNECTICUT

LOSAP RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED-EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
2014	$ 37,752	$ 37,752	$ -	N/A	N/A
2013	34,172	34,172	-	N/A	N/A
2012	45,237	45,237	-	N/A	N/A
2011	34,123	34,123	-	N/A	N/A
2010	44,431	44,431	-	N/A	N/A
2009	120,129	120,129	-	N/A	N/A
2008	83,206	83,206	-	N/A	N/A
2007	97,968	97,968	-	N/A	N/A
2006	95,012	95,012	-	N/A	N/A
2005	86,265	86,265	-	N/A	N/A

TOWN OF VERNON, CONNECTICUT

POLICE PENSION PLAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

Changes of benefit terms	None
Changes of assumptions	2014 the investment rate of return decreased from 7.5% to 7.25%
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2014, six months prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level percentage, closed
Remaining Amortization Period	27 years
Asset Valuation Method	5 year smoothing
Inflation	1.50%
Salary Increases	2.50%
Investment Rate of Return	7.25%, net of pension plan investment and contract fees

TOWN OF VERNON, CONNECTICUT

TOWN PENSION PLAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

Changes of benefit terms	None
Changes of assumptions	2014 the investment rate of return decreased from 7.5% to 7.25%
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2014, six months prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level percentage, closed
Remaining Amortization Period	27 years
Asset Valuation Method	5 year smoothing
Inflation	1.50%
Salary Increases	3.00%
Investment Rate of Return	7.25%, net of pension plan investment and contract fees

TOWN OF VERNON, CONNECTICUT

LOSAP RETIREMENT PLAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

Changes of benefit terms	None
Changes of assumptions	None
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2014, six months prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Frozen entry age
Amortization Method	Level dollar, closed
Remaining Amortization Period	0 years
Asset Valuation Method	Fair Value
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	6.50%

TOWN OF VERNON, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2015

Town's proportion of the net pension liability		0.00%
Town's proportionate share of the net pension liability		$ -
State of Connecticut's proportionate share of the net pension liability associated with Town		68,008,966
Total		$ 68,008,966
Town's covered-employee payroll	(2)	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		0.00%
Plan fiduciary net position as a percentage of the total pension liability		0.00%

Schedule of Contributions

Contractually required contribution (1)	(1)	$ -
Contributions in relation to the contractually required contribution		-
Contribution deficiency (excess)		$ -
Town's covered-employee payroll	(2)	N/A
Contributions as a percentage of covered-employee payroll		0.00%

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net pension liability

TOWN OF VERNON, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Changes of benefit terms	None
Changes of assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	3.00%
Salary Increases	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.50%, net of pension plan investment expense, including inflation

TOWN OF VERNON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFIT PLANS
SCHEDULES OF FUNDING PROGRESS
LAST SEVEN YEARS

POLICE PLAN

	A	B	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2008	$	$ 3,071,000	$ (3,071,000)	0.0%	$ 3,352,315	-91.61%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	60,000	2,269,000	(2,209,000)	2.6%	3,394,227	-65.08%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	70,008	1,821,136	(1,751,128)	3.8%	3,553,068	-49.28%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	162,026	1,948,615	(1,786,589)	8.3%	3,674,335	-48.62%

TOWN PLAN

	A	B	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2008	$	$ 2,128,000	$ (2,128,000)	0.0%	$ 8,275,348	-25.71%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010		1,893,000	(1,893,000)	0.0%	8,240,567	-22.97%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	7,001	1,363,777	(1,356,776)	0.5%	8,601,324	-15.77%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	75,007	1,494,936	(1,419,929)	5.0%	8,827,941	-16.08%

(Continued)

TOWN OF VERNON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFIT PLANS
SCHEDULES OF FUNDING PROGRESS
LAST SEVEN YEARS

BOARD OF EDUCATION PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1, 2008	$	$ 8,194,000	$ (8,194,000)	0.0%	$ 28,991,599	-28.26%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010		6,193,000	(6,193,000)	0.0%	30,026,823	-20.62%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012		5,016,063	(5,016,063)	0.0%	30,007,917	-16.72%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014		3,007,647	(3,007,647)	0.0%	30,988,250	-9.71%

N/A - Not applicable to this plan.

(Concluded)

TOWN OF VERNON, CONNECTICUT

OTHER POST-EMPLOYMENT BENEFIT PLANS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
LAST SEVEN YEARS

YEAR ENDED JUNE 30	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
POLICE			
2009	$ 249,000	$ 142,000	57.0%
2010	259,000	160,000	61.8%
2011	270,000	209,000	77.4%
2012	239,000	115,000	48.1%
2013	251,000	167,000	66.5%
2014	187,889	146,350	77.9%
2015	197,475	142,020	71.9%
TOWN			
2009	$ 206,000	$ 79,000	38.3%
2010	215,000	97,000	45.1%
2011	223,000	117,000	52.5%
2012	224,000	135,000	60.3%
2013	235,000	177,000	75.3%
2014	170,380	128,430	75.4%
2015	179,073	162,056	90.5%
BOARD OF EDUCATION			
2009	$ 618,000	$ 324,000	52.4%
2010	643,000	392,000	61.0%
2011	669,000	413,000	61.7%
2012	560,000	472,000	84.3%
2013	588,000	447,000	76.0%
2014	494,253	365,249	73.9%
2015	519,471	517,837	99.7%

TOWN OF VERNON, CONNECTICUT

OTHER POST-EMPLOYMENT BENEFIT PLANS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Changes of benefit terms	Change in the insurance coverage of certain participants to high deductible health savings plans
Changes of assumptions	Change in the initial healthcare inflation rate from 7.2% to 5.9%
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2012, two or three years prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage - Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	Fair value
Investment Rate of Return	7.00%
Healthcare inflation rate - initial	5.90%
Healthcare inflation rate - ultimate	4.70%
Inflation rate	2.75%

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

SCHEDULE 1

TOWN OF VERNON, CONNECTICUT

GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash	$ 8,645,128	$ 12,127,690
Investments	4,010,873	554,897
Receivables, net:		
Uncollected property taxes	1,736,071	1,819,045
Intergovernmental	122,667	4,227
Other	79,891	99,631
Due from other funds	8,326,930	3,359,412
Advance to other funds	129,500	-
Total assets	$ 23,051,060	$ 17,964,902
LIABILITIES		
Accounts payable	$ 1,431,312	$ 1,537,095
Accrued wages and benefits	525,010	438,418
Due to other funds	501,580	234,446
Total liabilities	2,457,902	2,209,959
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes	1,507,581	1,441,980
Advanced property tax collections	4,800,790	1,629,621
Total deferred inflows of resources	6,308,371	3,071,601
FUND BALANCES		
Nonspendable	129,500	
Assigned	2,003,342	1,540,633
Unassigned	12,151,945	11,142,709
Total fund balances	14,284,787	12,683,342
Total liabilities, deferred inflows of resources and fund balances	$ 23,051,060	$ 17,964,902

SCHEDULE 2

TOWN OF VERNON, CONNECTICUT

REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2015

Grand List October 1,	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers (From) to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2015
			Additions	Deductions			Taxes	Interest	Liens	Total	
2012	$ 883,316	$	$ 60,227	$ 84,589	$ 41,034	$ 817,920	$ 405,773	$ 74,480	$ 2,011	482,264	$ 412,147
2011	398,402		35,358	53,786	73,712	306,262	150,839	52,669	977	204,485	155,423
2010	172,302		13,584	26,260	23,507	136,119	61,725	33,216	1,231	96,172	74,394
2009	94,964			258	13,294	81,412	33,303	25,458	1,052	59,813	48,109
2008	64,764			244	6,927	57,593	16,292	13,478	846	30,616	41,301
2007	44,377			228	7,256	36,893	4,834	4,439	510	9,783	32,059
2006	40,080			212	6,587	33,281	3,283	3,925	548	7,756	29,998
2005	24,542			198	(1,512)	25,856	1,581	2,347	314	4,242	24,275
2004	16,807		337	193	(781)	17,732	1,118	1,313	53	2,484	16,614
2003	14,104		373	190	(196)	14,483	569	1,060	84	1,713	13,914
2002	11,029		331	181	(361)	11,540	692	719	242	1,653	10,848
2001	10,598		359	174	(306)	11,089	665	607	81	1,353	10,424
2000	10,112		47	166	(178)	10,171	178	426	25	629	9,993
1999	16,965			228	(194)	16,931	194	491	28	713	16,737
1998	16,683			16,683		-				-	-
Total prior years	1,819,045	-	110,616	183,590	168,789	1,577,282	681,046	214,628	8,002	903,676	896,236
2013		64,211,229	302,346	504,282	11,384	63,997,909	63,158,074	195,191	7,736	63,361,001	839,835
Total all years	$ 1,819,045	$ 64,211,229	$ 412,962	$ 687,872	$ 180,173	$ 65,575,191	$ 63,839,120	$ 409,819	$ 15,738	$ 64,264,677	$ 1,736,071

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Cafeteria	Sales of food, State and Federal subsidies	Operation of the school cafeterias
Town Clerk Special	Sportsmen license fees	State DEEP
Insurance Exchange	Casualty losses	Insurance claims and deductibles
Town Aid Road	State grant	General Town road maintenance and Connecticut Housing Partnership Program Grant
Dog License	Licenses and fees	Animal control program
Ambulance Medical Services	Ambulance services fees	Paramedic and collection agency costs
Public Safety Complex Grant-in-Aid	State grant	Addition to ambulance building
Vernon Cemetery Commission	Lot sales, related income, Town Council appropriation	Cemetery maintenance
Special Education Grants	State and federal grants	Educational purposes
Special Education Excess Cost Reserve	State grant	Educational purposes
Adult Basic Education Tuition	State and local governments	Adult education
CDBG Small Cities	Federal grant - DHUD and program income	Community development programs
Housing and Community Development	Federal grant - DHUD and program income	Community development programs
Downstream	Developer fees	Improvements to storm drainage system
Sidewalk Development	Developer fees	Town sidewalks
Sewer Assessment	Levied sewer assessments	Sewer bonded debt service
Sewer Connections	Sewer construction and permit fees	Sewer repairs, maintenance and related expenditures
Medical Savings Reserve	Town and demutualization proceeds	Medical claims and expenses
Brownfield Mills Remediation Projects	State grants	Community and Economic development programs
Parks and Recreation Programs	Program Fees	Parks and Recreation programs
Miscellaneous Grants	Local, state and federal grants	Youth Service Bureau, State Asset Forfeiture and other grant programs
Miscellaneous Special Revenue	Various	Federal Forfeiture, Public Celebration and Special Youth Activities Funds

Debt Service

This fund is used to account for resources used to pay off the sewer related bonds.

Capital Projects

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fund	Funding Source	Function
River Street Bridge Renovations Project 146-160	State and Federal grants	Renovation of bridge
Spring Street Bridge Renovations Project 146-159	State and Federal grants	Renovation of bridge
Phoenix Street Bridge Renovations Project 146-181	State and Federal grants	Renovation of bridge
Town Capital and Nonrecurring	Grants and general Fund appropriation	Capital projects or equipment acquisition.
Education Capital and Nonrecurring	Town Council appropriations, State grants	Capital improvements in school system
Public Bond Improvements	General obligation bonds, federal grants and other resources	Reconstruction of town roads, sidewalks, bridges and sewer system improvements.
South Street Reconstruction	Federal grant and local funds	Roadway reconstruction
West Main Street Bridge Reconstruction	Federal grant and local funds	Renovation of bridge
Town and School Improvement Projects	Local re-designated available funds	Various public and school projects
School Roof Replacements and Renovations	State grants and local re-designated available funds	Roof replacements at various schools
Main Street Bridge Reconstruction	Federal grant and local funds	Renovation of bridge
School Bond Improvements	General obligation bonds and state grants	Renovations and additions to public schools

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Cemetery Trust	Investment income	Perpetual care
Memorial Trust	Investment income	Memorial care

TOWN OF VERNON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds							
	Cafeteria	Town Clerk Special	Insurance Exchange	Town Aid Road	Dog License	Ambulance Medical Services	Public Safety Complex Grant-In-Aid	Vernon Cemetery Commission
Assets								
Cash	$ 15,967	$ 547	$ 110,789	$ 381,510	$ 62,525	$ 236,505	$	$ 117,827
Investments	24,821							
Receivables (net):								
Intergovernmental	142,589							
Other					3,000	772,269		
Loans								
Sewer assessment								
Due from other funds	1,084	31			1,984			15,900
Inventory	30,661							
Total assets	$ 215,122	$ 578	$ 110,789	$ 381,510	$ 67,509	$ 1,008,774	$ -	$ 133,727
Liabilities								
Cash overdraft	$	$	$	$	$	$	$	$
Accounts payable	147,264	359	39,355	74,056	18,607	29,617		
Accrued liabilities								
Due to other funds	98,190	219	5,008	3	513	103,723	860,500	4,299
Advance from other funds								
Total liabilities	245,454	578	44,363	74,059	19,120	133,340	860,500	4,299
Deferred Inflows of Resources								
Unavailable revenues:								
Grants								
Loans								
Sewer assessments and user charges								
Ambulance services						772,269		
Total deferred inflows of resources	-	-	-	-	-	772,269	-	-
Fund Balances								
Nonspendable	30,661							
Restricted				307,451				129,428
Committed			66,426		48,389	103,165		
Assigned								
Unassigned	(60,993)						(860,500)	
Total fund balances	(30,332)	-	66,426	307,451	48,389	103,165	(860,500)	129,428
Total liabilities, deferred inflows of resources and fund balances	$ 215,122	$ 578	$ 110,789	$ 381,510	$ 67,509	$ 1,008,774	$ -	$ 133,727

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds								
	Special Education Grants	Special Education Excess Cost Reserve	Adult Basic Education Tuition	CDBG Small Cities	Housing and Community Development	Downstream	Sidewalk Development	Sewer Assessment	Sewer Connections
Assets									
Cash	$ 22,029	$ 10,171	$ 140,001	$ 87,216	$ 29,450	$ 46,790	$ 2,701	$ 9,706	$ 364,628
Investments									1,417,009
Receivables (net):									
Intergovernmental	219,678			13,150					
Other									1,707
Loans				336,206	98,155				
Sewer assessment								918	
Due from other funds	107,140	206,159	2,083					760	
Inventory									
Total assets	$ 348,847	$ 216,330	$ 142,084	$ 436,572	$ 127,605	$ 46,790	$ 2,701	$ 11,384	$ 1,783,344
Liabilities									
Cash overdraft	$	$	$	$	$	$	$	$	$
Accounts payable	84,861	15,831	42,312	16,741					15,200
Accrued liabilities	17,587		27,101						
Due to other funds	137,678			818				86	1,016
Advance from other funds									
Total liabilities	240,126	15,831	69,413	17,559	-	-	-	86	16,216
Deferred Inflows of Resources									
Unavailable revenues:									
Grants									
Loans				336,206	98,155				
Sewer assessments and user charges								834	1,707
Ambulance services									
Total deferred inflows of resources	-	-	-	336,206	98,155	-	-	834	1,707
Fund Balances									
Nonspendable									
Restricted	108,721	200,499	72,671	82,807	29,450			10,464	
Committed						46,790	2,701		1,765,421
Assigned									
Unassigned									
Total fund balances	108,721	200,499	72,671	82,807	29,450	46,790	2,701	10,464	1,765,421
Total liabilities, deferred inflows of resources and fund balances	$ 348,847	$ 216,330	$ 142,084	$ 436,572	$ 127,605	$ 46,790	$ 2,701	$ 11,384	$ 1,783,344

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds							Capital Projects Funds
	Medical Savings Reserve	Brownfield Mills Remediation Projects	Parks and Recreation Programs	Miscellaneous Grants	Miscellaneous Special Revenue	Total	Debt Service	River St. Bridge Renovations Project 146-160
Assets								
Cash	$ 54,501	$	$ 180,564	$ 105,050	$ 459,561	$ 2,438,038	$ 180,000	$ 6,951
Investments	355,946					1,797,776	146	
Receivables (net):								
Intergovernmental		153,416		8,604		537,437	528,225	
Other			3,655	78,082	6,000	864,713		
Loans						434,361		
Sewer assessment						918		
Due from other funds				15,000		350,141		
Inventory						30,661		
Total assets	$ 410,447	$ 153,416	$ 184,219	$ 206,736	$ 465,561	$ 6,454,045	$ 708,371	$ 6,951
Liabilities								
Cash overdraft	$	$ 14,657	$	$	$	$ 14,657	$	$
Accounts payable		138,759	11,525	62,513	33,252	730,252		21
Accrued liabilities				173		44,861		
Due to other funds			98,620	11,407	5,607	1,327,687	146	
Advance from other funds						-		
Total liabilities	-	153,416	110,145	74,093	38,859	2,117,457	146	21
Deferred Inflows of Resources								
Unavailable revenues:								
Grants				15,000		15,000	528,225	
Loans						434,361		
Sewer assessments and user charges						2,541		
Ambulance services						772,269		
Total deferred inflows of resources	-	-	-	15,000	-	1,224,171	528,225	-
Fund Balances								
Nonspendable						30,661		
Restricted				117,643		1,059,134		
Committed	410,447		74,074		426,702	2,944,115		6,930
Assigned						-	180,000	
Unassigned						(921,493)		
Total fund balances	410,447	-	74,074	117,643	426,702	3,112,417	180,000	6,930
Total liabilities, deferred inflows of resources and fund balances	$ 410,447	$ 153,416	$ 184,219	$ 206,736	$ 465,561	$ 6,454,045	$ 708,371	$ 6,951

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Capital Projects Funds								
	Spring St. Bridge Renovations Project 146-159	Phoenix St. Bridge Renovations Project 146-181	Town Capital and Nonrecurring	Education Capital and Nonrecurring	Public Bond Improvements	South Street Reconstruction	West Main St Bridge Reconstruction	Town and School Improvement Projects	School Roof Replacements and Renovations
Assets									
Cash	$ 5,827	$ 35,681	$ 291,776	$ 506,826	$ 1,386	$ 153,522	$ 593,464	$ 1,195,000	$ 1,170,000
Investments									
Receivables (net):									
Intergovernmental		19,159	289,932	39,497		85,660	575,242		
Other			26,383						
Loans									
Sewer assessment									
Due from other funds			13,531	108,097					
Inventory									
Total assets	$ 5,827	$ 54,840	$ 621,622	$ 654,420	$ 1,386	$ 239,182	$ 1,168,706	$ 1,195,000	$ 1,170,000
Liabilities									
Cash overdraft	$	$	$	$	$	$	$	$	$
Accounts payable			6,232	50,950	1,386	96,144	198,345		
Accrued liabilities									
Due to other funds		51,365	48,000	85,300			972,714		
Advance from other funds				129,500					
Total liabilities	-	51,365	54,232	265,750	1,386	96,144	1,171,059	-	-
Deferred Inflows of Resources									
Unavailable revenues:									
Grants									
Loans									
Sewer assessments and user charges									
Ambulance services									
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable									
Restricted									
Committed	5,827	3,475	567,390	388,670		143,038		1,195,000	1,170,000
Assigned									
Unassigned							(2,353)		
Total fund balances	5,827	3,475	567,390	388,670	-	143,038	(2,353)	1,195,000	1,170,000
Total liabilities, deferred inflows of resources and fund balances	$ 5,827	$ 54,840	$ 621,622	$ 654,420	$ 1,386	$ 239,182	$ 1,168,706	$ 1,195,000	$ 1,170,000

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TOWN OF VERNON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Capital Projects Funds			Permanent Funds				
	Main St Bridge Reconstruction	School Bond Improvements	Total	Cemetery Trust	Memorial Trust	Total	Interfund Eliminations	Total Nonmajor Governmental Funds
Assets								
Cash	$	$	$ 3,960,433	$ 723,800	$ 16,616	$ 740,416	$	$ 7,318,887
Investments			-	1,593,648		1,593,648		3,391,570
Receivables (net):								
Intergovernmental	648		1,010,138			-		2,075,800
Other			26,383			-		891,096
Loans			-			-		434,361
Sewer assessment			-			-		918
Due from other funds	48,000		169,628			-	(80,373)	439,396
Inventory			-			-		30,661
Total assets	$ 48,648	$ -	$ 5,166,582	$ 2,317,448	$ 16,616	$ 2,334,064	$ (80,373)	$ 14,582,689
Liabilities								
Cash overdraft	$	$	$ -	$	$	$ -	$	$ 14,657
Accounts payable	810		353,888			-		1,084,140
Accrued liabilities			-			-		44,861
Due to other funds			1,157,379	15,900		15,900	(80,373)	2,420,739
Advance from other funds			129,500			-		129,500
Total liabilities	810	-	1,640,767	15,900	-	15,900	(80,373)	3,693,897
Deferred Inflows of Resources								
Unavailable revenues:								
Grants			-			-		543,225
Loans			-			-		434,361
Sewer assessments and user charges			-			-		2,541
Ambulance services			-			-		772,269
Total deferred inflows of resources	-	-	-	-	-	-	-	1,752,396
Fund Balances								
Nonspendable			-	1,713,860	5,000	1,718,860		1,749,521
Restricted			-	587,688	11,616	599,304		1,658,438
Committed	47,838		3,528,168			-		6,472,283
Assigned			-			-		180,000
Unassigned			(2,353)			-		(923,846)
Total fund balances	47,838	-	3,525,815	2,301,548	16,616	2,318,164	-	9,136,396
Total liabilities, deferred inflows of resources and fund balances	$ 48,648	$ -	$ 5,166,582	$ 2,317,448	$ 16,616	$ 2,334,064	$ (80,373)	$ 14,582,689

(Concluded)

TOWN OF VERNON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds							
	Cafeteria	Town Clerk Special	Insurance Exchange	Town Aid Road	Dog License	Ambulance Medical Services	Public Safety Complex Grant-In-Aid	Vernon Cemetery Commission
Revenues:								
Intergovernmental:								
Federal	$ 840,786	$	$	$	$	$	$	$
State	69,713			402,328				
Local								
Assessments								
Sales	437,997							37,420
Charges for services					7,475	1,036,158		53,457
Licenses and permits		6,238			15,295			
Gifts and contributions								
Investment income	16		8	3	3			275
Net change in fair value of investments								
Other	7,158							4,125
Total revenues	1,355,670	6,238	8	402,331	22,773	1,036,158	-	95,277
Expenditures:								
Current:								
General government		6,238						
Community development								
Public safety					23,688	890,892		
Maintenance and development			10,909	215,196				167,508
Human services								
Parks, recreation and culture								
Education	1,436,751							
Debt service								
Capital outlay						9,895		
Total expenditures	1,436,751	6,238	10,909	215,196	23,688	900,787	-	167,508
Excess (Deficiency) of Revenues over Expenditures	(81,081)	-	(10,901)	187,135	(915)	135,371	-	(72,231)
Other Financing Sources (Uses):								
Transfers in								15,100
Transfers out			(8)	(3)		(82,000)		
Net other financing sources (uses)	-	-	(8)	(3)	-	(82,000)	-	15,100
Net Change in Fund Balances	(81,081)	-	(10,909)	187,132	(915)	53,371	-	(57,131)
Fund Balances at July 1, 2014	50,749	-	77,335	120,319	49,304	49,794	(860,500)	186,559
Fund Balances at June 30, 2015	$ (30,332)	$ -	$ 66,426	$ 307,451	$ 48,389	$ 103,165	$ (860,500)	$ 129,428

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds								
	Special Education Grants	Special Education Excess Cost Reserve	Adult Basic Education Tuition	CDGB Small Cities	Housing and Community Development	Downstream	Sidewalk Development	Sewer Assessment	Sewer Connections
Revenues:									
Intergovernmental:									
Federal	$ 1,773,056	$	$	$ 106,650	$	$	$	$	$
State	3,199,099	206,159	233,691						8,450
Local			822,870						
Assessments								10,380	
Sales									
Charges for services									
Licenses and permits									174,893
Gifts and contributions									
Investment income									511
Net change in fair value of investments									
Other			9,152						
Total revenues	4,972,155	206,159	1,065,713	106,650	-	-	-	10,380	183,854
Expenditures:									
Current:									
General government									
Community development				132,511					
Public safety									
Maintenance and development						2,445			126,325
Human services									
Parks, recreation and culture									
Education	4,883,548	15,831	1,079,325						
Debt service									
Capital outlay									
Total expenditures	4,883,548	15,831	1,079,325	132,511	-	2,445	-	-	126,325
Excess (Deficiency) of Revenues over Expenditures	88,607	190,328	(13,612)	(25,861)	-	(2,445)	-	10,380	57,529
Other Financing Sources (Uses):									
Transfers in		10,171							
Transfers out								(20,068)	
Net other financing sources (uses)	-	10,171	-	-	-	-	-	(20,068)	-
Net Change in Fund Balances	88,607	200,499	(13,612)	(25,861)	-	(2,445)	-	(9,688)	57,529
Fund Balances at July 1, 2014	20,114	-	86,283	$ 108,668	29,450	49,235	2,701	20,152	1,707,892
Fund Balances at June 30, 2015	$ 108,721	$ 200,499	$ 72,671	$ 82,807	$ 29,450	$ 46,790	$ 2,701	$ 10,464	$ 1,765,421

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds							Capital Projects Funds
	Medical Savings Reserve	Brownfield Mills Remediation Projects	Parks and Recreation Programs	Miscellaneous Grants	Miscellaneous Special Revenue	Total	Debt Service	River St. Bridge Renovations Project 146-160
Revenues:								
Intergovernmental:								
Federal	$	$	$	$ 62,908	$	$ 2,783,400	$	$
State		209,130		201,110		4,529,680		
Local						822,870		
Assessments						10,380		
Sales						475,417		
Charges for services			811,625		14,163	1,922,878		
Licenses and permits					22,747	219,173		
Gifts and contributions				208,466	73,365	281,831	357,752	
Investment income	124				9	949	146	
Net change in fair value of investments						-		
Other				187,699	85,046	293,180		244
Total revenues	124	209,130	811,625	660,183	195,330	11,339,758	357,898	244
Expenditures:								
Current:								
General government						6,238		
Community development					71,846	204,357		
Public safety				45,422	27,453	987,455		
Maintenance and development		209,130				731,513		
Human services				60,850	37,439	98,289		
Parks, recreation and culture			717,121		76,316	793,437		
Education				607,475		8,022,930		
Debt service						-	1,662,040	
Capital outlay						9,895		
Total expenditures	-	209,130	717,121	713,747	213,054	10,854,114	1,662,040	-
Excess (Deficiency) of Revenues over Expenditures	124	-	94,504	(53,564)	(17,724)	485,644	(1,304,142)	244
Other Financing Sources (Uses):								
Transfers in					41,000	66,271	1,304,288	
Transfers out			(62,500)			(164,579)	(146)	
Net other financing sources (uses)	-	-	(62,500)	-	41,000	(98,308)	1,304,142	-
Net Change in Fund Balances	124		32,004	(53,564)	23,276	387,336	-	244
Fund Balances at July 1, 2014	410,323		42,070	171,207	403,426	2,725,081	180,000	6,686
Fund Balances at June 30, 2015	$ 410,447	$ -	$ 74,074	$ 117,643	$ 426,702	$ 3,112,417	$ 180,000	$ 6,930

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Capital Projects Funds								
	Spring St. Bridge Renovations Project 146-159	Phoenix St. Bridge Renovations Project 146-181	Town Capital and Nonrecurring	Education Capital and Nonrecurring	Public Bond Improvements	South Street Reconstruction	West Main Street Bridge Reconstruction	Town and School Improvement Projects	School Roof Replacements and Renovations
Revenues:									
Intergovernmental:									
Federal	$	$	$ 6,540	$	$	$ 82,183	$ 1,562,596	$	$
State				334,200		142,578			
Local									
Assessments									
Sales									
Charges for services			10,131						
Licenses and permits									
Gifts and contributions									
Investment income				14					
Net change in fair value of investments									
Other			36,383						
Total revenues	-	-	53,054	334,214	-	224,761	1,562,596	-	-
Expenditures:									
Current:									
General government									
Community development									
Public safety									
Maintenance and development									
Human services									
Parks, recreation and culture									
Education									
Debt service									
Capital outlay	74		626,469	555,970	2,692	91,798	1,994,999		
Total expenditures	74	-	626,469	555,970	2,692	91,798	1,994,999	-	-
Excess (Deficiency) of Revenues over Expenditures	(74)	-	(573,415)	(221,756)	(2,692)	132,963	(432,403)	-	-
Other Financing Sources (Uses):									
Transfers in			719,509	108,097			382,989	1,439,000	1,170,000
Transfers out			(48,000)		(139,492)			(244,000)	
Net other financing sources (uses)	-	-	671,509	108,097	(139,492)	-	382,989	1,195,000	1,170,000
Net Change in Fund Balances	(74)	-	98,094	(113,659)	(142,184)	132,963	(49,414)	1,195,000	1,170,000
Fund Balances at July 1, 2014	5,901	3,475	469,296	502,329	142,184	10,075	47,061		
Fund Balances at June 30, 2015	$ 5,827	$ 3,475	$ 567,390	$ 388,670	$ -	$ 143,038	$ (2,353)	$ 1,195,000	$ 1,170,000

(Continued on next page)

TOWN OF VERNON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Capital Projects Funds			Permanent Funds				
	Main St Bridge Reconstruction	School Bond Improvements	Total	Cemetery Trust	Memorial Trust	Total	Interfund Eliminations	Total Nonmajor Governmental Funds
Revenues:								
Intergovernmental:								
Federal	$ 648	$	$ 1,651,967	$	$	$ -	$	$ 4,435,367
State			476,778			-		5,006,458
Local			-			-		822,870
Assessments			-			-		10,380
Sales			-			-		475,417
Charges for services			10,131			-		1,933,009
Licenses and permits			-			-		219,173
Gifts and contributions			-	11,100		11,100		650,683
Investment income			14	37,518	16	37,534		38,643
Net change in fair value of investments			-	(2,618)		(2,618)		(2,618)
Other			36,627			-		329,807
Total revenues	648	-	2,175,517	46,000	16	46,016	-	13,919,189
Expenditures:								
Current:								
General government			-			-		6,238
Community development			-			-		204,357
Public safety			-			-		987,455
Maintenance and development			-	19,727		19,727		751,240
Human services			-			-		98,289
Parks, recreation and culture			-			-		793,437
Education			-			-		8,022,930
Debt service			-			-		1,662,040
Capital outlay	810		3,272,812			-		3,282,707
Total expenditures	810	-	3,272,812	19,727	-	19,727	-	15,808,693
Excess (Deficiency) of Revenues over Expenditures	(162)	-	(1,097,295)	26,273	16	26,289	-	(1,889,504)
Other Financing Sources (Uses):								
Transfers in	48,000		3,867,595			-	(3,055,089)	2,183,065
Transfers out		(2,610,934)	(3,042,426)	(15,100)		(15,100)	3,055,089	(167,162)
Net other financing sources (uses)	48,000	(2,610,934)	825,169	(15,100)	-	(15,100)	-	2,015,903
Net Change in Fund Balances	47,838	(2,610,934)	(272,126)	11,173	16	11,189		126,399
Fund Balances at July 1, 2014		2,610,934	3,797,941	2,290,375	16,600	2,306,975		9,009,997
Fund Balances at June 30, 2015	$ 47,838	$ -	$ 3,525,815	$ 2,301,548	$ 16,616	$ 2,318,164	$ -	$ 9,136,396

(Concluded)

Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

Data Processing - Provides data processing services, on a cost-reimbursement basis, to the Town's General Fund.

Workers' Compensation - Accounts for the receipt of General and Sewer User Fund contributions to fund general government, education and water pollution related incurred workers' compensation claims. Contribution amounts are based on historical experience of claims incurred and paid.

Medical Self-Insurance Fund - Accounts for the cost of medical prescriptions for the Town's employees and retirees. Established effective January 1, 2006, the fund is supported by employee and employer contributions. Effective July 1, 2007, the Town became self-insured for the cost of dental for its general government employees and retirees. Contribution amounts are based upon historical experience of claims incurred and paid.

TOWN OF VERNON, CONNECTICUT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Data Processing	Workers' Compensation	Medical Self-Insurance	Total
Assets:				
Current assets:				
Cash	$ 477,754	$ 266,767	$ 239,275	$ 983,796
Investments		66,956	861,977	928,933
Accounts receivable		18,491	3,275	21,766
Due from other funds		405,000	46,652	451,652
Prepaid expense	2,425			2,425
Total current assets	480,179	757,214	1,151,179	2,388,572
Capital assets:				
Machinery and equipment	651,095			651,095
Infrastructure	869,645			869,645
Computer software	387,279			387,279
Less accumulated depreciation	(744,379)			(744,379)
Capital assets (net)	1,163,640	-	-	1,163,640
Total assets	1,643,819	757,214	1,151,179	3,552,212
Deferred Outflows of Resources:				
Pension related	51,060			51,060
Liabilities:				
Current:				
Accounts payable	12,379	9,355		21,734
Claims payable		347,726	13,311	361,037
Due to other funds	512,002	500,000	409,931	1,421,933
Accrued compensated absences	13,255			13,255
Total current liabilities	537,636	857,081	423,242	1,817,959
Noncurrent:				
Claims payable		1,027,919		1,027,919
Accrued compensated absences	30,272			30,272
Net pension liability	514,897			514,897
Total noncurrent liabilities	545,169	1,027,919	-	1,573,088
Total liabilities	1,082,805	1,885,000	423,242	3,391,047
Deferred Inflows of Resources:				
Pension related	66,133			66,133
Net Position:				
Net investment in capital assets	1,163,640			1,163,640
Unrestricted	(617,699)	(1,127,786)	727,937	(1,017,548)
Total Net Position	$ 545,941	$ (1,127,786)	$ 727,937	$ 146,092

SCHEDULE 6

TOWN OF VERNON, CONNECTICUT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Data Processing	Workers' Compensation	Medical Self-Insurance	Total
Operating Revenues:				
Charges for services	$ 1,648,114	$ 1,164,000	$ 549,533	$ 3,361,647
Miscellaneous	400	31,142	5,451	36,993
Total operating revenues	1,648,514	1,195,142	554,984	3,398,640
Operating Expenses:				
Wages and benefits	990,546			990,546
Repairs, maintenance and rentals	387,619			387,619
Utilities	15,287			15,287
Supplies and materials	1,959			1,959
General and administrative	57,504	70,805	16,403	144,712
Claims incurred		954,858	454,509	1,409,367
Depreciation	109,390			109,390
Total operating expenses	1,562,305	1,025,663	470,912	3,058,880
Operating Income (Loss)	86,209	169,479	84,072	339,760
Nonoperating Revenues (Expenses):				
Investment income		26	319	345
Change in net position	86,209	169,505	84,391	340,105
Total Net Position at July 1, 2014 (as restated)	459,732	(1,297,291)	643,546	(194,013)
Total Net Position at June 30, 2015	$ 545,941	$ (1,127,786)	$ 727,937	$ 146,092

TOWN OF VERNON, CONNECTICUT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Data Processing	Workers' Compensation	Medical Self-Insurance	Total
Cash Flows from Operating Activities:				
Service charges collected	$ 1,648,514	$ 764,000	$ 526,197	$ 2,938,711
Other operating revenues collected			10,736	10,736
Cash payments for employee wages and benefits	(836,338)			(836,338)
Cash payments for goods and services	(532,916)			(532,916)
Cash payments for other operating expenses		(531,116)	(480,079)	(1,011,195)
Cash receipts (payments) of due from (to) balances		(205,000)	366,818	161,818
Net cash provided by (used in) operating activities	279,260	27,884	423,672	730,816
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	(200,785)			(200,785)
Cash Flows from Investing Activities:				
Investment income		26	319	345
Net Increase (Decrease) in Cash and Cash Equivalents	78,475	27,910	423,991	530,376
Cash and Cash Equivalents - July 1, 2014	399,279	305,813	677,261	1,382,353
Cash and Cash Equivalents - June 30, 2015	477,754	333,723	1,101,252	1,912,729
Reconciliation to cash on Schedule 5:				
Cash equivalents reported as investments	-	(66,956)	(861,977)	(928,933)
Cash - June 30, 2015	$ 477,754	$ 266,767	$ 239,275	$ 983,796
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ 86,209	$ 169,479	$ 84,072	$ 339,760
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Add:				
Depreciation expense	109,390			109,390
Decrease in accounts receivable			5,275	5,275
Decrease in prepaid expense	20,314			20,314
Increase in claims payable		482,254		482,254
Increase in due to other funds	3,156		409,931	413,087
Increase in accrued compensated absences	15,663			15,663
Increase in deferred inflows	39,167			39,167
Increase in net pension liability	98,778			98,778
Deduct:				
Increase in accounts receivable		(17,294)		(17,294)
Increase in due from other funds		(405,000)	(46,652)	(451,652)
Increase in deferred outflows	(51,060)			(51,060)
Decrease in accounts/claims payable	(42,357)	(1,555)	(28,954)	(72,866)
Decrease in due to other funds		(200,000)		(200,000)
Net adjustments to operating income (loss)	193,051	(141,595)	339,600	391,056
Net Cash Provided by (Used in) Operating Activities	$ 279,260	$ 27,884	$ 423,672	$ 730,816

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Funds

A fiduciary fund type is used to report resources that are required to be held in trust for the member and beneficiaries of defined benefit pension plans.

The Town has three pension plans covering substantially all of its employees, except teachers who are covered by the State Teachers' Retirement Fund. The Town Plan is a contributory defined benefit plan. The Police Plan is a contributory defined benefit plan. The LOSAP Plan is a non-contributory defined benefit plan for fire department volunteers.

Other Post-Employment Benefits Trust Fund

A fiduciary fund type is used to report resources accumulated for the payment of retiree health insurance costs in accordance with employee bargaining agreements.

Private-Purpose Trust Funds

To account for the activities of various restricted school awards.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

School Activity

To account for the expenditure of educational extracurricular activities of the various schools. Financing is provided by individual fundraising projects.

Miscellaneous Activity

To account for activities of summer school, regional adult education and continuing education programs.

Bid Bond Deposit

A fund to account for bid bonds which are held to assure performance by contracted vendors on projects for the Town.

SCHEDULE 8

TOWN OF VERNON, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2015

	School Activity	Miscellaneous Activity	Bid Bond Deposit	Total
Assets:				
Cash	$ 325,337	$ 54,403	$ 236,438	$ 616,178
Due from other funds	1,216	66		1,282
Total	$ 326,553	$ 54,469	$ 236,438	$ 617,460
Liabilities:				
Accounts payable	$ 326,553	$ 53,467	$ 236,438	$ 616,458
Due to other funds		1,002		1,002
Total	$ 326,553	$ 54,469	$ 236,438	$ 617,460

TOWN OF VERNON, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
School Activity Fund				
Assets:				
Cash	$ 346,225	$ 564,699	$ 585,587	$ 325,337
Due from other funds	458	758		1,216
Total Assets	$ 346,683	$ 565,457	$ 585,587	$ 326,553
Liabilities:				
Accounts payable	$ 346,683	$ 565,457	$ 585,587	$ 326,553
Miscellaneous Activity Fund				
Assets:				
Cash	$ 55,788	$ 216,798	$ 218,183	$ 54,403
Due from other funds	66			66
Total Assets	$ 55,854	$ 216,798	$ 218,183	$ 54,469
Liabilities:				
Accounts payable	$ 54,855	$ 216,795	$ 218,183	$ 53,467
Due to other funds	999	3		1,002
Total Liabilities	$ 55,854	$ 216,798	$ 218,183	$ 54,469
Bid Bond Deposit				
Assets:				
Cash	$ 1,300	$ 334,143	$ 99,005	$ 236,438
Investments	189,606	71,766	261,372	-
Total Assets	$ 190,906	$ 405,909	$ 360,377	$ 236,438
Liabilities:				
Accounts payable	$ 190,906	$ 405,909	$ 360,377	$ 236,438
Total All Funds				
Assets:				
Cash	$ 403,313	$ 1,115,640	$ 902,775	$ 616,178
Investments	189,606	71,766	261,372	-
Due from other funds	524	758		1,282
Total	$ 593,443	$ 1,188,164	$ 1,164,147	$ 617,460
Liabilities:				
Accounts payable	$ 592,444	$ 1,188,161	$ 1,164,147	$ 616,458
Due to other funds	999	3		1,002
Total	$ 593,443	$ 1,188,164	$ 1,164,147	$ 617,460

Capital Assets Used in the Operation of Governmental Funds

The following schedules present only the capital assets balances related to the governmental funds. The assets are reported at historical cost or estimated historical cost.

The Town's capitalization policy requires the recording of capital assets with original and estimated useful lives of one year or more. Provisions for depreciation are not included in the schedules.

SCHEDULE 10

TOWN OF VERNON, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2015

	Land and Improvements	Construction In Progress	Buildings and Improvements	Machinery, Equipment and Intangibles	Infrastructure	Total
General government	$ 179,513	$ 72,483	$ 3,394,215	$ 480,964	$	$ 4,127,175
Community development				26,099		26,099
Public safety	343,716	108,033	4,244,001	9,361,058		14,056,808
Maintenance and development	469,230	10,003,035	853,353	7,025,850	75,638,782	93,990,250
Human services				48,228		48,228
Parks, recreation and culture	6,659,205	36,886	5,354,619	1,018,956	48,908	13,118,574
Townwide	1,357,097		11,556,302	19,127,271		32,040,670
Education	5,889,255	69,186	86,238,805	5,358,096		97,555,342
Total	$ 14,898,016	$ 10,289,623	$ 111,641,295	$ 42,446,522	$ 75,687,690	$ 254,963,146

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of $1,908,019 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

TOWN OF VERNON, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Funds Capital Assets July 1, 2014	Additions	Deletions	Governmental Funds Capital Assets June 30, 2015
General government	$ 4,109,293	$ 17,882	$	$ 4,127,175
Community development	26,099			26,099
Public safety	13,944,573	146,144	33,909	14,056,808
Maintenance and development	86,156,424	7,850,950	17,124	93,990,250
Human services	48,228			48,228
Parks, recreation and culture	13,140,982	144,921	167,329	13,118,574
Townwide	31,992,811	53,665	5,806	32,040,670
Education	96,704,635	908,037	57,330	97,555,342
Total	$ 246,123,045	$ 9,121,599	$ 281,498	254,963,146

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of $1,908,019 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Internal Service	1,908,019
Capital Asset Note	$ 256,871,165

Statistical Section

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

REVENUE CAPACITY (TABLES 5 - 7)

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

DEBT CAPACITY (TABLES 8- 11)

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

OPERATING INFORMATION (TABLES 16 - 17)

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

TOWN OF VERNON, CONNECTICUT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR									
	2006	2007	2008	2009	(1) 2010	2011	2012	2013	2014	2015
Governmental Activities:										
Net investment in capital assets	$ 69,198,346 *	$ 72,816,629 **	$ 88,050,372	$ 81,074,292	$ 93,272,100	$ 95,834,210	$ 102,048,034	$ 107,081,145	$ 111,596,204	$ 117,079,226
Restricted for:										
Endowments:										
Expendable						409,284	394,323	510,963	599,215	599,304
Nonexpendable	2,149,606	2,327,444	1,810,053 ***	1,591,346	1,698,091	1,500,092	1,696,935	1,696,935	1,707,760	1,718,860
Grant programs					351,960	361,873	93,400	409,496	420,308	409,919
Sewer assessment								89,392	20,152	10,464
Cemeteries					2,462,824	2,103,563	512,639	184,036	186,559	129,428
Housing and community development				731,241				29,450	29,450	112,257
Education grants				8,503,748	461,740	534,712	559,169	157,770	108,553	324,395
Adult education										72,671
Unrestricted	9,185,192	8,736,496	14,460,439	9,814,118 ****	7,150,265	6,733,222	12,288,256	7,962,107	7,699,805	(38,202,259) *****
Total Net Position - Governmental Activities	78,383,538 *	83,880,569 **	104,320,864 ***	101,714,745 ****	105,396,980	107,476,956	117,592,756	118,121,294	122,368,006	82,254,265 *****
Business-Type Activities:										
Net investment in capital assets	11,345,089 *	10,949,348	10,681,891	10,693,612	11,344,015	11,052,631	10,640,331	10,110,672	10,719,298	10,294,619
Unrestricted	3,633,819	3,603,819	3,842,700	4,204,622 ****	4,110,256	5,612,991	6,851,173	8,121,996	9,203,267	7,490,120
Total Net Position - Business-Type Activities	14,978,908 *	14,553,167	14,524,591	14,898,234	15,454,271	16,665,622	17,491,504	18,232,668	19,922,565	17,784,739
Primary Government:										
Net investment in capital assets	78,393,829 *	83,765,977 **	98,732,263	91,767,904	104,616,115	106,886,841	112,688,365	117,191,817	122,315,502	127,373,845
Restricted for:										
Endowments:										
Nonexpendable	2,149,606	2,327,444	1,810,053 ***	1,591,346	1,698,091	1,909,376	1,696,935	1,696,935	1,707,760	1,718,860
Expendable							394,323	510,963	599,215	599,304
Grant program					351,960	361,873	93,400	409,496	420,308	409,919
Sewer assessment								89,392	20,152	10,464
Cemeteries				731,241	2,462,824	2,103,563	512,639	184,036	186,559	129,428
Housing and community development								29,450	29,450	112,257
Education grants				8,503,748	461,740	534,712	559,169	157,770	108,553	324,395
Adult education										72,671
Unrestricted	12,819,011	12,340,315	18,303,139	14,018,740	11,260,521	12,346,213	19,139,429	16,084,103	16,903,072	(30,712,139) *****
Total Net Position - Primary Government	$ 93,362,446 *	$ 98,433,736 **	$ 118,845,455 ***	$ 116,612,979	$ 120,851,251	$ 124,142,578	$ 135,084,260	$ 136,353,962	$ 142,290,571	$ 100,039,004 *****

* Restated due to inclusion of infrastructure capital assets, effective July 1, 2006.
** Restated to include inclusion of certain unreported capital assets, effective July 1, 2007.
*** Restated due to reclassification of Permanent Funds (Governmental Activities) to Private Purpose Funds (Fiduciary Funds), effective July 1, 2008.
**** Restated due to allocation of Internal Service Fund net position from Governmental Activities to Business-Type Activities, effective July 1, 2009.
***** Restated due to inclusion of pension liability, effective July 1, 2014.
(1) Net position components completely restated for fiscal year 2010 only.

Note: Accounting standards require reporting of net position into the following three components: net investment in capital assets; Restricted; and Unrestricted. Net position is restricted when an external party places a restriction on how such resources may be used.

TABLE 2

TOWN OF VERNON, CONNECTICUT

CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Expenses:										
General government	$ 2,806,080	$ 2,904,104	$ 3,139,240	$ 5,543,645	$ 6,002,872	$ 5,633,603	$ 5,374,112	5,907,367	$ 5,497,317	$ 5,673,665
Community development	430,016	335,054	512,822	874,382	1,631,589	2,057,937	638,976	419,554	605,573	548,397
Public safety	7,937,751	7,945,910	8,455,354	12,568,421	12,143,675	12,480,725	16,324,643	12,414,267	12,686,921	14,215,899
Maintenance and development	6,324,707	7,143,727	8,012,991	10,285,117	9,435,073	10,405,706	8,937,010	8,841,241	11,401,777	10,116,217
Human services	879,525	966,674	986,024	1,462,640	1,445,899	1,403,991	1,384,782	1,310,967	1,300,698	1,391,161
Parks, recreation and culture	1,728,770	1,983,538	2,051,661	2,332,424	2,487,532	2,610,713	2,391,015	2,657,811	2,552,523	2,661,919
Townwide	7,559,168	7,527,820	7,841,285							
Education	52,628,976	53,358,397	67,481,122	58,265,100	56,255,521	58,846,481	58,713,021	63,366,856	65,638,249	66,522,642
Interest on long-term debt	743,513	1,314,382	1,998,887	2,098,304	2,055,746	1,920,229	1,502,045	1,626,972	1,348,996	1,403,135
Total expenses	81,038,506	83,479,606	100,479,386	93,430,033	91,457,907	95,359,385	95,265,604	96,545,035	101,032,054	102,533,035
Program Revenues:										
Charges for services:										
General government	1,273,048	1,447,763	1,211,305	725,190	822,153	821,502	958,550	1,033,606	1,118,278	1,425,021
Community development	19,906	58,142	30,034	7,489	13,956	9,434	8,973	8,422	10,183	8,812
Public safety	924,368	1,125,437	959,756	1,181,165	1,258,051	1,254,690	1,137,357	1,092,752	1,291,753	1,204,428
Maintenance and development	565,980	714,631	657,618	561,824	564,608	569,932	617,746	590,490	469,094	556,001
Human services	13,475	20,075	19,018							
Parks, recreation and culture	437,496	576,551	658,490	631,474	685,562	712,592	718,122	778,727	804,255	861,914
Townwide	564,362	526,665	168,062							
Education	1,324,835	1,399,682	1,291,241	1,247,574	1,217,369	1,078,802	1,129,934	984,549	1,060,476	1,045,766
Operating grants and contributions	26,018,390	26,165,787	42,496,900	28,578,832	30,312,483	30,019,905	32,226,232	29,920,655	31,446,928	32,660,452
Capital grants and contributions	862,817	3,907,694	20,433,504	3,770,739	3,850,322	2,770,498	8,082,486	835,929	4,390,500	2,637,723
Total program revenues	32,004,677	35,942,427	67,925,928	36,704,287	38,724,504	37,237,355	44,879,400	35,245,130	40,591,467	40,400,117
Net Program Expense	(49,033,829)	(47,537,179)	(32,553,458)	(56,725,746)	(52,733,403)	(58,122,030)	(50,386,204)	(61,299,905)	(60,440,587)	(62,132,918)
General revenues:										
Property taxes	46,693,784	48,110,529	49,934,064	51,722,860	54,100,377	57,508,605	57,711,708	58,971,919	62,672,181	64,166,823
Grants and contributions not restricted to specific programs	1,628,896	1,991,397	1,749,089	1,606,039	1,258,722	1,223,183	1,503,374	1,671,664	1,157,706	1,054,078
Unrestricted investment earnings	1,091,724	2,009,214	1,503,005	212,312	192,081	281,909	35,105	135,297	146,202	37,394
Miscellaneous	145,131	110,570	227,674	966,540	900,553	1,188,309	1,079,316	1,005,114	700,385	830,872
Contributions to permanent funds									10,825	11,100
Gain on sale of assets							172,501	44,449		
Transfers					(36,095)					
Total general revenues	49,559,535	52,221,710	53,413,832	54,507,751	56,415,638	60,202,006	60,502,004	61,828,443	64,687,299	66,100,267
Total Change in Net Position	525,706	4,684,531	20,860,374	(2,217,995)	3,682,235	2,079,976	10,115,800	528,538	4,246,712	3,967,349
Net Position July 1 (as restated)	47,062,295 1	78,383,538 2	83,880,569 3	104,320,864 4	101,714,745 5	105,396,980	107,476,956	117,592,756	118,121,294	78,286,916
Net Position June 30	$ 47,588,001	$ 83,068,069	$ 104,740,943	$ 102,102,869	$ 105,396,980	$ 107,476,956	$ 117,592,756	118,121,294	$ 122,368,006	$ 82,254,265

(Continued)

TABLE 2

TOWN OF VERNON, CONNECTICUT

CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Expenses:										
Sewer	$ 4,792,603	$ 5,170,053	$ 5,356,677	$ 5,709,836	$ 5,488,272	$ 5,607,772	$ 5,644,652	$ 5,644,174	$ 5,370,748	$ 4,614,237
Building rental	175,594	215,209	216,560	245,220	197,075	220,378	181,037	186,503	217,673	196,324
Total expenses	4,968,197	5,385,262	5,573,237	5,955,056	5,685,347	5,828,150	5,825,689	5,830,677	5,588,421	4,810,561
Revenues:										
Charges for services:										
Sewer use	4,635,373	4,633,831	5,250,919	5,658,586	6,025,610	6,484,860	6,226,800	6,198,859	5,985,632	5,698,447
Building rentals	145,398	138,441	160,610	168,218	169,800	169,113	161,398	165,268	168,848	167,117
Capital grants and contributions										6,248
Total revenues	4,780,771	4,772,272	5,411,529	5,826,804	6,195,410	6,653,973	6,388,198	6,364,127	6,154,480	5,871,812
Net Program (Expenses) Revenues	(187,426)	(612,990)	(161,708)	(128,252)	510,063	825,823	562,509	533,450	566,059	1,061,251
General revenues:										
Grants and contributions not restricted to specific programs				75,000						
Investment income	153,339	187,249	133,132	38,771	9,879	5,869	641	724	277	1,181
Miscellaneous						379,659	262,732	206,990	9,812	17,784
Capital contributions									1,113,749	
Transfers					36,095					
Total general revenues	153,339	187,249	133,132	113,771	45,974	385,528	263,373	207,714	1,123,838	18,965
Total Change in Net Position	(34,087)	(425,741)	(28,576)	(14,481)	556,037	1,211,351	825,882	741,164	1,689,897	1,080,216
Net Position July 1 (as restated)	8,231,024	14,978,908 2	14,553,167	14,524,591	14,898,234 5	15,454,271	16,665,622	17,491,504	18,232,668	16,704,523 6
Net Position, June 30	$ 8,196,937	$ 14,553,167	$ 14,524,591	$ 14,510,110	$ 15,454,271	$ 16,665,622	$ 17,491,504	$ 18,232,668	$ 19,922,565	$ 17,784,739
Total										
Total Change in Net Position	$ 491,619	$ 4,258,790	$ 20,831,798	$ (2,232,476)	$ 4,238,272	$ 3,291,327	$ 10,941,682	$ 1,269,702	$ 5,936,609	$ 5,047,565
Net Position, July 1 (as restated)	55,293,319 1	93,362,446 2	98,433,736 3	118,845,455 4	116,612,979	120,851,251	124,142,578	135,084,260	136,353,962	94,991,439 6
Net Position, June 30	$ 55,784,938	$ 97,621,236	$ 119,265,534	$ 116,612,979	$ 120,851,251	$ 124,142,578	$ 135,084,260	$ 136,353,962	$ 142,290,571	$ 100,039,004

(Concluded)

1 Net position restated to reflect cumulative effect on GASB No. 47.
2 Net position restated to reflect cumulative effect of GASB No. 34 infrastructure reporting.
3 Net position restated to reflect certain unreported capital assets not being depreciated (land) as of June 30, 2007.
4 Net position restated to reclassify Permanent Funds (Governmental Activities) to Private Purpose Trust Fund (Fiduciary Funds).
5 Net position restated to allocate Internal Service Fund net assets from Governmental Activiities to Business-Type Activities.
6 Net position restated to reflect cumulative efffect on GASB No. 68 pension reporting.

TABLE 3

TOWN OF VERNON, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	(1) 2010	2011	2012	2013	2014	2015
General Fund:										
Nonspendable	$	$	$	$	$	$	$	$	$	$ 129,500
Assigned	1,026,658	916,263	1,595,231	1,538,649	1,833,779	2,122,970	1,820,141	1,388,542	1,540,633	2,003,342
Unassigned	7,985,020	8,224,232	7,930,610	8,367,020	8,592,950	8,955,095	9,294,386	10,015,648	11,142,709	12,151,945
Total General Fund	$ 9,011,678	$ 9,140,495	$ 9,525,841	$ 9,905,669	10,426,729	$ 11,078,065	$ 11,114,527	$ 11,404,190	$ 12,683,342	$ 14,284,787
All Other Governmental Funds:										
Nonspendable	$	$	$ *	$	$ 1,728,555	$ 1,941,521	$ 1,728,792	$ 1,733,192	$ 1,736,239	$ 1,749,521
Restricted	16,664,678	21,333,178	23,038,929	15,339,913	3,234,537	3,000,148	1,559,531	1,381,107	1,364,237	1,658,438
Committed					3,728,800	4,037,469	4,063,022	3,068,867	6,590,021	6,472,283
Assigned					352,654	443,291	499,582	892,047	180,000	180,000
Unassigned	(14,397,052)	(10,949,235)	(3,329,576)	(3,468,152)	(4,955,986)	(4,930,052)	(873,722)	(887,804)	(2,593,688)	(7,752,478)
Total Fund Balances - All Other Governmental Funds	$ 2,267,626	$ 10,383,943	$ 19,709,353 *	$ 11,871,761	$ 4,088,560	$ 4,492,377	$ 6,977,205	$ 6,187,409	$ 7,276,809	$ 2,307,764
Total Governmental Funds:										
Nonspendable	$	$	$ *	$	$ 1,728,555	$ 1,941,521	$ 1,728,792	$ 1,733,192	$ 1,736,239	$ 1,879,021
Restricted	16,664,678	21,333,178	23,038,929	15,339,913	3,234,537	3,000,148	1,559,531	1,381,107	1,364,237	1,658,438
Committed					3,728,800	4,037,469	4,063,022	3,068,867	6,590,021	6,472,283
Assigned	1,026,658	916,263	1,595,231	1,538,649	2,186,433	2,566,261	2,319,723	2,280,589	1,720,633	2,183,342
Unassigned	(6,412,032)	(2,725,003)	4,601,034	4,898,868	3,636,964	4,025,043	8,420,664	9,127,844	8,549,021	4,399,467
Total Fund Balances - Governmental Funds	$ 11,279,304	$ 19,524,438	$ 29,235,194 *	$ 21,777,430	$ 14,515,289	$ 15,570,442	$ 18,091,732	$ 17,591,599	$ 19,960,151	$ 16,592,551

* Restated to reclassify Permanent Funds (Governmental Fund) to Private-Purpose (Fiduciary Fund).

NOTE: Prepared on the modified accrual basis of accounting.

(1) Fund balance components completely restated for fiscal year 2010 only.

TABLE 4

TOWN OF VERNON, CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property taxes	$ 46,735,710	$ 48,717,250	$ 49,913,095	$ 52,186,924	$ 54,241,727	$ 57,387,268	$ 57,327,038	$ 58,939,088	$ 62,683,962	$ 64,116,182
Intergovernmental	27,641,354	31,251,370	62,806,494	33,236,536	34,675,196	33,737,936	41,746,995	32,106,379	36,692,587	36,041,125
Assessments	115,312	96,624	74,423	72,351	64,462	51,769	11,527	4,683	8,735	10,380
Charges for services	3,692,589	3,903,520	3,878,086	4,363,415	4,567,821	4,449,485	4,462,560	4,355,989	4,551,193	4,984,511
Gifts and contributions	1,349,523	1,262,616	1,593,576	1,454,208	1,552,800	434,480	630,479	781,887	534,642	650,683
Income on investments	1,035,366	1,944,825	1,456,284	203,468	192,081	280,957	35,009	135,176	146,145	40,012
Net change in fair value of investments										(2,618)
Other	1,164,396	1,209,801	1,576,511	894,189	836,091	1,136,540	1,067,789	1,000,431	691,650	820,492
Total revenues	82,442,624	89,256,167	121,298,469	92,411,091	96,130,178	97,478,435	105,281,397	97,323,633	105,308,914	106,660,767
Expenditures:										
General government	2,714,171	2,799,855	2,945,676	3,038,845	3,014,195	3,053,491	3,284,356	3,248,285	3,434,887	3,597,134
Community development	487,204	800,305	516,422	843,903	1,500,051	1,953,760	629,269	301,852	491,759	440,127
Public safety	7,677,134	7,707,129	8,115,101	8,348,918	8,667,318	8,767,903	12,514,139	9,178,663	8,992,975	9,512,816
Maintenance and development	5,506,187	5,622,134	5,962,731	6,627,082	6,017,883	6,102,700	5,784,605	5,622,410	5,855,039	6,302,123
Human services	904,345	921,763	973,537	986,846	1,117,125	1,044,049	1,035,291	1,056,536	1,021,879	1,061,248
Parks, recreation and culture	1,551,687	1,736,475	1,829,696	1,954,648	2,045,589	2,058,075	1,943,657	2,023,123	2,258,749	2,163,123
Townwide	6,103,968	6,072,052	6,385,961	6,661,045	6,665,401	7,321,967	6,806,996	7,054,780	7,107,547	7,469,937
Education	51,805,003	52,542,394	67,288,015	55,172,073	55,878,652	58,090,674	58,693,310	61,283,091	64,217,906	65,031,245
Capital outlay	6,747,491	11,953,787	34,845,530	21,979,002	12,963,146	5,765,044	5,863,902	4,053,503	3,753,735	8,742,077
Debt service:										
Principal	2,188,465	2,553,653	3,016,254	3,146,377	3,412,148	3,796,764	4,644,693	4,659,209	4,408,742	4,356,238
Interest	737,688	1,116,486	1,682,490	2,012,321	2,074,716	1,941,450	1,959,138	1,397,144	1,397,144	1,352,299
Total expenditures	86,423,343	93,826,033	133,561,413	110,771,060	103,356,224	99,895,877	103,159,356	99,878,596	102,940,362	110,028,367
Excess (Deficiency) of Revenues Over Expenditures	(3,980,719)	(4,569,860)	(11,409,748)	(18,359,969)	(7,226,046)	(2,417,442)	2,122,041	(2,554,963)	2,368,552	(3,367,600)
Other Financing Sources (Uses):										
Refunding bonds issued							34,685,000			
Payment to refunding bond escrow agent							(37,449,969)			
Net original issue premium - refunding							2,991,717			
Bond proceeds		12,815,000	21,040,000	10,875,000		3,755,000				
Bond/BAN premium and accrued interest			30,583	27,205		39,712				
Lease purchase on equipment	476,280		470,000			106,412		2,010,000		
Sale of assets							172,501	44,803		
Transfers in	1,927,419	4,169,759	2,731,259	2,130,198	3,143,579	1,900,387	1,955,665	2,245,806	2,484,435	2,350,227
Transfers out	(1,927,419)	(4,169,759)	(2,731,259)	(2,130,198)	(3,179,674)	(2,328,916)	(1,955,665)	(2,245,806)	(2,484,435)	(2,350,227)
Total other financing sources (uses)	476,280	12,815,000	21,540,583	10,902,205	(36,095)	3,472,595	399,249	2,054,803	-	-
Net Change in Fund Balances	$ (3,504,439)	$ 8,245,134	$ 10,130,835	$ (7,457,764)	$ (7,262,141)	$ 1,055,153	$ 2,521,290	(500,160)	$ 2,368,552	$ (3,367,600)
Debt Service as a Percentage of Noncapital Expenditures	3.67%	4.48%	4.74%	5.81%	6.06%	6.05%	7.09%	6.32%	5.81%	5.66%
Debt Service as a Percentage of Total Expenditures	3.39%	3.91%	3.52%	4.66%	5.31%	5.74%	6.40%	6.06%	5.64%	5.19%

NOTE: Schedule prepared on the modified accrual basis of accounting.

TABLE 5

TOWN OF VERNON, CONNECTICUT

TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(In Thousands of Dollars)
(UNAUDITED)

Fiscal Year Ended June 30,	Grand List as of 10/1	Real Property ** Residential	(1) Commercial Industrial	Vacant/ Use Assessment	(2) Total	(3) Personal Property	(3) Motor Vehicles*	Total Assessed Value of All Property	Less Exemptions	Less Phase in Adjustment	Net Assessed Value (Net Taxable Grand List)	(4) Total Direct Tax Rate (Mill Rate)	Estimated Actual Value All Property	Ratio of Assessed Value to Estimated Actual Value
2015	2013	$ 1,137,949	$ 364,583	$ 7,202	$ 1,509,734	$ 85,341	$ 184,647	$ 1,779,722	$ 17,671	$	$ 1,762,051	36.11	$ 2,536,923	70.15%
2014	2012	1,133,280	359,258	7,470	1,500,008	75,767	176,322	1,752,097	17,716		1,734,381	35.40	2,418,110	72.46%
2013	2011	1,130,299	355,469	8,646	1,494,414	82,581	181,538	1,758,533	20,093		1,738,440	33.63	2,501,860	70.29%
2012	2010	1,270,682	402,280	9,273	1,682,235	84,559	165,126	1,931,920	17,347		1,914,573	29.90	2,555,955	75.59%
2011	2009	1,262,353	402,533	8,889	1,673,775	81,908	157,390	1,913,073	18,434		1,894,639	30.02	2,474,000	77.33%
2010 **	2008	1,254,850	404,763	12,089	1,671,702	77,115	157,558	1,906,375	15,676		1,890,699	28.42	2,438,811	78.17%
2009 **	2007	1,244,641	403,696	13,590	1,661,927	74,659	162,849	1,899,435	14,587	182,727	1,702,121	30.28	2,494,179	76.15%
2008 **	2006	1,236,455	393,213	10,218	1,639,886	73,695	160,502	1,874,083	17,804	365,000	1,491,279	32.91	2,021,544	92.71%
2007	2005	774,365	301,430	16,590	1,092,385	74,198	158,195	1,324,778	13,675		1,311,103	36.73	2,850,480	46.48%
2006	2004	760,656	294,457	23,491	1,078,604	71,476	148,805	1,298,885	13,896		1,284,989	35.79	2,600,045	49.96%

* Excludes assessed value on supplemental motor vehicle listings.

** Phase-in of Real Property revaluation - year 1 of 3 effective for fiscal year end June 30, 2008; year 2 of 3 effective for fiscal year end June 30, 2009; and year 3 of 3 for fiscal year end June 30, 2010.

(1) Includes public utility property.

(2) The latest real estate revaluation was effective for the October 1, 2011 Grand List. Real estate is assessed at 70% of estimated full value.

(3) The basis of assessment is 70% of estimated full value for personal property and motor vehicles, which are assessed annually.

(4) Tax rate is per $1,000 of assessed value.

Source of data: Town Assessor's office.

TABLE 6

TOWN OF VERNON, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	FISCAL YEAR					
	2015			2006		
Taxpayer	Taxable Assessed Value (10/01/13 Grand List)*	Rank	% of Taxable Assessed Value (Grand List)	Taxable Assessed Value (10/01/04 Grand List)*	Rank	% of Taxable Assessed Value (Grand List)
Chapman and Mansions, LLC	$ 53,961,850	1	3.06%	$ 22,006,340	1	1.71%
Evandro Santini & Woodbridge LLC	27,047,310	2	1.54%	14,780,030	4	1.15%
Tri City Improvements, LLC	26,621,850	3	1.51%			
Connecticut Light & Power/Yankee Gas Co.	20,799,560	4	1.18%	13,862,455	5	1.08%
Connecticut Water Company	14,532,409	5	0.83%	18,033,120	3	1.40%
CE Vernon II, LLC	13,055,000	6	0.74%	12,448,340	6	0.97%
Chapman Acres. LLC	9,057,580	7	0.51%	7,115,430	9	0.55%
Boston Rockville / Boston Vernon	8,099,330	8	0.46%			
Parkwest Residents Association	4,976,500	9	0.28%			
Kerensky, Schneider...(Risley Trust)	3,141,940	10	0.18%	8,519,860	7	0.66%
Javit Asset Partnership				18,370,460	2	1.43%
Talcotville Development				8,114,490	8	0.63%
One Fifty One West Main Street				5,450,910	10	0.42%
Total Top 10 Taxpayers	$ 181,293,329		10.29%	$ 128,701,435		10.02%
*Based on 10/1 Net Taxable Grand List of:	$ 1,762,050,886			$ 1,284,989,136		

Source: Town of Vernon, Tax Assessor's Department.

TABLE 7

TOWN OF VERNON, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Grand List Oct 1,	Current Year Levy			Current Levy Collected Within the Fiscal Year of the Levy		Collections of Current Levy Subsequent Years	Total Levy Collections to Date			Uncollected Collectible Taxes June 30, 2015
		Original Current Year Levy	Adjustments To Date	Adjusted Current Year Levy	Amount	Percentage of Original Levy		Amount	Percentage of Original Levy	Percentage of Adjusted Levy	
2015	2013	$ 64,211,229	$ (213,320)	$ 63,997,909	$ 63,158,074	98.4%	$ n/a	$ 63,158,074	98.4%	98.7%	$ 839,835
2014	2012	62,079,457	65,767	62,145,224	61,327,304	98.8%	405,773	61,733,077	99.4%	99.3%	412,147
2013	2011	58,943,099	(336,302)	58,606,797	57,812,300	98.1%	639,074	58,451,374	99.2%	99.7%	155,423
2012	2010	57,542,153	(202,693)	57,339,460	56,603,238	98.4%	661,828	57,265,066	99.5%	99.9%	74,394
2011	2009	57,205,162	(131,557)	57,073,605	56,484,922	98.7%	540,574	57,025,496	99.7%	99.9%	48,109
2010	2008	53,957,129	(140,618)	53,816,511	53,268,067	98.7%	507,143	53,775,210	99.7%	99.9%	41,301
2009	2007	51,964,949	(202,123)	51,762,826	51,114,202	98.4%	616,565	51,730,767	99.5%	99.9%	32,059
2008	2006	49,690,219	(151,745)	49,538,474	48,770,952	98.2%	737,524	49,508,476	99.6%	99.9%	29,998
2007	2005	48,761,915	(330,614)	48,431,301	47,704,186	97.8%	702,840	48,407,026	99.3%	99.9%	24,275
2006	2004	46,757,803	(370,393)	46,387,410	45,837,742	98.0%	533,054	46,370,796	99.2%	100.0%	16,614

Note: The latest revaluation was effective for the year ended June 30, 2013. Property is taxed by the Town of Vernon only.

There are no overlapping tax rates.

Sources of Data:

Town of Vernon, Finance Department.
Town of Vernon Tax Collector.

TABLE 8

TOWN OF VERNON, CONNECTICUT

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

	Governmental Activities						(1)	(2)		(3)		(4)		
	General Obligation Bonds													
Fiscal Year Ended June 30,	General Purpose	Schools	Sewers	Total	Notes Payable	Leases Payable	Total All Debt	Estimated Actual Value of Property (in thousands of $)	Total Debt as a % of Estimated Actual Value of Property	Population	Total Debt Per Capita	Per Capita Personal Income	Total Debt as a % of Per Capita Personal Income	Personal Income as a % of Total Debt
2015	$11,488,500	$22,084,500	$632,000	$34,205,000	$2,454,022	$1,357,473	$38,016,495	$2,536,923	1.50%	29,098	$1,306	n/a	n/a	n/a
2014	12,410,000	23,693,000	687,000	36,790,000	4,049,643	1,579,841	42,419,484	2,418,110	1.75%	29,161	1,455	$49,598	2.93%	0.12%
2013	13,317,000	25,275,000	743,000	39,335,000	5,613,695	1,798,543	46,747,238	2,501,860	1.87%	29,122	1,605	47,623	3.37%	0.10%
2012	14,182,000	27,003,000	1,005,000	42,190,000	7,160,338	46,109	49,396,447	2,555,955	1.93%	29,179	1,693	47,524	3.56%	0.10%
2011	15,508,000	29,723,000	1,324,000	46,555,000	8,695,599	75,395	55,325,994	2,474,000	2.24%	29,205	1,894	45,645	4.15%	0.08%
2010	13,927,000	29,300,000	1,613,000	44,840,000	10,210,277	188,094	55,238,371	2,438,811	2.26%	30,182	1,830	43,503	4.21%	0.08%
2009	14,287,000	29,798,000	1,905,000	45,990,000	11,696,643	963,877	58,650,520	2,494,179	2.35%	29,839	1,966	43,334	4.54%	0.07%
2008	13,909,000	20,393,000	2,203,000	36,505,000	13,154,440	1,262,457	50,921,897	2,021,544	2.52%	29,620	1,719	43,868	3.92%	0.09%
2007	9,251,000	5,117,000	2,507,000	16,875,000	14,584,236	996,364	32,455,600	2,850,480	1.14%	29,672	1,094	42,188	2.59%	0.13%
2006		3,286,000	1,729,000	5,015,000	15,986,583	1,192,669	22,194,252	2,600,045	0.85%	29,491	753	39,075	1.93%	0.18%

Sources of data:

(1) Town of Vernon, Finance Department.

(2) Estimated Actual Value of Property provided by State Office of Policy and Management and Town Assessor's Office.

(3) Population estimates are provided by the Connecticut Department of Public Health except for the fiscal year (FY) 2011/12 population estimate which was provided by the U.S. Census Bureau.

(4) Per capita income is for Tolland County of which Vernon is a part of.

Note: The Town of Vernon's per capita income, available only for fiscal year 2012, was provided by the 2010 U.S. Census Bureau and is reported on Table 28.

n/a - Information not available at report issuance date.

TABLE 9

TOWN OF VERNON, CONNECTICUT

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Total General Obligation Bonds (1)	Other General Debt: Notes Payable	Other General Debt: Less Amounts to be Provided by Surrounding Municipalities	Other General Debt: Leases Payable	Total Net General Bonded Debt	Net General Bonded Debt as a % of Estimated Actual Value of Property (2)	Net General Bonded Debt Per Capita (3)
2015	$ 34,205,000	$ 2,454,022	$ (528,225)	$ 1,357,473	$ 37,488,270	1.48%	$ $1,288
2014	36,790,000	4,049,643	(871,680)	1,579,841	41,547,804	1.72%	1,425
2013	39,335,000	5,613,695	(1,208,340)	1,798,543	45,538,898	2.22%	1,564
2012	42,190,000	7,160,338	(1,538,339)	46,109	47,858,108	1.87%	1,640
2011	46,555,000	8,695,599	(1,861,809)	75,395	53,464,185	2.16%	1,831
2010	44,840,000	10,210,277	(2,178,880)	188,094	53,059,491	2.18%	1,758
2009	45,990,000	11,696,643	(2,489,677)	963,877	56,160,843	2.25%	1,882
2008	36,505,000	13,154,440	(2,794,324)	1,262,457	48,127,573	2.38%	1,625
2007	16,875,000	14,584,236	(3,092,945)	996,364	29,362,655	1.03%	990
2006	5,015,000	15,986,583	(3,385,657)	1,192,669	18,808,595	0.72%	638

Sources of data:

(1) See Table 8 for components of General Obligation Bonds.
(2) Estimated Actual Value of Property - See Table 5.
(3) Population - See Table 8.

TABLE 10

TOWN OF VERNON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2015
(UNAUDITED)

Base for Debit Limitation:

Total tax collections for the current fiscal year, including interest and lien fees $ 64,264,677

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt limitation:						
2-1/4 times the Base for Debt Limitation	$ 144,595,523	$	$	$	$	$
4-1/2 times the Base for Debt Limitation		289,191,047				
3-3/4 times the Base for Debt Limitation			240,992,539			
3-1/4 times the Base for Debt Limitation				208,860,200		
3 times the Base for Debt Limitation					192,794,031	
7 times the Base for Debt Limitation						449,852,739
Total Debt Limitation	144,595,523	289,191,047	240,992,539	208,860,200	192,794,031	449,852,739
Indebtedness:						
Bonds payable	11,488,500	22,084,500	632,000			34,205,000
Notes payable			2,454,022			2,454,022
Bonds authorized and unissued	29,614,000	38,012,000	162,000			67,788,000
Total Indebtedness	41,102,500	60,096,500	3,248,022	-	-	104,447,022
Debt Limitation in Excess of Net Indebtedness Legal Debt Margin	$ 103,493,023	$ 229,094,547	$ 237,744,517	$ 208,860,200	$ 192,794,031	$ 345,405,717

Schedule of Debt Limitation is prepared in accordance with the provisions of Connecticut General Statutes, Section 7-374(b).

The total net indebtedness above amounts to: $ 104,447,022

In no event shall total indebtedness exceed seven time the base for debt limitation computation: $ 449,852,739

There is no overlapping debt for the Town of Vernon.

Note: The Towns of Ellington, Manchester, South Windsor and Tolland allocable share of Sewer Total Indebtedness (Clean Water Fund project 200-C) totals $528,225

TABLE 11

TOWN OF VERNON, CONNECTICUT

SCHEDULE OF LEGAL DEBT LIMITATION

LAST TEN FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Debt Limitation	$ 327,081,769	$ 340,763,451	$ 349,678,098	$ 365,563,961	$ 379,667,540	$ 401,786,343	$ 401,538,851	$ 411,836,390	$ 437,941,686	$ 449,852,739
Total Net Indebtedness	(39,059,346)	(102,886,032)	(103,104,752)	(100,700,857)	(98,342,330)	(96,360,188)	(90,567,495)	(86,281,695)	(109,809,643)	(104,447,022)
Debt Limitation in Excess of Net Indebtedness (Legal Debt Margin)	$ 288,022,423	$ 237,877,419	$ 246,573,346	$ 264,863,104	$ 281,325,210	$ 305,426,155	$ 310,971,356	$ 325,554,695	$ 328,132,043	345,405,717
Total Net Indebtedness as a Percentage of Debt Limitation	11.9%	30.2%	29.5%	27.5%	25.9%	24.0%	22.6%	21.0%	25.1%	23.2%

Source: Town of Vernon, Finance Department.

TABLE 12

TOWN OF VERNON, CONNECTICUT

DEMOGRAPHIC AND ECONOMIC DATA

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Population	Median Age (1)	Personal Income (2) (in thousands of dollars)	Per Capita Personal Income (2)	School Enrollment	Annual Change in School Enrollment	Unemployment Rate (June 30,)	Labor Force (June 30,)
2015	29,098	n/a	n/a	n/a	3,238	(79)	5.2%	17,362
2014	29,161	40.4	$ 7,507,486	$ 49,598	3,317	(123)	6.6%	17,047
2013	29,122	39.7	7,224,684	47,623	3,440	(110)	7.5%	16,819
2012	29,179	40.5	7,220,143	47,524	3,550	(46)	8.0%	17,444
2011	29,205	40.4	6,986,297	45,645	3,596	(107)	8.4%	17,923
2010	30,182	40.4	6,664,680	43,503	3,703	119	8.4%	17,894
2009	29,839	39.7	6,601,045	43,334	3,584	(131)	7.3%	17,673
2008	29,620	39.4	6,649,668	43,868	3,715	(82)	5.5%	17,842
2007	29,672	37.1	6,316,324	42,188	3,797	(163)	4.3%	17,496
2006	29,491	n/a	5,820,383	39,075	3,960	(90)	4.2%	17,241

n/a - Information not available.

Sources of data:
Population estimates are provided by the Connecticut Department of Public Health, except for fiscal year-end 2012 which was provided by the U.S. Census Bureau.

(1) Median Age data is shown for Tolland County, Connecticut, of which Vernon is a part of and was provided by American Fact Finder, U.S. Census Bureau.

(2) Personal Income and Per Capita Personal Income are identified for Tolland County, of which Vernon is a part of. This information was provided by the Bureau of Economic Analysis, U.S. Department of Commerce.

School Enrollment is provided by the Vernon Superintendent of Schools.

Unemployment and Labor Force data are provided by the State Department of Labor.

TABLE 13

TOWN OF VERNON, CONNECTICUT

MAJOR EMPLOYERS

JUNE 30, 2015 AND JUNE 30, 2006
(UNAUDITED)

	2015			2006		
Major Employer	Number Employed	Rank	Percentage of Total Town Employment	Number Employed	Rank	Percentage of Total Town Employment
Town of Vernon	830	1	4.8%	847	1	4.9%
Visiting Nurse and Health Services	471	2	2.7%	302	3	1.8%
Rockville General Hospital	457	3	2.6%	579	2	3.4%
Stop & Shop	316	4	1.8%	217	6	1.3%
New England Mechanical Services	275	5	1.6%	220	5	1.3%
Price Chopper	221	6	1.3%	280	4	1.6%
Vernon Manor	175	7	1.0%			
Healthwise Medical Associates	160	8	0.9%			
Rein's Delicatessen	155	9	0.9%	160	8	0.9%
Fox Hill Nursing and Rehabilitation	154	10	0.9%	160	8	0.9%
State of Connecticut				185	7	1.1%
Shaw's Supermarket				157	10	0.9%
Total	3,214		18.5%	3,107		18.1%
Labor Force			17,362			17,241

Source: Town of Vernon Economic Development Department.

TABLE 14

TOWN OF VERNON, CONNECTICUT

MUNICIPAL EMPLOYMENT BY BARGAINING UNIT

JUNE 30, 2015
(UNAUDITED)

	Fiscal year									
Municipal Employment	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Board of Education	622	640	635	631	638	624	633	642	659	638
General Government	208	206	205	204	204	211	211	213	212	209
Total	830	846	840	835	842	835	844	855	871	847

Board of Education	Bargaining Unit	Employees Covered at 6/30/2015	Current Contract Expiration Date
Clerical / Custodial / Maintenance	Local 1303, AFSCME, AFL-CIO	63	6/30/16
Teachers	Vernon Education Association	331	6/30/17
School Administrators	Vernon School Administrators Associatior	22	6/30/18
School Nurses	Vernon School Nurses' Association	6	6/30/16
Cafeteria	United Food & Commercial Workers, Local 919, AFL-CIO	28	6/30/17
Plant Operation Supervisors	Local 818, Council #4, Supervisors	2	6/30/18*
Service Aids & Teacher Assistants	Vernon Federation of Paraprofessionals	130	6/30/17
Librarians / Media Managers / Assistants	Local 1303-279, AFSCME, AFL-CIO	9	6/30/16
Non-Bargaining Employees	Not affiliated - salaried	31	n/a
Total Board of Education		622	

General Government	Bargaining Unit		
Police officers	Local 17, Connecticut Independent Police Union	48	6/30/17
Public Works/ Parks / Water Pollution	Local 1471, AFSCME, AFL-CIO	57	6/30/16
Public Works Supervisors	Local 818, AFSCME, AFL-CIO	5	6/30/18*
Civilian Police Department Employees	Local 47, Connecticut Independent Labor Union	13	6/30/17
Professionals	Local 818 Professionals, AFSCME, AFL-(	33	6/30/16
Public Works Administrative Clerical	Local 1471, AFSCME, AFL-CIO	3	6/30/16**
Waste Treatment Plant Supervisors	Local 818, AFSCME, AFL-CIO	3	6/30/15***
Non-Bargaining Employees	Not affiliated	46	n/a
Total General Government		208	

Sources of data:

Board of Education, Director of Business Office.
General Government, Town Administration.

* Subsequent to June 30, 2015, this bargaining agreement was ratified through June 30, 2018.
** Bargaining unit was decertified in March 2015. Members of this union will be reported as non-bargaining employees in future years.
*** Bargaining agreement currently under negotiation.

TABLE 15

TOWN OF VERNON, CONNECTICUT

MUNICIPAL FULL-TIME EMPLOYMENT BY FUNCTION / PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

	Full-time Employment Positions - Fiscal Year Ended June 30,									
Function / Program	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General Government:										
Administrative	7	7	7	7	7	8	8	8	7	8
Finance	14	14	13	13	13	14	13	14	14	14
Town Clerk	3	3	3	3	3	4	4	4	4	4
Data processing	11	10	10	4	4	4	4	4	3	3
Community Development:										
Planning	2	2	2	2	2	2	2	2	2	2
Economic Development	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police	64	64	64	67	67	67	67	67	67	67
Fire / Ambulance	2	2	2	2	2	2	2	2	2	2
Building	6	5	5	5	5	5	5	5	6	5
Animal Control	2	2	2	2	2	2	2	2	2	2
Maintenance and development:										
Public Works	47	47	47	48	48	51	51	51	51	48
Engineering	4	4	4	4	4	4	4	4	4	4
Water Pollution Control	22	22	22	22	22	23	24	24	24	24
Human Services:										
Youth Services	3	3	3	3	3	3	3	3	3	3
Social Services	4	4	4	4	4	4	4	4	4	4
Senior Center	3	3	3	3	3	3	3	3	3	3
Parks and Recreation:										
Administration	5	5	5	6	6	6	6	6	6	6
Parks Maintenance	6	6	6	6	6	6	6	6	6	6
Townwide:										
Cemeteries	2	2	2	2	2	2	2	3	3	3
Subtotal Town Hall employees	208	206	205	204	204	211	211	213	212	209
Education	622	640	635	631	638	624	633	642	659	638
Total Full-Time Employees	830	846	840	835	842	835	844	855	871	847

Source: Vernon Human Resources Department and Vernon School Business Office.

TABLE 16

TOWN OF VERNON, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/ PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

FUNCTION/PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Community Development										
Planning Administration:										
Number of Inland Wetland applications	9	7	9	8	7	12	13	13	24	31
Number of Planning/Zoning applications	14	22	22	19	26	29	20	27	38	42
(both indicators based on calendar year)										
Public Safety (calendar year)										
Police:										
Number of crimes	103	277	360	339	314	415	359	400	375	440
Number of motor vehicle infractions	1,010	678	1,002	1,108	1,126	1,567	1,678	1,383	1,720	1,351
Number of citations	3,517	3,465	5,206	4,814	6,157	6,674	5,823	6,917	9,002	6,382
Number of service calls	18,689	18,448	19,454	19,261	19,149	18,872	20,956	20,379	20,754	19,104
Building Inspection:										
Building permits issued	2,130	1,938	1,903	2,017	1,794	1,850	1,466	1,725	1,829	1,694
Building inspections conducted	5,514	7,596	7,594	7,669	6,350	6,343	2,886	2,073	1,817	1,731
Maintenance and Development										
General Maintenance:										
Miles of streets paved / reconstructed	15.30	10.21	1.64	1.11	6.02	0.98	1.16	4.16	4.41	3.43
Refuse Collection and Disposal:										
Tons of Municipal Solid Waste collected	7,158.84	7,178.17	6,740.80	7,641.02	7,570.10	8,177.00	8,398.99	8,770.60	8,975.21	9,177.05
Tons of Bulky Waste received	1,362.42	1,462.63	1,366.38	1,516.90	1,363.80	1,686.00	1,640.88	1,685.00	1,575.76	1,188.81
Recycling:										
Tons of Recyclables collected	2,462.33	2,528.12	2,510.82	2,492.44	2,442.90	1,877.00	1,955.46	1,946.80	2,135.41	2,153.59
Tons of Waste Motor Oil received	4.4	3.5	2.4	2.7	5.0	7.9	12.8	12.9	26.5	16.5
Tons of Metal received	159.00	162.00	162.00	168.00	185.00	275.00	289.00	365.00	476.00	551.00
Tons of Electronics received	72.00	74.80	69.50	78.00	19.80	21.00	20.30	5.00	n/a	n/a
Units of Lead Acid Batteries received	70	89	102	42	104	165	290	256	n/a	n/a
Parks and Recreation										
Recreation programs:										
Number of programs offered	112	108	89	94	97	89	65	82	75	68
Number of summer camp participants	2,696	2,618	2,378	2,301	2,042	1,971	1,830	2,619	2,395	2,640
Townwide										
Vernon Cemeteries:										
Number of cemetery lots sold	37	31	71	65	41	54	88	48	69	51
Number of burials / cremations	81	72	87	63	90	70	97	80	75	87
Water Pollution Control Facility:										
Average daily sewage treatment (thousands of gallons)	3,160.0	3,210.0	2,825.0	3,424.0	3,120.0	3,240.0	3,890.0	3,760.0	4,140.0	4,094.4

Source of data: Various Town departments.

Note: No operating indicators are available/presented for general government, human services or education functions.

n/a = Information is not available or the information is not readily available at this time or the database for depicted years differs significantly from less recent years.

TABLE 17

TOWN OF VERNON, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
FUNCTION/PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	50	50	50	50	50	50	50	50	50	50
Number of fire / ambulance stations	6	6	6	6	6	6	6	6	6	6
Number of fire / ambulance volunteers	166	166	155	160	158	161	154	135	138	123
Maintenance and Development:										
Miles of improved roads	112.78	112.78	112.78	112.34	112.34	112.34	111.83	111.81	111.81	111.81
Miles of unimproved roads	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Miles of sanitary sewers	112.9	112.9	112.9	112.9	112	112	112	112	112	112
Number of sanitary sewer pump stations	7	7	7	7	7	7	7	7	7	7
Treatment capacity - million gallons/day	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Parks and Recreation:										
Number of parks	26	26	26	26	26	23	22	22	22	22
Acres of park land	582.52	582.52	582.52	582.52	579.52	570.42	568.3	568.3	568.3	568.3
Number of pools	2	2	2	2	2	2	2	2	2	2
Number of beaches	2	2	2	2	2	2	2	2	2	2
Education:										
Number of schools:										
Elementary	5	5	5	5	5	5	5	5	5	5
Middle	1	1	1	1	1	1	1	1	1	1
High / VOAG	1	1	1	1	1	1	1	1	1	1
Special Education	1	1	1	1	1	1	1	1	1	1
Townwide:										
Number of cemeteries maintained	5	5	5	5	5	5	5	5	5	5

Source of data: Various town departments.

Note: No capital asset indicators are available for general government, community development or human services functions.

Trend Information

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

TABLE 18

TOWN OF VERNON, CONNECTICUT

GENERAL FUND - BALANCE SHEETS

LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Assets:										
Cash	$ 8,645,128	$ 12,127,690	$ 5,700,066	$ 7,856,162	$ 8,870,779	$ 40,340	$ 697,928	$ 240,097	$ 323,970	$ 689,248
Investments	4,010,873	554,897	3,368,016	3,304,313	2,436,623	10,443,021	10,364,088	10,350,750	10,287,126	7,091,252
Receivables:										
Property taxes	1,736,071	1,819,045	1,754,356	1,618,936	1,370,094	1,281,734	1,373,298	1,329,106	1,305,826	1,437,171
Grants and other	202,558	103,858	868,194	3,982,406	632,077	891,434	966,108	1,433,194	1,820,165	2,338,640
Due from other funds	8,326,930	3,359,412	3,746,953	2,105,434	2,255,427	4,092,563	1,954,903	1,263,191	1,353,258	2,190,610
Advance to other funds	129,500									
Total assets	$ 23,051,060	$ 17,964,902	$ 15,437,585	$ 18,867,251	$ 15,565,000	$ 16,749,092	$ 15,356,325	$ 14,616,338	$ 15,090,345	$ 13,746,921
Liabilities, Deferred Inflows of Resources and Fund Equity										
Liabilities:										
Accounts payable	$ 1,431,312	$ 1,537,095	1,225,307	$ 1,150,706	$ 1,327,943	$ 1,513,258	$ 1,817,271	$ 1,138,836	$ 927,733	$ 581,715
Accrued wages and benefits	525,010	438,418	326,395	392,237	748,115	559,911	277,649	175,219	221,947	119,046
Due to other funds	501,580	234,446	844,442	788,442	804,219	2,464,181	1,209,431	1,258,402	1,886,412	467,977
Total liabilities	2,457,902	2,209,959	2,396,144	2,331,385	2,880,277	4,537,350	3,304,351	2,572,457	3,036,092	1,168,738
Deferred Inflows of Resources:										
Unavailable revenues - property taxes	1,507,581	1,441,980	1,498,156	1,468,054	1,600,781	1,780,291	2,146,305	2,518,040	2,913,758	3,566,505
Advance property tax collections	4,800,790	1,629,621	109,695	3,780,442	5,877	4,722				
Unavailable revenues - grants			29,400	172,843						
Total deferred inflows of resources	6,308,371	3,071,601	1,637,251	5,421,339	1,606,658	1,785,013	2,146,305	2,518,040	2,913,758	3,566,505
Fund Equity:										
Nonspendable	129,500									
Assigned	2,003,342	1,540,633	1,388,542	1,820,141	2,122,970	2,155,779	1,860,649	1,917,231	1,238,263	1,348,658
Unassigned	12,151,945	11,142,709	10,015,648	9,294,386	8,955,095	8,270,950	8,045,020	7,608,610	7,902,232	7,663,020
Total fund equity	14,284,787	12,683,342	11,404,190	11,114,527	11,078,065	10,426,729	9,905,669	9,525,841	9,140,495	9,011,678
Total liabilities, deferred inflows of resources and fund equity	$ 23,051,060	$ 17,964,902	15,437,585	$ 18,867,251	$ 15,565,000	16,749,092	$ 15,356,325	$ 14,616,338	$ 15,090,345	$ 13,746,921

Source: Town of Vernon, Finance Department.

TABLE 19

TOWN OF VERNON, CONNECTICUT

GENERAL FUND

REVENUES BY SOURCE AND OTHER FINANCING SOURCES - GAAP BASIS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Revenues by Source: Property Taxes	Intergovernmental	Charges for Services	Licenses and Permits	Gifts and Contributions	Fines and Penalties	Investment Income	On-Behalf Payments and Other	Other Financing Sources	Revenues and Other Financing Sources: Total	Annual % Increase
2015	$ 64,116,182	$ 19,415,486	$ 1,431,194	$ 831,371	$	$ 94,347	$ 1,369	$ 6,851,629	$ 167,162	$ 92,908,740	2.0%
% of Total	69.0%	20.9%	1.5%	0.9%		0.1%	0.0%	7.4%	0.2%	100.0%	
2014	62,683,962	19,327,891	1,498,391	531,337		21,903	136	6,765,869	222,961	91,052,450	4.6%
% of Total	68.9%	21.2%	1.7%	0.6%		0.0%	0.0%	7.4%	0.2%	100.0%	
2013	58,939,088	20,104,837	1,276,169	547,833		18,615	1,054	5,586,913	572,915	87,047,424	-1.1%
% of Total	67.7%	23.1%	1.5%	0.6%		0.0%	0.0%	6.4%	0.7%	100.0%	
2012	57,327,038	22,856,032	1,341,318	563,598		20,251	2,810	5,389,624	501,771	88,002,442	3.7%
% of Total	65.1%	26.0%	1.5%	0.6%		0.0%	0.0%	6.3%	0.6%	100.0%	
2011	57,387,268	20,710,835	1,386,203	491,675		10,193	27,708	4,604,572	279,614	84,898,068	5.0%
% of Total	67.6%	24.4%	1.6%	0.6%		0.0%	0.0%	5.4%	0.3%	100.0%	
2010	54,241,727	20,352,445	1,561,369	441,648		13,008	42,113	3,963,079	241,856	80,857,245	1.6%
% of Total	67.1%	25.2%	1.9%	0.5%		0.0%	0.1%	4.9%	0.3%	100.0%	
2009	52,186,924	21,194,696	1,421,907	406,025		10,088	199,312	3,906,222	259,876	79,585,050	-12.8%
% of Total	65.6%	26.6%	1.8%	0.5%		0.0%	0.3%	4.9%	0.3%	100.0%	
2008	49,913,095	20,870,957	2,223,776	497,149		18,515	670,210	16,859,883	223,892	91,277,477	20.7%
% of Total	54.7%	22.9%	2.4%	0.5%		0.0%	0.7%	18.5%	0.2%	100.0%	
2007	48,717,250	19,559,484	2,279,748	478,589		19,711	871,920	3,416,995	250,827	75,594,524	3.7%
% of Total	64.4%	25.9%	3.0%	0.6%		0.0%	1.2%	4.5%	0.3%	100.0%	
2006	46,735,710	19,252,033	2,072,163	407,494		16,273	627,897	3,522,395	228,715	72,862,680	6.6%
% of Total	64.1%	26.4%	2.8%	0.6%		0.0%	0.9%	4.8%	0.3%	100.0%	

Note for 2008: On-behalf payments increased from $3,392,385 to $16,476,243 due to a one-time State of Connecticut $2,000,000,000 contribution made to the Teachers' Retirement System.

Source: Town of Vernon, Finance Department.

TABLE 20

TOWN OF VERNON, CONNECTICUT

GENERAL FUND

EXPENDITURES BY FUNCTION AND OTHER FINANCING USES - GAAP BASIS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Expenditures by Function										Other Financing Uses	Expenditures and Other Financing Uses	
	General Government	Community Development	Public Safety	Maintenance and Development	Human Services	Parks, Recreation and Culture	Townwide	Education	Capital Outlay	Debt Service		Total	Annual % Increase
2015	$ 3,590,896	$ 235,770	$ 8,525,361	$ 5,550,883	$ 962,959	$ 1,369,686	$ 7,469,937	$ 57,008,315	$ 363,926	$ 4,046,497	$ 2,183,065	$ 91,307,295	1.7%
% of total	3.9%	0.3%	9.3%	6.1%	1.1%	1.5%	8.2%	62.4%	0.4%	4.4%	2.4%	100.0%	
2014	3,428,718	221,149	7,995,555	5,431,695	936,012	1,329,070	7,107,547	56,788,058	130,174	4,143,846	2,261,474	89,773,298	3.5%
% of total	3.8%	0.2%	8.9%	6.1%	1.0%	1.5%	7.9%	63.3%	0.1%	4.6%	2.5%	100.0%	
2013	3,230,952	241,139	8,169,618	5,222,913	974,251	1,358,243	7,054,780	54,365,055	57,787	4,365,302	1,717,721	86,757,761	-1.4%
% of total	3.7%	0.3%	9.4%	6.0%	1.1%	1.6%	8.1%	62.7%	0.1%	5.0%	2.0%	100.0%	
2012	3,277,010	248,176	11,428,754	5,272,527	934,675	1,339,374	6,806,996	52,300,137	77,995	4,675,035	1,605,301	87,965,980	4.4%
% of total	3.7%	0.3%	13.0%	6.0%	1.1%	1.5%	7.7%	59.5%	0.1%	5.3%	1.8%	100.0%	
2011	3,047,360	210,671	7,774,406	5,757,991	958,938	1,343,872	7,321,967	52,089,429	109,587	4,053,738	1,578,773	84,246,732	4.9%
% of total	3.6%	0.3%	9.2%	6.8%	1.1%	1.6%	8.7%	61.8%	0.1%	4.8%	1.9%	100.0%	
2010	3,003,175	222,003	7,698,462	5,451,295	923,368	1,338,415	6,138,804	49,302,826	264,740	3,091,374	2,901,723	80,336,185	1.4%
% of total	3.7%	0.3%	9.6%	6.8%	1.1%	1.7%	7.6%	61.4%	0.3%	3.8%	3.6%	100.0%	
2009	3,026,387	217,126	7,381,590	5,681,841	899,092	1,305,429	6,167,528	49,284,455	117,423	3,254,029	1,870,322	79,205,222	-12.9%
% of total	3.8%	0.3%	9.3%	7.2%	1.1%	1.6%	7.8%	62.2%	0.1%	4.1%	2.4%	100.0%	
2008	2,903,470	228,828	7,288,175	5,445,696	837,812	1,773,120	5,961,569	61,340,447	296,916	2,379,422	2,436,676	90,892,131	20.4%
% of total	3.2%	0.3%	8.0%	6.0%	0.9%	2.0%	6.6%	67.5%	0.3%	2.6%	2.7%	100.0%	
2007	2,750,317	297,715	6,952,435	5,162,350	824,362	1,677,953	6,002,591	46,567,372	63,015	1,399,968	3,767,629	75,465,707	4.8%
% of total	3.6%	0.4%	9.2%	6.8%	1.1%	2.2%	8.0%	61.7%	0.1%	1.9%	5.0%	100.0%	
2006	2,656,684	387,792	6,854,826	5,022,273	856,084	1,531,572	5,966,312	45,669,360	261,775	1,090,300	1,698,704	71,995,682	6.9%
% of Total	3.7%	0.6%	9.5%	7.0%	1.2%	2.1%	8.3%	63.4%	0.4%	1.5%	2.5%	100.0%	

Note for 2008: On-behalf payments increased from $3,392,385 to $16,476,243 due to a one-time State of Connecticut $2,000,000,000 contribution to the Teachers' Retirement System.

Source: Town of Vernon, Finance Department.

TABLE 21

TOWN OF VERNON, CONNECTICUT

SEWER ASSESSMENTS BILLINGS AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Current Assessment Receivable July 1,	Assessment Billings	Assessment Collections	Current Assessment Receivable June 30,
2015	$ 985	$ 9,362	$ 9,513	$ 834
2014	1,016	8,597	8,628	985
2013	1,086	4,391	4,461	1,016
2012	825	11,253	10,992	1,086
2011	1,263	47,913	48,351	825
2010	792	59,201	58,730	1,263
2009	1,287	63,372	63,867	792
2008	718	62,227	61,658	1,287
2007	1,485	81,718	82,485	718
2006	12,074	87,074	97,663	1,485

Sources of data:

Town of Vernon, Water Pollution Control Department.
Town of Vernon, Finance Department.

TABLE 22

TOWN OF VERNON, CONNECTICUT

CHANGES IN NET POSITION - PENSION TRUST FUND

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Additions:										
Contributions:										
Employer	$ 2,210,536	$ 2,609,818	$ 2,796,299	$ 2,941,678	$ 2,655,103	$ 2,604,841	$ 3,399,576	$ 3,199,500	$ 3,266,289	$ 3,688,522
Employee	1,023,923	1,133,129	1,155,185	1,199,405	1,262,617	1,232,063	1,238,650	1,332,034	1,369,933	1,389,713
Net investment income (loss)	1,865,254	3,384,945	2,207,027	(8,078,202)	5,604,908	4,054,823	100,809	4,787,526	7,861,240	3,128,463
Total Additions to Net Position	5,099,713	7,127,892	6,158,511	(3,937,119)	9,522,628	7,891,727	4,739,035	9,319,060	12,497,462	8,206,698
Deductions:										
Benefit payments/annuity purchases	2,146,399	2,523,452	2,740,940	3,017,123	3,269,875	3,678,415	4,061,246	4,340,495	4,839,395	5,051,222
Refunds of contributions	68,278	238,593	104,205	264,810	126,960	71,754	29,190	74,631	62,064	348,070
Administrative expense	136,388	145,491	145,588	156,405	140,276	156,607	174,509	178,039	176,206	191,218
Total Deductions to Net Position	2,351,065	2,907,536	2,990,733	3,438,338	3,537,111	3,906,776	4,264,945	4,593,165	5,077,665	5,590,510
Change in Plan Net Position	$ 2,748,648	$ 4,220,356	$ 3,167,778	$ (7,375,457)	$ 5,985,517	$ 3,984,951	$ 474,090	$ 4,725,895	$ 7,419,797	$ 2,616,188
Employer Contributions as a Percentage of Covered Payroll	13.29%	15.29%	15.57%	15.85%	13.76%	13.77%	17.87%	16.36%	16.59%	18.69%

TABLE 23

TOWN OF VERNON, CONNECTICUT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL DEBT TO GENERAL FUND EXPENDITURES - GAAP BASIS

LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund expenditures	$ 89,124,230	$ 87,511,824	85,040,040	$ 86,360,679	$ 82,667,959	$ 77,434,462	$ 77,334,900	$ 88,455,455	$ 71,698,078	$ 70,296,978
Debt service expenditures:										
Principal	$ 2,760,617	$ 2,771,437	3,126,102	$ 2,921,774	$ 2,301,286	$ 1,280,829	$ 1,731,047	$ 1,656,374	$ 1,187,957	$ 855,491
Interest	1,285,880	1,372,409	1,239,200	1,753,261	1,752,452	1,810,545	1,522,982	723,048	212,011	234,809
Total debt service	$ 4,046,497	$ 4,143,846	4,365,302	$ 4,675,035	$ 4,053,738	$ 3,091,374	$ 3,254,029	$ 2,379,422	$ 1,399,968	$ 1,090,300
Percentage of debt service Expenditures to General Fund expenditures	4.54%	4.74%	5.13%	5.41%	4.90%	3.99%	4.21%	2.69%	1.95%	1.55%

Source of data: Town of Vernon, Finance Department.

TABLE 24

TOWN OF VERNON, CONNECTICUT

NET TAXABLE GRAND LIST AND PERCENTAGE CHANGE BY TAXABLE PROPERTY

LAST TEN YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Grand List	Real Estate**		Personal Property		Motor Vehicles*		Total All Property	
		Net Taxable Grand List	% Change	Net Taxable Grand List	% Change	Net Taxable Grand List	% Change	Net Taxable Grand List	% Change
2015	10/1/2013	$ 1,503,406,927	0.69%	$ 75,942,989	13.70%	$ 182,700,970	4.73%	$ 1,762,050,886	1.60%
2014	10/1/2012	1,493,134,500	0.45%	66,792,040	(9.39%)	174,454,325	(2.17%)	1,734,380,865	(0.23%)
2013	10/1/2011	1,486,403,230	(11.28%)	73,714,500	(4.54%)	178,321,984	10.12%	1,738,439,714	(9.20%)
2012	10/1/2010	1,675,422,920	0.53%	77,221,820	3.73%	161,928,532	5.47%	1,914,573,272	1.05%
2011	10/1/2009	1,666,654,720	0.13%	74,447,066	2.87%	153,537,018	(0.20%)	1,894,638,804	0.21%
2010**	10/1/2008	1,664,474,310	13.12%	72,373,200	1.54%	153,851,591	(3.48%)	1,890,699,101	11.08%
2009**	10/1/2007	1,471,452,682	16.42%	71,272,686	1.61%	159,395,290	1.39%	1,702,120,658	14.14%
2008**	10/1/2006	1,263,919,130	16.58%	70,146,000	(1.80%)	157,213,010	1.07%	1,491,278,140	13.74%
2007	10/1/2005	1,084,123,077	1.29%	71,432,611	4.85%	155,547,030	6.14%	1,311,102,718	2.03%
2006	10/1/2004	1,070,314,493	1.86%	68,130,433	4.04%	146,544,210	6.45%	1,284,989,136	2.48%

* Excludes assessed value on supplemental motor vehicle listings.

** Phase-in of Real Property revaluation- year 1 of 3 effective for fiscal year end June 30, 2008 and year 2 of 3 effective for fiscal year end June 30, 2009 and year 3 of 3 effective for fiscal year end June 30, 2010.

Source of data: Town Assessor and Town Clerk Offices.

TABLE 25

TOWN OF VERNON, CONNECTICUT

PROPERTY TAX LEVIES, RATES, COLLECTIONS AND UNCOLLECTED TAXES

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Grand List Oct 1,	Net Taxable Grand List	Tax Rate (In Mills)	Adjusted Current Year Levy at Fiscal Year End	Current Levy Collected within the Fiscal Year of the Levy		Collections of Current Levy, Subsequent Years	Total Levy Collections To Date	Uncollected Taxes		Total Levy Uncollected to Date	
					Amount	Percentage of Adjusted Levy			As of End of Each Fiscal Year	As of June 30, 2015	Percentage of Original Levy	Percentage of Adjusted Levy
2015	2013	$1,762,050,886	36.11	$63,997,909	$63,158,074	98.7%	$ -	$63,158,074	$839,835	$839,835	1.64%	1.31%
2014	2012	1,734,380,865	35.40	62,210,620	61,327,304	98.6%	405,773	61,733,077	883,316	477,543	0.56%	0.66%
2013	2011	1,738,439,714	33.63	58,684,540	57,812,300	98.5%	639,074	58,451,374	872,240	233,166	0.83%	0.27%
2012	2010	1,914,573,272	29.90	57,407,016	56,603,238	98.6%	661,828	57,265,066	803,778	141,950	0.48%	0.13%
2011	2009	1,894,638,804	30.02	57,184,120	56,484,922	98.8%	540,574	57,025,496	699,198	158,624	0.31%	0.08%
2010	2008	1,890,699,111	28.42	53,909,593	53,268,067	98.8%	507,143	53,775,210	641,526	134,383	0.34%	0.08%
2009	2007	1,702,120,658	30.28	51,858,264	51,114,202	98.6%	616,565	51,730,767	744,062	127,497	0.45%	0.06%
2008	2006	1,491,278,140	32.91	49,658,052	48,770,952	98.2%	737,524	49,508,476	887,100	149,576	0.37%	0.06%
2007	2005	1,311,102,718	35.79	48,559,054	47,704,186	98.2%	702,840	48,407,026	854,868	152,028	0.73%	0.05%
2006	2004	1,284,989,136	35.79	46,489,780	45,837,742	98.6%	533,054	46,370,796	652,038	118,984	0.83%	0.04%

Sources of Data: Town of Vernon, Tax Collector and Finance Department

TABLE 26

TOWN OF VERNON, CONNECTICUT

RATIOS OF DIRECT AND NET DEBT TO NET TAXABLE, FULL VALUE AND EQUALIZED GRAND LIST

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities		Grand List			Total Direct Debt as a % of			Total Net Debt as a % of		
	Total Direct Debt (1)	Total Net Debt (1)	Net Taxable Grand List (2)	Full Value Grand List (2)	Equalized Net Taxable Grand List (3)	Net Taxable Grand List	Full Value Grand List	Equalized Net Taxable Grand List	Net Taxable Grand List	Full Value Grand List	Equalized Net Taxable Grand List
2015	$38,016,495	$37,488,270	$1,762,050,886	$2,517,215,551	$2,520,764,900	2.16%	1.51%	1.51%	2.13%	1.49%	1.49%
2014	42,419,484	41,547,804	1,734,380,865	2,477,686,950	2,402,677,895	2.45%	1.71%	1.77%	2.40%	1.68%	1.73%
2013	46,747,238	45,538,898	1,738,439,714	2,483,485,306	2,484,656,177	2.69%	1.88%	1.88%	2.62%	1.83%	1.83%
2012	49,396,447	47,858,108	1,914,573,272	2,735,104,674	2,540,965,785	2.58%	1.81%	1.94%	2.50%	1.75%	1.88%
2011	55,325,994	53,464,185	1,894,638,804	2,706,626,863	2,462,690,474	2.92%	2.04%	2.25%	2.82%	1.98%	2.17%
2010	55,238,371	53,059,491	1,890,699,111	2,700,998,730	2,455,538,731	2.92%	2.05%	2.25%	2.81%	1.96%	2.16%
2009	58,650,520	56,160,843	1,702,120,658	2,431,600,940	2,491,857,824	3.45%	2.41%	2.35%	3.30%	2.31%	2.25%
2008	50,921,897	48,127,573	1,491,278,140	2,130,397,343	2,017,416,957	3.41%	2.39%	2.52%	3.23%	2.26%	2.39%
2007	32,455,600	29,362,655	1,311,102,718	1,873,003,883	2,848,133,122	2.48%	1.73%	1.14%	2.24%	1.57%	1.03%
2006	22,194,252	18,808,595	1,284,989,136	1,835,698,766	2,597,687,500	1.73%	1.21%	0.85%	1.46%	1.02%	0.72%

Sources: (1) Town of Vernon, Finance Department
(2) Town of Vernon, Assessor's Department.
(3) State of Connecticut Office of Policy and Management

TABLE 27

TOWN OF VERNON, CONNECTICUT

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Building Permits (1)								Bank Deposits (2) (in thousands)	Property Values (3) **		
	Residential		Industrial and Commercial		All Other *		Total Building Permits					
	#	Construction Value	#	Construction Value	#	Construction Value	#	Construction Value		Residential	Industrial and Commercial	Nontaxable (4)
2015	16	$ 2,100,600	50	$ 11,502,039	2,064	$ 19,536,294	2,130	$ 33,138,932	$ 1,488,947	$ 1,549,748,720	$ 592,059,742	$ 231,375,068
2014	11	1,368,500	76	7,120,134	1,851	14,408,011	1,938	22,896,635	1,271,012	1,554,753,889	493,430,505	231,289,640
2013	16	1,998,000	80	5,741,017	1,807	19,899,840	1,903	27,638,857	1,002,845	1,606,255,471	506,433,643	229,212,099
2012	13	1,954,000	89	6,504,974	1,915	19,704,831	2,017	28,163,805	892,262	1,647,973,312	540,385,815	279,872,330
2011	23	2,569,000	103	4,583,919	1,668	13,263,268	1,794	20,416,187	816,121	1,517,985,824	598,948,165	270,568,720
2010	34	5,618,507	99	4,408,402	1,717	13,352,039	1,850	23,378,948	782,363	1,677,860,407	405,017,402	236,654,310
2009	27	3,759,546	66	1,901,260	1,373	15,661,565	1,466	21,322,371	776,296	1,755,785,729	379,577,798	232,017,940
2008	43	9,817,719	69	3,870,742	1,613	21,958,018	1,725	35,646,479	744,794	1,204,042,543	470,833,357	232,217,470
2007	69	11,632,730	174	5,694,247	1,574	17,991,124	1,817	35,318,101	761,580	1,941,698,122	534,299,916	208,038,107
2006	51	8,109,961	163	12,272,007	1,480	2,846,258	1,694	23,228,226	748,669	1,743,708,049	486,131,510	208,479,547

* Includes municipal improvements, multi-family dwellings, mobile homes, garages, pools, alterations, additions, stoves, sheds, fences etc.
** Excludes vacant land.

Sources:
(1) Town of Vernon, Building Department.
(2) Available on-line at www.fdic.gov/sod.
(3) State of Connecticut Office of Policy and Management sales / assessment ratio studies.
(4) Town of Vernon, Assessor's Department.

TABLE 28

TOWN OF VERNON, CONNECTICUT

U.S. BUREAU OF CENSUS STATISTICS

JUNE 30, 2015
(UNAUDITED)

Year	Population (1)	Density (2)
2010	29,179	1,569
2000	28,063	1,509
1990	29,841	1,604
1980	27,974	1,504
1970	27,237	1,464
1960	16,961	912
1950	10,115	544

Age Characteristics (1)

Age	2000	2010	% Change
Under 5	1,713	1,663	-2.9%
5-19	5,027	4,597	-8.6%
20-34	6,023	6,456	7.2%
35-54	8,647	8,227	-4.9%
55-64	2,747	3,683	34.1%
Over 65	3,906	4,553	16.6%
Total	28,063	29,179	4.0%
Median	37.7	40.2	

Income Characteristics (1)

Income	2010 Households	2010 % of total
$ 0 to 14,999	1,134	8.7%
$15,000 to 24,999	1,110	8.5%
$25,000 to 34,999	993	7.6%
$35,000 to 49,999	2,023	15.5%
$50,000 to 74,999	2,404	18.4%
$75,000 to 99,999	2,050	15.7%
$100,00 or more	3,317	25.6%
Total	13,031	100%

Income	2000 Households	2000 % of total
$ 0 to 14,999	1,355	11.0%
$15,000 to 24,999	1,400	11.4%
$25,000 to 34,999	1,520	12.4%
$35,000 to 49,999	2,098	17.1%
$50,000 to 74,999	2,864	23.2%
$75,000 to 99,999	1,571	12.8%
$100,00 or more	1,482	12.1%
Total	12,290	100%

Years of School Completed, Persons Age 25 and Over (1)

Educational Attainment	All Persons 2000 No.	All Persons 2000 %	All Persons 2010 No.	All Persons 2010 %
Did not complete high school	2,782	14.3%	2,020	9.5%
High school graduate	5,934	30.2%	6,451	30.4%
Some college, no degree & Associate degree	5,660	28.8%	6,348	29.9%
Bachelor, graduate of professional degree	5,253	26.8%	6,397	30.2%
Total	19,629	100%	21,216	100%
Percent high school graduate or higher		85.8%		90.5%
Percent bachelor's degree or higher		26.8%		30.2%

	2000	2010
Median Income	$ 47,816	$ 62,115
Mean Income	57,533	74,113
Per Capita Income	25,150	33,784
% below poverty leve	5.8%	6.4%

Housing Occupancy

	All Housing Units 2000 No.	All Housing Units 2000 % of total	All Housing Units 2010 No.	All Housing Units 2010 % of total
Owner Occupied Housing Units	6,935	56.5%	7,532	58.0%
Renter Occupied Housing Units	5,334	43.5%	5,444	42.0%
Total	12,269	100%	12,976	100%

Sources of Data:

(1) U.S. Department of Commerce, Bureau of Census.
(2) Population per square mile, based on an area of 18.6 square miles.

TABLE 29

TOWN OF VERNON, CONNECTICUT

LAND USE / ZONING STATISTICS

JUNE 30, 2015

LAND USE				EXISTING ZONING		
Category	# of Acres	% of Total	% of Developed / Committed Land	Category	# of Acres	% of Total
Residential	5,304	46.05%	53.67%	Residential	8,120	70.50%
Commercial / Industrial*	712	6.18%	7.21%	Business:		
Community Facilities / Institutional	352	3.06%	3.56%	Commercial / Industrial	872	7.57%
Open Space	1,904	16.53%	19.27%	Rockville Historic District	713	6.19%
R-O-W / Utilities	1,610	13.98%	16.29%	Other Special Zones	413	3.59%
Vacant	1,636	14.20%		No zone (right-of-way, water, other)	1,400	12.15%
Total	11,518	100.00%	100.00%	Total	11,518	100.00%

* Includes Agriculture and Mixed Use total acreage of 95 and 16 acres, respectively.

Source: Land Use statistics from the Town's Plan of Conservation and Development and Existing Zoning from Town Planner's Office.

TABLE 30

TOWN OF VERNON, CONNECTICUT

SCHOOL FACILITIES AND ENROLLMENT DATA

JUNE 30, 2015

School	Grades	Number of Classrooms	Total Floor Area (Sq. ft.)	School Capacity	School Enrollment as of 10/1/2014
Elementary Schools:					
Center Road	Pre-K to 5	33	75,122	825	493
Lake Street	Pre-K to 5	20	39,219	525	238
Maple Street	Pre-K to 5	23	39,920	525	316
Northeast	Pre-K to 5	19	41,500	525	319
Skinner Road	Pre-K to 5	21	45,350	525	336
Loveland Hill School (within Rockville High)	Pre-K to 7	5	3,303	n/a	10
Total Elementary Schools				2,925	1,712
Middle School	6 to 8	70	135,988	1,500	649
Rockville High and VO-AG	9 to 12	136	272,748	2,400	877
Total In-District Enrollment				6,825	3,238
Out of District	All	n/a	n/a	n/a	46
Total Enrollment				**6,825**	**3,284**

ACTUAL SCHOOL ENROLLMENTS
LAST TEN FISCAL YEARS

School Year *	Pre-K	K-5	6-8	9-12	TOTAL IN-DISRICT	ANNUAL % CHANGE	OUT-OF-DISTRICT
2005/06	34	1,680	939	1,307	3,960	-2.22%	46
2006/07	26	1,656	854	1,261	3,797	-4.12%	45
2007/08	39	1,626	817	1,233	3,715	-2.16%	45
2008/09	33	1,588	786	1,177	3,584	-3.53%	37
2009/10	124	1,638	802	1,139	3,703	3.32%	38
2010/11	129	1,620	768	1,079	3,596	-2.89%	38
2011/12	142	1,615	738	1,055	3,550	-1.28%	38
2012/13	172	1,595	697	976	3,440	-3.10%	48
2013/14	177	1,552	659	929	3,317	-3.58%	48
2014/15	177	1,535	649	877	3,238	-2.38%	46

* As of October 1.

PROJECTED SCHOOL ENROLLMENTS
NEXT 5 FISCAL YEARS

2015/16	143	1,619	740	993	3,495	7.94%	46
2016/17	143	1,620	748	987	3,498	0.09%	46
2017/18	143	1,607	776	963	3,489	-0.26%	46
2018/19	143	1,609	741	994	3,487	-0.06%	46
2019/20	143	1,605	754	980	3,482	-0.14%	46

School Classrooms, Capacity and Actual Enrollments: Vernon Superintendent of Schools Office.
Projected Enrollments: Provided by Peter N. Prowda, PhD. Report dated 12/7/11 as requested by the Vernon Board of Education
School Square Footage: Per Code information sheets (updated to reflect school building projects).