

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

**For the Fiscal Year Ended  
JUNE 30, 2018**

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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 JUNE 30, 2018**

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# **Introductory Section**

# TOWN OF WALLINGFORD, CONNECTICUT

## TOWN OFFICIALS AS OF JUNE 30, 2018

### 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  
Gina Morgenstein  
Christopher K. Shortell  
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  
Economic Devel./Business Recruiter  
Chief of Police  
Fire Chief/EMD  
Animal Control Officer  
Director of Health  
Recreation Director  
Personnel Director  
Town Planner  
Environmental Planner

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

### BOARD OF EDUCATION

Roxanne M. McKay, Chair  
Kathy Castelli  
Erin Corso  
Karen Hlavac  
Patty Pursell  
Tammy Raccio  
Patrick Reynolds  
Ray Ross  
Michael J. Votto, Sr.

### APPOINTED OFFICIALS

Superintendent of Schools  
Assistant Superintendents  
Business Manager

Dr. Salvatore Menzo  
Danielle Bellizzi, Carrie LaTorre  
Dominic Barone

### PUBLIC UTILITIES COMMISSION

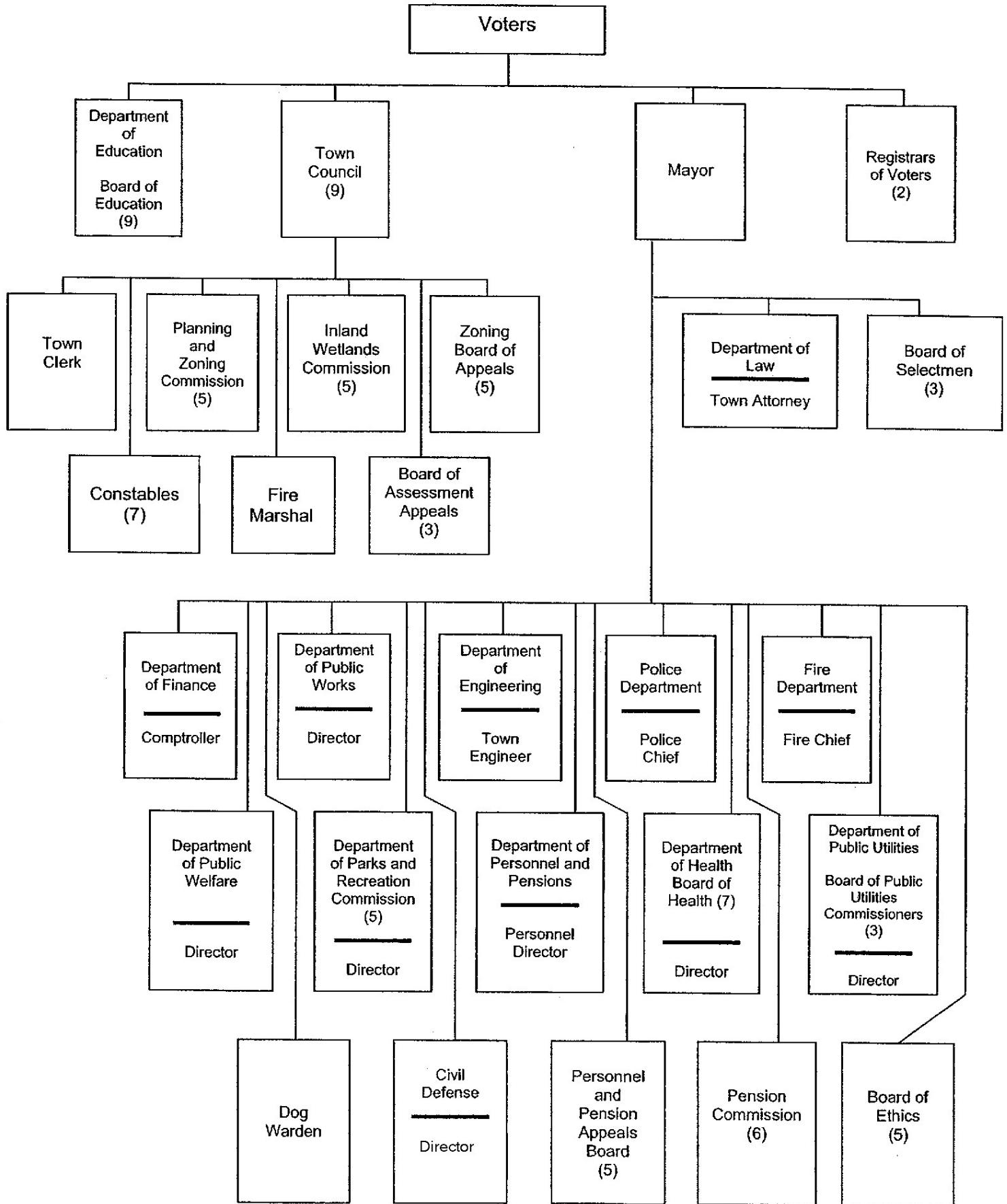
Robert Beaumont, Chair  
Patrick Birney  
Joel Rinebold

### APPOINTED OFFICIALS

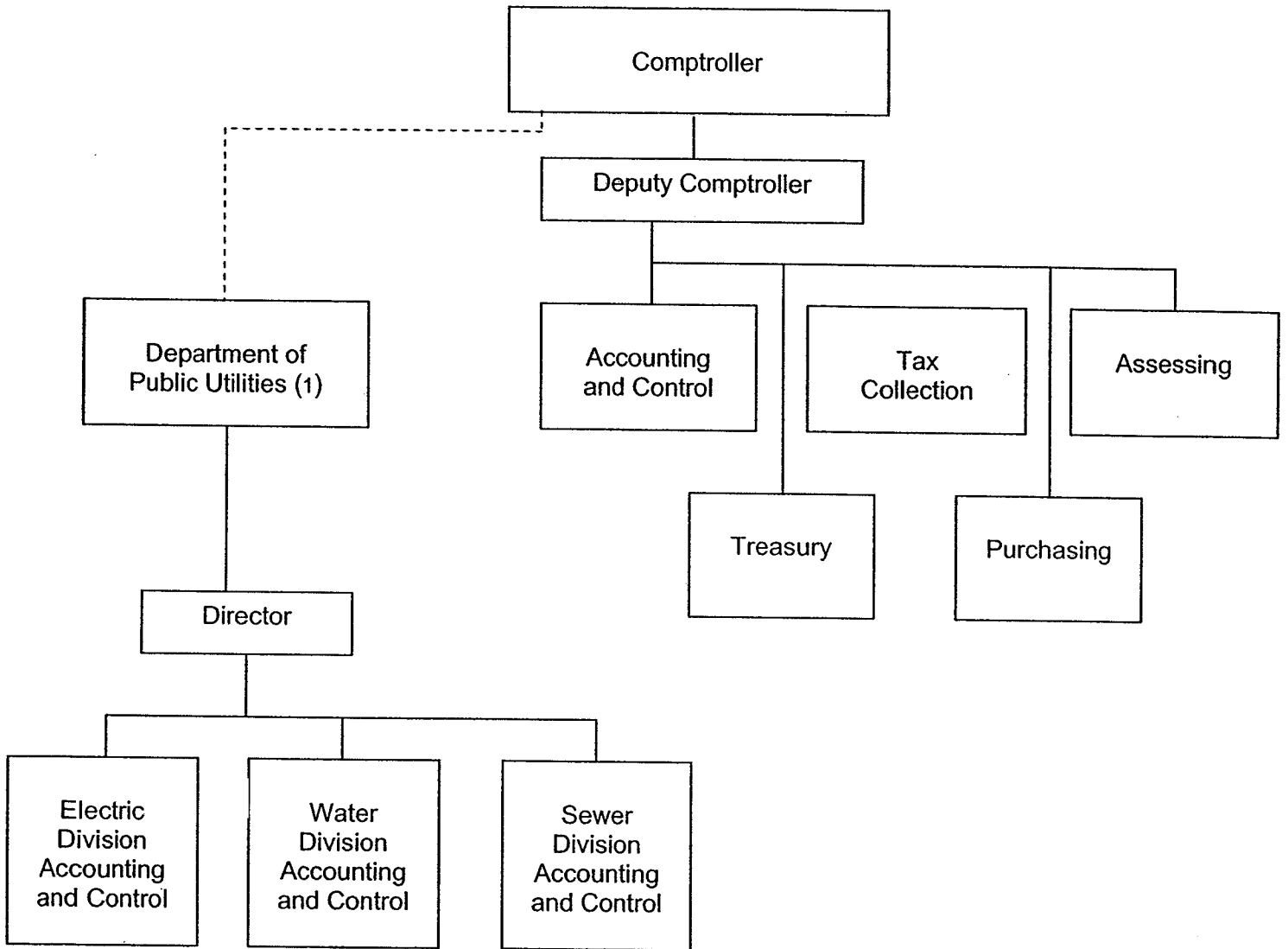
PUC Director  
General Manager-Electric Division  
General Manager-Water & Sewer Division  
Business Manager-Electric Division  
Business Manager-Water & Sewer Division

Richard A. Hendershot  
Antonino Buccheri  
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  
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**Town of Wallingford**  
**Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

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 20, 2018

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, 2018. 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, 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, 2018 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 unqualified opinion that the Town's financial statements for the fiscal year ended June 30, 2018 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, 2018.

## **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 1,680 megawatt hours. The Division owns 401 miles of electrical lines and serves approximately 24,900 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 usable storage capacity of 1.9 billion gallons and three wells with a safe daily yield of 2.7 million gallons. Average water production is about 3.8 million gallons per day. There are approximately 7 miles of raw water mains, 200 miles of finished water mains, 1,335 public hydrants, 491 private hydrants, five booster stations and 3 raw water transfer stations. The Division serves in excess of 13,900 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 5 million gallons. There are approximately 200 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 13,800 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 real estate values, unemployment data, and Grand List growth, has shown mixed results since last year. Real estate values have remained stable since the last State-mandated revaluation of October 1, 2015, in sharp contrast to declines experienced in many areas of the State. The Town's unemployment rate at fiscal year ended June 30, 2018 of 4.0% shows a moderately strong improvement over the 4.4% mark at June 30, 2017.

The Town's Grand List of October 1, 2016 a summary of all taxable real estate, motor vehicles and business property in town in effect for fiscal 2017/2018, increased by .33% over last year. This increase, although modest, helped overcome a 1.2% decline in taxable business property, as depreciation on existing accounts and departures outpaced new business property/asset purchases and new business arrivals since last year.

An issue that has had a large financial impact on the Town is the pending departure of the Town's largest taxpayer, Bristol Myers Squibb (BMS). As previously reported in past CAFRs, in June 2015 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 are being phased out at the facility, with anticipated completion by January 2019. Last fiscal year, the Town and BMS reached an agreement on a lower fair market value of the property, which reducing their tax amount owed to the Town by approximately 40%. BMS sold its facility during this fiscal year to Calare Properties of Hudson, Massachusetts, who intends to either find tenants or redevelop the building and accompanying 180-acre campus.

Due to these factors, and the probability that development of the former BMS campus may occur over the next couple of years or so, we anticipate only modest short-term growth in 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 identifies some of the major results of these efforts during fiscal 2017/2018:

- GKN Aerospace opened a new facility on Research Parkway.
- Hobson and Motzer built a new facility in Barnes Industrial Park.

These two additions brought over 100 manufacturing jobs to town.

In addition, the following residential construction activity occurred during fiscal 2017/2018:

- Davenport Associates began construction on a 200-unit residential apartment complex on Parker Avenue, the site of a former commercial building, to support the Town's downtown transit-oriented initiatives.
- 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 2018/2019.
- Construction continued on subdivision developments Knollwood Place (6 units) and Rainah Estates (5 units) in fiscal 2017/2018. The sales price range for these single family houses is \$300,000 to \$430,000.

State Route 5 is a large retail and commercial hub. Economic activity along this major artery remains very active, as several retailers, restaurants and other commercial enterprises constructed new buildings or completed renovation of existing ones in fiscal 2017/2018. These include the Harte Infiniti auto dealership and a Cumberland Farms superstore/gas station.

Employment diversification is demonstrated by Wallingford's major employers ranging from medical device manufacturers, subcontractors for the U.S. Defense Department, 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 grants and bonding. The Town, however, has avoided bonding these projects for the last 17 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; and open space purchases.

During fiscal year 2017/2018, the Town expended approximately \$1.3 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 2017/2018 the Town expended \$162 thousand of these funds for capital improvements for Education, \$183 thousand for a Public Works plow truck and \$215 thousand for a new Ambulance.

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 expended \$1.3 million of the total authorized \$11.2 million Phase II of the Board of Education Capital Improvement Program, mostly to reconstruct high and middle school auditoriums and window replacement projects at four schools. These projects are expected to be completed in fiscal 2018/2019.

The Town expended \$1.2 million of the total authorized \$6.2 million on the Town-wide Radio Communication upgrade project. This project is expected to be completed in fiscal 2018/2019. The system includes new hardware, software and infrastructure to integrate communication between public safety, public works and other functions.

The Town plans to sell bonds to finance these two projects in fiscal 2018/2019.

## **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 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 to communicate goals, strategy and performance expectations and utilizes an investment strategy to generate long-term steady growth. Performance is compared to appropriate benchmarks. 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 supports 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 no bonds or notes during fiscal year 2017/2018. The last debt issuance was in fiscal year 2015/2016, in which the Town sold \$11 million of refunding bonds and \$11.3 million of general obligation bonds. The Town was successful in maintaining its Aaa credit rating from Moody's Investor Service for 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, 2017. The June 30, 2017 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 William W. 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

## **Independent Auditors' Report**

To Members of 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, 2018, 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, 2018 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 15 to the financial statements, during the fiscal year ended June 30, 2018, the Town of Wallingford, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the Town of Wallingford, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. 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, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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 statements of the Town of Wallingford, Connecticut, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 26, 2017, 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, 2017 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 2017 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2017 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, 2017.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 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 solely 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 the effectiveness of the Town of Wallingford, Connecticut's 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 20, 2018

**TOWN OF WALLINGFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2018**

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, 2018. 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 \$14.5 million, a decrease of 4.8% from last year.
- During the year, Governmental activity expenditures exceeded revenues by \$9.4 million (including transfers) and Business-type activities expenses exceeded revenues by \$5.1 million (including transfers).
- Total cost of all of the Town's programs was \$288.4 million, an increase of 4.6% from last year, most of which was for the education and public safety expenditures.
- The General Fund reported a total fund balance this year of \$26.3 million, which includes \$17.1 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 from \$299.8 million to \$285.2 million. This was primarily due to retirement of capital assets in the Governmental activity funds exceeding capital asset purchases. 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>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 53,417	\$ 62,775	\$ 62,263	\$ 68,167	\$ 115,680	\$ 130,942
Capital assets	236,955	241,001	103,379	101,193	340,334	342,194
Total assets	<u>290,372</u>	<u>303,776</u>	<u>165,642</u>	<u>169,360</u>	<u>456,014</u>	<u>473,136</u>
Deferred outflows of resources	<u>7,397</u>	<u>6,363</u>	<u>1,663</u>	<u>1,353</u>	<u>9,060</u>	<u>7,716</u>
Long-term debt outstanding	128,624	126,714	20,654	20,891	149,278	147,605
Other liabilities	9,933	10,743	13,759	12,010	23,692	22,753
Total liabilities	<u>138,557</u>	<u>137,457</u>	<u>34,413</u>	<u>32,901</u>	<u>172,970</u>	<u>170,358</u>
Deferred inflows of resources	<u>6,456</u>	<u>10,542</u>	<u>396</u>	<u>176</u>	<u>6,852</u>	<u>10,718</u>
Net Position:						
Net investments in capital assets	208,230	208,663	99,954	97,293	308,184	305,956
Restricted	1,466	1,465	278	515	1,744	1,980
Unrestricted	<u>(56,940)</u>	<u>(47,988)</u>	<u>32,264</u>	<u>39,828</u>	<u>(24,676)</u>	<u>(8,160)</u>
Total Net Position	<u>\$ 152,756</u>	<u>\$ 162,140</u>	<u>\$ 132,496</u>	<u>\$ 137,636</u>	<u>\$ 285,252</u>	<u>\$ 299,776</u>

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 9,206	\$ 7,191	\$ 84,939	\$ 86,463	\$ 94,145	\$ 93,654
Operating grants and contributions	47,732	48,390			47,732	48,390
Capital grants and contributions	365	2,675	25	342	390	3,017
General revenues:						
Property taxes	121,056	118,474			121,056	118,474
Grants and contributions not restricted to specific purposes	5,413	6,455			5,413	6,455
Unrestricted investment earnings	588	296	677	366	1,265	662
Other general revenues	2,511	2,370	1,405	1,219	3,916	3,589
Total revenues	<u>186,871</u>	<u>185,851</u>	<u>87,046</u>	<u>88,390</u>	<u>273,917</u>	<u>274,241</u>
Program expenses:						
General government	29,481	25,590			29,481	25,590
Public safety	19,794	17,873			19,794	17,873
Public works	9,360	10,279			9,360	10,279
Health and social services	2,823	2,782			2,823	2,782
Parks and recreation	2,487	2,339			2,487	2,339
Education	134,849	132,065			134,849	132,065
Interest on long-term debt	913	1,034			913	1,034
Electric			73,776	68,136	73,776	68,136
Water			6,849	6,805	6,849	6,805
Sewer			6,925	7,354	6,925	7,354
EMS Transport			1,184	1,427	1,184	1,427
Total expenses	<u>199,707</u>	<u>191,962</u>	<u>88,734</u>	<u>83,722</u>	<u>288,441</u>	<u>275,684</u>
Change in net position before transfers	(12,836)	(6,111)	(1,688)	4,668	(14,524)	(1,443)
Transfers	<u>3,452</u>	<u>1,693</u>	<u>(3,452)</u>	<u>(1,693)</u>	<u>-</u>	<u>-</u>
Change in net position	(9,384)	(4,418)	(5,140)	2,975	(14,524)	(1,443)
Net Position at Beginning of Year	162,140	181,325	137,636	136,079	299,776	317,404
Restatements for GASB 75		<u>(14,767)</u>		<u>(1,418)</u>		<u>(16,185)</u>
Net Position at End of Year	<u>\$ 152,756</u>	<u>\$ 162,140</u>	<u>\$ 132,496</u>	<u>\$ 137,636</u>	<u>\$ 285,252</u>	<u>\$ 299,776</u>

The net position of the Town's Governmental activities decreased by \$9.4 million, from \$162.1 million to \$152.7 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 - decreased by \$9 million, from (\$47.9) million to (\$56.9) million. This was primarily due to expenditures for capital items in this fiscal year which will be bonded next fiscal year.

The net position of the Town's Business-type activities decreased by \$5.1 million from \$137.6 million to \$132.5 million due mostly to higher purchase power cost.

The Town's total revenues (excluding transfers) were \$274 million. The total cost of all programs and services was \$288.4 million. Our analysis below separately considers the operations of governmental and business-type activities.



## **Governmental Activities**

Governmental activities decreased the Town's net position by \$9.4 million. Revenues of the Town's total governmental activities increased \$1 million in 2018, \$186.9 million compared to \$185.9 million. Most of the decrease in net position is attributed to cash paid for the Town-wide Radio Communication Project costs (Public Safety) and Board of Education CIP Phase II (Education) costs which will be bonded next fiscal year and increases in employee wages and fringe benefits for both general government and school operations. Despite this, budgetary conservatism allowed the Town to provide services consistent with previous years' levels.

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>2018</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
General government	\$ 29,481	\$ 25,590	\$ 27,127	\$ 24,749
Public safety	19,794	17,873	17,026	15,935
Public works	9,360	10,279	9,131	8,570
Health and social services	2,823	2,782	1,957	1,533
Education	134,849	132,065	84,751	80,537
All others	<u>3,400</u>	<u>3,373</u>	<u>2,412</u>	<u>2,382</u>
Total	<u>\$ 199,707</u>	<u>\$ 191,962</u>	<u>\$ 142,404</u>	<u>\$ 133,706</u>

## **Business-Type Activities**

Business-type activities decreased the Town's net position by \$5.1 million, primarily due to higher purchased power costs in the Town's Electric Division and higher wages and fringe benefits in the Electric, Water and Sewer Departments.

## **TOWN FUNDS FINANCIAL ANALYSIS**

### **Governmental Funds**

At June 30, 2017 the Town's governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$29.7 million, which is a decrease of \$3.7 million from last year's total of \$33.4 million, mostly due to Capital Projects Fund expenditures that will be financed with bonds in fiscal 2018/2019.

Also included in this year's total change in fund balance is a decrease of \$1.5 million in the Town's General Fund. The primary reasons for this 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 collected \$583 thousand more in current levy tax collections primarily due to actual collections approximately .48% higher than budgeted. This was vital in offsetting collecting \$453 thousand less in prior year's taxes and interest and liens on property taxes.

The Town received \$795 thousand more from the State for the Municipal Revenue Sharing Program, as the Town's budget was adopted before the State's, which allocated more than was expected earlier in the State budget process. This helped offset the \$260 thousand loss for the elderly tax relief program, which the State eliminated after the Town's budget was adopted.

Although the Town received the anticipated \$18.4 million for the Education Cost Sharing Grant, this is approximately \$3 million less than the State had granted the Town in past years.

The Town earned \$301 thousand more interest income than budgeted, as rates rose higher as the fiscal year progressed.

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

The Town's health insurance contributions were \$235 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 \$815 thousand below budget due primarily to \$236 thousand less in Police and Fire overtime pay needed and approximately \$290 thousand of regular wages due to the time lag in replacing employees who retired or resigned during the year.

Public Works expenditures were \$440 thousand below budget due primarily to \$139 thousand less in Public Works Department capital accounts due to lower bid prices received than anticipated and 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, 2018.

Education expenditures were \$753 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, 2018.

The only significant expenditure budget line items that required additional funding during the year were Overtime and Supplies/Maintenance in the Public Works Department for \$368 thousand due to more snow storm activity than usual. These funds were made available by authorized transfers from the Contingency budget line.

The final amended expenditure budget was \$2.3 million higher than the original budget. As noted above \$1.7 million of this was for capital items approved as appropriations-in-force from prior fiscal years budgets.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2018, the Town had \$340.3 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 - see Table 4. This amount represents a net decrease (including additions, deductions and depreciation) of \$1.8 million or .5% less than last year. The Town's administration views this as a moderate decrease and sufficient to meet the Town's needs, balanced with the economic times.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and land improvements	\$ 36,493	\$ 36,934	\$ 746	\$ 746	\$ 37,239	\$ 37,680
Buildings, utility plant and improvements	157,838	163,750	33,685	32,797	191,523	196,547
Vehicles, machinery and equipment	3,955	3,720	10,809	10,752	14,764	14,472
Infrastructure	27,324	28,046	58,139	56,898	85,463	84,944
Construction in progress	11,345	8,551			11,345	8,551
Total	\$ <u>236,955</u>	\$ <u>241,001</u>	\$ <u>103,379</u>	\$ <u>101,193</u>	\$ <u>340,334</u>	\$ <u>342,194</u>

This year's major capital additions included:

Fire Department-Ambulance-Machinery/Equipment	\$215 thousand
Public Works Plow Truck-Machinery/Equipment	\$183 thousand
Town Wide Radio Comm.Sys.-Con.in Progress	\$1.3 million

The Town's fiscal year 2018/2019 budget calls for spending \$2 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, 2018 the Town had \$30.8 million in bonds and serial notes outstanding versus \$34.8 million last year, - as shown in Table 5.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds and State of Connecticut serial notes (backed by the Town)	\$ 27.4	\$ 30.9	\$ 3.4	\$ 3.9	\$ 30.8	\$ 34.8

The Town sold no bonds or notes during fiscal year ended June 30, 2018. The Town maintained its Aaa rating by Moody's Investor Service during its last sales of \$11.3 million of new general obligation bonds and \$11 million of general obligation refunding bonds in fiscal year ending 2016. 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 \$849.2 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 2018/2019 budget was the continuing decline of economic growth in the State of Connecticut. This has resulted in multi-billion dollar State budget deficits, which will negatively impact State grant revenue to the Town as part of the State's expenditure reductions. In addition, large scale corporate departures from the State will add to this continuing economic lag and have a negative effect on the local town economy and the taxable Grand List. 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 bleak financial situation has resulted in approximately \$3 million in cuts to the Town's grants, mostly for education.
- The Town continues to weigh the effect of the on-going departure 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.

When setting the fiscal year 2018/2019 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 2018/2019 expenditure budget requests at or below their 2017/2018 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.
- 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, six in the Comptroller's office and three 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.

The taxable Grand List of October 1, 2017 declined slightly, .62%, from the previous year, primarily due to a write-down of the assessed value of Bristol Myers Squibb, as previously mentioned. Expenditure requests were pared in response, limiting the tax increase to .32% to 28.64 mills. The Town also utilized \$6.2 million of Fund Balance, \$1 million less than last year, to limit the tax increase and to finance programs currently offered.

The total adopted General Fund expenditure budget for fiscal year 2018/2019 increased \$2.7 million, or 1.6% higher than the fiscal year 2017/2018. The General Government budget increased \$1.5 million, or 1.5% mostly due to the addition of two police officers and contingency budget increase to accommodate retroactive pay increases due to negotiations for two labor unions not settled at year ending June 2018, which will be paid in fiscal 2018/2019. The Board of Education budget increased \$1.2 million, or 1.2%, mostly due to increases in wages and health insurance estimates.

As for the Town's business-type activities, the Electric Division operating expense budget reflects an increase of \$300 thousand due to increases in wages and a 2% base rate increase, however Wallingford Electric Division rates remain among the lowest in New England. The Water Division operating expense budget increased 7% due to projected cost to replace water main insulation under a bridge over Interstate-91. The Sewer Division operating expense budget increased by 1.8% due primarily to nitrogen discharge costs and costs for a rate study. Both Water and Sewer Divisions are using reserves to counter these increases and have no rate increases in their fiscal 2018/2019 budgets.

## **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, 2018**  
**(In Thousands)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 45,632	\$ 12,822	\$ 58,454
Investments		36,635	36,635
Receivables, net	7,609	11,033	18,642
Due from pension trust	7		7
Inventory		1,591	1,591
Other assets	169	182	351
<b>Capital assets:</b>			
Assets not being depreciated	43,660	746	44,406
Assets being depreciated, net	193,295	102,633	295,928
Total assets	<u>290,372</u>	<u>165,642</u>	<u>456,014</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	786		786
Deferred outflows related to OPEB	378	16	394
Deferred outflows related to pension	6,233	1,647	7,880
Total deferred outflows of resources	<u>7,397</u>	<u>1,663</u>	<u>9,060</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	6,536	9,939	16,475
Customer deposits		3,820	3,820
Unearned revenue	1,894		1,894
Other liabilities	1,503		1,503
<b>Noncurrent liabilities:</b>			
Due within one year	6,196	1,318	7,514
Due in more than one year	122,428	19,336	141,764
Total liabilities	<u>138,557</u>	<u>34,413</u>	<u>172,970</u>
<b>Deferred Inflows of Resources:</b>			
Advanced property tax collections	4,231		4,231
Deferred inflows related to OPEB	902	39	941
Deferred inflows related to pension	1,323	357	1,680
Total deferred inflows of resources	<u>6,456</u>	<u>396</u>	<u>6,852</u>
<b>Net Position:</b>			
Net investment in capital assets	208,230	99,954	308,184
Restricted for conservation programs		278	278
<b>Restricted for trust purposes:</b>			
Expendable	69		69
Nonexpendable	1,397		1,397
Unrestricted	<u>(56,940)</u>	<u>32,264</u>	<u>(24,676)</u>
Total Net Position	<u>\$ 152,756</u>	<u>\$ 132,496</u>	<u>\$ 285,252</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, 2018**  
(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	\$ 29,481	\$ 2,121	\$ 233	\$	\$ (27,127)	\$	\$ (27,127)
Public safety	19,794	2,589	105	74	(17,026)		(17,026)
Public works	9,360	11		218	(9,131)		(9,131)
Health and social services	2,823	22	844		(1,957)		(1,957)
Parks and recreation	2,487	988			(1,499)		(1,499)
Education	134,849	3,475	46,550	73	(84,751)		(84,751)
Interest on long-term debt	913				(913)		(913)
Total governmental activities	<u>199,707</u>	<u>9,206</u>	<u>47,732</u>	<u>365</u>	<u>(142,404)</u>	<u>-</u>	<u>(142,404)</u>
Business-type activities:							
Electric	73,776	70,676				(3,100)	(3,100)
Water	6,849	7,478		25		654	654
Sewer	6,925	6,785				(140)	(140)
EMS Transport	1,184					(1,184)	(1,184)
Total business-type activities	<u>88,734</u>	<u>84,939</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>(3,770)</u>	<u>(3,770)</u>
Total	<u>\$ 288,441</u>	<u>\$ 94,145</u>	<u>\$ 47,732</u>	<u>\$ 390</u>	<u>(142,404)</u>	<u>(3,770)</u>	<u>(146,174)</u>
General revenues:							
Property taxes					121,056		121,056
Grants and contributions not restricted to specific programs					5,413		5,413
Unrestricted investment earnings					588	677	1,265
Miscellaneous					2,511	1,405	3,916
Total general revenues					<u>129,568</u>	<u>2,082</u>	<u>131,650</u>
Transfers					<u>3,452</u>	<u>(3,452)</u>	<u>-</u>
Change in net position					(9,384)	(5,140)	(14,524)
Net Position, Beginning of Year, as Restated					<u>162,140</u>	<u>137,636</u>	<u>299,776</u>
Net Position, End of Year					<u>\$ 152,756</u>	<u>\$ 132,496</u>	<u>\$ 285,252</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**  
**(In Thousands)**

	<u>General</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 41,864	\$	\$ 3,768	\$ 45,632
Receivables, net	5,129		1,276	6,405
Due from other funds	12,384	6,946	7,527	26,857
Inventory			16	16
Prepaid items	142		11	153
Total Assets	<u>\$ 59,519</u>	<u>\$ 6,946</u>	<u>\$ 12,598</u>	<u>\$ 79,063</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 5,103	\$ 137	\$ 1,036	\$ 6,276
Due to other funds	19,341		12,384	31,725
Unearned revenue	839		1,055	1,894
Other liabilities			1,503	1,503
Total liabilities	<u>25,283</u>	<u>137</u>	<u>15,978</u>	<u>41,398</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	3,724			3,724
Advanced property tax collections	4,231			4,231
Total deferred inflows of resources	<u>7,955</u>	<u>-</u>	<u>-</u>	<u>7,955</u>
Fund balances:				
Nonspendable	142		1,424	1,566
Restricted			989	989
Committed	2,333	6,809	6,447	15,589
Assigned	6,680			6,680
Unassigned	17,126		(12,240)	4,886
Total fund balances	<u>26,281</u>	<u>6,809</u>	<u>(3,380)</u>	<u>29,710</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,519</u>	<u>\$ 6,946</u>	<u>\$ 12,598</u>	<u>\$ 79,063</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2017**  
**(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	\$	29,710
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	406,607	
Less accumulated depreciation		<u>(169,652)</u>	
Net capital assets			236,955

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	3,807
Interest receivable on property taxes	(82)
Deferred charges on refunding	786
Deferred outflows related to pension	6,233
Deferred outflows related to OPEB	378

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.

2,063

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	(27,395)
Interest payable on bonds and notes	(261)
Compensated absences	(13,783)
Retired employee obligations	(162)
Heart and Hypertension	(1,275)
Premium on refunding bond issuance	(2,116)
Net pension liability	(47,335)
Deferred inflows related to pension	(1,323)
Deferred inflows related to OPEB	(902)
Total OPEB liability	<u>(32,542)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>152,756</u></u>
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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, 2018**  
**(In Thousands)**

	<u>General</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General property taxes	\$ 121,325	\$	\$	\$ 121,325
Licenses and permits	990			990
Intergovernmental revenues	46,087		7,417	53,504
Charges for services	5,269		2,962	8,231
Investment income	571		19	590
Other	2,032		466	2,498
Total revenues	<u>176,274</u>		<u>10,864</u>	<u>187,138</u>
Expenditures:				
Current:				
General government	25,810		232	26,042
Public safety	17,958		80	18,038
Public works	6,563		473	7,036
Health and social services	2,042		751	2,793
Parks and recreation	883		905	1,788
Education	120,820		7,987	128,807
Capital outlay		1,322	3,406	4,728
Debt service	4,556			4,556
Total expenditures	<u>178,632</u>	<u>1,322</u>	<u>13,834</u>	<u>193,788</u>
Excess (deficiency) of revenues over expenditures	<u>(2,358)</u>	<u>(1,322)</u>	<u>(2,970)</u>	<u>(6,650)</u>
Other financing sources (uses):				
Transfers in	3,019	1,839	371	5,229
Transfers out	<u>(2,210)</u>		<u>(86)</u>	<u>(2,296)</u>
Total other financing sources (uses)	<u>809</u>	<u>1,839</u>	<u>285</u>	<u>2,933</u>
Net change in fund balances	(1,549)	517	(2,685)	(3,717)
Fund balance, beginning of year	<u>27,830</u>	<u>6,292</u>	<u>(695)</u>	<u>33,427</u>
Fund Balance, End of Year	<u>\$ 26,281</u>	<u>\$ 6,809</u>	<u>\$ (3,380)</u>	<u>\$ 29,710</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, 2017**  
**(In Thousands)**

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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)	\$ (3,717)
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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	4,987
Depreciation expense	(9,033)

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	(220)
Property tax interest and lien revenue - accrual basis change	(50)
Change in deferred outflows related to pension	762
Change in deferred outflows related to OPEB	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 principal payments	3,455
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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	339
Retired employee obligations	(21)
Heart and Hypertension	(1,275)
Accrued interest	31
Amortization of bond premium	264
Amortization of deferred charge on refunding	(106)
Total OPEB liability	85
Change in net pension liability	(1,763)
Change in deferred inflows related to pension	(698)
Change in deferred inflows related to OPEB	(902)

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.	<u>(1,900)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (9,384)</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, 2018**  
**(In Thousands)**

	Business-Type Activities				Total	Governmental Activities Internal Service
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Fund EMS Transport Fund		
<b>Assets:</b>						
Current assets:						
Cash and cash equivalents	\$ 8,013	\$ 386	\$ 179	\$ -	\$ 8,578	\$ -
Restricted cash	3,820	424	-	-	4,244	-
Receivables, net	6,935	2,171	1,927	-	11,033	1,211
Investments	13,580	10,885	12,170	-	36,635	-
Inventories	1,215	376	-	-	1,591	-
Due from other funds	-	-	-	-	-	4,868
Other assets	174	-	8	-	182	-
Total current assets	33,737	14,242	14,284	-	62,263	6,079
Noncurrent assets:						
Capital assets, net	40,413	37,484	25,482	-	103,379	-
Total assets	74,150	51,726	39,766	-	165,642	6,079
Deferred outflows of resources related to OPEB						
	8	5	3	-	16	-
Deferred outflows of resources related to pension						
	959	379	309	-	1,647	-
Total deferred outflows of resources	967	384	312	-	1,663	-
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable and accrued expenses	7,971	1,147	821	-	9,939	-
Bond and notes payable	-	375	100	-	475	-
Compensated absences	282	329	232	-	843	-
Total	8,253	1,851	1,153	-	11,257	-
Current liabilities payable from restricted assets:						
Customer deposits payable	3,820	-	-	-	3,820	-
Risk management claims	-	-	-	-	-	4,016
Total	3,820	-	-	-	3,820	4,016
Total current liabilities	12,073	1,851	1,153	-	15,077	4,016
Noncurrent liabilities:						
Bond and notes payable	-	2,340	610	-	2,950	-
Compensated absences	610	402	283	-	1,295	-
Total OPEB liability	713	466	245	-	1,424	-
Net pension liability	8,050	3,190	2,427	-	13,667	-
Total noncurrent liabilities	9,373	6,398	3,565	-	19,336	-
Total liabilities	21,446	8,249	4,718	-	34,413	4,016
Deferred inflows of resources related to OPEB						
	20	13	6	-	39	-
Deferred inflows of resources related to pension						
	205	88	64	-	357	-
Total deferred inflows of resources	225	101	70	-	396	-
<b>Net Position:</b>						
Net investment in capital assets	40,413	34,769	24,772	-	99,954	-
Restricted for conservation programs	278	-	-	-	278	-
Unrestricted	12,755	8,991	10,518	-	32,264	2,063
Total Net Position	\$ 53,446	\$ 43,760	\$ 35,290	\$ -	\$ 132,496	\$ 2,063

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, 2018**  
(In Thousands)

	Business-Type Activities				Total	Governmental Activities Internal Service
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Fund EMS Transport Fund		
Operating revenues:						
Operations	\$ 70,197	\$ 7,288	\$ 6,459	\$ -	\$ 83,944	\$ -
Fund premiums						25,228
Other	479	190	326		995	
Total operating revenues	<u>70,676</u>	<u>7,478</u>	<u>6,785</u>	<u>-</u>	<u>84,939</u>	<u>25,228</u>
Operating expenses:						
Operations	68,339	4,919	4,886	1,184	79,328	
Depreciation	3,525	1,833	2,024		7,382	
Gross earnings and property taxes	1,757				1,757	
Employee benefits						24,549
Other	104				104	2,579
Total operating expenses	<u>73,725</u>	<u>6,752</u>	<u>6,910</u>	<u>1,184</u>	<u>88,571</u>	<u>27,128</u>
Operating income (loss)	<u>(3,049)</u>	<u>726</u>	<u>(125)</u>	<u>(1,184)</u>	<u>(3,632)</u>	<u>(1,900)</u>
Nonoperating income (loss):						
Lease income	1,263	142			1,405	
Gain on disposal of capital assets	(13)				(13)	
Interest and amortization expense		(97)	(15)		(112)	
Interest on customer deposits	(38)				(38)	
Investment and interest income	223	215	239		677	
Total nonoperating income	<u>1,435</u>	<u>260</u>	<u>224</u>	<u>-</u>	<u>1,919</u>	<u>-</u>
Net income (loss) before contributions and transfers	<u>(1,614)</u>	<u>986</u>	<u>99</u>	<u>(1,184)</u>	<u>(1,713)</u>	<u>(1,900)</u>
Capital grants and contributions		25			25	
Transfers in						
Transfer out	(1,839)			(1,094)	(2,933)	
Transfer out of capital assets				(519)	(519)	
Change in net position	<u>(3,453)</u>	<u>1,011</u>	<u>99</u>	<u>(2,797)</u>	<u>(5,140)</u>	<u>(1,900)</u>
Total net position, beginning of year, as restated	<u>56,899</u>	<u>42,749</u>	<u>35,191</u>	<u>2,797</u>	<u>137,636</u>	<u>3,963</u>
Total Net Position, End of Year	<u>\$ 53,446</u>	<u>\$ 43,760</u>	<u>\$ 35,290</u>	<u>\$ -</u>	<u>\$ 132,496</u>	<u>\$ 2,063</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, 2018**  
(In Thousands)

	Business-Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Fund EMS Transport Fund	Total	Internal Service
Cash flows from operating activities:						
Cash received from operations	\$ 70,987	\$ 7,550	\$ 6,884	\$	\$ 85,421	\$ 26,575
Cash payments to vendors and other	(64,127)	(2,119)	(2,456)	1,613	(67,089)	(26,575)
Cash payments to employees	(5,718)	(2,611)	(2,058)		(10,387)	
Net cash provided by (used in) operating activities	1,142	2,820	2,370	1,613	7,945	-
Cash flows from capital and related financing activities:						
Lease income	1,263	142			1,405	
Capital grants		25			25	
Purchase of capital assets	(5,039)	(2,589)	(2,262)		(9,890)	
Proceeds from the sale of capital assets	34				34	
Principal payment on bonds and notes		(375)	(100)		(475)	
Interest paid on bonds and notes		(97)	(15)		(112)	
Net cash provided by (used in) capital and related financing activities	(3,742)	(2,894)	(2,377)	-	(9,013)	-
Cash flows from noncapital financing activities:						
Customer deposits	(38)				(38)	
Transfers (to) from other funds and agencies	(1,839)			(1,613)	(3,452)	
Net cash provided by (used in) provided by noncapital and related financing activities	(1,877)	-	-	(1,613)	(3,490)	-
Cash flows from investing activities:						
Purchases of investments	4,225	40	(210)		4,055	
Income on investments and interest	223	215	239		677	
Net cash provided by (used in) investing activities	4,448	255	29	-	4,732	-
Net increase (decrease) in cash and cash equivalents	(29)	181	22	-	174	-
Cash and cash equivalents, beginning of year	11,862	629	157	-	12,648	-
Cash and Cash Equivalents, End of Year	\$ 11,833	\$ 810	\$ 179	\$ -	\$ 12,822	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (3,049)	\$ 726	\$ (125)	\$ (1,184)	\$ (3,632)	\$ (1,900)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	3,525	1,833	2,024		7,382	
Gain/loss on disposal of capital assets				275	275	
(Increase) decrease in receivables and unbilled revenue	311	72	99	1,520	2,002	(1,038)
(Increase) decrease in due from other funds				1,022	1,022	2,385
(Increase) decrease in inventory	(138)	15			(123)	
(Increase) decrease in deferred charges and other assets	144				144	
Increase (decrease) in accounts payable and accrued expenses	160	215	306	(20)	661	553
Increase (decrease) in total OPEB liability	1	(6)	11		6	
Increase (decrease) in net pension liability	233	(5)	70		298	
(Increase) decrease in deferred outflows of resources	(168)	(88)	(54)		(310)	
Increase (decrease) in deferred inflows of resources	123	58	39		220	
Total adjustments	4,191	2,094	2,495	2,797	11,577	1,900
Net Cash Provided by (Used in) Operating Activities	\$ 1,142	\$ 2,820	\$ 2,370	\$ 1,613	\$ 7,945	\$ -

The accompanying notes are an integral part of the financial statements



**TOWN OF WALLINGFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2018**  
**(In Thousands)**

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
	<u>          </u>	<u>          </u>
Assets:		
Cash and cash equivalents	\$ 2,460	\$ 1,070
Investments:		
Mutual funds	203,629	
Certificates of deposit		70
Total assets	<u>206,089</u>	<u>\$ 1,140</u>
Liabilities:		
Accounts and other payables	22	\$
Due to student groups and agencies	<u>          </u>	<u>1,140</u>
Total liabilities	<u>22</u>	<u>\$ 1,140</u>
Net Position:		
Restricted for Pensions	<u>\$ 206,067</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, 2018  
(In Thousands)**

	<b>Pension Trust Fund</b>
Additions:	
Contributions:	
Employer	\$ 9,340
Plan members	2,919
Total contributions	<u>12,259</u>
Investment income (loss):	
Net change in fair value of investments	10,452
Interest and dividends	4,219
Other income	7
Investment fee expense	(26)
Net investment income (loss)	<u>14,652</u>
Total additions	<u>26,911</u>
Deductions:	
Benefits	14,676
Refunds of contributions	81
Administration	117
Total deductions	<u>14,874</u>
Change in net position	12,037
Net position restricted for pensions, beginning of year	<u>194,030</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 206,067</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
(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.

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(amounts expressed in thousands)

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 Town reports the following major proprietary funds:

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

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

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

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.

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.

**TOWN OF WALLINGFORD, CONNECTICUT  
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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 \$775 has been established as an allowance for uncollected taxes. At June 30, 2018, this represents 18.0% of property taxes receivable.

**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.

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**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 acquisition value rather than 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 and OPEB 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 and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 and OPEB 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 and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 and OPEB 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 are 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.

**M. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability**

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

**N. 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.

**O. 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.

**P. 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, 2018, there were General Fund supplemental budget appropriations totaling \$650. This amount was offset by increased adopted revenue sources totaling \$650.

In the General Fund, capital purchase appropriations in force of \$1,693 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.

**TOWN OF WALLINGFORD, CONNECTICUT**  
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**B. Deficit Fund Equity**

Nonmajor Funds:		
Capital Project Funds:		
School Renovations	\$	2,658 **
Vernon E. Cleaves Vo-ag Center		1,610 **
School Roof Projects		463 **
North Farms Fire Station		4,285 **
BOE Capital Projects		1,853 **
Lyman Hall Track		192 **
Town Wide Radio System		1,168 **
Workers' Compensation Fund		311 *

\* 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.

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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*, \$97,542 of the Town's bank balance of \$99,971 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 87,563
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>9,979</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 97,542</u>

**Cash Equivalents**

At June 30, 2018, the Town's cash equivalents amounted to \$12,740 which represent certificates of deposit with maturities of 90 days or less, and are included in the bank balance above.

**Investments**

As of June 30, 2018, 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	\$ 36,705	\$ <u>36,705</u>	\$ <u>70</u>	\$ <u>-</u>
Other investments:				
Mutual funds	<u>203,629</u>			
Total Investments	<u>\$ 240,334</u>			

Balance in certificates of deposit as of June 30, 2018 are unrated.

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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, 2018:

	<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	\$ 203,629	\$ <u>203,629</u>	\$ <u>-</u>	\$ <u>-</u>
Investments not recorded at fair value:				
Certificate of deposit *	<u>36,705</u>			
Total Investments	\$ <u>240,334</u>			

\* Subject to coverage by Federal Depository Insurance and collateralization as described under "Deposits" above.

**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, 2018, 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>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 4,305	\$	\$	\$	\$	\$ 4,305
Accrued interest	800				6	806
Intergovernmental					1,270	1,270
Service fees and interest		4,092	375	393		4,860
Unbilled service fees		2,785	1,685	1,466		5,936
Accounts and other	894	305	111	68	1,211	2,589
Gross receivables	<u>5,999</u>	<u>7,182</u>	<u>2,171</u>	<u>1,927</u>	<u>2,487</u>	<u>19,766</u>
Less allowance for uncollectibles:						
Taxes	(775)					(775)
Interest on taxes	(94)					(94)
Service fees		(247)				(247)
Accounts and other	(1)					(1)
Total allowance	<u>(870)</u>	<u>(247)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,117)</u>
Net Total Receivables	<u>\$ 5,129</u>	<u>\$ 6,935</u>	<u>\$ 2,171</u>	<u>\$ 1,927</u>	<u>\$ 2,487</u>	<u>\$ 18,649</u>

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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 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	\$ 32,315	\$	\$	\$	\$ 32,315
Construction in progress	8,551		2,794		11,345
Total capital assets not being depreciated	<u>40,866</u>	<u>-</u>	<u>2,794</u>	<u>-</u>	<u>43,660</u>
Capital assets being depreciated:					
Land improvements	9,100				9,100
Buildings and improvements	260,704				260,704
Vehicles, machinery and equipment	18,208		2,193	(143)	20,258
Infrastructure	72,885				72,885
Total capital assets being depreciated	<u>360,897</u>	<u>-</u>	<u>2,193</u>	<u>(143)</u>	<u>362,947</u>
Less accumulated depreciation for:					
Land improvements	(4,481)		(441)		(4,922)
Buildings and improvements	(96,954)		(5,912)		(102,866)
Vehicles, machinery and equipment	(14,488)		(1,958)	143	(16,303)
Infrastructure	(44,839)		(722)		(45,561)
Total accumulated depreciation	<u>(160,762)</u>	<u>-</u>	<u>(9,033)</u>	<u>143</u>	<u>(169,652)</u>
Total capital assets being depreciated, net	<u>200,135</u>	<u>-</u>	<u>(6,840)</u>	<u>-</u>	<u>193,295</u>
Governmental Activities Capital Assets, Net	<u>\$ 241,001</u>	<u>\$ -</u>	<u>\$ (4,046)</u>	<u>\$ -</u>	<u>\$ 236,955</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 746	\$	\$	\$	\$ 746
Construction in progress					-
Total capital assets not being depreciated	<u>746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>746</u>
Capital assets being depreciated:					
Utility plant	101,347	10	4,079		105,436
Infrastructure	139,873	(44)	4,726	(275)	144,280
Machinery and equipment	38,686	34	1,082	(1,195)	38,607
Total capital assets being depreciated	<u>279,906</u>	<u>-</u>	<u>9,887</u>	<u>(1,470)</u>	<u>288,323</u>
Less accumulated depreciation for:					
Utility plant	(68,550)	(1,027)	(2,174)		(71,751)
Infrastructure	(82,975)	560	(3,955)	229	(86,141)
Machinery and equipment	(27,934)	467	(1,253)	922	(27,798)
Total accumulated depreciation	<u>(179,459)</u>	<u>-</u>	<u>(7,382)</u>	<u>1,151</u>	<u>(185,690)</u>
Total capital assets being depreciated, net	<u>100,447</u>	<u>-</u>	<u>2,505</u>	<u>(319)</u>	<u>102,633</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,193</u>	<u>\$ -</u>	<u>\$ 2,505</u>	<u>\$ (319)</u>	<u>\$ 103,379</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 163
Public safety	1470
Public works	1,245
Parks and recreation	533
Education	<u>5,622</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>9,033</u>
 Business-type activities:	
Electric	\$ 3,525
Water	1,833
Sewer	<u>2,024</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>7,382</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2018. 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, 2018</u>
School Renovations	\$ 72,367	\$	\$ 72,294	\$ 73
Vernon E. Cleaves Vo-Ag	27,808		27,695	113
School Roofs	16,165		15,354	811
North Farms Fire Station	5,902	53	5,567	335
Town-Wide Radio System	<u>6,205</u>	<u>1,168</u>	<u>1,168</u>	<u>5,037</u>
 Total	 \$ <u>128,447</u>	 \$ <u>1,221</u>	 \$ <u>122,078</u>	 \$ <u>6,369</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
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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, 2018 is presented below.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 12,384
Capital and Nonrecurring	General	6,946
Nonmajor Governmental	General	7,527
Internal Service Fund	General	<u>4,868</u>
Total		<u>\$ 31,725</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>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 1,839	\$ 371	\$ 2,210
Nonmajor Governmental	86			86
EMS Transport Fund *	1,094			1,094
Electric Fund	<u>1,839</u>			<u>1,839</u>
Total Transfers In	<u>\$ 3,019</u>	<u>\$ 1,839</u>	<u>\$ 371</u>	<u>\$ 5,229</u>

\* In addition to the transfers above, the EMS Transport Fund transferred out \$519 in capital assets which are now recorded as part of Governmental Activities in the accompanying Statement of Net Position.

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. The transfer from the EMS Transport Fund to the General Fund is the result of the Town closing the EMS Transport Fund and moving its operations to the General 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, 2018 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:	\$ 30,850	\$	\$ 3,455	\$ 27,395	\$ 3,455
Plus premiums	2,380		264	2,116	263
Total bonds payable	<u>33,230</u>	<u>-</u>	<u>3,719</u>	<u>29,511</u>	<u>3,718</u>
Accrued compensated absences	14,122	2,115	2,454	13,783	2,397
Retired employee obligations	141	462	441	162	81
Heart and Hypertension		1,275		1,275	
Net pension liability	45,572	1,763		47,335	
Total OPEB liability *	32,627		85	32,542	
Risk management	<u>3,462</u>	<u>554</u>		<u>4,016</u>	
 Total Governmental Activities Long-Term Liabilities	 <u>\$ 129,154</u>	 <u>\$ 6,169</u>	 <u>\$ 6,699</u>	 <u>\$ 128,624</u>	 <u>\$ 6,196</u>

\* Beginning balance has been restated in accordance with GASB Statements No. 75. Please see Note 15.

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

A schedule of government activities bonds outstanding at June 30, 2018 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, 2018</u>
General purpose:				
Library and Land Acquisition (2007 & 2008 Refunding)	08/27/15	2.00-5.00%	\$ 6,424	\$ 4,822
Tyler Mill Property Purchase	10/01/15	2.00-4.00%	305	180
Total general purpose				<u>5,002</u>
School:				
Schools	05/15/11	1.75-3.75%	1,440	445
Schools (2003 & 2005 Refunding)	03/15/12	2.00-4.00%	15,190	9,170
Schools (2007 & 2008 Refunding)	08/27/15	2.00-5.00%	4,606	3,568
Schools	10/01/15	2.00-4.00%	10,320	9,210
Total schools				<u>22,393</u>
Total				<u>\$ 27,395</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>
2019	\$ 3,455	\$ 972	\$ 4,427
2020	3,455	839	4,294
2021	3,450	709	4,159
2022	3,235	580	3,815
2023	3,025	442	3,467
2024-2028	7,095	963	8,058
2029-2033	2,300	381	2,681
2034-2036	<u>1,380</u>	<u>64</u>	<u>1,444</u>
Total	<u>\$ 27,395</u>	<u>\$ 4,950</u>	<u>\$ 32,345</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 (CRRRA), 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, 2018 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	\$ 3,090	\$	\$ 375	\$ 2,715	\$ 375
State of Connecticut - serial notes	<u>811</u>	<u></u>	<u>100</u>	<u>711</u>	<u>100</u>
Total bonds and serial notes payable	3,901	-	475	3,426	475
Net pension liability	13,369	298		13,667	
Total OPEB liability *	1,418	6		1,424	
Accrued compensated absences	<u>2,204</u>	<u>752</u>	<u>819</u>	<u>2,138</u>	<u>843</u>
Business-Type Activity					
Long-Term Liabilities	<u>\$ 20,892</u>	<u>\$ 1,056</u>	<u>\$ 1,294</u>	<u>\$ 20,655</u>	<u>\$ 1,318</u>

\* Beginning balance has been restated in accordance with GASB Statements No. 75. Please see Note 15.

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A schedule of business-type activities bonds and serial notes outstanding at June 30, 2018 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, 2018</u>
Water Division:				
Water Supply Project Refunding	03/19/2009	2.50-5.00%	\$ 1,550	\$ 150
McKenzie Reservoir	05/15/2011	1.75-3.75%	2,820	2,025
Pistapaug Water Tank	10/15/2015	2.00-4.00%	680	540
Total water obligations				<u>2,715</u>
Sewer Division:				
State of Connecticut Serial Note	8/11/2005	2.00%	1,997	711
Total sewer obligations				<u>711</u>
Total				<u>\$ 3,426</u>

Annual maturities of bonds and serial notes are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 475	\$ 99	\$ 574
2019	325	85	410
2020	325	77	402
2021	325	69	394
2022	320	60	380
2023-2027	1,181	181	1,362
2028-2032	<u>475</u>	<u>36</u>	<u>511</u>
Total	<u>\$ 3,426</u>	<u>\$ 607</u>	<u>\$ 4,033</u>

**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>
North Farms Fire Station	\$ 4,625	\$	\$	\$ 272	\$ 4,353
Northford Road Bridge	1,000				1,000
Toelles Road Construction & Bridge	1,000				1,000
School CIP Phase II	11,175				11,175
18/19 CNR	2,056				2,056
Town-Wide Radio Comm. System	<u>6,205</u>				<u>6,205</u>
Total	<u>\$ 26,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 25,789</u>

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**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	\$ 266,384	\$ 19,616	\$ 246,768
Schools	532,769	22,850	509,919
Sewers	443,974		443,974
Urban renewal	384,777		384,777
Pension deficit	355,179		355,179

The total of the Town's net statutory indebtedness of \$42,466 does not exceed the legal debt limitation of \$829 million (seven times the base for debt limitation computation).

The net indebtedness excludes water bonds of \$2,715 and sewer notes of \$711, 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 \$29,630, 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.

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.

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**8. FUND EQUITY**

**A. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 16	\$ 16
Prepays	142		11	153
Permanent fund principal			1,397	1,397
Restricted for:				
General government			71	71
Public works			11	11
Health and social services			41	41
Education			866	866
Committed to:				
General government			81	81
Public works			3,984	3,984
Health and social services			27	27
Parks and recreation			85	85
Education			309	309
Capital projects	2,333	6,809	1,961	11,103
Assigned to:				
General government - use of fund balance	6,200			6,200
General government encumbrances -				
Finance capital expenditures	1			1
Personnel operating expenditures	4			4
Public safety encumbrances -				
Fire Capital Expenditures	1			1
Police Other	6			6
Public works encumbrances -				
Public Works capital expenditures	21			21
Engineering capital expenditures	11			11
Engineering operating expenditures	9			9
Education encumbrances - other	427			427
Unassigned	17,126		(12,240)	4,886
Total fund balances	<u>\$ 26,281</u>	<u>\$ 6,809</u>	<u>\$ (3,380)</u>	<u>\$ 29,710</u>

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**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.

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 \$278 at June 30, 2018.

**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 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.

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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.

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 six 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 Energy Risk Management Policy was amended on September 8, 2018. The Hedging Policy was amended on May 1, 2018.

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 28, 2016, the Town's Electric Division received \$1,043 for the year ended June 30, 2018 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 \$1,043 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, 2018 at \$1,973 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, 2018, \$25.8 million in health care benefits and administrative costs were paid. Incurred but not reported health claims of \$2,043 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>
<b><u>Workers' Compensation Fund</u></b>				
2016-2017	\$ 1,503	\$ 1,784	\$ 1,784	\$ 1,503
2017-2018	1,503	1,369	899	1,973
<b><u>Health Benefits Fund</u></b>				
2016-2017	\$ 1,781	\$ 22,154	\$ 21,976	\$ 1,781
2017-2018	1,781	23,180	22,918	2,043



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**12. OTHER POSTEMPLOYMENT BENEFITS**

*Town OPEB*

The Town, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses through a single-employer postemployment benefit plan. 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.

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.

**A. Funding Policy (Not Rounded)**

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, 2018, 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, 2017:

Inactive employees currently receiving benefit payments	111
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,127</u>
Total	<u><u>1,238</u></u>

Postemployment retiree benefit payments for the year ended June 30, 2018, net of retiree and other contributions, amounted to approximately \$1,789.

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**B. Total OPEB Liability**

The Town's total OPEB liability of \$33,966 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.75%
Salary increases	3.30%, average, including inflation
Discount rate	3.87%
Healthcare cost trend rates	7.25% for 2017, decreasing 0.5% per year to an ultimate rate of 4.75% for 2022 and later years
Retirees' share of benefit-related costs	Various

The discount rate was based on the 20-year municipal bond index for unfunded OPEB plans.

Mortality rates were based on RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 - June 30, 2012.

**C. Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balances as of July 1, 2017	\$ <u>34,045</u>
Changes for the year:	
Service cost	1,077
Interest on total OPEB liability	1,226
Changes of benefit terms	
Difference between expected and actual experience	429
Changes in assumptions or other inputs	(1,022)
Benefit payments	(1,789)
Net changes	<u>(79)</u>
Balances as of June 30, 2018	\$ <u><u>33,966</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

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**D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current discount rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability \$	37,673 \$	33,966 \$	30,740

**E. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (8.5% decreasing to 4.5%) or 1 percentage point higher (10.5% decreasing to 6.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (6.25% Decreasing to 3.75%)</u>	<u>Healthcare Cost Trend Rates (7.25% Decreasing to 4.75%)</u>	<u>1% Increase (8.25% Decreasing to 5.75%)</u>
Total OPEB liability \$	29,932 \$	33,966 \$	38,767

**F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Town recognized OPEB expense of \$2,126. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 394	\$
Changes of assumptions or other inputs	<u>                    </u>	<u>(941)</u>
Total	<u>\$ 394</u>	<u>\$ (941)</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year Ending June 30**

2019	\$	(47)
2020		(47)
2021		(47)
2022		(47)
2023		(47)
Thereafter		(312)

*Teachers OPEB*

**A. Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers’ Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**B. Benefit Provisions (Not Rounded)**

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, and any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

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If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

Medicare Supplement with Prescriptions	\$ 92
Medicare Supplement with Prescriptions and Dental	136
Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

**Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**C. Eligibility**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Credited Service**

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**Normal Retirement**

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.

**Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Proratable Retirement**

Age 60 with 10 years of credited service

**Disability Retirement**

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

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**D. Contributions (Not Rounded)**

*State of Connecticut*

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

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

*Employees*

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB 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 OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>42,769</u>
Total	\$	<u><u>42,769</u></u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$1,982 in Exhibit II for on-behalf amounts for the benefits provided by the State.

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**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

**H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

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

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**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. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

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

*Wallingford Consolidated Pension Plan*

**A. Plan Description and Benefits Provided (Not Rounded)**

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.

Membership as of July 1, 2017 of the PERS consisted of the following:

	<b><u>Number of Employees</u></b>
Retirees and beneficiaries currently receiving benefits	438
Terminated employees not yet receiving benefits	64
Active plan members	<u>676</u>
Total	<u><u>1,178</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.



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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

**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

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**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

**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.

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**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 20.10% 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, 2018.

<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%
U.S. 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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.60%. 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, 2018, were as follows:

Total pension liability	\$ 265,546
Plan fiduciary net position	<u>(204,536)</u>
Town's Net Pension Liability	<u>\$ 61,010</u>
Plan fiduciary net position as a percentage of the total pension liability	77.02%

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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Ranges from 3.3% to 11.8%, based on age
Investment rate of return	7.4% 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 6.25% and 7.25%. An expected rate of return of 7.40% was used.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.40%. 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 July 1, 2017	\$ 251,437	\$ 192,599	\$ 58,838
Changes for the year:			
Service cost	6,069		6,069
Interest on total pension liability	18,772		18,772
Differences between expected and actual experience	(1,276)		(1,276)
Changes in assumptions	5,242		5,242
Employer contributions		9,297	(9,297)
Member contributions		2,919	(2,919)
Net investment income		14,521	(14,521)
Benefit payments, including refund to employee contributions	(14,698)	(14,698)	
Administrative expenses		(109)	109
Other changes		7	(7)
Net changes	<u>14,109</u>	<u>11,937</u>	<u>2,172</u>
Balances as of June 30, 2018	<u>\$ 265,546</u>	<u>\$ 204,536</u>	<u>\$ 61,010</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 7.40%, 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 (6.40%) or 1 percentage point higher (8.40%) than the current rate:

	<u>1% Decrease in Discount Rate (6.40%)</u>	<u>Current Discount Rate (7.40%)</u>	<u>1% Increase in Discount Rate (8.40%)</u>
Net pension liability as of June 30, 2018	\$ 91,948	\$ 61,010	\$ 34,946

*Wallingford Volunteer Firefighters Length of Service Award Plan*

**A. Plan Description and Benefits Provided (Not Rounded)**

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, 2017 of the PERS consisted of the following:

	<u>Number of Employees</u>
Volunteers currently receiving benefits	19
Inactive vested volunteers	55
Current active members	<u>48</u>
Total	<u><u>122</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 per month for the first 10 years of service plus \$15 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.

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**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

**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, 2018.

<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%
U.S. 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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The components of the net pension liability (asset) of the Town at June 30, 2018, were as follows:

Total pension liability	\$	1,524
Plan fiduciary net position		<u>(1,531)</u>
Town's Net Pension Asset	\$	<u><u>(7)</u></u>
Plan fiduciary net position as a percentage of the total pension liability		100.49%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	N/A - members are volunteers
Investment rate of return	7.4%, 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. expected rate of return of 7.40% was used.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.40%. 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 (Asset)**

<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 July 1, 2017	\$ 1,534	\$ 1,431	\$ 103
Changes for the year:			
Service cost	23		23
Interest on total pension liability	115		115
Changes in assumptions	26		26
Employer contributions		43	(43)
Net investment income		124	(124)
Benefit payments, including refund to employee contributions	(59)	(59)	-
Administrative expenses		(8)	8
Net changes	<u>(10)</u>	<u>100</u>	<u>(110)</u>
Balances as of June 30, 2018	<u>\$ 1,524</u>	<u>\$ 1,531</u>	<u>\$ (7)</u>

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

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 7.40%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate:

	<b>1% Decrease in Discount Rate (6.40%)</b>	<b>Current Discount Rate (7.40%)</b>	<b>1% Increase in Discount Rate (8.40%)</b>
Net pension liability (asset) as of June 30, 2018	\$ 150	\$ (7)	\$ (141)

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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, 2018, the Town recognized pension expense of \$11,224. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related pension from the following sources:

	<b>Deferred Outflows of Resources</b>		
	<b>Consolidated Pension</b>	<b>Volunteer Firefighter's</b>	<b>Total</b>
Differences between expected and actual experience	\$ 1,630	\$ 14	\$ 1,644
Changes of assumptions	5,901	32	5,933
Net difference between projected and actual earning on pension plan investments	303		303
<b>Total</b>	<b>\$ 7,834</b>	<b>\$ 46</b>	<b>\$ 7,880</b>

	<b>Deferred Inflows of Resources</b>		
	<b>Consolidated Pension</b>	<b>Volunteer Firefighter's</b>	<b>Total</b>
Differences between expected and actual experience	\$ 1,544	\$ 111	\$ 1,655
Net difference between projected and actual earning on pension plan investments		25	25
<b>Total</b>	<b>\$ 1,544</b>	<b>\$ 136</b>	<b>\$ 1,680</b>

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

<b><u>Year Ending June 30,</u></b>	<b><u>Consolidated Pension</u></b>	<b><u>Volunteer Firefighter's</u></b>	<b><u>Total</u></b>
2019	\$ 3,529	\$ (24)	\$ 3,505
2020	1,927	(17)	1,910
2021	(416)	(38)	(454)
2022	1,025	(12)	1,013
2023	224		224
Thereafter		2	2
<b>Total</b>	<b>\$ 6,289</b>	<b>\$ (89)</b>	<b>\$ 6,200</b>

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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, 2018 and the changes in net position for the year then ended:

	<b>Consolidated Pension Fund</b>	<b>Volunteer Firefighter's Pension Fund</b>	<b>Interfund Eliminations</b>	<b>Totals</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,412	\$ 48	\$ -	\$ 2,460
<b>Investments:</b>				
Mutual Funds	203,629			203,629
Due from other funds	<u>          </u>	<u>1,388</u>	<u>(1,388)</u>	<u>-</u>
Total Assets:	<u>206,041</u>	<u>1,436</u>	<u>(1,388)</u>	<u>206,089</u>
<b>Liabilities:</b>				
Accounts and other payables	22			22
Due to other funds	<u>1,484</u>	<u>(96)</u>	<u>(1,388)</u>	<u>-</u>
Total Liabilities:	<u>1,506</u>	<u>(96)</u>	<u>(1,388)</u>	<u>22</u>
<b>Net Position:</b>				
Restricted for pensions	<u>\$ 204,535</u>	<u>\$ 1,532</u>	<u>\$ -</u>	<u>\$ 206,067</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
(amounts expressed in thousands)

	<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	\$ 9,297	\$ 43	\$ 9,340
Plan members	2,919		2,919
Total contributions	<u>12,216</u>	<u>43</u>	<u>12,259</u>
Investment income:			
Net change in fair value of investments	10,364	88	10,452
Interest and dividends	4,183	36	4,219
Other income	7		7
Investment fee expense	(26)		(26)
Total investment income	<u>14,528</u>	<u>124</u>	<u>14,652</u>
Total additions	<u>26,744</u>	<u>167</u>	<u>26,911</u>
Deductions			
Benefits	14,617	59	14,676
Refunds of contributions	81		81
Administration	109	8	117
Total deductions	<u>14,807</u>	<u>67</u>	<u>14,874</u>
Net change	11,937	100	12,037
Net position restricted for pensions, beginning of year	<u>192,599</u>	<u>1,431</u>	<u>194,030</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 204,536</u>	<u>\$ 1,531</u>	<u>\$ 206,067</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, 2018**  
(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 January 2018, each teacher is required to contribute 7% of salary for the pension benefit.

**TOWN OF WALLINGFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

(amounts expressed in thousands)

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

At June 30, 2018, 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>166,166</u>
Total	\$	<u>166,166</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$19,221 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, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(amounts expressed in thousands)

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.0%</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

**TOWN OF WALLINGFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**  
(amounts expressed in thousands)

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**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. 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.

**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.

**15. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of net position of the governmental and business-type activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>			<u>Total</u>
		<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
Net position at June 30, 2017, as previously reported	\$ 176,907	\$ 57,611	\$ 43,221	\$ 35,425	\$ 313,164
Adjustments:					
Eliminate net OPEB obligation reported per GASB No. 45	17,860				17,860
Record starting total OPEB liability per GASB No. 75	(32,627)	(712)	(472)	(234)	(34,045)
Net Position at July 1, 2017, as Restated	<u>\$ 162,140</u>	<u>\$ 56,899</u>	<u>\$ 42,749</u>	<u>\$ 35,191</u>	<u>\$ 296,979</u>





## **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, 2018  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General property taxes:				
Current tax levy	\$ 118,590	\$ 118,590	\$ 119,173	\$ 583
Prior year's levy	1,690	1,690	1,385	(305)
Interest and liens	915	915	767	(148)
Total	<u>121,195</u>	<u>121,195</u>	<u>121,325</u>	<u>130</u>
Licenses and permits:				
Building	600	600	931	331
Public safety	28	28	22	(6)
Public works	6	6	8	2
Health	27	27	29	2
Total	<u>661</u>	<u>661</u>	<u>990</u>	<u>329</u>
Intergovernmental revenues:				
Education Cost Sharing	11,110	11,110	18,442	7,332
Special Revenue	7,274	7,274		(7,274)
PILOT Housing/State	2,946	2,946	3,033	87
Municipal revenue sharing	1,386	1,386	2,181	795
Elderly taxes	260	260		(260)
Disability and Veterans exemptions	47	47	46	(1)
Pequot funds	152	152	152	-
Health			23	23
Vocational agriculture	801	801	801	-
Miscellaneous grants	122	169	206	37
Total	<u>24,098</u>	<u>24,145</u>	<u>24,884</u>	<u>739</u>
Charges for services:				
Rent	166	166	166	-
Town Clerk	875	875	952	77
Public safety	2,483	2,985	2,561	(424)
Public works	49	49	44	(5)
Recreation - swimming	30	30	33	3
Veterans	12	12	13	1
Tuition	1,281	1,281	1,500	219
Total	<u>4,896</u>	<u>5,398</u>	<u>5,269</u>	<u>(129)</u>
Use of money:				
Investment income	<u>270</u>	<u>270</u>	<u>571</u>	<u>301</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, 2018  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other revenue:				
Sewer assessment	\$ 1	\$ 1	\$ 1	\$ -
In lieu of taxes/telephone	600	600	640	40
Compensation and insurance recovery	57	70	53	(17)
Proportionate charges	1,108	1,108	1,108	-
Encumbrance cancellations	40	40	20	(20)
Miscellaneous	45	133	230	97
Total	<u>1,851</u>	<u>1,952</u>	<u>2,052</u>	<u>100</u>
Total revenues	<u>152,971</u>	<u>153,621</u>	<u>155,091</u>	<u>1,470</u>
Other financing sources:				
Transfers in:				
Electric Division	1,839	1,839	1,839	-
Other funds	68	68	1,180	1,112
Total	<u>1,907</u>	<u>1,907</u>	<u>3,019</u>	<u>1,112</u>
Total	<u>\$ 154,878</u>	<u>\$ 155,528</u>	158,110	<u>\$ 2,582</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf Pension contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	19,221
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	1,982
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	<u>(20)</u>

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

\$ 179,293

**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, 2018**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Town Council:				
Salaries and wages	\$ 51	\$ 51	\$ 50	\$ 1
Operating and maintenance	6	13	6	7
Total	<u>57</u>	<u>64</u>	<u>56</u>	<u>8</u>
Board of Selectmen:				
Salaries and wages	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Mayor:				
Salaries and wages	231	231	230	1
Operating and maintenance	80	103	92	11
Total	<u>311</u>	<u>334</u>	<u>322</u>	<u>12</u>
Program Planning:				
Salaries and wages	82	82	75	7
Operating and maintenance	8	8	5	3
Total	<u>90</u>	<u>90</u>	<u>80</u>	<u>10</u>
Government Access TV:				
Salaries and wages	130	130	110	20
Operating and maintenance	12	12	5	7
Capital	8	8	3	5
Total	<u>150</u>	<u>150</u>	<u>118</u>	<u>32</u>
Department of Law:				
Salaries and wages	335	335	326	9
Operating and maintenance	213	228	214	14
Total	<u>548</u>	<u>563</u>	<u>540</u>	<u>23</u>
Board of Assessment Appeals:				
Salaries and wages	7	7	6	1
Operating and maintenance	2	2	1	1
Total	<u>9</u>	<u>9</u>	<u>7</u>	<u>2</u>
Finance:				
Salaries and wages	1,847	1,841	1,786	55
Operating and maintenance	522	526	493	33
Capital	80	82	7	75
Total	<u>2,449</u>	<u>2,449</u>	<u>2,286</u>	<u>163</u>
Library:				
Operating and maintenance	<u>3,030</u>	<u>3,030</u>	<u>3,030</u>	<u>-</u>
Personal Pension and Risk Management:				
Salaries and wages	544	544	543	1
Operating and maintenance	265	265	237	28
Capital		3	3	-
Total	<u>809</u>	<u>812</u>	<u>783</u>	<u>29</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, 2018**  
**(In Thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
General Government (continued):				
Pension Fund:				
Operating and maintenance	\$ 7,719	\$ 7,685	\$ 7,557	\$ 128
Employee Insurance and Other Benefits:				
Salaries and wages	297	229	197	32
Operating and maintenance	8,366	8,295	8,060	235
Total	<u>8,663</u>	<u>8,524</u>	<u>8,257</u>	<u>267</u>
Property and Casualty Insurance:				
Operating and maintenance	<u>1,217</u>	<u>1,217</u>	<u>1,170</u>	<u>47</u>
Building Department:				
Salaries and wages	411	399	359	40
Operating and maintenance	31	43	24	19
Total	<u>442</u>	<u>442</u>	<u>383</u>	<u>59</u>
Register of Voters:				
Salaries and wages	122	122	96	26
Operating and maintenance	31	31	15	16
Total	<u>153</u>	<u>153</u>	<u>111</u>	<u>42</u>
Town Clerk:				
Salaries and wages	230	230	218	12
Operating and maintenance	73	79	58	21
Capital				-
Total	<u>303</u>	<u>309</u>	<u>276</u>	<u>33</u>
Planning and Zoning:				
Salaries and wages	221	221	218	3
Operating and maintenance	32	32	31	1
Capital				-
Total	<u>253</u>	<u>253</u>	<u>249</u>	<u>4</u>
Inland/Wetlands Commission:				
Salaries and wages	90	90	88	2
Operating and maintenance	10	10	8	2
Total	<u>100</u>	<u>100</u>	<u>96</u>	<u>4</u>
Zoning Board of Appeals:				
Salaries and wages	1	1	1	-
Operating and maintenance	7	7	7	-
Total	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>
Economic Development Commission:				
Salaries and wages	60	60	58	2
Operating and maintenance	36	36	32	4
Capital	6	6		6
Total	<u>102</u>	<u>102</u>	<u>90</u>	<u>12</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, 2018**  
**(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	289	301	300	1
Operating and maintenance	6	6	5	1
Total	<u>295</u>	<u>307</u>	<u>305</u>	<u>2</u>
Probate Court:				
Operating and maintenance	<u>12</u>	<u>12</u>	<u>10</u>	<u>2</u>
Civil Preparedness:				
Salaries and wages	13	13	13	-
Operating and maintenance	7	7	3	4
Total	<u>20</u>	<u>20</u>	<u>16</u>	<u>4</u>
Contingency Accounts:				
General and accrued expenses	<u>361</u>	<u>3</u>		<u>3</u>
Total general government	<u>27,111</u>	<u>26,646</u>	<u>25,759</u>	<u>887</u>
Public Safety:				
Police Department:				
Salaries and wages	8,435	8,893	8,367	526
Operating and maintenance	1,110	1,192	1,079	113
Capital	300	409	368	41
Total	<u>9,845</u>	<u>10,494</u>	<u>9,814</u>	<u>680</u>
Dog Pound:				
Salaries and wages	144	146	144	2
Operating and maintenance	40	39	35	4
Capital				-
Total	<u>184</u>	<u>185</u>	<u>179</u>	<u>6</u>
Fire Department:				
Salaries and wages	6,791	6,840	6,821	19
Operating and maintenance	1,001	982	917	65
Capital	253	234	189	45
Total	<u>8,045</u>	<u>8,056</u>	<u>7,927</u>	<u>129</u>
Total public safety	<u>18,074</u>	<u>18,735</u>	<u>17,920</u>	<u>815</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, 2018  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public Works:				
Engineering Department:				
Salaries and wages	\$ 361	\$ 361	\$ 358	\$ 3
Operating and maintenance	64	64	44	20
Capital	33	33	17	16
Total	<u>458</u>	<u>458</u>	<u>419</u>	<u>39</u>
Department of Public Works:				
Salaries and wages	3,151	3,271	3,194	77
Operating and maintenance	2,637	2,885	2,661	224
Capital	385	434	295	139
Total	<u>6,173</u>	<u>6,590</u>	<u>6,150</u>	<u>440</u>
Total public works	<u>6,631</u>	<u>7,048</u>	<u>6,569</u>	<u>479</u>
Health and Social Services:				
Health Department:				
Salaries and wages	414	414	406	8
Operating and maintenance	34	34	30	4
Total	<u>448</u>	<u>448</u>	<u>436</u>	<u>12</u>
Social Services:				
Salaries and wages	333	333	331	2
Operating and maintenance	94	94	76	18
Pass-through agency contributions	1,163	1,175	1,174	1
Total	<u>1,590</u>	<u>1,602</u>	<u>1,581</u>	<u>21</u>
Veteran's Service Center:				
Salaries and wages	22	23	23	-
Operating and maintenance	2	2	1	1
Total	<u>24</u>	<u>25</u>	<u>24</u>	<u>1</u>
Total health and social services	<u>2,062</u>	<u>2,075</u>	<u>2,041</u>	<u>34</u>
Parks and Recreation:				
Department of Parks and Recreation:				
Salaries and wages	779	754	730	24
Operating and maintenance	137	142	129	13
Capital	24	33	25	8
Total parks and recreation	<u>940</u>	<u>929</u>	<u>884</u>	<u>45</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, 2018  
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Education	\$ 100,517	\$ 100,524	\$ 99,771	\$ 753
Debt Service:				
Principal	3,455	3,455	3,455	-
Interest	1,101	1,101	1,101	-
Administration, registration and other	5	5		5
Total debt service	<u>4,561</u>	<u>4,561</u>	<u>4,556</u>	<u>5</u>
Appropriations in Force Carryforward:				
Capital and nonrecurring items		1,693	293	1,400
Total expenditures	159,896	162,211	157,793	4,418
Other financing uses:				
Transfers out	<u>2,182</u>	<u>2,210</u>	<u>2,210</u>	<u>-</u>
Total	<u>\$ 162,078</u>	<u>\$ 164,421</u>	160,003	<u>\$ 4,418</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf pension payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	19,221
State of Connecticut on-behalf OPEB payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	1,982
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.	(480)
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.	115
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>1</u>

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

\$ 180,842



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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:				
Service cost	\$ 6,069	\$ 5,664	\$ 5,280	\$ 5,102
Interest	18,772	17,964	17,178	16,642
experience	(1,276)	1,596	1,376	(1,525)
Changes of assumptions	5,242	2,618		
Benefit payments, including refunds of member contributions	<u>(14,698)</u>	<u>(13,966)</u>	<u>(13,828)</u>	<u>(12,847)</u>
Net change in total pension liability	14,109	13,876	10,006	7,372
Total pension liability - beginning	<u>251,437</u>	<u>237,561</u>	<u>227,555</u>	<u>220,183</u>
Total pension liability - ending	<u>265,546</u>	<u>251,437</u>	<u>237,561</u>	<u>227,555</u>
Plan fiduciary net position:				
Contributions - employer	9,297	8,639	8,411	8,192
Contributions - member	2,919	2,797	2,723	2,626
Net investment income	14,521	23,070	766	4,904
Benefit payments, including refunds of member contributions	(14,698)	(13,966)	(13,828)	(12,849)
Administrative expense	(109)	(97)	(102)	(95)
Other	<u>7</u>	<u>80</u>	<u>33</u>	<u>697</u>
Net change in plan fiduciary net position	11,937	20,523	(1,997)	3,475
Plan fiduciary net position - beginning	<u>192,599</u>	<u>172,076</u>	<u>174,073</u>	<u>170,598</u>
Plan fiduciary net position - ending	<u>204,536</u>	<u>192,599</u>	<u>172,076</u>	<u>174,073</u>
Net Pension Liability - Ending	<u>\$ 61,010</u>	<u>\$ 58,838</u>	<u>\$ 65,485</u>	<u>\$ 53,482</u>
Plan fiduciary net position as a percentage of the total pension liability	77.02%	76.60%	72.43%	76.50%
Covered payroll	\$ 43,097	\$ 42,990	\$ 41,595	\$ 39,273
Net pension liability as a percentage of covered payroll	141.56%	136.86%	157.44%	136.18%

\*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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 9,297	\$ 8,639	\$ 8,411	\$ 8,192	\$ 7,446	\$ 6,652	\$ 6,559	\$ 6,060	\$ 3,654	\$ 3,317
Contributions in relation to the actuarially determined contribution	<u>9,297</u>	<u>8,639</u>	<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>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 43,097	\$ 42,990	\$ 41,595	\$ 39,273	\$ 38,849	\$ 37,825	\$ 37,825	\$ 38,058	\$ 35,903	\$ 36,217
Contributions as a percentage of covered payroll	21.57%	20.10%	20.22%	20.86%	19.17%	17.59%	17.34%	15.92%	10.18%	9.16%

**Notes to Schedule**

Valuation date: July 1, 2017  
 Measurement date: June 30, 2018  
 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 2.75%  
 Salary increases Ranges from 3.3% to 11.8%, based on age  
 Investment rate of return 7.40%

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 FOUR FISCAL YEARS - TOWN\***

---

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	7.60%	13.57%	0.46%	3.30%

\*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 FOUR FISCAL YEARS - VOLUNTEER FIRE\*\***  
(In Thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:				
Service cost	\$ 23	\$ 22	\$ 17	\$ 18
Interest	115	110	103	101
Differences between expected and actual experience	(115)		22	(38)
Changes of assumptions	26	16		
Benefit payments, including refunds of member contributions	<u>(59)</u>	<u>(63)</u>	<u>(50)</u>	<u>(52)</u>
Net change in total pension liability	(10)	85	92	29
Total pension liability - beginning	<u>1,534</u>	<u>1,449</u>	<u>1,357</u>	<u>1,328</u>
Total pension liability - ending	<u>1,524</u>	<u>1,534</u>	<u>1,449</u>	<u>1,357</u>
Plan fiduciary net position:				
Contributions - employer	43	43	41	42
Net investment income	124	178	(10)	127
Benefit payments, including refunds of member contributions	(59)	(62)	(50)	(52)
Administrative expense	<u>(8)</u>			
Net change in plan fiduciary net position	100	159	(19)	117
Plan fiduciary net position - beginning	<u>1,431</u>	<u>1,272</u>	<u>1,291</u>	<u>1,174</u>
Plan fiduciary net position - ending	<u>1,531</u>	<u>1,431</u>	<u>1,272</u>	<u>1,291</u>
Net Pension Liability (Asset) - Ending	<u>\$ (7)</u>	<u>\$ 103</u>	<u>\$ 177</u>	<u>\$ 66</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.49%	93.28%	87.76%	95.13%
Covered payroll*	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 43	\$ 43	\$ 41	\$ 42	\$ 31	\$ 31	\$ 36	\$ 36	\$ 31	\$ 31
Contributions in relation to the actuarially determined contribution	43	43	41	42	31	31	36	36	31	31
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered 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, 2017  
 Measurement date: June 30, 2018  
 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: 2.75%  
 Investment rate of return: 7.40%

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 FOUR FISCAL YEARS - VOLUNTEER FIRE\***

---

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	8.64%	13.90%	-0.79%	10.62%

\*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 FOUR FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	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>166,166</u>	<u>175,306</u>	<u>133,407</u>	<u>123,308</u>
Total	<u>\$ 166,166</u>	<u>\$ 175,306</u>	<u>\$ 133,407</u>	<u>\$ 123,308</u>
Town's covered payroll	\$ 51,357	\$ 50,654	\$ 49,221	\$ 47,622
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	<p>During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely 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, 2015.</p> <p>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.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

\*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 TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FISCAL YEAR\***

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 1,077
Interest	1,226
Differences between expected and actual experience	429
Changes of assumptions and other inputs	(1,022)
Benefit payments	<u>(1,789)</u>
Net change in total OPEB liability	(79)
Total OPEB liability - beginning	<u>34,045</u>
 Total OPEB Liability - Ending	 \$ <u><u>33,966</u></u>
 Covered payroll	 \$ 87,084
 Total OPEB liability as a percentage of covered payroll	 39.00%

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



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

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>42,769</u>
Total	<u>\$ 42,769</u>
Town's covered payroll	\$ 51,357
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.  Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.  As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

\* This schedule is intended to show information for ten years. Additional years' information will be displayed 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, 2018 AND 2017**  
**(In Thousands)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 41,864	\$ 52,960
Receivables:		
Property taxes receivable, net of an allowance for uncollectibles of \$784 and \$759, respectively	3,530	3,570
Property taxes accrued interest receivable, net of an allowance for uncollectibles of \$102 and \$109, respectively	706	761
Accounts receivable, net	893	260
Due from other funds	12,384	11,009
Prepaid items	<u>142</u>	<u>143</u>
Total Assets	<u>\$ 59,519</u>	<u>\$ 68,703</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts and other payables	\$ 5,103	\$ 4,088
Due to other funds	19,341	22,690
Unearned revenues	<u>839</u>	<u>184</u>
Total liabilities	<u>25,283</u>	<u>26,962</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	3,724	3,994
Advanced property tax collections	<u>4,231</u>	<u>9,917</u>
Total deferred inflows of resources	<u>7,955</u>	<u>13,911</u>
Fund balance:		
Nonspendable	142	143
Committed	2,333	1,693
Assigned	6,680	7,335
Unassigned	<u>17,126</u>	<u>18,659</u>
Total fund balance	<u>26,281</u>	<u>27,830</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 59,519</u>	<u>\$ 68,703</u>

TOWN OF WALLINGFORD, CONNECTICUT  
 REPORT OF TAX COLLECTOR  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (In Thousands)

Grand List	Uncollected Taxes July 1, 2017	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Taxes	Interest	Lien Fees	Total	Uncollected Taxes June 30, 2018
		Additions	Deductions							
2016	\$ *	\$ 121,826	\$ 968	\$ 34	\$ 120,824	\$ 119,173	\$ 321	\$ 14	\$ 119,508	\$ 1,651
2015	1,791	54	435	23	1,387	639	178	9	826	748
2014	763	57	8	13	799	306	96	4	406	493
2013	467	27	7	140	347	102	42	7	151	245
2012	277	14	1	15	275	38	17		55	237
2011	239			2	237	27	14	2	43	210
2010	181		1		180	17	8		25	163
2009	177				177	13	6	1	20	164
2008	125				125	11	6		17	114
2007	98				98	8	2	2	12	90
2006	85				85	6	1		7	79
2005	62				62	6			6	56
2004	39				39	6			6	33
2003	24				24	2	1		3	22
2002	25		** 22		3	3			3	-
Total	\$ <u>4,353</u>	\$ <u>121,978</u>	\$ <u>1,442</u>	\$ <u>227</u>	\$ <u>124,662</u>	120,357	692	39	121,088	\$ <u>4,305</u>
			Suspense collections			<u>30</u>	<u>36</u>		<u>66</u>	
			Total Tax Collections			\$ <u>120,387</u>	\$ <u>728</u>	\$ <u>39</u>	121,154	
			Property taxes receivable considered available:							
			June 30, 2017						(327)	
			June 30, 2018						<u>498</u>	
			Total						\$ <u>121,325</u>	

\* Includes motor vehicle supplement tax levy of \$1,521

\*\* 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
Small Cities	Federal Grant	Economic development
Wallingford 350	State and Federal Grants/Contributions	350 year Jubilee
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
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, 2018**  
**(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	\$ 318	\$ 2,053	\$ 1,397	\$ 3,768
Receivables:				
Intergovernmental	360	910		1,270
Other		6		6
Due from other funds	6,119	1,408		7,527
Inventory	16			16
Prepaid items	11			11
	<u>11</u>	<u>        </u>	<u>        </u>	<u>11</u>
Total Assets	\$ <u>6,824</u>	\$ <u>4,377</u>	\$ <u>1,397</u>	\$ <u>12,598</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 267	\$ 769	\$	\$ 1,036
Due to other funds	11	12,373		12,384
Unearned revenue	1,055			1,055
Other liabilities		1,503		1,503
Total liabilities	<u>1,333</u>	<u>14,645</u>	<u>-</u>	<u>15,978</u>
Fund balances:				
Nonspendable	27		1,397	1,424
Restricted	989			989
Committed	4,486	1,961		6,447
Unassigned	(11)	(12,229)		(12,240)
Total fund balances	<u>5,491</u>	<u>(10,268)</u>	<u>1,397</u>	<u>(3,380)</u>
Total Liabilities and Fund Balances	\$ <u>6,824</u>	\$ <u>4,377</u>	\$ <u>1,397</u>	\$ <u>12,598</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(In Thousands)**

	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 7,189	\$ 228	\$	\$	\$ 7,417
Charges for services	2,962				2,962
Investment income		8	11		19
Other revenue	466				466
Total revenues	<u>10,617</u>	<u>236</u>	<u>11</u>	<u>-</u>	<u>10,864</u>
Expenditures:					
Current:					
General government	232				232
Public safety	80				80
Public works	473				473
Health and social services	751				751
Parks and recreation	905				905
Education	7,987				7,987
Capital outlay	662	2,744			3,406
Total expenditures	<u>11,090</u>	<u>2,744</u>	<u>-</u>	<u>-</u>	<u>13,834</u>
Excess (deficiency) of revenues over expenditures	<u>(473)</u>	<u>(2,508)</u>	<u>11</u>	<u>-</u>	<u>(2,970)</u>
Other financing sources (uses):					
Transfers in	11	704		(344)	371
Transfers out	(423)		(7)	344	(86)
Total other financing sources (uses)	<u>(412)</u>	<u>704</u>	<u>(7)</u>	<u>-</u>	<u>285</u>
Net change in fund balances	(885)	(1,804)	4	-	(2,685)
Fund balance, beginning of year	<u>6,376</u>	<u>(8,464)</u>	<u>1,393</u>	<u>-</u>	<u>(695)</u>
Fund Balance, End of Year	<u>\$ 5,491</u>	<u>\$ (10,268)</u>	<u>\$ 1,397</u>	<u>\$ -</u>	<u>\$ (3,380)</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2018  
 (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>Small Cities</u>	<u>Wallingford 350</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$ 215	\$	\$	\$	\$	\$	\$
Receivables:								
Intergovernmental	174	124					52	
Due from other funds	1,043		545					7
Inventory		16						
Prepaid items								
<b>Total Assets</b>	<b>\$ 1,217</b>	<b>\$ 355</b>	<b>\$ 545</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52</b>	<b>\$ 7</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts and other payables	\$ 182	\$ 1	\$ 3	\$	\$	\$	\$ 52	\$
Due to other funds								
Unearned revenue	169	29	531					
<b>Total liabilities</b>	<b>351</b>	<b>30</b>	<b>534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>
Fund Balance:								
Nonspendable		16						
Restricted	866		11					
Committed		309						7
Unassigned								
<b>Total fund balance</b>	<b>866</b>	<b>325</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,217</b>	<b>\$ 355</b>	<b>\$ 545</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52</b>	<b>\$ 7</b>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2018  
 (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	\$	\$	\$	\$	\$	\$	\$	\$ 32
Receivables:								
Intergovernmental								
Due from other funds		8	6		21	31	11	
Inventory								
Prepaid items								
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 8</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 21</b>	<b>\$ 31</b>	<b>\$ 11</b>	<b>\$ 32</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts and other payables	\$	\$	\$	\$	\$	4	2	\$
Due to other funds								
Unearned revenue								
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>-</b>
Fund Balance:								
Nonspendable								
Restricted							9	32
Committed		8	6		21	27		
Unassigned								
<b>Total fund balance</b>	<b>-</b>	<b>8</b>	<b>6</b>	<b>-</b>	<b>21</b>	<b>27</b>	<b>9</b>	<b>32</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 8</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 21</b>	<b>\$ 31</b>	<b>\$ 11</b>	<b>\$ 32</b>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2018  
 (In Thousands)**

	<u>Covanta</u>	<u>CRRA 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					9	1	
Due from other funds	77	3,907	71	336			
Inventory				11			
Prepaid items							
<b>Total Assets</b>	<b>\$ 77</b>	<b>\$ 3,907</b>	<b>\$ 71</b>	<b>\$ 347</b>	<b>\$ 9</b>	<b>\$ 1</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$	\$	\$	21	\$	1	\$
Due to other funds					9		
Unearned revenue				326			
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347</b>	<b>9</b>	<b>1</b>	<b>-</b>
Fund Balance:							
Nonspendable				11			
Restricted			71				
Committed	77	3,907					
Unassigned				(11)			
<b>Total fund balance</b>	<b>77</b>	<b>3,907</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 77</b>	<b>\$ 3,907</b>	<b>\$ 71</b>	<b>\$ 347</b>	<b>\$ 9</b>	<b>\$ 1</b>	<b>\$ -</b>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2018  
 (In Thousands)**

	<u>Miscellaneous Grants and Donations</u>	<u>Education Trust</u>	<u>Dog Pound Trust</u>	<u>Irving H. Prageman</u>	<u>Charles R. Clulee</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$	\$	\$ 13	\$ 56	\$ 2	\$ 318
Receivables:						
Intergovernmental						360
Due from other funds	56					6,119
Inventory						16
Prepaid items						11
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ <u>56</u>	\$ <u>-</u>	\$ <u>13</u>	\$ <u>56</u>	\$ <u>2</u>	\$ <u>6,824</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 1	\$	\$	\$	\$	\$ 267
Due to other funds			2			11
Unearned revenue						1,055
Total liabilities	<u>1</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>1,333</u>
Fund Balance:						
Nonspendable						27
Restricted						989
Committed	55		11	56	2	4,486
Unassigned						(11)
Total fund balance	<u>55</u>	<u>-</u>	<u>11</u>	<u>56</u>	<u>2</u>	<u>5,491</u>
Total Liabilities and Fund Balances	\$ <u>56</u>	\$ <u>-</u>	\$ <u>13</u>	\$ <u>56</u>	\$ <u>2</u>	\$ <u>6,824</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, 2018  
 (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>Small Cities</u>	<u>Wallingford 350</u>
Revenues:								
Intergovernmental	\$ 5,368	\$ 714	\$ 9	\$ 39	\$ 30	\$ 35	\$ 235	\$
Charges for services	1,085	890						
Other revenue	167							11
Total revenues	<u>6,620</u>	<u>1,604</u>	<u>9</u>	<u>39</u>	<u>30</u>	<u>35</u>	<u>235</u>	<u>11</u>
Expenditures:								
Current:								
General government								5
Public safety								
Public works			127	39			235	
Health and social services					30	35		
Parks and recreation								
Education	6,335	1,645						
Capital outlay								
Total expenditures	<u>6,335</u>	<u>1,645</u>	<u>127</u>	<u>39</u>	<u>30</u>	<u>35</u>	<u>235</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	<u>285</u>	<u>(41)</u>	<u>(118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</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>	<u>-</u>
Net change in fund balance	285	(41)	(118)	-	-	-	-	6
Fund balance, beginning of year	<u>581</u>	<u>366</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Fund Balance, End of Year	<u>\$ 866</u>	<u>\$ 325</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (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	\$	\$ 177	\$	\$ 464	\$	\$	\$	\$ 5
Charges for services		4						
Other revenue					48	88	30	
Total revenues	<u>-</u>	<u>181</u>	<u>-</u>	<u>464</u>	<u>48</u>	<u>88</u>	<u>30</u>	<u>5</u>
Expenditures:								
Current:								
General government		217						
Public safety								44
Public works								
Health and social services				464	52	66	25	
Parks and recreation								
Education								
Capital outlay								
Total expenditures	<u>-</u>	<u>217</u>	<u>-</u>	<u>464</u>	<u>52</u>	<u>66</u>	<u>25</u>	<u>44</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(36)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>22</u>	<u>5</u>	<u>(39)</u>
Other financing sources (uses):								
Transfers in	4							
Transfers out								
Total other financing sources (uses)	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4	(36)	-	-	(4)	22	5	(39)
Fund balance, beginning of year	<u>(4)</u>	<u>44</u>	<u>6</u>	<u>-</u>	<u>25</u>	<u>5</u>	<u>4</u>	<u>71</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 27</u>	<u>\$ 9</u>	<u>\$ 32</u>

(Continued on next page)



**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (In Thousands)**

	<u>Covanta</u>	<u>CRRA 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>	<u>Miscellaneous Grants and Donations</u>
Revenues:								
Intergovernmental	\$	\$ 51	\$ 5	\$	\$ 30	\$ 16	\$	\$ 11
Charges for services			17	954				
Other revenue	64						15	23
Total revenues	<u>64</u>	<u>51</u>	<u>22</u>	<u>954</u>	<u>30</u>	<u>16</u>	<u>15</u>	<u>34</u>
Expenditures:								
Current:								
General government			10					
Public safety						3		22
Public works	72							
Health and social services					30		15	34
Parks and recreation				881				
Education								
Capital outlay		662						
Total expenditures	<u>72</u>	<u>662</u>	<u>10</u>	<u>881</u>	<u>30</u>	<u>3</u>	<u>15</u>	<u>56</u>
Excess (deficiency) of revenues over expenditures	<u>(8)</u>	<u>(611)</u>	<u>12</u>	<u>73</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>(22)</u>
Other financing sources (uses):								
Transfers in								
Transfers out		(337)		(73)		(13)		
Total other financing sources (uses)	<u>-</u>	<u>(337)</u>	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(8)	(948)	12	-	-	-	-	(22)
Fund balance, beginning of year	<u>85</u>	<u>4,855</u>	<u>59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77</u>
Fund Balance, End of Year	<u>\$ 77</u>	<u>\$ 3,907</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (In Thousands)**

	<u>Education Trust</u>	<u>Dog Pound Trust</u>	<u>Irving H. Prageman</u>	<u>Charles R. Clulee</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$ 7,189
Charges for services		12				2,962
Other revenue			20			466
Total revenues	<u>-</u>	<u>12</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>10,617</u>
Expenditures:						
Current:						
General government						232
Public safety		11				80
Public works						473
Health and social services						751
Parks and recreation			24			905
Education	7					7,987
Capital outlay						662
Total expenditures	<u>7</u>	<u>11</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>11,090</u>
Excess (deficiency) of revenues over expenditures	<u>(7)</u>	<u>1</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(473)</u>
Other financing sources (uses):						
Transfers in	7					11
Transfers out						(423)
Total other financing sources (uses)	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(412)</u>
Net change in fund balance	-	1	(4)	-	-	(885)
Fund balance, beginning of year	<u>-</u>	<u>10</u>	<u>60</u>	<u>2</u>	<u>-</u>	<u>6,376</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 56</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 5,491</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (In Thousands)**

	<u>Quinnipiac Linear Trail</u>	<u>School Renovations</u>	<u>Vernon E. Cleaves Vo-ag Center</u>	<u>School Roof Projects</u>	<u>Transfer Station</u>	<u>North Farms Fire Station</u>	<u>BOE Asbestos Station</u>	<u>BOE Capital Projects</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Receivables:								
Intergovernmental				910				
Interest receivable								
Due from other funds	<u>715</u>	<u></u>	<u></u>	<u></u>	<u>35</u>	<u></u>	<u>21</u>	<u></u>
Total Assets	<u>\$ 715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts and other payables	\$	\$	\$	\$	\$	\$	\$	\$ 766
Due to other funds		2,658	1,610	1,373		4,285		1,087
Other liabilities								
Total liabilities	<u>-</u>	<u>2,658</u>	<u>1,610</u>	<u>1,373</u>	<u>-</u>	<u>4,285</u>	<u>-</u>	<u>1,853</u>
Fund balance:								
Committed	715				35		21	
Unassigned	<u></u>	<u>(2,658)</u>	<u>(1,610)</u>	<u>(463)</u>	<u></u>	<u>(4,285)</u>	<u></u>	<u>(1,853)</u>
Total fund balance	<u>715</u>	<u>(2,658)</u>	<u>(1,610)</u>	<u>(463)</u>	<u>35</u>	<u>(4,285)</u>	<u>21</u>	<u>(1,853)</u>
Total Liabilities and Fund Balance	<u>\$ 715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ -</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (In Thousands)**

	<u>BOE Projects CRRA</u>	<u>Lyman Hall Track</u>	<u>WSW Project Reserve</u>	<u>Town Building Projects</u>	<u>Northford Road</u>	<u>Center Street Cemetery</u>	<u>Town Wide Radio System</u>	<u>Total</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$ 2,053	\$	\$	\$	\$	\$ 2,053
Receivables:								-
Intergovernmental								910
Interest receivable			6					6
Due from other funds	621			16				1,408
Total Assets	\$ 621	\$ -	\$ 2,059	\$ 16	\$ -	\$ -	\$ -	\$ 4,377
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts and other payables	\$	\$	\$	\$ 3	\$	\$	\$	\$ 769
Due to other funds		192					1,168	12,373
Other liabilities			1,503					1,503
Total liabilities	-	192	1,503	3	-	-	1,168	14,645
Fund balance:								
Committed	621		556	13				1,961
Unassigned		(192)					(1,168)	(12,229)
Total fund balance	621	(192)	556	13	-	-	(1,168)	(10,268)
Total Liabilities and Fund Balance	\$ 621	\$ -	\$ 2,059	\$ 16	\$ -	\$ -	\$ -	\$ 4,377

**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, 2018  
 (In Thousands)**

	<u>Quinnipiac Linear Trail</u>	<u>School Renovations</u>	<u>Vernon E. Cleaves Vo-ag Center</u>	<u>School Roof Projects</u>	<u>Transfer Station</u>	<u>North Farms Fire Station</u>	<u>BOE Asbestos Station</u>	<u>BOE Capital Projects</u>
Revenues:								
Intergovernmental revenues	\$ 21	\$	\$	\$	\$	\$	\$	\$
Investment Income								
Total revenues	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Capital outlay	<u>21</u>					<u>35</u>		<u>1,322</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	(35)	-	(1,322)
Other financing sources:								
Transfers in		<u>221</u>						
Net change in fund balances	-	221	-	-	-	(35)	-	(1,322)
Fund balance, beginning of year	<u>715</u>	<u>(2,879)</u>	<u>(1,610)</u>	<u>(463)</u>	<u>35</u>	<u>(4,250)</u>	<u>21</u>	<u>(531)</u>
Fund Balance, End of Year	<u>\$ 715</u>	<u>\$ (2,658)</u>	<u>\$ (1,610)</u>	<u>\$ (463)</u>	<u>\$ 35</u>	<u>\$ (4,285)</u>	<u>\$ 21</u>	<u>\$ (1,853)</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(In Thousands)**

	<u>BOE Projects CRRRA</u>	<u>Lyman Hall Track</u>	<u>WSW Project Reserve</u>	<u>Town Building Projects</u>	<u>Northford Road</u>	<u>Center Street Cemetery</u>	<u>Town Wide Radio System</u>	<u>Total</u>
Revenues:								
Intergovernmental revenues	\$	\$ 73	\$	\$	\$	\$ 134	\$	\$ 228
Investment Income			8					8
Total revenues	<u>-</u>	<u>73</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>134</u>	<u>-</u>	<u>236</u>
Expenditures:								
Capital outlay	<u>162</u>			<u>15</u>	<u>21</u>		<u>1,168</u>	<u>2,744</u>
Excess (deficiency) of revenues over expenditures	(162)	73	8	(15)	(21)	134	(1,168)	(2,508)
Other financing sources:								
Transfers in	<u>337</u>			<u>28</u>	<u>60</u>	<u>58</u>		<u>704</u>
Net change in fund balances	175	73	8	13	39	192	(1,168)	(1,804)
Fund balance, beginning of year	<u>446</u>	<u>(265)</u>	<u>548</u>	<u>-</u>	<u>(39)</u>	<u>(192)</u>	<u>-</u>	<u>(8,464)</u>
Fund Balance, End of Year	<u>\$ 621</u>	<u>\$ (192)</u>	<u>\$ 556</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,168)</u>	<u>\$ (10,268)</u>

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS  
 JUNE 30, 2018  
 (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>17</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>17</u>	\$ <u>1</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS (CONTINUED)  
 JUNE 30, 2018  
 (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>271</u>	\$ <u>271</u>	\$ <u>709</u>	\$ <u>1,397</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>271</u>	\$ <u>271</u>	\$ <u>709</u>	\$ <u>1,397</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, 2018  
 (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	\$	\$	\$	\$	\$	\$	\$ 1	\$
Other financing uses:								
Transfers out							(1)	
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balance, beginning of year	<u>10</u>	<u>30</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>17</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>\$ 17</u>	<u>\$ 1</u>

(Continued on next page)

**TOWN OF WALLINGFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (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	\$	\$	\$	\$	\$ 4	\$ 4	\$ 2	\$ 11
Other financing uses:								
Transfers out					(3)	(3)		(7)
Net change in fund balances	-	-	-	-	1	1	2	4
Fund balance, beginning of year	<u>37</u>	<u>26</u>	<u>5</u>	<u>4</u>	<u>270</u>	<u>270</u>	<u>707</u>	<u>1,393</u>
Fund Balance, End of Year	<u>\$ 37</u>	<u>\$ 26</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 271</u>	<u>\$ 271</u>	<u>\$ 709</u>	<u>\$ 1,397</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, 2018  
(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	\$ 77,580	\$ 77,580	\$ 69,715	\$ (7,865)
Late payment charges	613	613	482	(131)
Other	136	136	137	1
Total operating revenues	<u>78,329</u>	<u>78,329</u>	<u>70,334</u>	<u>(7,995)</u>
Operating expenses:				
Operating expenses	71,503	72,485	68,339	4,146
Depreciation and amortization expense	3,653	3,653	3,525	128
Gross earnings and property tax	2,187	2,187	1,757	430
Total operating expenses	<u>77,343</u>	<u>78,325</u>	<u>73,621</u>	<u>4,704</u>
Operating income (loss)	<u>986</u>	<u>4</u>	<u>(3,287)</u>	<u>(3,291)</u>
Nonoperating income (loss):				
Gain on disposal of assets	15	15	28	13
Loss on disposal of assets	(60)	(60)	(41)	19
Lease income	1,106	1,106	1,263	157
Investment and interest income	175	177	223	46
Interest expense on customer deposits	(35)	(38)	(38)	-
Other nonoperating revenues	405	406	342	(64)
Other nonoperating expenses	<u>(124)</u>	<u>(124)</u>	<u>(104)</u>	<u>20</u>
Net nonoperating income	<u>1,482</u>	<u>1,482</u>	<u>1,673</u>	<u>191</u>
Income before transfers	2,468	1,486	(1,614)	(3,100)
Transfers to other funds:				
General fund	<u>(1,839)</u>	<u>(1,839)</u>	<u>(1,839)</u>	<u>-</u>
Net Income (Loss)	<u>\$ 629</u>	<u>\$ (353)</u>	<u>\$ (3,453)</u>	<u>\$ (3,100)</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, 2018  
(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	\$ 7,404	\$ 7,404	\$ 7,288	\$ (116)
Operating expenses:				
Operating expenses	5,504	5,526	4,919	607
Depreciation expense	1,931	1,931	1,833	98
Total operating expenses	<u>7,435</u>	<u>7,457</u>	<u>6,752</u>	<u>705</u>
Operating income (loss)	<u>(31)</u>	<u>(53)</u>	<u>536</u>	<u>589</u>
Nonoperating income (loss):				
Capital grants and contributions			25	25
Lease income	142	142	142	-
Interest and amortization expense	(98)	(98)	(97)	1
Investment and interest income	123	123	215	92
Other nonoperating revenues	123	123	190	67
Net nonoperating income	<u>290</u>	<u>290</u>	<u>475</u>	<u>185</u>
Net Income (Loss)	<u>\$ 259</u>	<u>\$ 237</u>	<u>\$ 1,011</u>	<u>\$ 774</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, 2018  
(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>6,588</u>	\$ <u>6,588</u>	\$ <u>6,459</u>	\$ <u>(129)</u>
Operating expenses:				
Operating expenses	<u>5,772</u>	<u>5,772</u>	<u>4,886</u>	<u>886</u>
Depreciation expense	<u>2,067</u>	<u>2,067</u>	<u>2,024</u>	<u>43</u>
Total operating expenses	<u>7,839</u>	<u>7,839</u>	<u>6,910</u>	<u>929</u>
Operating income (loss)	<u>(1,251)</u>	<u>(1,251)</u>	<u>(451)</u>	<u>800</u>
Nonoperating income (loss):				
Other nonoperating revenues	288	288	326	38
Interest and amortization expense	(15)	(15)	(15)	-
Investment and interest income	<u>138</u>	<u>138</u>	<u>239</u>	<u>101</u>
Net nonoperating income	<u>411</u>	<u>411</u>	<u>550</u>	<u>139</u>
Net Income (Loss)	\$ <u><u>(840)</u></u>	\$ <u><u>(840)</u></u>	\$ <u><u>99</u></u>	\$ <u><u>939</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, 2018  
(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	\$ _____	\$ _____	\$ _____	\$ _____ -
Operating expenses:				
Operating expenses			1,184	(1,184)
Depreciation expense				-
Total operating expenses	<u>          -</u>	<u>          -</u>	<u>      1,184</u>	<u>      (1,184)</u>
Operating income (loss)	<u>          -</u>	<u>          -</u>	<u>      (1,184)</u>	<u>      (1,184)</u>
Nonoperating income (loss):				
Operating transfer out			(1,094)	(1,094)
Transfer out of capital assets			(519)	(519)
Net nonoperating income	<u>          -</u>	<u>          -</u>	<u>      (1,613)</u>	<u>          -</u>
Net Income (Loss)	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>      (2,797)</u>	\$ <u>      (1,184)</u>

Note - The EMS Transport Fund was closed in Fiscal Year 2018. As such, all activity was budgeted in the General Fund.





# 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, 2018  
 (In Thousands)**

	<u>Health Benefits Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Assets:			
Accounts receivable	\$ 1,193	\$ 18	\$ 1,211
Due from other funds	<u>3,224</u>	<u>1,644</u>	<u>4,868</u>
Total assets	4,417	1,662	6,079
Liabilities:			
Risk management claims	<u>2,043</u>	<u>1,973</u>	<u>4,016</u>
Net Position:			
Unrestricted	<u>2,374</u>	<u>(311)</u>	<u>2,063</u>
Total Net Position	<u>\$ 2,374</u>	<u>\$ (311)</u>	<u>\$ 2,063</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, 2018  
 (In Thousands)**

	<b>Health Benefits Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
Operating revenues:			
Fund premiums	\$ 24,066	\$ 1,162	\$ 25,228
Operating expenses:			
Employee benefits	23,180	1,369	24,549
Other	2,579		2,579
Total operating expenses	<u>25,759</u>	<u>1,369</u>	<u>27,128</u>
Operating income (loss)	(1,693)	(207)	(1,900)
Net position, beginning of year	<u>4,067</u>	<u>(104)</u>	<u>3,963</u>
Net Position, End of Year	<u>\$ 2,374</u>	<u>\$ (311)</u>	<u>\$ 2,063</u>

**TOWN OF WALLINGFORD, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
(In Thousands)

	<u>Health Benefits Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from operations	\$ 25,675	\$ 900	\$ 26,575
Cash payments to vendors and others	(25,675)	(900)	(26,575)
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)	\$ (1,693)	\$ (207)	\$ (1,900)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Decrease (increase) in accounts receivable	(1,020)	(18)	(1,038)
Increase (decrease) in accounts payable and accrued expenses	84	469	553
Decrease (increase) in due from other funds	<u>2,629</u>	<u>(244)</u>	<u>2,385</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**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(In Thousands)**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>School Activities</b>				
Assets:				
Cash and cash equivalents	\$ 613	\$ 1,388	\$ 1,395	\$ 606
Investments	<u>70</u>			<u>70</u>
Total Assets	<u>\$ 683</u>	<u>\$ 1,388</u>	<u>\$ 1,395</u>	<u>\$ 676</u>
Liabilities:				
Due to student groups and agencies	<u>\$ 683</u>	<u>\$ 1,388</u>	<u>\$ 1,395</u>	<u>\$ 676</u>
<b>Developers' Escrow Fund</b>				
Assets:				
Cash and cash equivalents	<u>\$ 370</u>	<u>\$ 173</u>	<u>\$ 79</u>	<u>\$ 464</u>
Liabilities:				
Due to student groups and agencies	<u>\$ 370</u>	<u>\$ 173</u>	<u>\$ 79</u>	<u>\$ 464</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 983	\$ 1,561	\$ 1,474	\$ 1,070
Investments	<u>70</u>			<u>70</u>
Total Assets	<u>\$ 1,053</u>	<u>\$ 1,561</u>	<u>\$ 1,474</u>	<u>\$ 1,140</u>
Liabilities:				
Due to student groups and agencies	<u>\$ 1,053</u>	<u>\$ 1,561</u>	<u>\$ 1,474</u>	<u>\$ 1,140</u>





## Supplementary Data

**TOWN OF WALLINGFORD, CONNECTICUT  
SCHEDULE OF CHANGES IN BONDS AND SERIAL NOTES  
FOR THE YEAR ENDED JUNE 30, 2018  
(In Thousands)**

Description	Date of Issue	Maturity Date	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2017	Issued	Retired	Balance Outstanding June 30, 2018
General:								
General Purpose:								
Library and Land Acquisition (2007 & 2008 Refunding)	08/27/15	03/15/27	2.00-5.00	\$ 6,424	\$ 5,614	\$ -	\$ 792	\$ 4,822
Tyler Mill Property Purchase	10/01/15	10/15/35	2.00-4.00	305	240	-	60	180
Total					<u>5,854</u>	<u>-</u>	<u>852</u>	<u>5,002</u>
Schools:								
Schools	05/15/11	05/15/31	1.75-3.75	1,440	595	-	150	445
Schools (2003 & 2005 Refunding)	03/15/12	03/15/25	2.00-4.00	15,190	10,555	-	1,385	9,170
Schools (2007 & 2008 Refunding)	08/27/15	03/15/27	2.00-5.00	4,606	4,081	-	513	3,568
School Roof Program	10/01/15	10/15/35	2.00-4.00	7,200	6,840	-	360	6,480
Lyman Hall Track & Field	10/01/15	10/15/35	2.00-4.00	2,000	1,900	-	100	1,800
School System CIP Phase I	10/01/15	10/15/35	2.00-4.00	1,120	1,025	-	95	930
Total					<u>24,996</u>	<u>-</u>	<u>2,603</u>	<u>22,393</u>
Total Bond Indebtedness					<u>\$ 30,850</u>	<u>\$ -</u>	<u>\$ 3,455</u>	<u>\$ 27,395</u>
Business-Type Activities:								
Water Division:								
Water Supply Project - (Refunding of 2000)	03/19/09	03/19/19	2.50-5.00	1,550	\$ 300	\$ -	\$ 150	\$ 150
McKenzie Reservoir	05/15/11	05/15/31	1.75-3.75	2,820	2,180	-	155	2,025
Pistapaug Water Tank	10/01/15	10/15/25	2.00-4.00	680	610	-	70	540
Total					<u>3,090</u>	<u>-</u>	<u>375</u>	<u>2,715</u>
Sewer Division:								
State of Connecticut - Serial Note 479-C	08/11/05	07/01/25	2.00	1,997	811	-	100	711
Total					<u>811</u>	<u>-</u>	<u>100</u>	<u>711</u>
Total Bond Indebtedness					<u>\$ 3,901</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 3,426</u>



## **Statistical Section**

## Statistical Section Information

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
Net investments in capital assets	\$ 208,230	\$ 208,663	\$ 208,853	\$ 212,475	\$ 213,199	\$ 204,447	\$ 203,115	\$ 199,247	\$ 202,934	\$ 191,533
Restricted	1,466	1,465	1,417	1,407	1,401	1,462	1,479	1,492	1,480	1,463
Unrestricted	(56,940)	(33,221)	(28,945)	(37,647)	7,141	13,464	12,412	13,911	8,583	15,923
Total governmental activities net position	<u>152,756</u>	<u>176,907</u>	<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>
Business-type activities:										
Net investments in capital assets	99,954	97,293	97,908	98,653	99,734	101,150	103,893	104,863	108,381	107,417
Restricted	278	515	608	1,436	1,579	514	82	526	320	320
Unrestricted	32,264	41,246	37,563	41,363	41,236	39,788	34,502	33,447	28,354	27,540
Total business-type activities net position	<u>132,496</u>	<u>139,054</u>	<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>
Primary government:										
Net investment in capital assets	308,184	305,956	306,761	311,128	312,933	305,597	307,008	304,110	311,315	298,950
Restricted	1,744	1,980	2,025	2,843	2,980	1,976	1,561	2,018	1,800	1,783
Unrestricted	(24,676)	8,025	8,618	3,716	48,377	53,252	46,914	47,358	36,937	43,463
Total Primary Government Net Position	<u>\$ 285,252</u>	<u>\$ 315,961</u>	<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>

## 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)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 29,481	\$ 25,590	\$ 24,766	\$ 25,674	\$ 22,956	\$ 21,701	\$ 21,756	\$ 22,377	\$ 18,458	\$ 19,533
Public safety	19,794	17,873	12,961	15,653	15,435	14,539	15,889	16,200	14,872	15,063
Public works	9,360	10,279	9,316	9,633	9,988	10,168	8,510	10,761	8,262	9,253
Health and social services	2,823	2,782	2,515	2,679	2,616	2,443	2,449	2,458	2,796	2,830
Parks and recreation	2,487	2,339	2,433	2,314	2,286	2,218	2,233	2,152	2,165	2,151
Education	134,849	132,065	120,828	114,748	116,567	112,888	112,507	108,554	108,550	103,471
Interest on long-term debt	913	1,034	1,140	1,122	1,229	1,293	1,699	1,672	1,863	2,162
Total governmental activities expenses	199,707	191,962	173,959	171,823	171,077	165,250	165,043	164,174	156,966	154,463
Business-type activities:										
Electric	73,776	68,136	73,788	68,089	71,476	69,214	73,785	75,861	74,692	69,586
Water	6,849	6,805	9,032	7,113	7,191	6,954	6,907	6,367	6,113	6,088
Sewer	6,925	7,354	8,157	7,530	7,155	7,173	6,901	6,877	6,276	6,620
EMS Transport	1,184	1,427	1,721	1,741	1,681	1,818				
Total business-type activities expenses	88,734	83,722	92,698	84,473	87,503	85,159	87,593	89,105	87,081	82,294
Total expenses	288,441	275,684	266,657	256,296	258,580	250,409	252,636	253,279	244,047	236,757
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	2,121	836	2,068	1,781	1,805	1,702	2,067	2,849	2,451	2,501
Public safety	2,589	1,780	969	808	571	1,127	1,414	1,583	1,407	1,137
Education	3,475	3,551	2,592	2,459	2,519	2,932	2,935	4,348	4,470	4,283
Other	1,021	1,024	1,005	977	946	1,127	1,094	887	849	837
Operating grants and contributions	47,732	48,390	41,599	40,847	43,067	40,322	42,068	36,826	36,232	42,288
Capital grants and contributions	365	2,675	4,228	730	6,468	2,763	3,232	2,231	6,745	17,721
Total governmental activities program revenues	57,303	58,256	52,461	47,602	55,376	49,973	52,810	48,724	52,154	68,767
Business-type activities:										
Charges for services:										
Electric	70,676	69,141	69,681	71,443	72,621	73,583	74,259	77,908	77,769	71,276
Water	7,478	8,028	7,904	7,766	7,186	6,311	6,906	6,935	6,059	6,186
Sewer	6,785	7,162	7,123	7,125	7,152	6,481	6,516	6,142	5,153	5,006
EMS Transport		2,132	2,130	2,075	2,067	2,034				
Capital grants and contributions	25	342	762	260	91	437	292	691	813	349
Total business-type activities program revenues	84,964	86,805	87,600	88,669	89,117	88,846	87,973	91,676	89,794	82,817
Total program revenues	142,267	145,061	140,061	136,271	144,493	138,819	140,783	140,400	141,948	151,584

TABLE 2

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (expense) revenue:										
Governmental activities	\$ (142,404)	\$ (133,706)	\$ (121,498)	\$ (124,221)	\$ (115,701)	\$ (115,277)	\$ (112,233)	\$ (115,450)	\$ (104,812)	\$ (85,696)
Business-type activities	(3,770)	3,083	(5,098)	4,196	1,614	3,687	380	2,571	2,713	523
Total net cost of services	<u>(146,174)</u>	<u>(130,623)</u>	<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>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	121,056	118,474	118,771	115,619	110,529	109,808	106,499	105,189	100,937	99,211
Grants and contributions not restricted to specific programs	5,413	6,455	5,714	5,820	5,416	5,613	4,211	4,394	5,423	5,600
Unrestricted investment earnings	588	296	187	141	93	88	108	114	279	660
Other general revenues	2,511	2,370	243	377	369	275	1,906	5,529	286	311
Transfers	3,452	1,693	1,673	1,746	1,662	1,860	1,865	1,877	1,965	1,982
Total governmental activities	<u>133,020</u>	<u>129,288</u>	<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>
Business-type activities:										
Unrestricted investment earnings	677	366	225	183	186	206	199	156	150	566
Other general revenues	1,405	1,219	1,173	1,065	959	942	927	931	880	865
Transfers	(3,452)	(1,693)	(1,673)	(1,746)	(1,662)	(1,860)	(1,865)	(1,877)	(1,965)	(1,982)
Total business-type activities	<u>(1,370)</u>	<u>(108)</u>	<u>(275)</u>	<u>(498)</u>	<u>(517)</u>	<u>(712)</u>	<u>(739)</u>	<u>(790)</u>	<u>(935)</u>	<u>(551)</u>
Total general revenues and other charges	<u>131,650</u>	<u>129,180</u>	<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>
Changes in Net Position:										
Governmental activities	(9,384)	(4,418)	5,090	(518)	2,368	2,367	2,356	1,653	4,078	22,068
Business-type activities	(5,140)	2,975	(5,373)	3,698	1,097	2,975	(359)	1,781	1,778	(28)
Total	<u>\$ (14,524)</u>	<u>\$ (1,443)</u>	<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>

## Notes:

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

**TOWN OF WALLINGFORD, CONNECTICUT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(In Thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,130	\$ 2,731
Unreserved									19,161	17,966
Nonspendable	142	143	126			2	4	15		
Committed	2,333	1,693	1,517	2,889	1,858	911	295	244		
Assigned	6,680	7,335	5,098	4,871	4,869	5,626	6,008	5,906		
Unassigned	17,126	18,659	22,509	19,811	18,837	18,265	16,337	14,797		
Total General Fund	<u>\$ 26,281</u>	<u>\$ 27,830</u>	<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>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,028	\$ 10,939
Unreserved, reported in:										
Special revenue funds									6,601	8,284
Capital projects funds									(5,488)	(10,815)
Nonspendable	1,424	1,434	1,441	1,460	1,411	1,466	1,494	1,541		
Restricted	989	844	1,036	1,118	893	908	545	403		
Committed	13,256	13,570	13,407	14,809	14,629	19,449	15,838	17,044		
Unassigned	(12,240)	(10,251)	(9,518)	(14,992)	(14,766)	(13,709)	(8,551)	(6,801)		
Total All Other Governmental Funds	<u>\$ 3,429</u>	<u>\$ 5,597</u>	<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>

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  
(In Thousands)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:										
General property taxes	\$ 121,325	\$ 118,393	\$ 119,376	\$ 115,657	\$ 111,543	\$ 109,255	\$ 105,948	\$ 104,359	\$ 101,282	\$ 99,085
Licenses and permits	990	660	764	637	629	668	642	760	469	644
Intergovernmental revenues	53,504	57,511	48,796	44,809	52,677	46,183	47,040	44,055	48,146	57,988
Charges for services	8,231	6,533	6,383	6,030	5,954	6,415	7,535	7,558	7,530	7,068
Investment income	590	294	184	136	100	88	108	111	279	660
Other	2,498	2,371	2,570	2,344	2,138	2,370	2,217	7,046	2,428	9,655
Total revenues	<u>187,138</u>	<u>185,762</u>	<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>
Expenditures:										
General government	26,042	25,014	24,998	23,763	22,857	21,855	21,845	21,545	19,479	18,804
Public safety	18,038	16,193	16,346	15,458	15,524	14,736	15,078	14,859	14,816	14,962
Public works	7,036	7,651	6,938	7,920	6,868	7,001	6,847	8,399	7,332	7,799
Health and social services	2,793	2,727	2,634	2,669	2,606	2,455	2,457	2,456	2,767	2,776
Parks and recreation	1,788	1,784	1,855	1,833	1,808	1,718	1,730	1,659	1,684	1,773
Education	128,807	126,663	115,257	110,364	111,859	107,757	105,742	101,982	102,136	98,767
Capital outlay	4,728	4,919	12,635	2,388	13,857	5,562	7,762	2,604	12,162	19,383
Debt Service:										
Principal	3,455	3,460	3,090	3,519	3,185	3,439	3,340	3,351	5,061	5,175
Interest and other charges	1,101	1,233	1,285	1,210	1,326	1,368	1,870	1,683	1,925	2,171
Total expenditures	<u>193,788</u>	<u>189,644</u>	<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>
Excess of revenues over (under) expenditures	<u>(6,650)</u>	<u>(3,882)</u>	<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>
Other financing sources (uses):										
Transfers in	5,229	4,125	4,443	4,024	4,085	4,199	4,270	4,297	4,458	4,780
Transfers out	(2,296)	(2,432)	(2,770)	(2,278)	(2,423)	(2,339)	(2,405)	(2,420)	(2,493)	(2,798)
Bonds issued			10,625					2,060		
Bond premium			1,424				1,889	19		13
Multi-year lease purchase agreements										495
Refunding bonds issued			11,030				15,190			
Payment to refunding bond escrow agent			(12,137)				(16,942)			
Total other financing sources (uses)	<u>2,933</u>	<u>1,693</u>	<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>
Net change in fund balances	<u>(3,717)</u>	<u>(2,189)</u>	<u>5,650</u>	<u>2,235</u>	<u>(5,187)</u>	<u>948</u>	<u>(1,179)</u>	<u>9,307</u>	<u>(5,263)</u>	<u>5,980</u>
Fund balances, beginning	<u>33,427</u>	<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>
Fund Balances, Ending	<u>\$ 29,710</u>	<u>\$ 33,427</u>	<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>
Debt service as a % of noncapital expenditures	<u>2.41%</u>	<u>2.53%</u>	<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>

## 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								
2018	2016	\$ 2,701,132	\$ 588,259	\$ 332,839	\$ 478,304	\$ 363,675	\$ 4,464,209	\$ 246,433	\$ 4,217,776	28.55	\$ 6,025,394	70.00%
2017	2015	2,693,081	587,445	333,030	476,981	356,825	4,447,362	243,665	4,203,697	27.89	6,005,281	70.00%
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%

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, 2018 for the Grand List of October 1, 2016			Fiscal Year Ended June 30, 2009 for the Grand List of October 1, 2007		
		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	\$ 96,515	1	2.29%	\$ 132,078	1	3.10%
Cellco Partnership	Communications	28,421	2	0.67%	28,445	3	0.67%
Yankee Gas	Utility	24,221	3	0.57%			
Leigus TEI Equities I LLC	Property Development	24,196	4	0.57%			
Masonic Health Care Center	Retirement Community	21,295	5	0.50%	17,637	8	0.41%
LSREF4 Rebound LLC	Property Development & Management	19,949	6	0.47%			
Connecticut Light & Power	Utility	19,470	7	0.46%	28,344	4	0.67%
BYK USA Inc	Manufacturer	17,294	8	0.41%			
Infinity Route 5 Limited Partnership	Car Dealer	17,294	9	0.41%			
Wal-Mart Stores	Retail	16,449	10	0.39%	17,385	9	0.41%
PPL Energy LLC	Energy Producer				44,876	2	1.05%
Blue Dog Properties Trust	Property Development & Management				22,376	5	0.53%
Workstage-CT Inc.	Property Development & Management				20,152	6	0.47%
Cytec Corp	Plastic & Resin Manufacturing				17,981	7	0.42%
Lowes	Retail				16,669	10	0.39%
		<u>\$ 285,104</u>		<u>6.74%</u>	<u>\$ 345,943</u>		<u>8.12%</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
2018	2016	\$ 4,217,776	28.55	\$ 120,824	\$ 119,173	98.63%		\$ 119,173	98.63%
2017	2015	4,203,697	27.89	118,055	116,264	98.48%	639	116,903	99.02%
2016	2014	4,268,211	27.47	118,027	116,411	98.63%	1,015	117,426	99.49%
2015	2013	4,250,582	26.89	115,054	113,353	98.52%	1,244	114,597	99.60%
2014	2012	4,219,169	26.22	111,148	109,269	98.31%	1,049	110,318	99.25%
2013	2011	4,182,786	25.98	109,079	107,020	98.11%	1,084	108,104	99.11%
2012	2010	4,169,071	25.22	105,608	103,684	98.18%	1,164	104,848	99.28%
2011	2009	4,304,589	24.08	103,940	102,206	98.33%	1,402	103,608	99.68%
2010	2008	4,304,579	23.20	100,193	98,344	98.15%	1,653	99,997	99.80%
2009	2007	4,261,916	22.90	98,091	96,201	98.07%	1,459	97,660	99.56%

## 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					
2018	\$ 5,002	\$ 22,393	\$	\$	\$ 2,715	\$ 710	\$ 30,820	0.73%	\$ 689	0.65%	\$ 612
2017	5,854	24,996			3,090	811	34,751	0.81%	778	0.73%	691
2016	6,711	30,242			3,450	976	41,379	0.97%	863	0.86%	794
2015	7,890	21,167			3,030	1,146	33,233	0.79%	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

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, 2018**  
**(In Thousands)**

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Total Tax Collections (including interest and penalties)					\$ <u>118,393</u>
Debt Limitation:					
2-1/4 times base	\$ 266,384	\$	\$	\$	\$
4-1/2 times base		532,769			
3-3/4 times base			443,974		
3-1/4 times base				384,777	
3 times base					355,179
Total debt limitation	<u>266,384</u>	<u>532,769</u>	<u>443,974</u>	<u>384,777</u>	<u>355,179</u>
Debt as defined by Statute:					
Bonds payable and notes	5,002	22,393			
Bonds authorized and unissued	14,614	11,175			
School building grants		(10,718)			
Total indebtedness	<u>19,616</u>	<u>22,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 246,768</u>	<u>\$ 509,919</u>	<u>\$ 443,974</u>	<u>\$ 384,777</u>	<u>\$ 355,179</u>

Note 1: In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted would be \$828,751.

Note 2: Bonds Payable do not include Water bonds of \$2,715 and Sewer bonds of \$711, 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 849,275	\$ 828,842	\$ 835,639	\$ 809,613	\$ 781,151	\$ 763,812	\$ 741,335	\$ 731,549	\$ 709,072	\$ 693,469
Total net debt applicable to limit	<u>42,466</u>	<u>42,727</u>	<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>
Legal Debt Margin	<u>\$ 806,809</u>	<u>\$ 786,115</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	5.00%	5.16%	5.80%	5.63%	5.19%	5.68%	6.02%	6.08%	7.42%	8.26%

**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
2017	44,741	5,893	\$ 75,942	25,537	1,052	4.0%	4.5%	4.2%	4.2%
2016	44,660	5,872	75,467	26,017	1,195	4.4%	5.2%	5.1%	4.5%
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%

*Total personal income is not available 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	2018			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Wallingford	Municipality	1,351	1	5.29%	1,404	1	5.70%
Anthem BC/BS	Health Insurer	1,260	2	4.93%			
Masonic Healthcare Center	Healthcare	973	3	3.81%	579	5	2.35%
Gaylord Hospital	Medical & Rehabilitation Facility	650	4	2.55%	500	8	2.03%
Community Health Network of CT, Inc.	Nonprofit Managed Care	468	5	1.83%			
Choate Rosemary Hall	Private School	335	6	1.31%	272	9	1.10%
Fosdick Fulfillment Corp	Fulfillment	218	7	0.85%			
United Concrete	Concrete Contractor	210	8	0.82%			
Thurston Foods	Wholesale Food Distribution	208	9	0.81%			
Ulbrich Stainless Steels & Specialty Metals	Manufacture Stainless Steel	199	10	0.78%	199	12	0.81%
BYK	Manufacturer of Chemical Additives	173	11	0.68%			
Nucor Steel CT	Rebar & Wire Products	164	12	0.64%	194	13	0.79%
APS Technologies	Manufacture/Design Equipment for Drilling	134	13	0.52%			
Burns & McDonnell	Engineering & Architecture	127	14	0.50%			
Infra-Metals	Structural Steel Distributor	121	15	0.47%			
Holo-Krome	Critical Application Fasteners	121	15	0.47%			
Bristol-Myers-Squibb	Pharmaceutical R & D				1,250	2	5.08%
U.S. Postal Service	Mail Distribution and Processing				834	3	3.39%
Verizon Wireless	Cellular Wireless Communications				777	4	3.15%
Quest Diagnostics Inc	Diagnostic Laboratories				550	6	2.23%
Walmart	Retail				526	7	2.14%
Cytec Industries	Plastics and Resin Manufacturer				268	10	1.09%
Thermospas	Manufacture Spas				266	11	1.08%
Regency House of Wallingford	Nursing Facility for Seniors				183	14	0.74%
American Payment Systems	Financial Services				99	15	0.39%
		<u>6,712</u>		<u>26.26%</u>	<u>7,901</u>		<u>32.07%</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government:										
General Government	19	18	19	19	19	19	19	19	19	19
Finance	28	28	29	29	29	29	28	28	29	30
Personnel and Pensions	7	7	7	7	7	7	6	6	6	6
Other Services	26	26	23	23	15	15	15	15	15	15
Public Safety:										
Police	95	95	95	95	95	95	95	98	98	98
Fire & EMS	68	68	68	68	68	68	65	65	65	65
Public Works:										
Public Works	45	45	45	45	45	46	48	48	48	49
Engineering	5	5	4	5	5	6	7	7	7	7
Parks & Recreation	5	5	6	6	6	6	7	7	7	7
Board of Education:										
Teachers	587	588	588	574	575	574	574	587	604	606
Administration	40	31	32	29	29	33	30	30	27	34
Custodial & Maintenance	37	37	37	37	37	37	36	37	38	38
Other	300	304	296	298	305	289	282	283	281	349
Total Governmental Activities	<u>1,262</u>	<u>1,257</u>	<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>
Public Utilities:										
Electric Division	64	64	63	61	61	61	59	59	59	59
Water Division	37	37	37	37	37	37	38	38	38	38
Sewer Division	29	29	29	29	29	29	29	29	29	29
Total Business-Type Activities	<u>130</u>	<u>130</u>	<u>129</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>126</u>	<u>126</u>	<u>126</u>	<u>126</u>
Total	<u>1,392</u>	<u>1,387</u>	<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>

Source: Town of Wallingford Departments, Agencies and Divisions

TABLE 14

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Function / Program										
General Government:										
Building permits issued	2,218	2,277	2,125	918	899	804	1,096	932	889	954
Building inspections conducted	8,872	8,617	14,875	8,716	8,091	7,236	8,964	8,388	8,001	8,586
Public Safety										
Police:										
Physical arrests	1,816	2,010	2,214	1,996	1,862	1,960	1,926	1,563	2,192	1,722
Parking violations	170	392	399	681	641	544	338	734	966	819
Traffic violations	2,971	3,124	3,507	4,775	3,615	2,804	3,233	3,235	4,233	5,042
Fire:										
Emergency responses	6,899	6,322	6,484	6,249	6,540	6,109	5,826	5,960	5,779	5,697
Fires extinguished	110	106	88	86	178	99	164	102	86	59
Inspections	2,375	1,752	1,784	1,037	1,579	1,961	1,381	1,550	1,811	1,783
Public Works:										
Street resurfacing (miles)	3.79	4.83	8.48	5.53	4.78	6.80	6.51	3.33	4.49	4.39
Pothole Tons of Patch	325	325	350	435	250	260	240	270	260	260
Parks & Recreation:										
Athletic field & park permits issued	911	942	815	851	894	878	892	883	867	883
Library:										
Holdings in collection print & nonprint	232,485	246,864	244,683	235,916	228,310	253,607	246,835	253,808	246,049	237,478
Total volumes borrowed	484,108	501,402	540,065	590,312	622,045	669,997	700,773	703,579	687,822	646,244
Electric enterprise:										
Miles of Lines	401	401	400	398	398	398	397	396	395	395
Kilowatt Hours-Daily Average(000)	1,633	1,679	1,652	1,690	1,701	1,705	1,686	1,653	1,641	1,637
Water enterprise:										
Water main breaks	17	16	10	14	17	14	13	15	21	11
Average daily production(000)	3.609	3.839	3.926	3.631	3.973	4.085	4.285	4.380	3.969	4.239
Maximum daily production(000)	5.940	6.191	6.048	5.920	5.771	6.544	6.887	7.615	5.625	6.477
Sewer enterprise:										
Average daily sewage treatment(000)	5.387	5.020	4.910	5.201	5.358	5.368	5.982	5.849	6.305	5.879

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	36	36	36	36	36	36	35	43	43	43
Fire Services:										
Firefighting/rescue vehicles	11	11	11	11	11	11	11	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	2	2	3	4	4	4
Firefighting/rescue vehicles	8	8	8	8	8	8	8	10	10	10
Public Works:										
Street maintenance:										
Dump trucks	30	30	30	30	30	30	30	30	30	30
Sweepers	2	2	2	2	2	2	2	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	8
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