

**Basic Financial Statements, Supplementary Information and
Independent Auditor's Report**

Town of Ellington, Connecticut

June 30, 2013

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Independent
Auditor's Report

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ellington, Connecticut (the "Town"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund 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 on pages 3-16 and the schedule of funding progress on page 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Glastonbury, Connecticut
June 20, 2014

Management's
Discussion and
Analysis

The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$75,327,767 (net position). Of this amount, \$14,657,313 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's change in net position for the year ended June 30, 2013 amounted to an increase of \$1,064,219 or 1.4% in comparison to the prior year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,767,497, an increase of \$276,497 in comparison with the prior year.
- At the end of the close of the current fiscal year, unassigned fund balance for the General Fund was \$4,792,253 or 9.3% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.1 months of General Fund operating expenditures. Committed fund balance for future "Capital Reserves" and other "Capital and Nonrecurring" requirements totaled \$4,613,565 at June 30, 2013.
- The Town's total long-term bonded debt had a net decrease of \$1,555,000 or 12.0% during the current fiscal year due to scheduled principal repayments.
- Effective January 1, 2008, Town Charter Section 1004, requires the Board of Finance to maintain at least a minimum of 5% of the total expenditures for the current year in capital reserves. No expenditure or transfer may be made from the Capital Reserves without the approval of the Board of Finance. Amounts committed for "Capital Reserves" totaled \$4,128,650 or 8.6% of budgetary expenditures for the year ended June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Proprietary Funds

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

The Town maintains 4 individual enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Authority Fund and the Crystal Lake Sewers Fund, both of which are considered to be major funds. Data from the other 2 enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

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

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-56 of this report.

Required Supplementary Information

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains combining and individual fund statements and schedules that can be found on pages 58-95 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

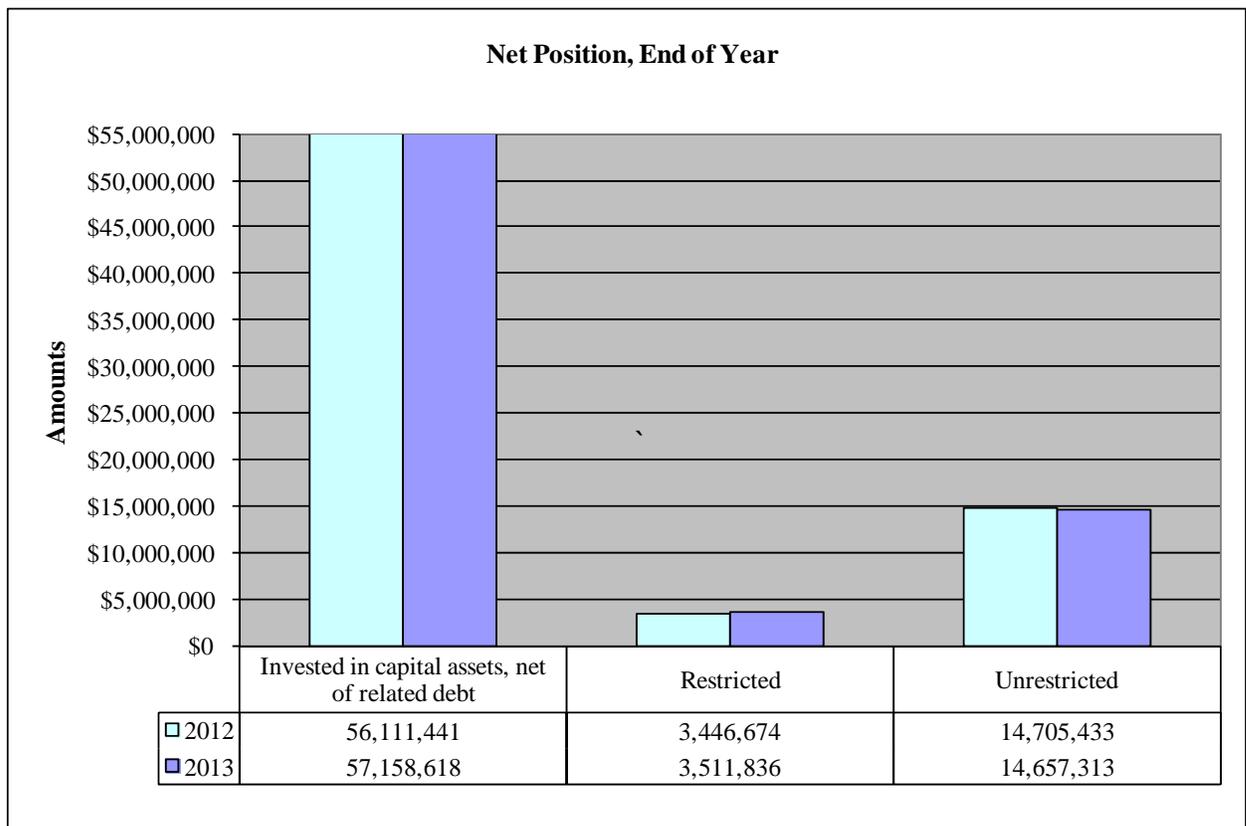
Over time, net position may serve as one measure of a government's financial position. Total net position (governmental and business-type activities combined) of the Town totaled \$75,327,767 and \$74,263,548 (as restated) as of June 30, 2013 and 2012, respectively, and are summarized as follows:

Town of Ellington			
Net Position			
June 30, 2013			
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 17,766,247	\$ 7,138,123	\$ 24,904,370
Capital assets	59,246,926	10,638,590	69,885,516
Total assets	<u>77,013,173</u>	<u>17,776,713</u>	<u>94,789,886</u>
Deferred Outflows of Resources	189,518	5,867	195,385
Other liabilities	3,745,077	328,811	4,073,888
Long-term debt outstanding	13,359,376	2,224,240	15,583,616
Total liabilities	<u>17,104,453</u>	<u>2,553,051</u>	<u>19,657,504</u>
Net position:			
Net investment in capital assets	48,142,944	9,015,674	57,158,618
Restricted	3,511,836	-	3,511,836
Unrestricted	8,443,458	6,213,855	14,657,313
Total net position	<u>\$ 60,098,238</u>	<u>\$ 15,229,529</u>	<u>\$ 75,327,767</u>

Town of Ellington			
Net Position			
June 30, 2012			
(As Restated)			
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 16,098,095	\$ 7,605,019	\$ 23,703,114
Capital assets	59,665,458	10,979,304	70,644,762
Total assets	<u>75,763,553</u>	<u>18,584,323</u>	<u>94,347,876</u>
Deferred outflows of resources	221,166	11,736	232,902
Other liabilities	2,453,991	312,515	2,766,506
Long-term debt outstanding	14,647,716	2,524,722	17,172,438
Total liabilities	<u>17,101,707</u>	<u>2,837,237</u>	<u>19,938,944</u>
Net position:			
Net investment in capital assets	46,867,137	9,244,304	56,111,441
Restricted	3,446,674	-	3,446,674
Unrestricted	8,202,651	6,502,782	14,705,433
Total net position	<u>\$ 58,516,462</u>	<u>\$ 15,747,086</u>	<u>\$ 74,263,548</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



75.9% of the Town's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

4.7% of the Town's net assets are subject to external restrictions on how they may be used and are therefore presented as restricted net position.

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

Overall, net position increased \$1,064,219 or 1.4% in comparison to the prior year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

Changes in net position for the years ended June 30, 2013 and 2012 are as follows:

	Town of Ellington Changes in Net Position For the Year Ended June 30, 2013		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 2,435,941	\$ 2,367,803	\$ 4,803,744
Operating grants and contributions	15,437,413	-	15,437,413
Capital grants and contributions	1,525,945	-	1,525,945
General revenues:			
Property taxes	35,911,010	-	35,911,010
Grants and contributions not restricted to specific programs	535,251	-	535,251
Unrestricted investment earnings	51,773	1,794	53,567
Total revenues	<u>55,897,333</u>	<u>2,369,597</u>	<u>58,266,930</u>
Program expenses			
General government	4,522,587	-	4,522,587
Boards and agencies	119,490	-	119,490
Public safety	2,740,546	-	2,740,546
Public works	3,927,383	-	3,927,383
Recreation	400,118	-	400,118
Library	730,947	-	730,947
Human services	1,581,678	-	1,581,678
Town properties	530,147	-	530,147
Education	39,388,446	-	39,388,446
Interest on long-term debt	303,924	-	303,924
Sewer	-	2,957,445	2,957,445
Total expenses	<u>54,245,266</u>	<u>2,957,445</u>	<u>57,202,711</u>
Change in net position before transfers	1,652,067	(587,848)	1,064,219
Transfers	<u>(70,291)</u>	<u>70,291</u>	<u>-</u>
Change in net position	1,581,776	(517,557)	1,064,219
Net position - beginning, as originally reported	58,661,846	15,747,086	74,408,932
Adjustment (See note 13)	<u>(145,384)</u>	<u>-</u>	<u>(145,384)</u>
Net position - beginning, as restated	<u>58,516,462</u>	<u>15,747,086</u>	<u>74,263,548</u>
Net position - ending	<u>\$ 60,098,238</u>	<u>\$ 15,229,529</u>	<u>\$ 75,327,767</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

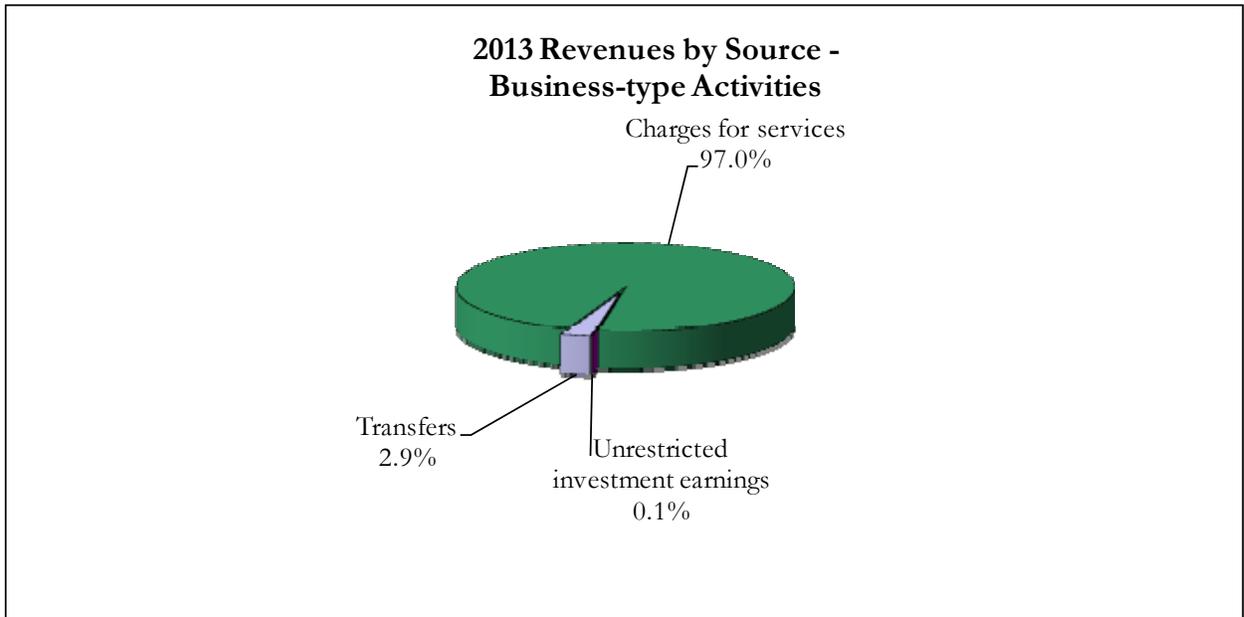
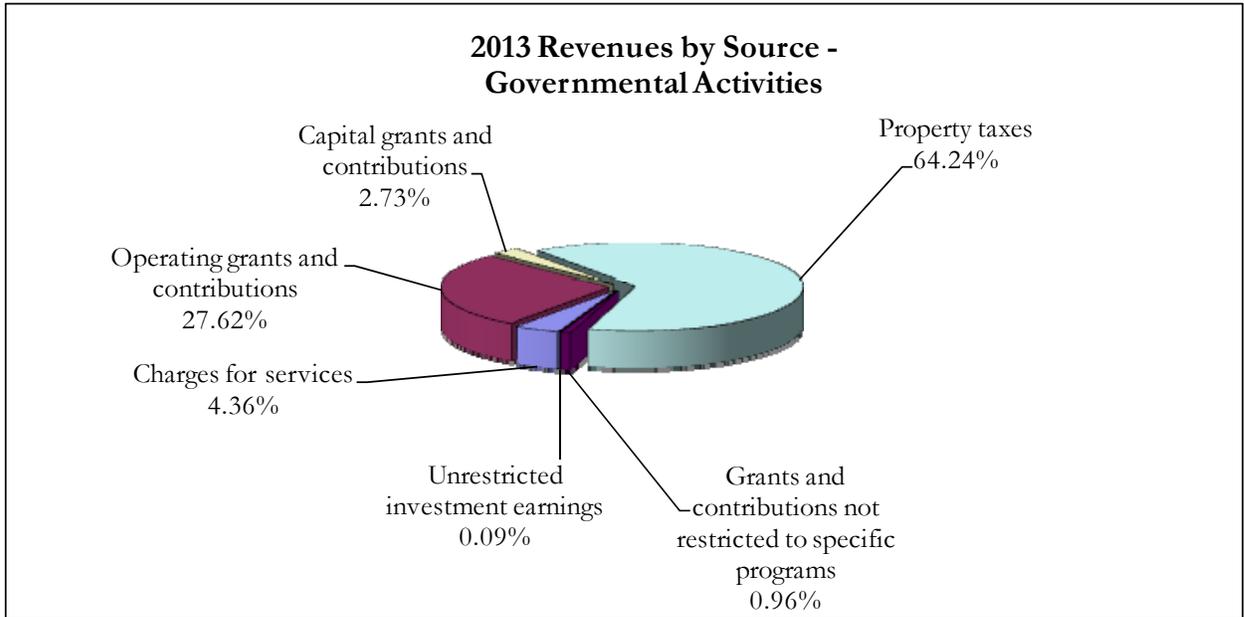
Changes in Net Position (Continued)

**Town of Ellington
Changes in Net Position
For the Year Ended June 30, 2012
(As Restated)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 1,801,809	\$ 2,450,216	\$ 4,252,025
Operating grants and contributions	19,523,956	-	19,523,956
Capital grants and contributions	3,653,853	-	3,653,853
General revenues:			
Property taxes	34,678,508	-	34,678,508
Grants and contributions not restricted to specific programs	126,120	-	126,120
Unrestricted investment earnings	(26,160)	2,410	(23,750)
Miscellaneous	-	-	-
Total revenues	<u>59,758,086</u>	<u>2,452,626</u>	<u>62,210,712</u>
Program expenses			
General government	1,456,022	-	1,456,022
Boards and agencies	100,911	-	100,911
Public safety	2,768,450	-	2,768,450
Public works	4,303,166	-	4,303,166
Recreation	445,570	-	445,570
Library	782,271	-	782,271
Human services	662,921	-	662,921
Town properties	550,227	-	550,227
Education	39,092,555	-	39,092,555
Interest on long-term debt	958,590	-	958,590
Sewer	-	2,569,218	2,569,218
Total expenses	<u>51,120,683</u>	<u>2,569,218</u>	<u>53,689,901</u>
Change in net assets before transfers	8,637,403	(116,592)	8,520,811
Transfers	<u>(79,938)</u>	<u>79,938</u>	<u>-</u>
Change in net position	8,557,465	(36,654)	8,520,811
Net position - beginning	<u>49,958,997</u>	<u>15,783,740</u>	<u>65,742,737</u>
Net position - ending	<u>\$ 58,516,462</u>	<u>\$ 15,747,086</u>	<u>\$ 74,263,548</u>

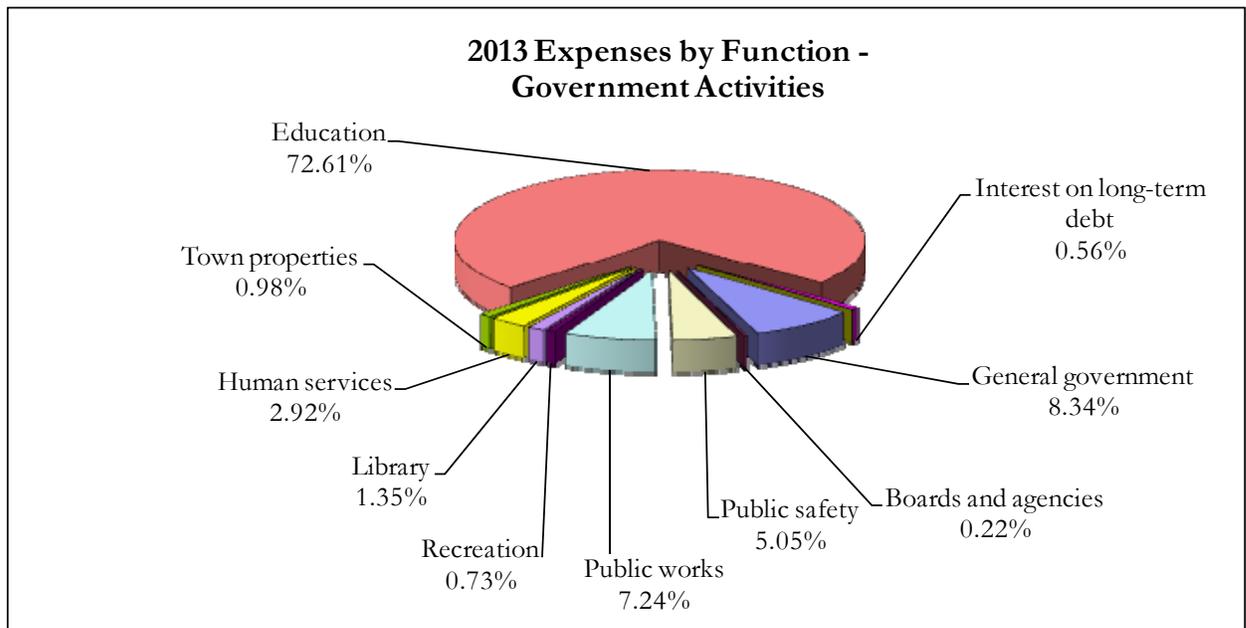
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



Governmental Activities

Governmental activities increased the Town's net position by \$1,581,776.

Business-type Activities

Business-type activities decreased the Town's net position by \$517,557.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

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

Governmental Funds (*Continued*)

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,767,497, an increase of \$276,497 in comparison with the prior year. Of the total governmental fund balances, \$3,202,521 constitutes unassigned fund balance. The remainder of fund balance has been classified as either restricted, committed or assigned and is not available for other uses without authorization from the Board of Finance or external parties.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,792,253, while total fund balance was \$10,467,275. Committed fund balance for future "Capital Reserves" and "Capital and Nonrecurring" totaled \$4,613,565. The remaining \$1,061,457 of fund balance is assigned for various purposes by the Board of Finance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.3% of total General Fund expenditures, while total fund balance represents 20.3% of that same amount. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.1 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$1,884,526 during the current fiscal year.

High School/Center School Project Fund

The fund balance of the Town's High School/Center School Project Fund decreased by \$350,612 due to the final close out of the project.

Small Cities Program Income Fund

The fund balance of the Town's Small Cities Program Income Fund decreased by \$8,375 due to the disbursement of funds for rehabilitation program expenditures, that were in excess of proceeds received during the year.

Proprietary Funds

Unrestricted net position of the Sewer Authority Fund and the Crystal Lake Sewers Fund at the end of the year totaled \$5,530,556 and \$813,509, respectively. The total decrease in net position for these funds was \$421,082 and \$50,816, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original expenditures budget and the final amended expenditures budget was an increase in appropriations of \$687,188. Actual revenues were \$2,913,773 higher than anticipated and actual expenditures were \$947,511 lower than budgeted resulting in an increase to budgetary fund balance of \$1,454,675.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2013 totaled \$69,885,516 (net of accumulated depreciation). This investment in capital assets includes an art collection, land, property development rights, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$759,246 which was comprised of a \$418,532 decrease or a 0.7% decrease for governmental activities and a \$340,714 or a 3.1% decrease for business-type activities.

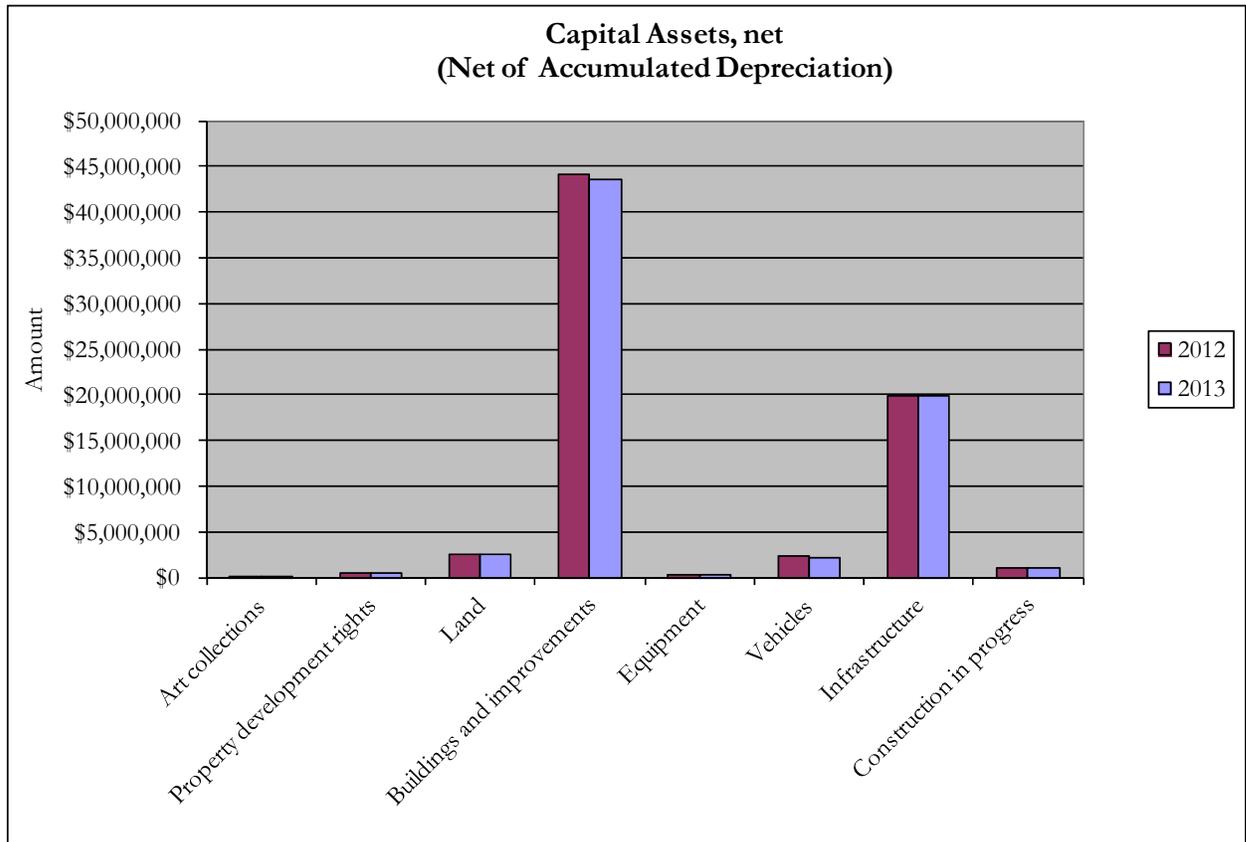
The following table is a two year comparison of the investment in capital assets presented for both governmental and business-type activities:

Town of Ellington
Capital Assets, net
June 30, 2013 and 2012

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Art collections	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Property development rights	489,361	489,361	-	-	489,361	489,361
Land	2,507,844	2,507,844	-	-	2,507,844	2,507,844
Buildings and improvements	43,579,394	44,141,855	-	-	43,579,394	44,141,855
Equipment	163,185	276,503	28,845	46,709	192,030	323,212
Vehicles	2,150,037	2,384,673	-	-	2,150,037	2,384,673
Infrastructure	9,398,190	8,906,307	10,545,776	10,921,570	19,943,966	19,827,877
Construction in progress	923,317	923,317	63,969	11,025	987,286	934,342
Totals	<u>\$ 59,246,926</u>	<u>\$ 59,665,458</u>	<u>\$ 10,638,590</u>	<u>\$ 10,979,304</u>	<u>\$ 69,885,516</u>	<u>\$ 70,644,762</u>

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$11,355,000. This entire amount is comprised of debt backed by the full faith and credit of the Town.

The Town's total bonded debt decreased by \$1,555,000 or 12.0%.

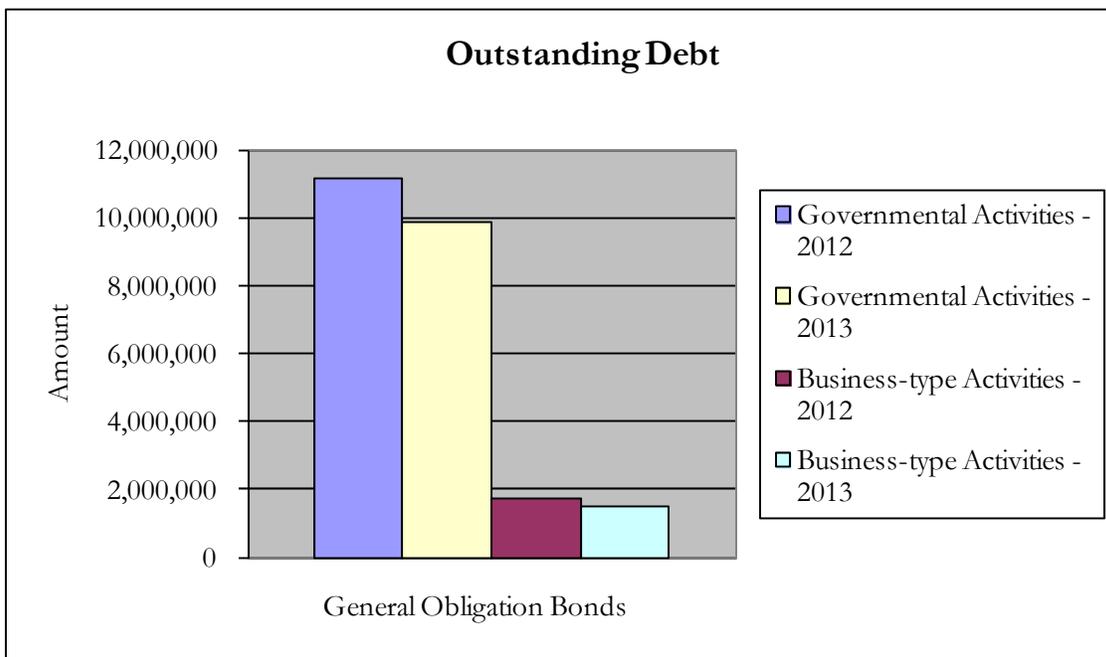
The Town maintains an Aa3 rating from Moody's Investor Service.

State statutes limit the amount of general obligation debt the Town may issue to approximately seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$249,773,762, which is significantly in excess of the Town's outstanding general obligation debt.

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

Town of Ellington
Long-term Debt
June 30, 2013 and 2012

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 9,880,000	\$ 11,175,000	\$ 1,475,000	\$ 1,735,000	\$ 11,355,000	\$ 12,910,000



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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2013 and thereafter.
- The unemployment rate in the Town compares favorably to the State's average unemployment rate and the national unemployment rate.
- Inflationary trends in the region approximate the national indices.

All of these factors were considered in preparing the Town's budget for fiscal year 2014.

REQUESTS FOR INFORMATION

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

Basic
Financial
Statements

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,600,825	\$ -	\$ 1,600,825
Investments	10,374,414	5,241,251	15,615,665
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$119,486	949,047	-	949,047
Sewer usage charges receivable, net of allowance for uncollectibles of \$9,211	-	111,074	111,074
Solid waste charges receivable, net of allowance for uncollectibles of \$12,054	-	74,124	74,124
Assessments, interest and liens receivable	-	48,407	48,407
Grants and contracts receivable, current portion	1,215,624	-	1,215,624
Interest, net of allowance for uncollectibles of \$102,233	263,031	-	263,031
Other	3,077,839	7,270	3,085,109
Internal balances	264,496	(264,496)	-
Inventories	7,384	-	7,384
Prepaid expenses	14,000	-	14,000
Deferred asset - pump station	-	771,948	771,948
Long-term assessment receivable	-	884,049	884,049
Capital assets:			
Non-depreciable	3,956,120	63,969	4,020,089
Depreciable, net	55,290,806	10,574,621	65,865,427
Total assets	<u>77,013,586</u>	<u>17,512,217</u>	<u>94,525,803</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	189,518	5,867	195,385
LIABILITIES			
Accounts payable	2,619,355	11,817	2,631,172
Accrued liabilities:			
Accrued interest	-	1,500	1,500
Other accrued liabilities	48,914	-	48,914
Due to funding source	17,957	-	17,957
Unearned revenue	649,264	50,998	700,262
Bond anticipation note payable	410,000	-	410,000
Noncurrent liabilities:			
Due within one year:	1,847,099	600,768	2,447,867
Due in more than one year:	11,512,277	1,623,472	13,135,749
Total liabilities	<u>17,104,866</u>	<u>2,288,555</u>	<u>19,393,421</u>
NET POSITION			
Net investment in capital assets	48,142,944	9,015,674	57,158,618
Restricted for human services	2,716,567	-	2,716,567
Restricted for endowments:			
Expendable	52,497	-	52,497
Nonexpendable	742,772	-	742,772
Unrestricted	8,443,458	6,213,855	14,657,313
Total net position	<u>\$ 60,098,238</u>	<u>\$ 15,229,529</u>	<u>\$ 75,327,767</u>

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 4,522,587	\$ 744,008	\$ 155,928	\$ -	\$ (3,622,651)	\$ -	\$ (3,622,651)
Boards and agencies	119,490	213,412	-	-	93,922	-	93,922
Public safety	2,740,546	473,246	10,259	-	(2,257,041)	-	(2,257,041)
Public works	3,927,383	68,344	-	352,850	(3,506,189)	-	(3,506,189)
Recreation	400,118	257,876	-	-	(142,242)	-	(142,242)
Library	730,947	-	-	-	(730,947)	-	(730,947)
Human services	1,581,678	180,843	92,248	440,149	(868,438)	-	(868,438)
Town properties	530,147	14,991	-	-	(515,156)	-	(515,156)
Education	39,388,446	483,221	15,178,978	732,946	(22,993,301)	-	(22,993,301)
Interest on long-term debt	303,924	-	-	-	(303,924)	-	(303,924)
Total governmental activities	54,245,266	2,435,941	15,437,413	1,525,945	(34,845,967)	-	(34,845,967)
Business-type activities:							
Sewer and solid waste	2,957,445	2,367,803	-	-	-	(589,642)	(589,642)
Total business-type activities	2,957,445	2,367,803	-	-	-	(589,642)	(589,642)
Total primary government	\$ 57,202,711	\$ 4,803,744	\$ 15,437,413	\$ 1,525,945	(34,845,967)	(589,642)	(35,435,609)
General revenues:							
Property taxes, levied for general purposes					35,911,010	-	35,911,010
Grants and contributions not restricted to specific programs					535,251	-	535,251
Unrestricted investment earnings					51,773	1,794	53,567
Transfers					(70,291)	70,291	-
Total general revenues					36,427,743	72,085	36,499,828
Change in net position					1,581,776	(517,557)	1,064,219
Net position - beginning, as originally reported					58,661,846	15,747,086	74,408,932
Adjustment (See Note 13)					(145,384)	-	(145,384)
Net position - beginning, as restated					58,516,462	15,747,086	74,263,548
Net position - ending					\$ 60,098,238	\$ 15,229,529	\$ 75,327,767

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

TOWN OF ELLINGTON, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2013

	General Fund	High School/ Center School Project	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,042,840	\$ -	\$ -	\$ 557,985	\$ 1,600,825
Investments	7,980,707	-	44,476	2,349,231	10,374,414
Receivables:					
Property taxes receivable, net of allowance for uncollectibles of \$119,486	949,047	-	-	-	949,047
Grants and contracts receivable	133,890	727,780	-	265,640	1,127,310
Other	171,681	-	2,716,567	189,591	3,077,839
Due from other funds	3,943,240	-	-	92,163	4,035,403
Prepaid expenses	14,000	-	-	-	14,000
Inventories	-	-	-	7,384	7,384
Total assets	<u>\$ 14,235,405</u>	<u>\$ 727,780</u>	<u>\$ 2,761,043</u>	<u>\$ 3,461,994</u>	<u>\$ 21,186,222</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,576,618	\$ -	\$ -	\$ 42,324	\$ 2,618,942
Accrued liabilities	48,914	-	-	-	48,914
Due to other funds	240,270	727,780	23,862	2,779,408	3,771,320
Unearned revenue	-	-	-	649,264	649,264
Due to funding source	-	-	-	17,957	17,957
Bond anticipation note payable	-	-	-	410,000	410,000
Total liabilities	<u>2,865,802</u>	<u>727,780</u>	<u>23,862</u>	<u>3,898,953</u>	<u>7,516,397</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	902,328	-	-	-	902,328
Total deferred inflows of resources	<u>902,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>902,328</u>
Fund balances:					
Nonspendable:					
Endowments	-	-	-	52,497	52,497
Inventories	-	-	-	7,384	7,384
Restricted for:					
Human services	-	-	2,716,567	-	2,716,567
Committed:					
Capital reserves	4,128,650	-	-	-	4,128,650
Capital and nonrecurring	484,915	-	-	-	484,915
Capital purchases	-	-	-	-	-
School lunch operations	-	-	-	82,621	82,621
Public safety	-	-	-	435,910	435,910
Human services	-	-	-	75,924	75,924
Town properties	-	-	-	425,862	425,862
Land use	-	-	-	41,718	41,718
General government	-	-	-	51,471	51,471
Assigned:					
General government	783,774	-	-	-	783,774
Public works	229,400	-	-	-	229,400
Public safety	-	-	-	-	-
Sanitation	48,283	-	-	-	48,283
Unassigned	4,792,253	-	20,614	(1,610,346)	3,202,521
Total fund balances (deficit)	<u>10,467,275</u>	<u>-</u>	<u>2,737,181</u>	<u>(436,959)</u>	<u>12,767,497</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,235,405</u>	<u>\$ 727,780</u>	<u>\$ 2,761,043</u>	<u>\$ 3,461,994</u>	<u>\$ 21,186,222</u>

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

TOWN OF ELLINGTON, CONNECTICUT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

JUNE 30, 2013

Total fund balances for governmental funds	\$	12,767,497
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Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$	2,507,844	
Arts collection		35,598	
Property development rights		489,361	
Construction in progress		923,317	
Buildings and improvements		70,101,266	
Equipment		2,336,082	
Vehicles		8,022,915	
Infrastructure		11,954,872	
Less: accumulated depreciation and amortization		<u>(37,124,329)</u>	
Total capital assets, net			59,246,926

School construction grants receivable from the State of Connecticut are not susceptible to accrual and are, therefore, not reported in the funds. 88,314

Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflow of resources in the funds. 902,328

Accrued interest on property taxes net of related allowance for uncollectibles are not susceptible to accrual and therefore are not reported in the funds. 263,031

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Long-term debt:			
Bonds payable	(9,880,000)		
Unamortized premiums	(523,804)		
Unamortized deferred amount on refundings	189,518		
Obligations under capital lease	(889,696)		
Other long-term liabilities:			
Compensated absences	(1,365,465)		
Net OPEB obligation	<u>(700,411)</u>		
Total long-term liabilities			<u>(13,169,858)</u>

Net position of governmental activities	\$	<u><u>60,098,238</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES (DEFICIT)

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	High School/ Center School Project	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 35,221,229	\$ -	\$ -	\$ -	\$ 35,221,229
Licenses, permits and fees	352,361	-	-	-	352,361
Intergovernmental	14,706,362	727,780	29,340	2,110,584	17,574,066
Charges for services	827,719	-	-	567,303	1,395,022
Food sales	-	-	-	483,221	483,221
Interest and dividends	495	-	5	589	1,089
Net increase in the fair value of investments	-	-	-	50,684	50,684
Other income	469,077	-	-	104,631	573,708
Total revenues	<u>51,577,243</u>	<u>727,780</u>	<u>29,345</u>	<u>3,317,012</u>	<u>55,651,380</u>
EXPENDITURES					
Current:					
General government	1,402,541	-	-	-	1,402,541
Boards and agencies	95,230	-	-	-	95,230
Public safety	2,252,001	-	-	-	2,252,001
Public works	3,419,145	-	-	-	3,419,145
Recreation	400,118	-	-	-	400,118
Library	661,350	-	-	-	661,350
Human services	590,221	-	-	-	590,221
Town properties	530,147	-	-	-	530,147
Education	35,342,309	-	-	-	35,342,309
Miscellaneous	2,795,800	-	-	5,411	2,801,211
Program expenditures	-	-	37,720	2,907,182	2,944,902
Debt service:					
Principal payments	1,908,085	-	-	-	1,908,085
Interest and fiscal charges	392,415	-	-	-	392,415
Capital outlays	1,578,125	-	-	1,372,792	2,950,917
Total expenditures	<u>51,367,487</u>	<u>-</u>	<u>37,720</u>	<u>4,285,385</u>	<u>55,690,592</u>
Excess (deficiency) of revenues over expenditures	209,756	727,780	(8,375)	(968,373)	(39,212)
OTHER FINANCING SOURCES (USES)					
Proceeds from capital leases	386,000	-	-	-	386,000
Transfers in	1,359,061	-	-	-	1,359,061
Transfers out	(70,291)	(1,078,392)	-	(280,669)	(1,429,352)
Total other financing sources (uses)	<u>1,674,770</u>	<u>(1,078,392)</u>	<u>-</u>	<u>(280,669)</u>	<u>315,709</u>
Net change in fund balances	1,884,526	(350,612)	(8,375)	(1,249,042)	276,497
Fund balances (deficit) - beginning	<u>8,582,749</u>	<u>350,612</u>	<u>2,745,556</u>	<u>812,083</u>	<u>12,491,000</u>
Fund balances (deficit) - ending	<u>\$ 10,467,275</u>	<u>\$ -</u>	<u>\$ 2,737,181</u>	<u>\$ (436,959)</u>	<u>\$ 12,767,497</u>

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

TOWN OF ELLINGTON, CONNECTICUT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances for governmental funds \$ 276,497

Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$	1,901,353	
Depreciation and amortization expense		(2,319,885)	
Net adjustment			(418,532)

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net position. (91,467)

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

Debt issued or incurred:			
Capital leases		(386,000)	
Amortization of bond premium		120,139	
Amortization of deferred amount on refunding		(31,648)	
Principal repayments:			
Bonds payable		1,295,000	
Capital leases		501,538	
Note payable		195,310	
Net adjustment			1,694,339

TOWN OF ELLINGTON, CONNECTICUT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2013

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The net effect of such items is as follows:

Compensated absences	\$ (73,832)	
Net OPEB obligation	<u>(142,649)</u>	\$ (216,481)
Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in governmental funds. This amount represents the change in deferred inflows of resources.		358,374
Interest on property taxes receivable are not susceptible to accrual and therefore are only reported as revenue in the funds when the cash is received by the Town. The change in interest receivable during the year reduced revenues recognized in the funds.		<u>(20,954)</u>
Change in net position of governmental activities		<u><u>\$ 1,581,776</u></u>

TOWN OF ELLINGTON, CONNECTICUT
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
 BUDGETARY BASIS - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxation	\$ 34,742,764	\$ 34,742,764	\$ 35,573,590	\$ 830,826
Intergovernmental - education	9,910,357	9,910,357	9,908,542	(1,815)
Intergovernmental - other	445,969	445,969	929,629	483,660
Charges for goods and services	666,769	666,769	827,717	160,948
Interest and dividends	15,000	15,000	487	(14,513)
Other revenues	633,474	633,474	2,088,141	1,454,667
Total revenues	<u>46,414,333</u>	<u>46,414,333</u>	<u>49,328,106</u>	<u>2,913,773</u>
EXPENDITURES				
Current:				
General government	1,398,486	1,418,486	1,387,371	(31,115)
Boards and agencies	107,900	107,900	95,229	(12,671)
Public safety	2,215,120	2,286,751	2,242,240	(44,511)
Public works	3,595,620	3,730,912	3,541,911	(189,001)
Recreation	444,896	444,896	400,118	(44,778)
Library	662,084	662,084	661,350	(734)
Human services	594,794	610,355	590,221	(20,134)
Town properties	484,397	536,752	530,148	(6,604)
Miscellaneous	3,192,296	3,174,967	2,895,799	(279,168)
Education	31,518,437	31,518,437	31,367,351	(151,086)
Debt service	2,606,759	2,786,537	2,630,793	(155,744)
Capital outlays	1,312,865	1,542,865	1,530,900	(11,965)
Total expenditures	<u>48,133,654</u>	<u>48,820,942</u>	<u>47,873,431</u>	<u>(947,511)</u>
Excess (deficiency) of revenues over expenditures	(1,719,321)	(2,406,609)	1,454,675	3,861,284
OTHER FINANCING SOURCES				
Appropriation of fund balance	<u>1,719,321</u>	<u>2,406,609</u>	<u>-</u>	<u>(2,406,609)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,454,675</u>	<u>\$ 1,454,675</u>
Fund balance - beginning of year			<u>6,206,390</u>	
Fund balance - ending of year			<u>\$ 7,661,065</u>	

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2013

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
ASSETS				
Current assets:				
Investments	\$ 4,744,017	\$ 497,234	\$ -	\$ 5,241,251
Receivables:				
Sewer user charges receivable, net of allowance for uncollectibles of \$9,211	111,074	-	-	111,074
Solid waste charges receivable, net of allowance for uncollectibles of \$12,054	-	32,323	41,801	74,124
Assessments, interest and liens receivable	46,478	1,929	-	48,407
Other	-	7,270	-	7,270
Due from other funds	112,636	35,058	-	147,694
Prepaid expenses	-	-	-	-
Total current assets	<u>5,014,205</u>	<u>573,814</u>	<u>41,801</u>	<u>5,629,820</u>
Noncurrent assets:				
Deferred asset - pump station	590,185	181,763	-	771,948
Long-term assessments receivable	766,941	78,925	38,183	884,049
Capital assets:				
Construction in progress	5,860	58,109	-	63,969
Depreciable, net	6,718,217	3,856,404	-	10,574,621
Total noncurrent assets	<u>8,081,203</u>	<u>4,175,201</u>	<u>38,183</u>	<u>12,294,587</u>
Total assets	<u>13,095,408</u>	<u>4,749,015</u>	<u>79,984</u>	<u>17,924,407</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	5,867	-	5,867
LIABILITIES				
Current liabilities:				
Accounts payable	-	11,817	-	11,817
Accrued interest	-	1,500	-	1,500
Unearned revenue	48,594	2,404	-	50,998
Due to other funds	201,996	-	210,194	412,190
Bonds payable - current	75,000	175,000	-	250,000
Note payable - current	202,852	147,916	-	350,768
Total current liabilities	<u>528,442</u>	<u>338,637</u>	<u>210,194</u>	<u>1,077,273</u>
Noncurrent liabilities:				
Bonds payable	1,225,000	11,139	-	1,236,139
Note payable	387,333	-	-	387,333
Total noncurrent liabilities	<u>1,612,333</u>	<u>11,139</u>	<u>-</u>	<u>1,623,472</u>
Total liabilities	<u>2,140,775</u>	<u>349,776</u>	<u>210,194</u>	<u>2,700,745</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	5,424,077	3,591,597	-	9,015,674
Unrestricted (deficit)	5,530,556	813,509	(130,210)	6,213,855
Total net position (deficit)	<u>\$ 10,954,633</u>	<u>\$ 4,405,106</u>	<u>\$ (130,210)</u>	<u>\$ 15,229,529</u>

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
OPERATING REVENUES				
Assessments	\$ 95,486	\$ 46,924	\$ -	\$ 142,410
User charges, interest and lien fees	1,464,300	199,323	-	1,663,623
Permits and fees	16,050	-	-	16,050
Solid waste fees	-	-	519,795	519,795
Other	25,925	-	-	25,925
Total operating revenues	<u>1,601,761</u>	<u>246,247</u>	<u>519,795</u>	<u>2,367,803</u>
OPERATING EXPENSES				
Salaries and benefits	117,964	-	-	117,964
Services and supplies	491	-	-	491
Town of Vernon	1,322,296	-	-	1,322,296
Town of Stafford	-	44,420	-	44,420
Depreciation and amortization	263,290	134,836	-	398,126
Utilities	33,994	11,660	-	45,654
General maintenance and repairs	41,337	57,918	-	99,255
Engineering	6,714	46,871	-	53,585
Public works and administrative expenses	234,756	-	564,121	798,877
Legal	2,440	1,920	-	4,360
Advertising	812	-	-	812
Other	421	3,265	1,333	5,019
Total operating expenses	<u>2,024,515</u>	<u>300,890</u>	<u>565,454</u>	<u>2,890,859</u>
Operating loss	(422,754)	(54,643)	(45,659)	(523,056)
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment income	1,672	122	-	1,794
Debt service-interest expense	(59,594)	(5,430)	-	(65,024)
Debt issuance costs - amortization	-	(1,562)	-	(1,562)
Total non-operating expenses	<u>(57,922)</u>	<u>(6,870)</u>	<u>-</u>	<u>(64,792)</u>
Loss before transfers in	(480,676)	(61,513)	(45,659)	(587,848)
OTHER FINANCING SOURCES				
Transfers in	59,594	10,697	-	70,291
Change in net assets	(421,082)	(50,816)	(45,659)	(517,557)
Net position (deficit) - beginning	<u>11,375,715</u>	<u>4,455,922</u>	<u>(84,551)</u>	<u>15,747,086</u>
Net position (deficit) - ending	<u>\$ 10,954,633</u>	<u>\$ 4,405,106</u>	<u>\$ (130,210)</u>	<u>\$ 15,229,529</u>

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			
	Sewer Authority Fund	Crystal Lake Sewers Fund	Other Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,848,085	\$ 267,393	\$ 518,605	\$ 2,634,083
Receipts from interfund services provided	379,450	17,973	45,516	442,939
Payments to suppliers	(1,695,277)	(336,000)	(564,121)	(2,595,398)
Payments for interfund services	201,896	(117,764)	-	84,132
Payments to employees	(117,964)	-	-	(117,964)
Net cash provided by (used in) operating activities	<u>616,190</u>	<u>(168,398)</u>	<u>-</u>	<u>447,792</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets, net	(11,893)	(45,520)	-	(57,413)
Principal paid on capital debt, net	(263,995)	(38,049)	-	(302,044)
Interest paid on capital debt	(59,594)	(5,430)	-	(65,024)
Transfers in	59,594	10,697	-	70,291
Net cash used in capital and related financing activities	<u>(275,888)</u>	<u>(78,302)</u>	<u>-</u>	<u>(354,190)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from (purchases of) investments, net	(341,974)	246,578	-	(95,396)
Interest and dividends	1,672	122	-	1,794
Net cash provided (used in) by investing activities	<u>(340,302)</u>	<u>246,700</u>	<u>-</u>	<u>(93,602)</u>
Net change in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	\$ (422,754)	\$ (54,643)	\$ (45,659)	\$ (523,056)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	263,290	134,836	-	398,126
(Increase) decrease in assets:				
Sewer usage receivable, net	(13,061)	-	-	(13,061)
Solid waste usage receivable, net	-	3,282	143	3,425
Assessment, interest and liens receivable	69,804	(122)	-	69,682
Other receivable	-	(7,270)	-	(7,270)
Due from other funds	379,450	17,973	-	397,423
Deferred Asset	188,995	(181,763)	-	7,232
Long-term assessments receivable	208,587	31,123	-	239,710
Prepaid expenses	-	-	-	-
(Increase) decrease in Deferred Outflows of Resources:				
Deferred charge on refunding	-	(5,867)	-	(5,867)
Increase (decrease) in liabilities:				
Accounts payable	(241,012)	11,817	-	(229,195)
Unearned revenue	(19,005)	-	-	(19,005)
Due to other funds	201,896	(117,764)	45,516	129,648
Net cash (used in) provided by operating activities	<u>\$ 616,190</u>	<u>\$ (168,398)</u>	<u>\$ -</u>	<u>\$ 447,792</u>

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

TOWN OF ELLINGTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2013

	Private- Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 134,402	\$ 491,446
Investments	408,693	44,562
Due from other funds	413	-
Total assets	<u>543,508</u>	<u>536,008</u>
LIABILITIES		
Accounts payable	-	31,496
Due to others	-	504,512
Total liabilities	<u>-</u>	<u>\$ 536,008</u>
NET POSITION		
Held in trust for other purposes	<u>\$ 543,508</u>	

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

TOWN OF ELLINGTON, CONNECTICUT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Private- Purpose Trust Funds
ADDITIONS	
Contributions - private donations	\$ 159,340
Other income	34,077
Total contributions	193,417
Investment earnings (loss):	
Interest	156
Net increase in the fair value of investments	808
Total investment earnings	964
Total additions	194,381
DEDUCTIONS	
Other expenditures	1,406
Program expenditures	96,235
	97,641
Change in net position	96,740
Net position - beginning	446,768
Net position - ending	\$ 543,508

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Ellington, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

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

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

Related Organizations

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments. The Town did not receive any proceeds from the Housing Authority for the year ended June 30, 2013.

The Board of Selectmen is also responsible for appointing a Board member to the Town's regional group for public health. Amounts paid to the health district amounted to \$66,949 for the year ended June 30, 2013.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements(Continued)

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

High School/Center School Project Fund – This fund accounts for all activity pertaining to the renovations taking place at Ellington High School and Center School.

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

The Town reports the following major enterprise funds:

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

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

In addition, the Town reports the following fund types:

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

Agency Funds – These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities and for performance bonds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements, except for agency funds which have no measurement focus, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of charges to customers for services and sewer use. Operating expenses of the Town's proprietary funds consist of the cost of services, maintenance, administrative expenses, and depreciation and amortization of capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements

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

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

Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents and consisted of a money market account totaling \$52,739 as of June 30, 2013.

Investments

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments (Continued)

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

Donor-restricted Endowments

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

Donor-restricted endowments available for expenditure by the Town totaled \$52,497 as of June 30, 2013 and are included in restricted net position. Town policy requires all investment income to be recorded in the respective fund earned and is to be used to offset future donor restricted program expenditures.

Property Taxes

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Based on historical collection experience and other factors, the Town has established an allowance for doubtful accounts of \$119,486 as of June 30, 2013.

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

Sewer Assessments and Usage Charges

Upon completion of sewer projects, sewer assessments are levied and assessed to the users. Sewer assessments and usage charges are billed in April and October. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties with assessments until the assessment is paid in full.

Inventories and Prepaid Items

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

Capital assets, which include an arts collection, property development rights, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Infrastructure	50
Buildings and improvements	40
Vehicles	5 – 10
Equipment	3 – 7

Deferred Asset – Waste Water Treatment Facility – Sewer Authority

The Town has an operating agreement with a nearby town that owns and operates a waste water treatment facility (“Facility”), which the Town pays an annual user fee in order to use. In 1992, the Facility incurred significant upgrades to improve its operations. These upgrades are to be repaid by all towns that are using the Facility on an allocated basis. The Town has a note payable with the Facility for the Town’s portion of the facility upgrades that is due in 2016. As of June 30, 2013, the Town has a noncurrent asset in the Sewer Authority Fund of \$590,185, which represents the remaining value of allocated upgrades and the amount still owed by the Town to the Facility. This amount will be amortized over the life of the note payable between the Town and the Facility.

Deferred Asset – Waste Water Treatment Facility – Crystal Lake Sewers

The Town has an operating agreement with a nearby town that owns and operates a waste water treatment facility (“Facility”), which the Town pays an annual user fee in order to use. In 2013, the Facility incurred significant upgrades to improve its operations. These upgrades are to be repaid by all towns that are using the Facility on an allocated basis. The Town has a note payable with the Facility for the Town’s portion of the facility upgrades that is due in 2014. As of June 30, 2013 the Town has a noncurrent asset in the Crystal Lake Sewer fund of \$181,763, which represents the remaining value of allocated upgrades and the amount still owed by the Town to the Facility. This amount will be amortized over the life of the note payable between the Town and the Facility.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned. In the fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Town employees are not entitled to accumulate vacation and sick leave. Board of Education employees accumulate vacation and sick leave for subsequent use or for payment upon termination or retirement. Compensated absences are accrued when incurred in the government-wide financial statements. Vacation and sick leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year, or the amount is expected to be paid with available resources.

Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position and Fund Equity

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

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

Restricted net position - This category consists of net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

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

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance Flow Assumption

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

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

The amount committed for Capital Reserves in the General Fund totaling \$4,128,650 was created by the Board of Finance, as mandated by Section 1004 of the Town Charter, to maintain a reserve of at least 5% of the total expenditures for the current year. No expenditure or transfer may be made from the Capital Reserves without the approval of the Board of Finance. Each year, the Board of Finance transfers the unallocated contingency fund and the capital reserve fund, both of which are budgeted within the General Fund. Amounts transferred to this account totaled \$175,000 and \$175,000, respectively, for 2013.

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

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

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

Budgetary Information

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level for the Board of Education and the object level for all other departments. Because the legal level of control is more detailed than the accompanying budgetary comparison schedule presented herein, a separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$40,000 must be approved by the Board of Finance. Appropriations in excess of \$40,000 must be approved at a Town meeting. During the year, the Board of Finance and, where required, Town meetings, approved additional appropriations from fund balance of \$687,288.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and “on-behalf” payments made by the State of Connecticut into the State Teacher’s Retirement System are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year-end.

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements (Continued)

June 30, 2013

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

Budgetary Information (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows for the year ended June 30, 2013:

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Other Financing</u> <u>Sources (Uses) -</u> <u>Transfers, net</u>	<u>Net Change</u> <u>in Fund</u> <u>Balance</u>	<u>Fund</u> <u>Balance</u>
Budgetary basis	\$ 49,328,106	\$ 47,873,431	\$ -	\$ 1,454,675	\$ 7,661,064
"On-behalf" payments - State Teachers Retirement Fund (see Note 10)	3,441,148	3,441,148	-	-	-
Changes in encumbrances:					
June 30, 2012	-	238,332	-	(238,332)	-
June 30, 2013	-	(229,400)	-	229,400	229,400
Capital lease not recorded for budgetary purposes	-	386,000	386,000	-	-
Certain grants recorded as general fund revenues/expenditures for budgetary purposes but relate to another fund for GAAP purposes	(106,768)	(106,768)	-	-	-
Certain transfers recorded as revenues/expenditures for budgetary purposes	(1,359,061)	(70,291)	1,288,770	-	-
Changes in designations recorded as expenditures for budgetary purposes:					
Capital projects	-	11,225	-	(11,225)	2,186,074
Capital and nonrecurring	-	(350,000)	-	350,000	(157,546)
Post employment benefits	-	(100,000)	-	100,000	500,000
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	533,810	533,810	-	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(260,000)	(260,000)	-	-	-
Budgetary perspective difference: CRRA Sanitation Control Fund	8	-	-	8	48,283
GAAP basis	<u>\$ 51,577,243</u>	<u>\$ 51,367,487</u>	<u>\$ 1,674,770</u>	<u>\$ 1,884,526</u>	<u>\$ 10,467,275</u>

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

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

Deficit Fund Balances

The following funds have deficit fund balances as of June 30, 2013, none of which constitutes a violation of statutory provisions:

<u>Fund</u>	<u>Amount</u>
Dojo Association Fund	\$ 425,495
Hall HVAC System Fund	387,174
59 South Road Fund	342,697
Windermere Heat Control Fund	320,040
Senior Center Building	682,515
CLS Add/Renovate	524,215
Windermere School Alterations	79,888
Solid Waste Collection Fund	58,852
Watermains, Tripp and Middle Roads Fund	71,358

The deficits in the Dojo Association Fund, Hall HVAC System Fund, 59 South Road Fund, Windermere School Alterations, Senior Center Building, and the Windermere Heat Control Fund will be funded through the future issuance of bonds. The deficit in the Solid Waste Collection Fund and the Watermains, Tripp and Middle Roads Fund will be funded through future operations and transfers from the General Fund.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$4,312,934 of the Town's bank balance of \$5,312,934 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,881,641
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>431,293</u>
	<u>\$ 4,312,934</u>

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements (Continued)

June 30, 2013

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Cash Deposits – Custodial Credit Risk

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

The Town’s cash and cash equivalents as of June 30, 2013 consisted of cash deposits of \$2,226,673 and various certificates of deposit with original maturities in excess of 3 months totaling \$1,888,131. These certificates of deposit are classified as investments in the accompanying financial statements, although they are considered to be cash deposits for purposes of disclosure under GASB No. 40.

A reconciliation of the Town’s cash deposits as of June 30, 2013 is as follows:

Government-wide statement of net position:

Cash and cash equivalents	\$ 1,600,825
Add: certificates of deposits classified as investments	1,888,131
	<u>3,488,956</u>

Statement of fiduciary net position:

Private purpose trust funds	134,402
Agency funds	491,446
	<u>625,848</u>
	<u>\$ 4,114,804</u>

Investments

As of June 30, 2013, the Town’s investments consisted of the following:

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More Than 10</u>
Debt Securities:					
Short Term Investment Fund (STIF)	\$ 4,548,835	\$ 4,548,835	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security Systems Fund (CLASS)	8,633,693	8,633,693	-	-	-
Corporate bonds	296,090	-	296,090	-	-
Money market funds	100,335	100,335	-	-	-
	<u>13,578,953</u>	<u>\$ 13,282,863</u>	<u>\$ 296,090</u>	<u>\$ -</u>	<u>\$ -</u>
Other investments:					
Equity securities	558,114				
Commodities Equity Fund	6,951				
Real Estate Equity Fund	43,722				
Total	<u>\$ 14,180,789</u>				

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

June 30, 2013

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

A reconciliation of the Town's investments as of June 30, 2013 is as follows:

Government-wide statement of net position:

Investments and endowment investments	\$ 15,615,665
Less: certificates of deposits considered cash deposits under GASB Statement No. 40	<u>(1,888,131)</u>
	<u>13,727,534</u>

Statement of fiduciary net position:

Private purpose trust funds	408,693
Agency funds	<u>44,562</u>
	<u>453,255</u>
	<u><u>\$ 14,180,789</u></u>

Interest Rate Risk

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

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The pension trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

The Town's investments in debt securities were rated by Standard & Poor's as follows at June 30, 2013:

Debt Securities	Fair Value	AAA	BBB	Unrated
Short Term Investment Fund (STIF)	\$ 4,548,835	\$ 4,548,835	\$ -	\$ -
Cooperative Liquid Asset Security System (CLASS)	8,633,693	-	8,633,693	-
Corporate bonds	296,090	296,090	-	-
Money market funds	100,335	-	-	100,335
	<u>\$ 13,578,953</u>	<u>\$ 4,844,925</u>	<u>\$ 8,633,693</u>	<u>\$ 100,335</u>

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

June 30, 2013

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

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

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. No other issuer other than the CLASS and STIF accounts constitute an investment in excess of 5% of the Town's total investments.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Property development rights	489,361	-	-	489,361
Land	2,507,844	-	-	2,507,844
Construction in progress	923,317	-	-	923,317
Total capital assets, not being depreciated	<u>3,956,120</u>	<u>-</u>	<u>-</u>	<u>3,956,120</u>
Capital assets, being depreciated:				
Buildings and improvements	69,288,345	812,921	-	70,101,266
Equipment	2,336,082	-	-	2,336,082
Vehicles	7,652,462	370,453	-	8,022,915
Infrastructure	11,236,893	717,979	-	11,954,872
Total capital assets, being depreciated	<u>90,513,782</u>	<u>1,901,353</u>	<u>-</u>	<u>92,415,135</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	25,146,490	1,375,382	-	26,521,872
Equipment	2,059,579	113,318	-	2,172,897
Vehicles	5,267,789	605,089	-	5,872,878
Infrastructure	2,330,586	226,096	-	2,556,682
Total accumulated depreciation and amortization	<u>34,804,444</u>	<u>2,319,885</u>	<u>-</u>	<u>37,124,329</u>
Total capital assets, being depreciated, net	<u>55,709,338</u>	<u>(418,532)</u>	<u>-</u>	<u>55,290,806</u>
Governmental activities capital assets, net	<u>\$ 59,665,458</u>	<u>\$ (418,532)</u>	<u>\$ -</u>	<u>\$ 59,246,926</u>

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements (Continued)

June 30, 2013

NOTE 4 - CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ -	\$ 5,860	\$ -	\$ 5,860
Construction in progress - Crystal Lake	11,025	47,084	-	58,109
Total capital assets, not being depreciated	<u>11,025</u>	<u>52,944</u>	<u>-</u>	<u>63,969</u>
Capital assets, being depreciated:				
Equipment - Sewer Authority	160,834	-	-	160,834
Infrastructure - Sewer Authority	11,921,205	6,033	-	11,927,238
Equipment - Crystal Lake	25,474	775	(2,340)	23,909
Infrastructure - Crystal Lake	6,673,516	-	-	6,673,516
Total capital assets, being depreciated	<u>18,781,029</u>	<u>6,808</u>	<u>(2,340)</u>	<u>18,785,497</u>
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	124,332	14,934	-	139,266
Infrastructure - Sewer Authority	4,982,232	248,357	-	5,230,589
Equipment - Crystal Lake	15,267	1,365	-	16,632
Infrastructure - Crystal Lake	2,690,919	133,470	-	2,824,389
Total accumulated depreciation and amortization	<u>7,812,750</u>	<u>398,126</u>	<u>-</u>	<u>8,210,876</u>
Total capital assets, being depreciated, net	<u>10,968,279</u>	<u>(391,318)</u>	<u>(2,340)</u>	<u>10,574,621</u>
Business-type activities capital assets, net	<u>\$ 10,979,304</u>	<u>\$ (338,374)</u>	<u>\$ (2,340)</u>	<u>\$ 10,638,590</u>

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

Governmental Activities:

Education	\$ 1,461,527
Public safety	347,983
Public works	255,187
General government	185,591
Library	69,597
Total depreciation and amortization expense - governmental activities	<u>\$ 2,319,885</u>

Business-type Activities:

Sewer	<u>\$ 398,126</u>
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TOWN OF ELLINGTON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2013

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2013 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 2,779,408
	High School/Center School Project Fund	727,780
	Other Enterprise Funds	210,194
	Sewer Authority Fund	201,996
	Small Cities Program Fund	23,862
		<u>3,943,240</u>
Other Governmental Funds	General Fund	<u>92,163</u>
		<u>\$ 4,035,403</u>
Enterprise Funds		
Sewer Authority Fund	General Fund	112,636
Crystal Lake Sewers Fund	General Fund	35,058
		<u>147,694</u>
Fidiciary Funds		
Private Purpose Trust Funds	General Fund	<u>413</u>
		<u>413</u>
Total due from/to other funds		<u>\$ 4,183,510</u>

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

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

June 30, 2013

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2013 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	High School/Center School Project Fund	\$ 1,078,392
	Other Governmental Funds	280,669
		<u>1,359,061</u>
Sewer Authority Fund	General Fund	<u>59,594</u>
Crystal Lake Sewers Fund	General Fund	<u>10,697</u>
		<u><u>\$ 1,429,352</u></u>

The transfers to the Crystal Lake Sewers Fund and the Sewer Authority Fund were to assist in the operations of this fund. The transfer from the Other Governmental Funds was to reimburse the General Fund for expenditures incurred. The transfer from the High School/Center School Project Fund was to close out the High School/Center School Project Fund to the General Fund.

NOTE 7 - SHORT-TERM LIABILITIES

The following is a summary of changes in short-term debt for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation note payable issued in April 2012, original amount \$410,000	\$ 410,000	\$ -	\$ (410,000)	\$ -
Bond anticipation note payable issued in April 2013, original amount \$410,000	-	410,000	-	410,000
	<u>\$ 410,000</u>	<u>\$ 410,000</u>	<u>\$ (410,000)</u>	<u>\$ 410,000</u>

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

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

June 30, 2013

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 11,175,000	\$ -	\$ (1,295,000)	\$ 9,880,000	\$ 1,285,000
Unamortized amounts:					
Unamortized premiums	643,943	-	(120,139)	523,804	-
Total bonds payable	11,818,943	-	(1,415,139)	10,403,804	1,285,000
Other liabilities:					
Capital leases	1,005,234	386,000	(501,538)	889,696	436,431
Note payable	195,310	-	(195,310)	-	-
Compensated absences	1,291,633	101,690	(27,858)	1,365,465	125,668
Net OPEB obligation <i>(see Note 11)</i>	557,762	142,649	-	700,411	-
	<u>\$ 14,868,882</u>	<u>\$ 630,339</u>	<u>\$ (2,139,845)</u>	<u>\$ 13,359,376</u>	<u>\$ 1,847,099</u>
Business-type Activities					
Bonds payable:					
General obligation bonds	\$ 1,735,000	\$ -	\$ (260,000)	\$ 1,475,000	\$ 250,000
Unamortized amounts:					
Unamortized premiums	22,278	-	(11,139)	11,139	-
	1,757,278	-	(271,139)	1,486,139	250,000
Other liabilities:					
Note payable	779,180	181,763	(222,842)	738,101	350,768
	<u>\$ 2,536,458</u>	<u>\$ 181,763</u>	<u>\$ (493,981)</u>	<u>\$ 2,224,240</u>	<u>\$ 600,768</u>

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

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

June 30, 2013

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

A summary of general obligation bonds outstanding at June 30, 2013 is as follows:

<u>Description of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities			
General obligation refunding bonds issued 2010, original amount of \$3,580,000	2018	2.0% - 5.0%	\$ 2,125,000
General obligation refunding bonds issued 2011, original amount of \$8,240,000	2024	2-4%	7,755,000
			<u>\$ 9,880,000</u>
Business-type Activities			
Sewer bonds issued 2007, original amount of \$1,750,000	2027	4.0% - 5.5%	\$ 1,300,000
General obligation refunding bonds issued 2010, original amount of \$740,000	2013	2.0% - 5.0%	175,000
			<u>\$ 1,475,000</u>

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$249,773,762 of June 30, 2013. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2013.

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

June 30, 2013

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

Annual debt service requirements to maturity at June 30, 2013 are as follows:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2014	\$ 1,285,000	\$ 303,100	\$ 1,588,100
2015	1,125,000	270,850	1,395,850
2016	1,105,000	241,850	1,346,850
2017	1,085,000	207,875	1,292,875
2018	1,065,000	174,400	1,239,400
2019-2023	3,905,000	420,250	4,325,250
2024	310,000	6,200	316,200
	<u>\$ 9,880,000</u>	<u>\$ 1,624,525</u>	<u>\$ 11,504,525</u>

Year ending June 30:	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2014	\$ 250,000	\$ 60,000	\$ 310,000
2015	75,000	52,750	127,750
2016	75,000	49,000	124,000
2017	75,000	45,250	120,250
2018	100,000	41,500	141,500
2019-2023	500,000	146,750	646,750
2024-2027	400,000	42,500	442,500
	<u>\$ 1,475,000</u>	<u>\$ 437,750</u>	<u>\$ 1,912,750</u>

School Bond Reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of principal reimbursement for the year ended June 30, 2013 was \$91,467. Additional reimbursements of principal aggregating \$88,314 are expected to be received through the applicable bonds' maturity dates.

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

June 30, 2013

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

The Town has a note payable to a local municipal water pollution control authority to pay for the Town's portion of capital costs incurred for various pump station upgrades. This note has an interest rate of 1.5% and requires semi-annual payments including interest. The remaining balance on the note as of June 30, 2013 was \$590,185.

The Town has a short term note payable to a local municipal water pollution control authority to pay for the Town's portion of capital costs incurred for various pump station upgrades. This note has an interest rate of 0%. The remaining balance on the note as of June 30, 2013 was \$147,916.

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

<u>Year ending June 30:</u>	<u>Business-Type Activities</u>		
	<u>Note Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 340,726	\$ 10,042	\$ 350,768
2015	196,702	6,150	202,852
2016	200,673	2,179	202,852
	<u>\$ 738,101</u>	<u>\$ 18,371</u>	<u>\$ 756,472</u>

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2013:

	<u>Governmental Activites</u>
Vehicles	\$ 1,760,704
Computers	263,000
	<u>2,023,704</u>
Less: accumulated amortization	(1,350,810)
	<u>\$ 672,894</u>

Amortization expense relative to leased property under capital leases totaled \$374,481 for the year ended June 30, 2013 and is included in depreciation and amortization expense disclosed in Note 4.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 are as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activites</u>
2014	\$ 466,631
2015	396,193
2016	82,985
Total minimum lease payments	<u>945,809</u>
Less: amount representing interest	56,113
Present value of minimum lease payments	<u>\$ 889,696</u>

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE 9 - PENSION PLANS

Defined Contribution Plans

Money Purchase Plan

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

The Town's contribution amounted to \$233,759 for the year ended June 30, 2013. All monies contributed are used to purchase insurance contracts on-behalf of the participants, therefore the assets of the plan are not included in the Town's basic financial statements.

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. Employee deferrals amounted to \$285,299 for the year ended June 30, 2013. Plan enrollment totaled 35 people at June 30, 2013. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the trust are not included in the Town's basic financial statements.

Connecticut Municipal Employees' Retirement System

Plan Description and Benefit Provisions

All full-time employees for the Town, except for certified board of education personnel, who are age 55 or younger at the date of hire participate in the Connecticut Municipal Employees' Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost of living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members which have reached age 65. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Contributions

Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 11.79% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the MERF for the years ended June 30, 2013, 2012 and 2011 were \$512,950, \$452,874 and \$449,486, respectively, and were equal to the required contributions for each year.

Connecticut State Teachers' Retirement System

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

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. Prior to completing five years of service, teachers are fully vested in their contributions up to 5% of their earnings. After five years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on actuarial information for the plan as a whole which does not provide actuarial information on an individual town basis. For the year ended June 30, 2013, Town teachers contributed \$1,189,715 to the plan and covered payroll.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on-behalf" payments of \$3,441,148 made by the State of Connecticut into the Teachers' Retirement System as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

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

June 30, 2013

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

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

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 309,251
Interest on net OPEB obligation	22,310
Adjustment to annual required contribution	<u>(26,140)</u>
Annual OPEB cost (expense)	305,421
Contributions made	<u>162,772</u>
Increase in net OPEB obligation	142,649
Net OPEB obligation, beginning of year	<u>557,762</u>
Net OPEB obligation, end of year	<u><u>\$ 700,411</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013, 2012 and 2011 are as follows:

Year Ended	Annual	Percentage of	Net OPEB
June 30	OPEB Cost	Annual OPEB Cost Contributed	Obligation
2011	296,481	50.1%	399,615
2012	309,122	48.8%	557,762
2013	305,421	53.3%	700,411

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

June 30, 2013

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

The funded status of the plan as of July 1, 2012 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (B-A)/C)
July 1, 2012	\$ -	\$ 4,080,961	\$ 4,080,961	0.0%	\$ 19,268,871	21.2%

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

Actuarial Methods and Assumptions

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

Valuation date:	July 1, 2012
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	25.5 years, closed
Asset valuation method:	N/A
Actuarial assumptions:	
Interest rate	4.00%
Inflation rate	2.50%
Healthcare cost trend rate	9.00% initial 5.00% final

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE 11 - RISK MANAGEMENT

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

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

NOTE 12 - CONTINGENT LIABILITIES

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

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

NOTE 13 - IMPLEMENTATION OF NEW PRONOUNCEMENTS

The Town has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2012. GASB Statement No. 63 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 results in the reclassification of certain financial statement line items on the statement of net position and balance sheet. In addition to reclassifications to these new categories, GASB No. 65 has also resulted in a change to the accounting treatment for certain items, including debt issuance costs.

Net position as of July 1, 2012 has been restated as follows:

	<u>Government-wide Financial Statements</u>
	<u>Governmental Activities</u>
Net position - beginning, as originally reported	\$ 58,661,846
Expense unamortized bond issuance costs	<u>(145,384)</u>
Net position - beginning, as restated	<u>\$ 58,516,462</u>

TOWN OF ELLINGTON, CONNECTICUT

Notes to Financial Statements (Continued)

June 30, 2013

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS

The GASB has issued several new accounting standards that will become effective in future years. Management is currently evaluating the effect implementation of these standards, as applicable, will have on its financial statements. A summary of recently issued accounting standards that will become effective in future years is as follows:

The GASB has issued Statement No. 66, *Technical Corrections – 2012*, which amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for 1) operating lease payments that vary from a straight-line basis, 2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The provisions in GASB 66 are effective for periods beginning after December 15, 2012 and early adoption is permitted.

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25*, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. The provisions in GASB 67 are effective for financial statements for periods beginning after June 15, 2013 and early adoption is permitted.

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

Required
Supplementary
Information

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
JUNE 30, 2013

OPEB Plan

Town of Ellington Retirement Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2012	\$ -	\$ 4,080,961	\$ 4,080,961	0.0%	\$ 19,268,871	21.2%
July 1, 2010	-	3,675,039	3,675,039	0.0%	21,414,616	17.2%
July 1, 2008	-	3,311,285	3,311,285	0.0%	20,550,656	16.1%

Combining and
Individual Fund
Statements and
Schedules

General Fund

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
PROPERTY TAXATION				
Revenues from Property Taxes	\$ 34,632,764	\$ 34,632,764	\$ 35,221,229	\$ 588,465
Interest and Lien Fees	110,000	110,000	352,361	242,361
Total Property Taxation	<u>34,742,764</u>	<u>34,742,764</u>	<u>35,573,590</u>	<u>830,826</u>
INTERGOVERNMENTAL - EDUCATION				
Education Cost Sharing Grants	9,649,604	9,649,604	9,652,533	2,929
Transportation	149,405	149,405	145,107	(4,298)
Adult Education and Vocational Agricultural	14,716	14,716	14,270	(446)
Building Grants	96,632	96,632	96,632	-
Total Intergovernmental - Education	<u>9,910,357</u>	<u>9,910,357</u>	<u>9,908,542</u>	<u>(1,815)</u>
INTERGOVERNMENTAL - OTHER				
Town Road Aid	167,107	167,107	169,491	2,384
Elderly Circuit Breaker Reimb	71,062	71,062	74,563	3,501
Disability Reimbursement	1,676	1,676	1,746	70
State Property Forest	6,209	6,209	5,695	(514)
Pequot/Mohegan Funds	52,946	52,946	53,960	1,014
Circuit Court Fines	1,883	1,883	4,149	2,266
Dog Damage	100	100	-	(100)
Telecomm Serv Pers Prop Tax	-	-	25,209	25,209
Additional Income Veterans	17,792	17,792	16,317	(1,475)
Local Capital Imp Program	107,979	107,979	106,768	(1,211)
Revenue Sharing	-	-	325,492	325,492
DWI Grant	2,000	2,000	8,859	6,859
Historical Preserve Award	-	-	4,000	4,000
Erase Grant	-	-	3,105	3,105
Emergency Management	-	-	3,630	3,630
FEMA Disaster	-	-	107,902	107,902
North Central Area Agency on Aging	-	-	5,136	5,136
Municipal Video Competition Trust Acct Grant	-	-	6,832	6,832
CRRA-Pilot	17,215	17,215	6,775	(10,440)
Total Intergovernmental - Other	<u>445,969</u>	<u>445,969</u>	<u>929,629</u>	<u>483,660</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR GOODS AND SERVICES				
Building Department	\$ 100,000	\$ 100,000	\$ 171,903	\$ 71,903
Planning and Zoning	30,000	30,000	35,925	5,925
Fire Marshal	450	450	250	(200)
Recreation Program Receipts	260,669	260,669	257,876	(2,793)
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Town Clerk Conveyance Tax	90,000	90,000	139,814	49,814
Town Clerk Recording Fees and Licenses	100,000	100,000	131,183	31,183
Aircraft Registration	2,950	2,950	2,500	(450)
Animal Control Officer Fees and Licenses	25,500	25,500	28,690	3,190
Animal Control Donations	200	200	100	(100)
Cultural Arts Commission	500	500	-	(500)
Board Of Education	500	500	32	(468)
Police - Special Duty	20,000	20,000	32,355	12,355
Police DARE Donations	-	-	1,300	1,300
Youth Service Donations	1,000	1,000	-	(1,000)
Youth Service Activities	4,000	4,000	3,535	(465)
Human Services Municipal Agent	500	500	-	(500)
Human Service Fuel Administration	1,000	1,000	300	(700)
Human Services Fuel Donations	5,000	5,000	15,361	10,361
Human Services Enrichment Prgm Donations	4,000	4,000	-	(4,000)
Human Services-Food Pantry	1,000	1,000	1,664	664
Human Services Donations	5,000	5,000	2,166	(2,834)
Senior Center Donations	500	500	-	(500)
Senior Center EMATS	1,000	1,000	2,283	1,283
Senior Center Transportation Prgm	500	500	480	(20)
Total Charges for Goods and Services	<u>666,769</u>	<u>666,769</u>	<u>827,717</u>	<u>160,948</u>

TOWN OF ELLINGTON, CONNECTICUT
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
 BUDGETARY BASIS - GENERAL FUND *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
INVESTMENT EARNINGS				
Interest on earnings	\$ 15,000	\$ 15,000	\$ 487	\$ (14,513)
	<u>15,000</u>	<u>15,000</u>	<u>487</u>	<u>(14,513)</u>
DEBT RETIREMENT				
Crystal Lake Sewer Debt	185,000	185,000	185,000	-
Airport Sewer Debt	75,000	75,000	75,000	-
	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
OTHER REVENUES				
Close-Out Prior Year Capital Projects	-	-	1,078,392	1,078,392
Ambulance Fee Program	98,500	98,500	279,078	180,578
Insurance Claims and Refunds	27,983	27,983	54,214	26,231
WPCA Reimbursement	30,185	30,185	31,385	1,200
WPCA-Reimb Maintenance Budget	187,710	187,710	339,812	152,102
Building Demolition/Evictions	5,000	5,000	-	(5,000)
Little League	7,826	7,826	-	(7,826)
Snow Removal Charge-Developers	5,000	5,000	13,343	8,343
Sundry Refunds and Receipts	5,000	5,000	16,926	11,926
Rental Income of Town Property	6,270	6,270	8,123	1,853
Sale of Property	-	-	6,868	6,868
Total Other Revenues	<u>373,474</u>	<u>373,474</u>	<u>1,828,141</u>	<u>1,454,667</u>
Appropriation of Fund Balance	<u>1,719,321</u>	<u>2,406,609</u>	<u>-</u>	<u>(2,406,609)</u>
TOTAL BUDGETARY REVENUES	<u>\$ 48,133,654</u>	<u>\$ 48,820,942</u>	<u>\$ 49,328,106</u>	<u>\$ 507,164</u>

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
GENERAL GOVERNMENT				
Board of Selectmen	\$ 200,530	\$ 201,281	\$ 201,281	\$ -
Board of Finance	6,950	6,950	6,706	(244)
Auditors	42,000	42,000	42,000	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	239,102	243,278	243,277	(1)
Tax Assessor	247,734	224,555	216,109	(8,446)
Tax Collector	142,542	142,542	141,735	(807)
Board of Assessments Appeals	400	400	63	(337)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	171,265	171,265	162,122	(9,143)
Town Counsel	110,000	128,241	128,241	-
Probate Court	6,156	6,167	6,166	(1)
Town Planner	231,607	251,607	239,671	(11,936)
Total General Government	1,398,486	1,418,486	1,387,371	(31,115)
BOARDS AND AGENCIES				
Registrars and Electors	62,974	62,974	56,429	(6,545)
Economic Development Commission	4,575	4,575	3,457	(1,118)
Planning and Zoning	25,550	25,550	24,515	(1,035)
Design Review Board	100	100	-	(100)
Zoning Board of Appeals	4,100	4,100	2,218	(1,882)
Shared Services Commission	100	100	-	(100)
Permanent Building Commission	1,350	1,757	1,756	(1)
Ethics Commission	750	750	125	(625)
Inland Wetland Agency	6,300	5,893	4,774	(1,119)
Flood & Erosion Control Board	100	100	-	(100)
Conservation Commission	2,000	2,000	1,955	(45)
WPCA	1	1	-	(1)
Total Boards and Agencies	107,900	107,900	95,229	(12,671)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
PUBLIC SAFETY				
Center Fire Department	\$ 209,597	\$ 209,597	\$ 197,542	\$ (12,055)
Crystal Lake Fire Department	69,403	71,035	71,034	(1)
Fire Protection Hydrants	325,860	325,860	314,932	(10,928)
Emergency 911	46,120	46,120	45,949	(171)
Police	763,424	808,924	801,199	(7,725)
Police Special Duty	20,000	28,290	28,289	(1)
Police Drug Abuse Resistance Education	1,500	1,500	723	(777)
Animal Control Officer	88,220	88,220	84,144	(4,076)
Emergency Management	31,930	31,930	30,699	(1,231)
Building Department	126,485	129,983	129,983	-
Volunteer Ambulance	302,500	314,626	314,625	(1)
Emergency Service Incentive Program	125,000	125,000	119,896	(5,104)
Adhoc Emergency Service Committee	700	700	-	(700)
Preemption Service Townwide	1,640	1,640	-	(1,640)
Public Safety Commission	100	100	-	(100)
Fire Marshal	102,641	103,226	103,225	(1)
Total Public Safety	2,215,120	2,286,751	2,242,240	(44,511)
PUBLIC WORKS				
General Town Roads	1,553,701	1,553,701	1,480,070	(73,631)
New Equipment	10,000	10,000	8,113	(1,887)
Equipment Maintenance	263,473	303,727	303,727	-
Town Garage Maintenance	75,296	92,068	92,068	-
Street Signs	15,000	15,000	14,920	(80)
Grounds Maintenance - BOE/Parks	72,000	81,482	81,481	(1)
Town Aid Road - Winter	270,000	270,000	268,088	(1,912)
Town Aid Road - Materials	286,000	286,000	282,259	(3,741)
Sanitary Landfill	370,653	370,653	303,880	(66,773)
Sanitary Recycling	354,700	354,700	332,897	(21,803)
Household Hazardous Waste	32,570	32,570	31,720	(850)
WPCA Maintenance	107,710	176,494	176,494	-
Street Lighting	93,517	93,517	81,424	(12,093)
Engineer and Inspections	91,000	91,000	84,770	(6,230)
Total Public Works	3,595,620	3,730,912	3,541,911	(189,001)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
RECREATION				
Administration	\$ 173,722	\$ 173,722	\$ 169,213	\$ (4,509)
Town-wide Maintenance	1,500	1,500	580	(920)
Summer Play Grounds	34,405	34,405	33,147	(1,258)
Water Front	24,350	24,350	24,294	(56)
Recreation Programs	105,319	92,933	74,731	(18,202)
Mini-Programs	60,000	72,386	72,386	-
Parks Recreation Equipment	4,000	4,000	767	(3,233)
Teen Center Activities	4,000	4,000	-	(4,000)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	12,500	-	(12,500)
Crystal Lake Water Monitor	25,000	25,000	25,000	-
Total Recreation	<u>444,896</u>	<u>444,896</u>	<u>400,118</u>	<u>(44,778)</u>
LIBRARY				
Hall Memorial Library	662,084	662,084	661,350	(734)
Total Library	<u>662,084</u>	<u>662,084</u>	<u>661,350</u>	<u>(734)</u>
HUMAN SERVICES				
Public Health Nursing	3,500	3,500	3,401	(99)
Nutmeg Big Brothers Big Sisters	500	500	500	-
Tri-Town Emergency Shelter	500	500	500	-
Connecticut Legal Services	2,200	2,200	2,200	-
YWCA/SACS	800	800	800	-
Regional Mental Health Board	1,092	1,092	1,092	-
Kidsafe CT	3,000	3,000	3,000	-
Hockanum Valley Community Council	28,500	28,500	28,500	-
Food Pantry	500	1,650	1,650	-
Fuel Bank	1,000	7,842	7,842	-
Youth Enrichment	20,000	20,000	8,113	(11,887)
Youth Activity Programs	45,455	52,795	52,794	(1)
Hartford Interval House	1,500	1,500	1,500	-
Human Services	195,737	195,737	195,043	(694)
North Central Health District	66,949	66,950	66,949	(1)
Welfare	16,000	16,000	8,550	(7,450)
Municipal Agent	1,800	1,800	1,798	(2)
Senior Center	205,761	205,989	205,989	-
Total Human Services	<u>594,794</u>	<u>610,355</u>	<u>590,221</u>	<u>(20,134)</u>

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
TOWN PROPERTIES				
Town Hall	\$ 448,197	\$ 500,552	\$ 500,551	\$ (1)
Center Cemetary	3,700	3,700	3,700	-
Arbor Commons	20,500	20,500	18,849	(1,651)
Pinney House	2,500	2,500	1,775	(725)
Old Crystal Lake School House	9,500	9,500	5,273	(4,227)
Total Town Properties	<u>484,397</u>	<u>536,752</u>	<u>530,148</u>	<u>(6,604)</u>
DEBT SERVICE				
Debt Redemption - Principal	1,988,307	2,168,085	2,168,085	-
Debt Redemption - Interest	618,452	618,452	462,708	(155,744)
Total Debt Service	<u>2,606,759</u>	<u>2,786,537</u>	<u>2,630,793</u>	<u>(155,744)</u>
MISCELLANEOUS				
Social Security	344,741	344,741	326,313	(18,428)
Insurance	2,081,200	1,985,200	1,896,645	(88,555)
Insurance Reimbursement and Claims	7,500	52,252	52,251	(1)
Insurance Prior Year	5,000	5,000	-	(5,000)
Service Insurance	68,100	68,100	68,100	-
Contingency Fund	175,000	175,000	175,000	-
Capital Reserve Fund	175,000	175,000	175,000	-
AD HOC Alcohol/Drug Council	7,000	7,000	6,124	(876)
Erase	3,105	3,157	3,156	(1)
AD HOC Patriotic Committee	4,700	4,700	2,411	(2,289)
Miscellaneous	2,000	2,000	19	(1,981)
GASB-OPEB	100,000	100,000	100,000	-
Referendum	18,000	18,000	13,113	(4,887)
Building Demolition/Eviction	10,000	40,089	40,089	-
Salary Adjustment	143,250	143,250	-	(143,250)
Employee Education Development	7,500	7,500	2,000	(5,500)
Town Communications	16,400	17,178	17,178	-
Town Web Site	6,800	6,800	6,200	(600)
Grant Applications	2,000	5,000	5,000	-
GIS	15,000	15,000	7,200	(7,800)
Total Miscellaneous	<u>3,192,296</u>	<u>3,174,967</u>	<u>2,895,799</u>	<u>(279,168)</u>

TOWN OF ELLINGTON, CONNECTICUT
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
 BUDGETARY BASIS - GENERAL FUND (Continued)
 FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
CAPITAL OUTLAYS				
Unimproved Road Improvement	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Local Capital Improvement Program	107,979	107,979	107,979	-
Road Overlay	500,000	500,000	500,000	-
Road Drainage	10,000	10,000	10,000	-
Culvert Replacement	90,000	90,000	90,000	-
Police Cruisers	44,481	44,481	44,481	-
DPW-Pick-up Truck	35,000	35,000	33,881	(1,119)
DPW-Skid Steer Loader/ Accessories	17,000	17,000	15,375	(1,625)
DPW-Aerator / Overseeder	15,000	15,000	14,805	(195)
EVAC-Radio Equipment	12,000	12,000	12,000	-
EVAC-Replacement Ambulance	-	200,000	193,297	(6,703)
Arbor Park-Repave Sidewalk	25,000	25,000	24,990	(10)
Backstops and Fencing	10,000	10,000	10,000	-
Plating Field Surfaces	10,000	10,000	10,000	-
Reconstruction Brookside Tennis Courts	60,000	60,000	60,000	-
Brookside Park Little League Field Safety	31,305	31,305	31,305	-
DPW-Renovate Inside Old Garage	20,000	20,000	20,000	-
EVFD-Replacement Pick-up	80,000	80,000	80,000	-
EVFD-Replacement ATV & Trailer	20,000	20,000	20,000	-
EVFD-Thermal Imaging Cameras	30,000	30,000	29,985	(15)
EVFD-Firefighter Clothing	16,100	16,100	16,100	-
CLFD-Thermal Imaging Cameras	20,000	20,000	20,000	-
CLFD-Utility Terrain Vehicle	20,000	20,000	20,000	-
BOE-Replacement Vans-Special	47,000	47,702	47,702	-
BOE-Admin Reroofing / Gutter Repairs	42,000	67,855	67,855	-
BOE-Windermere Safety Fencing	10,000	9,960	7,662	(2,298)
BOE-Generator-Admin Building	30,000	33,483	33,483	-
Total Capital Outlays	1,312,865	1,542,865	1,530,900	(11,965)
EDUCATION				
Salaries				
Administrative	1,465,893	1,451,384	1,451,383	(1)
Faculty	14,710,684	14,419,161	14,419,160	(1)
Secretarial	754,428	753,842	753,842	-
Custodial	921,628	953,801	953,800	(1)
Nurses	297,438	305,576	305,576	-
Instructor Aides	839,313	811,990	811,990	-
General / Media Aides	247,376	274,912	274,912	-
Media	63,683	59,931	59,930	(1)
Severance	51,703	86,564	86,564	-
Secretarial Subs	37,924	26,056	26,055	(1)
Custodial Subs	40,814	72,495	72,495	-
Substitute Teachers	236,595	297,352	297,352	-
Coaches & Advisors	236,942	220,811	220,811	-
Custodial Overtime	91,709	81,158	81,157	(1)
Total Salaries	19,996,130	19,815,033	19,815,027	(6)

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
Employee Benefits				
Health Benefits	\$ 4,451,509	\$ 3,987,999	\$ 3,987,999	\$ -
Social Security	491,313	492,471	492,471	-
Unemployment	10,000	11,144	11,143	(1)
Retirement - MERS	447,720	460,557	460,557	-
Course Tuition	1,000	-	-	-
Total Employee Benefits	5,401,542	4,952,171	4,952,170	(1)
Contracted Services				
Purchased Contracted Services	-	5,000	5,000	-
Program Improvement	156,094	146,065	146,065	-
Pupil Services	75,160	119,700	119,699	(1)
Management Services	40,136	52,929	52,929	-
Professional/Tech Services	464,851	598,979	598,978	(1)
Public Utilities-Electricity	509,255	416,298	416,298	-
Other Property Services	182,042	192,069	192,069	-
Property Insurance	264,499	253,193	253,193	-
Rentals	86,529	97,820	97,819	(1)
Repairs Instrument Equipment	40,036	41,985	41,984	(1)
Propane/Natural Gas	202,383	134,084	134,084	-
Water Utility	46,642	49,015	49,014	(1)
Repairs/Maintenance	144,849	230,749	230,748	(1)
Reg. Pupil Transportation	1,379,849	1,436,454	1,436,454	-
Conference/Travel	24,000	21,419	21,418	(1)
Teacher Conf/Travel	8,500	15,009	15,008	(1)
Special Ed Transportation	415,268	391,958	391,957	(1)
Athletic Transportation	38,547	34,767	34,766	(1)
Cheney Vo-Ag Transportation	64,121	68,439	68,439	-
Support Staff Conf/Travel	5,709	3,779	3,778	(1)
Other Transportation Serv	8,000	8,295	8,295	-
Telephone	28,097	35,899	35,899	-
Printing /Advertising	27,420	22,381	22,380	(1)
Outside Tuition	983,596	994,627	844,627	(150,000)
Total Contracted Services	5,195,583	5,370,913	5,220,901	(150,012)
Capital Outlays				
Replacement Equipment	59,717	466,433	466,433	-
Total Capital Outlays	59,717	466,433	466,433	-

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -

BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
Supplies and Materials				
Supplies	\$ -	\$ 523	\$ 522	\$ (1)
Administrative Supplies	52,865	66,723	66,723	-
Program Supplies	275,963	257,764	257,763	(1)
Special Education	29,160	22,959	22,959	-
Basic	118,764	115,575	115,574	(1)
Maintenance Gasoline	19,000	42,275	42,275	-
Custodial Supplies	76,612	47,276	47,275	(1)
Heating Fuel and Gasoline	90,129	73,490	73,489	(1)
Textbooks	71,565	116,579	116,579	-
Library/Media	50,054	48,321	48,320	(1)
Total Supplies and Materials	<u>784,112</u>	<u>791,485</u>	<u>791,479</u>	<u>(6)</u>
Miscellaneous				
Dues and Memberships	40,853	48,752	48,751	(1)
Townwide Maintenance Program	40,500	46,900	46,899	(1)
Transfer Account	-	26,750	25,691	(1,059)
Total Miscellaneous	<u>81,353</u>	<u>122,402</u>	<u>121,341</u>	<u>(1,061)</u>
TOTAL BOARD OF EDUCATION	<u>31,518,437</u>	<u>31,518,437</u>	<u>31,367,351</u>	<u>(151,086)</u>
TOTAL BUDGETARY EXPENDITURES	<u>\$ 48,133,654</u>	<u>\$ 48,820,942</u>	<u>\$ 47,873,431</u>	<u>\$ (947,511)</u>

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2013

GRAND LIST YEAR	BALANCE UNCOLLECTED	CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	BALANCE TO BE COLLECTED	COLLECTIONS				BALANCE UNCOLLECTED
	JUNE 30, 2012		ADDITIONS	DEDUCTIONS		COLLECTED	TAXES	INTEREST	LIEN FEES	TOTAL	
2011	\$ -	\$ 35,309,964	\$ 102,127	\$ 103,211	\$ -	\$ 35,308,880	\$ 34,866,838	\$ 104,461	\$ 2,289	\$ 34,973,588	\$ 442,042
2010	443,280	-	1,324	12,732	-	431,872	193,374	49,722	3,295	246,391	238,498
2009	220,414	-	529	163	(17,428)	203,352	59,655	21,813	504	81,972	143,697
2008	127,795	-	5	3,561	(541)	123,698	25,346	15,875	192	41,413	98,352
2007	86,454	-	-	3,471	(308)	82,675	20,804	15,172	120	36,096	61,871
2006	57,301	-	-	3,485	(2,991)	50,825	16,300	17,385	144	33,829	34,525
2005	31,456	-	133	3,457	(163)	27,969	13,751	14,599	96	28,446	14,218
2004	23,536	-	479	3,016	-	20,999	11,996	12,546	96	24,638	9,003
2003	18,609	-	-	2,935	-	15,674	7,379	10,706	72	18,157	8,295
2002	15,517	-	-	2,819	-	12,698	6,774	10,974	48	17,796	5,924
2001	14,105	-	-	2,729	-	11,376	6,546	11,920	48	18,514	4,830
2000	15,363	-	-	2,612	-	12,751	6,251	12,472	48	18,771	6,500
1999	11,888	-	-	2,306	-	9,582	5,454	11,781	48	17,283	4,128
1998	11,292	-	-	2,175	-	9,117	5,182	12,125	48	17,355	3,935
1997	7,835	-	-	2,675	-	5,160	3,230	6,177	48	9,455	1,930
1996	4,994	-	-	2,523	-	2,471	11,686	11,965	48	23,699	(9,215)
	<u>\$ 1,089,839</u>	<u>\$ 35,309,964</u>	<u>\$ 104,597</u>	<u>\$ 153,870</u>	<u>\$ (21,431)</u>	<u>\$ 36,329,099</u>	<u>\$ 35,260,566</u>	<u>\$ 339,693</u>	<u>\$ 7,144</u>	<u>\$ 35,607,403</u>	<u>\$ 1,068,533</u>

TOWN OF ELLINGTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)

FOR THE YEAR ENDED JUNE 30, 2013

Total cash collections for the
year ended June 30, 2013

Taxes	\$ 35,260,566
Interest and lien fees	346,837
Total	<u>35,607,403</u>

Reimbursed for

Tax relief for elderly (CGS 12-129d)	74,563
Total	<u>74,563</u>

Base	<u>\$ 35,681,966</u>
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	<u>GENERAL PURPOSE</u>	<u>SCHOOLS</u>	<u>SEWERS</u>	<u>URBAN RENEWAL</u>	<u>PENSION DEFICIT</u>
Debt limitation:					
2-1/4 times base	\$ 80,284,424	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	160,568,847	-	-	-
3-3/4 times base	-	-	133,807,373	-	-
3-1/4 times base	-	-	-	115,966,390	-
3 times base	-	-	-	-	107,045,898
Total debt limitation	<u>80,284,424</u>	<u>160,568,847</u>	<u>133,807,373</u>	<u>115,966,390</u>	<u>107,045,898</u>
Indebtedness:					
Bonds and notes payable	9,880,000	-	2,213,101	-	-
Less: amounts to be provided by the State	<u>-</u>	<u>88,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>9,880,000</u>	<u>(88,313)</u>	<u>2,213,101</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of					
Outstanding and authorized debt	<u>\$ 70,404,424</u>	<u>\$ 160,657,160</u>	<u>\$ 131,594,272</u>	<u>\$ 115,966,390</u>	<u>\$ 107,045,898</u>
Total capacity of borrowing (7 times base)	\$ 249,773,762				
Total present indebtedness	<u>12,004,788</u>				
Margin for additional borrowing	<u>\$ 237,768,974</u>				

Combining Statements

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET - BY FUND TYPE

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 557,985	\$ -	\$ -	\$ 557,985
Investments	1,185,240	370,314	793,677	2,349,231
Receivables:				
Grants and contracts receivable	82,281	183,359	-	265,640
Other	189,591	-	-	189,591
Due from other funds	90,571	-	1,592	92,163
Inventories	7,384	-	-	7,384
Total assets	<u>\$ 2,113,052</u>	<u>\$ 553,673</u>	<u>\$ 795,269</u>	<u>\$ 3,461,994</u>
LIABILITIES				
Accounts payable	\$ 38,365	\$ 3,959	\$ -	\$ 42,324
Due to other funds	247,984	2,531,424	-	2,779,408
Unearned revenue	649,264	-	-	649,264
Due to funding source	17,957	-	-	17,957
Bond anticipation note payable	-	410,000	-	410,000
Total liabilities	<u>953,570</u>	<u>2,945,383</u>	<u>-</u>	<u>3,898,953</u>
FUND BALANCES (DEFICIT)				
Nonspendable:				
Endowments	-	-	52,497	52,497
Inventories	7,384	-	-	7,384
Committed:				
School lunch operations	82,621	-	-	82,621
Public safety	435,910	-	-	435,910
Human services	75,924	-	-	75,924
Town properties	425,862	-	-	425,862
Land use	41,718	-	-	41,718
General government	51,471	-	-	51,471
Unassigned (deficit)	38,592	(2,391,710)	742,772	(1,610,346)
Total fund balances (deficit)	<u>1,159,482</u>	<u>(2,391,710)</u>	<u>795,269</u>	<u>(436,959)</u>
Total liabilities and fund balances (deficit)	<u>\$ 2,113,052</u>	<u>\$ 553,673</u>	<u>\$ 795,269</u>	<u>\$ 3,461,994</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES - BY FUND TYPE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,927,225	\$ 183,359	\$ -	\$ 2,110,584
Charges for services	567,303	-	-	567,303
Food sales	483,221	-	-	483,221
Interest and dividends	526	56	7	589
Net decrease in the fair value of investments	-	-	50,684	50,684
Other income	28,524	55,701	20,406	104,631
Total revenues	<u>3,006,799</u>	<u>239,116</u>	<u>71,097</u>	<u>3,317,012</u>
EXPENDITURES				
Current:				
Program expenditures	2,799,890	106,768	524	2,907,182
Miscellaneous	-	-	5,411	5,411
Capital outlays	-	1,372,792	-	1,372,792
Total expenditures	<u>2,799,890</u>	<u>1,479,560</u>	<u>5,935</u>	<u>4,285,385</u>
Excess (deficiency) of revenues over expenditures	206,909	(1,240,444)	65,162	(968,373)
OTHER FINANCING USES				
Transfers out	(279,078)	(1,591)	-	(280,669)
Total other financing uses	<u>(279,078)</u>	<u>(1,591)</u>	<u>-</u>	<u>(280,669)</u>
Net change in fund balances	(72,169)	(1,242,035)	65,162	(1,249,042)
Fund balances (deficit) - beginning	<u>1,231,651</u>	<u>(1,149,675)</u>	<u>730,107</u>	<u>812,083</u>
Fund balances (deficit) - ending	<u>\$ 1,159,482</u>	<u>\$ (2,391,710)</u>	<u>\$ 795,269</u>	<u>\$ (436,959)</u>

Special Revenue Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2013

	Dog Fund	Education Grants Fund	School Lunch Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 410,443	\$ 37,490	\$ 110,022	\$ -	\$ -	\$ -
Investments	-	-	55,881	367,580	-	29,518	39,611
Receivables:							
Grants and contracts receivable	-	1,090	22,855	-	-	-	-
Other	-	31,496	-	158,095	-	-	-
Due from other funds	15,158	-	-	-	17,793	28,862	11,860
Inventories	-	-	7,384	-	-	-	-
Total assets	<u>15,158</u>	<u>443,029</u>	<u>123,610</u>	<u>635,697</u>	<u>17,793</u>	<u>58,380</u>	<u>51,471</u>
LIABILITIES							
Accounts payable	-	2,378	25,828	1,719	-	-	-
Due to other funds	-	-	-	198,068	-	-	-
Unearned revenue	-	437,852	7,777	-	259	-	-
Due to funding source	15,158	2,799	-	-	-	-	-
Total liabilities	<u>15,158</u>	<u>443,029</u>	<u>33,605</u>	<u>199,787</u>	<u>259</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)							
Nonspendable:							
Inventories	-	-	7,384	-	-	-	-
Committed to:							
School lunch operations	-	-	82,621	-	-	-	-
Public safety	-	-	-	435,910	-	-	-
Human services	-	-	-	-	17,534	58,380	-
Town properties	-	-	-	-	-	-	-
Land use	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	51,471
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>90,005</u>	<u>435,910</u>	<u>17,534</u>	<u>58,380</u>	<u>51,471</u>
Total liabilities and fund balances	<u>\$ 15,158</u>	<u>\$ 443,029</u>	<u>\$ 123,610</u>	<u>\$ 635,697</u>	<u>\$ 17,793</u>	<u>\$ 58,380</u>	<u>\$ 51,471</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 June 30, 2013

	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	HUD Small Cities Rehab 2009 Fund	HUD Small Cities Rehab 2010 Fund	Airport Improvement Grant Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ -
Investments	33,216	-	41,028	618,406	-	-	-
Receivables:							
Grants and contracts receivable	-	10,134	-	-	-	-	5,640
Other	-	-	-	-	-	-	-
Due from other funds	15,947	-	690	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>49,163</u>	<u>10,134</u>	<u>41,718</u>	<u>618,406</u>	<u>-</u>	<u>10</u>	<u>5,640</u>
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	10,134	-	-	-	10	5,640
Unearned revenue	-	-	-	203,115	-	-	-
Due to funding source	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>10,134</u>	<u>-</u>	<u>203,115</u>	<u>-</u>	<u>10</u>	<u>5,640</u>
FUND BALANCES (DEFICIT)							
Nonspendable:							
Inventories	-	-	-	-	-	-	-
Committed to:							
School lunch operations	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Town properties	10,571	-	-	415,291	-	-	-
Land use	-	-	41,718	-	-	-	-
General government	-	-	-	-	-	-	-
Unassigned	38,592	-	-	-	-	-	-
Total fund balances	<u>49,163</u>	<u>-</u>	<u>41,718</u>	<u>415,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 49,163</u>	<u>\$ 10,134</u>	<u>\$ 41,718</u>	<u>\$ 618,406</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 5,640</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 June 30, 2013

	Partnership Success Initiative Fund	SC Regular Rehab 12	Snispic Village	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 10	\$ 10	\$ 55,985
Investments	-	-	-	1,185,240
Receivables:				
Grants and contracts receivable	-	38,177	4,385	82,281
Other	-	-	-	189,591
Due from other funds	261	-	-	90,571
Inventories	-	-	-	7,384
Total assets	<u>261</u>	<u>38,187</u>	<u>4,395</u>	<u>2,113,052</u>
LIABILITIES				
Accounts payable	-	8,440	-	38,365
Due to other funds	-	29,747	4,385	247,984
Unearned revenue	261	-	-	649,264
Due to funding source	-	-	-	17,957
Total liabilities	<u>261</u>	<u>38,187</u>	<u>4,385</u>	<u>953,570</u>
FUND BALANCES (DEFICIT)				
Nonspendable:				
Inventories	-	-	-	7,384
Committed to:				
School lunch operations	-	-	-	82,621
Public safety	-	-	-	435,910
Human services	-	-	10	75,924
Town properties	-	-	-	425,862
Land use	-	-	-	41,718
General government	-	-	-	51,471
Unassigned	-	-	-	38,592
Total fund balances	<u>-</u>	<u>-</u>	<u>10</u>	<u>1,159,482</u>
Total liabilities and fund balances	<u>\$ 261</u>	<u>\$ 38,187</u>	<u>\$ 4,395</u>	<u>\$ 2,113,052</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUNDS BALANCES (DEFICIT)

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Dog Fund	Education Grants Fund	School Lunch Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund
REVENUES							
Intergovernmental	\$ -	\$ 1,191,987	\$ 181,464	\$ -	\$ 18,629	\$ -	\$ -
Charges for services	83,794	-	-	328,157	-	23,862	-
Food sales	-	-	483,221	-	-	-	-
Interest and dividends	-	-	345	52	-	8	7
Other income	-	-	-	-	-	-	6,414
Total revenues	<u>83,794</u>	<u>1,191,987</u>	<u>665,030</u>	<u>328,209</u>	<u>18,629</u>	<u>23,870</u>	<u>6,421</u>
EXPENDITURES							
Current:							
Program expenditures	<u>83,794</u>	<u>1,191,987</u>	<u>762,081</u>	<u>56,768</u>	<u>18,629</u>	<u>3,474</u>	<u>2</u>
Total expenditures	<u>83,794</u>	<u>1,191,987</u>	<u>762,081</u>	<u>56,768</u>	<u>18,629</u>	<u>3,474</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	-	-	(97,051)	271,441	-	20,396	6,419
OTHER FINANCING USES							
Transfers out	-	-	-	(279,078)	-	-	-
Net change in fund balances	-	-	(97,051)	(7,637)	-	20,396	6,419
Fund balances - beginning	-	-	187,056	443,547	17,534	37,984	45,052
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,005</u>	<u>\$ 435,910</u>	<u>\$ 17,534</u>	<u>\$ 58,380</u>	<u>\$ 51,471</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUNDS BALANCES *(Continued)*

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	HUD Small Cities Rehab 2009 Fund	HUD Small Cities Rehab 2010 Fund	Airport Improvement Grant Fund
REVENUES							
Intergovernmental	\$ -	\$ 20,268	\$ -	\$ -	\$ -	\$ 96,753	\$ -
Charges for services	131,490	-	-	-	-	-	-
Food sales	-	-	-	-	-	-	-
Interest and dividends	6	-	9	99	-	-	-
Other income	-	-	5,581	16,529	-	-	-
Total revenues	<u>131,496</u>	<u>20,268</u>	<u>5,590</u>	<u>16,628</u>	<u>-</u>	<u>96,753</u>	<u>-</u>
EXPENDITURES							
Current:							
Program expenditures	<u>123,767</u>	<u>20,268</u>	<u>24,260</u>	<u>-</u>	<u>-</u>	<u>96,753</u>	<u>-</u>
Total expenditures	<u>123,767</u>	<u>20,268</u>	<u>24,260</u>	<u>-</u>	<u>-</u>	<u>96,753</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	7,729	-	(18,670)	16,628	-	-	-
OTHER FINANCING USES							
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,729	-	(18,670)	16,628	-	-	-
Fund balances - beginning	<u>41,434</u>	<u>-</u>	<u>60,388</u>	<u>398,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 49,163</u>	<u>\$ -</u>	<u>\$ 41,718</u>	<u>\$ 415,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUNDS BALANCES *(Continued)*

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Partnership Success Initiative Fund	SC Regular Rehab 12	Snipsic Village	Total Nonmajor Special Revenue Funds
REVENUES				
Intergovernmental	\$ 74,738	\$ 38,177	\$ 305,209	\$ 1,927,225
Charges for services	-	-	-	567,303
Food sales	-	-	-	483,221
Interest and dividends	-	-	-	526
Other income	-	-	-	28,524
Total revenues	<u>74,738</u>	<u>38,177</u>	<u>305,209</u>	<u>3,006,799</u>
EXPENDITURES				
Current:				
Program expenditures	<u>74,721</u>	<u>38,177</u>	<u>305,209</u>	<u>2,799,890</u>
Total expenditures	<u>74,721</u>	<u>38,177</u>	<u>305,209</u>	<u>2,799,890</u>
Excess (deficiency) of revenues over expenditures	17	-	-	206,909
OTHER FINANCING USES				
Transfers out	-	-	-	(279,078)
Net change in fund balances	17	-	-	(72,169)
Fund balances - beginning	<u>(17)</u>	<u>-</u>	<u>10</u>	<u>1,231,651</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 1,159,482</u>

Capital Projects Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2013

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund	Sewer Relocation Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	25,697	-	60,311	18,343	265,963	-
Grants and contract receivables	-	106,768	-	-	-	1,591
Due from other funds	-	-	-	-	-	-
Total assets	<u>25,697</u>	<u>106,768</u>	<u>60,311</u>	<u>18,343</u>	<u>265,963</u>	<u>1,591</u>
LIABILITIES						
Due to other funds	-	106,768	-	-	-	1,591
Bond anticipation note payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>106,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,591</u>
FUND BALANCES (DEFICIT)						
Committed to:						
Capital purchases	-	-	-	-	-	-
Unassigned (deficit)	<u>25,697</u>	<u>-</u>	<u>60,311</u>	<u>18,343</u>	<u>265,963</u>	<u>-</u>
Total fund balances (deficit)	<u>25,697</u>	<u>-</u>	<u>60,311</u>	<u>18,343</u>	<u>265,963</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 25,697</u>	<u>\$ 106,768</u>	<u>\$ 60,311</u>	<u>\$ 18,343</u>	<u>\$ 265,963</u>	<u>\$ 1,591</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET *(Continued)*

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2013

	Dojo Association Fund	Hall HVAC System Fund	59 South Road Fund	Windermere Heat Control	Senior Center Building	CLS Add/Renovate
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES						
Accounts payable	-	2,672	-	-	325	962
Due to other funds	15,495	384,502	342,697	320,040	682,190	523,253
Bond anticipation note payable	410,000	-	-	-	-	-
Total liabilities	<u>425,495</u>	<u>387,174</u>	<u>342,697</u>	<u>320,040</u>	<u>682,515</u>	<u>524,215</u>
FUND BALANCES (DEFICIT)						
Committed to:						
Capital purchases	-	-	-	-	-	-
Unassigned (deficit)	<u>(425,495)</u>	<u>(387,174)</u>	<u>(342,697)</u>	<u>(320,040)</u>	<u>(682,515)</u>	<u>(524,215)</u>
Total fund balances (deficit)	<u>(425,495)</u>	<u>(387,174)</u>	<u>(342,697)</u>	<u>(320,040)</u>	<u>(682,515)</u>	<u>(524,215)</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET *(Continued)*

NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2013

	Windermere School Alterations	STEAP Stafford Road Sewer	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	370,314
Grants and contracts receivable	-	75,000	183,359
Due from other funds	-	-	-
Total assets	-	75,000	553,673
LIABILITIES			
Accounts payable	-	-	3,959
Due to other funds	79,888	75,000	2,531,424
Bond anticipation note payable	-	-	410,000
Total liabilities	79,888	75,000	2,945,383
FUND BALANCES (DEFICIT)			
Committed to:			
Capital purchases	-	-	-
Unassigned (deficit)	(79,888)	-	(2,391,710)
Total fund balances (deficit)	(79,888)	-	(2,391,710)
Total liabilities and fund balances (deficit)	\$ -	\$ 75,000	\$ 553,673

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES (DEFICIT)

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Windsorville Road Improvement Fund	Local Capital Improvement Program Fund	Town Sidewalk Fund	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund	Sewer Relocation Fund
REVENUES						
Intergovernmental	\$ -	\$ 106,768	\$ -	\$ -	\$ -	\$ 1,591
Interest and dividends	4	-	11	3	38	-
Other income	-	-	-	-	55,001	-
Total revenues	<u>4</u>	<u>106,768</u>	<u>11</u>	<u>3</u>	<u>55,039</u>	<u>1,591</u>
EXPENDITURES						
Current:						
Program expenditures	-	106,768	-	-	-	-
Capital outlays	-	-	11,512	-	-	-
Total expenditures	<u>-</u>	<u>106,768</u>	<u>11,512</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4	-	(11,501)	3	55,039	1,591
OTHER FINANCING USES						
Transfers out	-	-	-	-	-	(1,591)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,591)</u>
Net change in fund balances	4	-	(11,501)	3	55,039	-
Fund balances (deficit) - beginning	<u>25,693</u>	<u>-</u>	<u>71,812</u>	<u>18,340</u>	<u>210,924</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 25,697</u>	<u>\$ -</u>	<u>\$ 60,311</u>	<u>\$ 18,343</u>	<u>\$ 265,963</u>	<u>\$ -</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) *(Continued)*

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Dojo Association Fund	Hall HVAC System Fund	59 South Road Fund	Windermere Heat Control	Senior Center Building	CLS Add/Renovate
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	-	\$ -	\$ -
Interest and dividends	-	-	-	-	-	-
Other income	-	-	-	-	700	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>-</u>
EXPENDITURES						
Current:					-	-
Program expenditures	-	-	-	-	-	-
Capital outlays	12,546	75,161	350	8,400	586,310	523,698
Total expenditures	<u>12,546</u>	<u>75,161</u>	<u>350</u>	<u>8,400</u>	<u>586,310</u>	<u>523,698</u>
Excess (deficiency) of revenues over expenditures	(12,546)	(75,161)	(350)	(8,400)	(585,610)	(523,698)
OTHER FINANCING USES						
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(12,546)	(75,161)	(350)	(8,400)	(585,610)	(523,698)
Fund balances (deficit) - beginning	<u>(412,949)</u>	<u>(312,013)</u>	<u>(342,347)</u>	<u>(311,640)</u>	<u>(96,905)</u>	<u>(517)</u>
Fund balances (deficit) - ending	<u>\$ (425,495)</u>	<u>\$ (387,174)</u>	<u>\$ (342,697)</u>	<u>\$ (320,040)</u>	<u>\$ (682,515)</u>	<u>\$ (524,215)</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES (DEFICIT) *(Continued)*

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Windermere School Alterations	STEAP Stafford Rd Sewer	Total Nonmajor Capital Projects Funds
REVENUES			
Intergovernmental	\$ -	\$ 75,000	\$ 183,359
Interest and dividends	-	-	56
Other income	-	-	55,701
Total revenues	<u>-</u>	<u>75,000</u>	<u>239,116</u>
EXPENDITURES			
Current:			
Program expenditures	-	-	106,768
Capital outlays	79,815	75,000	1,372,792
Total expenditures	<u>79,815</u>	<u>75,000</u>	<u>1,479,560</u>
Excess (deficiency) of revenues over expenditures	(79,815)	-	(1,240,444)
OTHER FINANCING USES			
Transfers out	-	-	(1,591)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(1,591)</u>
Net change in fund balances	(79,815)	-	(1,242,035)
Fund balances (deficit) - beginning	<u>(73)</u>	<u>-</u>	<u>(1,149,675)</u>
Fund balances (deficit) - ending	<u>\$ (79,888)</u>	<u>\$ -</u>	<u>\$ (2,391,710)</u>

Permanent Funds

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR PERMANENT FUNDS

June 30, 2013

	<u>Marshall E. Charter Fund</u>	<u>Kimball Memorial Fund</u>	<u>John T. McKnight Maintenance Fund</u>	<u>Eugene K. Mosley Fund</u>	<u>Arthur Hyde Fund</u>
ASSETS					
Investments	\$ 434,578	\$ 88,183	\$ 17,691	\$ 100	\$ 200
Due from other funds	833	188	38	-	-
Total assets	<u>\$ 435,411</u>	<u>\$ 88,371</u>	<u>\$ 17,729</u>	<u>\$ 100</u>	<u>\$ 200</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Endowments	29,697	5,000	1,000	100	200
Unassigned	405,714	83,371	16,729	-	-
Total fund balances	<u>435,411</u>	<u>88,371</u>	<u>17,729</u>	<u>100</u>	<u>200</u>
Total liabilities and fund balances	<u>\$ 435,411</u>	<u>\$ 88,371</u>	<u>\$ 17,729</u>	<u>\$ 100</u>	<u>\$ 200</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING BALANCE SHEET *(Continued)*

NONMAJOR PERMANENT FUNDS

JUNE 30, 2013

	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
ASSETS					
Investments	\$ 500	\$ 66,664	\$ 184,761	\$ 1,000	\$ 793,677
Due from other funds	-	140	393	-	1,592
Total assets	<u>\$ 500</u>	<u>\$ 66,804</u>	<u>\$ 185,154</u>	<u>\$ 1,000</u>	<u>\$ 795,269</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Endowments	500	5,000	10,000	1,000	52,497
Unassigned	-	61,804	175,154	-	742,772
Total fund balances	<u>500</u>	<u>66,804</u>	<u>185,154</u>	<u>1,000</u>	<u>795,269</u>
Total liabilities and fund balances	<u>\$ 500</u>	<u>\$ 66,804</u>	<u>\$ 185,154</u>	<u>\$ 1,000</u>	<u>\$ 795,269</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Marshall E. Charter Fund</u>	<u>Kimball Memorial Fund</u>	<u>John T. McKnight Maintenance Fund</u>	<u>Eugene K. Mosley Fund</u>	<u>Arthur Hyde Fund</u>
REVENUES					
Interest and dividends	\$ 7	\$ -	\$ -	\$ -	\$ -
Net increase in the fair value of investments	26,524	5,976	1,199	-	-
Other income	12,970	1,593	320	-	-
Total revenues	<u>39,501</u>	<u>7,569</u>	<u>1,519</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Program expenditures	-	-	-	-	-
Miscellaneous	2,832	638	128	-	-
Total expenditures	<u>2,832</u>	<u>638</u>	<u>128</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	36,669	6,931	1,391	-	-
Fund balances - beginning	<u>398,742</u>	<u>81,440</u>	<u>16,338</u>	<u>100</u>	<u>200</u>
Fund balances - ending	<u>\$ 435,411</u>	<u>\$ 88,371</u>	<u>\$ 17,729</u>	<u>\$ 100</u>	<u>\$ 200</u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES *(Continued)*
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
REVENUES					
Interest and dividends	\$ -	\$ -	\$ -	\$ -	\$ 7
Net increase in the fair value of investments	-	4,465	12,520	-	50,684
Other income	-	2,184	3,339	-	20,406
Total revenues	<u>-</u>	<u>6,649</u>	<u>15,859</u>	<u>-</u>	<u>71,097</u>
EXPENDITURES					
Current:					
Program expenditures	-	524	-	-	524
Miscellaneous	-	477	1,336	-	5,411
Total expenditures	<u>-</u>	<u>1,001</u>	<u>1,336</u>	<u>-</u>	<u>5,935</u>
Excess of revenues over expenditure	-	5,648	14,523	-	65,162
Fund balances - beginning	<u>500</u>	<u>61,156</u>	<u>170,631</u>	<u>1,000</u>	<u>730,107</u>
Fund balances - ending	<u><u>\$ 500</u></u>	<u><u>\$ 66,804</u></u>	<u><u>\$ 185,154</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 795,269</u></u>

Proprietary Funds

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF NET POSITION (DEFICIT)
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2013

	<u>Solid Waste Collection Fund</u>	<u>Watermains, Tripp and Middle Roads Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$5,200	\$ 41,801	\$ -	\$ 41,801
Noncurrent assets:			
Long-term assessments receivable	-	38,183	38,183
Total assets	<u>41,801</u>	<u>38,183</u>	<u>79,984</u>
LIABILITIES			
Current liabilities:			
Due to other funds	<u>100,653</u>	<u>109,541</u>	<u>210,194</u>
Total liabilities	<u>100,653</u>	<u>109,541</u>	<u>210,194</u>
NET POSITION (DEFICIT)			
Unrestricted (deficit)	<u>(58,852)</u>	<u>(71,358)</u>	<u>(130,210)</u>
Total net position (deficit)	<u><u>\$ (58,852)</u></u>	<u><u>\$ (71,358)</u></u>	<u><u>\$ (130,210)</u></u>

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION (DEFICIT)
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Solid waste fees	\$ 519,795	\$ -	\$ 519,795
Total operating revenues	<u>519,795</u>	<u>-</u>	<u>519,795</u>
OPERATING EXPENSES			
Public works and administrative expenses	564,121	-	564,121
Bad debt expense	1,333	-	1,333
Total operating expenses	<u>565,454</u>	<u>-</u>	<u>565,454</u>
Change in net position	(45,659)	-	(45,659)
Net position (deficit) - beginning	<u>(13,193)</u>	<u>(71,358)</u>	<u>(84,551)</u>
Net position (deficit) - ending	<u>\$ (58,852)</u>	<u>\$ (71,358)</u>	<u>\$ (130,210)</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Solid Waste Collection Fund	Watermains, Tripp and Middle Roads Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 518,605	\$ -	\$ 518,605
Receipts from interfund services provided	45,516	-	45,516
Payments for interfund services provided	-	-	-
Payments to suppliers	(564,121)	-	(564,121)
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (45,659)	\$ -	\$ (45,659)
Decrease in assets:			
Solid waste charges receivable, net	143	-	143
Long-term assessments receivable	-	-	-
Increase in liabilities:			
Due to other funds	45,516	-	45,516
Net cash provided by (used in) operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Fiduciary Funds

TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2013

	<u>Municipal Land Trust Fund</u>	<u>Public Health Nursing Fund</u>	<u>John T. McKnight Fund</u>	<u>Hall Memorial Library Fund</u>	<u>Senior Center Donation Fund</u>	<u>Graduation Fund</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 121,254	\$ -	\$ 666
Investments	21,239	2,265	25,528	-	47,738	20,279
Due from other funds	-	-	-	-	-	-
Total assets	<u>21,239</u>	<u>2,265</u>	<u>25,528</u>	<u>121,254</u>	<u>47,738</u>	<u>20,945</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 21,239</u>	<u>\$ 2,265</u>	<u>\$ 25,528</u>	<u>\$ 121,254</u>	<u>\$ 47,738</u>	<u>\$ 20,945</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET POSITION *(Continued)*

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2013

	Senior Citizen Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building Fund	Total Private Purpose Trust Funds
ASSETS						
Cash and cash equivalents	\$ 12,482	\$ -	\$ -	\$ -	\$ -	\$ 134,402
Investments	-	176,265	5,999	11,930	97,450	408,693
Due from other funds	-	375	13	25	-	413
Total assets	<u>12,482</u>	<u>176,640</u>	<u>6,012</u>	<u>11,955</u>	<u>97,450</u>	<u>543,508</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Held in trust for other purposes	<u>\$ 12,482</u>	<u>\$ 176,640</u>	<u>\$ 6,012</u>	<u>\$ 11,955</u>	<u>\$ 97,450</u>	<u>\$ 543,508</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Municipal Land Trust Fund	Public Health Nursing Fund	John T. McKnight Fund	Hall Memorial Library Fund	Senior Center Donation Fund	Graduation Fund
ADDITIONS						
Contributions - private donations	\$ -	\$ -	\$ -	\$ 65,027	\$ 148	\$ 17,974
Other income	-	-	-	18,216	-	-
Total contributions	-	-	-	83,243	148	17,974
Investment earnings:						
Interest	3	-	5	91	8	4
Net increase in the fair value of investments	-	-	-	-	-	-
Net investment earnings (losses)	3	-	5	91	8	4
Total additions	3	-	5	83,334	156	17,978
DEDUCTIONS						
Other expenditures	-	-	-	-	-	-
Program expenditures	-	-	-	46,818	600	18,155
Total deductions	-	-	-	46,818	600	18,155
Change in net position	3	-	5	36,516	(444)	(177)
Net Position Held in Trust for Others:						
Beginning	21,236	2,265	25,523	84,738	48,182	21,122
Ending	\$ 21,239	\$ 2,265	\$ 25,528	\$ 121,254	\$ 47,738	\$ 20,945

TOWN OF ELLINGTON, CONNECTICUT

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

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Senior Citizen Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building Fund	Total Private Purpose Trust Funds
ADDITIONS						
Contributions - private donations	\$ 23,906	\$ -	\$ -	\$ -	\$ 52,285	\$ 159,340
Other income	-	15,131	515	215	-	34,077
Total contributions	<u>23,906</u>	<u>15,131</u>	<u>515</u>	<u>215</u>	<u>52,285</u>	<u>193,417</u>
Investment earnings:						
Interest	34	-	-	-	11	156
Net increase in the fair value of investments	-	-	-	808	-	808
Net investment earnings (losses)	<u>34</u>	<u>-</u>	<u>-</u>	<u>808</u>	<u>11</u>	<u>964</u>
Total additions	<u>23,940</u>	<u>15,131</u>	<u>515</u>	<u>1,023</u>	<u>52,296</u>	<u>194,381</u>
DEDUCTIONS						
Other expenditures	-	1,276	44	86	-	1,406
Program expenditures	<u>25,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,504</u>	<u>96,235</u>
Total deductions	<u>25,158</u>	<u>1,276</u>	<u>44</u>	<u>86</u>	<u>5,504</u>	<u>97,641</u>
Change in net position	(1,218)	13,855	471	937	46,792	96,740
Net Position Held in Trust for Others:						
Beginning	<u>13,700</u>	<u>162,785</u>	<u>5,541</u>	<u>11,018</u>	<u>50,658</u>	<u>446,768</u>
Ending	<u>\$ 12,482</u>	<u>\$ 176,640</u>	<u>\$ 6,012</u>	<u>\$ 11,955</u>	<u>\$ 97,450</u>	<u>543,508</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN

FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance,</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2013</u>
CASH AND CASH EQUIVALENTS				
Ellington Center School	\$ 5,440	\$ 19,283	\$ 17,367	\$ 7,356
Ellington High School	95,423	438,705	389,692	144,436
Ellington School Use Activity	19,478	6,184	9,252	16,410
Crystal Lake School	3,072	12,622	12,435	3,259
Windermere School	24,193	60,938	57,031	28,100
Special Education Preschool Department	26,109	84,135	81,614	28,630
Board of Education Educational Services	19,010	23,691	23,585	19,116
Special Education Petty Cash Reimbursement	2,238	8,299	9,521	1,016
Ellington Middle School	81,532	139,348	130,346	90,534
Special Education Account	165,830	308,138	343,053	130,915
Petty Cash - BOE	334	1,676	1,634	376
Petty Cash - All Schools	844	-	44	800
Central Office Flex Spending	13,433	14,223	18,025	9,631
COBRA Reimbursement	23,748	12,729	25,610	10,867
INVESTMENTS				
Construction Performance Bonds	12,048	59,015	26,501	44,562
Total Assets	<u>\$ 492,732</u>	<u>\$ 1,188,986</u>	<u>\$ 1,145,710</u>	<u>\$ 536,008</u>
ACCOUNTS PAYABLE				
Ellington High School	\$ -	\$ 17,994	\$ -	\$ 17,994
Ellington Middle School	-	13,502	-	13,502
Total Accounts Payable	-	31,496	-	31,496
DUE TO OTHERS				
Ellington Center School	5,440	19,283	17,367	7,356
Ellington High School	95,423	420,711	389,692	126,442
Ellington School Use Activity	19,478	6,184	9,252	16,410
Crystal Lake School	3,072	12,622	12,435	3,259
Windermere School	24,193	60,938	57,031	28,100
Special Education Preschool Department	26,109	84,135	81,614	28,630
Board of Education Educational Services	19,010	23,691	23,585	19,116
Special Education Petty Cash Reimbursement	2,238	8,299	9,521	1,016
Ellington Middle School	81,532	125,846	130,346	77,032
Special Education Account	165,830	308,138	343,053	130,915
Petty Cash - BOE	334	1,676	1,634	376
Petty Cash - All Schools	844	-	44	800
Central Office Flex Spending	13,433	14,223	18,025	9,631
COBRA Reimbursement	23,748	12,729	25,610	10,867
Due to Contractors	12,048	59,015	26,501	44,562
Total Due to Others	492,732	1,157,490	1,145,710	504,512
Total Liabilities	<u>\$ 492,732</u>	<u>\$ 1,188,986</u>	<u>\$ 1,145,710</u>	<u>\$ 536,008</u>