

**TOWN OF WINCHESTER
CONNECTICUT**

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2015

Prepared By
Winchester Finance Department
Winsted, Connecticut 06098

TOWN OF WINCHESTER, CONNECTICUT
Table of Contents

Introductory Section

	<u>Page</u>
List of Elected and Appointed Officials	1
Organizational Chart of the Town Government	2
Letter of Transmittal	3

Financial Section

Independent Auditor's Report	8
Management's Discussion and Analysis	11

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position	20
Statement of Activities	21

Fund Financial Statements:

Governmental Funds

Balance Sheet	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

Proprietary Funds

Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Fund Net Position	27
Statement of Cash Flows	28

Fiduciary Funds

Statement of Fiduciary Net Position	29
Statement of Changes in Fiduciary Net Position	30

Notes to the Financial Statements	31
-----------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Schedule of Revenues and Expenditures – Budget and Actual	64
Summary of Significant Accounting Principles	68

Pension Plan

Schedule of Changes of Net Pension Liability and Related Ratios	69
Schedule of Contributions	70
Schedule of Investment Returns	71
Schedule of Town's Proportionate Share of the Net Pension Liability – Municipal Employees Retirement System	72

TOWN OF WINCHESTER, CONNECTICUT
Table of Contents

Schedule of Employer Contributions – Municipal Employees	
Retirement System	73
Schedule of Funding Progress	74
Schedule of the Town’s Proportionate Share of the Net Pension Liability –	
Teachers Retirement Plan	75
Note to the Required Supplementary Information – Teachers Retirement Plan	76

SUPPLEMENTAL, COMBINING INDIVIDUAL NONMAJOR FUND STATEMENTS, AND SCHEDULES

Nonmajor Governmental Funds	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	81
Fiduciary Funds	
Combining Statement of Changes in Assets and Liabilities	84
Supplemental Schedules	
Schedule of Property Taxes Levied, Collected, and Outstanding	85
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding	86

Statistical Section

Table

Financial Trends		
1	Net Position by Component	87
2	Change in Net Position	88
3	Fund Balances of Governmental Funds	90
4	Changes in Fund Balances, Governmental Funds	91
Revenue Capacity		
5	Assessed and Estimated Actual Value of Taxable Property	92
6	Principal Property Taxpayers	93
7	Property Tax Levies and Collections	94
Debt Capacity		
8	Ratios of Outstanding Debt by Type	95
9	Schedule of Debt Limitation	96
10	Legal Debt Margin Information	97
11	Debt Statement	98
12	Current Debt Ratios	99
Demographic and Economic Statistics		
13	Demographic and Economic Statistics	100
14	Principal Employers	101
Operating Information		
15	Full-Time Equivalent Town Government Employees by Function/Program	102
16	Operating Indicators by Function/Program	103
17	Capital Asset Statistics by Function/Program	105

- THIS PAGE INTENTIONALLY LEFT BLANK -

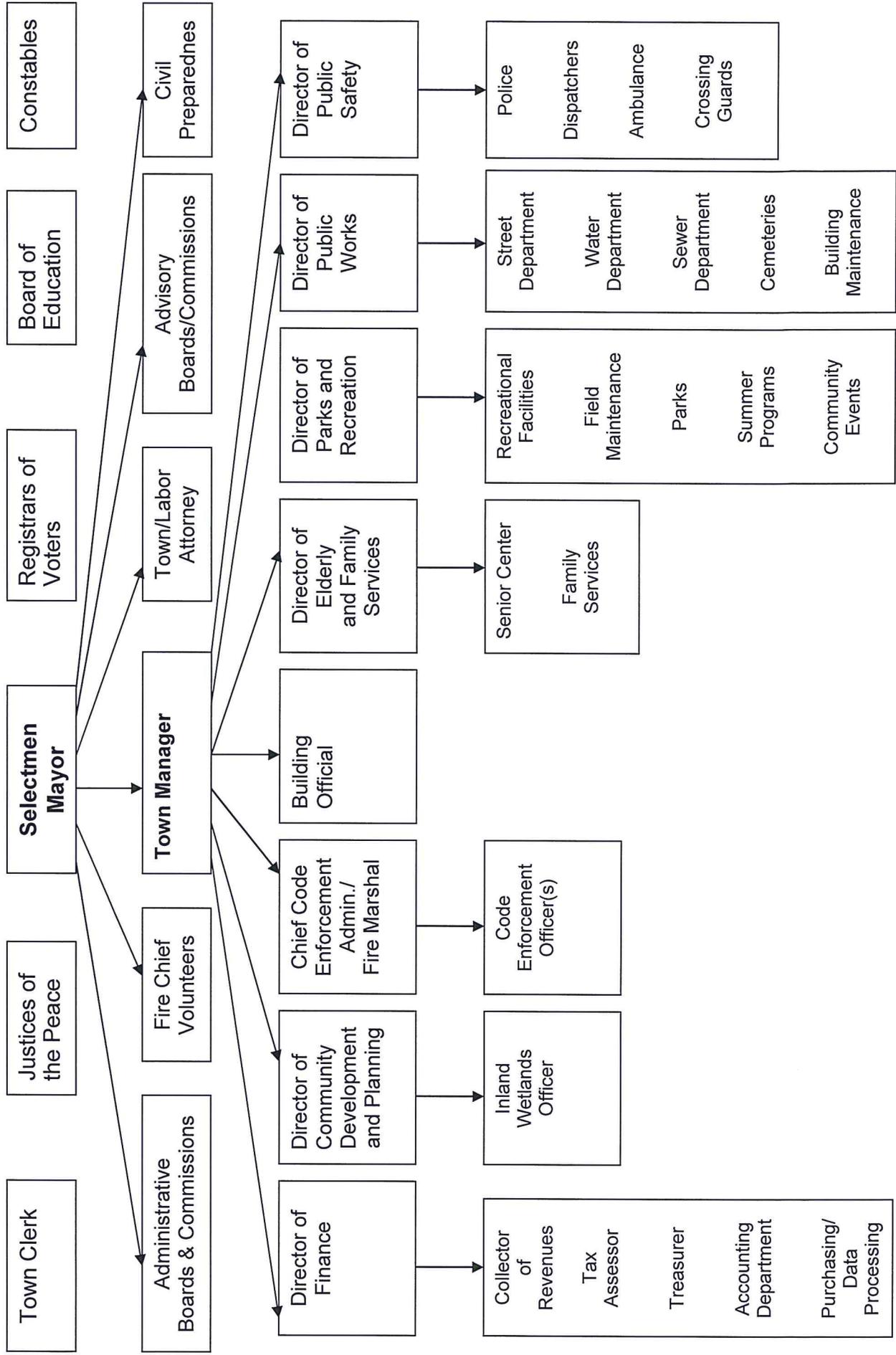
Introductory Section

TOWN OF WINCHESTER, CONNECTICUT
 List of Elected and Appointed Officials
 As of June 30, 2015

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>
Mayor:	Candace Bouchard	Appointed
Board of Selectman:	Candace Bouchard	Elected
	George Closson	Elected
	Jorge Pimental	Elected
	Daniel Langer	Elected
	Althea Candy Perez	Elected
Board of Assessment Appeals:	Steven Sedlack	Elected
	Mark Arcelaschi, Chairman	Appointed
	Jackie Mulvey	Appointed
	Walter St. Onge, Jr.	Appointed
	Samuel Demonstranti	Appointed
Director of Public Works:	Joyce Miles	Appointed
Director of Public Works:	James Rollins	Appointed
Town Manager:	Dale L. Martin	Appointed
Interim Finance Director:	Bruce B. Stratford	Appointed
Treasurer:	Cynthia Rines	Appointed
Tax Collector:	Arlene M. Boutin	Appointed
Town Clerk:	Sheila S. Sedlack	Elected
Purchasing Agent:	Mark A. Douglass	Appointed
Town Assessor:	Rhonda Roy	Appointed
Superintendent of Schools:	Anne Watson	Appointed

TOWN OF WINCHESTER, CONNECTICUT

Organizational Chart of the Town Government



- THIS PAGE INTENTIONALLY LEFT BLANK -



TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

June 30, 2016

Honorable Mayor Althea Candy Perez

Members of the Board of Selectmen

Town Manager Robert Geiger

Citizens of the Town of Winchester

The Finance Department is pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the Town of Winchester for the fiscal year ended June 30, 2015 (FY15). The report includes the independent auditors' report as required by the Town Charter and the Connecticut Statutes. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

State law requires that every general purpose local government publish, within 6 months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for FY15. This report has been delayed beyond the December 31, 2015 due date because access to Winchester Board of Education records by the Town's appointed auditor, King, King & Associates, CPAs, has been controlled since July 2015 by the Connecticut State Commissioner of Education via an appointed Receiver in accordance with Section 302 of the June 2015 Special Session Public Act 15-5. The Receiver engaged a consultant to prepare the FY15 records for audit and those records were first accessible to the auditor in April 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for this purpose. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met, including producing financial statements that are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the anticipated benefits.

During the first five months of FY15 discrepancies were identified in the revenues and deposits affecting the Cafeteria Fund. Management has been unable to determine the financial impact of these discrepancies on the assets, fund balance and revenues of the Cafeteria Fund. Except for the effects of the Cafeteria Fund discrepancies, King, King & Associates, CPAs have issued an unqualified opinion on the Town of Winchester's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is presented as the first component of the financial section of this report.

The Town of Winchester is an equal opportunity provider, employer and lender

State and federal “single audits” were also performed as required by state and federal law, respectively. The purpose of these audits is to determine whether the Town of Winchester complied with the laws and regulations and applicable compliance requirements of the major state and federal assistance programs, and whether the Town maintained controls to assure compliance.

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). The MD&A is designed to complement this transmittal letter and should be read in conjunction with it. The Town’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Winchester

The Town of Winchester, located in Litchfield County, is a political subdivision located approximately thirty miles northwest of Hartford in the watersheds of the Farmington and Naugatuck Rivers. It is bordered on the north by the Town of Colebrook, on the south by the City of Torrington, on the east by the Town of Barkhamsted, and on the west by the Towns of Norfolk and Goshen. It covers a land area of approximately thirty-four square miles. What is commonly referred to as the City of Winsted is located within the Town of Winchester, but that “entity” has no separate government or other political distinction (the terms “Winchester” and “Winsted” are used interchangeably by area residents). Winchester was first settled and incorporated as a Town in 1732. The Town sits at the crossroads of U.S. Route 44 and State Route 8. State Routes 20 and 183 also traverse the Town. The Town has approximately eighty miles of Town roads, of which approximately seventy-five miles are paved. State-controlled and maintained roads account for an additional twenty-three miles.

The Town of Winchester is governed under a home-rule charter, last revised in 2010, that provides a Manager/Selectmen/Town Meeting form of government with a seven-member Board of Selectmen that also serves as the Board of Finance. Elections for the Board of Selectmen are held in November in every odd-numbered year. The residents also have the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The Town Manager is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman, or officially titled “Mayor,” presides over the Board of Selectmen and has full voting privileges on the Board. The Board of Selectmen appoints members to various commissions and boards.

The Town’s annual Budget Meeting is held on the first Monday in May. Prior to adjournment to Budget Referendum, the electors at the Budget Meeting review the budget as presented by the Board of Selectmen and have the power to decrease, but not increase, any line-item of the budget. The Budget Meeting is then adjourned to a referendum for approval. The approved budget serves as the foundation for the Town’s financial planning and control.

The Town provides a full range of services, including general government operations; police and fire protection; the construction and maintenance of highways, streets and other infrastructure; health and welfare services; cultural and recreational activities; economic development support; and education. Water and wastewater treatment and distribution are under the control of an independent Water and Sewer Commission (appointed by the Board of Selectmen).

The Town of Winchester is an equal opportunity provider, employer and lender

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Winchester operates.

Economic Condition and Outlook

Winchester is primarily a residential community with single-family homes. Most residents are employed in the manufacturing, education, health and social services categories. Recent data from the State of Connecticut Office of Policy Management indicates that Winchester's 2012 median household income is \$60,994, as compared to the State of Connecticut's \$69,519. The Town's population has been relatively stable since 2000 at approximately 11,000.

In accordance with State of Connecticut statutes, the Town conducted a property revaluation in 2012 (including a physical inspection of all properties, which was not part of the 2007 revaluation). The tax base is primarily zoned residential (73%) with an important industrial and commercial presence (11%).

The Town of Winchester's bond rating was reduced in June, 2013, from A1 to A2. The primary reasons cited for this downgrade were unexplained shortfalls of cash, later attributed to embezzlement by a former finance director, and the lack of current financial reports. Shortly thereafter, the rating was withdrawn due to the same factors. New personnel and substantially revised and implemented policies and procedures have significantly improved the Town's financial organization. Budgetary controls and a supplemental tax levied in November, 2013, have greatly improved the Town's fiscal condition. At June 30, 2015 the Town's General Fund balance was \$5,163,031 which represents 16 percent of FY15 General Fund expenditures. The Town will likely seek a new bond rating after the FY16 CAFR is issued.

Major Initiatives

Economic Development

The Economic Development Commission remains committed to expanding the Town's commercial and industrial base and is looking for opportunities to create readily marketable properties in the Town's industrially zoned areas and the adaptive reuse of former mill sites.

The Commission has recognized that it needs to aggressively market certain of the Town's most favorable attributes. To accomplish the goals of the Commission, developmental grants and similar incentives will be aggressively pursued. This would include, but not be limited to, new property development, facilities improvement grants, and recreational funding.

Comprehensive Economic Development Strategy (CEDS)

The Northwest Connecticut Economic Development Commission (NWCTEDC), in which the Town is a participant, prepared in 2012 a Comprehensive Economic Development Strategy (CEDS) document. The plan identifies economic development projects which have positive impacts on the regional and local economy. The CEDS document affords the Town access to Federal Economic Development Administration grant and loan funds.

In addition, the Town has updated its Plan of Conservation and Development to reflect current and future needs.

The Town of Winchester is an equal opportunity provider, employer and lender

Regional Outreach

In conjunction with the CEDS project, the Town is also a member of the Northwest Hills Council of Governments (NHCOG), a regional planning organization. A popular and effective program among the twenty-one member towns is the Public Works Equipment Cooperative, which enables member towns to share pieces of heavy-duty equipment related to public works activities.

Brownfields

The Town is actively working to assist with the remediation of “brownfield” sites. To date, the United States Environmental Protection Agency has awarded the Town \$550,000 in grant money to study and redevelop several potentially contaminated manufacturing sites located in the downtown and Highland Lake areas.

The federal Brownfield Revolving Loan Fund has funded two projects in downtown Winsted. These two projects are now certified as contaminant-free, enabling the respective property owners to pursue more favorable financing in the future. One project facilitated the construction of senior citizen affordable housing units; the second, the rehabilitation and rejuvenation of a historic mill factory into a regional artists’ enclave.

In addition to the federal brownfield remediation funds, the Town was awarded \$600,000 in State of Connecticut grants for brownfield assessment and remediation of a long-vacant and deteriorating town-controlled site: \$100,000 was funded by the Department of Community and Economic Development’s Municipal Brownfield Assessment and Inventory (MBAI) program, and the remaining \$500,000 was received from the Office of Policy and Management’s Small Town Economic Assistance Program (STEAP). The assessment has been completed with a portion of these funds.

Zoning Regulations

The Planning and Zoning Commission has undertaken a complete revision of its zoning regulations, which largely date back to 1956. These new regulations will encourage further growth through increased clarity and modernization.

Budgetary Controls

Under the direction of the Finance Director, the Town has reviewed and revised its budgetary controls, and implemented other changes, policies, and procedures recommended by the independent auditor and other State and Federal regulatory agencies. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the electors at referendum. Budget administration is performed by the Town Manager and the Finance Director. The budget is legally enacted at the department expenditure level, which serves as a management tool; budgetary control is maintained at the department level. This is achieved through the use of full encumbrance system, which encumbers appropriations upon the issuance of purchase orders. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of the fund balance at June 30. Transfers within a department may be made during the fiscal year upon approval by the Board of Selectmen. Transfers between departments can only be made during the last three months of the fiscal year, once again, with approval by the Board of Selectmen. Management cannot amend the budget.

Fiduciary Fund Operation

Fiduciary Funds are used to account for funds that the Town holds in a trustee capacity or as an agent for individuals or organizations. The Town of Winchester Town Employees' Pension Trust Fund is used to account for contributions, pension benefits and other costs that are associated with the operations of the pension plan.

Awards and Acknowledgements

Due to the criminal activities of a former finance director and the tardiness of recent financial statements, the Town had not sought the Government Finance Officers Association of the United States and Canada (GFOA) certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the past three years. The award recognizes that the Town published an easily readable and efficiently organized Comprehensive Annual Financial report. With the positive changes over the past three years, the Town will re-consider the opportunity to apply for the award with the next report.

The preparation of this report would have not been accomplished without the services of the members of the Department of Finance, including Treasurer Mrs. Cynthia Rines, and other Town staff. I would also like to thank the Board of Selectmen for its continued interest, efforts, and support in planning and conducting the financial operations of the Town in a responsible and professional manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bruce B. Stratford". The signature is written in a cursive style with a large, prominent initial "B".

Bruce B. Stratford CPA CFE CFF
Director of Finance

Financial Section

- THIS PAGE INTENTIONALLY LEFT BLANK -

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectman
Town of Winchester, Connecticut

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 Winchester, 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. 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.

Basis for Qualified Opinion on the Cafeteria Fund

Discrepancies have been identified in the revenues and deposits affecting the Cafeteria Fund. Accounting principles generally accepted in the United States of America require that revenues be recorded completely and accurately. The amount by which this departure would affect the assets, fund balances, and revenues has not been determined for the fiscal year ended June 30, 2015.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the Cafeteria Fund" paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental and enterprise funds of the Town of Winchester, CT, as of June 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 and 64 through 76 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

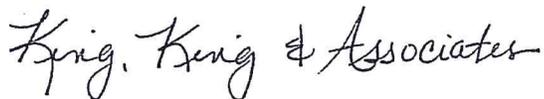
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winchester, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented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

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

The introductory and statistical 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 June 30, 2016, on our consideration of the Town of Winchester, 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 Winchester, Connecticut's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
June 30, 2016

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

As management of the Town of Winchester, we offer readers of the Town of Winchester's financial statements this narrative overview and analysis of the financial activities of the Town of Winchester for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the Town of Winchester exceeded its liabilities at the close of the most recent fiscal year by \$66,924,381 (*net position*). Governmental activities reflect a negative unrestricted net position in the amount of (\$5,515,045) indicating that currently none of the net position may be used to meet ongoing obligations to citizens and creditors. Business-type activities have an unrestricted net position of \$1,097,207.
- The government's total net position increased by \$889,404.
- As of the close of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of \$7,299,080, an increase of \$1,243,353 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,163,031.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in future cash inflows (revenues) and outflows (expenditures).

Both of the government-wide financial statements distinguish functions of the Town of Winchester that are principally supported by grants and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Winchester include education, public safety, general government and public works.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

The government-wide financial statements can be found on pages 20-21 of this report.

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

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

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

The Town of Winchester maintains thirty-four (34) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Town of Winchester adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary Funds: The Town maintains two proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

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

The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-63 of this report.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Winchester, assets exceeded liabilities by \$66,924,381 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 11,052,175	\$ 9,293,052	\$ 1,336,538	\$ 514,810	\$ 12,388,713	\$ 9,807,862
Capital Assets	<u>42,347,950</u>	<u>43,111,717</u>	<u>33,307,428</u>	<u>34,701,008</u>	<u>75,655,378</u>	<u>77,812,725</u>
Total Assets	<u>53,400,125</u>	<u>52,404,769</u>	<u>34,643,966</u>	<u>35,215,818</u>	<u>88,044,091</u>	<u>87,620,587</u>
Deferred Outflows of Resources	<u>692,189</u>	<u>-</u>	<u>92,790</u>	<u>110,578</u>	<u>784,979</u>	<u>110,578</u>
Long-term Liabilities	16,667,160	15,650,245	2,727,143	3,183,149	19,394,303	18,833,394
Other Liabilities	<u>1,992,182</u>	<u>1,580,281</u>	<u>147,403</u>	<u>125,547</u>	<u>2,139,585</u>	<u>1,705,828</u>
Total Liabilities	<u>18,659,342</u>	<u>17,230,526</u>	<u>2,874,546</u>	<u>3,308,696</u>	<u>21,533,888</u>	<u>20,539,222</u>
Deferred Inflows of Resources	<u>370,801</u>	<u>7,604</u>	<u>-</u>	<u>-</u>	<u>370,801</u>	<u>7,604</u>
Net Position:						
Net Investment in Capital Assets	38,445,171	38,706,670	30,765,003	31,687,119	69,210,174	70,393,789
Restricted	2,132,045	2,338,704	-	-	2,132,045	2,338,704
Unrestricted	<u>(5,515,045)</u>	<u>(5,878,735)</u>	<u>1,097,207</u>	<u>330,581</u>	<u>(4,417,838)</u>	<u>(5,548,154)</u>
Total Net Position	<u>\$ 35,062,171</u>	<u>\$ 35,166,639</u>	<u>\$ 31,862,210</u>	<u>\$ 32,017,700</u>	<u>\$ 66,924,381</u>	<u>\$ 67,184,339</u>

\$38,445,171 of the Town's net position 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 citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

\$1,327,056 of the restricted portion of the Town of Winchester's net position represents net position restricted for Community Development, \$113,352 is restricted for Soldiers Monument Restoration, \$78,955 is restricted for Grants & Donations, and \$167,148 is restricted for other purposes. The remaining restricted portion, \$445,534, represents net position restricted for purposes of trust. Negative unrestricted net position in the amount of (\$5,515,045) indicates that currently none of the net position may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Winchester's Governmental Activities are able to report positive balances in all categories of net position except Unrestricted Net Position, for the government as a whole.

The beginning net position of the year ended June 30, 2015 is \$1,149,362 lower than the ending net position on June 30, 2014 due to the adoption of GASB Statement No. 68 and prior period restatements. The details can be found in Notes 8 and 9 on page 63.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 22,563,841	\$ 23,977,690	\$ -	\$ -	\$ 22,563,841	\$ 23,977,690
Unrestricted Grants & Contributions	334,480	322,157	-	-	334,480	322,157
Unrestricted Investment Income	240	84	-	-	240	84
Other General Revenues, Net	424,294	139,163	-	-	424,294	139,163
Insurance Claim	-	1,100,000	-	-	-	1,100,000
<i>Program Revenues:</i>						
Charges for Services	846,706	943,020	3,328,373	3,599,186	4,175,079	4,542,206
Operating Grants and Contributions	13,340,706	13,081,110	-	-	13,340,706	13,081,110
Capital Grants and Contributions	45,448	650,810	-	1,317	45,448	652,127
Total Revenues	37,555,715	40,214,034	3,328,373	3,600,503	40,884,088	43,814,537
EXPENSES						
<i>Governmental Activities:</i>						
General Government	3,738,169	3,184,962	-	-	3,738,169	3,184,962
Public Safety	3,045,908	3,558,537	-	-	3,045,908	3,558,537
Public Works	3,111,181	3,067,995	-	-	3,111,181	3,067,995
Health	649,113	575,514	-	-	649,113	575,514
Library	200,003	176,474	-	-	200,003	176,474
Parks and Recreation	224,911	210,019	-	-	224,911	210,019
Waste Disposal and Recycling	196,247	222,812	-	-	196,247	222,812
Interest on Long-Term Debt	166,124	222,581	-	-	166,124	222,581
Education	25,103,389	24,007,954	-	-	25,103,389	24,007,954
<i>Business-Type Activities:</i>						
Waterworks	-	-	1,624,816	1,522,972	1,624,816	1,522,972
Sewer	-	-	1,937,700	1,695,555	1,937,700	1,695,555
Total Expenses	36,435,045	35,226,848	3,562,516	3,218,527	39,997,561	38,445,375
Change in Net Position Before Transfers, and Contributions to Permanent Funds	1,120,670	4,987,186	(234,143)	381,976	886,527	5,369,162
Transfers	(78,653)	(110,480)	78,653	110,480	-	-
Contributions to Permanent Funds	2,877	3,369	-	-	2,877	3,369
Change in Net Position	1,044,894	4,880,075	(155,490)	492,456	889,404	5,372,531
Beginning Net Position, as Restated	34,017,277	30,286,564	32,017,700	31,525,244	66,034,977	61,811,808
Ending Net Position	\$ 35,062,171	\$ 35,166,639	\$ 31,862,210	\$ 32,017,700	\$ 66,924,381	\$ 67,184,339

Governmental Activities

Governmental activities increased the Town of Winchester's net position by \$1,044,894. Sixty percent (60%) of the revenues of the Town were derived from property taxes, followed by thirty-seven percent (37%) from grants and contributions, then two percent (2%) from charges for services, and one percent (1%) from other general revenues and investment earnings.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

Major revenue factors include:

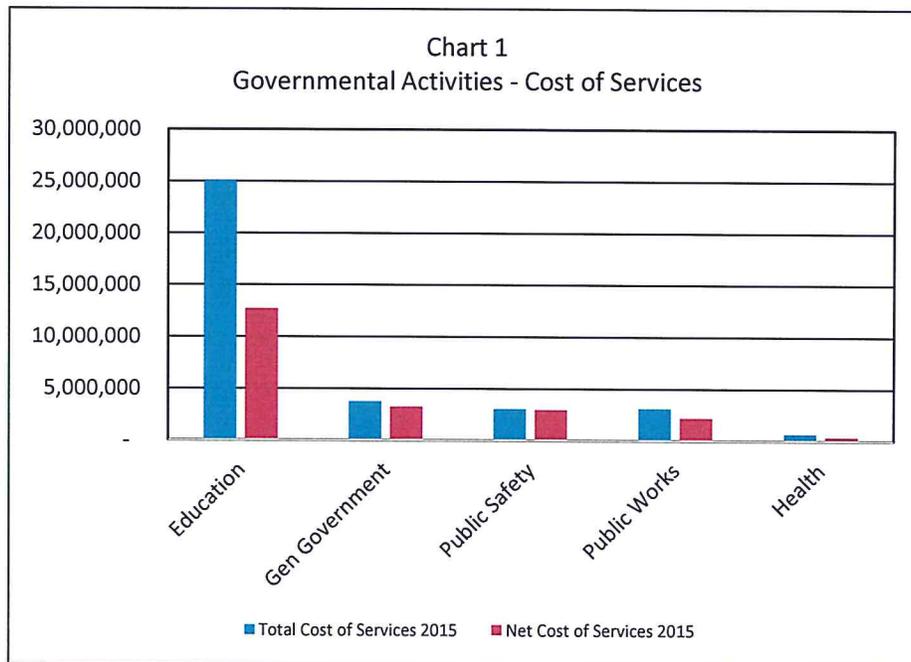
- Collection of property taxes and related interest.
- Settlement of claim against former audit firm.

For Governmental Activities, 69% of the Town's expenses relate to education, 10% relate to public safety and health, 9% relate to public works/capital outlay, and the remaining 12% relates to government and community services, administration, and other areas.

Major expense factors include:

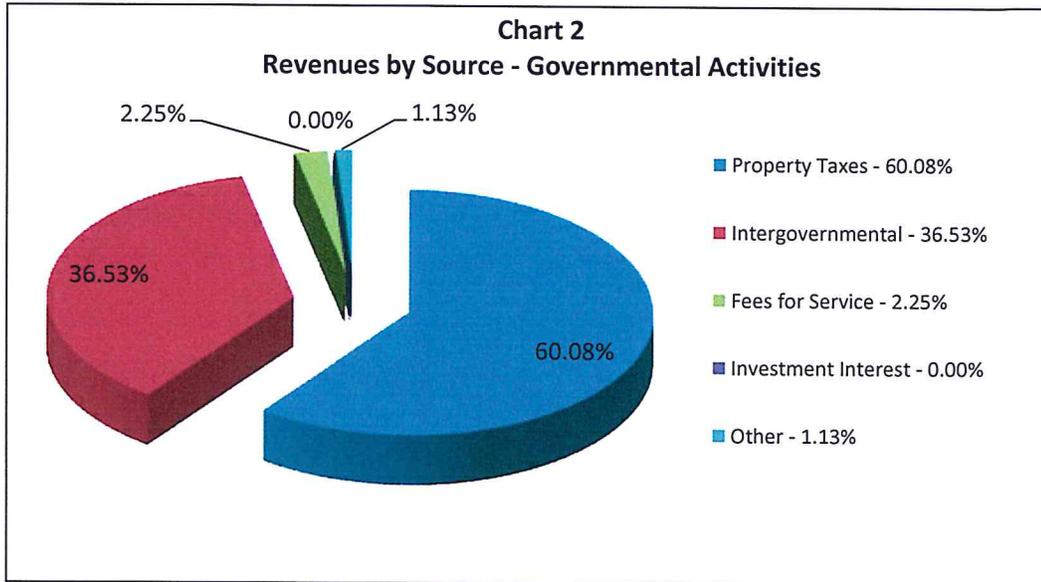
- Retention of contingency funds to restore Fund Balance.
- Under-expenditure by the Public Works, Public Safety, and Insurance functions.

Chart 1 presents the costs of each of the five largest programs, 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 by each of these functions.



TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

Chart 2 presents the various sources of revenue that fund Town operations. The percentages indicate what part of the whole each segment represents.

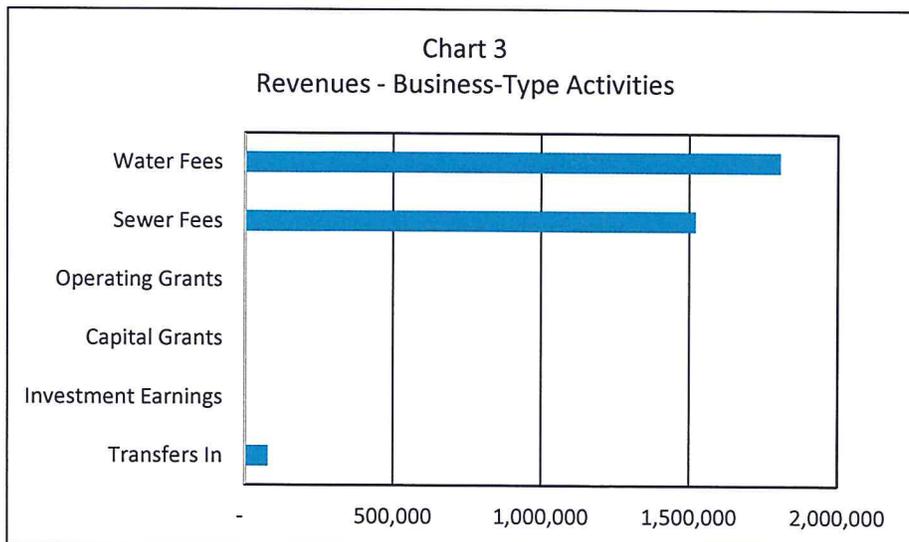


Business-Type activities

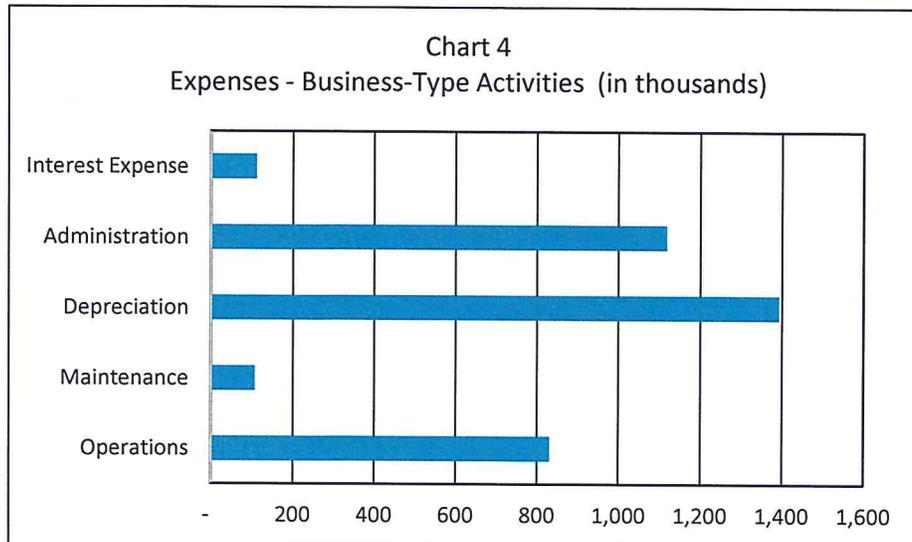
Business-type activities decreased the Town of Winchester's net position by \$155,490. One hundred percent (100%) of the revenues of the business-type activities were derived from charges for services. Key elements of enterprise fund performance are as follows:

- Total revenues decreased by \$272,130 compared to the previous year's revenues.
- The change in net position was a decrease of \$155,490 (compared to an increase of \$492,456 in the previous year).

Charts 3 and 4 reflect the water/sewer utility operations for fiscal year 2015 regarding sources of revenue and classes of expenses.



TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of \$7,299,080, an increase of \$1,243,353 in comparison with the prior year.

The General Fund is the chief operating fund of the Town of Winchester. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,163,031. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16% percent of total General Fund expenditures.

The fund balance of the Town of Winchester's General Fund increased by \$1,748,966 during the current fiscal year.

The Small Cities Fund recognized significant expenses to reflect program disbursements that are not expected to be returned to the Town.

General Fund Budgetary Highlights

- Revenues enhanced by one-time settlement of claim against former audit firm.
- Dedicated substantial contribution to Fund Balance.
- Significant under-expenditure in public works, public safety, and insurance functions.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2015

Capital Asset and Debt Administration

Capital Assets: The Town of Winchester's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$75,655,378 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment. Major capital asset events during the current fiscal year included the following:

- Vehicle leases (Police Department)
- Protective equipment (Fire Department)
- Bridge design and matching construction funds
- Main Street Enhancement Phase II

	<u>2015</u>	<u>2014</u>
<i>Governmental Activities:</i>		
Land	\$ 25,700,445	\$ 25,700,445
Construction in Progress	1,360,161	1,244,852
Buildings	668,861	688,357
Improvements	1,977,970	2,039,880
Machinery and Equipment	3,240,226	3,478,422
Infrastructure	9,400,287	9,959,761
	\$ 42,347,950	\$ 43,111,717

	<u>2015</u>	<u>2014</u>
<i>Business-type Activities:</i>		
Land	\$ 92,847	\$ 92,847
Buildings	19,324,090	20,034,907
Improvements	1,567,923	1,629,243
Machinery and Equipment	180,775	201,241
Infrastructure	12,141,793	12,742,770
	\$ 33,307,428	\$ 34,701,008

Additional information on the Town of Winchester's capital assets can be found in Note 3 on pages 41-42 of this report.

TOWN OF WINCHESTER, CONNECTICUT
 Management's Discussion and Analysis
 June 30, 2015

Long-Term Debt: The Town of Winchester has the following obligations:

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
<u>Bonds</u>					
8/14/2008	Public Improvements	4.02	\$ 6,316,000	\$ 3,776,000	2024
8/15/2002	Sewer	3.00-5.00	6,290,000	1,095,000	2022
1/15/2004	General Purpose (Water)	2.00-4.00	3,900,000	1,000,000	2019
<u>Other</u>					
11/1/2010	General Obligation Serial Note	3.00	415,000	83,000	2016
1/31/2008	Clean Water Fund Loans	2.00	642,019	398,932	2027
	Total		<u>\$ 17,563,019</u>	<u>\$ 6,352,932</u>	

The Town of Winchester's total borrowings decreased by \$958,304 during the current fiscal year, primarily due to the repayment of debt. Additional information on the Town of Winchester's long-term debt can be found in Note 3 on pages 44-47 of this report.

Economic Factors and Next Year's Budgets and Rates

- Proper funding of the State's Minimum Budget Requirement.
- Growing need for capital investment, for both infrastructure and equipment.
- Continued effort to restore adequate reserve funds for future bonding needs.
- Need for additional staff for operational and safety needs.
- Expired collective bargaining agreements.

Request for Information

This financial report is designed to provide a general overview of the Town of Winchester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Winchester, 338 Main Street, Winsted, CT 06098.

Basic Financial Statements

TOWN OF WINCHESTER, CONNECTICUT

Statement of Net Position

June 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 7,042,779	\$ 912,203	\$ 7,954,982
Receivables, Net of Allowance	3,341,122	269,551	3,610,673
Other Assets	11,458	811,600	823,058
Internal Balances	656,816	(656,816)	-
Capital Assets:			
Assets Not Being Depreciated	27,060,606	92,847	27,153,453
Assets Being Depreciated, Net	<u>15,287,344</u>	<u>33,214,581</u>	<u>48,501,925</u>
Total Assets	<u>\$ 53,400,125</u>	<u>\$ 34,643,966</u>	<u>\$ 88,044,091</u>
Deferred Outflows of Resources:			
Deferred Pension Expense	692,189	-	692,189
Deferred Charge on Refunding	<u>-</u>	<u>92,790</u>	<u>92,790</u>
Total Deferred Outflows of Resources	<u>692,189</u>	<u>92,790</u>	<u>784,979</u>
Liabilities:			
Accounts Payable and Accrued Items	\$ 1,765,228	\$ 147,403	\$ 1,912,631
Due to Other Governments	153,130	-	153,130
Unearned Grant Revenue	73,824	-	73,824
Noncurrent Liabilities:			
Due Within One Year	1,024,537	513,245	1,537,782
Due In More Than One Year	<u>15,642,623</u>	<u>2,213,898</u>	<u>17,856,521</u>
Total Liabilities	<u>18,659,342</u>	<u>2,874,546</u>	<u>21,533,888</u>
Deferred Inflows of Resources:			
Unavailable Revenue - Advanced			
Property Tax Collections	158,005	-	158,005
Deferred Pension Expense	<u>212,796</u>	<u>-</u>	<u>212,796</u>
Total Deferred Inflows of Resources	<u>370,801</u>	<u>-</u>	<u>370,801</u>
Net Position:			
Net Investment in Capital Assets	38,445,171	30,765,003	69,210,174
Restricted for Community Development	1,327,056	-	1,327,056
Restricted for Soldiers Monument Restoration	113,352	-	113,352
Restricted for Grants & Donations	78,955	-	78,955
Restricted for Other Purposes	167,148	-	167,148
Restricted for Purposes of Trust:			
Nonexpendable	425,106	-	425,106
Expendable	20,428	-	20,428
Unrestricted	<u>(5,515,045)</u>	<u>1,097,207</u>	<u>(4,417,838)</u>
Total Net Position	<u>\$ 35,062,171</u>	<u>\$ 31,862,210</u>	<u>\$ 66,924,381</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		Total
		Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	
General Government	\$ 3,738,169	\$ 305,526	\$ 200,696	-	-	-	-	\$ (3,231,947)
Library	200,003	-	-	-	-	-	-	(200,003)
Waste Disposal and Recycling	196,247	-	-	-	-	-	-	(196,247)
Public Safety	3,045,908	61,615	24,105	-	-	-	-	(2,960,188)
Public Works	3,111,181	222,998	669,074	45,448	-	-	-	(2,173,661)
Health	649,113	75,893	208,441	-	-	-	-	(364,779)
Parks and Recreation	224,911	10,500	-	-	-	-	-	(214,411)
Education	25,103,389	170,174	12,238,390	-	-	-	-	(12,694,825)
Interest on Long-Term Debt	166,124	-	-	-	-	-	-	(166,124)
Total Governmental Activities	36,435,045	846,706	13,340,706	45,448	-	-	-	(22,202,185)
Business-Type Activities								
Waterworks	1,624,816	1,806,242	-	-	-	-	181,426	181,426
Sewer	1,937,700	1,522,131	-	-	-	-	(415,569)	(415,569)
Total Business-Type Activities	3,562,516	3,328,373	-	-	-	-	(234,143)	(234,143)
Total Primary Government	\$ 39,997,561	\$ 4,175,079	\$ 13,340,706	\$ 45,448	-	-	(234,143)	(22,436,328)
General Revenues:								
Property Taxes					22,563,841			22,563,841
Grants and Contributions not Restricted to Specific Programs					334,480			334,480
Unrestricted Investment Earnings					240			240
Contributions to Permanent Fund Principal					2,877			2,877
Miscellaneous					424,294			424,294
Transfers					(78,653)			-
Total General Revenues and Transfers					23,247,079			78,653
Change in Net Position							(155,490)	889,404
Net Position at Beginning of Year (As Restated)							32,017,700	66,034,977
Net Position at End of Year							\$ 35,062,171	\$ 66,924,381

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2015

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Cash Equivalents	\$ 6,228,598	\$ 13,343	\$ -	\$ 800,838	\$ 7,042,779
Receivables, Net of Allowance	1,030,393	1,327,056	531,208	194,109	3,082,766
Due from Other Funds	1,497,960	-	-	973,274	2,471,234
Other Assets	584	-	-	10,874	11,458
Total Assets	<u>\$ 8,757,535</u>	<u>\$ 1,340,399</u>	<u>\$ 531,208</u>	<u>\$ 1,979,095</u>	<u>\$ 12,608,237</u>
Liabilities					
Accounts Payable and Accrued Items	\$ 1,650,370	\$ -	\$ 2,083	\$ 112,775	\$ 1,765,228
Due to Other Funds	972,779	-	690,912	150,727	1,814,418
Due to Other Governments	-	-	-	153,130	153,130
Unearned Grant Revenue	-	-	-	73,824	73,824
Total Liabilities	<u>2,623,149</u>	<u>-</u>	<u>692,995</u>	<u>490,456</u>	<u>3,806,600</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	813,350	-	-	-	813,350
Unearned Revenue - Advanced Property Tax Collections	158,005	-	-	-	158,005
Unavailable Revenue - Sewer Assessment Charges	-	-	531,202	-	531,202
Total Deferred Inflows of Resources	<u>971,355</u>	<u>-</u>	<u>531,202</u>	<u>-</u>	<u>1,502,557</u>
Fund Balances					
Nonspendable	-	1,327,056	-	435,980	1,763,036
Restricted	-	13,343	-	366,540	379,883
Committed	-	-	-	696,739	696,739
Unassigned	5,163,031	-	(692,989)	(10,620)	4,459,422
Total Fund Balances	<u>5,163,031</u>	<u>1,340,399</u>	<u>(692,989)</u>	<u>1,488,639</u>	<u>7,299,080</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,757,535</u>	<u>\$ 1,340,399</u>	<u>\$ 531,208</u>	<u>\$ 1,979,095</u>	<u>\$ 12,608,237</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2015

Fund balances reported in governmental funds Balance Sheet \$ 7,299,080

**Amounts reported for governmental activities in the government- wide
Statement of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

<i>Capital Assets</i>	69,371,533
<i>Depreciation</i>	(27,023,583)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

<i>Property taxes receivable greater than 60 days</i>	813,350
<i>Sewer assessments receivable greater than 60 days</i>	531,202
<i>Interest receivable on property taxes</i>	232,158
<i>Interest receivable on sewer assessments</i>	26,198

Certain changes related to pensions are deferred and amortized over time. 479,393

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Bonds payable</i>	(3,859,000)
<i>Net Pension Liability</i>	(7,291,299)
<i>Net Pension Liability - MERS</i>	(743,961)
<i>OPEB obligation</i>	(2,053,009)
<i>Pollution remediation</i>	(271,600)
<i>Capital leases payable</i>	(43,779)
<i>Claims and judgments</i>	(1,220,819)
<i>Early retirement incentives</i>	(146,500)
<i>Compensated Absences</i>	<u>(1,037,193)</u>

Net position of governmental activities **\$ 35,062,171**

TOWN OF WINCHESTER, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Property Taxes, Interest and Lien Fees	\$ 22,479,091	\$ -	\$ -	\$ -	\$ 22,479,091
Intergovernmental Revenues	10,670,631	-	-	3,087,818	13,758,449
Interest and Dividends	-	-	-	240	240
Charges for Services	461,003	-	125,999	164,174	751,176
Licenses, Fees and Permits	181,945	-	-	1,291	183,236
Other Revenue	424,294	-	-	163,337	587,631
Total Revenues	<u>34,216,964</u>	<u>-</u>	<u>125,999</u>	<u>3,416,860</u>	<u>37,759,823</u>
Expenditures					
Current					
General Government	2,709,083	-	-	272,320	2,981,403
Library	200,003	-	-	-	200,003
Miscellaneous	504,794	-	-	-	504,794
Waste Disposal and Recycling	196,247	-	-	-	196,247
Public Safety	3,166,933	-	-	38,296	3,205,229
Public Works	1,712,751	-	-	-	1,712,751
Health	312,016	-	-	230,759	542,775
Parks and Recreation	196,636	-	-	-	196,636
Education	21,792,130	-	-	3,109,817	24,901,947
Program and Project Expenditures	318,190	186,994	-	-	505,184
Debt Service:					
Principal Retirement	503,000	-	-	32,768	535,768
Interest	163,972	-	-	2,152	166,124
Capital Outlay	-	-	-	788,956	788,956
Total Expenditures	<u>31,775,755</u>	<u>186,994</u>	<u>-</u>	<u>4,475,068</u>	<u>36,437,817</u>
Excess/(Deficiency) of Revenues over Expenditures	2,441,209	(186,994)	125,999	(1,058,208)	1,322,006
Other Financing Sources/(Uses)					
Transfers In	39,874	-	-	732,117	771,991
Transfers Out	(732,117)	-	(118,527)	-	(850,644)
Total Other Financing Sources/(Uses)	<u>(692,243)</u>	<u>-</u>	<u>(118,527)</u>	<u>732,117</u>	<u>(78,653)</u>
Net Change in Fund Balances	1,748,966	(186,994)	7,472	(326,091)	1,243,353
Fund Balances at Beginning of Year, as Restated	<u>3,414,065</u>	<u>1,527,393</u>	<u>(700,461)</u>	<u>1,814,730</u>	<u>6,055,727</u>
Fund Balances at End of Year	<u>\$ 5,163,031</u>	<u>\$ 1,340,399</u>	<u>\$ (692,989)</u>	<u>\$ 1,488,639</u>	<u>\$ 7,299,080</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ 1,243,353

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital expenditures</i>	183,332
<i>Depreciation expense</i>	(947,099)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds

<i>Property taxes collected accrual basis change</i>	57,262
<i>Sewer assessment revenue accrual basis change</i>	(87,706)
<i>Interest income on property taxes</i>	32,288
<i>Interest income on sewer assessments</i>	(4,800)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>General obligation bond principal payments</i>	503,000
---	---------

<i>Amortization of deferred outflows related to pension benefits</i>	521,281
<i>Amortization of deferred inflows related to pension benefits</i>	53,199

Certain benefits are expensed in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred.

<i>Capital leases</i>	(732)
<i>Net Pension Liability</i>	(381,410)
<i>Net Pension Liability - MERS</i>	266,738
<i>OPEB obligation</i>	(611,544)
<i>Claims and judgments</i>	132,526
<i>Pollution Remediation</i>	47,371
<i>Early retirement incentives</i>	53,500
<i>Compensated Absences</i>	<u>(15,665)</u>

Change in net position of governmental activities **\$ 1,044,894**

TOWN OF WINCHESTER, CONNECTICUT

Statement of Net Position

Proprietary Funds

June 30, 2015

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 594,399	\$ 317,804	\$ 912,203
Rents and Assessments Receivable, Net	133,787	104,705	238,492
Interest Receivable	12,078	18,981	31,059
Accrued Utility Reserve	448,445	363,155	811,600
Total Current Assets	1,188,709	804,645	1,993,354
Noncurrent Assets:			
Due from Other Funds	-	1,026,422	1,026,422
Nondepreciable Capital Assets	63,212	29,635	92,847
Capital Assets, Net of Accumulated Deprecation	15,247,813	17,966,768	33,214,581
Total Noncurrent Assets	15,311,025	19,022,825	34,333,850
Total Assets	\$ 16,499,734	\$ 19,827,470	\$ 36,327,204
Deferred Outflows of Resources			
Unamortized Bond Costs	23,784	69,006	92,790
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Items	\$ 62,659	\$ 84,744	\$ 147,403
Due to Other Funds	200,000	200,000	400,000
Current Portion of Long-Term Debt	278,342	234,903	513,245
Total Current Liabilities	541,001	519,647	1,060,648
Noncurrent Liabilities:			
Due to Other Funds	340,558	942,680	1,283,238
Compensated Absences	49,066	67,373	116,439
Clean Water Fund Loans	-	368,016	368,016
Bonds Payable	758,095	971,348	1,729,443
Total Noncurrent Liabilities	1,147,719	2,349,417	3,497,136
Total Liabilities	1,688,720	2,869,064	4,557,784
Deferred Inflows of Resources			
	-	-	-
Net Position			
Net Investment in Capital Assets	14,298,883	16,466,120	30,765,003
Unrestricted	535,915	561,292	1,097,207
Total Net Position	\$ 14,834,798	\$ 17,027,412	\$ 31,862,210

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 1,764,784	\$ 1,481,211	\$ 3,245,995
Fines, Penalties and Interest	<u>41,458</u>	<u>40,920</u>	<u>82,378</u>
Total Operating Revenues	<u>1,806,242</u>	<u>1,522,131</u>	<u>3,328,373</u>
OPERATING EXPENSES			
Operations	435,782	395,544	831,326
Maintenance	38,442	68,582	107,024
Depreciation Expense	513,188	880,392	1,393,580
Administration	<u>593,520</u>	<u>525,482</u>	<u>1,119,002</u>
Total Operating Expenses	<u>1,580,932</u>	<u>1,870,000</u>	<u>3,450,932</u>
Operating Income/(Loss)	225,310	(347,869)	(122,559)
NONOPERATING EXPENSES			
Interest Expense	<u>(43,884)</u>	<u>(67,700)</u>	<u>(111,584)</u>
Income/(Loss) before Transfers, and Other Changes	<u>181,426</u>	<u>(415,569)</u>	<u>(234,143)</u>
Transfers:			
Transfers In	-	118,527	118,527
Transfers Out	<u>-</u>	<u>(39,874)</u>	<u>(39,874)</u>
Total Transfers	<u>-</u>	<u>78,653</u>	<u>78,653</u>
Change in Net Position	181,426	(336,916)	(155,490)
Net Position - Beginning of Year	<u>14,653,372</u>	<u>17,364,328</u>	<u>32,017,700</u>
Net Position - End of Year	<u>\$ 14,834,798</u>	<u>\$ 17,027,412</u>	<u>\$ 31,862,210</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2015

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 1,888,660	\$ 1,603,375	\$ 3,492,035
Receipts from Interfund Services	6,505	6,505	13,010
Payments for Interfund Services	-	-	-
Payments to Employees	(587,243)	(522,358)	(1,109,601)
Payments to Suppliers	(476,383)	(440,111)	(916,494)
Net Cash Provided by Operating Activities	<u>831,539</u>	<u>647,411</u>	<u>1,478,950</u>
Cash Flows from Noncapital Financing Activities:			
Advance/(Repayment) from General Fund	(305,700)	(303,152)	(608,852)
Advance/(Repayment) from Sewer Assessments	-	8,643	8,643
Advance/(Repayment) from Proprietary Funds	70,002	(70,002)	-
Net Cash Used by Noncapital Financing Activities	<u>(235,698)</u>	<u>(364,511)</u>	<u>(600,209)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Bonds Payable	(250,000)	(175,000)	(425,000)
Principal Payments on Clean Water Fund Loans	-	(30,303)	(30,303)
Principal Payments on General Fund Bonds Payable	-	(29,000)	(29,000)
Interest Paid on Bonds Payable and Clean Water Fund Loans	(40,001)	(74,773)	(114,774)
Highland Lake Assessments	-	118,527	118,527
Net Cash Used by Capital and Related Financing Activities	<u>(290,001)</u>	<u>(190,549)</u>	<u>(480,550)</u>
Cash Flows from Investing Activities:			
Net Cash Provided by Investing Activities	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	305,840	92,351	398,191
Cash and Cash Equivalents at Beginning of Year	<u>288,559</u>	<u>225,453</u>	<u>514,012</u>
Cash and Cash Equivalents at End of Year	<u>\$ 594,399</u>	<u>\$ 317,804</u>	<u>\$ 912,203</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 225,310	\$ (347,869)	\$ (122,559)
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities:			
Depreciation	513,188	880,392	1,393,580
Change in Assets and Liabilities:			
(Increase) Decrease in Rents Receivable	16,534	30,595	47,129
(Increase) Decrease in Interest Receivable	17,485	6,192	23,677
(Increase) Decrease in Accrued Utility Reserve	54,904	50,962	105,866
Increase (Decrease) in Accounts Payable and Accrued Expenses	(2,159)	24,015	21,856
Increase (Decrease) in Accrued Vacation and Sick Leave Benefits	6,277	3,124	9,401
Total Adjustments	<u>606,229</u>	<u>995,280</u>	<u>1,601,509</u>
Net Cash Provided by Operating Activities	<u>\$ 831,539</u>	<u>\$ 647,411</u>	<u>\$ 1,478,950</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fiduciary Net Position

June 30, 2015

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets		
Cash and Cash Equivalents	\$ -	\$ 73,928
Investments, at Fair Value:		
Short-Term Investments	31,639	-
Mutual Funds	<u>7,480,007</u>	<u>-</u>
Accrued Income	<u>15,744</u>	<u>-</u>
Total Assets	<u>\$ 7,527,390</u>	<u>\$ 73,928</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Liabilities		
Fiduciary Deposits	<u>\$ -</u>	<u>\$ 73,928</u>
Total Liabilities	<u>-</u>	<u>\$ 73,928</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position		
Restricted for Pension Benefits	<u>\$ 7,527,390</u>	

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 433,159
Plan Members	46,838
Total Contributions	479,997
Investment Income:	
Net Appreciation in Fair Value of Investments	211,378
Interest	122,130
Total Investment Income	333,508
Total Additions	813,505
Deductions	
Benefits	761,466
Administrative expenses	31,172
Total Deductions	792,638
Change in Net Position	20,867
Net Position at Beginning of Year	7,506,523
Net Position at End of Year	\$ 7,527,390

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Winchester, Connecticut, was incorporated in 1771. The Town operates under a Selectmen-Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, health, welfare, parks, recreation, and elementary and secondary education. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

The Winchester Housing Authority (the Authority) has been determined to be a related organization of the Town of Winchester, Connecticut, as the governing body of the Authority is appointed by the Town. The Authority is not included in this report, as the Town is not obligated to finance any deficit that the authority may incur, nor does the Town significantly subsidize the Authority; the Town obtains no financial benefit, nor can it impose its will upon the Authority.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

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 nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 segments are 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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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.

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, with the exception of the agency funds which have no measurement focus. 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. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. 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 fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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.

The Town reports the following major governmental funds:

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

The *Small Cities Fund* is used to account for federal grant revenues from the U.S. Department of Housing and Urban Development and subsequent loans to entities for various grant years. The Town has elected to keep the *Small Cities Fund* as a major fund for 2015.

The *Sewer Assessment Fund* is used to account for the sewer assessment revenues and expenditures related to the Highland Lake sewer project.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

The Town reports the following major proprietary funds:

The *Waterworks Fund* is used to account for the financial operations of the Winsted Waterworks. All necessary activities to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. The Water and Sewer Commission, as empowered by the Town Charter, oversees the operation of the Winsted Waterworks.

The *Sewer Fund* is used to account for the financial operations of the Town's sewer utility. All activities necessary to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. Authority over the operations of the Sewer Fund is with the Water and Sewer Commission.

Additionally, the Town reports the following fund types:

The *Pension Trust Fund* is used to account for the activities of the Town's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town as a custodian for outside student and municipal groups.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise 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.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

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

Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less. This definition also applies to the proprietary statement of cash flows.

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, 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. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

Inventories - 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.

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Capital Assets - Capital assets, which include property, plant and equipment and infrastructure, 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 \$5,000 and an estimated useful life of more than two years. 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 its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Property, plant and equipment and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings, Structures and Improvements	50
Equipment	7-15
Distribution reservoirs and standpipes	50
Infrastructure	7-100

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports the deferred charge on refunding in this category. 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 Town also reports Deferred Pension Expense in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The government reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and sewer assessments. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 issuance are reported as other financing sources, and discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Compensated Absences - A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Sick leave may be accumulated by employees in accordance with union contracts until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity and Net Position – Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

The equity of the fund financial statements is defined as “fund balance” and is classified in the following five separate categories:

Nonspendable Fund Balance - Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

Restricted Fund Balance - Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Selectman and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Winchester Board of Selectmen or department head as specified in the Town Charter.

Unassigned Fund Balance - Represents the remaining fund balance after amounts are set aside for all other classifications. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies establishing stabilization funds.

The Town's Policy on Fund Balance is as follows:

The Town of Winchester shall increase the level of its unassigned and assigned fund balance (in relation to General Fund expenditures) to at least ten percent by the conclusion of the fiscal year ending in 2018 (as indicated in the audited financial statements of that fiscal year).

Until the minimally recommended threshold of ten percent of General Fund expenditures is achieved in the fund balance, the funds used to restore the unassigned and assigned fund balance will be specifically designated within each successive budget. Furthermore, unanticipated "one-time" revenues exceeding \$50,000 shall be designated directly to fund balance.

Until the minimally recommended threshold of ten percent of General Fund expenditures is achieved in the fund balance, this policy shall be annually reconsidered by the Board of Selectman at the second regularly scheduled Board of Selectman meeting in February.

Property Taxes

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A physical revaluation of all real property is required to be completed every ten years, and a statistical revaluation is required to be completed every five years. The Town had a revaluation of its property as of October 1, 2012. The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. A mill rate was applied to the Grand List. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are placed on delinquent accounts in June following the levy date.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are authorized annually by the Board of Selectmen.

Program budgets are established for funds not budgeted normally. The procedures establishing the budgetary data reflected in the financial statements are as follows:

- Prior to March 15, the Town Manager submits to the Board of Selectmen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at locations throughout the Town to obtain taxpayer comments.
- The budget is reviewed at the annual Town budget meeting and sent to referendum for enactment by vote of the general public.
- Upon request of the Town Manager, but only within the last three months of the fiscal year, only the Board of Selectmen may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. Management cannot amend the budget.
- The control level on which expenditures may not legally exceed appropriations is the departmental level. The Board of Selectman must approve transfers within a department. Unencumbered appropriations lapse at the close of the fiscal year, except for those appropriations which are made for capital improvements.

The budgets are prepared on a modified-accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Budgeted amounts are as originally adopted, or as amended by the Board of Selectmen. There were no additional appropriations for the year ended June 30, 2015.

Deficit Fund Equity

The following nonmajor funds had deficit fund balances as of June 30, 2015:

Federal & State Education Grants Fund	\$ (10,573)
Redevelopment Fund	(47)

NOTE 3 – DETAILED NOTES ON ALL FUNDS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.” The following is a summary of cash and cash equivalents at June 30, 2015.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Detailed Cash Notes on all Funds

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>	Proprietary <u>Funds</u>	<u>Total</u>
Demand Accounts	\$ 7,042,779	\$ 73,928	\$ 912,203	\$ 8,028,910
Total	<u>\$ 7,042,779</u>	<u>\$ 73,928</u>	<u>\$ 912,203</u>	<u>\$ 8,028,910</u>

Deposits

Deposit Custodial Credit Risk -Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

At year-end, the Town's carrying amount of deposits was \$8,028,910 and the bank balance was \$8,283,440. Of the bank balance, the Federal Depository Insurance Corporation insured \$638,588.

As of June 30, 2015, \$7,644,852 of the Town's bank balance of \$8,283,440 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,830,367
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	<u>814,485</u>
Total	<u>\$ 7,644,852</u>

Investments

As of June 30, 2015 the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Investment Maturities</u>		
				<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Short-term Investments	N/A	\$ 31,639	\$ -	\$ 31,639	\$ -	\$ -
Mutual Funds	N/A	<u>7,480,007</u>	<u>7,480,007</u>	-	-	-
Total Investments		<u>\$ 7,511,646</u>	<u>\$ 7,480,007</u>	<u>\$ 31,639</u>	<u>\$ -</u>	<u>\$ -</u>

N/A - Not Applicable

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-Investments- 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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Concentration of Credit Risk- The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk- Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Receivables

Receivables as of year-end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Small Cities	Sewer Assessment	Waterworks	Sewer	Nonmajor and Other Funds	Total
Receivables:							
Property taxes	\$ 954,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 954,185
Sewer assessment	-	-	531,208	-	-	-	531,208
Intergovernmental	-	-	-	-	-	194,109	194,109
Loans *	-	1,327,056	-	-	-	-	1,327,056
Interest, Liens, and Fees	-	-	-	12,078	18,981	-	31,059
Rents and assessments	-	-	-	149,693	112,910	-	262,603
Accounts	121,623	-	-	-	-	-	121,623
Gross receivables	<u>1,075,808</u>	<u>1,327,056</u>	<u>531,208</u>	<u>161,771</u>	<u>131,891</u>	<u>194,109</u>	<u>3,421,843</u>
Less allowance for uncollectibles:							
Property taxes	(45,415)	-	-	-	-	-	(45,415)
Rents and assessments	-	-	-	(15,906)	(8,205)	-	(24,111)
Total allowance	<u>(45,415)</u>	<u>-</u>	<u>-</u>	<u>(15,906)</u>	<u>(8,205)</u>	<u>-</u>	<u>(69,526)</u>
Net Total Receivables	<u>\$ 1,030,393</u>	<u>\$ 1,327,056</u>	<u>\$ 531,208</u>	<u>\$ 145,865</u>	<u>\$ 123,686</u>	<u>\$ 194,109</u>	<u>\$ 3,352,317</u>

* Not expected to be collected within one year.

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund:		
Delinquent property taxes receivable	\$ 813,350	\$ -
Prepaid taxes	-	158,005
Sewer Assessment:		
Assessments receivable not yet due	531,202	-
Nonmajor Governmental Funds:		
Education grants	-	73,824
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 1,344,552</u>	<u>\$ 231,829</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<i>Governmental Activities:</i>				
Capital assets, not being depreciated				
Land	\$ 25,700,445	\$ -	\$ -	\$ 25,700,445
Construction in Progress	<u>1,244,852</u>	<u>115,309</u>	<u>-</u>	<u>1,360,161</u>
Total capital assets, not being depreciated	<u>26,945,297</u>	<u>115,309</u>	<u>-</u>	<u>27,060,606</u>
Capital assets, being depreciated				
Buildings	3,785,906	-	-	3,785,906
Improvements	3,379,696	-	-	3,379,696
Machinery & Equipment	8,255,801	68,023	(23,882)	8,299,942
Infrastructure	<u>26,845,383</u>	<u>-</u>	<u>-</u>	<u>26,845,383</u>
Total capital assets, being depreciated	<u>42,266,786</u>	<u>68,023</u>	<u>(23,882)</u>	<u>42,310,927</u>
Less accumulated depreciation for:				
Buildings	3,097,549	19,496	-	3,117,045
Improvements	1,339,816	61,910	-	1,401,726
Machinery & Equipment	4,777,379	306,219	(23,882)	5,059,716
Infrastructure	<u>16,885,622</u>	<u>559,474</u>	<u>-</u>	<u>17,445,096</u>
Total accumulated depreciation	<u>26,100,366</u>	<u>947,099</u>	<u>(23,882)</u>	<u>27,023,583</u>
Total capital assets, being depreciated	<u>16,166,420</u>	<u>(879,076)</u>	<u>-</u>	<u>15,287,344</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 43,111,717</u>	<u>\$ (763,767)</u>	<u>\$ -</u>	<u>\$ 42,347,950</u>
<i>Business-Type Activities:</i>				
Capital assets not being depreciated				
Land	\$ 92,847	\$ -	\$ -	\$ 92,847
Total capital assets, not being depreciated	<u>92,847</u>	<u>-</u>	<u>-</u>	<u>92,847</u>
Capital assets, being depreciated				
Buildings	35,540,811	-	-	35,540,811
Improvements	3,031,252	-	-	3,031,252
Machinery & Equipment	5,382,504	-	-	5,382,504
Infrastructure	<u>15,646,258</u>	<u>-</u>	<u>-</u>	<u>15,646,258</u>
Total capital assets, being depreciated	<u>59,600,825</u>	<u>-</u>	<u>-</u>	<u>59,600,825</u>
Less accumulated depreciation for:				
Buildings	15,505,904	710,817	-	16,216,721
Improvements	1,402,009	61,320	-	1,463,329
Machinery & Equipment	5,181,263	20,466	-	5,201,729
Infrastructure	<u>2,903,488</u>	<u>600,977</u>	<u>-</u>	<u>3,504,465</u>
Total accumulated depreciation	<u>24,992,664</u>	<u>1,393,580</u>	<u>-</u>	<u>26,386,244</u>
Total capital assets, being depreciated, net	<u>34,608,161</u>	<u>(1,393,580)</u>	<u>-</u>	<u>33,214,581</u>
<i>Business-Type Activities capital assets, net</i>	<u>\$ 34,701,008</u>	<u>\$ (1,393,580)</u>	<u>\$ -</u>	<u>\$ 33,307,428</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General Government	\$ 66,409
Public Safety	143,850
Public Works	645,657
Education	62,908
Parks and Recreation	<u>28,275</u>
Total Depreciation Expense	
Governmental Activities	<u>\$ 947,099</u>
Business-type activities	
Waterworks	\$ 513,188
Sewer	<u>880,391</u>
Total Depreciation Expense	
Business-Type Activities	<u>\$ 1,393,579</u>

Construction Commitments

The Town has active construction projects as of June 30, 2015. The projects include bridge repairs, the beautification of Main Street, and doors for Hinsdale School. At year-end, the Town's commitments are as follows:

	Spent to Date	Remaining Commitment
Holabird Avenue Bridge	\$ 111,693	\$ 4,688,307
West Road Bridge	8,400	191,600
Sucker Brook Road Bridge	-	175,000
Main Street Phase II	1,186,056	271,444
Hinsdale School Doors	<u>54,012</u>	<u>2,323</u>
	<u>\$ 1,360,161</u>	<u>\$ 5,328,674</u>

The Town expects significant grant revenues in connection with the Holabird Avenue Bridge Project.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Interfund Transfers, Receivables, and Payables

Transfer to:	Transfer from:			Total
	General Fund	Sewer Assessments	Sewer Fund	
General Fund	\$ -	\$ -	\$ 39,874	\$ 39,874
Dog Fund	42,402	-	-	42,402
Capital Improvements Fund	689,715	-	-	689,715
Sewer Fund	-	118,527	-	118,527
	<u>\$ 732,117</u>	<u>\$ 118,527</u>	<u>\$ 39,874</u>	<u>\$ 890,518</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds and bond payments in the Sewer Fund paid from sewer assessments.

Interfund receivables and payables are a result of temporary loans and/or advances to various funds. A portion of the amounts due to the General Fund from the Waterworks and Sewer Funds, the amount due from Sewer Assessments to the Sewer Fund, and the amounts due from the General Fund to Nonmajor Funds are not expected to be repaid within one year. The composition of interfund balances as of June 30, 2015 is as follows:

Due From:	Due To:			Total
	General Fund	Nonmajor Funds	Sewer Fund	
General Fund	\$ -	\$ 972,779	\$ -	\$ 972,779
Nonmajor Funds	150,232	495	-	150,727
Sewer Assessments	-	-	690,912	690,912
Sewer Fund	1,142,680	-	-	1,142,680
Waterworks Fund	205,048	-	335,510	540,558
	<u>\$ 1,497,960</u>	<u>\$ 973,274</u>	<u>\$ 1,026,422</u>	<u>\$ 3,497,656</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Long-Term Debt

Changes in Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds and notes	\$ 4,362,000	\$ -	\$ 503,000	\$ 3,859,000	\$ 503,000
Capital leases	43,047	33,500	32,768	43,779	32,623
Compensated absences	1,021,528	15,665	-	1,037,193	237,978
Heart and hypertension	1,353,345	-	132,526	1,220,819	154,936
Pollution remediation	318,971	-	47,371	271,600	-
Early retirement incentives	200,000	85,500	139,000	146,500	96,000
Net Pension Liability	6,909,889	381,410	-	7,291,299	-
Net Pension Liability-MERS (Restated)	1,010,699	-	266,738	743,961	-
OPEB obligation	1,666,422	386,587	-	2,053,009	-
Total Governmental Activities Long-Term Liabilities	\$ 16,885,901	\$ 902,662	\$ 1,121,403	\$ 16,667,160	\$ 1,024,537
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 2,520,000	\$ -	\$ 425,000	\$ 2,095,000	\$ 410,000
Plus deferred amounts:					
Issuance premiums on refunding	64,653	-	10,105	54,548	10,105
Total bonds payable	2,584,653	-	435,105	2,149,548	420,105
Clean water fund loans	429,236	-	30,304	398,932	30,916
Compensated absences	169,260	9,403	-	178,663	62,224
Total Business-Type Activities Long-Term Liabilities	\$ 3,183,149	\$ 9,403	\$ 465,409	\$ 2,727,143	\$ 513,245

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have also been issued for business-type activities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Original Issue	Interest Rate	Date of Maturity	Annual Principal	Principal Outstanding June 30, 2015
General Purposes:						
Public Improvements	8/14/2008	6,316,000	4.02%	8/15/2023	\$ 416,000 - 425,000	\$ 3,776,000
Fire Truck	11/1/2010	415,000	3%	11/1/2015	83,000	83,000
Water and Sewer:						
General refunding	8/15/2002	6,290,000	2-5%	6/1/2022	150,000 - 490,000	1,095,000
General refunding	1/15/2004	3,900,000	2-4%	8/1/2018	250,000	1,000,000
						\$ 5,954,000

All bonds are general obligation bonds secured by the general revenue raising powers of the Town, and payment will be provided by General Fund revenues, except for proprietary fund type bonds, which are expected to be paid from the receipts of the related fund, and Highland Lake Sewer Fund Bonds, which are expected to be paid by revenues of the Sewer Assessment Fund.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year <u>Ending</u>	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 503,000	\$ 144,598	\$ 410,000	\$ 86,163
2017	420,000	126,469	410,000	69,563
2018	420,000	109,585	410,000	52,763
2019	420,000	92,701	405,000	35,763
2020	420,000	75,817	155,000	23,788
2021-2025	1,676,000	134,509	305,000	23,938
Total	\$ 3,859,000	\$ 683,679	\$ 2,095,000	\$ 291,978

Clean Water Fund Notes

The Town is currently participating in a capital project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for "eligible water quality project costs." The notes were converted to permanent financing on January 31, 2008, and the balance as of June 30, 2015 was \$398,932. The notes carry an interest rate of 2%.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Project loan obligations payable to the State of Connecticut mature as follows:

Year Ending	Business-Type Activities	
	Principal	Interest
2016	\$ 30,916	\$ 7,696
2017	31,540	7,072
2018	32,176	6,436
2019	32,826	5,786
2020	33,488	5,124
2021-2025	177,858	15,202
2026-2027	60,128	1,007
Total	<u>\$ 398,932</u>	<u>\$ 48,323</u>

Clean Water Fund notes will be repaid by sewer user fees.

Pollution Remediation

Pursuant to local laws, the Town has recorded a liability of \$271,600 for remediation of 32 Lake Street. Management has estimated this liability taking into account data based on estimates from their consulting firm. The estimated liability has the potential to change due to factors such as price increases or decreases, changes in technology, or changes in applicable laws or regulations. The Town has received a \$100,000 grant for brownfield assessments at two sites and a \$500,000 grant to remediate Lake Street. The smaller grant was awarded around April, 2014; the larger, July 2014.

Early Retirement Incentives

During 2012, 2013, 2014, and 2015 the Board of Education offered the following options for each employee who was eligible and who opted to participate: 1) cash payment (less state and federal taxes and FICA contribution), payable in three equal installments, with the first payment paid to the employee on September 30th of the following fiscal year, with annual payments in each ensuing year being due on September 30th ; 2) cash payment and a contribution to each employee for three years as a subsidy towards that employee's health insurance costs, payable in three equal installments, with the first payment paid to the employee on September 30th of the following fiscal year, with annual payments in each ensuing year being due on September 30th. In 2012, eight teachers chose early retirement, in 2013, nine teachers chose early retirement, in 2014, six teachers chose early retirement, and in 2015, five teachers chose early retirement. A liability of \$146,500 is recorded in the government-wide financial statements.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Leases

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 99,273
Less accumulated depreciation	<u>(25,811)</u>
Total	<u>\$ 73,462</u>

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

	<u>Governmental Activities</u>
Year ending June 30:	
2016	\$ 34,921
2017	11,770

Operating Leases

During the fiscal year 2011, the Board of Education signed a copier lease agreement for six copiers. The lease requires 60 monthly payments of \$4,791. Total lease payments in the current fiscal year were \$57,492.

The Town has entered into several lease agreements for equipment. These leases require monthly or quarterly payments from \$82 to \$1,851. These leases expire ranging from July 2015 to June 2018. Total lease expense for 2015 was \$31,535.

Future minimum lease payments under current agreements are as follows:

	<u>Governmental Activities</u>
Year ending June 30:	
2016	\$ 86,709
2017	65,267
2018	11,301

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 4 - FUND BALANCE ASSIGNMENTS

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	General Fund	Major Special Revenue Funds	Non-Major Governmental Funds	Total
Fund balances:				
Nonspendable:				
Small Cities	\$ -	\$ 1,327,056	\$ -	\$ 1,327,056
Cafeteria Fund	-	-	10,874	10,874
Winchester School Trust Fund	-	-	78,336	78,336
Winchester Sinking Fund	-	-	18	18
Forest View Cemetery Fund	-	-	138,267	138,267
Winchester Center Cemetery Fund	-	-	38,410	38,410
Winchester Memorial Park Fund	-	-	14,061	14,061
Local Town Improvements	-	-	156,014	156,014
Total Nonspendable	<u>\$ -</u>	<u>\$ 1,327,056</u>	<u>\$ 435,980</u>	<u>\$ 1,763,036</u>
Restricted for:				
Small Cities	\$ -	\$ 13,343	\$ -	\$ 13,343
Homeless Shelter Fund	-	-	188	188
Brownfields Pilot Program	-	-	54,619	54,619
Elderly Enrichment Part I Fund	-	-	6,682	6,682
Soldiers Monument Fund	-	-	17,917	17,917
Cemetery Association Trust Fund	-	-	674	674
Soldiers Monument Restoration Fund	-	-	113,352	113,352
Bullet Proof Vests Fund	-	-	392	392
JAG Grant Fund	-	-	14,012	14,012
EDC Donation Fund	-	-	249	249
Champs Fund	-	-	58,700	58,700
Grants & Donations Fund	-	-	78,955	78,955
Winchester School Trust Fund	-	-	3,507	3,507
Forest View Cemetery Fund	-	-	75	75
Winchester Center Cemetery Fund	-	-	29	29
Forest View Cemetery Chapel Trust	-	-	630	630
Dog Fund	-	-	372	372
Crippled Children Trust Fund	-	-	445	445
Jane A Nisbet Fund	-	-	7,784	7,784
Beverly Passbook Fund	-	-	7,958	7,958
Total Restricted	<u>\$ -</u>	<u>\$ 13,343</u>	<u>\$ 366,540</u>	<u>\$ 379,883</u>
Committed to:				
Industrial Park #2 Fund	\$ -	\$ -	\$ 186,984	\$ 186,984
Cafeteria Fund	-	-	53,231	53,231
City Sidewalks Fund	-	-	864	864
Highland Lake Catch Basin Fund	-	-	870	870
Unexpended Education Funds Account	-	-	92,260	92,260
Capital Improvements Fund	-	-	362,530	362,530
Total Committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696,739</u>	<u>\$ 696,739</u>
Unassigned:				
General Fund	\$ 5,163,031	\$ -	\$ -	\$ 5,163,031
Sewer Assessment Fund	-	(692,989)	-	(692,989)
Federal and State Education Grants Fund	-	-	(10,573)	(10,573)
Redevelopment Fund	-	-	(47)	(47)
Total Unassigned	<u>\$ 5,163,031</u>	<u>\$ (692,989)</u>	<u>\$ (10,620)</u>	<u>\$ 4,459,422</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 5 - EMPLOYEE RETIREMENT PLAN

Defined Benefit Pension Plan

Plan Description - The Town of Winchester is the administrator of a single-employer public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its municipal employees. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries. The PERS is considered to be part of the Town of Winchester's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The plan does not issue a stand-alone financial report. The Retirement Administration Board has the authority to make rules and regulations for the administration of the plan. The Board consists of the Town Manager, two citizens at large, and two non-supervisory employees of the Town appointed by the Board of Selectmen. The Town manager's seat is ex-officio (non-voting).

Classes of Employees Covered and Current Membership – All union employees hired prior to June 30, 2014 (except Police Officers covered by CMERS, those covered by the State of Connecticut Teachers Retirement System, and alternative funding source employees) at least 21 years of age and having six months of service are eligible. One year of credited service is earned for each calendar year during which 1,000 hours is worked. Current membership consists of the following:

Active plan members	48
Inactive plan members or beneficiaries receiving benefits	46
Inactive plan members entitled to but not yet receiving benefits	<u>6</u>
Total plan participants	<u>100</u>

As of July 1, 2014 non-union employees and newly hired union positions are eligible to participate in a Defined Contribution retirement plan.

Benefits Provided - Employees are 100% vested after five years of continuous service as long as their contributions remain in the fund upon termination. Employees who retire at the normal retirement age 65 or 5 years of service (age 55 or 10 years of services for BOE members); or upon meeting the rule of 75 (age plus years of service = 75) receive a retirement benefit for life of 2% times years of credited service (maximum of 25 years for BOE; 35 years for all other employees) of the average of the three highest consecutive years of compensation out of the last 10 years prior to retirement. No cost of living adjustments are included. Members can withdraw or discontinue their contributions at any time during their service with the Town. They can re-join the plan after one year from the date the participant elected to withdraw or discontinue their contributions. Members' contributions are also returnable on termination or upon death while active. The balance of contributions are returnable after retirement (less any benefits paid) provided in each case that no death benefits are otherwise paid.

Contributions - The contribution requirements of the Town are established and may be amended by the Board of Selectmen, as suggested by the actuarial valuations. The actuarial method used to develop the annual funding percentage for all benefits is the Entry Age Normal Actuarial Cost Method. The Town currently contributes at the actuarially determined rate; the current rate is 18.88% of annual covered payroll. Plan participants from the Board of Education are required to contribute 2.5% of their earnings up to the Social Security base and 5% of earnings over the Social Security base. All others must contribute 5% of earnings. Costs to administer the plan are paid by the Pension Trust Fund and are included in the actuarially determined contribution. Investment management fees are also paid out of the Pension Trust Fund.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Summary of Significant Accounting Policies

Basis of Accounting - The Town of Winchester Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investment Policy – The Pension Plan's policy in regards to the allocation of invested assets is established and may be amended by the Board of Selectmen. It is the policy of the Town's 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 pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Method Used to Value Investments: All funds are invested at Morgan Stanley and administered through First State Trust Company, and are reported at fair value. Investment income is recognized as earned.

There were no investments that represented 5% or more of the pension plan's fiduciary net position.

Money-weighted Rate of Return – For the year ended June 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.03 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Currently there is no Deferred Retirement Option Plan.

Net Pension Liability of the Town

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

Schedule of Net Pension Liability

	2015
Total pension liability	\$ 14,855,425
Plan fiduciary net position	7,564,126
Net pension liability (asset)	7,291,299
Plan fiduciary net position as a percentage of total pension liability	50.92%
Covered-employee payroll	2,376,673
Net pension liability as a % of covered-employee payroll	306.79%

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Actuarial Methods and Assumptions - The annual required contribution for the current year was determined as part of the January 1, 2013 actuarial valuation using the entry age normal actuarial cost method. The funding policy consists of two parts, normal cost plus an amortization of the plan's Unfunded Actuarial Liability. For the January 1, 2014 valuation, an open amortization period of 30 years was used. Significant actuarial assumptions used include: (1) rate of return on investments of 7.75% per year, (2) projected salary increases of 3.0% per year, and (3) a normal retirement age at the later of age 65 or 5 years of service. The unfunded actuarial accrued liability is being amortized over 30 years. Mortality was based on RP-2000 Mortality Table with separate male and female rates, no collar adjustment, a combined table for non-annuitants and annuitants, and projected to the valuation date with Scale AA. An expenses study has not been performed.

Discount Rate – The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where a) contributions amounts are established by statute or contract or b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover the expected benefit payments and administrative expenses.

Plans that are projected to have a sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. Plans that are projected to not have a sufficient fiduciary net position (i.e., assets are not sufficient to cover future benefit payments and administrative expenses) will be required to use a blended single equivalent discount rate, which may be significantly lower than the long-term expected rate of return on investments and will result in higher liabilities. A single equivalent interest rate of 5.3% was used for the current discount rate.

	<u>Current Discount Rate</u>	<u>1% Decrease Discount Rate</u>	<u>1% Increase Discount Rate</u>
	5.3%	4.3%	6.3%
Net pension liability as of June 30, 2015	\$7,291,299	\$8,933,771	\$5,887,526

Valuation Date and Roll Forward Process – The plan used the January 1, 2014 valuation to calculate the Actuarially Determined Employer Contribution for fiscal year ending June 30, 2015. The January 1, 2014 Total Pension Liability was increased by service cost, interest, and decreased by benefit payments to estimate the Total Pension Liability as of June 30, 2015. The Total Pension Liability as of June 30, 2015 was also adjusted to reflect any material plan changes after the valuation.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Target Allocation and Expected Rate of Return
June 30, 2015

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>	<u>Weighting</u>
U.S. Large Cap	20.00%	5.70%	1.14%
U.S. Mid Cap	10.00%	6.20%	0.62%
U.S. Small Cap	6.00%	6.70%	0.40%
International-Developed	10.00%	5.80%	0.58%
Emerging Markets	7.00%	2.20%	0.15%
Domestic Government Fixed	10.00%	1.70%	0.17%
Global High Yield	5.00%	5.00%	0.25%
International Fixed	5.00%	2.00%	0.10%
Global Inflation Adjusted	5.00%	1.40%	0.07%
Hedge Strategy	10.00%	2.80%	0.28%
Real Estate	5.00%	4.70%	0.24%
Commodities	2.00%	1.30%	0.03%
Cash	5.00%	0.00%	0.00%
	<u>100.00%</u>		<u>4.03%</u>
Long-Term Inflation Expectation			<u>3.00%</u>
Long-Term Expected Nominal Return			<u>7.03%</u>

* Long-term returns are provided by Morgan Stanley. The returns are geometric means.

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 are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.5% and 7.75%. An expected rate of return of 7.75% was used for purposes of the actuarial valuation. A rate of 5.3% was used in the calculation of liabilities for GASB purposes contained in this report.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balance at June 30, 2014	\$ 14,416,413	\$ 7,506,524	\$ 6,909,889
Changes for the year:			
Service Cost	373,253	-	373,253
Interest	765,560	-	765,560
Differences Between Expected and Actual Experience	(502)	-	(502)
Employer Contributions	-	448,806	(448,806)
Member Contributions	-	88,137	(88,137)
Net Investment Income	-	222,132	(222,132)
Benefit Payments	(699,299)	(699,299)	-
Administrative Expenses	-	(2,174)	2,174
Net Changes	<u>439,012</u>	<u>57,602</u>	<u>381,410</u>
Balance at June 30, 2015	<u>\$ 14,855,425</u>	<u>\$ 7,564,126</u>	<u>\$ 7,291,299</u>
Plan fiduciary net position as a percentage of the total pension liability			50.92%
Covered-Employee Payroll			\$ 2,376,673
Net pension liability as a percentage of covered-employee payroll			306.79%

For the year ended June 30, 2015, the Town recognized pension expense of \$693,483. As of June 30, 2015, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions subsequent to the measurement date	\$ 300,000	\$ -
Differences between expected and actual experience	-	(395)
Net difference between projected and actual earnings of Pension Plan investments	137,128	-
Total	<u>\$ 437,128</u>	<u>\$ (395)</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2016	\$ 34,175
2017	34,175
2018	34,175
2019	<u>34,208</u>
	<u>\$ 136,733</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Connecticut Teachers Retirement Board

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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 years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of 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 with reduced benefit amounts.

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% of average annual salary times years of credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7.25% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2015 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$333,557. Covered payroll for the Town for the year ended June 30, 2015 was approximately \$4,600,786.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2015 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 amount 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		<u>13,055,770</u>
Total	\$	<u>13,055,770</u>

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 had no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized benefits expense and contribution revenue of \$1,177,831 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$979,556 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: 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 through June 30, 2010. 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 Percent
Salary increases, including inflation		3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.		8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 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.

Future Cost-of-Living increases for members who retire on or after September 1, 1992 are assumed to receive an annual cost-of-living adjustment of 2%.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.00%	7.30%
Developed Non-U.S. Equities	18.00%	7.50%
Emerging Markets (Non-U.S.)	9.00%	8.60%
Core Fixed Income	7.00%	1.70%
Inflation Linked Bond Fund	3.00%	1.30%
Emerging Market Bond	5.00%	4.80%
High Yield Bonds	5.00%	3.70%
Real Estate	7.00%	5.90%
Private Equity	11.00%	10.90%
Alternative Investments	8.00%	0.70%
Liquidity Fund	<u>6.00%</u>	0.40%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 8.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Municipal Employees' Retirement System

Plan Description: All Town employees not covered by the Town pension plan or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). This is a cost sharing multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating local government authorities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit Provisions: The Plan provides retirement, disability and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement: For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1.5% of the average of the three highest paid years of service not in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement: Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement – Service Connected: Employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability, 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 with reduced benefit amounts.

Disability Retirement – Non-Service Connected: Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Death Benefit: Employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Contributions - Member: Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2.25% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Contributions – Employer: Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2015 the Town reports a total liability of \$743,961 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2015, the Town's proportion was 3.08%. Due to this year being the first year of implementation, the increase or decrease in proportion from June 30, 2014 is not available.

For the year ended June 30, 2015, the Town recognized pension expense of \$156,517. As of June 30, 2015, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions subsequent to the measurement date	\$ 255,456	\$ -
Net difference between projected and actual earnings of Pension Plan investments	-	212,796
Total	\$ 255,456	\$ 212,796

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2016	\$ 53,199
2017	53,199
2018	53,199
2019	53,199
	\$ 212,796

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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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	3.25 Percent
Salary increases, including inflation	4.25-11.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	8.00 Percent

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

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.

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	16.00%	5.80%
Developed Non-U.S. Equities	14.00%	6.60%
Emerging Markets (Non-U.S.)	7.00%	8.30%
Core Fixed Income	8.00%	1.30%
Inflation Linked Bond Fund	5.00%	1.00%
Emerging Market Bond	8.00%	3.70%
High Yield Bonds	14.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	10.00%	7.60%
Alternative Investments	8.00%	4.10%
Liquidity Fund	<u>3.00%</u>	0.40%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension'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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate of 8.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	7.0%	8.0%	9.0%
Net Pension Liability as of June 30, 2015	<u>\$ 1,526,722</u>	<u>\$ 743,961</u>	<u>\$ 91,998</u>

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligations

The Town allows certain retirees and their spouses to remain on the Town's health insurance plan. All eligible employees pay 100% of the premiums. Premiums for police retirees had been historically paid from a co-funded Retiree Insurance Fund. In accordance with a collective bargaining agreement, when funds were exhausted the benefits ceased. A new collective bargaining agreement provides a new framework for restoring medical benefits for Police Department retirees, with the program going into effect July 1, 2015. The Town's cost is calculated based on the annual required contributions (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	\$ 673,393
Interest on net OPEB obligation	74,989
Adjustment to annual required contribution	<u>(97,910)</u>
Annual OPEB cost	650,472
Contributions made	<u>263,885</u>
Increase in net OPEB obligation	386,587
Net OPEB Obligation, Beginning of Year	<u>1,666,422</u>
Net OPEB Obligation, End of Year	<u><u>\$ 2,053,009</u></u>

OPEB obligations are liquidated by monies from the General Fund.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
June 30, 2013	\$ 606,638	\$ 385,582	63.6%	\$ 1,441,465
June 30, 2014	649,579	424,622	65.4%	1,666,422
June 30, 2015	650,472	263,885	40.6%	2,053,009

As of July 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$9.7 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$9.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9 million. For 2013, the UAAL was 107% of the covered payroll.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 9% initially, reduced by decrements of 1% per year to an ultimate rate of 5% for 2016 and later. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll over a constant 30 year period.

NOTE 7 - OTHER INFORMATION

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except for worker's compensation, which is handled through an interlocal risk pool. Settled claims for these risks did not exceed commercial insurance coverage during the year ended June 30, 2013, 2014 and 2015.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2015, 2014 and 2013, is presented below:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2012-13	\$ 1,643,542	\$ 42,084	\$ 196,925	\$ 1,488,701
2013-14	1,488,701	-	135,356	1,353,345
2014-15	1,353,345	-	132,526	1,220,819

Interlocal Risk Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 212 members in the Workers' Compensation Pool. CIRMA's Workers' Compensation Pool retains up to \$1,000,000 per occurrence. Claims over \$1,000,000 are reinsured. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. Historically, such disallowances were not material; however, the CT SDE performed reviews of special education grant payments and determined that reimbursable expenditures had been overstated. As a result, the CT SDE initially requested repayment of \$720,865. The Town and CT SDE have negotiated an agreement that a waiver of one-fifth of the amount to be repaid can be requested each year for five years. If the Town and BOE attain specified criteria regarding the local special education programs, the CT SDE has agreed to grant the waiver each year. The first waiver of \$144,173 was granted to the Town after the end of the fiscal year.

Continuing disclosure requirements have not been timely filed in relation to general obligation bonds, and its rating has been withdrawn.

The Town may be subject to rebate penalties to the federal government relating to various bond note issues. The Town expects such amounts, if any, to be immaterial.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

The Town participates in Regional Refuse District No. 1, a transfer station that was formally a landfill. The District has been informed that its landfill is on the Superfund list and has been named a potentially responsible party by the Environmental Protection Agency. The District has settled its liability for the Remedial Investigation/Feasibility Study, and the EPA has approved a long-term natural attenuation and monitoring program as the final remedy for the site. The annual financial obligation for this long-term work was funded by amounts obtained in grant funds and assessed to all PRP's and set aside in a trust fund for these activities. At this point, it is premature to estimate the final cost of the program, as the total cost of post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations. The towns served by the District are required to pay any shortfall in the District's budget. The Town of Winchester, CT is responsible for approximately 51% of any such shortfall.

NOTE 8 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The adoption of GASB Statement No. 68, *Accounting and Reporting for Pensions*, did have significant effects on the financial statement disclosures of the Defined Benefit Plans, which can be found on pages 49-60. The standard required the Town to report Deferred Pension Expense for its Defined Benefit Pension Plans. The restatement of net position/fund balance as a result of the adoption of this statement is as follows:

	Governmental <u>Activities</u>
Net Position at June 30, 2014	\$ 35,166,639
Adoption of GASB Statement 68	(1,105,786)
Governmental Restatement (Below)	<u>(43,576)</u>
Net Position at July 1, 2014	<u>\$ 34,017,277</u>

NOTE 9 – PRIOR PERIOD RESTATEMENT

The Champs Fund was not included in the prior period and its addition increased beginning governmental fund balances by \$68,468. There is also an adjustment for prior year balances reported in the BOE grants funds. This adjustment decreased the beginning general fund balance by \$112,044.

- THIS PAGE INTENTIONALLY LEFT BLANK -

**Required
Supplementary
Information**

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2015

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>
REVENUES				
Taxes				
Property Taxes	\$ 21,489,095	\$ 21,489,095	\$ 21,700,759	\$ 211,664
Property Taxes - Prior Years	385,000	385,000	457,546	72,546
Supplemental Tax	-	-	35,184	35,184
Interest and Lien Fees	175,000	175,000	285,602	110,602
Total Taxes	<u>22,049,095</u>	<u>22,049,095</u>	<u>22,479,091</u>	<u>429,996</u>
Intergovernmental Revenue				
State of Connecticut - General Government	974,057	974,057	1,012,659	38,602
State of Connecticut - Board of Education	7,926,626	7,926,626	7,823,991	(102,635)
Total Intergovernmental Revenues	<u>8,900,683</u>	<u>8,900,683</u>	<u>8,836,650</u>	<u>(64,033)</u>
Other Local Revenues				
Licenses, Fees and Permits				
Cemeteries	20,000	20,000	37,600	17,600
Town Clerk	120,000	120,000	142,314	22,314
Charges for Services				
In Lieu of Taxes - Housing Authority	36,000	36,000	34,272	(1,728)
Building Department	116,500	116,500	115,816	(684)
Planning and Zoning	3,000	3,000	3,494	494
Inland Wetlands Commission	2,000	2,000	7,456	5,456
Zoning Board of Appeals	3,000	3,000	1,995	(1,005)
Police Department	15,500	15,500	13,279	(2,221)
Fire and Ambulance	81,000	81,000	47,045	(33,955)
Sale of Land and Equipment	-	-	16,071	16,071
Park and Recreation Department	10,500	10,500	10,500	-
Rental Income	6,000	6,000	6,000	-
Sewer-Water Administration	350,817	350,817	222,998	(127,819)
Water Debt Service	294,219	294,219	294,219	-
Sewer Debt Service	309,130	309,130	309,130	-
Employee Medical Contribution	192,913	192,913	164,978	(27,935)
Ambulance Dental Contribution	3,000	3,000	763	(2,237)
Other	2,000	2,000	407,639	405,639
Total Other Local Revenues	<u>1,565,579</u>	<u>1,565,579</u>	<u>1,835,569</u>	<u>269,990</u>
Other Financing Sources				
Transfers In	-	-	-	-
Total Revenues	<u>\$ 32,515,357</u>	<u>\$ 32,515,357</u>	<u>\$ 33,151,310</u>	<u>\$ 635,953</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2015

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
EXPENDITURES				
General Government				
Board of Selectmen	\$ 29,864	\$ 29,864	\$ 29,184	\$ 680
Town Clerk	196,969	196,469	193,830	2,639
Treasurer	6,459	30,684	30,597	87
Accounting Department	298,920	297,695	296,451	1,244
Election Expenditures	49,767	50,267	50,145	122
Insurance	636,230	612,230	460,081	152,149
Town Counsel	68,000	197,000	195,439	1,561
Town Manager	186,505	196,405	196,174	231
Building Department	231,224	231,224	212,373	18,851
Assessor	80,848	81,848	81,582	266
Board of Tax Review	1,765	1,765	1,750	15
Tax Collector	186,885	166,985	161,210	5,775
Planning and Zoning	2,000	2,000	1,760	240
Building	168,628	192,178	183,469	8,709
Inland Wetland Commission	2,992	3,492	3,313	179
Zoning Board of Appeals	2,175	2,175	223	1,952
Laurel City Commission	3,000	3,000	2,981	19
Advisory Comm for the Disabled	1	1	-	1
Northwest Conservation District	1,840	1,840	1,840	-
Purchasing/Data Processing	220,774	235,774	232,978	2,796
Probate Court	5,472	5,472	5,079	393
Senior Citizens	183,782	183,782	167,756	16,026
Rural Transit District	2,327	2,327	2,327	-
Vacation and Sick Pay Accrual	22,000	22,000	17,288	4,712
Highland Lake	21,000	21,000	20,963	37
Economic Development Commission	1,000	1,000	350	650
School Crossing Guards	47,202	48,702	48,336	366
Conservation Commission	1	1	-	1
School Building Committee	1	1	-	1
Unemployment Compensation	20,000	20,000	2,486	17,514
Cemeteries	46,652	46,652	37,063	9,589
Soldiers Monument Commission	3,850	3,850	3,186	664
Planning and Community Development	55,047	51,736	51,354	382
Redevelopment Agency	1	1	-	1
Civil Service Commission	7,450	17,450	17,059	391
Friends of Main Street	5,000	5,000	5,000	-
Total General Government	<u>2,795,631</u>	<u>2,961,870</u>	<u>2,713,627</u>	<u>248,243</u>
Library	<u>\$ 200,003</u>	<u>\$ 200,003</u>	<u>\$ 200,003</u>	<u>\$ -</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Miscellaneous	\$ 404,263	\$ 513,263	\$ 504,333	\$ 8,930
Contracted Printing	4,800	4,800	540	4,260
Waste Disposal and Recycling	196,247	196,247	196,247	-
Public Safety				
Police Department	2,833,562	2,569,562	2,428,948	140,614
Fire Department	361,799	376,799	376,387	412
Civil Preparedness	12,122	12,122	11,763	359
Winchester Fire Department	43,000	43,000	42,892	108
Ambulance	91,033	91,033	86,460	4,573
Dispatch	325,049	325,049	298,938	26,111
Total Public Safety	<u>3,666,565</u>	<u>3,417,565</u>	<u>3,245,388</u>	<u>172,177</u>
Public Works				
Public Works Department	1,830,068	1,791,518	1,604,118	187,400
Streetlighting	141,000	148,000	146,790	1,210
Total Public Works	<u>1,971,068</u>	<u>1,939,518</u>	<u>1,750,908</u>	<u>188,610</u>
Health				
Department of Health	125,841	129,152	129,152	-
Youth and Family Services	28,498	28,498	28,498	-
Paramedic	154,366	154,366	154,366	-
Total Health	<u>308,705</u>	<u>312,016</u>	<u>312,016</u>	<u>-</u>
Parks and Recreation				
Park and Recreation Department	221,351	221,351	196,636	24,715
Education				
Board of Education	19,958,149	19,958,149	19,958,149	-
Retirement and Pension Contribution	<u>316,011</u>	<u>328,011</u>	<u>318,190</u>	<u>9,821</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2015

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Debt Service				
Principal Retirement	\$ 474,000	\$ 474,000	\$ 474,000	\$ -
Interest	173,098	153,098	153,098	-
Sewer Plant Principal Retirement	29,000	29,000	29,000	-
Sewer Plant Interest	10,874	10,874	10,874	-
Sewer Principal Retirement	205,304	205,304	205,304	-
Water Principal Retirement	250,000	250,000	250,000	-
Sewer and Water Interest	108,171	108,171	108,171	-
Total Debt Service	<u>1,250,447</u>	<u>1,230,447</u>	<u>1,230,447</u>	<u>-</u>
Contingency	<u>500,000</u>	<u>500,000</u>	<u>43,822</u>	<u>456,178</u>
Total Expenditures	<u>\$ 31,793,240</u>	<u>\$ 31,783,240</u>	<u>\$ 30,670,306</u>	<u>\$ 1,112,934</u>
Other Financing Uses				
Transfer out to Capital Projects	\$ 689,715	\$ 689,715	\$ 689,715	\$ -
Transfer out to Dog Fund	<u>32,402</u>	<u>42,402</u>	<u>42,402</u>	<u>-</u>
Total Transfers	<u>722,117</u>	<u>732,117</u>	<u>732,117</u>	<u>-</u>
Total	<u>32,515,357</u>	<u>32,515,357</u>	<u>31,402,423</u>	<u>1,112,934</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,748,887</u>	<u>\$ 1,748,887</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Summary of Significant Accounting Principles

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

The budgets are prepared on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Encumbrance accounting is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities.

Budgetary/GAAP Reconciliation

The Town of Winchester, CT prepares its annual budget on a basis (budget basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the District's method (budget basis) in the *Budgetary Comparison Schedule* to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that certain interfund transfers are recorded as expenditures (budget) rather than operating transfers (GAAP). The budget as presented has been amended by the Board of Selectmen throughout the year.

Adjustments necessary to reconcile the budget basis to GAAP basis are presented below:

<i>General Fund</i>	<u>GAAP</u> <u>Basis</u>	<u>Perspective</u> <u>Differences</u>	<u>Basis</u> <u>Differences</u>	<u>Budgetary</u> <u>Basis</u>
Revenues	\$ 34,216,964	\$ 603,349	\$ (1,669,003)	\$ 33,151,310
Expenditures	<u>31,775,755</u>	<u>563,554</u>	<u>(1,669,003)</u>	<u>30,670,306</u>
Excess of Revenues Over / (Under) Expenditures	2,441,209	39,795	-	2,481,004
Other Financing Sources / (Uses)	<u>(692,243)</u>	<u>(39,874)</u>	<u>-</u>	<u>(732,117)</u>
Excess of Revenues and Other Sources Over Expenditures, Loss on Assets, and Other Uses	<u>\$ 1,748,966</u>	<u>\$ (79)</u>	<u>\$ -</u>	<u>\$ 1,748,887</u>

Perspective Differences: Revenues and expenditures for Water/Sewer Debt Service are shown in the General Fund for budgetary purposes and in the Proprietary funds for the GAAP statements.

Basis Differences: The on-behalf payments made to the Connecticut Teachers Retirement Board and Excess Cost Grant are recognized as a GAAP adjustment to arrive at the Fund Financial Statements. Employee Medical Contributions are shown as a revenue for budgetary purposes and netted with their corresponding medical expenses for the GAAP statements.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 373,253	\$ 362,381
Interest	765,560	744,581
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(502)	-
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Member Contributions	(699,299)	(744,122)
Net Change in Total Pension Liability	<u>439,012</u>	<u>362,840</u>
Total Pension Liability - Beginning	<u>14,416,413</u>	<u>14,053,573</u>
Total Pension Liability - Ending (a)	<u>\$ 14,855,425</u>	<u>\$ 14,416,413</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 448,806	\$ 153,179
Contributions - Member	88,137	103,410
Net Investment Income	222,132	983,007
Benefit Payments, Including Refunds of Member Contributions	(699,299)	(744,122)
Administrative Expenses	(2,174)	(21,100)
Other	-	-
Net Change in Pension Fiduciary Net Position	<u>57,602</u>	<u>474,374</u>
Plan Fiduciary Net Position - Beginning	<u>7,506,524</u>	<u>7,032,150</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,564,126</u>	<u>\$ 7,506,524</u>
Net Pension Liability - Ending: (a) - (b)	<u>\$ 7,291,299</u>	<u>\$ 6,909,889</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.92%	52.07%
Covered Employee Payroll	\$ 2,376,673	\$ 2,668,367
Net Pension Liability as a Percentage of Covered-Employee Payroll	306.79%	258.96%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Contributions

Last Fiscal Year

For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 525,230	\$ 474,401
Contributions in Relation to the ADEC	<u>448,806</u>	<u>153,179</u>
Contribution Deficiency (Excess)	<u>\$ 76,424</u>	<u>\$ 321,222</u>
Covered-Employee Payroll	2,376,673	2,668,367
Contributions as a Percentage of Covered-Employee Payroll	18.88%	5.74%

Notes to Schedule

Valuation Date: 1/1/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level Percent of Salary
Amortization method	Open
Remaining amortization period	30 yrs
Asset valuation method	Market Value of assets as of January 1, 1984; after January 1, 1984 the Market Value of assets has been adjusted to reflect 25% of realized and unrealized gains (or losses) of each future year until fully recognized. Beginning January 1, 2003 the Market Value of Assets have been adjusted to reflect 20% of actuarial gains and losses since January 1, 1998. Actuarial Value is limited to be within 80% to 120% of Market Value.
Salary increases	3% increase per year
Investment rate of return	7.75%
Normal Retirement	Later of age 65 or 5 years of service.
Mortality	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Investment Returns
Last Fiscal Year
For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.03%	14.55%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Town's Proportionate Share of the Net Pension Liability
 Municipal Employees Retirement System
 Last Fiscal Year

2015

Town's proportion of the net pension liability	3.076929%
Town's proportionate share of the net pension liability	\$ 743,961
Town's covered-employee payroll	<u>\$ 1,232,689</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	60.35%
Plan fiduciary net position as a percentage of the total pension liability	90.48%

Notes to Schedule

Valuation Date	June 30, 2014
Actuarial cost method	Entry age
Investment rate of return	8%
Salary increases	4.25% - 11.00%, including inflation
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Employer Contributions
 Municipal Employees Retirement System
 Last Fiscal Year
 For the Year Ended June 30, 2015

	<u>2015</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 255,456
Contributions in Relation to the ADEC	<u>255,456</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	1,232,689
Contributions as a Percentage of Covered-Employee Payroll	20.72%

Notes to Schedule

Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5 years smoothed market
Inflation	3.25%
Salary increases	4.25% - 11.00%, including inflation
Investment rate of return	8%, net of investment related expenses

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Funding Progress
 For the Year Ended June 30, 2015

Other Post-Employment Benefits

Actuarial Valuation Date	(1) Actuarial Value of Assets Available For Benefits	(2) Actuarial Accrued Liability- Projected Unit Cost Credit Method	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
July 1, 2012	\$ -	\$ 9,667,792	0.0%	\$ 9,667,792	\$ 9,038,631	107.0%
July 1, 2010	-	8,794,747	0.0%	8,794,747	7,773,806	113.1%
July 1, 2008	-	8,446,082	0.0%	8,446,082	11,150,708	75.7%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 June 30, 2015

Schedule of Proportionate Share of Net Pension Liability

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 associated with the Town		<u>13,055,770</u>
Total	\$	<u>13,055,770</u>
Town's covered-employee payroll	\$	<u>4,600,786</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll.		<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability		<u>0.00%</u>

Schedule of Contributions

Contractually required contribution (1)		(1) \$ -
Contributions in relation to the contractually required contribution		<u>-</u>
Contribution deficiency (excess)	\$	<u>-</u>
Town's covered payroll	\$	<u>4,600,786</u>
Contributions as a percentage of covered-employee payroll		<u>0.00%</u>

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

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 State Teacher's Retirement System
 Notes to Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 June 30, 2015

Change 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 Period	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

**Supplemental, Combining
Individual Nonmajor Fund
Statements, and Schedules**

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Industrial Park #2 Fund - To account for revenues and expenditures for the marketing and sales of lots in the Town's second industrial park.

Cafeteria Fund - To account for the Child Nutrition Program. Revenues consist of sales of food and grant subsidies for nutrition.

Federal and State Education Grants Fund - To account for revenues and expenditures of various education grants.

Homeless Shelter Fund - To account for the activities of the Town's homeless shelter.

Dog Fund – To account for activities of the Town's Dog Warden, of which a portion of the fees must be paid to the State of Connecticut.

Brownfields Pilot Program - To account for a grant from the U.S. Environmental Protection Agency and related expenditures to study and redevelop several potentially contaminated manufacturing sites.

City Sidewalks Fund - To account for revenues and expenditures relating to the maintenance of sidewalks.

Elderly Enrichment Part I Fund - To account for the revenues and expenditures relating to day services for developmentally disabled individuals.

Soldiers Monument Fund - To account for the revenues and expenditures relating to general maintenance of the soldiers monument park.

Police Retirees Benefit Fund - To account for the revenues and expenditures relating to the police officers contributions to a retirement fund to pay for medical benefits.

Cemetery Association Trust Fund - To account for the revenues and expenditures relating to the maintenance of the Forest View Cemetery.

Soldiers Monument Restoration Fund - To account for the revenues and expenditures relating to the renovation of the monument structure at the soldiers monument park.

Bullet Proof Vests Fund - To account for the revenue and expenditures for the purchase of bullet proof vests for the police department.

Highland Lake Catch Basin Fund - To account for the revenue and expenditures for the repairs to catch basins at the Highland Lake area.

JAG Grant Fund - To account for revenues and expenditures of the Federal Justice Assistance grant.

EDC Donation Fund - To account for economic development commission donations and related expenditures.

Redevelopment Fund – Created by Ordinance Sec. 171 to exercise all powers set forth in CGS Chapter 130.

Grants & Donations Fund - To account for revenue and expenditures from estate bequeaths, citizen donations, and funds arising from organizations declaring a non-taxable status.

Unexpended Education Funds Account – To account for unexpended education funds in a non-lapsing account.

CHAMPS Fund – To account for activity of an after school enrichment program.

Capital Projects Fund

Capital Improvements Fund - To account for various long-term capital projects.

Permanent Funds

Winchester School Trust Fund - To account for funds established to provide scholarships on an annual basis to local youth who excel in the school system.

Winchester Sinking Fund - To account for funds established for the retirement of debt. The fund balance must exceed \$75,000 before any funds can be utilized.

Forest View Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Town's Forest View Cemetery and to purchase cemetery land.

Winchester Center Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Winchester Center Cemetery and to purchase cemetery land.

Forest View Cemetery Chapel Trust Fund - This fund is used to account for the revenues and expenditures for the repairs and maintenance of the chapel located on the grounds of the Forest View Cemetery.

Crippled Children Trust Fund - This fund was established to provide funds for disabled children.

Winchester Memorial Park Fund - This fund was established to provide funds to make repairs and improvements to the Town of Winchester parks.

Jane A Nisbet Fund - This fund was established to accumulate interest with the income used for the operation and maintenance of the Forest View Cemetery.

Beverly Passbook Fund - This fund was established as a scholarship fund.

Local Town Improvements Fund - To account for funds contributed to the Town, the income on which is used for decorating various grave sites and repairs and maintenance of the local parks.

TOWN OF WINCHESTER, CONNECTICUT
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

SPECIAL REVENUE FUNDS

	Industrial Park #2 Fund	Cafeteria Fund	Federal and State Education Grants Fund	Homeless Shelter Fund	Dog Fund	Brownfields Pilot Program	City Sidewalks Fund	Elderly Enrichment Part I Fund	Soldiers Monument Fund
Assets									
Cash and Cash Equivalents	\$ -	\$ 71,896	\$ -	\$ 188	\$ 588	\$ 60,220	\$ 864	\$ 20,193	\$ 17,917
Receivables, Net	-	32,884	87,419	-	-	-	-	-	-
Inventory	-	10,874	-	-	-	-	-	-	-
Due from Other Funds	340,114	495	16,003	-	289	-	-	-	-
Total Assets	\$ 340,114	\$ 116,149	\$ 103,422	\$ 188	\$ 877	\$ 60,220	\$ 864	\$ 20,193	\$ 17,917
Liabilities and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Items	\$ -	\$ 10,254	\$ 40,171	\$ -	\$ 505	\$ 4,438	\$ -	\$ 5,151	\$ -
Due to Other Funds	-	41,790	-	-	-	1,163	-	8,360	-
Due to Other Governments	153,130	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	73,824	-	-	-	-	-	-
Total Liabilities	153,130	52,044	113,995	-	505	5,601	-	13,511	-
Fund Balances:									
Nonspendable	-	10,874	-	-	-	-	-	-	-
Restricted	-	-	-	188	372	54,619	-	6,682	17,917
Committed	186,984	53,231	-	-	-	-	864	-	-
Unassigned	-	-	(10,573)	-	-	-	-	-	-
Total Fund Balances	186,984	64,105	(10,573)	188	372	54,619	864	6,682	17,917
Total Liabilities and Fund Balances	\$ 340,114	\$ 116,149	\$ 103,422	\$ 188	\$ 877	\$ 60,220	\$ 864	\$ 20,193	\$ 17,917

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

SPECIAL REVENUE FUNDS

	Police Retirees Benefit Fund	Cemetery Association Trust Fund	Soldiers Monument Restoration Fund	Bullet Proof Vests Fund	Highland Lake Catch Basin Fund	JAG Grant Fund	EDC Donation Fund	Redevelopment Fund
Assets								
Cash and Cash Equivalents	\$ 18,717	\$ 674	\$ 13,352	\$ 392	\$ 4,736	\$ 12,284	\$ 249	\$ 138
Receivables, Net	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	100,000	-	-	4,695	-	-
Total Assets	\$ 18,717	\$ 674	\$ 113,352	\$ 392	\$ 4,736	\$ 16,979	\$ 249	\$ 138
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,967	\$ -	\$ -
Due to Other Funds	18,717	-	-	-	3,866	-	-	185
Due to Other Governments	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Total Liabilities	18,717	-	-	-	3,866	2,967	-	185
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	674	113,352	392	-	14,012	249	-
Committed	-	-	-	-	870	-	-	-
Unassigned	-	-	-	-	-	-	-	(47)
Total Fund Balances	-	674	113,352	392	870	14,012	249	(47)
Total Liabilities and Fund Balances	\$ 18,717	\$ 674	\$ 113,352	\$ 392	\$ 4,736	\$ 16,979	\$ 249	\$ 138

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

CAPITAL PROJECTS FUNDS

	SPECIAL REVENUE FUNDS			PERMANENT FUNDS					
	Grants & Donations Fund	Champs Fund	Unexpended Education Funds Account	Capital Improvements Fund	Winchester School Trust Fund	Winchester Sinking Fund	Forest View Cemetery Fund	Winchester Center Cemetery Fund	Forest View Cemetery Chapel Trust Fund
Cash and Cash Equivalents	\$ 73,803	\$ -	\$ -	\$ 414,164	\$ 48,026	\$ -	\$ 24,830	\$ 9,632	\$ -
Receivables, Net	-	-	-	73,806	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from Other Funds	5,152	59,195	92,260	-	33,817	18	113,512	28,807	630
Total Assets	\$ 78,955	\$ 59,195	\$ 92,260	\$ 487,970	\$ 81,843	\$ 18	\$ 138,342	\$ 38,439	\$ 630

Liabilities and Fund Balances

Liabilities:									
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ 49,289	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	495	-	76,151	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	-	495	-	125,440	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	-	-	78,336	18	138,267	38,410	-
Restricted	78,955	58,700	-	-	3,507	-	75	29	630
Committed	-	-	92,260	362,530	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	78,955	58,700	92,260	362,530	81,843	18	138,342	38,439	630
Total Liabilities and Fund Balances	\$ 78,955	\$ 59,195	\$ 92,260	\$ 487,970	\$ 81,843	\$ 18	\$ 138,342	\$ 38,439	\$ 630

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	PERMANENT FUNDS					
	Crippled Children Trust Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Beverly Passbook Fund	Local Town Improvements Fund	Total
Assets						
Cash and Cash Equivalents	-	-	-	\$ 7,958	\$ 17	\$ 800,838
Receivables, Net	-	-	-	-	-	194,109
Inventory	-	-	-	-	-	10,874
Due from Other Funds	445	14,061	7,784	-	155,997	973,274
Total Assets	\$ 445	\$ 14,061	\$ 7,784	\$ 7,958	\$ 156,014	\$ 1,979,095
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Items	-	-	-	-	-	\$ 112,775
Due to Other Funds	-	-	-	-	-	150,727
Due to Other Governments	-	-	-	-	-	153,130
Deferred Revenue	-	-	-	-	-	73,824
Total Liabilities	-	-	-	-	-	490,456
Fund Balances:						
Nonspendable	-	14,061	-	-	156,014	435,980
Restricted	445	-	7,784	7,958	-	366,540
Committed	-	-	-	-	-	696,739
Unassigned	-	-	-	-	-	(10,620)
Total Fund Balances	445	14,061	7,784	7,958	156,014	1,488,639
Total Liabilities and Fund Balances	\$ 445	\$ 14,061	\$ 7,784	\$ 7,958	\$ 156,014	\$ 1,979,095

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

SPECIAL REVENUE FUNDS

	Industrial Park #2 Fund	Cafeteria Fund	Federal and State Education Grants Fund	Homeless Shelter Fund	Dog Fund	Brownfields Pilot Program	City Sidewalks Fund	Elderly Enrichment Part I Fund	Soldiers Monument Fund	Police Retirees Benefit Fund
Revenues										
Intergovernmental Revenues	\$ -	\$ 283,577	\$ 2,494,116	\$ -	\$ -	\$ 41,236	\$ -	\$ 208,441	\$ -	\$ -
Interest and Dividends	-	-	-	-	-	-	1	-	10	-
Charges for Services	-	104,586	-	-	-	-	-	-	-	-
Licenses, Fees and Permits	-	-	-	-	1,291	-	-	-	-	-
Other Revenue	-	-	1,000	-	-	-	-	-	16,422	-
Total Revenues	-	388,163	2,495,116	-	1,291	41,236	1	208,441	16,432	-
Expenditures										
General Government	-	-	-	-	-	143,602	-	-	-	-
Public Safety	-	-	-	-	38,296	-	-	-	-	-
Health	-	-	-	-	-	-	-	230,759	-	-
Education	-	435,113	2,495,116	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	435,113	2,495,116	-	38,296	143,602	-	230,759	-	-
Excess/(Deficiency) of Revenues Over Expenditures	-	(46,950)	-	-	(37,005)	(102,366)	1	(22,318)	16,432	-
Other Financing Sources/(Uses)										
Transfers In	-	-	-	-	42,402	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	42,402	-	-	-	-	-
Net Change in Fund Balances	-	(46,950)	-	-	5,397	(102,366)	1	(22,318)	16,432	-
Fund Balances at Beginning of Year (As Restated)	186,984	111,055	(10,573)	188	(5,025)	156,985	863	29,000	1,485	-
Fund Balances at End of Year	\$ 186,984	\$ 64,105	\$ (10,573)	\$ 188	\$ 372	\$ 54,619	\$ 864	\$ 6,682	\$ 17,917	\$ -

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	SPECIAL REVENUE FUNDS										Unexpended Education Funds Account	Capital Improvements Fund
	Cemetery Trust Fund	Soldiers Monument Restoration Fund	Bullet Proof Vests Fund	Highland Lake Catch Basin Fund	JAG Grant Fund	EDC Donation Fund	Redevelopment & Donations Fund	Grants Fund	Champs Fund			
Revenues												
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,448
Interest and Dividends	1	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	59,588	-	-	-
Licenses, Fees and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	3,982	-	-	-	1,550	-	137,506	-	-	-	-
Total Revenues	1	3,982	-	-	15,000	1,550	-	137,506	59,588	-	-	45,448
Expenditures												
General Government	-	-	-	-	6,511	1,550	-	120,657	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	69,356	107,321	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	34,920
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	788,956
Total Expenditures	-	-	-	-	6,511	1,550	-	120,657	69,356	107,321	-	823,876
Excess/(Deficiency) of Revenues Over Expenditures	1	3,982	-	-	8,489	-	-	16,849	(9,768)	(107,321)	-	(778,428)
Other Financing Sources/(Uses)												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	689,715
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-	-	689,715
Net Change in Fund Balances	1	3,982	-	-	8,489	-	-	16,849	(9,768)	(107,321)	-	(88,713)
Fund Balances at Beginning of Year (As Restated)	673	109,370	392	870	5,523	249	(47)	62,106	68,468	199,581	451,243	
Fund Balances at End of Year	\$ 674	\$ 113,352	\$ 392	\$ 870	\$ 14,012	\$ 249	\$ (47)	\$ 78,955	\$ 58,700	\$ 92,260	\$ 362,530	

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

PERMANENT FUNDS

	Winchester School Trust Fund	Winchester Sinking Fund	Forest View Cemetery Fund	Winchester Center Cemetery Fund	Forest View Cemetery Chapel Trust Fund	Crippled Children Trust Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Beverly Passbook Improvements Fund	Local Town Improvements Fund	Total
Revenues											
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,087,818
Interest and Dividends	86	-	25	10	-	-	-	-	107	-	240
Charges for Services	-	-	-	-	-	-	-	-	-	-	164,174
Licenses, Fees and Permits	-	-	-	-	-	-	-	-	-	-	1,291
Other Revenue	2,877	-	-	-	-	-	-	-	-	-	163,337
Total Revenues	<u>2,963</u>	<u>-</u>	<u>25</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>3,416,860</u>
Expenditures											
General Government	-	-	-	-	-	-	-	-	-	-	272,320
Public Safety	-	-	-	-	-	-	-	-	-	-	38,296
Health	-	-	-	-	-	-	-	-	-	-	230,759
Education	2,911	-	-	-	-	-	-	-	-	-	3,109,817
Debt Service	-	-	-	-	-	-	-	-	-	-	34,920
Capital Outlay	-	-	-	-	-	-	-	-	-	-	788,956
Total Expenditures	<u>2,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,475,068</u>
Excess/(Deficiency) of Revenues Over Expenditures	52	-	25	10	-	-	-	-	107	-	(1,058,208)
Other Financing Sources/(Uses)											
Transfers In	-	-	-	-	-	-	-	-	-	-	732,117
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>732,117</u>
Net Change in Fund Balances	52	-	25	10	-	-	-	-	107	-	(326,091)
Fund Balances at Beginning of Year (As Restated)	81,791	18	138,317	38,429	630	445	14,061	7,784	7,851	156,014	1,814,730
Fund Balances at End of Year	<u>\$ 81,843</u>	<u>\$ 18</u>	<u>\$ 138,342</u>	<u>\$ 38,439</u>	<u>\$ 630</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,958</u>	<u>\$ 156,014</u>	<u>\$ 1,488,639</u>

See accountant's report.

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 or other governments.

Agency Funds

Student Activities - To account for the Batcheller, Hinsdale and Pearson school activity funds.

Town Hall Employees - To account for funds set aside for employee celebrations

Employee Union - Refund of union dues for Town hall employees

Other - To account for performance bonds held by the Town.

TOWN OF WINCHESTER, CONNECTICUT
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>Student Activities</u>				
Assets:				
Cash and Cash Equivalents	\$ 8,930	\$ 14,848	\$ 5,590	\$ 18,188
Total Assets	<u>8,930</u>	<u>14,848</u>	<u>5,590</u>	<u>18,188</u>
Liabilities:				
Fiduciary Deposits	<u>8,930</u>	<u>14,848</u>	<u>5,590</u>	<u>18,188</u>
Total Liabilities	<u>\$ 8,930</u>	<u>\$ 14,848</u>	<u>\$ 5,590</u>	<u>\$ 18,188</u>
<u>Town Hall Employees</u>				
Assets:				
Cash and Cash Equivalents	\$ 290	\$ -	\$ -	\$ 290
Total Assets	<u>290</u>	<u>-</u>	<u>-</u>	<u>290</u>
Liabilities:				
Fiduciary Deposits	<u>290</u>	<u>-</u>	<u>-</u>	<u>290</u>
Total Liabilities	<u>\$ 290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290</u>
<u>Employee Union</u>				
Assets:				
Cash and Cash Equivalents	\$ 27,771	\$ 627	\$ -	\$ 28,398
Total Assets	<u>27,771</u>	<u>627</u>	<u>-</u>	<u>28,398</u>
Liabilities:				
Fiduciary Deposits	<u>27,771</u>	<u>627</u>	<u>-</u>	<u>28,398</u>
Total Liabilities	<u>\$ 27,771</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ 28,398</u>
<u>Other</u>				
Assets:				
Cash and Cash Equivalents	\$ 15,252	\$ 23,000	\$ 11,200	\$ 27,052
Total Assets	<u>15,252</u>	<u>23,000</u>	<u>11,200</u>	<u>27,052</u>
Liabilities:				
Fiduciary Deposits	<u>15,252</u>	<u>23,000</u>	<u>11,200</u>	<u>27,052</u>
Total Liabilities	<u>\$ 15,252</u>	<u>\$ 23,000</u>	<u>\$ 11,200</u>	<u>\$ 27,052</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 52,243	\$ 38,475	\$ 16,790	\$ 73,928
Total Assets	<u>52,243</u>	<u>38,475</u>	<u>16,790</u>	<u>73,928</u>
Liabilities				
Fiduciary Deposits	<u>52,243</u>	<u>38,475</u>	<u>16,790</u>	<u>73,928</u>
Total Liabilities	<u>\$ 52,243</u>	<u>\$ 38,475</u>	<u>\$ 16,790</u>	<u>\$ 73,928</u>

See accountant's report.

Supplemental Schedules

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding
For the Year Ended June 30, 2015

Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2014	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections			Water Rents Receivable June 30, 2015
					Rents	Interest and Liens	Total	
2013	\$ 1,860,542	\$ (39,365)	\$ -	\$ 1,821,177	\$ 1,689,062	\$ 23,305	\$ 1,712,367	\$ 132,115
2012	143,972	(1,106)	-	142,866	128,855	27,758	156,613	14,011
2011	13,612	(66)	-	13,546	11,199	4,494	15,693	2,347
2010	2,858	(225)	-	2,633	2,424	1,436	3,860	209
2009	1,685	(65)	-	1,620	1,420	893	2,313	200
2008	1,514	(86)	-	1,428	1,115	852	1,967	313
2007	620	(9)	-	611	620	245	865	(9)
1999	631	(124)	-	507	-	-	-	507
	<u>\$ 2,025,434</u>	<u>\$ (41,046)</u>	<u>\$ -</u>	<u>\$ 1,984,388</u>	<u>\$ 1,834,695</u>	<u>\$ 58,983</u>	<u>\$ 1,893,678</u>	<u>\$ 149,693</u>

Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2014	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections			Sewer Rents Receivable June 30, 2015
					Rents	Interest and Liens	Total	
2013	\$ 1,518,234	\$ (48,855)	\$ -	\$ 1,469,379	\$ 1,372,066	\$ 18,069	\$ 1,390,135	\$ 97,313
2012	103,747	(832)	(1,332)	101,583	91,806	22,309	114,115	9,777
2011	9,795	-	(1,063)	8,732	6,968	3,413	10,381	1,764
2010	2,919	-	(865)	2,054	1,794	1,494	3,288	260
2009	1,701	-	(256)	1,445	678	956	1,634	767
2008	1,294	(53)	(232)	1,009	805	824	1,629	204
2007	86	-	-	86	86	85	171	-
	<u>\$ 1,637,776</u>	<u>\$ (49,740)</u>	<u>\$ (3,748)</u>	<u>\$ 1,584,288</u>	<u>\$ 1,474,203</u>	<u>\$ 47,150</u>	<u>\$ 1,521,353</u>	<u>\$ 110,085</u>

See accountant's report.

- THIS PAGE INTENTIONALLY LEFT BLANK -

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic conditions.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.)
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

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

TOWN OF WINCHESTER, CONNECTICUT

Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 26,309,934	\$ 37,596,274	\$ 40,755,815	\$ 37,616,669	\$ 37,575,954	\$ 37,937,496	\$ 37,955,510	\$ 38,299,684	\$ 38,706,670	\$ 38,445,171
Restricted	429,610	432,864	503,576	504,466	522,003	524,258	2,523,523	2,694,119	2,338,704	2,132,045
Unrestricted	1,135,393	4,630,810	1,328,438	1,349,394	(1,027,616)	(2,747,154)	(5,462,501)	(6,442,404)	(5,878,735)	(5,515,045)
Total Governmental Activities Net Position	\$ 27,874,937	\$ 42,659,948	\$ 42,587,829	\$ 39,470,529	\$ 37,070,341	\$ 35,714,600	\$ 35,016,532	\$ 34,551,399	\$ 35,166,639	\$ 35,062,171
Business-type Activities:										
Net Investment in Capital Assets	\$ 27,630,867	\$ 31,606,447	\$ 31,481,209	\$ 34,073,572	\$ 33,299,371	\$ 32,869,701	\$ 32,508,601	\$ 32,182,934	\$ 31,687,119	\$ 30,765,003
Unrestricted	884,603	892,617	509,720	(207,422)	(869,187)	(1,193,895)	(1,292,067)	(924,692)	330,581	1,097,207
Total Business-type Activities Net Position	\$ 28,515,470	\$ 32,489,064	\$ 31,990,929	\$ 33,866,150	\$ 32,430,184	\$ 31,675,806	\$ 31,216,534	\$ 31,258,242	\$ 32,017,700	\$ 31,862,210
Primary Government										
Net Investment in Capital Assets	\$ 53,940,801	\$ 69,202,721	\$ 72,237,024	\$ 71,690,241	\$ 70,875,325	\$ 70,807,197	\$ 70,464,111	\$ 70,482,618	\$ 70,393,789	\$ 69,210,174
Restricted	429,610	432,864	503,576	504,466	522,003	524,258	2,523,523	2,694,119	2,338,704	2,132,045
Unrestricted	2,019,996	5,513,427	1,838,158	1,141,972	(1,896,803)	(3,941,049)	(6,754,568)	(7,367,096)	(5,548,154)	(4,417,838)
Total Primary Government Net Position	\$ 56,390,407	\$ 75,149,012	\$ 74,578,758	\$ 73,336,679	\$ 69,500,525	\$ 67,390,406	\$ 66,233,066	\$ 65,809,641	\$ 67,184,339	\$ 66,924,381

TOWN OF WINCHESTER, CONNECTICUT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Education	\$ 20,428,332	\$ 21,551,084	\$ 26,648,882	\$ 23,531,203	\$ 23,545,291	\$ 23,668,453	\$ 22,869,216	\$ 23,083,862	\$ 24,007,954	\$ 25,103,389
Public safety	4,009,300	3,971,722	3,936,737	4,286,390	4,967,321	4,115,483	3,576,949	3,607,845	3,558,537	3,045,908
Public works	3,138,955	3,370,104	3,086,803	3,432,120	3,275,459	3,175,507	2,382,942	2,226,107	3,067,995	3,111,181
General government	3,550,359	2,571,804	3,143,876	4,343,136	3,342,550	3,358,796	3,617,443	3,881,057	3,184,962	3,738,169
Welfare	26,443	-	-	-	-	-	-	-	-	-
Health	275,401	284,419	269,570	313,813	287,221	289,932	365,698	332,349	575,514	649,113
Parks and recreation	265,436	315,423	280,558	268,004	263,574	244,723	512,726	199,271	210,019	224,911
Library	209,543	191,025	196,756	197,941	161,795	194,141	194,141	176,474	176,474	200,003
Waste disposal and recycling	482,881	327,548	355,293	363,464	360,824	335,869	405,320	204,965	222,812	196,247
Interest on long-term debt	183,875	150,320	254,313	305,566	301,724	283,729	270,484	202,821	222,581	166,124
Total Governmental Activities Expenses	32,570,525	32,733,449	38,172,788	37,041,637	36,505,759	35,666,633	34,194,919	33,914,751	35,226,848	36,435,045
Business-Type Activities										
Water	1,560,548	1,777,621	2,008,912	1,809,639	1,976,247	1,763,578	1,798,146	1,632,254	1,522,972	1,624,816
Sewer	1,703,944	1,741,196	1,808,430	1,751,541	2,309,850	1,880,397	1,776,674	1,698,684	1,695,555	1,937,700
Total Business-Type Activities Expenses	3,264,492	3,518,817	3,817,342	3,561,180	4,286,097	3,643,975	3,574,820	3,330,938	3,218,527	3,562,516
Total Primary Government Expenses	\$ 35,835,017	\$ 36,252,266	\$ 41,990,130	\$ 40,602,817	\$ 40,791,856	\$ 39,310,608	\$ 37,769,739	\$ 37,245,689	\$ 38,445,375	\$ 39,997,561
Program Revenues										
Governmental Activities:										
Charges for Services:										
Education	\$ 473,193	\$ 202,715	\$ 217,359	\$ 224,163	\$ 211,054	\$ 171,398	\$ 191,980	\$ 117,548	\$ 102,112	\$ 170,174
Public safety	342,192	331,138	272,387	247,535	230,263	158,752	44,460	68,454	84,557	61,615
Public works	239,353	146,010	18,895	16,694	16,928	74,551	-	-	381,676	222,998
Health	-	-	-	-	-	-	21,680	40,105	77,678	75,893
General government	233,135	234,063	214,367	160,542	90,180	484,494	349,799	256,293	286,497	305,526
Parks and Recreation	-	-	55,578	7,726	52,606	28,493	10,500	10,500	10,500	10,500
Operating Grants and Contributions	9,507,076	10,203,048	14,018,112	12,036,009	12,122,738	11,374,639	12,213,309	11,969,905	13,081,110	13,340,706
Capital Grants and Contributions	378,290	1,330,607	1,430,470	753,033	778,542	932,659	364,085	483,407	650,810	45,448
Total Governmental Activities Program Revenues	11,173,239	12,447,581	16,227,168	13,445,702	13,502,311	13,224,986	13,195,813	12,946,212	14,674,940	14,232,860
Business-type Activities:										
Water:										
Charges for Services	1,591,516	1,561,408	1,564,815	1,542,744	1,497,962	1,513,425	1,600,046	1,694,717	1,937,052	1,806,242
Capital Grants and Contributions	1,123,379	100,727	-	94,396	-	-	-	-	-	-
Sewer:										
Charges for Services	1,300,972	1,214,181	1,259,016	1,137,164	1,133,761	1,171,571	1,347,344	1,439,621	1,662,134	1,522,131
Capital Grants and Contributions	-	-	266,251	2,234	-	2,685	2,714	-	1,317	-
Total Business-type Activities Program Revenues	4,015,867	2,876,316	3,090,082	2,776,538	2,631,723	2,687,681	2,950,104	3,134,338	3,600,503	3,328,373
Total Primary Government Program Revenues	\$ 15,189,106	\$ 15,323,897	\$ 19,317,250	\$ 16,222,240	\$ 16,134,034	\$ 15,912,667	\$ 16,145,917	\$ 16,080,550	\$ 18,275,443	\$ 17,561,233

(continued)

(continued)

TOWN OF WINCHESTER, CONNECTICUT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Revenues (Expenses):										
Governmental Activities	\$ (21,397,286)	\$ (20,285,868)	\$ (21,945,620)	\$ (23,595,935)	\$ (23,003,448)	\$ (22,441,647)	\$ (20,999,106)	\$ (20,968,539)	\$ (20,551,908)	\$ (22,202,185)
Business-type Activities	751,375	(642,501)	(727,260)	(784,642)	(1,654,374)	(956,294)	(624,716)	(196,600)	381,976	(234,143)
Total Primary Government Net Expense	\$ (20,645,911)	\$ (20,928,369)	\$ (22,672,880)	\$ (24,380,577)	\$ (24,657,822)	\$ (23,397,941)	\$ (21,623,822)	\$ (21,165,139)	\$ (20,169,932)	\$ (22,436,328)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 18,954,951	\$ 19,416,214	\$ 20,563,030	\$ 20,168,038	\$ 20,094,437	\$ 20,820,308	\$ 20,828,728	\$ 20,720,481	\$ 23,977,690	\$ 22,563,841
Grants and Contributions Not Restricted to Specific Programs	773,402	847,448	860,523	1,008,005	656,303	622,394	-	-	322,157	334,480
Unrestricted Investment Earnings	333,180	396,785	116,768	10,581	18,379	44,360	3,451	268	84	240
Contributions to Permanent Fund Principal	-	-	-	-	-	-	-	-	3,369	2,877
Miscellaneous	364,529	213,563	556,727	348,863	303,654	449,522	84,106	105,287	1,239,163	424,294
Transfers	(226,116)	(218,408)	(223,547)	(215,838)	(218,408)	(215,838)	(213,269)	(251,923)	(110,480)	(78,653)
Total Governmental Activities	20,199,946	20,655,602	21,873,501	21,319,649	20,854,365	21,720,746	20,703,016	20,574,113	25,431,983	23,247,079
Business-type Activities:										
Unrestricted Investment Earnings	555	13,447	5,578	154	-	-	-	-	-	-
Transfers	226,116	218,408	223,547	215,838	218,408	215,838	213,269	251,923	110,480	78,653
Total Business-type Activities	226,671	231,855	229,125	215,992	218,408	215,838	213,269	251,923	110,480	78,653
Total Primary Government	\$ 20,426,617	\$ 20,887,457	\$ 22,102,626	\$ 21,535,641	\$ 21,072,773	\$ 21,936,584	\$ 20,916,285	\$ 20,826,036	\$ 25,542,463	\$ 23,325,732
Loss on Assets:										
Governmental Activities	-	-	-	-	-	484,079	401,978	70,707	-	-
Business-type activities	-	-	-	-	-	52,992	47,825	13,615	-	-
Total Primary Government	\$ -	\$ 537,071	\$ 449,803	\$ 84,322	\$ -	\$ -				
Change in Net Position										
Governmental Activities	\$ (1,197,340)	\$ 369,734	\$ (72,119)	\$ (2,276,286)	\$ (2,149,083)	\$ (1,204,980)	\$ (698,068)	\$ (465,133)	\$ 4,880,075	\$ 1,044,894
Business-type Activities	978,046	(410,546)	(498,135)	(568,650)	(1,435,966)	(793,448)	(459,272)	41,708	492,456	(155,490)
Total Primary Government	\$ (219,294)	\$ (40,912)	\$ (570,254)	\$ (2,844,936)	\$ (3,585,049)	\$ (1,998,428)	\$ (1,157,340)	\$ (423,425)	\$ 5,372,531	\$ 889,404

TOWN OF WINCHESTER, CONNECTICUT

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	2006	2007	2008	2009	2010	2011**	2012	2013	2014	2015
General Fund:										
Reserved	\$ 86,833	\$ 298,934	\$ 85,163	\$ 125,094	\$ 50,556	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,255,876	1,335,002	1,124,767	865,410	711,143	-	-	-	-	-
Nonspendable							3,050			
Committed										
Assigned						52,034				
Unassigned						(510,943)	(1,426,982)	(1,205,348)	3,526,109	5,163,031
Total General Fund	\$ 1,342,709	\$ 1,633,936	\$ 1,209,930	\$ 990,504	\$ 761,699	\$ (458,909)	\$ (1,423,932)	\$ (1,205,348)	\$ 3,526,109	\$ 5,163,031
All Other Governmental Funds										
Reserved	\$ 429,610	\$ 432,864	\$ 503,576	\$ 692,921	\$ 588,576	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	420,389	612,716	223,163	128,123	(194,593)	-	-	-	-	-
Capital Projects Funds	(1,384,871)	(4,161,383)	(6,025,566)	(127,346)	(133,789)	-	-	-	-	-
Permanent Funds	56,654	60,017	15,861	16,009	16,185	-	-	-	-	-
Nonspendable						507,907	2,508,983	2,679,098	2,098,898	1,763,036
Restricted						237,487	238,638	180,102	241,494	379,883
Committed						308,806	376,093	391,493	948,908	696,739
Assigned						-	-	-	-	-
Unassigned						1,545,024	(624,456)	(711,709)	(716,106)	(703,609)
Total All Other Governmental Funds	\$ (478,218)	\$ (3,055,786)	\$ (5,282,966)	\$ 709,707	\$ 276,379	\$ 2,599,224	\$ 2,499,258	\$ 2,538,984	\$ 2,573,194	\$ 2,136,049

Note:

The change in the classification of fund balance amounts in 2011 is discussed in the notes to the 2011 Financial Statements
** Prior year amounts have not been restated for the implementation of Statement 54.

Table 4

TOWN OF WINCHESTER, CONNECTICUT
 Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Taxes, Interest and Lien Fees	\$ 19,108,386	\$ 19,601,927	\$ 20,388,059	\$ 20,403,777	\$ 20,170,995	\$ 20,736,727	\$ 20,667,970	\$ 20,900,669	\$ 23,758,932	\$ 22,479,091
Intergovernmental Revenue	11,131,132	12,626,070	16,537,291	14,009,909	13,516,197	12,921,397	12,520,941	12,411,437	13,940,209	13,758,449
Other local revenues	1,758,185	1,524,274	1,589,592	1,016,074	1,058,662	1,419,863	873,307	808,282	2,418,090	1,522,283
Total Revenues	31,997,703	33,752,271	38,514,942	35,429,760	34,745,854	35,077,987	34,062,218	34,120,388	40,117,231	37,759,823
Expenditures										
Current:										
Education	\$ 20,176,258	\$ 21,488,430	\$ 26,571,531	\$ 23,302,950	\$ 23,406,821	\$ 23,493,166	\$ 22,320,536	\$ 22,660,688	\$ 23,846,496	\$ 24,901,947
Program and Project Expenses	383,711	234,527	389,932	780,930	589,488	302,286	161,960	155,109	810,473	505,184
Public Safety	2,980,556	3,150,570	3,223,021	3,439,359	3,246,833	3,277,314	3,281,243	3,108,489	3,392,423	3,205,229
Public Works	1,974,790	1,887,870	2,250,074	2,097,788	2,025,162	1,959,313	1,731,088	1,548,594	1,725,019	1,712,751
Miscellaneous	566,482	366,864	496,431	660,180	327,692	583,544	555,000	514,425	402,436	504,794
General Government	2,921,405	2,790,524	3,033,420	3,311,289	2,699,466	2,665,573	3,050,201	3,226,659	2,870,365	2,981,403
Welfare	-	-	-	-	-	-	-	-	-	-
Health	249,080	280,759	269,570	313,813	287,221	289,932	297,473	295,203	565,181	542,775
Parks and Recreation	240,303	244,475	236,411	208,524	224,152	206,805	219,716	176,353	186,958	196,636
Library	189,516	191,025	196,756	197,941	161,795	194,141	194,141	176,474	176,474	200,003
Waste Disposal and Recycling	436,730	327,548	355,293	363,464	360,824	335,869	405,320	204,965	222,812	196,247
Debt Service:										
Principal	375,000	375,000	350,000	330,000	425,000	425,000	508,000	508,000	526,582	535,768
Interest & Issuance Costs	187,145	153,591	257,365	213,230	308,131	290,134	270,484	202,821	222,622	166,124
Capital Outlay	3,140,511	4,355,994	3,543,774	620,756	1,168,114	1,320,985	1,516,798	761,668	952,001	788,956
Total Expenditures	33,821,487	35,847,177	41,173,578	35,840,224	35,230,699	35,344,062	34,511,960	33,539,448	35,899,842	36,437,817
Excess (Deficiency) of Revenues Over Expenditures	(1,823,784)	(2,094,906)	(2,658,636)	(410,464)	(484,845)	(266,075)	(449,742)	580,940	4,217,389	1,322,006
Other Financing Sources (Uses)										
Issuance of Bonds & GANS	-	-	-	6,316,000	-	-	-	-	2,000,000	-
Issuance of Capital Lease	904,986	26,973	230,996	33,337	41,120	415,000	-	-	-	-
Repayment of GANS	-	-	-	-	-	-	-	-	(2,000,000)	-
Transfers In	167,578	336,030	184,390	59,530	161,836	-	305,556	310,602	877,354	771,991
Transfers Out	(393,694)	(554,438)	(407,937)	(275,368)	(380,244)	(215,838)	(518,825)	(562,525)	(987,834)	(850,644)
Total Other Financing Sources (Uses)	678,870	(191,435)	7,449	6,133,499	(177,288)	199,162	(213,259)	(251,923)	(110,480)	(78,653)
Loss on Assets	-	-	-	-	-	484,079	401,977	70,707	-	-
Net Change in Fund Balances	(1,144,914)	(2,286,341)	(2,651,187)	5,723,035	(662,133)	(550,992)	(1,064,988)	258,310	4,106,909	1,243,353
Fund Balance at Beginning of Year	2,009,406	864,492	(1,421,849)	(4,022,824)	1,700,211	2,691,307	2,140,314	1,075,326	1,992,394	6,055,727
Fund Balance at End of Year	\$ 864,492	\$ (1,421,849)	\$ (4,073,036)	\$ 1,700,211	\$ 1,038,078	\$ 2,140,315	\$ 1,075,326	\$ 1,333,636	\$ 6,099,303	\$ 7,299,080
Debt Service as a Percentage to Noncapital Expenditures	1.83%	1.68%	1.61%	1.54%	2.15%	2.10%	2.36%	2.17%	2.14%	1.97%

Note: A \$1,653,229 prior period adjustment was recorded and the 2011 beginning fund balance was restated.
 Note: A \$658,758 prior period adjustment was recorded and the 2014 beginning fund balance was restated for the implementation of GASB 67.
 Note: A \$43,576 prior period adjustment was recorded and the 2015 beginning fund balance was restated to correct individual fund balances.

TOWN OF WINCHESTER, CONNECTICUT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Table 5

Fiscal Year	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2006	383,948	61,571	58,667	76,673	8,773	572,086	32.98	817,266	70%
2007	392,177	62,891	59,924	78,316	8,960	584,348	33.34	834,783	70%
2008	394,682	63,293	60,307	78,816	9,017	588,080	24.67	840,114	70%
2009	596,351	107,992	60,472	85,917	9,245	814,487	24.67	1,163,553	70%
2010	570,237	108,160	60,566	86,051	9,259	815,755	24.67	1,165,364	70%
2011	568,892	107,905	60,423	85,848	9,237	813,831	24.43	1,162,616	70%
2012	610,247	115,968	61,615	25,183	82,994	813,013	25.43	1,161,447	70%
2013	611,083	115,870	64,760	26,502	82,663	818,215	25.43	1,168,879	70%
2014	493,174	99,231	65,434	30,542	73,726	688,381	31.20	983,401	70%
2015	494,082	99,232	66,470	31,163	73,802	690,947	31.91	987,067	70%

Source: Assessor's Office - Town of Winchester, Connecticut

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property. The estimated actual amount is the equalized grand list which is estimated by the state of Connecticut, office of Policy and Management.

TOWN OF WINCHESTER, CONNECTICUT
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 6

		2015			2006		
		Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Howmet Casting and Services		\$ 11,214,578	1	1.62%	8,091,930	1	1.41%
Winrock LLC		9,477,370	2	1.37%	6,102,830	2	1.07%
Connecticut Light and Power Co.		7,553,274	3	1.09%	5,796,140	3	1.01%
DRT Power Systems LLC		4,288,342	4	0.62%	3,939,770	4	0.69%
Yankee Gas		3,374,552	5	0.49%	3,163,830	5	0.55%
Litchfield Gardens Association		3,310,020	6	0.48%	2,611,770	6	0.46%
Barden Corporation *		2,130,017	7	0.31%	2,439,580	7	0.43%
Litchfield Heights Apartments		1,921,850	8	0.28%	1,971,070	8	0.34%
Adam L & Deannie K Reeder		1,773,980	9	0.26%	1,922,410	9	0.34%
Camp Wahnee Associates Inc		1,750,560	10	0.25%	1,730,750	10	0.30%
		<u>\$ 46,794,543</u>		<u>6.76%</u>	<u>\$ 37,770,080</u>		<u>6.60%</u>

Source: Town Assessor's office

* Formerly Winsted Precision Ball

TOWN OF WINCHESTER, CONNECTICUT
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Table 7

Fiscal Year	Tax Levied for the Fiscal Year	Collected Within Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	17,648,739	17,172,223	97.30%	354,959	17,527,182	99.31%
2006	18,941,101	18,498,146	97.66%	366,480	18,864,626	99.60%
2007	19,521,627	19,016,468	97.41%	429,389	19,445,857	99.61%
2008	20,275,676	19,734,037	97.33%	385,395	20,119,432	99.23%
2009	20,193,362	19,716,097	97.64%	328,101	20,044,198	99.26%
2010	20,100,013	19,592,274	97.47%	411,999	20,004,273	99.52%
2011	20,613,265	20,198,358	97.99%	392,911	20,591,269	99.89%
2012	20,735,196	20,224,636	97.54%	356,515	20,581,151	99.26%
2013	20,882,442	20,315,733	97.29%	357,970	20,673,703	99.00%
2014	23,715,401	23,020,269	97.07%	363,424	23,383,693	98.60%
2015	22,202,107	21,409,286	96.43%	-	21,409,286	96.43%

Source: Town Assessor's office and Finance office

TOWN OF WINCHESTER, CONNECTICUT
Ratios of Net General Bonded Debt to
Assessed Value and Net General Bonded Debt per Capita
Last Ten Fiscal Years

Table 8

Fiscal Year	General Bonded Debt				Other Governmental Activities Debt			Business-Type Activities			Total Government	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Total Debt per Capita
	General		Notes		Capital Leases	Notes		General		Primary				
	Obligation Bonds		Obligation Bonds			Obligation Bonds		Obligation Bonds						
2006	1,055,000	4,515,000	-	-	1,273,302	-	-	9,185,000	-	\$ 16,028,302	6.54%	1.96%	\$ 1,476	
2007	680,000	6,399,000	-	-	935,290	-	-	8,235,000	-	\$ 16,249,290	6.63%	1.95%	\$ 1,497	
2008	330,000	6,151,000	-	-	844,498	-	-	7,880,000	-	\$ 15,205,498	6.20%	1.81%	\$ 1,401	
2009	6,316,000	-	-	-	703,615	-	-	6,916,995	-	\$ 13,936,610	5.68%	1.20%	\$ 1,284	
2010	5,891,000	-	-	-	376,359	-	-	5,954,573	-	\$ 12,221,932	4.30%	1.05%	\$ 1,087	
2011	5,466,000	-	-	-	144,614	-	-	5,141,598	-	\$ 10,752,212	3.53%	0.92%	\$ 956	
2012	5,041,000	332,000	-	-	85,092	-	-	4,348,057	-	\$ 9,806,149	3.08%	0.84%	\$ 866	
2013	4,616,000	249,000	-	-	856	-	-	3,558,940	-	\$ 8,424,796	2.59%	0.72%	\$ 751	
2014	4,196,000	166,000	-	-	43,047	-	-	2,949,236	-	\$ 7,354,283	2.26%	0.75%	\$ 656	
2015	3,776,000	83,000	-	-	43,779	-	-	2,493,932	-	\$ 6,396,711	1.98%	0.65%	\$ 581	

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

¹ See Table 5 for taxable property value data

² See Table 11 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Debt Limitation
 June 30, 2015

Total Tax Collection, Including Interest and Lien Fees for Current Fiscal Year	\$ 22,175,785
Reimbursement for Revenue Loss on: Tax Relief for Elderly and Disabled	60,407
	\$ 22,236,192

Base

	General Long-Term Debt		
	General Purposes (2.25 x base)	Schools (4.50 x base)	Urban Renewal (3.25 x base)
	Enterprise (3.75 x base)		
Debt Limitation: Statutory Debt Limits by Function	\$ 50,031,432	\$ 100,062,864	\$ 72,267,624
Indebtedness:			
Bonds Payable	3,776,000	-	-
Clean Water Fund Loans	-	-	-
Total Indebtedness	3,776,000	-	-
Debt Limitation in Excess of Debt*	\$ 46,255,432	\$ 100,062,864	\$ 72,267,624
			\$ 80,891,788

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$155,653,344

TOWN OF WINCHESTER, CONNECTICUT
 Legal Debt Margin Information
 Last Ten Fiscal Years

Table 10

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limitation	\$137,419,520	\$ 140,903,455	\$ 147,133,637	\$ 148,287,965	\$ 144,552,366	\$ 148,714,174	\$ 147,073,122	\$ 147,628,894	\$ 166,749,107	\$ 155,653,344
Total net debt applicable to limit	\$ 14,755,000	\$ 17,236,317	\$ 16,159,953	\$ 13,936,610	\$ 11,845,575	\$ 11,022,599	\$ 9,389,057	\$ 8,174,940	\$ 7,145,236	\$ 6,269,932
Legal debt margin	\$122,664,520	\$ 123,667,138	\$ 130,973,684	\$ 134,351,355	\$ 132,706,791	\$ 137,691,575	\$ 137,684,065	\$ 139,453,954	\$ 159,603,871	\$ 149,383,412
Total net debt applicable to the limit as a percentage of debt limit	10.74%	12.23%	10.98%	9.40%	8.19%	7.41%	6.38%	5.54%	4.29%	4.03%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual base. The calculation of the 2015 debt limit can be found on Table 9 of this Report.

TOWN OF WINCHESTER, CONNECTICUT
Debt Statement
For the Year Ended June 30, 2015

Table 11

Direct Debt	
General Obligation Bonds	\$ 6,269,932
Notes Payable	<u>83,000</u>
Total Direct Debt	6,352,932
Total Net Direct Debt	6,352,932
Overlapping Debt	
	<u>-</u>
Total Overall Net Debt	<u>\$ 6,352,932</u>

TOWN OF WINCHESTER, CONNECTICUT
Current Debt Ratios
June 30, 2015

Table 12

1 Population	11,013
2 Net Taxable Grand List (10/1/12) (70%)	\$ 688,379,460
Estimated Full Value	\$ 983,399,229
1 Equalized Net Taxable Grand List (2012)	\$ 983,598,186
1 Per Capita Income	\$ 29,382

	<u>Total</u> <u>Direct Debt</u>	<u>Total Net</u> <u>Direct Debt</u>	<u>Total Overall</u> <u>Net Debt</u>
	\$ 6,352,932	\$ 6,352,932	\$ 6,352,932
Per Capita	\$ 576.86	\$ 576.86	\$ 576.86
Ratio to Net Taxable Grand List	0.92%	0.92%	0.92%
Ratio to Estimated Full Value	0.65%	0.65%	0.65%
Ratio to Equalized Net Taxable Grand List	0.65%	0.65%	0.65%
Debt per Capita to Money Income per Capita	1.96%	1.96%	1.96%

1 State of Connecticut Municipal Fiscal Indicators, Office of Policy and Management 2009-2013
2 Revalued 10/1/12

TOWN OF WINCHESTER, CONNECTICUT

Table 13

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (1)	Unemployment Rate (2)
2006	10,857	245,249	22,589	40	12+	1,080	4.9
2007	10,857	245,249	22,589	40	12+	1,071	4.9
2008	10,857	245,249	22,589	40	12+	991	4.9
2009	10,857	245,249	22,589	40	12+	996	8.9
2010	11,242	284,321	25,291	40	12+	979	8.7
2011	11,242	304,220	27,061	40	12+	948	8.6
2012	11,328	317,875	28,061	44	12+	715	8.1
2013	11,216	325,758	29,044	43	12+	654	8.6
2014	11,189	324,973	29,044	44	12+	637	6.0
2015	11,013	323,584	29,382	44	12+	584	5.4

Sources: Population, personal income, median age and education level provided by U.S Department of Commerce, Bureau of Census and Department of Health Services, State of Connecticut

(1) Town of Winchester, Board of Education. Enrollment prior to 2012 includes grades K-8, subsequent to 2012 is grades K-6.

(2) State of Connecticut, Department of Labor

TOWN OF WINCHESTER, CONNECTICUT
Principal Employers
Current Year and Nine
Years Ago

Table 14

Employer	2015			2006		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Town Employment
Town of Winchester	213	1	3.52%	270	1	4.67%
Howmet Corporation	185	2	3.06%	185	2	3.20%
Electric Motion	127	3	2.10%	140	3	2.42%
NW CT Community College	100	4	1.65%	100	4	1.73%
Foothills Visiting Nurse/Home Care	65	5	1.07%	56	6	0.97%
ICS	55	6	0.91%	55	8	0.95%
Bardeen Corporation	50	7	0.83%			
Sterling Sintered Technologies	49	8	0.81%	55	9	0.95%
Northwest Community Bank	46	9	0.76%	85	5	1.47%
DRT Power Systems	40	10	0.66%			
Superior Energy				40	10	0.69%
Homer D Bronson Co				70	7	1.21%

Source: Assessor's Office - Town of Winchester, Connecticut

TOWN OF WINCHESTER, CONNECTICUT

Full-Time Equivalent Government Employees By Function/ Program
Last Ten Fiscal Years

Table 15

	<u>FISCAL YEAR</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>General Government</u>										
<u>Management Services</u>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	6.0	4.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Planning	1.0	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	8.0	9.0	8.0	9.0	8.0	7.0	7.0	7.0	7.0	7.0
<u>Public Safety</u>										
Officers	18.0	16.0	17.0	18.0	20.0	21.0	23.0	23.0	23.0	23.0
Civilians	3.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
<u>Public Works</u>	10.0	9.0	9.0	12.0	13.0	15.0	17.0	17.0	17.0	17.0
<u>Parks and Recreation</u>	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
<u>Water and Sewer Authority</u>	10.0	10.0	10.0	9.0	7.0	10.0	10.0	10.0	10.0	10.0
<u>Human Services</u>	-	-	-	-	-	-	-	-	-	-
<u>Town Properties</u>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Board of Education</u>										
Certified	66.0	73.0	67.0	62.0	67.0	99.0	99.0	99.0	99.0	99.0
Noncertified	85.0	70.0	71.0	82.0	71.0	93.0	93.0	93.0	93.0	93.0
Total	<u>213.0</u>	<u>201.0</u>	<u>199.0</u>	<u>209.0</u>	<u>207.0</u>	<u>266.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>

Sources: Various Town departments

Notes: a full-time employee is scheduled to work a minimum 1,820 hours per year (including vacation and sick leave).

TOWN OF WINCHESTER, CONNECTICUT
 Operating Indicators By Function/Program
 Last Ten Fiscal Years

	FISCAL YEAR									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
Workers Compensation										
Claims Processed	24	24	31	35	39	46	47	45	48	47
General Liability										
Claims Processed	30	27	17	9	27	34	32	31	32	40
Marriage Licenses Recorded	105	109	99	88	100	78	79	80	101	60
Birth Certificates Recorded	73	105	83	115	100	101	121	120	119	79
Death Certificates Recorded	121	125	125	130	128	122	110	108	109	145
Boards and Agencies										
Registered Voters	6,660	6,916	6,815	6,815	6,825	6,732	6,718	6,720	6,716	6,826
Elections and Referendums	4	4	7	3	2	2	3	5	7	4
Planning and Development										
Building Permits Issued	626	585	639	705	704	733	768	852	848	916
Rental Certificate of										
Occupancy Issued	67	28	66	90	239	142	140	138	70	163
Value of Building Permits	7,402,728	6,728,828	5,628,905	7,791,834	4,363,375	15,766,459	16,745,859	13,744,459	20,382,953	20,702,306
Public Safety										
Arrests	655	394	487	556	935	972	975	875	925	595
Parking Violations	499	96	872	1,197	1,200	1,289	1,400	1,689	1,773	1,602
Traffic Accidents	816	408	393	400	390	410	425	450	477	424
Traffic Stops	1,320	1,149	1,438	2,162	2,289	2,390	2,488	2,548	2,612	2,457
Police Calls	8,816	9,310	10,436	11,581	12,790	12,978	12,365	11,956	12,186	11,533
Animal Control Calls	624	204	307	409	550	499	504	480	545	275
Fire Dispatched	718	188	269	489	648	298	300	290	300	283
Ambulance Requests	1,284	1,245	1,357	1,737	1,569	1,532	1,468	1,466	1,375	559
Public Works										
Miles of Roads Maintained	81	81	81	81	81	81	81	81	81	81
Parks and Recreation										
Community Event Participants	452	325	1,538	1,750	1,250	3,278	3,670	3,670	3,800	3,750
Recreation Program Participants	627	1,550	1,468	1,520	1,595	2,198	2,100	2,100	2,000	2,100
Annual Participants	1,079	875	3,006	3,270	2,845	5,476	5,770	5,770	5,800	5,850

TOWN OF WINCHESTER, CONNECTICUT
 Operating Indicators By Function/Program
 Last Ten Fiscal Years

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Libraries										
Volumes in Collection	40,627	43,058	46,884	48,982	59,745	77,466	77,466	77,466	77,840	77,612
Collection Size	45,157	47,258	52,098	44,291	53,979	61,045	61,045	610,454	60,044	59,804
Senior Citizens										
Meals on Wheels Provided - Anually	36,108	35,793	37,802	37,802	37,600	36,750	36,000	36,000	36,000	36,000
Meals at Senior Center Provided - Anually	6,897	8,171	7,172	7,172	7,000	9,800	10,000	10,000	10,000	10,000
Van Rides Provided to Seniors - Anually	4,670	4,482	6,504	6,504	6,000	11,000	11,000	11,000	11,000	11,000
Senior Mini-Bus Trips - number of senior annually	206	143	793	793	850	1,000	1,000	1,000	1,000	1,000
Education										
Workers Compensations										
Claims Processed	16	25	22	17	13	14	13	13	13	14
Elementary Schools	2	2	2	2	2	2	2	2	2	2
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	2	2
Water										
New Connections	-	-	1	-	4	9	10	17	17	10
Water Main Breaks	-	1	3	4	7	5	6	3	3	5
Average Daily Consumption (million of gallons)	0.93	0.93	0.85	0.85	0.98	0.95	0.90	0.88	0.93	0.97
Peak Daily Consumption (million of gallons)	1.32	1.32	1.17	1.22	1.29	1.12	1.10	1.16	1.12	1.21
Sewer										
Average Daily Sewage Treatment (mil. of gallons)	1.37	1.49	1.43	1.64	3	3	3	3	3	3

Source(s): Various Town Departments

n/a - information not available

TOWN OF WINCHESTER, CONNECTICUT
 Capital Asset Statistics By Function/Program
 Last Ten Fiscal Years

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Public Safety</u>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Zone Offices	1	1	1	1	1	1	1	1	1	1
Police Vehicles	12	12	12	6	9	11	11	11	11	10
Fire Vehicles	9	9	9	8	8	7	7	7	7	7
<u>Public Works</u>										
Miles of Town Roads	81	81	81	81	81	81	81	81	81	81
Traffic Signals	13	13	13	13	13	13	13	13	13	13
Public Works Vehicles and Equipment	54	54	54	54	54	54	54	54	54	52
<u>Parks and Recreation</u>										
Acreage	30	30	30	30	30	30	30	30	30	30
Parks and Greens	4	4	4	4	4	4	4	4	4	4
Athletic Fields	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Senior Citizens</u>										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Mini-Buses	2	2	2	2	2	2	2	2	2	2
<u>Education</u>										
Schools	4	4	4	4	4	4	4	4	4	4
<u>Water</u>										
Water Mains (miles)	40	40	40	40	40	40	40	40	40	40
Fire Hydrants	350	350	350	350	350	350	350	350	350	346
Storage Capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<u>Sewer</u>										
Sanitary Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment Capacity (millions of gallons)	3	3	3	3	3	3	3	3	3	3

Sources: Various Town Departments