

**Town of Wallingford, Connecticut  
Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
JUNE 30, 2016**

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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 JUNE 30, 2016**

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# **Introductory Section**

**TOWN OF WALLINGFORD, CONNECTICUT**

**TOWN OFFICIALS AS OF JUNE 30, 2016**

**PRINCIPAL OFFICIALS**

**MAYOR**

William W. Dickinson, Jr.

**TOWN COUNCIL**

Vincent Cervoni, Chair  
Thomas Laffin, Vice Chair  
Craig C. Fishbein  
John LeTourneau  
Joseph A. Marrone III  
Christopher K. Shortell  
John J. Sullivan  
Vincent F. Testa Jr.  
Jason Zandri

**APPOINTED OFFICIALS**

Town Attorney  
Corporation Counsel  
Town Clerk  
Comptroller  
Deputy Comptroller  
Treasurer  
Tax Collector  
Purchasing Agent  
Assessor  
Director of Public Works  
Building Inspector  
Town Engineer  
Chief of Police  
Fire Chief/EMD  
Animal Control Officer  
Director of Health  
Recreation Director  
Personnel Director  
Town Planner

Gerald Farrell, Sr.  
Janis Small  
Barbara Thompson  
James M. Bowes  
Timothy M. Sena  
open  
Jo-Anne Rusczyk  
Sal Amadeo  
Shelby Jackson, III  
Henry McCully  
Justin Rossetti  
Robert Baltrimitis  
William Wright  
Richard Heidgerd  
Katie Ehlers  
Eloise E. Hazelwood  
John Gawlak  
James Hutt  
Kacie Costello

**BOARD OF EDUCATION**

Roxanne M. McKay, Chair  
Michael Brooder  
Kathy Castelli  
John J. Cei, Jr.  
Amanda Doerr  
Shauna Glidden  
Karen Hlavac  
Patrick Reynolds  
Michael J. Votto, Sr.

**APPOINTED OFFICIALS**

Superintendent of Schools  
Assistant Superintendents  
Business Manager

Dr. Salvatore Menzo  
Shawn Parkhurst, Cindy Lavalette  
Linda Winters

**PUBLIC UTILITIES COMMISSION**

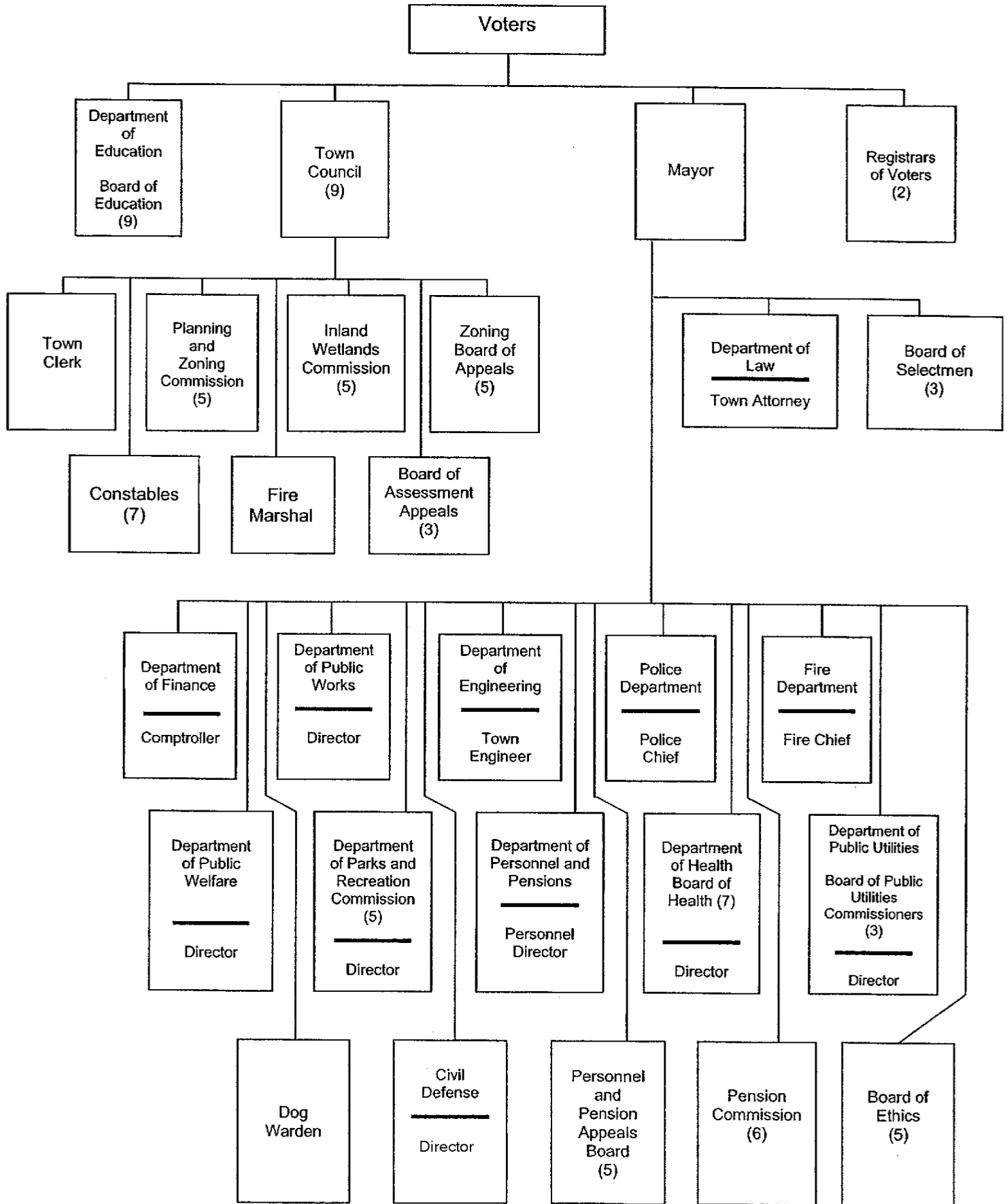
Robert Beaumont, Chair  
Patrick Birney  
Richard Nunn

**APPOINTED OFFICIALS**

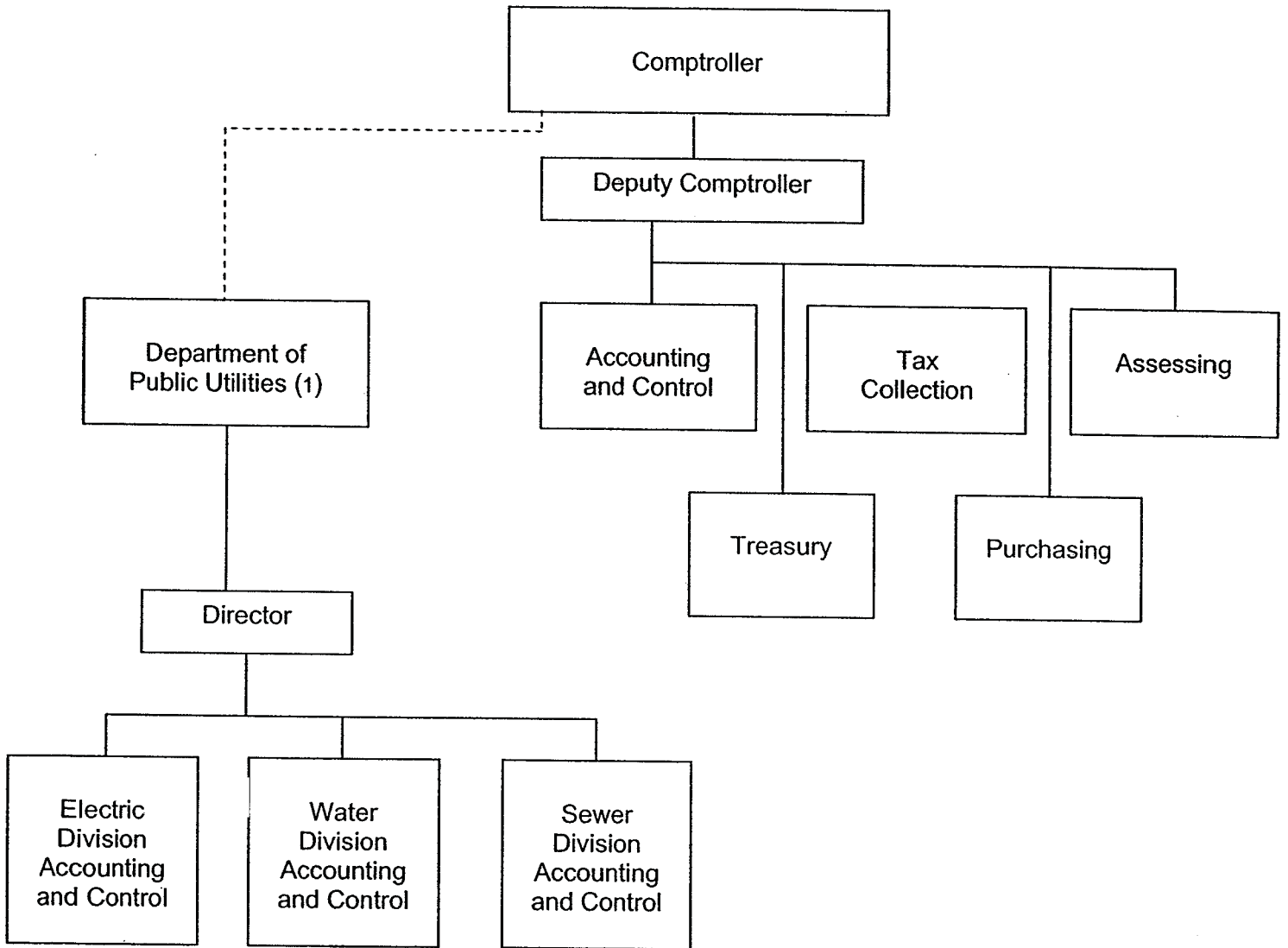
PUC Director  
General Manager-Electric Division  
General Manager-Water & Sewer Division  
Business Manager-Electric Division  
Business Manager-Water & Sewer Division

George Adair  
Richard A. Hendershot  
Neil Amwake  
Thomas Sullivan  
William Phelan

**Wallingford Town Government  
Organization Chart**



**Wallingford Department of Finance  
Organization Chart**



(1) The Comptroller has fiscal responsibility and control over the Department of Public Utilities as prescribed by the Town Charter.





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
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Reporting**

Presented to

**Town of Wallingford  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



# *Town of Wallingford, Connecticut*

**JAMES M. BOWES**  
COMPTROLLER

DEPARTMENT OF FINANCE  
45 SOUTH MAIN STREET  
WALLINGFORD, CONNECTICUT 06492  
TELEPHONE (203) 294-2040

December 19, 2016

To the Citizens of the Town of Wallingford, Connecticut  
Honorable Mayor William Dickinson and  
Members of the Town Council

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Wallingford, Connecticut (the Town) for the fiscal year ended June 30, 2016. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the Connecticut Single Audit Act. Information related to these single audits, including the schedule of expenditures of federal awards and State financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are issued under separate cover and are not included in this report. Copies of the reports are on file in the Town Clerk's office.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have audited the financial statements of the Town of Wallingford. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2016 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditors' opinion is presented as the first component of the financial section of this report. Included in the audit report is a section called Management's Discussion and Analysis, which provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016.

## **PROFILE OF THE TOWN**

Wallingford was settled in 1638 and incorporated in 1670. A separate borough of Wallingford was incorporated in 1853, and on June 3, 1957 the Borough and Town voted to consolidate effective January 1, 1958. The Town serves a population of approximately 45,000 and covers an area of 39.8 square miles astride the Quinnipiac River in south central Connecticut.

The Town has operated under a Mayor-Council form of government since 1962. The Town Council consists of nine members with minority representation guaranteed. Members are elected to two-year terms. The legislative power of the Town is vested exclusively in the Town Council. The Mayor is elected separately from the Council. In accordance with Town Charter, the Mayor is the Chief

Executive Officer of the Town. The Mayor is directly responsible for the administration of all departments, ensures all laws and ordinances governing the town are executed, attends all Council meetings, makes reports and recommendations to the Council for action, submits an annual budget and exercises other powers and duties as may be required by ordinance or resolution of the Council.

The Town provides a full range of municipal services including public safety (police, fire and emergency medical and transport services), street maintenance, health and social services, solid waste disposal, parks, recreation, libraries, public education, utilities (electric, sewer and water) and general administration.

### **Department of Public Utilities**

The Department of Public Utilities (DPU) is responsible for the provision of electric, water and sewer services, under the jurisdiction of a Board of Public Utility Commissioners consisting of three members appointed by the Mayor and confirmed by the Town Council. The Town Council has oversight of the actions of the board and may veto any action, except personnel appointments, by a positive act of seven or more affirmative votes within fifteen days of any action. The Commissioners appoint a Director of Public Utilities who is responsible for the efficient and economical operation of the Department. The Town's Comptroller, by Charter, is the fiscal officer of the Utility Department.

#### **Electric Division**

The Electric Division, created in 1899, is overseen by a General Manager. Prior to January 1, 2014, it purchased electric power jointly with the other five municipally owned electric utilities in Connecticut through participation with the Connecticut Municipal Electric Energy Cooperative (CMEEC). Beginning on January 1, 2014 the Town left CMEEC and began purchasing electric power directly on the open power procurement market, (the Independent System Operators of New England), using the services of a third party consultant. The Division distributes the power and provides electrical service to residential, commercial and industrial customers of Wallingford and the Northford section of North Branford at rates that are consistently 25% to 30% lower than the two stockholder owned power companies in Connecticut, Eversource (formerly the Connecticut Light and Power Company division of Northeast Utilities Inc.) and United Illuminating Inc. Average daily consumption of power is approximately 1,652 megawatt hours. The Division owns approximately 400 miles of electrical lines and serves 24,790 customers.

#### **Water Division**

The Water Division is managed by the General Manager of Water and Sewer. The Division operates a filter plant and maintains four reservoirs with storage capacity of 1.9 billion gallons and three wells with a safe daily yield of 2.7 million gallons. Average consumption is about 4 million gallons per day. There are approximately 7 miles of raw water mains, 202 miles of finished water mains, 1,326 public hydrants, 487 private hydrants, five booster stations and 3 raw water transfer stations. The Division serves in excess of 14,100 customers.

#### **Sewer Division**

The Sewer Division is also managed by the General Manager of Water and Sewer, and is responsible for treating domestic wastewater. The Division operates 12 pumping stations and treats a daily average in excess of 4.9 million gallons. There are approximately 198 miles of accepted sewer mains. The Sewer treatment plant is designed to treat an average flow of eight million gallons per day. The Division serves in excess of 13,500 customers.

### **Accounting System and Budgetary Control**

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived and 2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control

evaluations, with the exception of the School Activity Fund, certain leases and the Scholarship Fund that by Connecticut State Statute are in the custody and control of the Board of Education, occur within the above framework. As Comptroller and Chief Financial Officer, I believe the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgeting is an essential element of financial planning, control and evaluation of operations. The annual operating budgets are legally adopted plans of financial operation embodying estimates of proposed expenditures for specific purposes and the methods of financing them. Budgetary control for the General Fund and Enterprise Funds is maintained at the operating department level on an object basis. The Town Charter prescribes the budget authorization process, which is described in the Notes to the Financial Statements, included herewith. The encumbrance method is employed to record obligations by line items. Certification of fund availability is required prior to issuance of purchase orders. Those encumbrances for which goods and services have not been received on June 30 of each year are reported as part of Assigned Fund Balance.

The Department of Finance employs a monthly reporting system. Management uses these monthly financial statements to administer and monitor the Town's financial position.

## **ECONOMIC CONDITION**

### **Local Economy**

Wallingford's overall economy, as evidenced by Grand List growth, real estate values and unemployment data, has improved modestly over the last few years, even as the economy of the State of Connecticut has lagged the economic growth experienced in many parts of the country.

The Town's Grand List, a summary of all taxable real estate, motor vehicles and business property in town, has grown modestly over the last few years. The Grand List for valuation date of October 1, 2014, which was in effect for fiscal year ended June 30, 2016, grew .43% over the previous year.

Another economic indicator is real estate values. Real estate values have remained relatively stable since the last State-mandated revaluation of October 1, 2010, in sharp contrast to the steep decline in values experienced in other areas of the State and nation.

Another important indicator of economic condition is unemployment. Per the State of Connecticut Department of Labor, the Town's unemployment rate for the month ended June 30, 2016 was 5.0%, which is slightly higher than the June 30, 2015 rate of 4.8%, but much lower than the rates of years prior to that. Whereas this also compares positively to the State of Connecticut rate of 5.9% and the national rate of 5.1% at June 30, 2016, improvement needs to be achieved to help spur economic growth. Also, the omission of certain categories of unemployed from these published unemployment rates (such as those who are "under-employed" or have not found a job for a specified period) leads to under-reporting of those actually unemployed, thereby masking the ability for future corporate and personal spending and economic growth.

Whereas the overall economic condition of the Town has stabilized since the national recession, the Town received some news during last fiscal year 2014/2015 that may have adverse future economic ramifications. In June 2015, the Town's largest taxpayer, Bristol Myers Squibb (BMS), announced plans to gradually close their research and development (R&D) facility in Wallingford as they strategically move away from virology R&D, which is performed in Wallingford, and focus on immunology R&D. Operations will be phased out at the facility, with anticipated completion by December 2018. Town officials are working aggressively with BMS and State officials to seek a buyer of this facility, which includes an 180 acre campus.

Due to these factors, we anticipate only modest growth in future Grand Lists of taxable property.

In such challenging financial times, economic development efforts are vital to retain current businesses and attract new ones. A primary goal of the Town is to maintain and expand a diversified industrial and commercial tax base. The Town heavily promotes its five office and industrial parks and the Interchange Zone. The office and industrial parks primarily house small to mid-sized manufacturers in a wide array of industries. The Interchange Zone, approximately 360 acres located at the intersection of Interstate 91 and State Route 68, is zoned for development of office parks, research and development centers and hotels.

The Town also utilizes a tax incentive program to lure new businesses into these areas. This program abates 20% of real estate taxes for seven years for companies that relocate to these areas and construct at least 60,000 square feet of new facilities costing \$12 million or more.

The following summarizes the major results of these efforts during fiscal 2015/2016:

- APS Technology, a fast growing tech company, completed a 23,000 square foot addition to its current facility, increasing its taxable assessed property by about \$700 thousand and its local workforce from 155 to over 200.
- BYK USA Inc., a producer of chemical enhancement products for paints, inks, plastics and other compounds, completed construction of a 56,000 square foot office and production facility adjacent to their existing plant, increasing its taxable assessed property by approximately \$4.5 million and added approximately 30 new jobs to their existing 90.
- L & J Partnership LLC (Brothers Pool) constructed a 15,000 square foot addition to their existing facility, increasing their taxable assessment by \$762 thousand.
- Gem Property Group LLC constructed a 10,000 square foot office/retail building, increasing its taxable assessed property by \$441 thousand.
- United Concrete Inc. completed a 41,000 square foot concrete product construction facility, adding in \$2.2 million of taxable assessed property value to their existing operations.
- Amazon retrofitted a 200,000 square foot facility for use as a redistribution center, adding approximately 500 new jobs.

In addition, the following residential construction activity occurred during fiscal 2015/2016:

- Construction continued on the Simpson Village Condominium Project, which will comprise 25 townhouse units. This age 55 or older occupancy development should be completed in fiscal 2016/2017.
- Construction was completed on the 65 lot Willows subdivision. The prices on these 2,000 to 3,000 square foot houses range from \$400,000 to \$750,000.
- Construction was completed on the 29 lot The Estates at Wallingford subdivision. The price range for these 2,000 to 3,000 square foot houses is \$480,000 to \$650,000.
- Two new subdivision developments, Knollwood Place (6 units) and Rainah Estates (5 units) began in fiscal 2015/2016.

State Route 5 is a large retail and commercial hub. Economic activity along this major artery remains very stable, as several retailers, restaurants and other commercial enterprises constructed new buildings or completed renovation of existing ones in fiscal 2015/2016. These included Chick-Fil-A and DiBella Subs restaurants, CVS Pharmacy and TD Bank.

Employment diversification is demonstrated by Wallingford's major employers ranging from medical research and development facilities, private hospitals and schools, specialty steel manufacturers, health insurance service facilities, plastic and resin manufacturers, mobile communication operation centers, warehouse and distribution centers, retail stores and diagnostic laboratories.

## **Long-term Financial Planning**

### **Capital Improvement Plan**

The Town, through ordinance, established a Capital Non-Recurring Fund to accumulate funds to finance its six-year capital improvement plan. This ordinance allows for funds to be raised for financing these activities from annual P.I.L.O.T. contributions from the Town's Electric Division, General Fund appropriation, Federal and State grant offsets and bonding. The Town, however, has avoided bonding these projects for the last 15 years to maintain a low level of debt service. Projects included in the six-year capital plan are primarily major reconstruction or rehabilitation of roads, sidewalks, bridges and culverts; open space purchases; and Town building roof replacement.

During fiscal year 2015/2016, the Town expended approximately \$2.7 million of Capital Non-Recurring funds, primarily for rehabilitation of several local streets and sidewalks projects.

### **Planning for One Time Revenue Distribution**

The Town received total distributions of approximately \$13 million from the Connecticut Resource Recovery Authority (CRRRA) over the last eight fiscal years. The CRRRA, a public instrumentality of the State of Connecticut, had leased the Town-owned landfill since 1988 as part of its mass burn, waste to energy project. In December 2008, Wallingford and the other four other municipal members of this project entered into a new contract for these services, which took effect in July 2010. Each municipal member received its pro-rata distribution of certain tip fee amounts collected and held by the CRRRA since 1988 for various capital and reserve funds. The Town of Wallingford established a Special Revenue Fund to record this financial activity.

During fiscal year 2015/2016 the Town expended \$109 thousand of these funds for capital improvements for Education.

The Town intends to utilize the remaining balance of these funds for capital or emergency needs.

These actions have maintained the Town's past practice of utilizing material one-time revenue sources such as this for capital, non-recurring needs that will provide long-term benefit to its citizens and reduce the need to incur debt for these expenditures.

## **Major Initiatives**

The Town continued construction on the new North Farms Fire Station which will reside in the northeast section of town on the 11 acre parcel purchased four years ago. The estimated cost is approximately \$4.6 million. The Town has authorized the issuance of bonds for this project and may also utilize some CRRRA distribution funds (as noted in the Planning for One-Time Revenue Distribution above).

The Town expended \$1.2 million on Phase I of the Board of Education Capital Improvement Program, to replace the HVAC system at Sheehan High, the boiler system at Beach Elementary and cafeteria ovens at five schools.

The Town expended \$2.2 million to replace the running track and athletic field at Lyman Hall High School. The original six lane track was replaced with an eight lane one and the sod field was replaced with synthetic turf.

The Town expended \$900 thousand on the Pistapaug water tank replacement project to replace the original underground facility which was approximately 40 years old.

The Town expended \$2.6 million to plan and begin construction of Phase III of the Quinnipiac River Linear Trail Project. This extends this linear park to the Yalesville section of Town.

The Town purchased a land parcel contiguous to current Town-owned open space land in the Tyler Mill area for \$325,000 to add to the Town's open space land inventory.

### **Cash Management**

State of Connecticut General Statutes promulgate the allowable investment products for municipal funds. The Department of Finance is responsible for the treasury function and utilizes a short-term cash management approach. The three main objectives of the Town's operating cash policy are safety of principal; liquidity; and rate of return. Available cash is invested on a daily basis in certificates of deposit ranging from 7 to 200 days, municipal money market accounts and other products allowed by State law. Derivatives and highly leveraged investments are not utilized for operating cash management purposes because of their unacceptable exposure to risk.

### **Consolidated Pension Plan**

The Town is responsible for the administration of a single employer, contributory, defined benefit consolidated pension plan covering virtually all full-time Town employees and noncertified members of the Board of Education (certified teachers are covered by the Connecticut State Teachers Retirement Board).

A six member Pension Commission, consisting of the Comptroller, Treasurer, Personnel Director and three mayoral appointees who must have experience in finance and investing, oversees the investment of pension funds in accordance with the Town Charter. The Commission employs an independent investment consultant to assist selecting investment options and measure performance. The Commission utilizes an adopted Investment Policy Statement and attempts to keep 60% of their portfolio invested in equities and 40% in fixed income products. This investment strategy is expected to generate long-term steady growth. Performance is compared to appropriate benchmarks. The equity portfolio is positioned to have a risk level below market levels. The Commission meets quarterly with its consultant to review performance and as needed to address other pertinent issues related to the pension fund assets.

### **Volunteer Firefighters' Plan**

The Town implemented a Length of Service Award Program (the Plan) for the exclusive benefit of its volunteer firefighters. The Plan was adopted in accordance with provisions of Connecticut General Statutes and became effective January 1, 1992. The reader's attention is directed to the Notes to Financial Statements in the Financial Section of this report for full disclosure of this plan.

### **Risk Management and Insurance**

The Risk Management Office, a unit of the Department of Personnel and Pensions, administers the property and casualty insurance programs, and the workers' compensation benefits program. A professional risk manager supervises this function. In addition, the Town has retained an experienced risk management-oriented broker/agent to serve as a consultant to the Town.

The Town is self-insured for worker's compensation claims. A professional third party administrator investigates claims and processes them for payment. Weekly disability and medical benefit payments and specific awards granted by the state Worker's Compensation Commission are budgeted annually.

The Town is self-insured for employee health claims and costs. A professional third party administrator processes claims, reports financial activity, monitors costs and trends, and prepares analyses for annual budget purposes. The Town procures the service of a professional consulting firm to assist in this function.

The Town procures insurance policies with commercial insurance companies to protect itself against various property and liability exposures such as general liability, property damage and errors and omissions.

### **Debt Administration**

The Town utilizes a combination of self-financing and issuance of general obligation bonds when planning and implementing major improvements and managing its debt position. The full faith and credit of the Town support all bonded debt. Bonds are used to finance only large-scale permanent improvements, such as schools, public libraries and public safety facilities. The Town does not issue bonds for operating costs or replacement equipment.

General obligation bonds are also issued to finance major capital improvements to the Town's three utility systems. The principal and interest on these bonds are completely supported by the respective utility rate and additionally are backed by the full faith and credit of the Town.

Debt administration is guided by the following significant financial practices: maintain steady debt service funding as existing issues mature, provide additional or level funding in each successive fiscal year, maintain rapid retirement schedules for new debt, avoid entering the short term market by utilizing the Town's favorable cash position and self-finance at least a portion of each project's cost to reduce debt issuance. The Town's favorable cash position has enabled it to avoid short term borrowing since 1984.

The Town sold \$11 million of refunding bonds and \$11.3 million of general obligation bonds during fiscal year 2015/2016. The Town was successful in maintaining its Aaa credit rating from Moody's Investor Service for these transactions. See the accompanying Notes to the Financial Statements for details of these transactions.


### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wallingford for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The June 30, 2015 CAFR was determined to be easily readable, efficiently organized and in compliance with generally accepted accounting principles and legal requirements in order to be awarded this designation by the GFOA.

The preparation of this report could not have been accomplished without the professional and dedicated services of the management and staff of the Department of Finance, especially Deputy Comptroller Tim Sena, as well as members of other departments who provided information to assist in its compilation. I hereby express my sincere appreciation to all of you.

I extend my sincere appreciation to Mayor Dickinson for his consistent approach in conducting the financial operations of the community in a professional and prudent manner and maintaining a long-term financial position outlook in fiscal decision making. I also thank the Mayor and Town Council members for their support of the financial function of the Town and for conducting the financial operations of the Town in a responsible manner.

Respectfully submitted,

  
James M. Bowes,  
Comptroller



## **Financial Section**

# BlumShapiro

Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Board of Finance/Town Council  
Town of Wallingford, 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 Wallingford, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Wallingford, Connecticut'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.

#### ***Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Wallingford, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on pages 67 through 73 and the pension schedules on pages 74 through 80 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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


The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Town of Wallingford, Connecticut, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 18, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2015 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2015 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016 on our consideration of the Town of Wallingford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wallingford, Connecticut's internal control over financial reporting and compliance.



West Hartford, Connecticut  
December 19, 2016

**TOWN OF WALLINGFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2016**

This discussion and analysis of the Town of Wallingford, Connecticut's (the Town) financial performance is offered by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- The Town's total net position decreased as a result of this year's operations by \$283 thousand, a decrease of .09% from last year. This was due to implementation of a new governmental accounting standard that requires recognition of the change in the unfunded pension liability in the government-wide financials. See Table 2 for more detail.
- During the year, the Town had governmental revenues that exceeded expenditures by \$6.1 million (including transfers). Expenses for the Town's business-type activities were \$6.4 million more than revenues (including transfers), due to the change in the accounting standard as previously stated.
- Total cost of all of the Town's programs was \$266.7 million, an increase of 4% from last year, most of which was for the aforementioned accounting standard change.
- The General Fund reported a total fund balance this year of \$29.2 million, which includes \$22.5 million 'Unassigned' and available for future use.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

In the statement of net position and the statement of activities, the Town is divided into two types of activities:

- *Governmental Activities* - Most of the Town's basic services are reported here, including education, public safety, public works, health and social services, parks and recreation and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Electric Fund, Water Fund, Sewer Fund and EMS Transport Fund are reported here.

### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (like the capital projects funds) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the State of Connecticut's Department of Education). The Town's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

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

### **Government-Wide Financial Analysis**

The Town's combined net position decreased slightly from a year ago from \$317.7 million to \$317.4 million due the change in accounting standards implemented during the year to recognize pension liabilities, as previously noted. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**TABLE 1  
NET POSITION  
(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 69,206	\$ 58,952	\$ 64,915	\$ 62,207	\$ 134,121	\$ 121,159
Capital assets	244,815	240,745	102,334	102,829	347,149	343,574
Total assets	<u>314,021</u>	<u>299,697</u>	<u>167,249</u>	<u>165,036</u>	<u>481,270</u>	<u>464,733</u>
Deferred outflows of resources	13,024	6,574	3,893	619	16,917	7,193
Long-term debt outstanding	122,169	108,487	22,718	11,495	144,887	119,982
Other liabilities	14,350	14,608	12,095	12,585	26,445	27,193
Total liabilities	<u>136,519</u>	<u>123,095</u>	<u>34,813</u>	<u>24,080</u>	<u>171,332</u>	<u>147,175</u>
Deferred inflows of resources	9,201	6,941	250	123	9,451	7,064
Net Position:						
Net investments in capital assets	208,853	212,475	97,908	98,653	306,761	311,128
Restricted	1,417	1,407	608	1,436	2,025	2,843
Unrestricted	<u>(28,945)</u>	<u>(37,647)</u>	<u>37,563</u>	<u>41,363</u>	<u>8,618</u>	<u>3,716</u>
Total Net Position	<u>\$ 181,325</u>	<u>\$ 176,235</u>	<u>\$ 136,079</u>	<u>\$ 141,452</u>	<u>\$ 317,404</u>	<u>\$ 317,687</u>

**TABLE 2**  
**CHANGES IN NET POSITION**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 6,634	\$ 6,025	\$ 86,838	\$ 88,409	\$ 93,472	\$ 94,434
Operating grants and contributions	41,599	40,847			41,599	40,847
Capital grants and contributions	4,228	730	762	260	4,990	990
General revenues:						
Property taxes	118,771	115,619			118,771	115,619
Grants and contributions not restricted to specific purposes	5,714	5,820			5,714	5,820
Unrestricted investment earnings	187	141	225	183	412	324
Other general revenues	243	377	1,173	1,065	1,416	1,442
Total revenues	<u>177,376</u>	<u>169,559</u>	<u>88,998</u>	<u>89,917</u>	<u>266,374</u>	<u>259,476</u>
Program expenses:						
General government	24,766	25,674			24,766	25,674
Public safety	12,961	15,653			12,961	15,653
Public works	9,316	9,633			9,316	9,633
Health and social services	2,515	2,679			2,515	2,679
Parks and recreation	2,433	2,314			2,433	2,314
Education	120,828	114,748			120,828	114,748
Interest on long-term debt	1,140	1,122			1,140	1,122
Electric			73,788	68,089	73,788	68,089
Water			9,032	7,113	9,032	7,113
Sewer			8,157	7,530	8,157	7,530
EMS Transport			1,721	1,741	1,721	1,741
Total expenses	<u>173,959</u>	<u>171,823</u>	<u>92,698</u>	<u>84,473</u>	<u>266,657</u>	<u>256,296</u>
Change in net position before transfers	3,417	(2,264)	(3,700)	5,444	(283)	3,180
Transfers	<u>1,673</u>	<u>1,746</u>	<u>(1,673)</u>	<u>(1,746)</u>	<u>-</u>	<u>-</u>
Change in net position	5,090	(518)	(5,373)	3,698	(283)	3,180
Net Position at Beginning of Year	<u>176,235</u>	<u>176,753</u>	<u>141,452</u>	<u>137,754</u>	<u>317,687</u>	<u>314,507</u>
Net Position at End of Year	<u>\$ 181,325</u>	<u>\$ 176,235</u>	<u>\$ 136,079</u>	<u>\$ 141,452</u>	<u>\$ 317,404</u>	<u>\$ 317,687</u>

The net position of the Town's governmental activities increased by \$5.1 million, from \$176.2 million to \$181.3 million. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased by \$8.7 million, from (\$37.6) million to (\$28.9) million. This was due to higher revenue collected for taxes than was budgeted and lower costs due to a milder winter season than last year.

The net position of the Town's business-type activities decreased by \$5.4 million from \$141.4 million to \$136 million due to the implementation of the accounting standard as previously noted. If not for implementing the new accounting standard, the net position of the business-type activities would have increased by \$1.4 million.

The Town's total revenues (excluding transfers) were \$266.4 million. The total cost of all programs and services was \$266.7 million. Our analysis below separately considers the operations of governmental and business-type activities.



## **Governmental Activities**

Governmental activities increased the Town's net position by \$5.1 million. Revenues of the Town's total governmental activities increased \$7.8 million in 2016, \$177.4 million compared to \$169.6 million. Most of this increase was from property taxes, late tax payment interest and tax lien fees increasing \$3.1 million, consistent with the tax levy increase and arrears tax collection estimates, to \$118.8 million. The increased tax revenue allowed the Town to provide services consistent with previous years' levels and primarily supported an increase in the General Fund budgetary-based actual expenditures of approximately \$2.6 million for education and \$737 thousand for all other general government departments, on a budgetary basis, versus 2015.

The total program expenses of the Town's governmental activities increased \$2.1 million, \$173.9 million compared to \$171.8 million. This is primarily due to the wage and fringe benefit increases for both education and general government operations.

Table 3 presents the cost of each of the Town's five largest programs - general government, public safety, public works, health and social services, and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	<b><u>Total Cost of Services</u></b>		<b><u>Net Cost of Services</u></b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
General government	\$ 24,766	\$ 25,674	\$ 22,583	\$ 23,676
Public safety	12,961	15,653	11,693	14,732
Public works	9,316	9,633	6,485	8,888
Health and social services	2,515	2,679	1,712	1,431
Education	120,828	114,748	76,422	73,003
All others	<u>3,573</u>	<u>3,436</u>	<u>2,603</u>	<u>2,491</u>
Total	\$ <u>173,959</u>	\$ <u>171,823</u>	\$ <u>121,498</u>	\$ <u>124,221</u>

## **Business-Type Activities**

Business-type activities increased the Town's net position by \$1.4 million, primarily due to lower purchased power costs, before the effect of the new accounting standard implemented, as previously noted. As a result of this new accounting standard implementation, overall business-type activities decreased the Town's net position by \$5.4 million.

## **TOWN FUNDS FINANCIAL ANALYSIS**

### **Governmental Funds**

At June 30, 2016 the Town's governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$35.6 million, which is an increase of \$5.6 million from last year's total of \$30 million, mostly due to bond sale revenue in this year recognized in the Capital Projects Fund for School roofs and other projects.

Also included in this year's total change in fund balance is an increase of \$1.7 million in the Town's General Fund. The primary reasons for the General Fund's increase mirror the General Fund activities analysis highlighted in RSI-1 and RSI-2.

### **General Fund Budgetary Highlights**

The following were the primary General Fund revenue budget variances:

The Town received \$1.4 million more from current levy tax collections primarily due to actual collections approximately 1% higher than budgeted. Also, prior levy tax collections exceeded estimates by \$560 thousand due to assertive actions taken by the Tax and Law offices to collect back taxes owed.

The Town collected \$426 thousand more in the Telecommunications P.I.L.O.T. reimbursement for telecomm equipment put into place after the budget was adopted. These positive variances helped offset receiving \$248 thousand less in the Education Cost Sharing state grant, which was reduced after the budget was adopted.

The larger General Fund expenditure budget variances were in the following areas:

The Town's pension contributions were \$501 thousand less than budgeted, primarily due to employee retirements exceeding the Town's expectations and the time lag in replacing them.

Public Safety expenditures were \$1 million below budget due primarily to \$358 thousand less in Police wages, due to the time lag in replacing employees who retired or resigned and \$229 thousand unspent in the Police and Fire Departments capital accounts which were authorized as appropriations-in-force and are designated as part of Committed General Fund Balance at June 30, 2016.

Public Works expenditures were \$877 thousand below budget due primarily to \$297 thousand less in Public Works Department operating accounts due to lower than anticipated snow removal costs due to a milder winter and \$154 thousand of capital equipment unspent at year end and approved as appropriations-in-force and designated as part of the Committed General Fund Balance at June 30, 2016. In addition, two positions in the Engineering Department went unfilled for most of the year, resulting in \$139 thousand less expended.

Education expenditures were \$655 thousand less than budgeted. This amount, however, was approved as an appropriation-in-force and is reported as part of Committed General Fund Balance at June 30, 2016.

There were no significant expenditure budget line items that required additional funding during the year.

The final amended expenditure budget was \$3.1 million higher than the original budget. As noted above \$2.9 million of this was for capital items approved as appropriations-in-force and are reported as part of the General Fund Committed Fund Balance at June 30, 2016.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2016, the Town had \$347.1 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and electric, water and sewer utility plant and transmission and distribution lines - Table 4. This amount represents a net increase (including additions, deductions and depreciation) of \$3.6 million or 1% more than last year. The Town's administration views this moderate increase as sufficient to meet the Town's needs and balanced with the economic times.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END (Net of Depreciation)**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and land improvements	\$ 34,386	\$ 34,157	\$ 746	\$ 745	\$ 35,132	\$ 34,902
Buildings, utility plant and improvements	163,859	153,200	34,199	35,737	198,058	188,937
Vehicles, machinery and equipment	3,601	3,666	10,613	10,892	14,214	14,558
Infrastructure	28,784	29,568	56,776	55,315	85,560	84,883
Construction in progress	14,185	20,154		140	14,185	20,294
Total	<u>\$ 244,815</u>	<u>\$ 240,745</u>	<u>\$ 102,334</u>	<u>\$ 102,829</u>	<u>\$ 347,149</u>	<u>\$ 343,574</u>

This year's major capital additions included:

North Farms Fire Station – Construction \$3.3 million

The Town's fiscal year 2016/2017 budget calls for spending \$2.3 million for capital projects, principally for road reconstruction. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

### Long-Term Debt

At June 30, 2016 the Town had \$38.7 million in bonds and serial notes outstanding versus \$31.8 million last year, - as shown in Table 5.

**TABLE 5**  
**OUTSTANDING DEBT, AT YEAR-END**  
**(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds and State of Connecticut serial notes (backed by the Town)	<u>\$ 34.3</u>	<u>\$ 27.6</u>	<u>\$ 4.4</u>	<u>\$ 4.2</u>	<u>\$ 38.7</u>	<u>\$ 31.8</u>

The Town sold \$11.3 million of new general obligation bonds and \$11 million of general obligation refunding bonds during the year, maintaining its “Aaa” rating by Moody’s Investors Service. See Note 7 to the Financial Statements for more detailed information.

State statutes limit the amount of general obligation debt a governmental entity may issue to up to seven times its annual receipts from taxation. The current debt limitation for the Town of Wallingford is \$835.6 million. The Town’s outstanding general obligation debt is significantly below this limitation.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town’s long-term liabilities is presented in Note 7 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The major concern of the Town’s elected and appointed officials when considering the fiscal year 2016/2017 budget was the lack of robust growth in the State of Connecticut and its effect on the local economy and taxable Grand List. Although the Grand Lists of taxable property for the last three years have increased, the increases fail to generate taxes needed to support requested spending increases. The following factors indicate that the lack of robust economic growth:

- Revenue from construction and real estate sale activity, which began declining sharply beginning in late calendar 2008, has only improved slightly.
- Commercial and industrial businesses have continued to curtail capital spending for taxable assets.
- The State of Connecticut’s financial situation remains bleak, potentially jeopardizing grants to municipalities.

As a result, only moderate growth is anticipated for future taxable Grand Lists. In addition, the Town will weigh the effect of the gradual withdrawal of its largest taxpayer, Bristol Myers Squibb (as noted in the accompanying Letter of Transmittal) on the Town’s ability to provide all of the services requested. Also, the Town anticipates no additional assistance from the State due to the State’s economic difficulties.

When setting the fiscal year 2016/2017 budgets, tax rate and fees charged for business-type activities, the Town’s elected and appointed officials considered the aforementioned economic factors as well as the public’s need for services. The Town administration instructed departmental heads to keep 2016/2017 budget requests at or below their 2015/2016 levels, in order to not increase the financial burden on citizens and businesses during this time of economic uncertainty.

The Town adopted a General Fund budget that contains conservative revenue forecasts as follows:

- Utilized an estimated tax collection rate of 97.5%, in recognition of the unemployment rate of homeowners who may fall delinquent on taxes.
- Utilized conservative estimates in projecting department revenue generated by building and real estate sale activities, as these tend to be very dependent on a strong economy.
- Town’s management believes that State grants to local governments may be reduced in future years. The Town will continue to work with its State assembly delegation and municipal cooperative organizations to minimize reductions in State aid and make necessary budget decisions if State grants are reduced.

The Town adopted expenditure budgets attempting to maintain services with no new programs or initiatives. Some of the major highlights of these efforts are:

- No amounts were budgeted for twelve open positions in the General Government: three in Public Works, four in the Comptroller's office and five in the Police Department. These positions were vacated by retired employees and will probably remain unfilled until the economy recovers.
- Most part time positions in the General Government, which were eliminated over the last several years, remain unfilled and excluded from the budget.
- Major capital items were reduced from General Fund budgets for consideration of funding from the distribution from the C.R.R.A. trash to energy project, which is recorded as a Special Revenue Fund.

Amounts available for appropriation in the 2016/2017 General Fund budget are \$4.2 million, \$100 thousand less as in the final 2015/2016 budget.

The taxable Grand List of October 1, 2015 declined slightly, .065%, net of reclassification of some taxable property to non-taxable for future PILOT revenue inclusion, from the previous year. The Town implemented State-mandated revaluation of all real estate parcels for the October 1, 2015 Grand List. An increase of approximately 1.5% in the property tax mill rate to 27.89 and the increased PILOT will produce approximately \$1.3 million of new revenue. Increases in fees and State grants were anticipated to produce another \$1.2 million when the 2016/2017 budget was adopted. These are needed to finance fiscal year 2016/2017 operations. The Town will use the increased revenues to finance programs currently offered.

The total adopted General Fund expenditure budget for fiscal year 2016/2017 increased \$2.5 million, or 1.6% higher than the fiscal year 2015/2016 originally adopted budget. The General Government budget increased by \$303 thousand, or .5%, mostly for increases for pension plan contributions and health insurance department. The Board of Education budget increased \$2.2 million, or 2.3%, mostly due to increases in wages and health insurance estimates.

As for the Town's business-type activities, the Electric Division operating budget reflects a decrease of \$1.4 million due to lower anticipated cost of power purchases. The Town maintained its base electric rates for the fiscal year 2016/2017 budget. Wallingford Electric Division rates remain among the lowest in New England. The Water Division operating expense budget remained about the same as 2015/2016, increasing only \$8 thousand. Due to a decline in consumption, however, a rate increase of 6% was implemented for fiscal year 2016/2017. The Sewer Division operating expense budget increased \$200 thousand primarily due to non-recurring costs for sewer lining in 2015/2016 that will not need to be repeated in 2016/2017.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Comptroller, 45 South Main Street, Wallingford, Connecticut 06492.

# **Basic Financial Statements**

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**  
**(In Thousands)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 60,211	\$ 13,816	\$ 74,027
Investments		34,945	34,945
Receivables, net	6,401	14,193	20,594
Due from pension trust	2,383		2,383
Inventory		1,335	1,335
Other assets	211	626	837
<b>Capital assets:</b>			
Assets not being depreciated	46,500	746	47,246
Assets being depreciated, net	198,315	101,588	299,903
Total assets	<u>314,021</u>	<u>167,249</u>	<u>481,270</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	991		991
Differences between expected and actual experience	868	277	1,145
Difference between projected and actual earnings on pension plan investments	11,165	3,616	14,781
Total deferred outflows of resources	<u>13,024</u>	<u>3,893</u>	<u>16,917</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	11,308	9,045	20,353
Internal balances	590	(590)	-
Customer deposits		3,640	3,640
Unearned revenue	1,568		1,568
Other liabilities	1,474		1,474
<b>Noncurrent liabilities:</b>			
Due within one year	9,648	1,330	10,978
Due in more than one year	111,931	21,388	133,319
Total liabilities	<u>136,519</u>	<u>34,813</u>	<u>171,332</u>
<b>Deferred Inflows of Resources:</b>			
Advanced property tax collections	8,382		8,382
Differences between expected and actual experience	797	250	1,047
Difference between projected and actual earnings on pension plan investments	22		22
Total deferred inflows of resources	<u>9,201</u>	<u>250</u>	<u>9,451</u>
<b>Net Position:</b>			
Net investment in capital assets	208,853	97,908	306,761
Restricted for conservation programs		608	608
<b>Restricted for trust purposes:</b>			
Expendable	61		61
Nonexpendable	1,356		1,356
Unrestricted	(28,945)	37,563	8,618
Total Net Position	<u>\$ 181,325</u>	<u>\$ 136,079</u>	<u>\$ 317,404</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 24,766	\$ 2,068	\$ 115	\$	\$ (22,583)	\$	\$ (22,583)
Public safety	12,961	969	266	33	(11,693)		(11,693)
Public works	9,316	12	68	2,751	(6,485)		(6,485)
Health and social services	2,515	24	779		(1,712)		(1,712)
Parks and recreation	2,433	969	1		(1,463)		(1,463)
Education	120,828	2,592	40,370	1,444	(76,422)		(76,422)
Interest on long-term debt	1,140				(1,140)		(1,140)
Total governmental activities	<u>173,959</u>	<u>6,634</u>	<u>41,599</u>	<u>4,228</u>	<u>(121,498)</u>	<u>-</u>	<u>(121,498)</u>
Business-type activities:							
Electric	73,788	69,681				(4,107)	(4,107)
Water	9,032	7,904		152		(976)	(976)
Sewer	8,157	7,123		610		(424)	(424)
EMS Transport	1,721	2,130				409	409
Total business-type activities	<u>92,698</u>	<u>86,838</u>	<u>-</u>	<u>762</u>	<u>-</u>	<u>(5,098)</u>	<u>(5,098)</u>
Total	<u>\$ 266,657</u>	<u>\$ 93,472</u>	<u>\$ 41,599</u>	<u>\$ 4,990</u>	<u>(121,498)</u>	<u>(5,098)</u>	<u>(126,596)</u>
General revenues:							
Property taxes					118,771		118,771
Grants and contributions not restricted to specific programs					5,714		5,714
Unrestricted investment earnings					187	225	412
Miscellaneous					243	1,173	1,416
Total general revenues					<u>124,915</u>	<u>1,398</u>	<u>126,313</u>
Transfers					<u>1,673</u>	<u>(1,673)</u>	<u>-</u>
Change in net position					5,090	(5,373)	(283)
Net Position, Beginning of Year					<u>176,235</u>	<u>141,452</u>	<u>317,687</u>
Net Position, End of Year					<u>\$ 181,325</u>	<u>\$ 136,079</u>	<u>\$ 317,404</u>

The accompanying notes are an integral part of the financial statements



**TOWN OF WALLINGFORD, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016  
(In Thousands)**

	General	Capital and Nonrecurring	School Renovations	Vernon E. Cleaves Vo-ag Center	School Roof Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 56,495	\$	\$	\$	\$	\$ 3,716	\$ 60,211
Receivables, net	4,694				910	597	6,201
Due from other funds	12,968	6,890				8,367	28,225
Inventory						57	57
Prepaid items	126					28	154
Total Assets	<u>\$ 74,283</u>	<u>\$ 6,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910</u>	<u>\$ 12,765</u>	<u>\$ 94,848</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$ 10,229	\$ 191	\$	\$	\$	\$ 554	\$ 10,974
Due to other funds	22,335		3,118	1,610	1,373	4,484	32,920
Unearned revenue	173	991				404	1,568
Other liabilities						1,474	1,474
Total liabilities	<u>32,737</u>	<u>1,182</u>	<u>3,118</u>	<u>1,610</u>	<u>1,373</u>	<u>6,916</u>	<u>46,936</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	3,914						3,914
Advanced property tax collections	8,382						8,382
Total deferred inflows of resources	<u>12,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,296</u>
Fund balances:							
Nonspendable	126					1,441	1,567
Restricted						1,036	1,036
Committed	1,517	5,708				7,699	14,924
Assigned	5,098						5,098
Unassigned	22,509		(3,118)	(1,610)	(463)	(4,327)	12,991
Total fund balances	<u>29,250</u>	<u>5,708</u>	<u>(3,118)</u>	<u>(1,610)</u>	<u>(463)</u>	<u>5,849</u>	<u>35,616</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 74,283</u>	<u>\$ 6,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910</u>	<u>\$ 12,765</u>	<u>\$ 94,848</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2016**  
**(In Thousands)**

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Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are  
different because of the following:

Fund balances - total governmental funds	\$	35,616
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	397,914
Less accumulated depreciation		<u>(153,099)</u>
Net capital assets		244,815
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Property tax receivables greater than 60 days		3,877
Interest receivable on property taxes		37
Deferred charges on refunding		991
Deferred outflows related to differences between expected and actual experience		868
Deferred outflows related to differences between projected and actual earnings on pension plan		11,165
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		
		3,404
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable		(34,310)
Interest payable on bonds and notes		(334)
Compensated absences		(14,854)
Retired employee obligations		(471)
Premium on refunding bond issuance		(2,643)
Net pension liability		(49,545)
Deferred inflows related to differences between expected and actual experience		(797)
Deferred inflows related to differences between projected and actual earnings on pension plan		(22)
Net OPEB obligation		<u>(16,472)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u><u>181,325</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>General</u>	<u>Capital and Nonrecurring</u>	<u>School Renovations</u>	<u>Vernon E. Cleaves Vo-ag Center</u>	<u>School Roof Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
General property taxes	\$ 119,376						\$ 119,376
Licenses and permits	764						764
Intergovernmental revenues	38,240	242		1,202		9,112	48,796
Charges for services	2,988					3,395	6,383
Investment income	181					3	184
Other	2,001					569	2,570
Total revenues	<u>163,550</u>	<u>242</u>		<u>1,202</u>		<u>13,079</u>	<u>178,073</u>
Expenditures:							
Current:							
General government	24,876					122	24,998
Public safety	16,288					58	16,346
Public works	6,179					759	6,938
Health and social services	1,950					684	2,634
Parks and recreation	958					897	1,855
Education	106,678					8,579	115,257
Capital outlay		2,669		15	44	9,907	12,635
Debt service	4,375						4,375
Total expenditures	<u>161,304</u>	<u>2,669</u>		<u>15</u>	<u>44</u>	<u>21,006</u>	<u>185,038</u>
Excess (deficiency) of revenues over expenditures	<u>2,246</u>	<u>(2,427)</u>		<u>1,187</u>	<u>(44)</u>	<u>(7,927)</u>	<u>(6,965)</u>
Other financing sources (uses):							
Transfers in	1,965	1,872	510			96	4,443
Transfers out	(2,677)					(93)	(2,770)
Payments to escrow agent	(12,137)						(12,137)
Bonds issued					7,200	3,425	10,625
Refunding bonds issued	11,030						11,030
Bond premium	1,252		172				1,424
Total other financing sources (uses)	<u>(567)</u>	<u>1,872</u>	<u>682</u>		<u>7,200</u>	<u>3,428</u>	<u>12,615</u>
Net change in fund balances	1,679	(555)	682	1,187	7,156	(4,499)	5,650
Fund balance, beginning of year	<u>27,571</u>	<u>6,263</u>	<u>(3,800)</u>	<u>(2,797)</u>	<u>(7,619)</u>	<u>10,348</u>	<u>29,966</u>
Fund Balance, End of Year	<u>\$ 29,250</u>	<u>\$ 5,708</u>	<u>\$ (3,118)</u>	<u>\$ (1,610)</u>	<u>\$ (463)</u>	<u>\$ 5,849</u>	<u>\$ 35,616</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 5,650
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	12,061
Depreciation expense	(7,991)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	(452)
Property tax interest and lien revenue - accrual basis change	(153)
Other accounts receivable - accrual basis change	(92)
Change in deferred outflows related to differences between expected and actual experience	868
Change in deferred outflows related to differences between projected and actual earnings on pension plan	5,378

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

Bond proceeds	(21,655)
Bond premiums	(1,424)
Bond principal payments	3,090
Payment to escrow agent	12,137

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(235)
Net OPEB obligation	(2,069)
Retired employee obligations	(154)
Accrued interest	(15)
Amortization of bond premium	243
Amortization of deferred charge on refunding	(83)
Change in net pension liability	(1,169)
Change in deferred inflows related to differences between expected and actual experience	385
Change in deferred inflows related to differences between projected and actual earnings on pension plan	7

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

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Change in Net Position of Governmental Activities (Exhibit II)	\$ <u><u>5,090</u></u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**  
**(In Thousands)**

	Business-Type Activities				Total	Governmental Activities Internal Service
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Fund EMS Transport Fund		
<b>Assets:</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 8,884	\$ 297	\$ 310	\$	\$ 9,491	\$
Restricted cash	3,640	685			4,325	
Receivables, net	8,311	2,322	2,208	1,352	14,193	200
Investments	14,590	9,355	11,000		34,945	
Inventories	965	370			1,335	
Due from other funds				590	590	6,488
Other assets	618		8		626	
Total current assets	37,008	13,029	13,526	1,942	65,505	6,688
<b>Noncurrent assets:</b>						
Capital assets, net	38,874	37,369	25,733	358	102,334	
Total assets	75,882	50,398	39,259	2,300	167,839	6,688
<b>Deferred Outflows of Resources:</b>						
Differences between expected and actual experience	156	72	40	9	277	
Difference between projected and actual earnings on pension plan	2,039	943	524	110	3,616	
Total deferred outflows of resources	2,195	1,015	564	119	3,893	
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued expenses	6,899	1,585	536	25	9,045	
Bond and notes payable		360	165		525	
Compensated absences	276	309	220		805	
Total	7,175	2,254	921	25	10,375	-
<b>Current liabilities payable from restricted assets:</b>						
Customer deposits payable	3,640				3,640	
Risk management claims					-	3,284
Total	3,640	-	-	-	3,640	3,284
Total current liabilities	10,815	2,254	921	25	14,015	3,284
<b>Noncurrent liabilities:</b>						
Bond and notes payable		3,090	811		3,901	
Compensated absences	723	378	269		1,370	
Net pension liability	9,089	4,200	2,337	491	16,117	
Total noncurrent liabilities	9,812	7,668	3,417	491	21,388	-
Total liabilities	20,627	9,922	4,338	516	35,403	3,284
<b>Deferred Inflows of Resources:</b>						
Differences between expected and actual experience	141	65	36	8	250	
<b>Net Position:</b>						
Net investments in capital assets	38,874	33,919	24,757	358	97,908	
Restricted for conservation programs	608				608	
Unrestricted	17,827	7,507	10,692	1,537	37,563	3,404
Total Net Position	\$ 57,309	\$ 41,426	\$ 35,449	\$ 1,895	\$ 136,079	\$ 3,404

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	Business-Type Activities				Total	Governmental Activities Internal Service
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Fund EMS Transport Fund		
Operating revenues:						
Operations	\$ 68,755	\$ 7,789	\$ 6,851	\$ 2,130	\$ 85,525	\$
Fund premiums						25,444
Other	926	115	272		1,313	
Total operating revenues	<u>69,681</u>	<u>7,904</u>	<u>7,123</u>	<u>2,130</u>	<u>86,838</u>	<u>25,444</u>
Operating expenses:						
Operations	68,624	7,130	6,135	1,609	83,498	
Depreciation	3,359	1,800	1,999	112	7,270	
Gross earnings and property taxes	1,724				1,724	
Employee benefits						22,477
Other	104				104	2,204
Total operating expenses	<u>73,811</u>	<u>8,930</u>	<u>8,134</u>	<u>1,721</u>	<u>92,596</u>	<u>24,681</u>
Operating income (loss)	<u>(4,130)</u>	<u>(1,026)</u>	<u>(1,011)</u>	<u>409</u>	<u>(5,758)</u>	<u>763</u>
Nonoperating income (loss):						
Lease income	1,047	126			1,173	
Gain on disposal of capital assets	24				24	
Interest and amortization expense		(102)	(23)		(125)	
Interest on customer deposits	(1)				(1)	
Investment and interest income	41	83	101		225	
Total nonoperating income	<u>1,111</u>	<u>107</u>	<u>78</u>		<u>1,296</u>	
Net income (loss) before contributions and transfers	(3,019)	(919)	(933)	409	(4,462)	763
Capital grants and contributions		152	610		762	
Transfers in				199	199	
Transfer out	<u>(1,872)</u>				<u>(1,872)</u>	
Change in net position	(4,891)	(767)	(323)	608	(5,373)	763
Total net position, beginning of year	<u>62,200</u>	<u>42,193</u>	<u>35,772</u>	<u>1,287</u>	<u>141,452</u>	<u>2,641</u>
Total Net Position, End of Year	<u>\$ 57,309</u>	<u>\$ 41,426</u>	<u>\$ 35,449</u>	<u>\$ 1,895</u>	<u>\$ 136,079</u>	<u>\$ 3,404</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(In Thousands)

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Fund	Total	Internal Service
				EMS Transport Fund		
Cash flows from operating activities:						
Cash received from operations	\$ 69,250	\$ 7,885	\$ 7,036	\$ 1,945	\$ 86,116	\$ 24,547
Cash payments to vendors and other	(60,216)	(2,483)	(3,780)	(669)	(67,148)	(24,547)
Cash payments to employees	(5,289)	(2,385)	(1,895)	(1,270)	(10,839)	
Net cash provided by (used in) operating activities	3,745	3,017	1,361	6	8,129	-
Cash flows from capital and related financing activities:						
Lease income	1,047	126			1,173	
Capital grants		152	610		762	
Purchase of capital assets	(3,639)	(1,720)	(1,223)	(205)	(6,787)	
Proceeds from the sale of capital assets	36				36	
Proceeds from the issuance of bonds		680			680	
Principal payment on bonds and notes		(260)	(170)		(430)	
Interest paid on bonds and notes		(102)	(23)		(125)	
Net cash provided by (used in) capital and related financing activities	(2,556)	(1,124)	(806)	(205)	(4,691)	-
Cash flows from noncapital financing activities:						
Customer deposits	(1)				(1)	
Transfers (to) from other funds and agencies	(1,872)			199	(1,673)	
Net cash provided by (used in) provided by noncapital and related financing activities	(1,873)	-	-	199	(1,674)	-
Cash flows from investing activities:						
Purchases of investments	(6,535)	(8,985)	(560)		(16,080)	
Income on investments and interest	41	83	101		225	
Net cash provided by (used in) investing activities	(6,494)	(8,902)	(459)	-	(15,855)	-
Net increase (decrease) in cash and cash equivalents	(7,178)	(7,009)	96		(14,091)	-
Cash and cash equivalents, beginning of year	19,702	7,991	214		27,907	-
Cash and Cash Equivalents, End of Year	\$ 12,524	\$ 982	\$ 310	\$ -	\$ 13,816	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (4,130)	\$ (1,026)	\$ (1,011)	\$ 409	\$ (5,758)	\$ 763
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	3,359	1,800	1,999	112	7,270	
(Increase) decrease in receivables and unbilled revenue	(431)	(19)	(87)	(185)	(722)	(177)
(Increase) decrease in due from other funds				(304)	(304)	(720)
(Increase) decrease in inventory	127	(17)			110	
(Increase) decrease in deferred charges and other assets	(107)				(107)	
Increase (decrease) in accounts payable and accrued expenses	148	173	(470)	(9)	(158)	134
Increase (decrease) in net pension liability	6,594	2,935	1,365	51	10,945	
(Increase) decrease in deferred outflows of resources	(1,896)	(864)	(448)	(66)	(3,274)	
Increase (decrease) in deferred inflows of resources	81	35	13	(2)	127	
Total adjustments	7,875	4,043	2,372	(403)	13,887	(763)
Net Cash Provided by (Used in) Operating Activities	\$ 3,745	\$ 3,017	\$ 1,361	\$ 6	\$ 8,129	\$ -

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2016**  
**(In Thousands)**

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 2,382	\$ 952
Investments:		
Mutual funds	173,364	
Certificates of deposit		<u>70</u>
Total assets	<u>175,746</u>	<u>\$ 1,022</u>
Liabilities:		
Accounts and other payables	15	\$
Due to other funds	2,383	
Due to student groups and agencies		<u>1,022</u>
Total liabilities	<u>2,398</u>	<u>\$ 1,022</u>
Net Position:		
Restricted for Pensions	<u>\$ 173,348</u>	

The accompanying notes are an integral part of the financial statements



**TOWN OF WALLINGFORD, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	<b>Pension Trust Fund</b>
Additions:	
Contributions:	
Employer	\$ 8,452
Plan members	<u>2,723</u>
Total contributions	<u>11,175</u>
Investment income (loss):	
Net change in fair value of investments	(3,019)
Interest and dividends	3,797
Other income	33
Investment fee expense	<u>(22)</u>
Net investment income	<u>789</u>
Total additions	<u>11,964</u>
Deductions:	
Benefits	13,541
Refunds of contributions	338
Administration	<u>101</u>
Total deductions	<u>13,980</u>
Change in net position	(2,016)
Net position restricted for pensions, beginning of year	<u>175,364</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 173,348</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
(amounts expressed in thousands)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town was incorporated in May 1670 under the provisions of the State of Connecticut General Assembly. It operates under a Mayor-Council form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health, recreation, social services, libraries, education, planning and zoning and general administrative services.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements where appropriate. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

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

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For

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this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The *Capital and Nonrecurring Fund* accounts for the resources accumulated and expenditures made for the construction of capital facilities and other capital improvements and equipment purchases.

The *School Renovations Fund* accounts for the resources accumulated and expenditures made for the Town's \$72.3 million school renovation program. The major source of revenue for this fund is intergovernmental revenues.

The *Vernon E. Cleaves Vo-Ag Center Fund* accounts for the resources accumulated and expenditures made for the construction of the vocational agricultural center on the campus of Lyman Hall High School. The major source of revenue for this fund is intergovernmental revenues.

The *School Roof Projects Fund* accounts for the resources accumulated and expenditures made for the repairs of various school roofs throughout the Town.

The Town reports the following major proprietary funds:

The *Sewer Fund* accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems.

The *Water Fund* accounts for the activities of the water plant, the collection system, the storage facilities and the pumping system.

The *Electric Fund* accounts for the activities of the Town's electric distribution operations.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for the health benefits and risk management activities of the Town.

The *Pension Trust Fund* accounts for the activities of the Consolidated Pension Fund and the Volunteer Firefighters Pension Fund, which accumulates resources for pension benefit payments to qualified participants.

The *Agency Fund* accounts for monies held on behalf of students and amounts held for performance based activities.

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

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

**D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**E. Receivables and Payables**

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

Property taxes on all property are assessed as of October 1 prior to the beginning of the fiscal year and become legally due and payable on the following July 1 and January 1. If taxes are unpaid as of June 30 following the payable date, a lien is placed on the real property. Property assessments are made at 70% of the market value. Property taxes receivable are recorded on the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. The Town is not a part of any overlapping government that assesses separate property taxes. An amount of \$759 has been established as an allowance for uncollected taxes. At June 30, 2016, this represents 18.0% of property taxes receivable.

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**F. Inventories and Prepaid Items**

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

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

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

**H. 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 or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension 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. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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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 or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The Town also reports deferred inflows of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**I. Compensated Absences**

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specified payment rates established by contract, regulation or policy. Accumulated vacation and sick time is recognized as a liability of the Town in the statement of net position.

**J. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**K. Net OPEB Obligation**

The net OPEB obligation represents the cumulative difference between the annual pension/OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets and/or noncurrent liabilities, accordingly, in the government-wide financial statements.

**L. Long-Term Obligations**

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

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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.

**M. Fund Equity**

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

**Net Investments in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Restricted Net Position**

Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position**

This component consists of net position that does not meet the definition of “restricted” or “net investments in capital assets.”

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

**Nonspendable Fund Balance**

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

**Restricted Fund Balance**

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). A fund balance commitment is established, modified and/or rescinded by ordinance.

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the Town Council or the Comptroller, as they have been delegated authority to assign amounts by the Town Charter.

**Unassigned Fund Balance**

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

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The Town does not have a minimum fund balance policy. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

**N. Accounting Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Departmental managers submit their budgets to the finance department 120 days prior to year-end for the fiscal year commencing the following July 1. Thirty days later, the Mayor and Comptroller present the proposed operating budget to the Town Council. The operating budget includes proposed expenditures and the means of financing them. The Town Council holds a public hearing to obtain taxpayer comments, and the budget is legally adopted through passage of an ordinance prior to June 1. The enterprise funds are also under the same budgetary control.

Supplemental budget appropriations must be adopted by the Town Council. During the fiscal year ended June 30, 2016, there were General Fund supplemental budget appropriations totaling \$3,121. This amount was offset by increased adopted revenue sources totaling \$232.

In the General Fund, capital purchase appropriations in force of \$2,889 were carried forward from prior years.

The annual budget is approved at the line-item level. The Town issues a separately prepared budget report by line item to comply with this legal requirement. Upon approval of the Town Council, transfers from one budgetary line to another, or from contingency accounts, may be made within a department. Transfers between departments can be made upon request of the Mayor and by passage of a resolution by the Council during the last three months of the fiscal year. Appropriations lapse at year-end except appropriations of the capital projects funds, which continue until completion of the applicable project.

The General Fund is the only governmental fund with a legally adopted annual budget.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported in either restricted, committed or assigned fund balance depending on level of restriction and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.



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**B. Deficit Fund Equity**

Major Funds:		
School Renovations	\$	3,118 **
Vernon E. Cleaves Vo-ag Center		1,610 **
School Roof Projects		463 **
Nonmajor Funds:		
Capital Project Funds:		
Quinnipiac Linear Trail		123 **
North Farms Fire Station		4,064 **
BOE Capital Projects		3 **
Center Street Cemetery		101 **
Special Revenue Funds:		
Central Dispatch		8 **
Workers' Compensation Fund		503 *

\* Deficit will be funded through receipt of additional program revenues or through transfers from the General Fund.

\*\* Deficit will be funded through permanent financing or through transfers from the General Fund.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net position values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net position values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

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**Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$75,324 of the Town's bank balance of \$77,322 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 67,616
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>7,708</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 75,324</u></u>

**Cash Equivalents**

At June 30, 2016, the Town's cash equivalents amounted to \$689. Cash equivalents consists of certificates of deposits with maturities of 90 days or less.

**Investments**

As of June 30, 2016, the Town had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:				
Certificate of deposit	\$ 35,014	<u>\$ 34,947</u>	<u>\$ 70</u>	<u>\$ -</u>
Other investments:				
Mutual funds	<u>173,365</u>			
Total Investments	<u><u>\$ 208,379</u></u>			

Balance in certificates of deposit as of June 30, 2016 are unrated.

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The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 173,365	\$ <u>173,365</u>	\$ <u>-</u>	\$ <u>-</u>
Investments not recorded at fair value:				
Certificate of deposit	<u>35,014</u>			
Total Investments	\$ <u>208,379</u>			

**Interest Rate Risk**

The Town’s formal investment policy limits short-term investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Short-term investment maturities are allowed to range from seven days to one year. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town’s investment policy further limits its investment choices. Derivatives, leveraged investments, repurchase agreements and reverse repurchase agreements are not used because of the unacceptable exposure to risk from these investment products. The Town does not have any further restrictions other than the State statute governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Concentration of Credit Risk**

The Town’s investment policy does not restrict investments in any one issuer that is in excess of 5% of the Town’s total investments. The investment policy does limit pooled investments in the management of pension funds; however, no additional restrictions on individual investments are established in the policy.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town’s formal investment policy includes sections regarding safekeeping and custody of investments to mitigate custodial credit risk. At June 30, 2016, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town’s name.

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**4. RECEIVABLES**

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

	<u>General</u>	<u>School Roof Projects</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 4,217	\$	\$	\$	\$	\$	\$ 4,217
Accrued interest	905						905
Intergovernmental		910				597	1,507
Service fees and interest			4,598	409	489	1,352	6,848
Unbilled service fees			3,539	1,849	1,597		6,985
Accounts and other	441		431	64	122	200	1,258
Gross receivables	<u>5,563</u>	<u>910</u>	<u>8,568</u>	<u>2,322</u>	<u>2,208</u>	<u>2,149</u>	<u>21,720</u>
Less allowance for uncollectibles:							
Taxes	(759)						(759)
Interest on taxes	(109)						(109)
Service fees			(257)				(257)
Accounts and other	(1)						(1)
Total allowance	<u>(869)</u>	<u>-</u>	<u>(257)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,126)</u>
Net Total Receivables	<u>\$ 4,694</u>	<u>910</u>	<u>\$ 8,311</u>	<u>\$ 2,322</u>	<u>\$ 2,208</u>	<u>\$ 2,149</u>	<u>\$ 20,594</u>

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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 31,990	\$	\$ 325	\$	\$ 32,315
Construction in progress	<u>20,154</u>	<u>(16,841)</u>	<u>10,872</u>	<u>-</u>	<u>14,185</u>
Total capital assets not being depreciated	<u>52,144</u>	<u>(16,841)</u>	<u>11,197</u>	<u>-</u>	<u>46,500</u>
Capital assets being depreciated:					
Land improvements	5,980	202			6,182
Buildings and improvements	238,387	16,510			254,897
Vehicles, machinery and equipment	25,565	129	864	(9,108)	17,450
Infrastructure	<u>72,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,885</u>
Total capital assets being depreciated	<u>342,817</u>	<u>16,841</u>	<u>864</u>	<u>(9,108)</u>	<u>351,414</u>
Less accumulated depreciation for:					
Land improvements	(3,813)		(298)		(4,111)
Buildings and improvements	(85,187)		(5,851)		(91,038)
Vehicles, machinery and equipment	(21,899)		(1,058)	9,108	(13,849)
Infrastructure	<u>(43,317)</u>	<u>-</u>	<u>(784)</u>	<u>-</u>	<u>(44,101)</u>
Total accumulated depreciation	<u>(154,216)</u>	<u>-</u>	<u>(7,991)</u>	<u>9,108</u>	<u>(153,099)</u>
Total capital assets being depreciated, net	<u>188,601</u>	<u>16,841</u>	<u>(7,127)</u>	<u>-</u>	<u>198,315</u>
Governmental Activities Capital Assets, Net	<u>\$ 240,745</u>	<u>\$ -</u>	<u>\$ 4,070</u>	<u>\$ -</u>	<u>\$ 244,815</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 746	\$	\$	\$	\$ 746
Construction in progress	<u>140</u>	<u>(140)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>886</u>	<u>(140)</u>	<u>-</u>	<u>-</u>	<u>746</u>
Capital assets being depreciated:					
Utility plant	99,432		650		100,082
Infrastructure	132,215	140	4,617	(130)	136,842
Machinery and equipment	<u>36,325</u>	<u>-</u>	<u>1,523</u>	<u>(452)</u>	<u>37,396</u>
Total capital assets being depreciated	<u>267,972</u>	<u>140</u>	<u>6,790</u>	<u>(582)</u>	<u>274,320</u>
Less accumulated depreciation for:					
Utility plant	(63,695)	467	(2,655)		(65,883)
Infrastructure	(76,901)		(3,280)	115	(80,066)
Machinery and equipment	<u>(25,433)</u>	<u>(467)</u>	<u>(1,335)</u>	<u>452</u>	<u>(26,783)</u>
Total accumulated depreciation	<u>(166,029)</u>	<u>-</u>	<u>(7,270)</u>	<u>567</u>	<u>(172,732)</u>
Total capital assets being depreciated, net	<u>101,943</u>	<u>140</u>	<u>(480)</u>	<u>(15)</u>	<u>101,588</u>
Business-Type Activities Capital Assets, Net	<u>\$ 102,829</u>	<u>\$ -</u>	<u>\$ (480)</u>	<u>\$ (15)</u>	<u>\$ 102,334</u>

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

Governmental activities:	
General government	\$ 154
Public safety	660
Public works	1,142
Parks and recreation	522
Education	<u>5,513</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,991</u>
Business-type activities:	
Electric	\$ 3,359
Water	1,800
Sewer	1,999
EMS Transport	<u>112</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 7,270</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2016. At year end, the projects unexpended authorization available to fund commitments with contractors is as follows:

<u>Description</u>	<u>Cumulative Authorization</u>	<u>Current Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2016</u>
School Renovations	\$ 72,367	\$	\$ 72,294	\$ 73
Vernon E. Cleaves Vo-Ag Center	27,808	15	27,695	113
School Roofs	16,165	44	15,354	811
North Farms Fire Station	<u>5,902</u>	<u>3,352</u>	<u>5,074</u>	<u>828</u>
Total	<u>\$ 122,242</u>	<u>\$ 3,411</u>	<u>\$ 120,417</u>	<u>\$ 1,825</u>

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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2016 is presented below.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 4,484
General	Vernon E. Cleaves Vo-ag Center	1,610
General	Pension Trust Fund	2,383
General	School Renovations	3,118
General	School Roof Projects	1,373
Proprietary Funds	General	590
Capital and Nonrecurring	General	6,890
Nonmajor Governmental	General	8,367
Internal Service Fund	General	<u>6,488</u>
 Total		 \$ <u><u>35,303</u></u>

A summary of interfund transfers is presented below:

	<u>Transfers In</u>					<u>Total Transfers Out</u>
	<u>General</u>	<u>Capital and Nonrecurring</u>	<u>EMS Transport Fund</u>	<u>School Renovations</u>	<u>Nonmajor Governmental</u>	
Transfers out:						
General Fund	\$	\$ 1,872	\$ 199	\$ 510	\$ 96	\$ 2,677
Nonmajor Governmental	93					93
Electric Fund	<u>1,872</u>					<u>1,872</u>
Total Transfers In	<u>\$ 1,965</u>	<u>\$ 1,872</u>	<u>\$ 199</u>	<u>\$ 510</u>	<u>\$ 96</u>	<u>\$ 4,642</u>

General Fund transfers are made in accordance with budget appropriations. The General Fund transfers to other funds are primarily for the purpose of establishing local funding for capital projects to reduce bonding. The transfer from the Electric Fund to the General Fund represents a payment in lieu of taxes. The General Fund uses the payment in lieu of taxes to fund budgeted transfers to the Capital and Nonrecurring Fund.

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**7. LONG-TERM DEBT**

*Governmental Activities*

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:	\$ 27,595	\$ 21,655	\$ 14,940	\$ 34,310	\$ 3,460
Plus premiums	1,462	1,424	243	2,643	264
Total bonds payable	<u>29,057</u>	<u>23,079</u>	<u>15,183</u>	<u>36,953</u>	<u>3,724</u>
Accrued compensated absences	14,619	2,423	2,188	14,854	2,150
Retired employee obligations	317	405	251	471	405
Net OPEB obligation	14,403	2,069		16,472	
Net pension liability	48,376	1,169		49,545	
Risk management	<u>1,429</u>	<u>3,284</u>	<u>1,429</u>	<u>3,284</u>	<u>3,284</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 108,201</u>	<u>\$ 32,429</u>	<u>\$ 19,051</u>	<u>\$ 121,579</u>	<u>\$ 9,563</u>

All long-term liabilities are generally liquidated by the General Fund.

A schedule of government activities bonds outstanding at June 30, 2016 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2016</u>
General purpose:				
Library and Land Acquisition (2007 & 2008 Refunding)	08/27/15	2.00-5.00%	\$ 6,424	\$ 6,406
Tyler Mill Property Purchase	10/01/15	2.00-4.00%	305	305
Total general purpose				<u>6,711</u>
School:				
Schools	05/15/11	1.75-3.75%	1,440	745
Schools (2003 & 2005 Refunding)	03/15/12	2.00-4.00%	15,190	11,940
Schools (2007 & 2008 Refunding)	08/27/15	2.00-5.00%	4,606	4,594
Schools	10/01/15	2.00-4.00%	10,320	10,320
Total schools				<u>27,599</u>
Total				<u>\$ 34,310</u>



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Annual maturities of bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,460	\$ 1,230	\$ 4,690
2018	3,455	1,101	4,556
2019	3,455	972	4,427
2020	3,455	839	4,294
2021	3,450	709	4,159
2022-2026	11,760	1,729	13,489
2027-2031	2,975	526	3,501
2032-2036	<u>2,300</u>	<u>175</u>	<u>2,475</u>
Total	\$ <u>34,310</u>	\$ <u>7,281</u>	\$ <u>41,591</u>

**Landfill Closure**

The Town and four other municipalities entered into a Municipal Solid Waste Delivery and Disposal Contract with Covanta Corporation, which went into effect July 1, 2010, to operate a mass-burn solid waste, resource recovery, steam and electric generation facility located in Wallingford. For the twenty years prior to this, the Connecticut Resource Recovery Authority (CRRA), a public instrumentality of the State of Connecticut, had leased and operated this facility and the related landfill and established a reserve fund for, and is responsible for, closure and post-closure costs. The Town has no current costs for closure and post-closure care of the landfill.

*Business-Type Activities*

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 3,165	\$ 680	\$ 330	\$ 3,515	\$ 425
State of Connecticut - serial notes	<u>1,011</u>	<u>          </u>	<u>100</u>	<u>911</u>	<u>100</u>
Total bonds and serial notes payable	4,176	680	430	4,426	525
Net pension liability	5,172	10,945		16,117	
Accrued compensated absences	<u>2,147</u>	<u>808</u>	<u>780</u>	<u>2,175</u>	<u>805</u>
Business-Type Activity Long-Term Liabilities	\$ <u>11,495</u>	\$ <u>12,433</u>	\$ <u>1,210</u>	\$ <u>22,718</u>	\$ <u>1,330</u>

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A schedule of business-type activities bonds and serial notes outstanding at June 30, 2016 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2016</u>
Water Division:				
Water Supply Project Refunding	03/19/2009	2.50-5.00%	\$ 1,550	\$ 435
McKenzie Reservoir	05/15/2011	1.75-3.75%	2,820	2,335
Pistapaug Water Tank	10/15/2015	2.00-4.00%	680	680
Total water obligations				<u>3,450</u>
Sewer Division:				
Sewer Pump Station - Durham	12/1/1997	4.00-6.00%	1,330	65
State of Connecticut Serial Note	8/11/2005	2.00%	1,997	911
Total sewer obligations				<u>976</u>
Total				<u>\$ 4,426</u>

Annual maturities of bonds and serial notes are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 525	\$ 124	\$ 649
2018	475	111	586
2019	475	99	574
2020	325	85	410
2021	325	77	402
2022-2026	1,516	257	1,773
2027-2031	<u>785</u>	<u>88</u>	<u>873</u>
Total	<u>\$ 4,426</u>	<u>\$ 842</u>	<u>\$ 5,267</u>

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**Bonds Authorized/Unissued**

Bonds authorized/unissued for which bonds or notes are outstanding are as follows:

<u>Description</u>	<u>Authorized</u>	<u>Bonds Issued</u>	<u>Grants Received</u>	<u>Self-Funded</u>	<u>Authorized Unissued</u>
Town-Wide School System Renovations	\$ 72,367	\$ 37,600	\$ 29,867	\$ 1,140	\$ 3,760
Vo-Ag Building Project	27,808	1,245	23,660	110	2,793
School Roof Projects	16,165	7,200	4,645		4,320
15/16 CNR	2,255				2,255
School CIP Phase I	1,400	1,120		41	239
Pistapaug Water Tank Project	900	680		220	-
Center Street Cemetery Building	340				340
North Farms Fire Station	4,625				4,625
Tyler Mill Property Purchase	354	305		49	-
Lyman Hall H.S. Track & Field	2,270	2,000			270
Northfield Road Bridge	1,000				1,000
Toelles Road Constructions & Bridge	1,000				1,000
School CIP Phase II	3,300				3,300
<b>Total</b>	<b>\$ 133,784</b>	<b>\$ 50,150</b>	<b>\$ 58,172</b>	<b>\$ 1,560</b>	<b>\$ 23,902</b>

**Debt Limitations**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 268,598	\$ 15,931	\$ 252,667
Schools	537,197	31,563	505,634
Sewers	447,664	976	446,688
Urban renewal	387,975		387,975
Pension deficit	358,131		358,131

The total of the Town's net statutory indebtedness of \$48,470 does not exceed the legal debt limitation of \$836 million (seven times the base for debt limitation computation).

The net indebtedness excludes water bonds of \$3,450, which are considered to be self-funding.

An estimated 49% or \$35,460 of a Town-wide school system renovation authorization totaling \$72,367 will be received from the State in the form of proportional progress payments for eligible construction costs during certain construction phases of the projects. Progress payments received to date total \$29,867, leaving a balance of \$5,593 in anticipated grant payments pending state approval of the projects.

In addition, an estimated 95% or \$26,418 of the Vo-Ag Building Project authorization totaling \$27,208 will be received from the State in the form of proportional progress payments for eligible construction costs during certain received to date total \$24,730 leaving a balance of \$1,688 in anticipated grant payments pending state approval of the project.

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In addition, an estimated 50% or \$8,082 of the Eleven School Roof Project authorization totaling \$16,165 will be received from the State in the form of proportional progress payments for eligible construction costs during certain construction phases of the projects. Progress payments received to date total \$4,645 leaving a balance of \$3,437 in anticipated grant payments pending state approval of the project.

**General Obligation Bonds Refunding**

On August 27, 2015, the Town issued \$11,030 of general obligation refunding bonds with interest rates ranging from 2.0%-5.0%. The bonds were issued to refund all of the outstanding principal amounts of the March 2007 and May 2008 general obligation bonds. The net proceeds of \$12,137 (after an original issue premium of \$1,252 and payment of \$145 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated September 16, 2015 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury, State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. As a result, the bonds are considered to be defeased. The City refunded the above bonds to reduce total debt service payments over the next 10 years by \$1,100 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$878.

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**8. FUND EQUITY**

**A. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	General Fund	Capital and Nonrecurring	School Renovations	Vernon Cleaves Vo-ag Center	School Roof Projects	Nonmajor Governmental Funds	Total
Fund balances:							
Nonspendable:							
Inventory	\$	\$	\$	\$	\$	57	\$ 57
Prepays		126				28	154
Permanent fund principal						1,356	1,356
Restricted for:							
General government						60	60
Public works						251	251
Health and social services						63	63
Education						662	662
Committed to:							
General government						92	92
Public works						6,141	6,141
Health and social services						30	30
Parks and recreation						60	60
Education						296	296
Capital projects	1,517	5,708				1,080	8,305
Assigned to:							
General government - use of fund balance	4,200						4,200
Public safety encumbrances - fire capital expenditures	56						56
police other	6						6
Public works encumbrances - capital expenditures	177						177
Education encumbrances - instructional equipment	392						392
Education encumbrances - other	267						267
Unassigned	22,509		(3,118)	(1,610)	(463)	(4,327)	12,991
Total fund balances	\$ 29,250	\$ 5,708	\$ (3,118)	\$ (1,610)	\$ (463)	\$ 5,849	\$ 35,616

**B. Electric Fund - Restricted Net Position**

Through December 31, 2013, the Connecticut Municipal Electric Energy Cooperative (CMEEC) administered a Municipal Energy Conservation and Load Management Fund (ECLMF) on behalf of the Town of Wallingford. The ECLMF was established to comply with provisions of House Bill 7501, Public Act No. 05-1 requiring municipal electric utilities to contribute to the fund and CMEEC to administer the fund. Effective January 1, 2014, with the expiration of the “full requirements” contract mentioned below, CMEEC transferred custody of the balance of that portion of the ECLMF held for Wallingford contributions to the Town of Wallingford. The Town’s contribution rate for fiscal year 2016 is 2.5 mills per kilowatt hour sold. The contributions formerly sent by the Town to CMEEC are now deposited directly into a fund held by the Town. Disbursements from the ECLMF are required to be made pursuant to a comprehensive electric conservation and load management plan. In addition to the ECLMF, the Town receives revenues from periodic Regional Greenhouse Gas Initiative (RGGI) auctions. The Town also received custody from CMEEC of Renewable Resource Investment Funds (RRIF), for revenues received from Independent System Operators-New England (ISO-NE) through the forward capacity market (FCM) for ECLMF measures installed in Wallingford’s service territory which CMEEC used to fulfill its obligations in the FCM. No further RRIF revenues have been received by Wallingford since January 2014 and Wallingford is currently pursuing the matter with CMEEC to see if additional funds are due to the Town for revenues since January 2014.

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Investment income earned on the Town's deposits along with the Fund's authorized expenses during the year are recorded in the Electric Fund's statement of activities. The funds held now by the Town are recorded as assets on the Electric Fund's statement of net position, and, accordingly, the Electric Fund's net position has been restricted. The balance of these unexpended funds held by the Town was \$608 at June 30, 2016.

**9. ELECTRIC DIVISION - POWER SUPPLY AGREEMENT AND SPECIAL FUNDS**

Through December 31, 2013, the Town purchased its wholesale power requirements under an "all requirements" Power Sales Agreement (PSA) with the Connecticut Municipal Electric Energy Cooperative (CMEEC). Under the PSA the Town was required to purchase from CMEEC and CMEEC was required to sell to the Town, essentially all electric capacity and energy that Wallingford required for sale at retail. On February 23, 2012, in recognition of the fact that the Town was contemplating not renewing the PSA, the Town and CMEEC entered into a Memorandum of Agreement (MOA), which was amended on April 2, 2013. Under the MOA, CMEEC continued to purchase forward energy on behalf of the Town through July 31, 2013.

On July 1, 2006, the Town entered into the Contract for the Sale of Pierce Project Electric Power and Energy (Pierce Project Contract) with CMEEC. The Pierce Project Contract enables the Town to receive its entitlement allocation of all electric products of the Pierce Project and obligates the Town to pay its entitlement allocation of all fixed and variable costs associated with the Project, in the event the PSA is not extended.

As of October 1, 2007, the Town entered into the Contract for the Sale of John Street 5 Diesel Project Electric Power and Energy (John Street 5 Project Contract) with CMEEC. The John Street 5 Project Contract enables the Town to receive its entitlement allocation of all electric products of the John Street 5 Project and obligates the Town to pay its entitlement allocation of all fixed and variable costs associated with the Project, in the event the PSA is not extended. The Town's participation in the John Street 5 Project ended at midnight on December 31, 2015 when it did not extend the John Street 5 Project Contract beyond its initial term.

As of July 1, 2008, the Town entered into the Contract for the Sale of Diesel Retrofits Project Electric Power and Energy (Diesel Retrofits Project Contract) with CMEEC. The Diesel Retrofits Project Contract enables the Town to receive its entitlement allocation of all electric products of the Diesel Retrofits Project and obligates the Town to pay its entitlement allocation of all fixed and variable costs associated with the Project, in the event the PSA is not extended. The Town's participation in the Diesel Retrofits Project ended at midnight on December 31, 2015 when it did not extend the Diesel Retrofits Project Contract beyond its initial term.

As of June 1, 2009, the Town entered into the Contract for the Sale of 50 in 5 Peaking Electric Power and Energy and Crediting of Avoided Costs Benefits (50 in 5 Project Contract) with CMEEC. The 50 in 5 Project Contract enables the Town to receive its entitlement allocation of all electric products and crediting of avoided cost benefits of the 50 in 5 Project and obligates the Town to pay its entitlement allocation of all fixed and variable costs associated with the Project, in the event the PSA is not extended.

Since the Town did not extend the term of the PSA beyond December 31, 2013, the provisions for each of the project contracts went into effect as of January 1, 2014.

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On May 15, 2013 the Town entered into the Energy Portfolio Management and Power Supply Consulting Service Agreement (the Agreement) with Energy New England (ENE). The initial term of the Agreement is through December 31, 2018 and it provides for a single, three-year extension.

Under the terms of the Agreement, the Wallingford Electric Division (WED) operates as an ISO-NE Market Participant (which it became on October 1, 2013) and enters into contracts directly with counterparties for the purpose of hedging the risks associated with its wholesale power supply. ENE acts as the WED's agent in all matters related to the WED's power supply acquisition activities and it assists the WED in fulfilling its obligations in the ISO-NE market. As the WED's agent, ENE manages the forward energy that CMEEC procured on the WED's behalf under the MOA.

As of this writing the WED has entered into seven Master Power Purchase and Sale Agreements with counterparties.

The WED's power procurement activities are governed by its Energy Risk Management Policy and its Hedging Policy, which were adopted by the Wallingford Board of Public Utilities Commissioners on August 8, 2013 and October 1, 2013, respectively. The Hedging Policy was amended on June 2, 2015.

The foregoing discussion of the Energy Portfolio Agreement, CMEEC contracts, Memorandum of Agreement, Master Power Purchase Agreements, and Project Contracts is intended to be a summary of such contracts and funds and is qualified in its entirety by reference to the contracts themselves, which may be obtained from the Town.

## **10. LEASES**

### **Lease Agreement as Lessor**

Under the terms of a lease dated March 8, 2000, as amended January 30, 2015, the Town's Electric Division received \$835 for the year ended June 30, 2016 for the lease of land onto which a gas-fired electric power generating station facility was constructed. The effective date of the 25-year lease period began on May 31, 2000. The \$835 annual lease payment is recorded as lease income in the Electric Division as non-operating revenue.

On July 1, 2006, the Town and CMEEC entered into a lease agreement providing for CMEEC's lease of land, buildings and other structures at the Town's former Alfred L. Pierce electric generating station. \$300 of rent was generated annually for a five-year period following commercial operation. Beginning with the sixth year of the initial term of the lease, rent was increased 1.5% annually. The initial term of the lease will end on December 31, 2027. An extension provision for an additional five-year period is provided for in the agreement. The Town allocates 50% of the rental income to the Town's Electric Division and fifty percent to the Town's General Fund.

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**11. RISK MANAGEMENT**

The Town procures insurance policies with commercial insurance companies to protect itself against various risk exposures such as general liability, property damage and professional liability. The Town's Legal Counsel defends the Town in any lawsuits that arise from the normal course of operations.

The Town has a workers' compensation fund and is self-insured for claims up to a maximum of \$500,000. The Town purchases commercial insurance for claims in excess of self-insured coverage. There is an individual claim maximum of \$500,000. Settled claims have not exceeded coverage in any of the past three years. The Town's third-party administrator estimates claims payable for incurred claims as of June 30, 2016 at \$1,503 for workers' compensation and heart and hypertension claims.

The Town administers the medical self-insurance program through the Health Benefits fund. The Town has an Anthem Blue Cross/Blue Shield medical plan for which payments are based upon actual claims (versus premium payments). In this case, Anthem Blue Cross/Blue Shield acts as a claims processor and a transfer of risk does not occur.

All funds of the Town participate in the program and make payments to the Health Benefits Fund to pay claims, claim reserves and administrative costs of the program. During the fiscal year ended June 30, 2016, \$23.4 million in health care benefits and administrative costs were paid. Incurred but not reported health claims of \$1,781 have been accrued as a liability based upon information supplied by the Town's Health Care Administrator. Actuarial estimated liability for claims incurred but not reported is not available.

The changes in the claims liability were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
<u>Workers' Compensation Fund</u>				
2014-2015	\$ 1,600	\$ 1,055	\$ 1,226	\$ 1,429
2015-2016	1,429	1,234	1,160	1,503
<u>Health Benefits Fund</u>				
2014-2015	\$ 1,338	\$ 22,334	\$ 21,951	\$ 1,721
2015-2016	1,721	21,243	21,183	1,781

**12. OTHER POSTEMPLOYMENT BENEFITS**

The Town, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Benefits are established and amended through negotiations between the Town and the various unions representing Town employees. The Town provides postemployment healthcare benefits, in accordance with current contracts, to Board of Education certified teachers and administrators who retire from the Town in accordance with criteria listed in Note 13. For those employees who terminate without retirement, healthcare benefits continue for 30 days after termination.



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Retiree health insurance is provided as a combination of HMO and indemnity coverage, with the retiree selecting the type of coverage. The Town pays for a major portion or all of the total health insurance cost for retirees depending on the coverage election. The Town pays approximately 50% of the cost of coverage for dependents and surviving spouses eligible to participate in the group plan. The remainder of the premium is paid by the retirees for their dependents or the surviving spouse for themselves.

The Town also provides health care benefits to retired police and fire employees as well as chiefs and assistant chiefs, in accordance with union contracts. When they retire, police and fire employees may have up to 50% of their health care benefits paid for by the Town until they reach age 65.

**Funding Policy**

The Town's current strategy is to fund current claims and administrative costs for postemployment benefits through its purchase of premium-based coverage.

Although a trust fund may be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town's current commitment is to fund the other post employment benefits provided to Town retirees on a pay-as-you-go basis.

The Town has not established an OPEB Trust fund, as of June 30, 2016, to irrevocably segregate assets to fund the liability associated with postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The following is the current census of Town benefit participants as of July 1, 2015:

*(not rounded)*

Active members	1,101
Retirees and spouses	<u>138</u>
Total	<u><u>1,239</u></u>

Postemployment retiree benefit payments for the year ended June 30, 2016, net of retiree and other contributions, amounted to approximately \$1,648.

**Annual OPEB Cost and Net OPEB Obligations**

The Town of Wallingford's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

		<b>Other Post Employment Benefits (OPEB)</b>
Annual required contribution (ARC)	\$	3,942
Interest on net OPEB obligation		576
Adjustment to annual required contribution		(801)
		<hr/>
Annual OPEB cost		3,717
Contributions made		(1,648)
		<hr/>
Increase in net OPEB obligation		2,069
Net OPEB obligation, beginning of year		14,403
		<hr/>
Net OPEB Obligation, End of Year	\$	<u>16,472</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the three fiscal years ended June 30, 2016 are presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/14	\$ 3,625	\$ 2,185	\$ 60.3	\$ 13,186
6/30/15	3,681	2,464	66.9	14,403
6/30/16	3,717	1,648	44.3	16,472

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

In the July 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

An annual healthcare cost trend rate of 8% is used initially, decreasing 0.5% per year to an ultimate rate of 5% for 2021 and later. The medical trend rate includes a 3% inflation component. The remaining amortization period at July 1, 2015 was 30 years, open. The unfunded accrued liability is amortized each year over a constant 30 year period, as a level dollar amount. As of July 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$42 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$42 million.

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The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability(AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UFAL as a % of Covered Payroll ((b-a)/c)</u>
7-1-11	\$ -	\$ 44,343	0%	\$ 85,854	52%
7-1-13	-	44,021	0	92,860	47
7-1-15	-	42,492	0	85,047	50

**Schedule of Employer Contributions**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2014	\$ 3,808	57.4%
6/30/2015	3,887	63.4
6/30/2016	3,942	41.8

**13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

*Wallingford Consolidated Pension Plan*

**A. Plan Description and Benefits Provided**

The Town of Wallingford is the administrator of the Town’s Consolidated Pension Plan, a single-employer contributory defined benefit public employee retirement system (PERS) established and administered by the Town to provide pension benefits to all full-time noncertified employees. The Plan is considered to be part of the Town of Wallingford’s financial reporting entity and is included in the Town’s financial reports as a pension trust fund. The Plan does not issue a stand-alone report.

Per the Town Charter, the Personnel Department administers the pension system, receives retirement applications from employees, determines pension eligibility of those employees, calculates pension amounts for those eligible and handles all communication with retirees. The Personnel Department also procures the services of actuaries for pension plan valuation and other consultants as needed for advice regarding the pension plan. Also per the Town Charter, a Pension Commission determines and invests the pension assets. The Commission consists of six members: the Town Comptroller, Town Treasurer (currently vacant), Personnel Director and three resident electors of the Town who have experience and training in investments and finance, who are appointed by the Mayor with the approval of the Town Council. The Town Treasurer has custody of all pension funds and sees to the investment of pension assets in conformity with actions and policies of the Pension Commission. The Commission may appoint a financial custodian to implement investment decisions and trustees to manage the pension funds.

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Membership as of July 1, 2015 of the PERS consisted of the following:

	<b>Number of Employees</b>
Retirees and beneficiaries currently receiving benefits	453
Terminated employees not yet receiving benefits	68
Active plan members	<u>686</u>
Total	<u><u>1,207</u></u>

Members are required to contribute to the Plan and the Town is required to contribute amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Charter and Union negotiation.

The following summarizes the major provisions of the plan. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

**Regular Employees**

**Normal Retirement**

Age and Service Requirement:

Public Works:	30 years of credited service or age 62 with 10 years of credited service.
Management & Supervisors:	30 years of credited service or age 62 with 10 years of credited service.
Electric Division & Water Division:	29 years of credited service or age 60 with 10 years of credited service.

Benefit:

Public Works:	2.15% of final average salary multiplied by years of credited service, subject to a maximum of 75% final average salary, including Social Security if applicable.
Management & Supervisors:	2.25% of final average salary multiplied by years of credited service, subject to a maximum of 75% final average salary, including Social Security if applicable.
Electric Division & Water Division:	2.35% of final average salary multiplied by years of credited service, subject to a maximum of 75% final average salary, including Social Security if applicable.

**Early Retirement**

Age requirement:	55
Service requirement:	15 years
Amount:	Normal pension accrued reduced by 0.25% for each month that the participant's retirement date precedes normal retirement

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**Vesting**

100% vested with 5 years of credited service

**Employee Contributions**

5% of weekly salary for Public Works  
7% of weekly salary for Management and Supervisors  
7.5% of weekly salary for Water or Electric Divisions

**Hazard Employees**

**Normal Pension**

*Police, Firemen and Linemen*

Age requirement: None

Service requirement:

Police: 22 years of service  
Fire: 23 years of service  
Lineman: 25 years of service

Benefit:

Police: 2.35% of final average salary per year of credited service, subject to a maximum of 75%.

Fire: 2.35% of final average salary per year of credited service, subject to a maximum of 75% final average salary. Minimum of \$1,200 per year.

Lineman: For pre July 1, 2007 hires: 2.35% of final average salary per year of credited service, subject to a maximum of 75% final average salary. Minimum of \$1,200 per year.

For post July 1, 2007 hires: 2.25% of final average salary per year of credited service, subject to a maximum of 75% final average salary. Minimum of \$1,200 per year.

**Vesting**

100 % vesting after 5 years of credited service

**Employee Contributions**

8.5% of weekly salary for Linemen  
7.75% of weekly salary for Policemen  
8.0% of weekly salary for Firefighters  
Interest is credited at 3% per year

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**Cost-of-Living Adjustment**

Police:	2% per year after age 60. Normal retirements only.
Fire:	2% per year after age 60, normal and disability retirements. Terminated vested benefits, after age 62.
Lineman:	2% per year after age 60, if hired on or before January 1, 2001. All normal retirement benefits on or after July 1, 1992, with at least 25 years of service.

**B. Summary of Significant Accounting Policies and System Assets**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Investment income is recognized as earned.

**Concentration of Investments**

There were no investments in any one organization that represented 5% or more of net position available for benefits, except for investments in United States backed bonds.

**Plan Expenses**

Expenses of administering the Plan are paid for from contributions to the Plan.

**C. Funding Policy**

Employees contribute between 5% and 8.5% of their weekly salary to the Plan. Contributions earn 3% interest returnable upon termination before retirement. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as determined by its actuaries; the current rate is 20.22% of annual covered payroll. Benefits and employee contributions are fixed by contract and may be amended subject to union negotiations.

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**D. Investments**

The Pension Commission utilizes the Plan's Investment Policy Statement (IPS) to determine the allocation of the Plan's invested assets. The goal of the IPS is to reduce risk by utilizing an investment strategy through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2016.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>	<b>Weighting</b>
Fixed Income	35.00%	1.95%	0.68%
US Equity	50.00%	5.40%	2.70%
International Equity	15.00%	5.60%	0.84%
Total Portfolio	100.00%		4.22%
Long-Term Inflation Expectation			2.50%
Long-Term Expected Nominal Return			6.72%

\* Long-Term Returns are provided by FIA-LLC. The returns are geometric means.

**Rate of Return**

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was .46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2016, were as follows:

Total pension liability	\$ 237,561
Plan fiduciary net position	(172,076)
Town's Net Pension Liability	\$ 65,485
Plan fiduciary net position as a percentage of the total pension liability	72.43%

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**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	Ranges from 3.5% to 12%, based on age
Investment rate of return	7.6%, including inflation

Mortality rates were based on the RP-2000 Mortality Table with separate male and female rates, with no collar adjustment for annuitants, projected to the valuation date with Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the rates term rates shown above are geometric averages. The impact of asset allocation and rebalancing is not reflected in the expected return. The results support a rate between 6.60% and 8.60%. An expected rate of return of 7.60% was used.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	<b>Consolidated Pension Fund</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2015	\$ 227,555	\$ 174,073	\$ 53,482
Changes for the year:			
Service cost	5,280		5,280
Interest on total pension liability	17,178		17,178
Differences between expected and actual experience	1,376		1,376
Employer contributions		8,411	(8,411)
Member contributions		2,723	(2,723)
Net investment income		766	(766)
Benefit payments, including refund to employee contributions	(13,828)	(13,828)	
Administrative expenses		(102)	102
Other changes		33	(33)
Net changes	<u>10,006</u>	<u>(1,997)</u>	<u>12,003</u>
Balances as of June 30, 2016	<u>\$ 237,561</u>	<u>\$ 172,076</u>	<u>\$ 65,485</u>



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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Town, calculated using the discount rate of 7.60%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate:

	<u>1% Decrease in Discount Rate (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase in Discount Rate (8.60%)</u>
Net pension liability as of June 30, 2016	\$ 92,764	\$ 65,485	\$ 42,374

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the Town recognized pension expense of \$10,747 from the Consolidated Pension Fund. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to the Consolidated Pension Fund from the following sources:

	<u>Consolidated Pension</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,126	\$ (1,017)
Net difference between projected and actual earning on pension plan investments	<u>14,693</u>	<u>          </u>
Total	<u>\$ 15,819</u>	<u>\$ (1,017)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Consolidated Pension Fund will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2017	\$ 4,070
2018	4,070
2019	4,070
2020	2,468
2021	<u>124</u>
Total	<u>\$ 14,802</u>

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*Wallingford Volunteer Firefighters Length of Service Award Plan*

**A. Plan Description and Benefits Provided**

The Town of Wallingford is the administrator of the Town’s Volunteer Firefighters Length of Service Award Plan, a single-employer defined benefit public employee retirement system (PERS) established and administered by the Town to provide pension benefits to qualified volunteer firefighters. The Plan is considered to be part of the Town of Wallingford’s financial reporting entity and is included in the Town’s financial reports as a pension trust fund. The Plan does not issue a stand-alone report.

The Plan is administered by the Personnel Department and Pension Commission as previously state in the Consolidated Pension Plan Note above.

Membership as of July 1, 2015 of the PERS consisted of the following:

	<u>Number of Employees</u>
Volunteers currently receiving benefits	11
Inactive vested volunteers	50
Current active members	<u>97</u>
Total	<u><u>158</u></u>

Benefits are established by the Town and may be amended only by the Town Charter.

The following is a brief summary of the plan provisions:

**Normal Pension**

Age requirement: 65  
Service requirement: 5 years (1 year after program’s initiation)  
Amount: \$10 (not rounded) per month for the first 10 years of service plus \$15 (not rounded) per month for the second 10 years of service; plus \$20 per month for the next 10 years of service (30 year maximum). The monthly pension amount is subject to a \$450 maximum.

**Disability**

Age requirement: None  
Service requirement: None  
Amount: Regular pension accrued deferred to age 65 or lump-sum cash benefit equal to the accrued benefit multiplied by 120.

**Vesting**

Age requirement: None  
Service requirement: 5 years  
Amount: Regular pension accrued deferred to age 65

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**Service**

One year of service will be credited for each year the activity requirement is met. Currently, this requirement is 100 points.

**B. Summary of Significant Accounting Policies and System Assets**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

The plan reports investments at fair value. Investment income is recognized as earned.

**Concentration of Investments**

There were no investments in any one organization that represented 5% or more of net position available for benefits, except for investments in United States backed bonds.

**Plan Expenses**

Expenses of administering the Plan are paid for from contributions to the Plan.

**C. Funding Policy**

The Town funding policy is to contribute the amount equal to the normal cost plus a past service payment representing amortization of the unfunded accrued liability.

**D. Investments**

Funds are invested in the same manner as in the Consolidated Pension Plan Note above.

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The following was the Board's adopted asset allocation policy as of June 30, 2016.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>	<u>Weighting</u>
Fixed Income	35.00%	1.95%	0.68%
US Equity	50.00%	5.40%	2.70%
International Equity	<u>15.00%</u>	5.60%	0.84%
Total Portfolio	100.00%		4.22%
Long-Term Inflation Expectation			<u>2.50%</u>
Long-Term Expected Nominal Return			6.72%

\* Long-Term Returns are provided by FIA-LLC. The returns are geometric means.

**Rate of Return**

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2016, were as follows:

Total pension liability	\$	1,449
Plan fiduciary net position		<u>(1,272)</u>
Town's Net Pension Liability	\$	<u>177</u>
Plan fiduciary net position as a percentage of the total pension liability		87.76%

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	N/A - members are volunteers
Investment rate of return	7.6%, including inflation

Mortality rates were based on the RP-2000 Mortality Table with separate male and female rates, with no collar adjustment for annuitants, projected to the valuation date with Scale AA.

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The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the rates term rates shown above are geometric averages. The impact of asset allocation and rebalancing is not reflected in the expected return. The results support a rate between 6.60% and 8.60%. An expected rate of return of 7.60% was used.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

<b>Volunteer Firefighter's Pension Fund</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2015	\$ 1,357	\$ 1,291	\$ 66
Changes for the year:			
Service cost	17		17
Interest on total pension liability	103		103
Differences between expected and actual experience	22		22
Employer contributions		41	(41)
Net investment income		(10)	10
Benefit payments, including refund to employee contributions	(50)	(50)	-
Net changes	<u>92</u>	<u>(19)</u>	<u>111</u>
Balances as of June 30, 2016	<u>\$ 1,449</u>	<u>\$ 1,272</u>	<u>\$ 177</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Town, calculated using the discount rate of 7.60%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate:

	<b>1% Decrease in Discount Rate (6.60%)</b>	<b>Current Discount Rate (7.60%)</b>	<b>1% Increase in Discount Rate (8.60%)</b>
Net pension liability as of June 30, 2016	\$ 341	\$ 177	\$ 40

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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the Town recognized pension expense of \$35 from the Volunteer Firefighter's Pension Fund. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Firefighter's Pension Fund from the following sources:

	<b>Volunteer Firefighter's</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 19	\$ (30)
Net difference between projected and actual earning on pension plan investments	<u>88</u>	<u>(22)</u>
Total	<u>\$ 107</u>	<u>\$ (52)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Volunteer Firefighter's Pension Fund will be recognized in pension expense as follows:

**Year Ending June 30**

2017	\$ 13
2018	13
2019	13
2020	20
2021	(1)
Thereafter	<u>(3)</u>
Total	<u>\$ 55</u>

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**F. Pension Trust Funds**

The Town maintains two pension trust funds (Consolidated Pension Fund and Volunteer Firefighters Pension Fund) to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2016 and the changes in net position for the year then ended:

	<b>Pension Trust Funds</b>			
	<u>Consolidated Pension Fund</u>	<u>Volunteer Firefighter's Pension Fund</u>	<u>Interfund Eliminations</u>	<u>Totals</u>
Assets:				
Cash and cash equivalents	\$ 2,381	\$ 1	\$	\$ 2,382
Investments:				
Mutual funds	173,364			173,364
Due from other funds		1,185	(1,185)	-
Total assets	<u>175,745</u>	<u>1,186</u>	<u>(1,185)</u>	<u>175,746</u>
Liabilities:				
Accounts and other payables	15			15
Due to other funds	3,654	(86)	(1,185)	2,383
Total liabilities	<u>3,669</u>	<u>(86)</u>	<u>(1,185)</u>	<u>2,398</u>
Net Position:				
Restricted for Pensions	<u>\$ 172,076</u>	<u>\$ 1,272</u>	<u>\$ -</u>	<u>\$ 173,348</u>

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	<b>Combining Statement of Changes in Fiduciary Net Position</b>		
	<b>Consolidated Pension Fund</b>	<b>Volunteer Firefighter's Pension Fund</b>	<b>Totals</b>
Additions:			
Contributions:			
Employer	\$ 8,411	\$ 41	\$ 8,452
Plan members	2,723		2,723
Total contributions	<u>11,134</u>	<u>41</u>	<u>11,175</u>
Investment income (loss):			
Net change in fair value of investments	(3,009)	(10)	(3,019)
Interest and dividends	3,797		3,797
Other income	33		33
Investment fee expense	(22)		(22)
Total investment income (loss)	<u>799</u>	<u>(10)</u>	<u>789</u>
Total additions	<u>11,933</u>	<u>31</u>	<u>11,964</u>
Deductions			
Benefits	13,491	50	13,541
Refunds of contributions	338		338
Administration	101		101
Total deductions	<u>13,930</u>	<u>50</u>	<u>13,980</u>
Net change	(1,997)	(19)	(2,016)
Net position restricted for pensions, beginning of year	<u>174,073</u>	<u>1,291</u>	<u>175,364</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 172,076</u>	<u>\$ 1,272</u>	<u>\$ 173,348</u>

*Teachers Retirement*

**A. Plan Description**

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



**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
(amounts expressed in thousands)

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**B. Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

**Disability Retirement**

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

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

*Employees*

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

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

(amounts expressed in thousands)

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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>133,407</u>
Total	\$	<u>133,407</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$10,689 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**E. Actuarial Assumptions**

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

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

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

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

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

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
(amounts expressed in thousands)

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

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

**F. Discount Rate**

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

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

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

**H. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**I. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
(amounts expressed in thousands)

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**14. CONTINGENT LIABILITIES**

The Town is contingently liable in connection with litigation involving personal injury claims, zoning matters, property tax appeals, other miscellaneous suits and unasserted claims. The Town intends to vigorously defend these actions; however, there can be no assurance that the Town will prevail.

The Town Attorney estimates that the potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. When it has been determined that the Town faces an exposure in matters of litigation, the Town's policy is to establish an appropriate reserve.

**Required Supplementary  
Information**

**TOWN OF WALLINGFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General property taxes:				
Current tax levy	\$ 115,032	\$ 115,032	\$ 116,411	\$ 1,379
Prior year's levy	1,360	1,360	1,921	561
Interest and liens	735	735	1,044	309
Total	<u>117,127</u>	<u>117,127</u>	<u>119,376</u>	<u>2,249</u>
Licenses and permits:				
Building	525	525	688	163
Public safety	22	22	39	17
Public works	7	7	6	(1)
Health	20	20	31	11
Total	<u>574</u>	<u>574</u>	<u>764</u>	<u>190</u>
Intergovernmental revenues:				
Education Cost Sharing	21,770	21,770	21,522	(248)
PILOT Housing/State	2,083	2,083	2,102	19
Municipal revenue sharing	1,948	1,948	1,948	-
Elderly taxes	280	280	280	-
Disability and Veterans exemptions	49	49	49	-
Pequot funds	171	171	163	(8)
Transportation	323	323	293	(30)
Health	30	30	25	(5)
Vocational agriculture	714	714	839	125
Miscellaneous grants	122	153	330	177
Total	<u>27,490</u>	<u>27,521</u>	<u>27,551</u>	<u>30</u>
Charges for services:				
Rent	158	158	164	6
Town Clerk	325	325	370	45
Conveyance tax	375	375	504	129
Public safety	453	608	588	(20)
Public works	48	48	56	8
Recreation - swimming	20	20	46	26
Veterans	12	12	13	1
Tuition	1,215	1,215	1,247	32
Total	<u>2,606</u>	<u>2,761</u>	<u>2,988</u>	<u>227</u>
Use of money:				
Investment income	<u>125</u>	<u>125</u>	<u>181</u>	<u>56</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other revenue:				
Sewer assessment	\$ 5	\$ 5	\$	\$ (5)
In lieu of taxes/telephone	240	240	666	426
Compensation and insurance recovery	99	115	107	(8)
Proportionate charges	1,087	1,087	1,087	-
Encumbrance cancellations	60	60	38	(22)
Miscellaneous	46	76	141	65
Total	<u>1,537</u>	<u>1,583</u>	<u>2,039</u>	<u>456</u>
Total revenues	<u>149,459</u>	<u>149,691</u>	<u>152,899</u>	<u>3,208</u>
Other financing sources:				
Transfers in:				
Electric Division	1,872	1,872	1,872	-
Other funds	100	100	93	(7)
Total	<u>1,972</u>	<u>1,972</u>	<u>1,965</u>	<u>(7)</u>
Total	<u>\$ 151,431</u>	<u>\$ 151,663</u>	154,864	<u>\$ 3,201</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	10,689
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(38)
Refunding bonds issued	11,030
Premium on refunding bonds issued	<u>1,252</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV.

\$ 177,797

**TOWN OF WALLINGFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Town Council:				
Salaries and wages	\$ 97	\$ 98	\$ 60	\$ 38
Operating and maintenance	14	14	9	5
Total	<u>111</u>	<u>112</u>	<u>69</u>	<u>43</u>
Board of Selectmen:				
Salaries and wages	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Mayor:				
Salaries and wages	218	219	217	2
Operating and maintenance	81	81	68	13
Capital	-	4	4	-
Total	<u>299</u>	<u>304</u>	<u>289</u>	<u>15</u>
Program Planning:				
Salaries and wages	158	159	156	3
Operating and maintenance	8	13	7	6
Capital	2	4	4	-
Total	<u>168</u>	<u>176</u>	<u>167</u>	<u>9</u>
Government Access TV:				
Salaries and wages	127	128	108	20
Operating and maintenance	12	12	9	3
Capital	8	8	7	1
Total	<u>147</u>	<u>148</u>	<u>124</u>	<u>24</u>
Department of Law:				
Salaries and wages	329	330	326	4
Operating and maintenance	196	215	201	14
Total	<u>525</u>	<u>545</u>	<u>527</u>	<u>18</u>
Board of Assessment Appeals:				
Salaries and wages	13	13	13	-
Operating and maintenance	3	3	1	2
Total	<u>16</u>	<u>16</u>	<u>14</u>	<u>2</u>
Finance:				
Salaries and wages	1,885	1,888	1,838	50
Operating and maintenance	506	515	501	14
Capital	57	60	12	48
Total	<u>2,448</u>	<u>2,463</u>	<u>2,351</u>	<u>112</u>
Library:				
Operating and maintenance	<u>2,912</u>	<u>2,912</u>	<u>2,912</u>	<u>-</u>
Personal Pension and Risk Management:				
Salaries and wages	503	506	504	2
Operating and maintenance	263	272	225	47
Capital	-	2	2	-
Total	<u>766</u>	<u>780</u>	<u>731</u>	<u>49</u>

(Continued on next page)



**TOWN OF WALLINGFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government (continued):				
Pension Fund:				
Operating and maintenance	\$ 7,173	\$ 7,208	\$ 6,707	\$ 501
Employee Insurance and Other Benefits:				
Salaries and wages	358	358	265	93
Operating and maintenance	7,980	7,969	7,875	94
Total	<u>8,338</u>	<u>8,327</u>	<u>8,140</u>	<u>187</u>
Property and Casualty Insurance:				
Operating and maintenance	<u>1,152</u>	<u>1,152</u>	<u>1,040</u>	<u>112</u>
Building Department:				
Salaries and wages	409	399	388	11
Operating and maintenance	27	36	33	3
Capital		5	5	-
Total	<u>436</u>	<u>440</u>	<u>426</u>	<u>14</u>
Register of Voters:				
Salaries and wages	123	123	116	7
Operating and maintenance	29	30	22	8
Total	<u>152</u>	<u>153</u>	<u>138</u>	<u>15</u>
Town Clerk:				
Salaries and wages	221	229	225	4
Operating and maintenance	68	70	59	11
Total	<u>289</u>	<u>299</u>	<u>284</u>	<u>15</u>
Planning and Zoning:				
Salaries and wages	215	206	195	11
Operating and maintenance	42	47	43	4
Capital		5	5	-
Total	<u>257</u>	<u>258</u>	<u>243</u>	<u>15</u>
Inland/Wetlands Commission:				
Salaries and wages	88	89	87	2
Operating and maintenance	10	10	8	2
Total	<u>98</u>	<u>99</u>	<u>95</u>	<u>4</u>
Zoning Board of Appeals:				
Salaries and wages	1	1	1	-
Operating and maintenance	10	10	8	2
Total	<u>11</u>	<u>11</u>	<u>9</u>	<u>2</u>
Economic Development Commission:				
Salaries and wages	45	45	38	7
Operating and maintenance	38	38	29	9
Total	<u>83</u>	<u>83</u>	<u>67</u>	<u>16</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government (continued):				
Conservation Commission:				
Salaries and wages	\$ 1	\$ 1	\$ 1	\$ -
Operating and maintenance	8	8	7	1
Total	<u>9</u>	<u>9</u>	<u>8</u>	<u>1</u>
Public Utilities Commission:				
Salaries and wages	274	280	275	5
Operating and maintenance	6	6	5	1
Total	<u>280</u>	<u>286</u>	<u>280</u>	<u>6</u>
Probate Court:				
Operating and maintenance	<u>12</u>	<u>12</u>	<u>11</u>	<u>1</u>
Civil Preparedness:				
Salaries and wages	5	5	5	-
Operating and maintenance	7	7	3	4
Total	<u>12</u>	<u>12</u>	<u>8</u>	<u>4</u>
Contingency Accounts:				
General and accrued expenses	<u>566</u>	<u>241</u>		<u>241</u>
Total general government	<u>26,261</u>	<u>26,047</u>	<u>24,641</u>	<u>1,406</u>
Public Safety:				
Police Department:				
Salaries and wages	8,020	8,256	7,898	358
Operating and maintenance	1,121	1,173	1,057	116
Capital	211	248	235	13
Total	<u>9,352</u>	<u>9,677</u>	<u>9,190</u>	<u>487</u>
Dog Pound:				
Salaries and wages	140	147	144	3
Operating and maintenance	37	46	37	9
Capital		1	1	-
Total	<u>177</u>	<u>194</u>	<u>182</u>	<u>12</u>
Fire Department:				
Salaries and wages	5,288	5,302	5,236	66
Operating and maintenance	717	717	568	149
Capital	358	358	142	216
Total	<u>6,363</u>	<u>6,377</u>	<u>5,946</u>	<u>431</u>

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**TOWN OF WALLINGFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public Safety (continued):				
Fire Marshal:				
Salaries and wages	\$ 342	\$ 341	\$ 280	\$ 61
Operating and maintenance	32	34	21	13
Capital	1	1	1	-
Total	<u>375</u>	<u>376</u>	<u>302</u>	<u>74</u>
Total public safety	<u>16,267</u>	<u>16,624</u>	<u>15,620</u>	<u>1,004</u>
Public Works:				
Engineering Department:				
Salaries and wages	433	397	258	139
Operating and maintenance	58	59	36	23
Capital	17	68	47	21
Total	<u>508</u>	<u>524</u>	<u>341</u>	<u>183</u>
Department of Public Works:				
Salaries and wages	3,106	3,109	2,866	243
Operating and maintenance	2,783	2,726	2,429	297
Capital	369	456	302	154
Total	<u>6,258</u>	<u>6,291</u>	<u>5,597</u>	<u>694</u>
Total public works	<u>6,766</u>	<u>6,815</u>	<u>5,938</u>	<u>877</u>
Health and Social Services:				
Health Department:				
Salaries and wages	414	417	399	18
Operating and maintenance	39	39	31	8
Total	<u>453</u>	<u>456</u>	<u>430</u>	<u>26</u>
Social Services:				
Salaries and wages	329	327	319	8
Operating and maintenance	67	71	60	11
Pass-through agency contributions	1,141	1,161	1,124	37
Total	<u>1,537</u>	<u>1,559</u>	<u>1,503</u>	<u>56</u>
Veteran's Service Center:				
Salaries and wages	23	23	23	-
Operating and maintenance	1	1	1	-
Total	<u>24</u>	<u>24</u>	<u>24</u>	<u>-</u>
Total health and social services	<u>2,014</u>	<u>2,039</u>	<u>1,957</u>	<u>82</u>
Parks and Recreation:				
Department of Parks and Recreation:				
Salaries and wages	830	813	787	26
Operating and maintenance	141	145	137	8
Capital	50	70	43	27
Total parks and recreation	<u>1,021</u>	<u>1,028</u>	<u>967</u>	<u>61</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Education	\$ 96,502	\$ 96,502	\$ 95,847	\$ 655
Debt Service:				
Principal	3,060	3,090	3,090	-
Interest	1,066	1,136	1,136	-
Administration, registration and other	12	4	4	-
Total debt service	<u>4,138</u>	<u>4,230</u>	<u>4,230</u>	<u>-</u>
Appropriations in Force Carryforward:				
Capital and nonrecurring items		2,889	1,876	1,013
Total expenditures	152,969	156,174	151,076	5,098
Other financing uses:				
Transfers out	<u>2,761</u>	<u>2,677</u>	<u>2,677</u>	<u>-</u>
Total	<u>\$ 155,730</u>	<u>\$ 158,851</u>	153,753	<u>\$ 5,098</u>

Budgetary expenditures are different than GAAP expenditures because:

Payments to escrow agent related to bond refunding	12,137
Issuance costs related to bond refunding	145
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	10,689
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	(898)
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes.	534
The Town and Board of Education do not budget for accrued payroll services earned at year end. The accrued wages are charged to the subsequent year's budget. The change in the accrual is recorded as an adjustment to the current year expenditure for GAAP financial statement purposes.	<u>(242)</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues,  
Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV.

\$ 176,118

**TOWN OF WALLINGFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST THREE FISCAL YEARS - TOWN\***  
**(In Thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 5,280	\$ 5,102	\$ 5,123
Interest	17,178	16,642	15,985
Differences between expected and actual experience	1,376	(1,525)	
Benefit payments, including refunds of member contributions	<u>(13,828)</u>	<u>(12,847)</u>	<u>(12,052)</u>
Net change in total pension liability	10,006	7,372	9,056
Total pension liability - beginning	<u>227,555</u>	<u>220,183</u>	<u>211,127</u>
Total pension liability - ending	<u>237,561</u>	<u>227,555</u>	<u>220,183</u>
Plan fiduciary net position:			
Contributions - employer	8,411	8,192	7,446
Contributions - member	2,723	2,626	2,559
Net investment income	766	4,904	24,901
Benefit payments, including refunds of member contributions	(13,828)	(12,849)	(12,052)
Administrative expense	(102)	(95)	(102)
Other	<u>33</u>	<u>697</u>	<u>214</u>
Net change in plan fiduciary net position	(1,997)	3,475	22,966
Plan fiduciary net position - beginning	<u>174,073</u>	<u>170,598</u>	<u>147,632</u>
Plan fiduciary net position - ending	<u>172,076</u>	<u>174,073</u>	<u>170,598</u>
Net Pension Liability - Ending	<u>\$ 65,485</u>	<u>\$ 53,482</u>	<u>\$ 49,585</u>
Plan fiduciary net position as a percentage of the total pension liability	72.43%	76.50%	77.48%
Covered-employee payroll	\$ 41,595	\$ 39,273	\$ 38,849
Net pension liability as a percentage of covered-employee payroll	157.44%	136.18%	127.64%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS - TOWN**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially determined contribution	\$ 8,411	\$ 8,192	\$ 7,446	\$ 6,652	\$ 6,559	\$ 6,060	\$ 3,654	\$ 3,317	\$ 3,097	\$ 2,300
Contributions in relation to the actuarially determined contributor	<u>8,411</u>	<u>8,192</u>	<u>7,446</u>	<u>6,652</u>	<u>6,559</u>	<u>6,060</u>	<u>3,654</u>	<u>3,317</u>	<u>3,097</u>	<u>2,300</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 41,595	\$ 39,273	\$ 38,849	\$ 37,825	\$ 37,825	\$ 38,058	\$ 35,903	\$ 36,217	\$ 35,044	\$ 33,811
Contributions as a percentage of covered-employee payroll	20.22%	20.86%	19.17%	17.59%	17.34%	15.92%	10.18%	9.16%	8.84%	6.80%

**Notes to Schedule**

Valuation date: July 1, 2015  
 Measurement date: June 30, 2016  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:  
 Actuarial cost method: Entry age normal  
 Amortization method: Level Percent  
 Remaining amortization period: 25 years, closed  
 Asset valuation method: 5-year smoothed  
 Inflation: 3.00%  
 Salary increases: Ranges from 3.5% to 12%, based on age  
 Investment rate of return: 7.60%

Retirement age - Hazardous Plan  
 Police: 22 years of service.  
 Fire: 23 years of service.  
 Lineman: 25 years of service.

Retirement age - Non-Hazardous Plan  
 Public Works: 30 years of credited service or age 62 with 10 years of credited service.  
 Management and Supervisors: 30 years of credited service or age 62 with 10 years of credited service.  
 Electric and Water Division: 29 years of credited service or age 60 with 10 years of credited service.

Mortality  
 Hazardous Plan: RP-2000 Combined Mortality Table projected to the valuation date with Scale AA (Blue Collar)  
 Non-Hazardous Plan: RP-2000 Combined Mortality Table projected to the valuation date with Scale AA (No Collar)

**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST THREE FISCAL YEARS - TOWN\***

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.46%	3.30%	17.07%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF WALLINGFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST THREE FISCAL YEARS - VOLUNTEER FIRE\*\***  
**(In Thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 17	\$ 18	\$ 15
Interest	103	101	96
Differences between expected and actual experience	22	(38)	
Benefit payments, including refunds of member contributions	<u>(50)</u>	<u>(52)</u>	<u>(52)</u>
Net change in total pension liability	92	29	59
Total pension liability - beginning	<u>1,357</u>	<u>1,328</u>	<u>1,269</u>
Total pension liability - ending	<u>1,449</u>	<u>1,357</u>	<u>1,328</u>
Plan fiduciary net position:			
Contributions - employer	41	42	31
Contributions - member			
Net investment income	(10)	127	181
Benefit payments, including refunds of member contributions	(50)	(52)	(52)
Administrative expense			<u>(5)</u>
Net change in plan fiduciary net position	<u>(19)</u>	<u>117</u>	<u>155</u>
Plan fiduciary net position - beginning	<u>1,291</u>	<u>1,174</u>	<u>1,019</u>
Plan fiduciary net position - ending	<u>1,272</u>	<u>1,291</u>	<u>1,174</u>
Net Pension Liability - Ending	<u>\$ 177</u>	<u>\$ 66</u>	<u>\$ 154</u>
Plan fiduciary net position as a percentage of the total pension liability	87.76%	95.13%	88.43%
Covered-employee payroll*	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A

\* Covered payroll is not included in the above schedule as the persons covered are volunteers.

\*\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.



**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS - VOLUNTEER FIRE**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 41	\$ 42	\$ 31	\$ 31	\$ 36	\$ 36	\$ 31	\$ 31	\$ 19	\$ 19
Contributions in relation to the actuarially determined contribution	41	42	31	31	36	36	31	31	19	19
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Covered payroll is not included in the above schedule as the persons covered are volunteers.

**Notes to Schedule**

Valuation date: July 1, 2015

Measurement date: June 30, 2016

Actuarially determined contribution rates are calculated as of January 1, one and a half years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	25 years, open
Asset valuation method	5-year smoothed
Inflation	3.00%
Investment rate of return	7.60%

Retirement age: The later of age 65 and 5 years of service.

Mortality: RP-2000 Mortality Table with separate male and female rates, with Blue Collar adjustment, combined table for non-annuitants and annuitants projected to the valuation date with Scale AA

**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST THREE FISCAL YEARS - VOLUNTEER FIRE\***

---

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	-0.79%	10.62%	15.28%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST TWO FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>133,407</u>	<u>123,308</u>
Total	<u>\$ 133,407</u>	<u>\$ 123,308</u>
Town's covered-employee payroll	\$ 49,221	\$ 47,622
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms                      None  
Changes of assumptions                      During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.

Actuarial cost method                      Entry age  
Amortization method                      Level percent of salary, closed  
Remaining amortization period              22.4 years  
Asset valuation method                      4-year smoothed market

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

# **Combining and Individual Fund Statements and Schedules**

**General Fund**

## **GENERAL FUND**

The General Fund, which is the principal fund of the Town, is used to account for all activities of the Town not included in other specific funds. The General Fund accounts for the normal recurring activities of the Town (i.e., police, fire, education, recreation, public works, general government, etc.). These activities are funded principally by property taxes on individuals and businesses, and grants from other governmental units.

**TOWN OF WALLINGFORD, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015  
(In Thousands)**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 56,495	\$ 45,502
Receivables:		
Property taxes receivable, net of an allowance for uncollectibles of \$759 and \$856, respectively	3,458	3,901
Property taxes accrued interest receivable, net of an allowance for uncollectibles of \$109 and \$143, respectively	796	1,046
Accounts receivable, net	440	425
Due from other funds	12,968	18,613
Prepaid items	<u>126</u>	<u>123</u>
Total Assets	<u>\$ 74,283</u>	<u>\$ 69,610</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts and other payables	\$ 10,229	\$ 9,867
Due to other funds	22,335	21,932
Unearned revenues	<u>173</u>	<u>91</u>
Total liabilities	<u>32,737</u>	<u>31,890</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	3,914	4,419
Advanced property tax collections	<u>8,382</u>	<u>5,730</u>
Total deferred inflows of resources	<u>12,296</u>	<u>10,149</u>
Fund balance:		
Nonspendable	126	
Committed	1,517	2,889
Assigned	5,098	4,871
Unassigned	<u>22,509</u>	<u>19,811</u>
Total fund balance	<u>29,250</u>	<u>27,571</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 74,283</u>	<u>\$ 69,610</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

Grand List	Uncollected Taxes July 1, 2015	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Taxes	Interest	Lien Fees	Total	Uncollected Taxes June 30, 2016
		Additions	Deductions							
2014	\$ *	\$ 118,218	\$ 194	\$	\$ 118,024	\$ 116,411	\$ 319	\$ 8	\$ 116,738	\$ 1,613
2013	1,701		31	16	1,654	916	201	16	1,133	738
2012	972	19		42	949	385	130	3	518	564
2011	727	36		219	544	241	95	2	338	303
2010	334			1	333	97	52	1	150	236
2009	293			2	291	80	53	3	136	211
2008	203			2	201	59	43	4	106	142
2007	154			1	153	40	27	6	73	113
2006	124			2	122	24	12	3	39	98
2005	83			2	81	11	5		16	70
2004	55				55	9	4		13	46
2003	35				35	6	3		9	29
2002	33		1		32	4	4		8	28
2001	29				29	3	1		4	26
2000	14		** 13		1	1			1	-
Total	\$ <u>4,757</u>	\$ <u>118,273</u>	\$ <u>239</u>	\$ <u>287</u>	\$ <u>122,504</u>	118,287	949	46	119,282	\$ <u>4,217</u>
				Suspense collections		<u>45</u>	<u>49</u>		<u>94</u>	
				Total tax collections		\$ <u>118,332</u>	\$ <u>998</u>	\$ <u>46</u>	119,376	
				Property taxes receivable considered available:						
				June 30, 2015					(528)	
				June 30, 2016					<u>340</u>	
				Total				\$	<u>119,188</u>	

\* Includes motor vehicle supplement tax levy of \$1,218

\*\* Operation of law



**Nonmajor  
Governmental Funds**

**NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Educational Grants and Programs	State and federal grants, program income	Specific education programs
School Cafeteria	State and federal grants, program income	Operations of the school lunch program
Town Aid Road	State grant	General Town road maintenance
LOCIP Grants	State grant	General Town capital improvement
Spanish Community of Wallingford SCOW Grant 148-HRD	State grant	Public assistance and welfare
Spanish Community of Wallingford SCOW Grant 148-HHD	State grant	Public assistance and welfare
Johnson Mansion Trust	State Grant	Preservation of historical site
Central Dispatch	Multi-town contributions	Multi-town dispatch services study.
Open Space Resource Management	Fees	Land preservation
Meals on Wheels	Federal grant	Home care assistance to the elderly
Child Day Care Grant	State grants	Child day care services
Youth Services Donations	Contributions	Improvement of youth's welfare
Young Astronauts Club	Contributions	Explore the concepts of astronomy
Council on Substance Abuse Grant	Intergovernmental revenue and contributions	Substance abuse awareness and prevention
Narcotics Forfeiture	State and federal grants	Drug enforcement, training and education
Covanta	Program income	Services performed by the Town as liaison between Covanta, the Town and other communities.
Connecticut Resource Recovery Authority Distribution	Contributions	Agreement between Town and CRRA for refunding of prepaid fees
Historic Document Preservation Grant	State grant and fees	Preserve historical documents
Recreation Department Programs	Program income	Recreational programs
Public Health Grants	State and Federal Grants	Public Health Programs
EMP Grant	Federal Grant	Emergency Management
Summer Youth Employment	Federal Grant	Summer Youth Employment
Miscellaneous Grants and Donations	State and Federal Grants/Contributions	Administer Miscellaneous Programs
Education Trust	Contributions and investment income	Award scholarships
Dog Pound Trust	Contributions and investment income	Improvements to the Dog Pound and general welfare of impounded animals
Robert Biondino	Contributions and investment income	Award scholarships
Irving H. Prageman	Contributions and investment income	General upkeep of Prageman Park
Charles R. Clulee	Contributions and investment income	Preservation of monuments and historical sites

**Capital Projects Funds**

Capital Projects Funds are established in the Town of Wallingford pursuant to local resolutions authorizing specific capital projects. Funding sources are generally comprised of Town appropriated transfers from the General Fund, the receipt of intergovernmental grants and proceeds from the sale of bonds. Expenditures relate to the expansion, improvement or replacement of the Town's capital assets.

**Permanent Funds**

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

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 341	\$ 2,019	\$ 1,356	\$ 3,716
Receivables:				
Intergovernmental	597			597
Other				
Due from other funds	7,774	593		8,367
Inventory	57			57
Prepaid items	28			28
Total Assets	<u>\$ 8,797</u>	<u>\$ 2,612</u>	<u>\$ 1,356</u>	<u>\$ 12,765</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 265	\$ 289	\$	\$ 554
Due to other funds	424	4,060		4,484
Unearned revenue	404			404
Other liabilities		1,474		1,474
Total liabilities	<u>1,093</u>	<u>5,823</u>	<u>-</u>	<u>6,916</u>
Fund balances:				
Nonspendable	85		1,356	1,441
Restricted	1,036			1,036
Committed	6,619	1,080		7,699
Unassigned	(36)	(4,291)		(4,327)
Total fund balances	<u>7,704</u>	<u>(3,211)</u>	<u>1,356</u>	<u>5,849</u>
Total Liabilities and Fund Balances	<u>\$ 8,797</u>	<u>\$ 2,612</u>	<u>\$ 1,356</u>	<u>\$ 12,765</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 7,185	\$ 1,927	\$	\$	\$ 9,112
Charges for services	3,395				3,395
Investment income			3		3
Other revenue	558	11			569
Total revenues	<u>11,138</u>	<u>1,938</u>	<u>3</u>	<u>-</u>	<u>13,079</u>
Expenditures:					
Current:					
General government	122				122
Public safety	58				58
Public works	759				759
Health and social services	684				684
Parks and recreation	897				897
Education	8,579				8,579
Capital outlay	109	9,798			9,907
Total expenditures	<u>11,208</u>	<u>9,798</u>	<u>-</u>	<u>-</u>	<u>21,006</u>
Excess (deficiency) of revenues over expenditures	<u>(70)</u>	<u>(7,860)</u>	<u>3</u>	<u>-</u>	<u>(7,927)</u>
Other financing sources (uses):					
Transfers in	19	90		(13)	96
Transfers out	(93)		(13)	13	(93)
Bonds issued		3,425			3,425
Total other financing sources (uses)	<u>(74)</u>	<u>3,515</u>	<u>(13)</u>	<u>-</u>	<u>3,428</u>
Net change in fund balances	(144)	(4,345)	(10)	-	(4,499)
Fund balance, beginning of year	<u>7,848</u>	<u>1,134</u>	<u>1,366</u>	<u>-</u>	<u>10,348</u>
Fund Balance, End of Year	<u>\$ 7,704</u>	<u>\$ (3,211)</u>	<u>\$ 1,356</u>	<u>\$ -</u>	<u>\$ 5,849</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**  
**(In Thousands)**

	<u>Educational Grants and Programs</u>	<u>School Cafeteria</u>	<u>Town Aid Road</u>	<u>LOCIP Grants</u>	<u>Spanish Community of Wallingford SCOW Grant 148-HRD</u>	<u>Spanish Community of Wallingford SCOW Grant 148-HHD</u>	<u>Johnson Mansion Trust</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 219	\$	\$	\$	\$	\$
Receivables:							
Intergovernmental	28	100		394			
Due from other funds	857		267				
Inventory		57					
Prepaid items							
Total Assets	\$ <u>885</u>	\$ <u>376</u>	\$ <u>267</u>	\$ <u>394</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$ 204	\$ 2	\$ 16	\$ 394	\$	\$	\$
Due to other funds							
Unearned revenue	19	21					
Total liabilities	<u>223</u>	<u>23</u>	<u>16</u>	<u>394</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Nonspendable		57					
Restricted	662		251				
Committed		296					
Unassigned							
Total fund balance	<u>662</u>	<u>353</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	\$ <u>885</u>	\$ <u>376</u>	\$ <u>267</u>	\$ <u>394</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Central Dispatch</u>	<u>Open Space Resource Management</u>	<u>Meals on Wheels</u>	<u>Child Day Care Grant</u>	<u>Youth Services Donations</u>	<u>Young Astronauts Club</u>	<u>Council on Substance Abuse Grant</u>	<u>Narcotics Forfeitures</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$ 61
Receivables:								
Intergovernmental								
Due from other funds	8	32	6		25	15	7	
Inventory								
Prepaid items								
Total Assets	<u>\$ 8</u>	<u>\$ 32</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 15</u>	<u>\$ 7</u>	<u>\$ 61</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts and other payables	\$ 16	\$	\$	\$	\$ 1	\$ 1	\$ 5	\$
Due to other funds								
Unearned revenue								
Total liabilities	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>5</u>	<u>-</u>
Fund Balance:								
Nonspendable								
Restricted							2	61
Committed		32	6		24	14		
Unassigned	(8)							
Total fund balance	<u>(8)</u>	<u>32</u>	<u>6</u>	<u>-</u>	<u>24</u>	<u>14</u>	<u>2</u>	<u>61</u>
Total Liabilities and Fund Balances	<u>\$ 8</u>	<u>\$ 32</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 15</u>	<u>\$ 7</u>	<u>\$ 61</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Covanta</u>	<u>CRR Distribution</u>	<u>Historic Document Preservation Grant</u>	<u>Recreation Department Programs</u>	<u>Public Health Grants</u>	<u>EMP Grant</u>	<u>Summer Youth Employment</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Receivables:							
Intergovernmental							
Due from other funds	41	6,100	60	336		20	
Inventory				28			
Prepaid items							
<b>Total Assets</b>	<b>\$ 41</b>	<b>\$ 6,100</b>	<b>\$ 60</b>	<b>\$ 364</b>	<b>\$ -</b>	<b>\$ 20</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$	\$	\$	20	\$	\$	\$
Due to other funds							
Unearned revenue				344		20	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>364</b>	<b>-</b>	<b>20</b>	<b>-</b>
Fund Balance:							
Nonspendable				28			
Restricted			60				
Committed	41	6,100					
Unassigned				(28)			
<b>Total fund balance</b>	<b>41</b>	<b>6,100</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 41</b>	<b>\$ 6,100</b>	<b>\$ 60</b>	<b>\$ 364</b>	<b>\$ -</b>	<b>\$ 20</b>	<b>\$ -</b>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Miscellaneous Grants and Donations</u>	<u>Education Trust</u>	<u>Dog Pound Trust</u>	<u>Robert Biondino</u>	<u>Irving H. Prageman</u>	<u>Charles R. Clulee</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$ 15	\$ 1	\$ 43	\$ 2	\$ 341
Receivables:							
Intergovernmental	75						597
Due from other funds							7,774
Inventory							57
Prepaid items							28
Total Assets	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 1</u>	<u>\$ 43</u>	<u>\$ 2</u>	<u>\$ 8,797</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$	\$	\$	\$	\$	\$	\$ 265
Due to other funds	30						424
Unearned revenue							404
Total liabilities	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,093</u>
Fund Balance:							
Nonspendable							85
Restricted							1,036
Committed	45		15	1	43	2	6,619
Unassigned							(36)
Total fund balance	<u>45</u>	<u>-</u>	<u>15</u>	<u>1</u>	<u>43</u>	<u>2</u>	<u>7,704</u>
Total Liabilities and Fund Balances	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 1</u>	<u>\$ 43</u>	<u>\$ 2</u>	<u>\$ 8,797</u>



**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (In Thousands)**

	<u>Educational Grants and Programs</u>	<u>School Cafeteria</u>	<u>Town Aid Road</u>	<u>LOCIP Grants</u>	<u>Spanish Community of Wallingford SCOW Grant 148-HRD</u>	<u>Spanish Community of Wallingford SCOW Grant 148-HHD</u>	<u>Johnson Mansion Trust</u>
Revenues:							
Intergovernmental	\$ 4,965	\$ 651	\$ 541	\$ 274	\$ 42	\$ 82	\$ 16
Charges for services	1,343	1,108					
Other revenue	281						
Total revenues	<u>6,589</u>	<u>1,759</u>	<u>541</u>	<u>274</u>	<u>42</u>	<u>82</u>	<u>16</u>
Expenditures:							
Current:							
General government							
Public safety							
Public works			417	274			16
Health and social services					42	82	
Parks and recreation							
Education	6,764	1,812					
Capital outlay							
Total expenditures	<u>6,764</u>	<u>1,812</u>	<u>417</u>	<u>274</u>	<u>42</u>	<u>82</u>	<u>16</u>
Excess (deficiency) of revenues over expenditures	<u>(175)</u>	<u>(53)</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(175)	(53)	124	-	-	-	-
Fund balance, beginning of year	<u>837</u>	<u>406</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 662</u>	<u>\$ 353</u>	<u>\$ 251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (In Thousands)**

	<u>Central Dispatch</u>	<u>Open Space Resource Management</u>	<u>Meals on Wheels</u>	<u>Child Day Care Grant</u>	<u>Youth Services Donations</u>	<u>Young Astronauts Club</u>	<u>Council on Substance Abuse Grant</u>	<u>Narcotics Forfeitures</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$ 465	\$	\$	\$ 7	\$ 5
Charges for services		11						
Other revenue	<u>2</u>				<u>44</u>	<u>27</u>	<u>17</u>	
Total revenues	<u>2</u>	<u>11</u>	<u>-</u>	<u>465</u>	<u>44</u>	<u>27</u>	<u>24</u>	<u>5</u>
Expenditures:								
Current:								
General government		4						
Public safety	16							12
Public works								
Health and social services				465	33	21	25	
Parks and recreation								
Education								
Capital outlay								
Total expenditures	<u>16</u>	<u>4</u>	<u>-</u>	<u>465</u>	<u>33</u>	<u>21</u>	<u>25</u>	<u>12</u>
Excess (deficiency) of revenues over expenditures	<u>(14)</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>6</u>	<u>(1)</u>	<u>(7)</u>
Other financing sources (uses):								
Transfers in	6							
Transfers out					(8)			
Total other financing sources (uses)	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(8)	7	-	-	3	6	(1)	(7)
Fund balance, beginning of year	<u>-</u>	<u>25</u>	<u>6</u>	<u>-</u>	<u>21</u>	<u>8</u>	<u>3</u>	<u>68</u>
Fund Balance, End of Year	<u>\$ (8)</u>	<u>\$ 32</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 61</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>Covanta</u>	<u>CRRRA Distribution</u>	<u>Historic Document Preservation Grant</u>	<u>Recreation Department Programs</u>	<u>Public Health Grants</u>	<u>EMP Grant</u>	<u>Summer Youth Employment</u>
Revenues:							
Intergovernmental	\$	\$	\$ 4	\$	\$ 6	\$	\$ 41
Charges for services			10	923			
Other revenue	62	55					
Total revenues	<u>62</u>	<u>55</u>	<u>14</u>	<u>923</u>	<u>6</u>	<u>-</u>	<u>41</u>
Expenditures:							
Current:							
General government			37				
Public safety							
Public works	52						
Health and social services					6		
Parks and recreation				830			49
Education							
Capital outlay		109					
Total expenditures	<u>52</u>	<u>109</u>	<u>37</u>	<u>830</u>	<u>6</u>	<u>-</u>	<u>49</u>
Excess (deficiency) of revenues over expenditures	<u>10</u>	<u>(54)</u>	<u>(23)</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>(8)</u>
Other financing sources (uses):							
Transfers in							8
Transfers out				(93)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93)</u>	<u>-</u>	<u>-</u>	<u>8</u>
Net change in fund balance	10	(54)	(23)	-	-	-	-
Fund balance, beginning of year	<u>31</u>	<u>6,154</u>	<u>83</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 41</u>	<u>\$ 6,100</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>Miscellaneous Grants and Donations</u>	<u>Education Trust</u>	<u>Dog Pound Trust</u>	<u>Robert Biondino</u>	<u>Irving H. Prageman</u>	<u>Charles R. Clulee</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Revenues:								
Intergovernmental	\$ 86	\$	\$	\$	\$	\$	\$	\$ 7,185
Charges for services								3,395
Other revenue	41		9		20			558
Total revenues	<u>127</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>11,138</u>
Expenditures:								
Current:								
General government	81							122
Public safety	23		7					58
Public works								759
Health and social services	10							684
Parks and recreation	6				12			897
Education		3						8,579
Capital outlay								109
Total expenditures	<u>120</u>	<u>3</u>	<u>7</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>11,208</u>
Excess (deficiency) of revenues over expenditures	<u>7</u>	<u>(3)</u>	<u>2</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>(70)</u>
Other financing sources (uses):								
Transfers in		3	10				(8)	19
Transfers out							8	(93)
Total other financing sources (uses)		<u>3</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74)</u>
Net change in fund balance	7	-	12	-	8	-	-	(144)
Fund balance, beginning of year	<u>38</u>	<u>-</u>	<u>3</u>	<u>1</u>	<u>35</u>	<u>2</u>	<u>-</u>	<u>7,848</u>
Fund Balance, End of Year	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 1</u>	<u>\$ 43</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 7,704</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	Quinnipiac Linear Trail	Transfer Station	North Farms Fire Station	BOE Asbestos Station	BOE Capital Projects	BOE Projects CRRA	Lyman Hall Track	WSW Project Reserve	Property Purchase	Center Street Cemetery	Total
<b>ASSETS</b>											
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$ 2,019	\$	\$	\$ 2,019
Due from other funds		37		21		468	66		1		593
Total Assets	\$ -	\$ 37	\$ -	\$ 21	\$ -	\$ 468	\$ 66	\$ 2,019	\$ 1	\$ -	\$ 2,612
<b>LIABILITIES AND FUND BALANCE</b>											
Liabilities:											
Accounts and other payables	\$ 88	\$	\$ 143	\$	\$ 26	\$ 31	\$	\$ 1	\$	\$ 289	
Due to other funds	35		3,921		3					101	4,060
Other liabilities								1,474			1,474
Total liabilities	123	-	4,064	-	3	26	31	1,474	1	101	5,823
Fund balance:											
Committed		37		21		442	35	545			1,080
Unassigned	(123)		(4,064)		(3)					(101)	(4,291)
Total fund balance	(123)	37	(4,064)	21	(3)	442	35	545	-	(101)	(3,211)
Total Liabilities and Fund Balance	\$ -	\$ 37	\$ -	\$ 21	\$ -	\$ 468	\$ 66	\$ 2,019	\$ 1	\$ -	\$ 2,612

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	Quinnipiac Linear Trail	Transfer Station	North Farms Fire Station	BOE Asbestos Station	BOE Capital Projects	BOE Projects CRRRA	Lyman Hall Track	WSW Project Reserve	Property Purchase	Center Street Cemetery	Total
Revenues:											
Intergovernmental revenues	\$ 1,927	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,927
Other revenue			9					2			11
Total revenues	1,927	-	9	-	-	-	-	2	-	-	1,938
Expenditures:											
Capital outlay	2,625		3,352	2	1,160	72	2,183		325	79	9,798
Excess (deficiency) of revenues over expenditures	(698)	-	(3,343)	(2)	(1,160)	(72)	(2,183)	2	(325)	(79)	(7,860)
Other financing sources:											
Transfers in					41				49		90
Bonds issued					1,120		2,000		305		3,425
Total other financing sources	-	-	-	-	1,161	-	2,000	-	354	-	3,515
Net change in fund balances	(698)	-	(3,343)	(2)	1	(72)	(183)	2	29	(79)	(4,345)
Fund balance, beginning of year	575	37	(721)	23	(4)	514	218	543	(29)	(22)	1,134
Fund Balance, End of Year	\$ (123)	\$ 37	\$ (4,064)	\$ 21	\$ (3)	\$ 442	\$ 35	\$ 545	\$ -	\$ (101)	\$ (3,211)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Charles B. Yale Fund #1</u>	<u>Charles B. Yale Fund #2</u>	<u>Edwin H. Brown Fund</u>	<u>Harrison Park Fund</u>	<u>William P. Dorsey Fund</u>	<u>Anna M. Fredericks Fund</u>	<u>Alice Kelly Memorial Fund</u>	<u>Walters Memorial Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ <u>10</u>	\$ <u>30</u>	\$ <u>5</u>	\$ <u>1</u>	\$ <u>5</u>	\$ <u>5</u>	\$ <u>18</u>	\$ <u>1</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Fund balance:								
Reserved for trusts	\$ <u>10</u>	\$ <u>30</u>	\$ <u>5</u>	\$ <u>1</u>	\$ <u>5</u>	\$ <u>5</u>	\$ <u>18</u>	\$ <u>1</u>

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**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Polish American Veterans Scholarship Fund</u>	<u>Judge Francis R. Sabota Memorial Trust Fund</u>	<u>Patrick M. Wall Memorial Scholarship Fund</u>	<u>Jerry Lehmann Memorial Scholarship Fund</u>	<u>Ortense Memorial Lyman High Scholarship Fund</u>	<u>Ortense Memorial Sheehan High Scholarship Fund</u>	<u>Dog Pound Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ <u>37</u>	\$ <u>26</u>	\$ <u>5</u>	\$ <u>4</u>	\$ <u>270</u>	\$ <u>270</u>	\$ <u>669</u>	\$ <u>1,356</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Fund balance:								
Reserved for trusts	\$ <u>37</u>	\$ <u>26</u>	\$ <u>5</u>	\$ <u>4</u>	\$ <u>270</u>	\$ <u>270</u>	\$ <u>669</u>	\$ <u>1,356</u>



**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (In Thousands)**

	<u>Charles B. Yale Fund #1</u>	<u>Charles B. Yale Fund #2</u>	<u>Edwin H. Brown Fund</u>	<u>Harrison Park Fund</u>	<u>William P. Dorsey Fund</u>	<u>Anna M. Fredericks Fund</u>	<u>Alice Kelly Memorial Fund</u>	<u>Walters Memorial Fund</u>
Revenues:								
Investment income	\$	\$	\$	\$	\$	\$	\$	\$
Other financing uses:								
Transfers out							(1)	
Net change in fund balances	-	-	-	-	-	-	(1)	-
Fund balance, beginning of year	<u>10</u>	<u>30</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>19</u>	<u>1</u>
Fund Balance, End of Year	<u>\$ 10</u>	<u>\$ 30</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 18</u>	<u>\$ 1</u>

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**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (In Thousands)**

	<u>Polish American Veterans Scholarship Fund</u>	<u>Judge Francis R. Sabota Memorial Trust Fund</u>	<u>Patrick M. Wall Memorial Scholarship Fund</u>	<u>Jerry Lehmann Memorial Scholarship Fund</u>	<u>Ortense Memorial Lyman High Scholarship Fund</u>	<u>Ortense Memorial Sheehan High Scholarship Fund</u>	<u>Dog Pound Trust Fund</u>	<u>Total</u>
Revenues:								
Investment income	\$	\$	\$	\$	\$ 1	\$ 1	\$ 1	\$ 3
Other financing uses:								
Transfers out					(1)	(1)	(10)	(13)
Net change in fund balances	-	-	-	-	-	-	(9)	(10)
Fund balance, beginning of year	<u>37</u>	<u>26</u>	<u>5</u>	<u>4</u>	<u>270</u>	<u>270</u>	<u>678</u>	<u>1,366</u>
Fund Balance, End of Year	<u>\$ 37</u>	<u>\$ 26</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 270</u>	<u>\$ 270</u>	<u>\$ 669</u>	<u>\$ 1,356</u>

**Enterprise Funds**

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for the operations of the Electric Division, Water Division, and Sewer Division that provide services to residents of the Town funded primarily by user fees.

Exhibits C-1, C-2, C-3 and C-4 display the following for the Electric, Water and Sewer Divisions as well as the EMS Transport Fund:

1. Original budget
2. Amended budget
3. Actual results of operations
4. Variance to amended budget

**TOWN OF WALLINGFORD, CONNECTICUT  
ELECTRIC DIVISION  
SCHEDULE OF REVENUES, EXPENSES AND OTHER FINANCING SOURCES (USES)  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 72,697	\$ 72,697	\$ 68,242	\$ (4,455)
Late payment charges	545	545	513	(32)
Other	42	42	60	18
Total operating revenues	<u>73,284</u>	<u>73,284</u>	<u>68,815</u>	<u>(4,469)</u>
Operating expenses:				
Operating expenses	66,674	68,078	68,624	(546)
Depreciation and amortization expense	3,576	3,576	3,359	217
Gross earnings and property tax	1,945	1,945	1,724	221
Total operating expenses	<u>72,195</u>	<u>73,599</u>	<u>73,707</u>	<u>(108)</u>
Operating income (loss)	<u>1,089</u>	<u>(315)</u>	<u>(4,892)</u>	<u>(4,577)</u>
Nonoperating income (loss):				
Gain on disposal of assets	15	15	34	19
Loss on disposal of assets	(10)	(10)	(10)	-
Lease income	1,047	1,047	1,047	-
Investment and interest income	101	101	41	(60)
Interest expense on customer deposits	(12)	(12)	(1)	11
Other nonoperating revenues	640	640	866	226
Other nonoperating expenses	(126)	(126)	(104)	22
Net nonoperating income	<u>1,655</u>	<u>1,655</u>	<u>1,873</u>	<u>218</u>
Income before transfers	2,744	1,340	(3,019)	(4,359)
Transfers to other funds:				
General Fund	<u>(1,872)</u>	<u>(1,872)</u>	<u>(1,872)</u>	<u>-</u>
Net Income (Loss)	<u>\$ 872</u>	<u>\$ (532)</u>	<u>\$ (4,891)</u>	<u>\$ (4,359)</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**WATER DIVISION**  
**SCHEDULE OF REVENUES, EXPENSES AND OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Amended Budget</u>		
Operating revenues:				
Charges for services	\$ <u>7,425</u>	\$ <u>7,425</u>	\$ <u>7,789</u>	\$ <u>364</u>
Operating expenses:				
Operating expenses	<u>5,490</u>	<u>5,394</u>	<u>7,126</u>	<u>(1,732)</u>
Depreciation expense	<u>1,979</u>	<u>1,979</u>	<u>1,800</u>	<u>179</u>
Total operating expenses	<u>7,469</u>	<u>7,373</u>	<u>8,926</u>	<u>(1,553)</u>
Operating income (loss)	<u>(44)</u>	<u>52</u>	<u>(1,137)</u>	<u>(1,189)</u>
Nonoperating income (loss):				
Capital grants and contributions	18	18	152	134
Lease income	138	138	126	(12)
Interest and amortization expense	(117)	(117)	(102)	15
Investment and interest income	69	69	83	14
Other nonoperating revenues	103	103	115	12
Other nonoperating expenses			(4)	(4)
Net nonoperating income	<u>211</u>	<u>211</u>	<u>370</u>	<u>159</u>
Net Income (Loss)	\$ <u><u>167</u></u>	\$ <u><u>263</u></u>	\$ <u><u>(767)</u></u>	\$ <u><u>(1,030)</u></u>

**TOWN OF WALLINGFORD, CONNECTICUT  
SEWER DIVISION  
SCHEDULE OF REVENUES, EXPENSES AND OTHER FINANCING SOURCES (USES)  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ <u>6,807</u>	\$ <u>6,807</u>	\$ <u>6,851</u>	\$ <u>44</u>
Operating expenses:				
Operating expenses	<u>6,293</u>	<u>6,211</u>	<u>6,135</u>	<u>76</u>
Depreciation expense	<u>2,162</u>	<u>2,162</u>	<u>1,999</u>	<u>163</u>
Total operating expenses	<u>8,455</u>	<u>8,373</u>	<u>8,134</u>	<u>239</u>
Operating income (loss)	<u>(1,648)</u>	<u>(1,566)</u>	<u>(1,283)</u>	<u>283</u>
Nonoperating income (loss):				
Capital grants and contributions	100	100	610	510
Other nonoperating revenues	282	282	272	(10)
Interest and amortization expense	(24)	(24)	(23)	1
Investment and interest income	<u>96</u>	<u>96</u>	<u>101</u>	<u>5</u>
Net nonoperating income	<u>454</u>	<u>454</u>	<u>960</u>	<u>506</u>
Net Income (Loss)	\$ <u><u>(1,194)</u></u>	\$ <u><u>(1,112)</u></u>	\$ <u><u>(323)</u></u>	\$ <u><u>789</u></u>

**TOWN OF WALLINGFORD, CONNECTICUT  
EMS TRANSPORT FUND  
SCHEDULE OF REVENUES, EXPENSES AND OTHER FINANCING SOURCES (USES)  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Amended Budget</u>		
Operating revenues:				
Charges for services	\$ <u>1,967</u>	\$ <u>1,967</u>	\$ <u>2,130</u>	\$ <u>163</u>
Operating expenses:				
Operating expenses	<u>2,010</u>	<u>1,883</u>	<u>1,609</u>	<u>274</u>
Depreciation expense	<u>106</u>	<u>109</u>	<u>112</u>	<u>(3)</u>
Total operating expenses	<u>2,116</u>	<u>1,992</u>	<u>1,721</u>	<u>271</u>
Operating income (loss)	<u>(149)</u>	<u>(25)</u>	<u>409</u>	<u>434</u>
Nonoperating income (loss):				
Other nonoperating revenues	<u>10</u>			<u>-</u>
Operating Transfer In	<u>149</u>	<u>199</u>	<u>199</u>	<u>-</u>
Net nonoperating income	<u>159</u>	<u>199</u>	<u>199</u>	<u>-</u>
Net Income (Loss)	\$ <u><u>10</u></u>	\$ <u><u>174</u></u>	\$ <u><u>608</u></u>	\$ <u><u>434</u></u>



## **Internal Service Funds**

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Benefits Fund - to provide reserves needed to support health benefit costs.

Workers' Compensation Fund - to provide reserves needed to support workers' compensation claims.

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2016  
 (In Thousands)**

	<u>Health Benefits Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Assets:			
Accounts receivable	\$ 177	\$ 23	\$ 200
Due from other funds	<u>5,511</u>	<u>977</u>	<u>6,488</u>
Total assets	5,688	1,000	6,688
Liabilities:			
Risk management claims	<u>1,781</u>	<u>1,503</u>	<u>3,284</u>
Net Position:			
Unrestricted	<u>3,907</u>	<u>(503)</u>	<u>3,404</u>
Total Net Position	<u>\$ 3,907</u>	<u>\$ (503)</u>	<u>\$ 3,404</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (In Thousands)**

	<u>Health Benefits Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Operating revenues:			
Fund premiums	\$ 23,985	\$ 1,459	\$ 25,444
Operating expenses:			
Employee benefits	21,243	1,234	22,477
Other	<u>2,204</u>	<u>          </u>	<u>2,204</u>
Total operating expenses	<u>23,447</u>	<u>1,234</u>	<u>24,681</u>
Operating income (loss)	538	225	763
Net position, beginning of year	<u>3,369</u>	<u>(728)</u>	<u>2,641</u>
Net Position, End of Year	<u>\$ 3,907</u>	<u>\$ (503)</u>	<u>\$ 3,404</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016  
 (In Thousands)**

	<u>Health Benefits Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from operations	\$ 23,387	\$ 1,160	\$ 24,547
Cash payments to vendors and others	(23,387)	(1,160)	(24,547)
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) 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>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 538	\$ 225	\$ 763
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Decrease (increase) in accounts receivable	(172)	(5)	(177)
Increase (decrease) in accounts payable and accrued expenses	60	74	134
Decrease (increase) in due from other funds	<u>(426)</u>	<u>(294)</u>	<u>(720)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fiduciary Funds**

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held in a trustee capacity for others and include Trust Funds and Agency Funds.

Trust Funds are used for the accumulation of resources and are to be used for retirement payments and for payments of healthcare benefits for retired employees.

The Town's Trust Funds are listed below:

- Consolidated Pension Fund
- Volunteer Firefighter's Pension Fund

Agency Funds utilize the accrual basis of accounting. Agency Funds are custodial in nature (assets equal liabilities) and are used to account for school activities and developers' escrow.

The Town's Agency Funds are listed below:

- School Activity Fund
- Developers' Escrow Fund

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS**  
**JUNE 30, 2016**  
**(In Thousands)**

	<u>Consolidated Pension Fund</u>	<u>Volunteer Firefighter's Pension Fund</u>	<u>Interfund Eliminations</u>	<u>Total Pension Trust Funds</u>
Assets:				
Cash and cash equivalents	\$ 2,381	\$ 1	\$	\$ 2,382
Investments:				
Mutual funds	173,364			173,364
Due from other funds		1,185	(1,185)	-
<b>Total assets</b>	<u>175,745</u>	<u>1,186</u>	<u>(1,185)</u>	<u>175,746</u>
Liabilities:				
Accounts and other payables	15			15
Due to other funds	3,654	(86)	(1,185)	2,383
<b>Total liabilities</b>	<u>3,669</u>	<u>(86)</u>	<u>(1,185)</u>	<u>2,398</u>
Net Position:				
Restricted for pensions	<u>\$ 172,076</u>	<u>\$ 1,272</u>	<u>\$ -</u>	<u>\$ 173,348</u>



**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>Consolidated Pension Fund</u>	<u>Volunteer Firefighter's Pension Fund</u>	<u>Total Pension Trust Funds</u>
Additions:			
Contributions:			
Employer	\$ 8,411	\$ 41	\$ 8,452
Plan members	2,723		2,723
Total contributions	<u>11,134</u>	<u>41</u>	<u>11,175</u>
Investment income (loss):			
Net change in fair value of investments	(3,009)	(10)	(3,019)
Interest and dividends	3,797		3,797
Other income	33		33
Investment fee expense	(22)		(22)
Total investment income	<u>799</u>	<u>(10)</u>	<u>789</u>
Total additions	<u>11,933</u>	<u>31</u>	<u>11,964</u>
Deductions			
Benefits	13,491	50	13,541
Refunds of contributions	338		338
Administration	101		101
Total deductions	<u>13,930</u>	<u>50</u>	<u>13,980</u>
Change in net position	(1,997)	(19)	(2,016)
Net position restricted for pension, beginning of year	<u>174,073</u>	<u>1,291</u>	<u>175,364</u>
Net position restricted for pension, end of year	<u>\$ 172,076</u>	<u>\$ 1,272</u>	<u>\$ 173,348</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(In Thousands)**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>School Activities</b>				
Assets:				
Cash and cash equivalents	\$ 612	\$ 1,454	\$ 1,485	\$ 581
Investments	<u>70</u>	<u>          </u>	<u>          </u>	<u>70</u>
Total Assets	<u>\$ 682</u>	<u>\$ 1,454</u>	<u>\$ 1,485</u>	<u>\$ 651</u>
Liabilities:				
Due to student groups and agencies	<u>\$ 682</u>	<u>\$ 1,454</u>	<u>\$ 1,485</u>	<u>\$ 651</u>
<b>Developers' Escrow Fund</b>				
Assets:				
Cash and cash equivalents	<u>\$ 353</u>	<u>\$ 63</u>	<u>\$ 45</u>	<u>\$ 371</u>
Liabilities:				
Due to student groups and agencies	<u>\$ 353</u>	<u>\$ 63</u>	<u>\$ 45</u>	<u>\$ 371</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 965	\$ 1,517	\$ 1,530	\$ 952
Investments	<u>70</u>	<u>          </u>	<u>          </u>	<u>70</u>
Total Assets	<u>\$ 1,035</u>	<u>\$ 1,517</u>	<u>\$ 1,530</u>	<u>\$ 1,022</u>
Liabilities:				
Due to student groups and agencies	<u>\$ 1,035</u>	<u>\$ 1,517</u>	<u>\$ 1,530</u>	<u>\$ 1,022</u>

**Supplementary Data**

**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF CHANGES IN BONDS AND SERIAL NOTES  
FOR THE YEAR ENDED JUNE 30, 2016  
(In Thousands)**

Description	Date of Issue	Maturity Date	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2015	Issued	Retired	Balance Outstanding June 30, 2016
General:								
General Purpose:								
Library Expansion and Land Acquisitions	03/15/07	03/15/27	3.80-4.00	\$ 9,900	\$ 5,350	\$	\$ 5,350	\$ -
Library Expansion	06/01/08	05/15/23	3.25-5.00	4,500	2,400		2,400	-
Capital	05/15/11	05/15/31	1.75-3.75	620	140		140	-
Library and Land Acquisition (2007 & 2008 Refunding)	08/27/15	03/15/27	2.00-5.00	6,424		6,424	18	6,406
Tyler Mill Property Purchase	10/01/15	10/15/35	2.00-4.00	305		305		305
Total					<u>7,890</u>	<u>6,729</u>	<u>7,908</u>	<u>6,711</u>
Schools:								
Schools	03/15/07	03/15/27	3.80-4.00	5,100	3,100		3,100	-
Schools	06/01/08	05/15/23	3.25-5.00	4,500	2,400		2,400	-
Schools	05/15/11	05/15/31	1.75-3.75	1,440	880		135	745
Schools (2003 & 2005 Refunding)	03/15/12	03/15/25	2.00-4.00	15,190	13,325		1,385	11,940
Schools (2007 & 2008 Refunding)	08/27/15	03/15/27	2.00-5.00	4,606		4,606	12	4,594
Schools	10/01/15	10/15/35	2.00-4.00	10,320		10,320		10,320
Total					<u>19,705</u>	<u>14,926</u>	<u>7,032</u>	<u>27,599</u>
Total Bond Indebtedness					<u>\$ 27,595</u>	<u>\$ 21,655</u>	<u>\$ 14,940</u>	<u>\$ 34,310</u>
Business-Type Activities:								
Water Division:								
Water Supply Project - (Refunding of 2000)	03/19/09	03/19/19	2.50-5.00	1,550	585		150	435
McKenzie Reservoir	05/15/11	05/15/31	1.75-3.75	2,820	2,445		110	2,335
Pistapaug Water Tank	10/01/15	10/15/25	2.00-4.00	680		680		680
Total					<u>3,030</u>	<u>680</u>	<u>260</u>	<u>3,450</u>
Sewer Division:								
Sewer Pump Station - Durham Road	12/01/97	06/15/17	4.00-6.00	1,330	135		70	65
State of Connecticut - Serial Note 479-C	08/11/05	07/01/25	2.00	1,997	1,011		100	911
Total					<u>1,146</u>	<u>-</u>	<u>170</u>	<u>976</u>
Total Bond Indebtedness					<u>\$ 4,176</u>	<u>\$ 680</u>	<u>\$ 430</u>	<u>\$ 4,426</u>

## Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

TABLE 1

**TOWN OF WALLINGFORD, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities:										
Net investments in capital assets	\$ 208,853	\$ 212,475	\$ 213,199	\$ 204,447	\$ 203,115	\$ 199,247	\$ 202,934	\$ 191,533	\$ 173,488	\$ 174,739
Restricted	1,417	1,407	1,401	1,462	1,479	1,492	1,480	1,463	1,492	232
Unrestricted	(28,945)	(37,647)	7,141	13,464	12,412	13,911	8,583	15,923	11,871	8,727
Total governmental activities net position	<u>181,325</u>	<u>176,235</u>	<u>221,741</u>	<u>219,373</u>	<u>217,006</u>	<u>214,650</u>	<u>212,997</u>	<u>208,919</u>	<u>186,851</u>	<u>183,698</u>
Business-type activities:										
Net investments in capital assets	97,908	98,653	99,734	101,150	103,893	104,863	108,381	107,417	107,093	108,058
Restricted	608	1,436	1,579	514	82	526	320	320	320	291
Unrestricted	37,563	41,363	41,236	39,788	34,502	33,447	28,354	27,540	27,892	23,091
Total business-type activities net position	<u>136,079</u>	<u>141,452</u>	<u>142,549</u>	<u>141,452</u>	<u>138,477</u>	<u>138,836</u>	<u>137,055</u>	<u>135,277</u>	<u>135,305</u>	<u>131,440</u>
Primary government:										
Net investment in capital assets	306,761	311,128	312,933	305,597	307,008	304,110	311,315	298,950	280,581	282,797
Restricted	2,025	2,843	2,980	1,976	1,561	2,018	1,800	1,783	1,812	523
Unrestricted	8,618	3,716	48,377	53,252	46,914	47,358	36,937	43,463	39,763	31,818
Total Primary Government Net Position	<u>\$ 317,404</u>	<u>\$ 317,687</u>	<u>\$ 364,290</u>	<u>\$ 360,825</u>	<u>\$ 355,483</u>	<u>\$ 353,486</u>	<u>\$ 350,052</u>	<u>\$ 344,196</u>	<u>\$ 322,156</u>	<u>\$ 315,138</u>

## Notes:

(1) Schedule prepared on the accrual basis of accounting.

TABLE 2

**TOWN OF WALLINGFORD, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(In Thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental activities:										
General government	\$ 24,766	\$ 25,674	\$ 22,956	\$ 21,701	\$ 21,756	\$ 22,377	\$ 18,458	\$ 19,533	\$ 18,125	\$ 17,063
Public safety	12,961	15,653	15,435	14,539	15,889	16,200	14,872	15,063	14,389	13,353
Public works	9,316	9,633	9,988	10,168	8,510	10,761	8,262	9,253	8,656	8,697
Health and social services	2,515	2,679	2,616	2,443	2,449	2,458	2,796	2,830	2,848	2,697
Parks and recreation	2,433	2,314	2,286	2,218	2,233	2,152	2,165	2,151	1,828	1,919
Education	120,828	114,748	116,567	112,888	112,507	108,554	108,550	103,471	123,943	92,596
Interest on long-term debt	1,140	1,122	1,229	1,293	1,699	1,672	1,863	2,162	1,970	1,668
Total governmental activities expenses	<u>173,959</u>	<u>171,823</u>	<u>171,077</u>	<u>165,250</u>	<u>165,043</u>	<u>164,174</u>	<u>156,966</u>	<u>154,463</u>	<u>171,759</u>	<u>137,993</u>
Business-type activities:										
Electric	73,788	68,089	71,476	69,214	73,785	75,861	74,692	69,586	66,212	62,718
Water	9,032	7,113	7,191	6,954	6,907	6,367	6,113	6,088	5,973	6,025
Sewer	8,157	7,530	7,155	7,173	6,901	6,877	6,276	6,620	6,335	6,366
EMS Transport	1,721	1,741	1,681	1,818						
Total business-type activities expenses	<u>92,698</u>	<u>84,473</u>	<u>87,503</u>	<u>85,159</u>	<u>87,593</u>	<u>89,105</u>	<u>87,081</u>	<u>82,294</u>	<u>78,520</u>	<u>75,109</u>
Total expenses	<u>266,657</u>	<u>256,296</u>	<u>258,580</u>	<u>250,409</u>	<u>252,636</u>	<u>253,279</u>	<u>244,047</u>	<u>236,757</u>	<u>250,279</u>	<u>213,102</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	2,068	1,781	1,805	1,702	2,067	2,849	2,451	2,501	2,817	3,845
Public safety	969	808	571	1,127	1,414	1,583	1,407	1,137	1,079	1,063
Education	2,592	2,459	2,519	2,932	2,935	4,348	4,470	4,283	4,111	4,018
Other	1,005	977	946	1,127	1,094	887	849	837	804	963
Operating grants and contributions	41,599	40,847	43,067	40,322	42,068	36,826	36,232	42,288	59,048	30,458
Capital grants and contributions	4,228	730	6,468	2,763	3,232	2,231	6,745	17,721	4,246	3,629
Total governmental activities program revenues	<u>52,461</u>	<u>47,602</u>	<u>55,376</u>	<u>49,973</u>	<u>52,810</u>	<u>48,724</u>	<u>52,154</u>	<u>68,767</u>	<u>72,105</u>	<u>43,976</u>
Business-type activities:										
Charges for services:										
Electric	69,681	71,443	72,621	73,583	74,259	77,908	77,769	71,276	71,369	69,470
Water	7,904	7,766	7,186	6,311	6,906	6,935	6,059	6,186	6,148	5,801
Sewer	7,123	7,125	7,152	6,481	6,516	6,142	5,153	5,006	5,038	4,959
EMS Transport	2,130	2,075	2,067	2,034						
Capital grants and contributions	762	260	91	437	292	691	813	349	133	148
Total business-type activities program revenues	<u>87,600</u>	<u>88,669</u>	<u>89,117</u>	<u>88,846</u>	<u>87,973</u>	<u>91,676</u>	<u>89,794</u>	<u>82,817</u>	<u>82,688</u>	<u>80,378</u>
Total program revenues	<u>140,061</u>	<u>136,271</u>	<u>144,493</u>	<u>138,819</u>	<u>140,783</u>	<u>140,400</u>	<u>141,948</u>	<u>151,584</u>	<u>154,793</u>	<u>124,354</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(In Thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (expense) revenue:										
Governmental activities	\$ (121,498)	\$ (124,221)	\$ (115,701)	\$ (115,277)	\$ (112,233)	\$ (115,450)	\$ (104,812)	\$ (85,696)	\$ (99,654)	\$ (94,017)
Business-type activities	(5,098)	4,196	1,614	3,687	380	2,571	2,713	523	4,168	5,269
Total net cost of services	<u>(126,596)</u>	<u>(120,025)</u>	<u>(114,087)</u>	<u>(111,590)</u>	<u>(111,853)</u>	<u>(112,879)</u>	<u>(102,099)</u>	<u>(85,173)</u>	<u>(95,486)</u>	<u>(88,748)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	118,771	115,619	110,529	109,808	106,499	105,189	100,937	99,211	93,663	88,715
Grants and contributions not restricted to specific programs	5,714	5,820	5,416	5,613	4,211	4,394	5,423	5,600	5,484	5,335
Unrestricted investment earnings	187	141	93	88	108	114	279	660	1,232	1,563
Other general revenues	243	377	369	275	1,906	5,529	286	311	357	330
Transfers	1,673	1,746	1,662	1,860	1,865	1,877	1,965	1,982	2,071	1,991
Total governmental activities	<u>126,588</u>	<u>123,703</u>	<u>118,069</u>	<u>117,644</u>	<u>114,589</u>	<u>117,103</u>	<u>108,890</u>	<u>107,764</u>	<u>102,807</u>	<u>97,934</u>
Business-type activities:										
Unrestricted investment earnings	225	183	186	206	199	156	150	566	997	881
Other general revenues	1,173	1,065	959	942	927	931	880	865	771	655
Transfers	(1,673)	(1,746)	(1,662)	(1,860)	(1,865)	(1,877)	(1,965)	(1,982)	(2,071)	(1,991)
Total business-type activities	<u>(275)</u>	<u>(498)</u>	<u>(517)</u>	<u>(712)</u>	<u>(739)</u>	<u>(790)</u>	<u>(935)</u>	<u>(551)</u>	<u>(303)</u>	<u>(455)</u>
Total general revenues and other charges	<u>126,313</u>	<u>123,205</u>	<u>117,552</u>	<u>116,932</u>	<u>113,850</u>	<u>116,313</u>	<u>107,955</u>	<u>107,213</u>	<u>102,504</u>	<u>97,479</u>
Changes in Net Position:										
Governmental activities	5,090	(518)	2,368	2,367	2,356	1,653	4,078	22,068	3,153	3,917
Business-type activities	(5,373)	3,698	1,097	2,975	(359)	1,781	1,778	(28)	3,865	4,814
Total	<u>\$ (283)</u>	<u>\$ 3,180</u>	<u>\$ 3,465</u>	<u>\$ 5,342</u>	<u>\$ 1,997</u>	<u>\$ 3,434</u>	<u>\$ 5,856</u>	<u>\$ 22,040</u>	<u>\$ 7,018</u>	<u>\$ 8,731</u>

## Notes:

(1) Schedule prepared on the accrual basis of accounting.



**TOWN OF WALLINGFORD, CONNECTICUT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$ 1,130	\$ 2,731	\$ 852	\$ 927
Unreserved							19,161	17,966	19,510	20,726
Nonspendable	126			2	4	15				
Committed	1,517	2,889	1,858	911	295	244				
Assigned	5,098	4,871	4,869	5,626	6,008	5,906				
Unassigned	<u>22,509</u>	<u>19,811</u>	<u>18,837</u>	<u>18,265</u>	<u>16,337</u>	<u>14,797</u>				
Total General Fund	<u>\$ 29,250</u>	<u>\$ 27,571</u>	<u>\$ 25,564</u>	<u>\$ 24,804</u>	<u>\$ 22,644</u>	<u>\$ 20,962</u>	<u>\$ 20,291</u>	<u>\$ 20,697</u>	<u>\$ 20,362</u>	<u>\$ 21,653</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$ 2,028	\$ 10,939	\$ 4,537	\$ 3,786
Unreserved, reported in:										
Special revenue funds							6,601	8,284	986	1,198
Capital projects funds							(5,488)	(10,815)	(2,760)	(9,026)
Nonspendable	1,441	1,460	1,411	1,466	1,494	1,541				
Restricted	1,036	1,118	893	908	545	403				
Committed	13,407	14,809	14,629	19,449	15,838	17,044				
Unassigned	<u>(9,518)</u>	<u>(14,992)</u>	<u>(14,766)</u>	<u>(13,709)</u>	<u>(8,551)</u>	<u>(6,801)</u>				
Total All Other Governmental Funds	<u>\$ 6,366</u>	<u>\$ 2,395</u>	<u>\$ 2,167</u>	<u>\$ 8,114</u>	<u>\$ 9,326</u>	<u>\$ 12,187</u>	<u>\$ 3,141</u>	<u>\$ 8,408</u>	<u>\$ 2,763</u>	<u>\$ (4,042)</u>

Note: Starting in 2011, fund balance allocations were modified to adhere to GASB Statement 54.

TABLE 4

**TOWN OF WALLINGFORD, CONNECTICUT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
General property taxes	\$ 119,376	\$ 115,657	\$ 111,543	\$ 109,255	\$ 105,948	\$ 104,359	\$ 101,282	\$ 99,085	\$ 92,419	\$ 89,045
Licenses and permits	764	637	629	668	642	760	469	644	838	1,689
Intergovernmental revenues	48,796	44,809	52,677	46,183	47,040	44,055	48,146	57,988	66,487	38,724
Charges for services	6,383	6,030	5,954	6,415	7,535	7,558	7,530	7,068	7,047	7,146
Investment income	184	136	100	88	108	111	279	660	1,232	1,563
Other	2,570	2,344	2,138	2,370	2,217	7,046	2,428	9,655	4,284	2,551
Total revenues	<u>178,073</u>	<u>169,613</u>	<u>173,041</u>	<u>164,979</u>	<u>163,490</u>	<u>163,889</u>	<u>160,134</u>	<u>175,100</u>	<u>172,307</u>	<u>140,718</u>
Expenditures:										
General government	24,998	23,763	22,857	21,855	21,845	21,545	19,479	18,804	17,444	16,788
Public safety	16,346	15,458	15,524	14,736	15,078	14,859	14,816	14,962	14,289	13,552
Public works	6,938	7,920	6,868	7,001	6,847	8,399	7,332	7,799	7,906	7,289
Health and social services	2,634	2,669	2,606	2,455	2,457	2,456	2,767	2,776	2,833	2,686
Parks and recreation	1,855	1,833	1,808	1,718	1,730	1,659	1,684	1,773	1,760	1,667
Education	115,257	110,364	111,859	107,757	105,742	101,982	102,136	98,767	120,399	89,756
Capital outlay	12,635	2,388	13,857	5,562	7,762	2,604	12,162	19,383	6,973	17,896
Debt Service:										
Principal	3,090	3,519	3,185	3,439	3,340	3,351	5,061	5,175	4,785	3,955
Interest and other charges	1,285	1,210	1,326	1,368	1,870	1,683	1,925	2,171	2,030	1,617
Total expenditures	<u>185,038</u>	<u>169,124</u>	<u>179,890</u>	<u>165,891</u>	<u>166,671</u>	<u>158,538</u>	<u>167,362</u>	<u>171,610</u>	<u>178,419</u>	<u>155,206</u>
Excess of revenues over (under) expenditures	<u>(6,965)</u>	<u>489</u>	<u>(6,849)</u>	<u>(912)</u>	<u>(3,181)</u>	<u>5,351</u>	<u>(7,228)</u>	<u>3,490</u>	<u>(6,112)</u>	<u>(14,488)</u>
Other financing sources (uses):										
Transfers in	4,443	4,024	4,085	4,199	4,270	4,297	4,458	4,780	4,664	5,220
Transfers out	(2,770)	(2,278)	(2,423)	(2,339)	(2,405)	(2,420)	(2,493)	(2,798)	(2,593)	(3,229)
Bonds issued	10,625					2,060			9,000	15,000
Bond premium	1,424				1,889	19		13	205	
Multi-year lease purchase agreements								495	350	352
Refunding bonds issued	11,030				15,190					
Payment to refunding bond escrow agent	(12,137)				(16,942)					
Total other financing sources (uses)	<u>12,615</u>	<u>1,746</u>	<u>1,662</u>	<u>1,860</u>	<u>2,002</u>	<u>3,956</u>	<u>1,965</u>	<u>2,490</u>	<u>11,626</u>	<u>17,343</u>
Net change in fund balances	5,650	2,235	(5,187)	948	(1,179)	9,307	(5,263)	5,980	5,514	2,855
Fund balances, beginning	29,966	27,731	32,918	31,970	33,149	23,842	29,105	23,125	17,611	14,756
Fund Balances, Ending	<u>\$ 35,616</u>	<u>\$ 29,966</u>	<u>\$ 27,731</u>	<u>\$ 32,918</u>	<u>\$ 31,970</u>	<u>\$ 33,149</u>	<u>\$ 23,842</u>	<u>\$ 29,105</u>	<u>\$ 23,125</u>	<u>\$ 17,611</u>
Debt service as a % of noncapital expenditures	<u>2.54%</u>	<u>2.84%</u>	<u>2.72%</u>	<u>3.00%</u>	<u>3.28%</u>	<u>3.23%</u>	<u>4.50%</u>	<u>4.83%</u>	<u>3.98%</u>	<u>4.06%</u>

## Notes:

(1) Schedule prepared on the modified accrual basis of accounting.

**TOWN OF WALLINGFORD, CONNECTICUT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (In Thousands)**

Fiscal Year	Grand List Year	Real Property			Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage Taxable of Taxable Value
		Residential	Commercial	Industrial								
2016	2014	\$ 2,757,725	\$ 541,103	\$ 325,867	\$ 518,000	\$ 348,129	\$ 4,490,824	\$ 222,613	\$ 4,268,211	27.47	\$ 6,097,444	70.00%
2015	2013	2,730,788	540,524	332,580	499,885	340,828	4,444,605	194,023	4,250,582	26.89	6,072,260	70.00%
2014	2012	2,722,992	540,182	330,506	474,912	331,580	4,400,172	181,003	4,219,169	26.22	6,027,384	70.00%
2013	2011	2,696,234	534,250	333,912	456,450	333,812	4,354,658	171,872	4,182,786	25.98	5,975,409	70.00%
2012	2010	2,694,389	517,096	328,202	474,571	311,967	4,326,225	157,154	4,169,071	25.22	5,955,816	70.00%
2011	2009	2,820,368	612,189	279,515	441,370	299,597	4,453,039	148,450	4,304,589	24.08	6,149,413	70.00%
2010	2008	2,806,635	605,649	277,844	444,674	296,629	4,431,431	126,852	4,304,579	23.20	6,149,398	70.00%
2009	2007	2,793,286	592,033	272,458	407,436	310,103	4,375,316	113,400	4,261,916	22.90	6,088,451	70.00%
2008	2006	2,769,256	584,787	253,301	363,039	301,853	4,272,236	104,096	4,168,140	22.05	5,954,486	70.00%
2007	2005	2,737,815	575,052	245,383	386,096	297,365	4,241,711	93,492	4,148,219	21.25	5,926,027	70.00%

Source: Town of Wallingford, Assessor's Office

Notes:

- (1) 2005 & 2010 real property grand list is adjusted to reflect statutory revaluation
- (2) The Town assesses property at 70% of actual for all types of real and personal property

TABLE 6

**TOWN OF WALLINGFORD, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO  
(In Thousands)**

Taxpayer	Nature of Business	Fiscal Year Ended June 30, 2016 for the Grand List of October 1, 2014			Fiscal Year Ended June 30, 2007 for the Grand List of October 1, 2005		
		Taxable Assessed Value	Rank	Percentage of Net Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net Town Taxable Assessed Value
Bristol-Meyers-Squibb	Pharmaceutical Research & Dev	\$ 107,763	1	2.52%	\$ 143,726	1	3.46%
Wallingford Energy LLC	Energy Producer	37,817	2	0.89%	49,921	3	1.20%
Cellco Partnership	Communications	31,618	3	0.74%	51,331	2	1.24%
Masonic Health Care Center	Retirement Community	22,888	4	0.54%	12,625	7	0.30%
MCM Investment Properties	Property Development	22,578	5	0.53%			
Connecticut Light & Power	Utility	21,780	6	0.51%			
Yankee Gas	Utility	21,571	7	0.51%			
Covanta Projects of WLFD	Energy Producer	19,326	8	0.45%			
Blue Dog Properties Trust	Property Development & Management	18,592	9	0.44%			
BYK USA Inc	Manufacturer	16,645	10	0.39%			
Winstanley Properties	Property Development & Management				28,855	4	0.70%
Wal-Mart Stores	Retail				17,701	5	0.43%
Cytec Corp	Plastic & Resin Manufacturing				17,613	6	0.42%
Home Depot	Retail				11,920	8	0.29%
BJ's Wholesale Club	Retail				11,199	9	0.27%
Allegheny Ludlum Steel Corp	Steel and Metals Fabrication				9,977	10	0.24%
		<u>\$ 320,578</u>		<u>7.52%</u>	<u>\$ 354,868</u>		<u>8.55%</u>

Source: Town of Wallingford, Assessor's Office

**TOWN OF WALLINGFORD, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(In Thousands)**

Fiscal Year Ended June 30,	Grand List Year	Net Grand List	Mill Rate	Total Tax Levy	Collected Within The Fiscal Year of Levy		Tax Collections In Subsequent Years	Total Collections To Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2016	2014	\$ 4,268,211	27.47	\$ 118,027	\$ 116,411	98.63%	\$	\$ 116,411	98.63%
2015	2013	4,250,582	26.89	115,054	113,353	98.52%	916	114,269	99.32%
2014	2012	4,219,169	26.22	111,148	109,269	98.31%	900	110,169	99.12%
2013	2011	4,182,786	25.98	109,079	107,020	98.11%	993	108,013	99.02%
2012	2010	4,169,071	25.22	105,608	103,684	98.18%	1,092	104,776	99.21%
2011	2009	4,304,589	24.08	103,940	102,206	98.33%	1,355	103,561	99.64%
2010	2008	4,304,579	23.20	100,193	98,344	98.15%	1,625	99,969	99.78%
2009	2007	4,261,916	22.90	98,091	96,201	98.07%	1,436	97,637	99.54%
2008	2006	4,168,140	22.05	92,410	90,584	98.02%	1,262	91,846	99.39%
2007	2005	4,148,219	21.25	88,636	87,159	98.33%	778	87,937	99.21%

## Notes:

(1) Total Tax Levy includes Motor Vehicle Supplemental Taxes that are excluded for the Net Taxable Grand List and Assessors Certificates of Change.

**TOWN OF WALLINGFORD, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(In Thousands)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Ratio of Total Debt To Net Taxable Assessed Value	Total Debt Per Capita	Ratio of Net General Bonded Debt To Net Taxable Assessed Value	Ratio of Net General Bonded Debt Per Capita
	General Obligation Bonds			General Obligation Bonds							
	General Purpose	Schools	Capital Leases	Electric	Water	Sewer					
2016	\$ 6,711	\$ 30,242	\$	\$	\$ 3,450	\$ 976	\$ 41,379	0.97%	\$ 863	0.81%	\$ 794
2015	7,890	21,167			3,030	1,146	33,233	0.78%	705	0.68%	612
2014	9,339	23,373			3,321	1,316	37,349	0.85%	792	0.74%	689
2013	10,799	25,232			3,689	1,599	41,319	0.95%	876	0.82%	759
2012	12,298	27,307			4,171	1,773	45,549	1.05%	968	0.91%	836
2011	13,808	30,130	44		4,752	2,093	50,827	1.14%	1,083	0.98%	932
2010	14,589	28,750	224		2,529	2,420	48,512	1.13%	1,081	1.01%	966
2009	15,965	32,435	558		3,085	2,843	54,886	1.29%	1,222	1.14%	1,077
2008	17,325	36,175	418		3,901	3,197	61,016	1.46%	1,366	1.28%	1,197
2007	14,170	35,115	491		4,679	3,539	57,994	1.40%	1,299	1.19%	1,104

Note:

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

**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF DEBT LIMITATION**  
**JUNE 30, 2016**  
**(In Thousands)**

Total tax collections (including interest and penalties)					\$	119,376
State reimbursement for:						
Tax relief for elderly - freeze						<u>1</u>
Total					\$	<u>119,377</u>
		<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt Limitation:						
2-1/4 times base	\$	268,598	\$		\$	\$
4-1/2 times base			537,197			
3-3/4 times base				447,664		
3-1/4 times base					387,975	
3 times base						358,131
Total debt limitation		<u>268,598</u>	<u>537,197</u>	<u>447,664</u>	<u>387,975</u>	<u>358,131</u>
Debt as defined by Statute:						
Bonds payable and notes		6,711	27,599	976		
Bonds authorized and unissued		9,220	14,682			
School building grants			(10,718)			
Total indebtedness		<u>15,931</u>	<u>31,563</u>	<u>976</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$	<u>252,667</u>	\$	<u>505,634</u>	\$	<u>446,688</u>
					\$	<u>387,975</u>
					\$	<u>358,131</u>

Note 1: In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted would be \$835,639.

Note 2: Bonds Payable do not include Water bonds of \$3,450 which are considered to be self-funding.

Note 3: In addition an estimated 49% or \$35,460 of a Town-wide school system renovation authorization totaling \$72,367 will be received from the State in the form of proportional progress payments for eligible construction costs during certain construction phases of the projects. Progress payments received to date total \$29,867 leaving a balance of \$5,593 in anticipated grant payments pending state approval of the projects.

Note 4: In addition an estimated 95% or \$26,418 of the Vo-Ag Building Project authorization totaling \$27,808 will be received from the State in the form of proportional progress payments for eligible project costs. Progress payments received to date total \$24,730 leaving a balance of \$1,688 in anticipated grant payments pending state approval of the project.

Note 5: In addition an estimated 50% or \$8,082 of the Eleven School Roof Project authorization totaling \$16,165 will be received from the State in the form of proportional progress payments for eligible construction costs during certain construction phases of the projects. Progress payments received to date total \$4,645 leaving a balance of \$3,437 in anticipated grant payments pending state approval of the project.

TABLE 10

**TOWN OF WALLINGFORD, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(In Thousands)**

	<u>2,016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 835,639	\$ 809,613	\$ 781,151	\$ 763,812	\$ 741,335	\$ 731,549	\$ 709,072	\$ 693,469	\$ 646,674	\$ 624,680
Total net debt applicable to limit	<u>48,470</u>	<u>45,579</u>	<u>40,542</u>	<u>43,384</u>	<u>44,655</u>	<u>44,464</u>	<u>52,586</u>	<u>57,296</u>	<u>61,884</u>	<u>67,194</u>
Legal Debt Margin	<u>\$ 787,169</u>	<u>\$ 764,034</u>	<u>\$ 740,609</u>	<u>\$ 720,428</u>	<u>\$ 696,680</u>	<u>\$ 687,085</u>	<u>\$ 656,486</u>	<u>\$ 636,173</u>	<u>\$ 584,790</u>	<u>\$ 557,486</u>
Total net debt applicable to the limit as a percentage of debt limit	5.80%	5.63%	5.19%	5.68%	6.02%	6.08%	7.42%	8.26%	9.57%	10.76%



**TOWN OF WALLINGFORD, CONNECTICUT  
DEMOGRAPHIC AND EMPLOYMENT STATISTICS  
LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	School Enrollment (2)	Median Household Income (3)	Labor Force		Percentage Unemployed (4)			
				Employed (4)	Unemployed (4)	Town of Wallingford	New Haven Labor Market	State of Connecticut	United States
2015	44,893	5,908	\$ 75,467	25,356	1,273	5.0%	5.9%	5.9%	5.1%
2014	45,074	6,120	75,467	23,949	1,574	6.2%	6.9%	6.7%	6.4%
2013	45,141	6,270	72,531	23,219	1,806	7.2%	8.4%	8.2%	7.8%
2012	45,179	6,228	72,531	23,219	1,901	7.5%	8.5%	8.4%	8.3%
2011	45,135	6,293	72,531	23,550	2,055	8.0%	8.8%	8.5%	9.2%
2010	45,182	6,458	72,531	23,801	2,156	8.3%	9.9%	9.6%	9.9%
2009	44,872	6,668	72,531	24,230	1,278	5.0%	6.3%	5.7%	10.0%
2008	44,916	6,678	71,949	24,057	1,494	5.8%	6.6%	6.6%	5.8%
2007	44,679	6,723	66,225	24,630	995	3.9%	4.7%	4.5%	4.8%
2006	44,632	6,820	66,225	25,174	953	3.8%	4.5%	4.3%	4.6%

*Total personal income is not reported for the Town of Wallingford.*

Sources:

- (1) U.S. Department of Commerce, Bureau of Census or State of Connecticut, Department of Labor, whichever is most current.
- (2) Wallingford Board of Education
- (3) Connecticut Economic Resources Council (CERC).
- (4) State of Connecticut, Department of Labor - June 30 year-end figures.

TABLE 12

**TOWN OF WALLINGFORD, CONNECTICUT  
PRINCIPAL EMPLOYERS  
CURRENT AND TEN YEARS AGO**

Business Name	Nature of Business	2016			2006		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Anthem BC/BS	Health Insurer	1,694	1	6.68%			
Town of Wallingford	Municipality	1,325	2	5.23%	1,376	1	5.83%
Masonic Healthcare Center	Healthcare	978	3	3.86%	586	5	2.48%
Bristol-Myers-Squibb	Pharmaceutical R & D	790	4	3.12%	1,250	2	5.30%
Verizon Wireless	Cellular Wireless Communications	610	5	2.41%	675	4	2.86%
Community Health Network of CT, Inc.	Nonprofit Managed Care	527	6	2.01%			
Gaylord Hospital	Medical & Rehabilitation Facility	466	7	1.84%	569	6	2.41%
Choate Rosemary Hall	Private School	310	8	1.22%	268	11	1.14%
U.S. Postal Service	Mail Distribution and Processing	220	9	0.87%	834	3	3.53%
Thurston Foods	Wholesale Food Distribution	214	10	0.84%			
Fosdick Fulfillment Corp	Fulfillment	210	11	0.83%			
Ulbrich Stainless Steels & Specialty Metals	Manufacture Stainless Steel	200	12	0.79%			
Nucor Steel CT	Rebar & Wire Products	164	13	0.65%	210	12	0.89%
BYK	Manufacturer of Chemical Additives	146	14	0.58%			
Burns & McDonnell	Engineering & Architecture	134	15	0.53%			
Quest Diagnostics Inc	Diagnostic Laboratories				558	7	2.36%
Walmart	Retail				478	8	2.03%
Thermospas	Manufacture Spas				394	9	1.67%
Cytec Industries	Plastics and Resin Manufacturer				274	10	1.16%
Mortgage Lenders Network	Mortgage Services				210	13	0.89%
American Payment Systems	Financial Services				202	14	0.86%
Allegheny Ludlum	Rolled Stainless Steel				150	15	0.64%
		<u>7,988</u>		<u>31.46%</u>	<u>8,034</u>		<u>34.05%</u>

Source: Town of Wallingford, Office of Economic Development

**TOWN OF WALLINGFORD, CONNECTICUT  
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government:										
General Government	19	19	19	19	19	19	19	19	19	19
Finance	29	29	29	29	28	28	29	30	30	30
Personnel and Pensions	7	7	7	7	6	6	6	6	6	6
Other Services	23	23	15	15	15	15	15	15	15	15
Public Safety:										
Police	95	95	95	95	95	98	98	98	98	88
Fire & EMS	68	68	68	68	65	65	65	65	65	65
Public Works:										
Public Works	45	45	45	46	48	48	48	49	49	49
Engineering	4	5	5	6	7	7	7	7	7	7
Parks & Recreation	6	6	6	6	7	7	7	7	7	7
Board of Education:										
Teachers	588	574	575	574	574	587	604	606	613	618
Administration	32	29	29	33	30	30	27	34	31	28
Custodial & Maintenance	37	37	37	37	36	37	38	38	37	35
Other	296	298	305	289	282	283	281	349	301	347
Total Governmental Activities	<u>1,249</u>	<u>1,235</u>	<u>1,235</u>	<u>1,224</u>	<u>1,212</u>	<u>1,230</u>	<u>1,244</u>	<u>1,323</u>	<u>1,278</u>	<u>1,314</u>
Public Utilities:										
Electric Division	63	61	61	61	59	59	59	59	59	54
Water Division	37	37	37	37	38	38	38	38	38	38
Sewer Division	29	29	29	29	29	29	29	29	29	29
Total Business-Type Activities	<u>129</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>126</u>	<u>126</u>	<u>126</u>	<u>126</u>	<u>126</u>	<u>121</u>
Total	<u>1,378</u>	<u>1,362</u>	<u>1,362</u>	<u>1,351</u>	<u>1,338</u>	<u>1,356</u>	<u>1,370</u>	<u>1,449</u>	<u>1,404</u>	<u>1,435</u>

Source: Town of Wallingford Departments, Agencies and Divisions

TABLE 14

**TOWN OF WALLINGFORD, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Function / Program										
General Government:										
Building permits issued	2,125	918	899	804	1,096	932	889	954	993	1,282
Building inspections conducted	14,875	8,716	8,091	7,236	8,964	8,388	8,001	8,586	8,937	11,538
Public Safety										
Police:										
Physical arrests	2,214	1,996	1,862	1,960	1,926	1,563	2,192	1,722	1,684	1,618
Parking violations	399	681	641	544	338	734	966	819	445	696
Traffic violations	3,507	4,775	3,615	2,804	3,233	3,235	4,233	5,042	3,675	2,398
Fire:										
Emergency responses	6,484	6,249	6,540	6,109	5,826	5,960	5,779	5,697	5,423	5,598
Fires extinguished	88	86	178	99	164	102	86	59	181	166
Inspections	1,784	1,037	1,579	1,961	1,381	1,550	1,811	1,783	1,548	1,970
Public Works:										
Street resurfacing (miles)	8.48	5.53	4.78	6.80	6.51	3.33	4.49	4.39	4.90	5.63
Pothole Tons of Patch	350	435	250	260	240	270	260	260	240	240
Parks & Recreation:										
Athletic field & park permits issued	815	851	894	878	892	883	867	883	350	359
Library:										
Holdings in collection print & nonprint	244,683	235,916	228,310	253,607	246,835	253,808	246,049	237,478	190,000 *	192,322
Total volumes borrowed	540,065	590,312	622,045	669,997	700,773	703,579	687,822	646,244	500,000 *	498,272
Electric enterprise:										
Miles of Lines	400	398	398	398	397	396	395	395	396	396
Kilowatt Hours-Daily Average(000)	1,652	1,690	1,701	1,705	1,686	1,653	1,641	1,637	1,850	1,840
Water enterprise:										
Water main breaks	10	14	17	14	13	15	21	11	6	14
Average daily production(000)	3.926	3.631	3.973	4.085	4.285	4.380	3.969	4.239	4.500	4.593
Maximum daily production(000)	6.048	5.920	5.771	6.544	6.887	7.615	5.625	6.477	6.590	6.726
Sewer enterprise:										
Average daily sewage treatment(000)	4.910	5.201	5.358	5.368	5.982	5.849	6.305	5.879	5.500	6.108

Source: Town of Wallingford Departments, Agencies and Divisions

\* Approximate figure.

TABLE 15

**TOWN OF WALLINGFORD, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function / Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	36	36	36	36	35	43	43	43	43	42
Fire Services:										
Firefighting/rescue vehicles	11	11	11	11	11	9	9	9	9	9
Other vehicles	5	5	5	5	5	5	5	5	5	5
Fire stations	2	2	2	2	2	2	2	2	2	2
Volunteer Fire Services:										
Fire stations	2	2	2	2	3	4	4	4	4	4
Firefighting/rescue vehicles	8	8	8	8	8	10	10	10	10	10
Public Works:										
Street maintenance:										
Dump trucks	30	30	30	30	30	30	30	30	30	29
Sweepers	2	2	2	2	2	4	4	4	4	4
Parks and Cemeteries:										
Parks	18	18	18	18	18	18	18	18	18	18
Cemeteries	1	1	1	1	1	1	1	1	1	1
Mowers	8	8	8	8	8	8	8	8	8	7
Parking lots	9	9	9	9	9	9	9	9	9	9
Health and Social Services:										
Senior center	1	1	1	1	1	1	1	1	1	1
Parks and Recreation:										
Basketball courts - outdoors	8	8	8	8	8	8	8	8	8	8
Football fields - High School	2	2	2	2	2	2	2	2	2	2
Playgrounds	10	10	10	10	10	10	10	10	10	10
Soccer fields	8	8	8	8	8	8	8	8	8	8
Softball fields	15	15	15	15	15	15	15	15	15	15
Hardball fields	4	4	4	4	4	4	4	4	4	4
Tennis courts	17	17	17	17	17	17	17	17	17	17
Education:										
School buildings	12	12	12	12	12	12	12	12	12	12
Administrative buildings	1	1	1	1	1	1	1	1	1	1

Source: Town of Wallingford Departments, Agencies and Divisions