

TOWN OF KILLINGLY, CONNECTICUT

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2015

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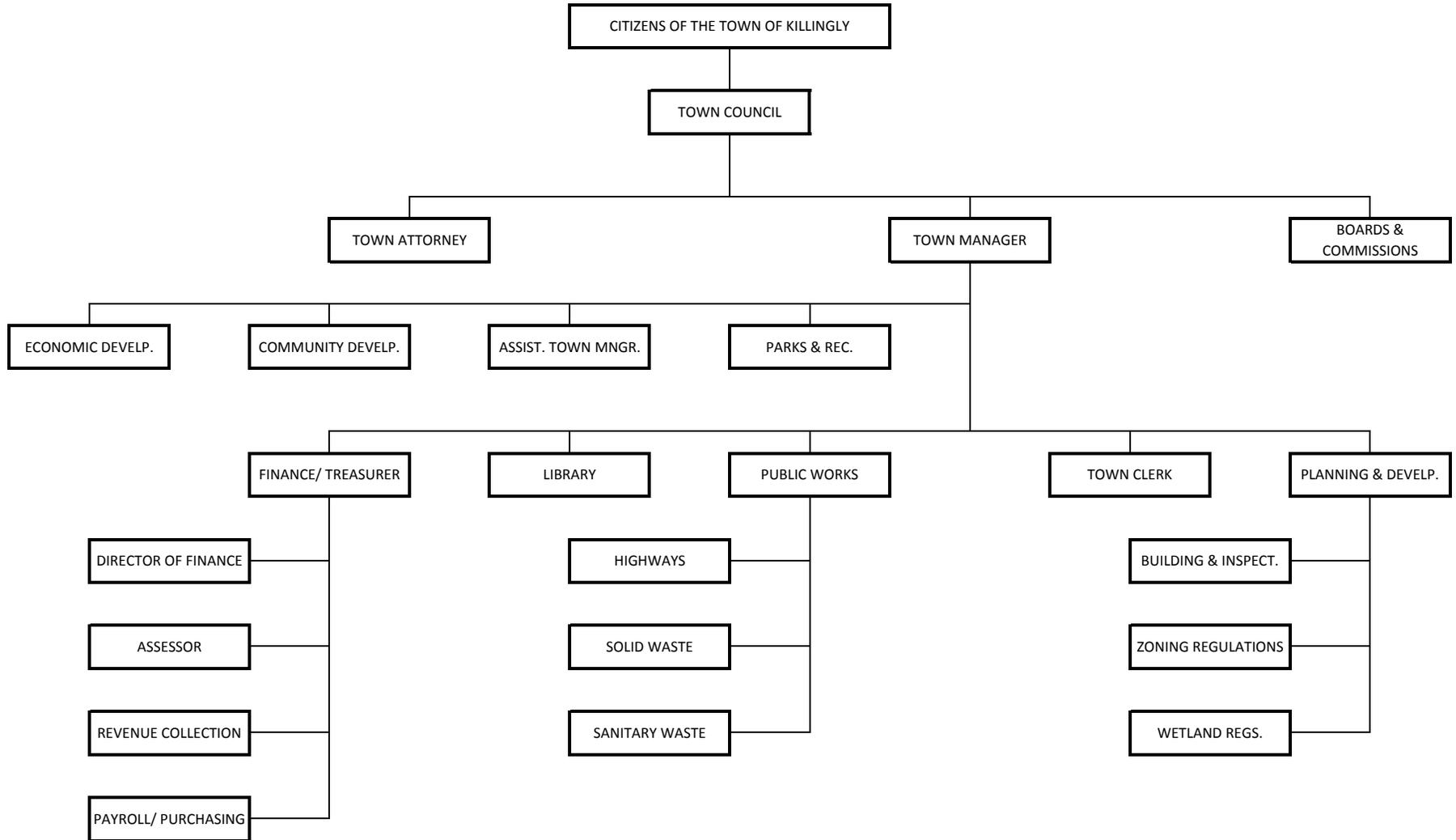
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INTRODUCTORY SECTION

**TOWN OF KILLINGLY, CONNECTICUT
ORGANIZATIONAL CHART
JUNE 30, 2015**



TOWN OF KILLINGLY, CONNECTICUT
LIST OF PRINCIPAL TOWN OFFICIALS
JUNE 30, 2015

TOWN COUNCIL

John Hallbergh, Jr., Chairman
Jonathan Cesolini, Vice-Chair
Joyce Ricci
Ed Grandelski
Dennis Alemian
John G. Sarantopoulos
Brian Gosper
Tammy Wakefield
Lynn LaBerge

John G. Sarantopoulos, Board of Education Liason

TOWN DEPARTMENTS

Sean Hendricks, Town Manager
Mary T. Calorio, Director of Finance/Treasurer
Melissa Bonin, Assessor
Tracy Bragg, Building Official
Mary Bromm, Community Development Administrator
Elsie Bisset, Economic Development Director
David Capacchione, P.E., Director of Public Works/Town Engineer
Tracy Mason, Parks and Recreation Director
Linda Walden, Director of Planning & Development
Travis Serrine, Highway Superintendent
Patricia Monahan, Revenue Collector
Kevin C. Farr, Superintendent of Schools
Elizabeth Wilson, Town Clerk
Randy Burchard, Fire Marshal
Peter Ciparelli, Library Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Town Council of the
Town of Killingly, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Killingly, Connecticut, as of June 30, 2015, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Sewer Operating Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the schedules on the Town's pension plan and other post-retirement benefit plan on pages 60 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund statements and schedules on pages 64 through 96 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i through ii and other supplementary information on pages 97 through 103 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Glastonbury, Connecticut
December 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The management of the Town of Killingly, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

- Effective July 1, 2014, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and GASB Statement No. 50, *Pension Disclosures*. GASB 68 required the Town to recognize a net pension asset relating to its long-term pension benefits in the government-wide financial statements. In addition, the implementation of GASB Statement No. 68 resulted in enhanced disclosures and required supplementary information. The Town has recognized a cumulative effect adjustment from implementing this statement, which resulted in an increase in the Town's beginning net position of \$260,950.
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$116,485,395 (net position). Of this amount, \$13,121,565 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$1,604,462 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,376,450, a decrease of \$770,242 in comparison with the prior year. The primary cause of this fund balance decrease is due to capital outlays incurred in the Capital Improvements Fund for planned projects, offset by favorable increases in the General Fund, Sewer Fund, and remaining Nonmajor funds.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$8,548,781 or 16.41% of total budgeted General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 2.0 months of General Fund operating expenditures.
- The Town's total bonded debt increased by \$319,835 or 1.1% during the current fiscal year due to the issuance of general obligation refunding bonds and the issuance of a USDA note payable, which provided permanent financing for the Town's sewer project, offset by current year scheduled principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements (Continued)

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public works, recreation and leisure, public safety, community development and human services, and education. The Town has no business-type activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 16 - 22 of this report.

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Proprietary Funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for certain of its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 23 - 25 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 59 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules and other information that can be found on pages 60 through 103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$116,485,395 and \$118,089,857 (as adjusted for the implementation of GASB Statement No. 68) as of June 30, 2015 and 2014, respectively, and are summarized as follows:

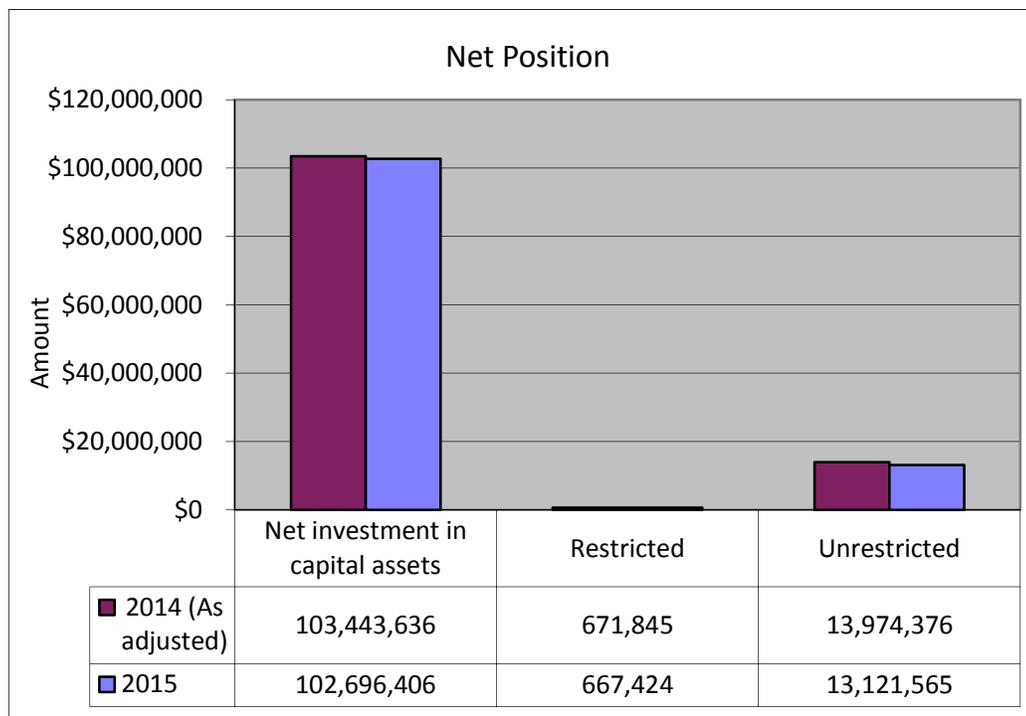
TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

	2015	2014 (As adjusted)
Current and other assets	\$ 23,995,646	\$ 22,665,723
Capital assets	136,514,951	136,987,154
Total assets	<u>160,510,597</u>	<u>159,652,877</u>
Deferred outflows of resources	<u>395,914</u>	<u>-</u>
Other liabilities	6,685,540	5,003,430
Long-term liabilities	<u>37,682,975</u>	<u>36,559,590</u>
Total liabilities	<u>44,368,515</u>	<u>41,563,020</u>
Deferred inflows of resources	<u>52,601</u>	<u>-</u>
Net position:		
Net investment in capital assets	102,696,406	103,443,636
Restricted	667,424	671,845
Unrestricted	<u>13,121,565</u>	<u>13,974,376</u>
Total net position	<u>\$ 116,485,395</u>	<u>\$ 118,089,857</u>

Amounts reported for 2015 in the table above have been adjusted for the implementation of GASB Statement No. 68.



TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

88.2% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the Town's net position reflects resources that are subject to external restrictions on how they may be used.

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

Overall, net position decreased by \$1,604,462 in comparison to the prior year.

Changes in Net Position

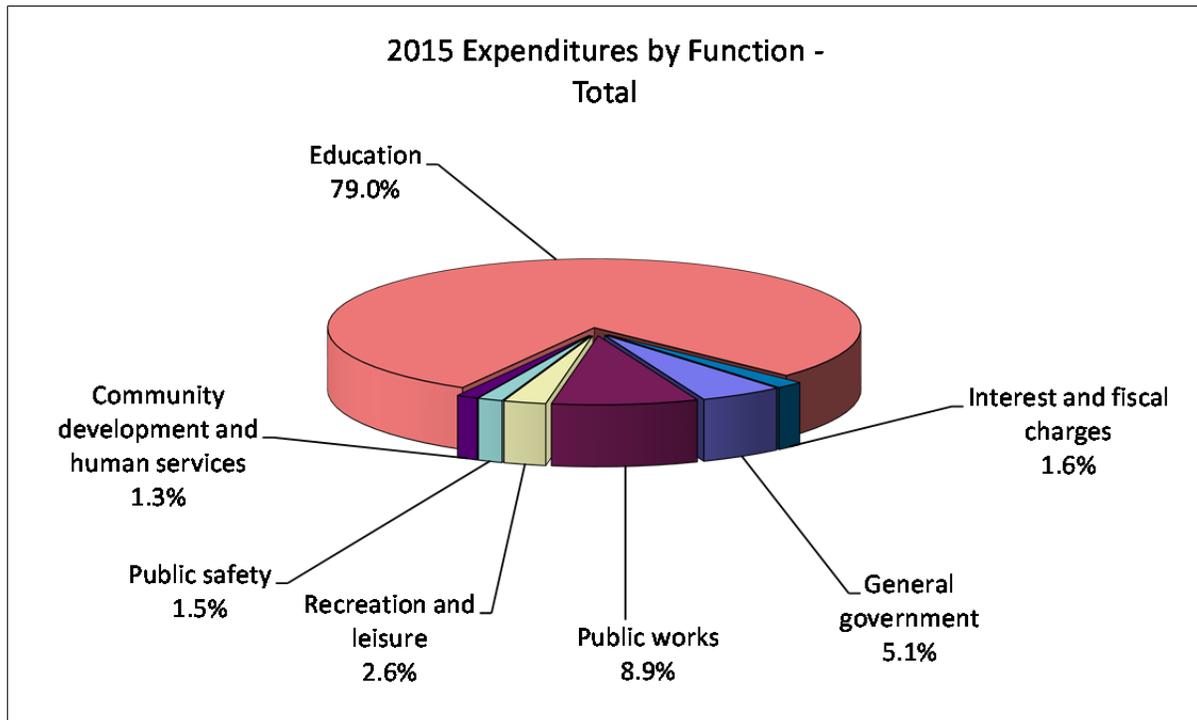
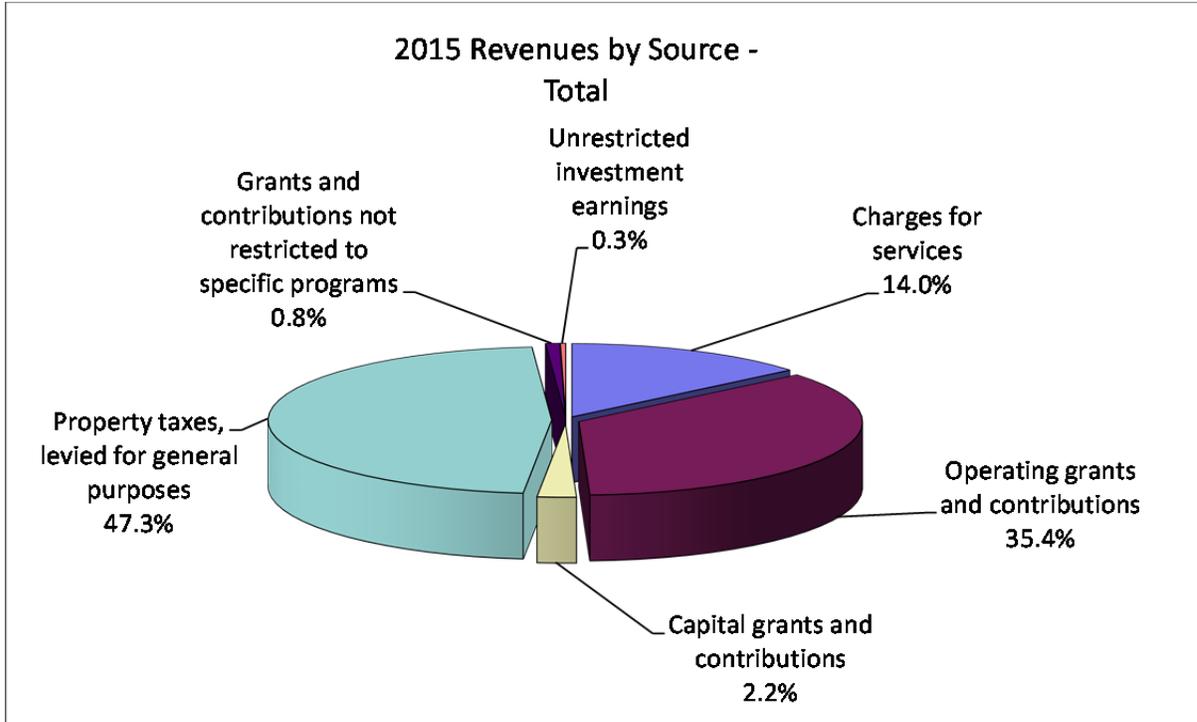
Changes in net position for the years ended June 30, 2015 and 2014 are as follows. The amounts reported for fiscal year 2014 have not been adjusted for the implementation of GASB Statement No. 68, as the amount of the adjustment was not readily available.

	<u>2015</u>	<u>2014</u>
Revenues		
Program revenues:		
Charges for services	\$ 9,409,593	\$ 8,788,484
Operating grants and contributions	23,879,797	27,649,324
Capital grants and contributions	1,493,682	2,690,253
General revenues:		
Property taxes, levied for general purposes	31,879,104	30,683,974
Grants and contributions not restricted to specific programs	541,271	506,500
Unrestricted investment earnings	207,756	133,176
Total revenues	<u>67,411,203</u>	<u>70,451,711</u>
Expenses		
General government	3,494,171	4,005,969
Public works	6,108,779	5,825,718
Recreation and leisure	1,773,789	1,426,575
Public safety	1,050,732	1,015,900
Community development and human services	906,536	1,382,091
Education	54,525,897	53,959,068
Interest and fiscal charges	1,155,761	873,546
Total expenses	<u>69,015,665</u>	<u>68,488,867</u>
Change in net position	<u>\$ (1,604,462)</u>	<u>\$ 1,962,844</u>

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)

Governmental activities decreased the Town's net position by \$1,604,462. Key elements of this decrease are as follows:

- Increases in property tax revenues of \$1,195,130 or 3.89% as compared to the prior year.
- Overall revenues decreased by 4.3% or \$3,040,508, while expenses had a slight increase compared to the prior year of less than 1.0% or \$526,798.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,376,450, a decrease of \$770,242 in comparison with the prior year. The primary cause of this fund balance decrease is due capital outlays incurred in the Capital Improvements Fund for planned projects, offset by favorable increases in the General Fund, Sewer Fund, and remaining Nonmajor funds.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the budgeted General Fund was \$8,548,781. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 16.4% of total budgeted General Fund expenditures. Expressed another way, unassigned fund balance for the budgeted General Fund was sufficient to cover approximately 2.0 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$1,027,203 during the current fiscal year, which was primarily due to increases in intergovernmental revenue, tuition revenue received, and timing of miscellaneous revenues received at year end, offset by slight increases in the overall functional expenditure categories.

Capital Improvements Fund

The fund balance of the Capital Improvements Fund decreased by \$2,023,085 during the current fiscal year. This decrease was related to costs for planned projects, primarily related to the sewer line replacement project and Main Street Streetscape improvements.

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Governmental Funds (Continued)

Sewer Operating Fund

The fund balance of the Sewer Operating Fund increased by \$344,801 during the current fiscal year. This change was due primarily to increased sewer use collections.

Capital Nonrecurring Fund

The fund balance of the Capital Nonrecurring Fund decreased by \$287,247 during the current fiscal year. This decrease was due primarily to an increase in capital outlays related to the purchase of five new passenger buses and three industrial trucks, offset by transfers in from the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$1,347,252. No supplemental appropriations were made during the current fiscal year. Expenditures were \$682,644 less than budgeted and revenues were \$629,535 higher than expected due primarily to increases in intergovernmental revenues and timing of miscellaneous revenues at year end. On a budgetary basis the unassigned fund balance represents 14.9% of total budgetary expenditures.

SEWER OPERATING FUND BUDGETARY HIGHLIGHTS

The Town adopts an annual budget for its Sewer Operating Fund. During the year ended June 30, 2015 there were no additional appropriations made to the budget. The budget for 2015 planned for the use of fund balance in the amount of \$39,872. The actual net change in fund balance of the Sewer Operating Fund on a budgetary basis was an increase of \$301,186. Expenditures were \$59,968 less than budgeted and total budgetary revenues were \$281,090 more than expected due primarily to increase collections in sewer use fees.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2015 and 2014 totaled \$136,514,951 and \$136,987,154 respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total decrease in the Town's investment in capital assets for the current fiscal year was \$472,203 or 0.3%. This decrease consisted of capital asset additions of \$4,416,903 offset by current year depreciation expense of \$4,889,106. Major capital asset events during the current fiscal year included the purchase of apple computers through a capital lease, Main Street Streetscape improvements, the purchase of five 77 passenger buses, and various costs for other projects including bridges, roads and public works equipment.

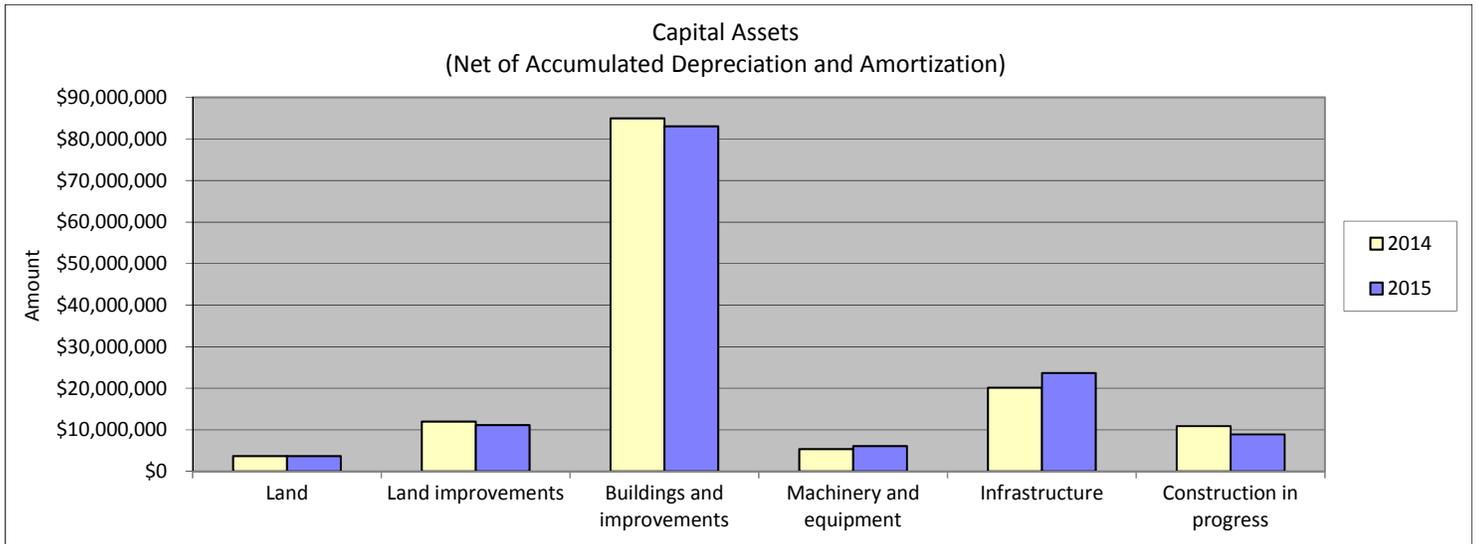
TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

The following table is a two year comparison of the Town's investment in capital assets:

	2015	2014
Land	\$ 3,674,024	\$ 3,674,024
Land improvements	11,126,742	11,981,279
Buildings and improvements	83,039,719	84,947,614
Machinery and equipment	6,076,336	5,355,668
Infrastructure	23,695,316	20,123,272
Construction in progress	8,902,814	10,905,297
Totals	\$ 136,514,951	\$ 136,987,154



Additional information on the Town's capital assets can be found in Note 4 on page 42 of this report.

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

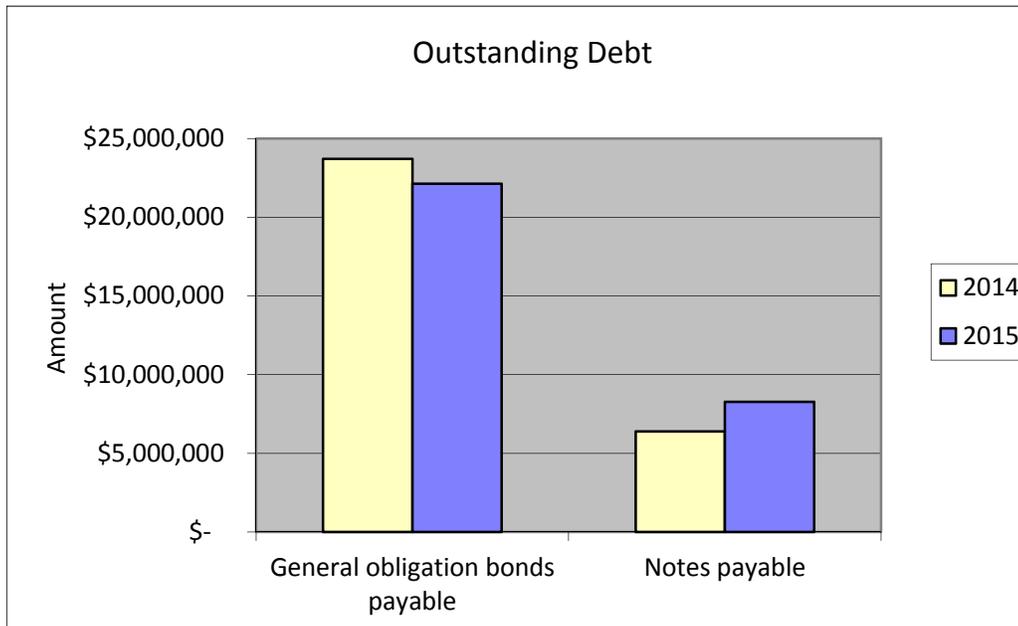
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$30,419,770. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt increased by \$319,835 or 1.1% during the current fiscal year due to the issuance of general obligation refunding bonds in the amount of \$4,195,000 in April 2015, USDA notes payable in the amount of \$2,063,000 for permanent financing of the Town's sewer line replacement project in November 2014, offset by current year principal repayments. The Town maintains an AA rating from Moody's Investor Service for general obligation debt.

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

The following table is a two year comparison of long-term bonded debt:

	2015	2014
General obligation bonds payable	\$ 22,145,000	\$ 23,710,000
Notes payable	8,274,770	6,389,935
Totals	\$ 30,419,770	\$ 30,099,935



Additional information on the Town's long-term debt can be found in Note 9 on pages 44 - 47 of this report.

TOWN OF KILLINGLY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The unemployment rate for the Town is currently 6.3%, which is a decrease from a rate of 7.7% in the prior year, as compared to the state's average unemployment rate of 5.4% and the national unemployment rate of 5.5%.
- Inflationary trends in the region are comparable to national indices.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2016, the Assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Planning and Development Department, the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2016.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Town of Killingly, 172 Main Street, Killingly, Connecticut 06239.

BASIC FINANCIAL STATEMENTS

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 15,372,213
Investments	4,827,494
Receivables:	
Property taxes, net of allowance for uncollectibles of \$70,000	1,321,161
Interest, net of allowance for uncollectibles of \$19,000	388,493
Assessments and user charges receivable	732,214
Grants and contracts receivable	329,354
Other	368,731
Other assets	162,904
Net pension asset	373,452
Restricted assets:	
Permanently restricted cash and cash equivalents	31,349
Permanently restricted investments	88,281
Capital assets:	
Non-depreciable	12,576,838
Depreciable, net	123,938,113
Total assets	160,510,597
 DEFERRED OUTFLOW OF RESOURCES	
Deferred charge on refunding	395,914
 LIABILITIES	
Accounts payable	2,312,078
Accrued liabilities:	
Salaries and benefits payable	188,567
Accrued interest	129,644
Other accrued liabilities	7,609
Unearned revenue	1,478,642
Note payable	2,000,000
Claims payable	569,000
Noncurrent liabilities:	
Due within one year	2,553,786
Due in more than one year	35,129,189
Total liabilities	44,368,515
 DEFERRED INFLOWS OF RESOURCES	
Deferred pension benefits	52,601
 NET POSITION	
Net investment in capital assets	102,696,406
Restricted for:	
Endowments:	
Expendable	547,792
Nonexpendable	119,632
Unrestricted	13,121,565
Total net position	\$ 116,485,395

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities:					
General government	\$ 3,494,171	\$ 507,533	\$ 464,269	\$ 79,216	\$ (2,443,153)
Public works	6,108,779	4,112,042	703,388	83,398	(1,209,951)
Recreation and leisure	1,773,789	175,233	52,518	-	(1,546,038)
Public safety	1,050,732	4,879	67,554	-	(978,299)
Community development and human services	906,536	162,650	364,918	-	(378,968)
Education	54,525,897	4,447,256	22,227,150	1,331,068	(26,520,423)
Interest and fiscal charges	1,155,761	-	-	-	(1,155,761)
Total governmental activities	<u>\$ 69,015,665</u>	<u>\$ 9,409,593</u>	<u>\$ 23,879,797</u>	<u>\$ 1,493,682</u>	<u>(34,232,593)</u>
General revenues:					
					31,879,104
					541,271
					207,756
					<u>32,628,131</u>
					(1,604,462)
					117,828,907
					Cumulative effect of implementing new accounting standard (see Note 1)
					<u>260,950</u>
					Net position - beginning, as adjusted
					<u>118,089,857</u>
					Net position - ending
					<u>\$ 116,485,395</u>

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

TOWN OF KILLINGLY, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	General Fund	Capital Improvements Fund	Sewer Operating Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 10,779,429	\$ -	\$ 623,301	\$ -	\$ 3,436,972	\$ 14,839,702
Investments	3,219,019	-	1,246,597	-	450,159	4,915,775
Receivables:						
Property taxes, net	1,321,161	-	-	-	-	1,321,161
Assessments and user charges	-	-	732,214	-	-	732,214
Grants and contracts	52,008	71,039	-	-	206,307	329,354
Other	248,200	-	58,761	-	61,393	368,354
Due from other funds	5,070,457	-	461,024	4,960,957	1,311,053	11,803,491
Inventories	-	-	-	-	17,947	17,947
Other assets	144,957	-	-	-	-	144,957
Total assets	<u>\$ 20,835,231</u>	<u>\$ 71,039</u>	<u>\$ 3,121,897</u>	<u>\$ 4,960,957</u>	<u>\$ 5,483,831</u>	<u>\$ 34,472,955</u>
LIABILITIES						
Accounts payable	\$ 1,259,788	\$ 518,387	\$ 15,352	\$ 398,550	\$ 120,001	\$ 2,312,078
Accrued liabilities:						
Salaries and benefits payable	188,567	-	-	-	-	188,567
Other accrued liabilities	7,609	-	-	-	-	7,609
Due to other funds	8,424,540	3,061,539	-	-	2,035,335	13,521,414
Unearned revenue	-	806,298	-	-	672,344	1,478,642
Note payable	-	2,000,000	-	-	-	2,000,000
Total liabilities	<u>9,880,504</u>	<u>6,386,224</u>	<u>15,352</u>	<u>398,550</u>	<u>2,827,680</u>	<u>19,508,310</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,165,852	-	-	-	-	1,165,852
Unavailable revenue - sewer assessments	-	-	422,343	-	-	422,343
Total deferred inflows of resources	<u>1,165,852</u>	<u>-</u>	<u>422,343</u>	<u>-</u>	<u>-</u>	<u>1,588,195</u>
FUND BALANCES (DEFICIT)						
Nonspendable:						
Inventories	-	-	-	-	17,947	17,947
Permanent funds principal	-	-	-	-	119,632	119,632
Restricted for:						
Grant proceeds	-	-	-	-	89,813	89,813
Special reserves - external	-	-	-	-	547,792	547,792
Committed to:						
General government	187,861	-	-	-	-	187,861
Public safety	-	-	-	-	39,938	39,938
Community development and human services	14,486	-	-	-	57,187	71,673
Recreation and leisure	-	-	-	-	69,916	69,916
Education	-	-	-	-	457,001	457,001
Capital and nonrecurring	-	-	-	4,562,407	1,420,111	5,982,518
Sewer operations	-	-	2,684,202	-	-	2,684,202
Assigned to:						
General government	41,017	-	-	-	-	41,017
Education	38,754	-	-	-	-	38,754
Compensated absences	125,958	-	-	-	-	125,958
Other post-employment benefits	616,735	-	-	-	-	616,735
Cell towers	176,371	-	-	-	-	176,371
Sewer extension	38,793	-	-	-	-	38,793
Landfill closure	119	-	-	-	-	119
Unassigned	8,548,781	(6,315,185)	-	-	(163,186)	2,070,410
Total fund balances (deficits)	<u>9,788,875</u>	<u>(6,315,185)</u>	<u>2,684,202</u>	<u>4,562,407</u>	<u>2,656,151</u>	<u>13,376,450</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 20,835,231</u>	<u>\$ 71,039</u>	<u>\$ 3,121,897</u>	<u>\$ 4,960,957</u>	<u>\$ 5,483,831</u>	<u>\$ 34,472,955</u>

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

TOWN OF KILLINGLY, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances for governmental funds		\$ 13,376,450
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:		
Construction in progress	\$ 8,902,814	
Land	3,674,024	
Land improvements	17,199,228	
Buildings and improvements	117,811,167	
Machinery and equipment	19,547,759	
Infrastructure	69,598,899	
Less: accumulated depreciation and amortization	<u>(100,218,940)</u>	
Total capital assets, net		136,514,951
Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		
Property taxes	1,165,852	
Sewer use and assessments	<u>422,343</u>	
		1,588,195
Interest receivable net of related allowance for uncollectible accounts on property taxes, sewer use and sewer assessments are not susceptible to accrual and, therefore, are not reported in the governmental funds.		
		388,493
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:		
Long-term debt:		
Bonds and notes payable	(30,419,770)	
Unamortized premium	(733,774)	
Obligations under capital lease	(1,060,915)	
Accrued interest payable	(129,644)	
Gain on refunding	395,914	
Other long-term liabilities:		
Compensated absences	(1,063,616)	
Accrued landfill postclosure costs	(340,000)	
Net pension asset	373,452	
Net OPEB obligation	<u>(4,064,900)</u>	
Total long-term liabilities		(37,043,253)
Deferred inflows of resources resulting from changes in the components of the net pension asset are amortized as a component of pension expense in the statement of net position.		
		(52,601)
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		
		<u>1,713,160</u>
Net position of governmental activities		<u><u>\$ 116,485,395</u></u>

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

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

	General Fund	Capital Improvements Fund	Sewer Operating Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 31,633,701	\$ -	\$ -	\$ -	\$ -	\$ 31,633,701
Intergovernmental	22,516,265	2,261,319	-	-	3,465,073	28,242,657
Licenses, permits and fees	224,824	-	-	-	-	224,824
Charges for services	3,035,699	-	3,637,874	-	1,424,685	8,098,258
Investment earnings	174,569	-	(403)	-	29,061	203,227
Miscellaneous	609,047	-	416,030	-	60,792	1,085,869
Total revenues	<u>58,194,105</u>	<u>2,261,319</u>	<u>4,053,501</u>	<u>-</u>	<u>4,979,611</u>	<u>69,488,536</u>
EXPENDITURES						
Current:						
General government	2,063,923	-	-	-	352,371	2,416,294
Public works	2,332,202	-	2,554,082	-	-	4,886,284
Recreation and leisure	1,381,713	-	-	-	53,649	1,435,362
Public safety	935,085	-	-	-	69,119	1,004,204
Community development and human services	544,015	-	-	-	327,137	871,152
Education	44,202,229	-	-	-	4,100,707	48,302,936
Miscellaneous	1,946,788	-	-	-	-	1,946,788
Debt service:						
Principal payments	1,818,165	-	-	-	-	1,818,165
Interest and fiscal charges	1,160,785	-	-	-	-	1,160,785
Capital lease payments	384,558	-	-	-	-	384,558
Debt issuance costs	53,201	-	-	-	-	53,201
Capital outlays	493,019	2,725,915	-	1,360,325	186,034	4,765,293
Total expenditures	<u>57,315,683</u>	<u>2,725,915</u>	<u>2,554,082</u>	<u>1,360,325</u>	<u>5,089,017</u>	<u>69,045,022</u>
Excess (deficiency) of revenues over expenditures	878,422	(464,596)	1,499,419	(1,360,325)	(109,406)	443,514
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital asset	8,000	-	-	-	-	8,000
Proceeds from issuance of bonds	4,195,000	-	-	-	-	4,195,000
Premium from issuance of bonds	401,021	-	-	-	-	401,021
Payment to refunding escrow agent	(4,586,156)	-	-	-	-	(4,586,156)
Adjustment for financing previously funded by grants	-	(3,768,489)	-	-	-	(3,768,489)
Premium from bond anticipation note	23,900	-	-	-	-	23,900
Proceeds from issuance of note payable	-	2,063,000	-	-	-	2,063,000
Proceeds from capital leases	449,968	-	-	-	-	449,968
Transfers in	844,656	147,000	-	1,073,078	283,206	2,347,940
Transfers out	(1,187,608)	-	(1,154,618)	-	(5,714)	(2,347,940)
Total other financing sources (uses)	<u>148,781</u>	<u>(1,558,489)</u>	<u>(1,154,618)</u>	<u>1,073,078</u>	<u>277,492</u>	<u>(1,213,756)</u>
Net changes in fund balances	1,027,203	(2,023,085)	344,801	(287,247)	168,086	(770,242)
Fund balances (deficit) - beginning	8,761,672	(4,292,100)	2,339,401	4,849,654	2,488,065	14,146,692
Fund balances (deficit) - ending	<u>\$ 9,788,875</u>	<u>\$ (6,315,185)</u>	<u>\$ 2,684,202</u>	<u>\$ 4,562,407</u>	<u>\$ 2,656,151</u>	<u>\$ 13,376,450</u>

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

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

Net change in fund balances for governmental funds \$ (770,242)

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

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

Expenditures for capital assets	\$ 4,416,903	
Depreciation and amortization expense	<u>(4,889,106)</u>	
Net adjustment		(472,203)

Interest on property taxes receivable, sewer use and sewer assessments are not susceptible to accrual and therefore are only reported as revenue in the funds when the cash is received by the Town. The change in interest receivable during the year decreased revenues recognized in the funds. 74,732

Deferred outflows/inflows of resources resulting from changes in the net pension asset are amortized as a component of pension expense in the statement of activities. (52,601)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Capital lease financing	(449,968)	
Refunding bonds issued	(4,195,000)	
Premium on bonds issued	(424,921)	
Proceeds from note payable	(2,063,000)	
Principal repayments:		
Bonds and notes payable	1,818,165	
Capital lease obligations	407,484	
Repayment to refunding escrow agent	<u>4,586,156</u>	
		(321,084)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Compensated absences	(39,099)	
Accrued interest	(10,757)	
Net OPEB obligation	(433,300)	
Net pension asset	112,502	
Amortization of bond premiums	51,199	
Amortization of deferred amount on refunding	(5,142)	
Landfill closure and postclosure costs	20,000	
		(304,597)

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

TOWN OF KILLINGLY, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2015

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenue in governmental funds. This amount represents the change in deferred inflows.	\$ 137,781
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal services fund is reported with governmental activities.	<u>103,752</u>
Change in net position of governmental activities	<u><u>\$ (1,604,462)</u></u>

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 31,704,815	\$ 31,704,815	\$ 31,633,701	\$ (71,114)
Intergovernmental	17,295,045	17,295,045	17,495,744	200,699
Licenses, permits and fees	194,500	194,500	224,824	30,324
Charges for services	2,906,339	2,906,339	3,035,619	129,280
Use of money and property	143,840	143,840	174,403	30,563
Miscellaneous	312,821	312,821	622,604	309,783
Total revenues	<u>52,557,360</u>	<u>52,557,360</u>	<u>53,186,895</u>	<u>629,535</u>
EXPENDITURES				
Current:				
General government	2,021,231	2,042,331	1,928,242	(114,089)
Public works	2,181,778	2,323,310	2,295,222	(28,088)
Recreation and leisure	1,528,179	1,544,117	1,390,046	(154,071)
Public safety	1,023,950	1,025,935	931,818	(94,117)
Community development and human services	502,620	504,060	500,001	(4,059)
Education	39,488,458	39,488,458	39,414,586	(73,872)
Miscellaneous	2,341,363	2,159,368	1,946,788	(212,580)
Debt service:				
Principal payments	1,818,165	1,818,165	1,818,165	-
Interest and fiscal charges	1,161,989	1,161,989	1,160,785	(1,204)
Debt issuance costs	20,000	20,000	19,436	(564)
Total expenditures	<u>52,087,733</u>	<u>52,087,733</u>	<u>51,405,089</u>	<u>(682,644)</u>
Excess (deficiency) of revenues over expenditures	469,627	469,627	1,781,806	1,312,179
OTHER FINANCING SOURCES (USES)				
Transfers in	809,583	809,583	844,656	35,073
Transfers out	(1,279,210)	(1,279,210)	(1,279,210)	-
Total other financing uses	<u>(469,627)</u>	<u>(469,627)</u>	<u>(434,554)</u>	<u>35,073</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,347,252	<u>\$ 1,347,252</u>
Fund balance - beginning			<u>6,327,062</u>	
Fund balance - ending			<u>\$ 7,674,314</u>	

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - SEWER OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Sewer use - current	\$ 3,283,427	\$ 3,283,427	\$ 3,517,187	\$ 233,760
User charge interest	40,000	40,000	42,359	2,359
Investment earnings	5,500	5,500	(403)	(5,903)
Miscellaneous	339,500	339,500	390,374	50,874
Total revenues	<u>3,668,427</u>	<u>3,668,427</u>	<u>3,949,517</u>	<u>281,090</u>
EXPENDITURES				
Contractual services	3,398,014	3,398,014	3,338,083	(59,931)
Materials and supplies	250	250	213	(37)
Total expenditures	<u>3,398,264</u>	<u>3,398,264</u>	<u>3,338,296</u>	<u>(59,968)</u>
Excess of revenues over expenditures	270,163	270,163	611,221	341,058
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	(147,000)	(147,000)	(147,000)	-
Capital and Nonrecurring Fund	(163,035)	(163,035)	(163,035)	-
Total other financing uses	<u>(310,035)</u>	<u>(310,035)</u>	<u>(310,035)</u>	<u>-</u>
Net change in fund balance	<u>\$ (39,872)</u>	<u>\$ (39,872)</u>	301,186	<u>\$ 341,058</u>
Fund balance - beginning			<u>2,306,602</u>	
Fund balance - ending			<u>\$ 2,607,788</u>	

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	Governmental Activities
	Internal Service Fund- Health Insurance Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 563,860
Accounts receivable	377
Due from other funds	1,717,923
Total assets	2,282,160
LIABILITIES	
Current liabilities:	
Claims payable	569,000
Total liabilities	569,000
NET POSITION	
Unrestricted	1,713,160
Total net position	\$ 1,713,160

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities
	Internal Service Fund- Health Insurance Fund
OPERATING REVENUES	
Charges for service	\$ 8,130,169
Total operating revenues	8,130,169
OPERATING EXPENSES	
Claims incurred	6,889,129
Administrative and other	1,137,288
Total operating expenses	8,026,417
Change in net position	103,752
Net position - beginning	1,609,408
Net position - ending	\$ 1,713,160

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

**TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Governmental Activities
	Internal Service Fund- Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 8,559,104
Payments for claims incurred	(6,858,187)
Payments for administrative costs	(1,137,288)
Net cash provided by operating activities	563,629
Net change in cash and cash equivalents	563,629
Cash and cash equivalents - beginning	231
Cash and cash equivalents - ending	\$ 563,860
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 103,752
Adjustments to reconcile operating income to net cash used in operating activities:	
(Increase) decrease in assets:	
Accounts receivable	(377)
Due from other funds	429,312
Increase (decrease) in liabilities:	
Claims payable	30,942
Net cash provided by operating activities	\$ 563,629

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Pension Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 63,702	\$ 458,250
Investments, at fair value:			
Pooled separate accounts	5,422,488	-	-
Fixed income	427,601	-	-
Equity mutual funds	-	92,575	-
U.S. Treasury notes	-	53,848	-
Corporate bonds	-	217,018	-
Common stocks	-	244,008	-
Due from others	-	30,195	-
Total assets	<u>5,850,089</u>	<u>701,346</u>	<u>\$ 458,250</u>
LIABILITIES			
Due to student groups	-	-	176,400
Due to others	-	-	281,850
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 458,250</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 5,850,089</u>	<u>\$ 701,346</u>	

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

TOWN OF KILLINGLY, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Pension Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 161,874	\$ -
Plan member	65,164	-
Other	-	28,247
Total contributions	<u>227,038</u>	<u>28,247</u>
Investment earnings:		
Interest and dividends	15,064	-
Net increase (decrease) in the fair value of investments	<u>241,840</u>	<u>8,707</u>
Total investment income	<u>256,904</u>	<u>8,707</u>
Total additions	<u>483,942</u>	<u>36,954</u>
DEDUCTIONS		
Benefit payments	335,200	-
Administrative expenses	59,335	-
Awards	-	31,400
Total deductions	<u>394,535</u>	<u>31,400</u>
Change in net position	89,407	5,554
Net position - beginning	<u>5,760,682</u>	<u>695,792</u>
Net position - ending	<u>\$ 5,850,089</u>	<u>\$ 701,346</u>

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town of Killingly, Connecticut was incorporated in 1708 and covers an area of 50 square miles. The Town operates under a Council - Manager form of government as prescribed by its charter, which was adopted November 4, 1969 and most recently revised November 30, 2009. The Town provides the following services as authorized by its charter: general government, public works, recreation and leisure, public safety, community development, human services and education.

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

The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

Government-wide and Fund Financial Statements *(Continued)*

Fund Financial Statements *(Continued)*

The Town reports the following major governmental funds:

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

Capital Improvements Fund – This fund is used to account for the revenues and expenditures related to major capital asset construction and/or purchase.

Sewer Operating Fund – This fund is used to account for the revenues and expenditures related to the sanitary sewer and water improvements deemed to benefit property owners.

Capital Nonrecurring Fund – This fund is used to account for the financial revenues to be used for major capital asset construction and/or purchases funded substantially by grants and General Fund appropriations.

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Fund *(Proprietary)* – This fund type is used to account for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for risk management activities.

Pension Trust Fund – This fund type is used to account for resources held in trust for the members and beneficiaries of the Public Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees. This plan is discussed more fully in Note 10.

Private Purpose Trust Funds – This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Town utilizes private purpose trust funds to account for activities of various scholarship endowments.

Agency Funds – These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds accounts for monies generated by student activities in the Town’s school system. The performance bonds fund accounts for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

Measurement Focus and Basis of Accounting *(Continued)*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The proprietary, pension and private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Internal Service Fund is charges to customers for insurance coverage. Operating expenses of the Internal Service Fund include costs of insurance claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Implementation of New Accounting Standards

Effective July 1, 2014, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The implementation of these statements did not have a material effect on the Town's financial statements.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

Implementation of New Accounting Standards *(Continued)*

Effective July 1, 2014, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*. GASB Statement No. 68 required the Town to recognize a net pension asset relating to its long-term pension benefits in the government-wide financial statements. In addition, the implementation of GASB Statement No. 68 resulted in enhanced note disclosures and required supplementary information.

The Town has reported the following cumulative effect of applying GASB Statement No. 68 as an adjustment of the beginning net position as of July 1, 2014.

	<u>Governmental Activities</u>
Net position - beginning, as originally reported	\$ 117,828,907
Adjustment to record net pension asset under GASB Statement No. 68	<u>260,950</u>
Net position - beginning, as adjusted	<u><u>\$ 118,089,857</u></u>

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

Cash Equivalents

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.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except as described below.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office. STIF operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF is subject to regulatory oversight even though it is not registered by the SEC.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

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

Donor-restricted Endowments

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net assets or unrestricted net assets, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

The Town has received endowments for the improvement and betterment of Killingly Public Schools, park and recreation activities, and for the purpose of library books. The amounts are reflected as restricted for endowments and perpetual care. Investment income from the endowments is transferred annually to special revenue funds where disbursements are approved by the Town Council.

Inventories

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Property Taxes

All trade, property tax, sewer use and sewer assessment receivables are shown net of an allowance for uncollectible accounts. Allowance percentages range from 2% to 25% of outstanding receivable balances at June 30, 2015 and are calculated based upon historical collections.

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, January 1 and July 1. Personal property if over \$100 is billed in July and due in four installments, July 1, October 1, January 1 and April 1. Motor vehicle taxes are billed in July and are due in one installment, July 1. A supplemental motor vehicle tax is billed in one installment on January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value.

Upon completion of projects, sewer assessments are levied and assessed to the users each June. Usage charges are billed semi-annually in July and January for flat rate fees and metered fees. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

TOWN OF KILLINGLY, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 JUNE 30, 2015

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

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$100,000 for infrastructure and more than \$5,000 for equipment and improvements, and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-100
Land improvements	10-50
Infrastructure:	
Roads	50-100
Sidewalks	25-50
Sewer lines	50-100
Water lines	50-100
Machinery and equipment	3-25

Capital assets acquired under a capital lease are amortized over the life of the lease term.

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Town recognizes deferred outflows of resources in the government-wide statement of net position for deferred charges on refunding. The deferred charge on refunding resulted from the difference in the carrying value of previously refunded debt and the reacquisition price of the debt. This amount has been deferred and is being amortized as an expense over the life of the debt.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Town has two types of deferred inflows. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and sewer assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also recognizes deferred outflows/inflows of resources in the government-wide statement of net position for deferred amounts on pension benefits resulting from changes in the components of the Town's net pension assets. These amounts are deferred and amortized as a component of pension expense.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

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

Compensated Absences

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

All Town employees are granted vacation and/or sick time based upon contractual provisions. At year end, unused vacation and sick time may be carried forward to subsequent years. In the event of termination, employees are reimbursed for all accumulated vacation days and a percentage of accumulated sick days up to the maximum limits allowed by their applicable contract.

All full time Board of Education employees (except teachers who are granted sick time only) are granted vacation and sick time based upon contractual provisions and may be carried over to subsequent years. In the event of termination employees are reimbursed for accumulated vacation and sick time as allowed by the applicable contract.

Long-term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

Net Position and Fund Balance

The government-wide statement of net position presents the Town's assets, liabilities, and deferred inflows of resources, with net position as the residual of these other elements. Net position is reported in three categories:

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

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

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

Net Position and Fund Balance *(Continued)*

Unrestricted net position - This component of net position consist of amounts which do not meet the definition of the two preceding categories.

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

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

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

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

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by Connecticut General Statues and include the Fiscal Subcommittee and the Town Manager.

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

Net Position Flow Assumption

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

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

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

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, when committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

Use of Estimates

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund and Sewer Operating Fund financial statements.

- Each department, office, board or commission of the Town (including the Board of Education) shall submit to the Town Manager a detailed estimate of expenditures and anticipated revenues for the ensuing fiscal year by March 15.
- On or before April 1, the Town Manager submits a balanced budget and budget message to the Town Council based upon requests submitted by the various Town departments.
- By April 15, the Town Council submits the proposed operating budget to one or more public hearings, at which taxpayer comments are obtained. The budget includes proposed expenditures and the means of financing them. The Town Council recommends the budget, as revised, for adoption at the annual Town meeting on the second Monday in May.
- The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is at the functional level within a department as prescribed by Town Charter. Management is not authorized to make budgetary transfers. The Town Council, in accordance with the provisions of the Charter and Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Additional appropriations up to one percent of the immediately prior year's operating budget, excluding public school education, or \$117,330 may be approved by the Town Council. Those in excess of this amount must be approved at a Town Meeting. No additional appropriations were authorized from fund balance for the General Fund during the year. In addition, there were no additional appropriations for the Sewer Operating Fund.
- The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- Formal budgetary integration is employed as a management control device during the year. Formal budgetary integration is not employed in Capital Projects or Special Revenue Funds (with the exception of the Sewer Operating Fund) because budgetary control is alternatively achieved by constraints imposed by the project authorization or grant awards related to these funds.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System (*see Note 10*) are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for the Capital Projects Funds and certain Special Revenue Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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

Budgetary Information (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2015:

	<u>Total</u>	<u>Total</u>	<u>Other</u>	<u>Net Change</u>	<u>Fund</u>
	<u>Revenues</u>	<u>Expenditures</u>	<u>Financing Uses -</u>	<u>In Fund</u>	<u>Balance</u>
			<u>Transfers, Net</u>	<u>Balance</u>	<u>Balance</u>
Budgetary basis	\$ 53,186,895	\$ 51,405,089	\$ (434,554)	\$ 1,347,252	\$ 7,674,314
"On-behalf" payments - State Teachers Retirement Fund (see Note 10)	4,047,823	4,047,823	-	-	-
Encumbrances outstanding:					
June 30, 2014	-	345,659	-	(345,659)	-
June 30, 2015	-	(79,771)	-	79,771	79,771
Intergovernmental grants netted against expenditures	915,280	915,280	-	-	-
Capital lease not recorded for budgetary purposes	-	449,968	449,968	-	-
Proceeds from sale of capital assets	(8,000)	-	8,000	-	-
Budgetary perspective differences - funds combined for GAAP financial reporting purposes	52,107	197,870	91,602	(54,161)	2,034,790
Refunding bond proceeds and issuance costs not recorded for budgetary purposes	-	33,765	33,765	-	-
GAAP basis	<u>\$ 58,194,105</u>	<u>\$ 57,315,683</u>	<u>\$ 148,781</u>	<u>\$ 1,027,203</u>	<u>\$ 9,788,875</u>

Deficit Fund Balances

The following funds have deficit balances as of June 30, 2015, which do not constitute a violation of statutory provisions:

<u>Fund</u>	<u>Deficit</u>
	<u>Fund Balance</u>
Capital Improvements Fund	\$ 6,315,185
School Cafeteria Fund	149,466

The deficits are expected to be eliminated by future revenues, appropriations, and issuance of permanent financing.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

A reconciliation of the Town's cash deposits as of June 30, 2015 is as follows:

Government-wide statement of net position:	
Unrestricted:	
Cash and cash equivalents	\$ 15,372,213
Permanently restricted:	
Cash and cash equivalents	31,349
Statement of fiduciary net position:	
Private purpose trust funds:	
Cash and cash equivalents	63,702
Agency funds:	
Cash and cash equivalents	458,250
Less: investments classified as cash equivalents	(3,689,087)
	<u>\$ 12,236,427</u>

Investments in STIF totaling \$3,666,870 are included in cash and cash equivalents in the accompanying statements of net position. For purposes of disclosure, this amount is considered an investment and is included in the disclosure of investments.

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015 the carrying value of the Town's cash deposits totaled \$12,236,427. As of June 30, 2015, \$12,163,278 of the Town's bank balance of \$12,842,152 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,946,950
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,216,328
	<u>\$ 12,163,278</u>

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

Investments

A reconciliation of the Town's investments as of June 30, 2015 is as follows:

Government-wide statement of net position:	
Unrestricted investments	\$ 4,827,494
Permanently restricted investments	88,281
Statement of fiduciary net position:	
Investments - Pension trust funds	5,850,089
Investments - Private purpose trust funds	607,449
Add: investments classified as cash equivalents	3,689,087
	\$ 15,062,400

As of June 30, 2015, the Town's investments consisted of the following:

Investment type	Fair Value	<u>Investment Maturities (In Years)</u>	
		Less Than 1	1 to 5
Debt Securities:			
Short-Term Investment Fund (STIF)	\$ 3,666,870	\$ 3,666,870	\$ -
Certificates of deposits	4,937,992	1,627,760	3,310,232
U.S. Treasury Notes	53,848	-	53,848
Corporate bonds and notes	217,018	141,420	75,598
	8,875,728	\$ 5,436,050	\$ 3,439,678
Other investments:			
Pooled separate accounts	5,422,488		
Fixed income	427,601		
Equity mutual funds	92,575		
Common stock	244,008		
Total	\$ 15,062,400		

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

Interest Rate Risk

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

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

Investments *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Funds may also invest in certain real estate mortgages, certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

The Town's investments in debt securities were rated as follows at June 30, 2015:

<u>Debt Securities</u>	<u>Fair</u>	<u>Standard & Poor's</u>				
	<u>Value</u>	<u>AAA</u>	<u>A</u>	<u>AA</u>	<u>BBB</u>	<u>Unrated</u>
Short-Term Investment Fund (STIF)	\$ 3,666,870	\$ 3,666,870	\$ -	\$ -	\$ -	\$ -
Certificates of Deposits	4,937,992	-	-	-	-	4,937,992
Corporate bonds and notes	217,018	-	70,739	95,872	50,407	-
	<u>\$ 8,821,880</u>	<u>\$ 3,666,870</u>	<u>\$ 70,739</u>	<u>\$ 95,872</u>	<u>\$ 50,407</u>	<u>\$ 4,937,992</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments are not exposed to custodial credit risk at June 30, 2015, as they are held by a trustee in the Town's name.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Construction in progress	\$ 10,905,297	\$ -	\$ (2,002,483)	\$ 8,902,814
Land	3,674,024	-	-	3,674,024
Total capital assets, not being depreciated	<u>14,579,321</u>	<u>-</u>	<u>(2,002,483)</u>	<u>12,576,838</u>
Capital assets, being depreciated:				
Land improvements	17,199,228	-	-	17,199,228
Buildings and improvements	117,773,866	37,301	-	117,811,167
Machinery and equipment	18,412,095	1,760,568	(624,904)	19,547,759
Infrastructure	64,985,544	4,621,517	(8,162)	69,598,899
Total capital assets, being depreciated	<u>218,370,733</u>	<u>6,419,386</u>	<u>(633,066)</u>	<u>224,157,053</u>
Less accumulated depreciation:				
Land improvements	5,217,949	854,537	-	6,072,486
Buildings and improvements	32,826,252	1,945,196	-	34,771,448
Machinery and equipment	13,056,427	1,039,900	(624,904)	13,471,423
Infrastructure	44,862,272	1,049,473	(8,162)	45,903,583
Total accumulated depreciation	<u>95,962,900</u>	<u>4,889,106</u>	<u>(633,066)</u>	<u>100,218,940</u>
Total capital assets, being depreciated, net	<u>122,407,833</u>	<u>1,530,280</u>	<u>-</u>	<u>123,938,113</u>
Governmental activities capital assets, net	<u>\$ 136,987,154</u>	<u>\$ 1,530,280</u>	<u>\$ (2,002,483)</u>	<u>\$ 136,514,951</u>

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

Governmental Activities:	
General government	\$ 891,857
Public works	691,794
Recreation and leisure	247,341
Public Safety	2,411
Education	3,055,703
Total depreciation and amortization expense - governmental activities	<u>\$ 4,889,106</u>

NOTE 5 - CAPITAL PROJECTS

The Town has total project authorizations totaling approximately \$125.7 million as of June 30, 2015 and the remaining balance of those authorizations totaled approximately \$6.4 million as of June 30, 2015.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Improvements Fund	\$ 3,061,539
	Nonmajor Governmental Funds	<u>2,008,918</u>
		<u>5,070,457</u>
Sewer Operating Fund	General Fund	<u>461,024</u>
Capital Nonrecurring Fund	General Fund	<u>4,960,957</u>
Nonmajor Governmental Funds	General Fund	1,284,636
	Nonmajor Governmental Funds	<u>26,417</u>
		<u>1,311,053</u>
Proprietary Funds		
Health Insurance Fund	General Fund	<u>1,717,923</u>
Total due from / to other funds		<u><u>\$ 13,521,414</u></u>

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

NOTE 7 - INTERFUND TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Sewer Operating Fund	\$ 844,583
	Nonmajor Governmental Funds	<u>73</u>
		<u>844,656</u>
Capital Improvements Fund	Sewer Operating Fund	<u>147,000</u>
Capital and Nonrecurring Fund	General Fund	904,402
	Sewer Operating Fund	163,035
	Nonmajor Governmental Funds	<u>5,641</u>
		<u>1,073,078</u>
Nonmajor Governmental Funds	General Fund	<u>283,206</u>
Total transfers		<u><u>\$ 2,347,940</u></u>

The above transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2015

NOTE 8 - SHORT-TERM LIABILITIES

The following is a summary of changes in short-term liabilities for the year ended June 30, 2015:

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond anticipation notes - 2013	\$ 2,000,000	\$ -	\$ (2,000,000)	\$ -
Bond anticipation notes - 2015	-	2,000,000	-	2,000,000
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ (2,000,000)</u>	<u>\$ 2,000,000</u>

The purpose of the bond anticipation notes are to provide interim financing for various school construction and sewer projects until future reimbursements are received from the State of Connecticut and general obligation bonds are issued. The new note bears an interest rate of 2.0% and matures in April 28, 2016.

NOTE 9 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2015:

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$23,710,000	\$ 4,195,000	\$ (5,760,000)	\$22,145,000	\$ 1,640,000
Unamortized premium	425,152	424,921	(116,299)	733,774	-
	24,135,152	4,619,921	(5,876,299)	22,878,774	1,640,000
Other liabilities:					
Notes payable	6,389,935	2,063,000	(178,165)	8,274,770	230,115
Capital leases	1,018,431	449,968	(407,484)	1,060,915	450,948
Landfill postclosure care costs	360,000	-	(20,000)	340,000	20,000
Compensated absences	1,024,517	39,099	-	1,063,616	212,723
Net OPEB obligation	3,631,600	433,300	-	4,064,900	-
	<u>\$36,559,635</u>	<u>\$ 7,605,288</u>	<u>\$ (6,481,948)</u>	<u>\$37,682,975</u>	<u>\$ 2,553,786</u>

Long-term liabilities typically have been liquidated in the General Fund.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds and Notes Payable

A summary of general obligation bonds and notes payable outstanding at June 30, 2015 are as follows:

<u>Bond Issue</u>	<u>Original Amount</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities				
Bonds Payable				
2007 School bonds	\$ 2,415,000	2017	4.25% - 5.00%	\$ 711,649
2007 Road/Bridges bonds	3,000,000	2017	4.25% - 5.00%	908,351
2007 School refunding bonds	685,000	2024	4.25% - 5.00%	211,072
2007 Sewer refunding bonds	3,835,000	2024	4.25% - 5.00%	1,181,697
2007 General purpose refunding bonds	1,565,000	2024	4.25% - 5.00%	482,231
2008 School bonds	5,000,000	2018	4.00% - 4.50%	750,000
2009 School bonds	3,000,000	2029	2.50% - 4.125%	2,100,000
2010 School bonds	6,500,000	2030	2.25% - 4.00%	4,875,000
2011 School bonds	3,500,000	2031	2.50% - 4.375%	2,800,000
2012 School bonds	2,400,000	2032	2.00% - 3.25%	2,040,000
2013 School/Road bonds	2,100,000	2033	2.00% - 3.00%	1,890,000
2015 General obligation bonds	4,195,000	2028	2.00% - 4.00%	4,195,000
				<u>\$22,145,000</u>
Notes Payable				
2001 Sewer FHA loan	1,383,000	2041	4.50%	\$ 898,950
2013 Sewer USDA loan	5,600,000	2051	1.00%	5,312,820
2014 Sewer USDA loan	2,063,000	2054	1.00%	2,063,000
				<u>\$ 8,274,770</u>

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2015:

Year ending June 30:	Governmental Activities					
	General Obligation Bonds		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,640,000	\$ 985,068	\$ 230,115	\$ 283,547	\$ 1,870,115	\$ 1,268,615
2017	1,635,000	904,866	230,115	275,536	1,865,115	1,180,402
2018	1,640,000	714,504	230,115	267,526	1,870,115	982,030
2019	1,665,000	590,629	230,115	266,097	1,895,115	856,726
2020	1,655,000	542,436	230,115	263,112	1,885,115	805,548
2021- 2025	7,445,000	1,860,517	1,150,575	1,195,413	8,595,575	3,055,930
2026- 2030	6,050,000	857,029	1,150,575	995,159	7,200,575	1,852,188
2031- 2035	415,000	75,555	1,150,575	794,907	1,565,575	870,462
2036- 2040	-	-	1,150,575	594,652	1,150,575	594,652
2041- 2045	-	-	1,012,275	399,066	1,012,275	399,066
2046- 2050	-	-	977,700	107,398	977,700	107,398
2051- 2055	-	-	531,920	21,432	531,920	21,432
	<u>\$ 22,145,000</u>	<u>\$ 6,530,604</u>	<u>\$ 8,274,770</u>	<u>\$ 5,463,845</u>	<u>\$ 30,419,770</u>	<u>\$ 11,994,449</u>

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$223,066,781 as of June 30, 2015. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2015.

The amount of authorized, unissued bonds at June 30, 2015 totaled \$85,000, \$7,090,800 and \$5,048,000 for general purposes, schools and sewers, respectively.

Debt Refunding

In April 2015 the Town issued \$4,195,000 in general obligation bonds with an average interest rate of 3.11% to refund \$4,120,000 in general obligation bonds outstanding with an average rate of 4.45%. The transaction generated a cash flow savings of \$328,743 and an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$311,891. The reacquisition price exceeded the carrying value of the old debt by \$401,056. This amount has been presented as a deferred outflow of resources and is being amortized over the life of the debt.

The net proceeds of \$4,586,156 were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

Capital Leases

A summary of assets acquired through capital leases are as follows as of June 30, 2015:

	Governmental Activites
Buildings	\$ 739,988
Machinery and equipment	<u>3,514,856</u>
	4,254,844
Less: accumulated amortization	<u>3,034,815</u>
	<u><u>\$ 1,220,029</u></u>

Amortization expense relative to leased property under capital leases totaled \$291,427 for the year ended June 30, 2015 and is included in depreciation and amortization expense disclosed in Note 4.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases (Continued)

The Town is obligated under capital leases to make annual payments. Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year ending June 30:	Governmental Activites
2016	\$ 487,676
2017	310,166
2018	149,634
2019	97,729
2020	<u>102,115</u>
Total minimum lease payments	1,147,320
Less: amount representing interest	<u>86,405</u>
	<u>\$ 1,060,915</u>

Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require landfill closures to meet certain standards. The Town landfill is closed. Estimated monitoring costs of \$20,000 per year for the next 17 years totals \$340,000 at June 30, 2015. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

NOTE 10 - EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description

Plan Administration – The Town of Killingly administers a single employer defined benefit pension plan (the “Plan”). The Plan covers all full time employees who met the eligibility requirements of the Plan. Specifically, plan provisions state that this includes any employee who is employed on a regular work schedule, excluding teachers, councilmen, selectman, or elected or appointed officials.

All Town employees (except certified members of the Board of Education) participate in the Public Employer Retirement Systems (PERS), a single employer defined benefit pension plan established and administered by the Town Council to provide pension, disability and death benefits to plan members and their beneficiaries. The Town Charter provides the authority to establish and amend benefit provisions, subject to collective bargaining agreements. The Plan does not issue stand-alone financial statements and is part of the Town’s financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a Pension Trust Fund.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Plan Membership – Membership of the Plan consisted of the following at July 1, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	69
Terminated plan members entitled to but not yet receiving benefits	28
Active plan members	60
Total	<u>157</u>

Benefits Provided – The Plan provides for retirement benefits for all members.

Pension benefits for normal retirement under the Plan fall under three categories: Public Works Superintendent, Public Works Assistant Superintendent and All Others. For the Superintendent, the benefits are based on 1% of final earnings multiplied by the number of years of credited service prior to 4/1/1987 plus 1.5% of Final earnings times credited service after 4/1/1987, up to a maximum of 30 years. For the Assistant Superintendent, the date above changes to 4/1/1997. In relation to all others, benefits are based on 1% of final earnings multiplied by the number of years of credited service, up to a maximum of 30 years, computed to the nearest 1/12 of a year.

Contributions – The Plan's funding policy provides that for Public Works Superintendent, plan participants are to contribute 4.50% of earnings, effective April 1, 1987. For Public Works Assistant Superintendents, plan participants are to contribute 4.50% of earnings, effective January 1, 1994. All others are required to contribute 3.00% of earnings.

For the year ended June 30, 2015, employer contributions to the Plan totaled \$161,874 and represented 7.14% of covered payroll.

Summary of Significant Accounting Policies

Basis of Accounting - The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan.

Investments - Investments are recorded at fair value and based on quoted market prices. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the mean of the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are value at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies (Continued)

Investment Policy - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the Town to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the asset allocation as of June 30, 2015:

Asset Class	Target Allocation
Fixed Income	7%
Pooled Separate Accounts	93%

Concentrations - Investments in certain mutual funds exceeded 5.0% of the Plan's net position. However, mutual funds are not generally considered to be exposed to concentration risks, as such investments are considered diversified by nature.

Rate of return - For the year ended June 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 4.49%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

Net Pension Asset

The components of the Town's net pension asset of the Plan at June 30, 2015, was as follows:

Total pension liability	\$ 5,476,638
Plan fiduciary net position	5,850,090
Town's net pension asset	\$ (373,452)
 Plan fiduciary net position as a percentage of the total pension liability	106.82%

The components of the changes in the net pension asset for the Plan for the year ended June 30, 2015, was as follows:

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

Net Pension Liability (Asset) (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance as of June 30, 2014	\$ 5,499,732	\$ 5,760,682	\$ (260,950)
Changes for the year:			
Service cost	141,320	-	141,320
Interest	383,339	-	383,339
Actuarial (gains) losses	(232,264)	-	(232,264)
Changes in assumptions	19,712	-	19,712
Contributions - employer	-	161,874	(161,874)
Contributions - employee	-	70,131	(70,131)
Net investment income	-	251,939	(251,939)
Benefit payments, including refunds	(335,201)	(335,201)	-
Administrative expense	-	(59,335)	59,335
Net changes	(23,094)	89,408	(112,502)
Balance as of June 30, 2015	\$ 5,476,638	\$ 5,850,090	\$ (373,452)

Actuarial assumptions - The total pension liability for the Plan was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	4.00%
Investment rate of return	7.00%

Mortality rates were based on the RP-2000 Mortality Table, with adjustments to the valuation year for mortality improvements based on 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 (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

Net Pension Liability (Asset) (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap	32.00%	5.75%
Mid Cap	4.00%	6.25%
Small Cap	6.00%	6.50%
International Equity	15.00%	5.50%
Real Estate	5.00%	6.00%
Intermediate Term Fixed	26.00%	2.05%
Guaranteed Deposit	12.00%	2.00%

The discount rate used to measure the total pension liability was 7.0%. 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 the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

Sensitivity of the net pension asset to changes in the discount rate - The following presents the net pension asset of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town Plan's net pension liability (asset) as of June 30, 2015	\$ 161,160	\$ (373,452)	\$ (837,069)

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources

For the year ended June 30, 2015, the Town recognized pension expense of \$101,973. At June 30, 2015 the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

	Deferred (Inflows) Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ (184,863)
Differences between expected and actual experience	116,573
Change of assumptions	15,689
Total	\$ (52,601)

Amounts reported as deferred outflows and inflows of resources related to the Plan will be recognized as a component of pension expense in future years as follows:

	Amortization of Deferred Inflows (Outflows) of Resources
Year ended June 30,	
2016	\$ (14,235)
2017	(14,235)
2018	(14,235)
2019	(9,896)
2020	-
Thereafter	-
	\$ (52,601)

State Teachers' Retirement System

The faculty and professional personnel of the Town participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

State Teachers' Retirement System (Continued)

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. For the year ended June 30, 2015, plan members of the Town contributed \$1,146,356 to the plan and covered payroll for the year was \$15,811,807. The Town has recognized on-behalf payments of \$4,047,823 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2014 was \$10.141 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$41.3 million or approximately 0.41% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the District was based on a projection of the long-term share of contributions to the plan related to the District relative to the projected contributions of all participating employers, actuarially determined. For the year ended June 30, 2015, the Town recognized pension expense and on-behalf revenues of \$3,099,577.

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

Inflation	3.0%
Salary increases	3.75% - &.0% (includes inflation)
Investment rate of return	8.5% (includes inflation)
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirement on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, the RP-2000 Combined Mortality Table projected forward 19 years using scale AA, with a two-year setback for males and females.

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

State Teachers' Retirement System (Continued)

Asset Class	Target Allocation	Long-term Expected Rate of Return
Large Cap U.S. Equities	21.0%	7.3%
Developed Non-U.S. Equities	18.0%	7.5%
Emerging Markets (Non-U.S.)	9.0%	8.6%
Core Fixed Income	7.0%	1.7%
Inflation Linked Bonds	3.0%	1.3%
Emerging Markets	5.0%	4.8%
High Yield Bonds	5.0%	3.7%
Real Estate	7.0%	5.9%
Private Equity	11.0%	10.9%
Alternative Investment	8.0%	0.7%
Liquidity Fund	6.0%	0.4%

The discount rate used to measure the total pension liability was 8.50 percent. 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 rates in 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.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.50%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	-1%	Current	+1%
Town's Proportionate share of the net pension liability (expressed in thousands)	\$ 52,735	\$ 41,312	\$ 31,602

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town of Killingly provides healthcare insurance benefits for eligible retirees and their spouses through a Blue Cross Blue Shield Medicare supplemental policy. The Town also provides a life insurance policy for eligible retirees through the Town's group life insurance policy, which covers both active and retired members.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description (Continued)

The Town of Killingly Board of Education provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Board of Education and the union representing Board of Education employees and are renegotiated each three-year bargaining period. The Plan does not issue a publically available financial report and is not included in the financial statements of another entity.

Funding Policy

Contribution requirements of the plan members and the Town are established by and may be amended through negotiations between the Town and the Board of Education and their respective unions. Currently, Town employees who are department heads or supervisors who retire at age 65 with 25 years of service with the Town are eligible for the health insurance and life insurance benefits. Public works employees who retire at age 65 with 25 years of service with the Town are eligible for the life insurance benefit. The Town pays the premium cost for those who chose to participate. Currently, Board of Education Employees who are age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 10 years of service in the Killingly School System are eligible to receive benefits. Those who choose to participate must pay the 100% of the premium cost. The Town finances the plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution	\$	815,100
Interest on net OPEB obligation		163,400
Adjustment to annual required contribution		<u>(213,400)</u>
Annual OPEB cost		765,100
Contributions made		<u>331,800</u>
Increase in net OPEB obligation		433,300
Net OPEB obligation, beginning of the year		<u>3,631,600</u>
Net OPEB obligation, end of the year	\$	<u><u>4,064,900</u></u>

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Three Year Trend Information

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed by the Town for such benefits, and the net OPEB obligation for fiscal year 2015 and two most prior years is as follows:

Plan Year Ended June 30,	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
2013	\$ 715,900	\$ 96,600	13%	\$ 3,221,800
2014	716,300	306,500	43%	3,631,600
2015	765,100	331,800	43%	4,064,900

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2013	\$ -	\$ 10,074,300	\$ 10,074,300	0.0%	\$15,758,000	63.9%

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

Actuarial Methods and Assumptions

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

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions (Continued)

Valuation date:	July 1, 2013
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Unfunded Accrued Liability
Remaining amortization period:	30 years
Asset valuation method:	Market Value
Actuarial assumptions:	
Investment rate of return	4.5%
Healthcare cost trend rate	9.0% initial 5.0% final

NOTE 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except health coverage. During 2015, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

The Health Insurance Fund, an internal service fund, was established to account for and finance employee medical benefits claims for eligible employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan.

A third party processes the claims filed under the self-insured health plan, for which the General Fund is charged an administrative fee. The General Fund also pays for a stop-loss policy for individual claims exceeding \$125,000 for the plan.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2015. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the last three years is as follows:

<u>Year</u> <u>Ended June 30,</u>	<u>Claims Payable,</u> <u>Beginning of Year</u>	<u>Claims and Changes</u> <u>in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable,</u> <u>End of Year</u>
2013	\$ 749,682	\$ 7,447,401	\$ 7,661,418	\$ 535,665
2014	535,665	7,199,493	7,197,100	538,058
2015	538,058	6,858,187	6,827,245	569,000

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 - RISK MANAGEMENT (Continued)

The Town is a member of the Connecticut Interlocal Risk Management Agency ("CIRMA"), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a of Connecticut General Statutes, for workers' compensation coverage.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants and Contracts

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Litigation

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially affect its financial position.

Encumbrances

As of June 30, 2015, the Town has recorded \$79,771 in encumbrances. Such encumbrances have been included in assigned fund balance of the General Fund.

NOTE 14 – RECENTLY ISSUED ACCOUNTING STANDARDS

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for a) determining a fair value measurement for financial reporting purposes and b) applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions that are provided to the employees of state and local governmental employers and are not within the scope of GASB Statement No. 68. The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No. 68 are effective for the Town's reporting period beginning July 1, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for the Town's reporting period beginning July 1, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement No. 67, or for pensions that are within the scope of GASB Statement No. 68, are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF KILLINGLY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans and replaces the requirements of GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement establishes the hierarchy of GAAP for state and local governments and supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION ASSET (UNAUDITED)
TOWN GENERAL PENSION PLAN
JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 141,320	\$ 135,885
Interest	383,339	371,582
Changes in benefit terms	-	-
Differences between expected and actual experience	(232,264)	-
Changes of assumptions	19,712	-
Benefit payments, including refunds	(335,201)	(354,345)
Net change in total pension liability	<u>(23,094)</u>	<u>153,122</u>
Total pension liability - beginning	<u>5,499,732</u>	<u>5,346,610</u>
Total pension liability - ending	<u>5,476,638</u>	<u>5,499,732</u>
 Plan fiduciary net position		
Contributions - employer	161,874	157,123
Contributions - members	70,131	73,359
Net investment income	251,939	831,581
Benefit payments, including refunds	(335,201)	(354,345)
Administrative expense	(59,335)	(52,818)
Net change in plan fiduciary net position	<u>89,408</u>	<u>654,900</u>
Plan fiduciary net position - beginning	<u>5,760,682</u>	<u>5,105,782</u>
Plan fiduciary net position - ending	<u>5,850,090</u>	<u>5,760,682</u>
 Town's net pension asset	 <u><u>\$ (373,452)</u></u>	 <u><u>\$ (260,950)</u></u>
 Plan fiduciary net position as a percentage of total pension liability	 106.82%	 104.74%
 Covered employee payroll	 \$ 2,268,575	 \$ 2,160,000
 Town's net pension asset as a percentage of covered employee payroll	 -16.46%	 -12.08%

Notes to Schedule:

Benefit Changes None noted.

Assumption Change None noted.

Note: The Town began to report the changes in net pension liability when it implemented GASB Statement No. 67 in fiscal year 2014.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS (UNAUDITED)
TOWN GENERAL PENSION PLAN
JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 161,874	\$ 157,123
Contributions in relation to the actuarially determined contribution	<u>161,874</u>	<u>157,123</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,268,575	\$ 2,160,000
Contributions as a percentage of covered employee payroll	7.14%	7.27%
Annual money-weighted rate of return, net of investment expense	4.49%	16.74%

Notes to Schedule:

Valuation Date July 1, 2013

Actuarially determined contribution rates are calculated as of December 31, 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 Cost Method
Amortization method	Level Dollar Amount
Remaining amortization period	20 years, open
Asset valuation method	5-year Smoothed Market value
Inflation	3.00%
Investment rate of return	7.00%
Salary increases	4.00% compounded annually
Retirement age	Age 65
Mortality	RP-2000 Mortality Table Projected by Scale AA to Year of valuation with separate male and female

Note: The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 67 in fiscal year 2014.

TOWN OF KILLINGLY, CONNECTICUT
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Connecticut State Teachers' Retirement System

	2015
Town's proportion of the net pension liability	0.407%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	41,312
Total	\$ 41,312
Town's covered payroll	\$ 15,812
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule:

Valuation Date	6/30/2014
Measurement Date	6/30/2014
Reporting Date	6/30/2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.50%
Salary increases	3.75% - 7.00%, including inflation
Inflation	3.00%

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS (UNAUDITED)
JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Normal (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
Other Post-Employment Benefit Plan						
July 1, 2007	\$ -	\$ 9,174,300	\$ 9,174,300	0.0%	\$ 17,236,600	53.2%
July 1, 2009	-	9,531,900	9,531,900	0.0%	17,914,800	53.2%
July 1, 2011	-	9,244,200	9,244,200	0.0%	16,613,000	55.6%
July 1, 2013	-	10,074,300	10,074,300	0.0%	15,758,000	63.9%

See accompanying Independent Auditor's Report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF KILLINGLY, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND ACCOUNTS
JUNE 30, 2015

	General Fund	Water Utility	Revaluation	Insurance Reserve	Community Employment Incentive	Water Mitigation
ASSETS						
Cash and cash equivalents	\$ 10,517,255	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,159,727	-	-	-	-	-
Receivables:						
Property taxes, net	1,321,161	-	-	-	-	-
Grants and contracts	52,008	-	-	-	-	-
Other	200,132	-	-	48,068	-	-
Due from other funds	5,070,457	1,167,432	60,384	251,040	7,687	75,040
Other assets	144,957	-	-	-	-	-
Total assets	<u>\$ 20,465,697</u>	<u>\$ 1,167,432</u>	<u>\$ 60,384</u>	<u>\$ 299,108</u>	<u>\$ 7,687</u>	<u>\$ 75,040</u>
LIABILITIES						
Accounts payable	\$ 1,255,411	\$ -	\$ 1,226	\$ 3,151	\$ -	\$ -
Accrued liabilities:						
Salaries and benefits payable	188,567	-	-	-	-	-
Other accrued liabilities	7,609	-	-	-	-	-
Due to other funds	10,094,173	-	-	-	-	-
Total liabilities	<u>11,545,760</u>	<u>-</u>	<u>1,226</u>	<u>3,151</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,165,852	-	-	-	-	-
	<u>1,165,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Committed to:						
General government	-	-	59,158	62,954	-	-
Community development and human services	-	-	-	-	-	-
Assigned to:						
General government	41,017	-	-	-	-	-
Education	38,754	-	-	-	-	-
Compensated absences	125,958	-	-	-	-	-
Other post-employment benefits	616,735	-	-	-	-	-
Cell towers	176,371	-	-	-	-	-
Sewer extension	38,793	-	-	-	-	-
Landfill closure	119	-	-	-	-	-
Unassigned	6,716,338	1,167,432	-	233,003	7,687	75,040
Total fund balances	<u>7,754,085</u>	<u>1,167,432</u>	<u>59,158</u>	<u>295,957</u>	<u>7,687</u>	<u>75,040</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,465,697</u>	<u>\$ 1,167,432</u>	<u>\$ 60,384</u>	<u>\$ 299,108</u>	<u>\$ 7,687</u>	<u>\$ 75,040</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND ACCOUNTS (Continued)
JUNE 30, 2015

	Planning and Conservation	Demo and Relocation	Tercentennial	Civil War Monument	Public Safety
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 993	\$ -
Investments	-	-	-	2,786	-
Receivables:					
Property taxes, net	-	-	-	-	-
Grants and contracts	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	60,872	65,749	2,000	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 60,872</u>	<u>\$ 65,749</u>	<u>\$ 2,000</u>	<u>\$ 3,779</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities:					
Salaries and benefits payable	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Committed to:					
General government	-	65,749	-	-	-
Community development and human services	-	-	-	-	-
Assigned to:					
General government	-	-	-	-	-
Education	-	-	-	-	-
Compensated absences	-	-	-	-	-
Other post-employment benefits	-	-	-	-	-
Cell towers	-	-	-	-	-
Sewer extension	-	-	-	-	-
Landfill closure	-	-	-	-	-
Unassigned	60,872	-	2,000	3,779	-
Total fund balances	<u>60,872</u>	<u>65,749</u>	<u>2,000</u>	<u>3,779</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,872</u>	<u>\$ 65,749</u>	<u>\$ 2,000</u>	<u>\$ 3,779</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND ACCOUNTS (Concluded)
 JUNE 30, 2015

	Economic Development	Fuel System	Kelp	Earl Chandler	Eliminations	Combined General Fund
ASSETS						
Cash and cash equivalents	\$ 256,930	\$ 3,608	\$ 542	\$ 101	\$ -	\$ 10,779,429
Investments	6,149	48,788	1,569	-	-	3,219,019
Receivables:						
Property taxes, net	-	-	-	-	-	1,321,161
Grants and contracts	-	-	-	-	-	52,008
Other	-	-	-	-	-	248,200
Due from other funds	17,339	-	-	-	(1,707,543)	5,070,457
Other assets	-	-	-	-	-	144,957
Total assets	<u>\$ 280,418</u>	<u>\$ 52,396</u>	<u>\$ 2,111</u>	<u>\$ 101</u>	<u>\$ (1,707,543)</u>	<u>\$ 20,835,231</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,259,788
Accrued liabilities:						
Salaries and benefits payable	-	-	-	-	-	188,567
Other accrued liabilities	-	-	-	-	-	7,609
Due to other funds	-	37,910	-	-	(1,707,543)	8,424,540
Total liabilities	<u>-</u>	<u>37,910</u>	<u>-</u>	<u>-</u>	<u>(1,707,543)</u>	<u>9,880,504</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,165,852</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,165,852</u>
FUND BALANCES						
Committed to:						
General government	-	-	-	-	-	187,861
Community development and human services	-	14,486	-	-	-	14,486
Assigned to:						
General government	-	-	-	-	-	41,017
Education	-	-	-	-	-	38,754
Compensated absences	-	-	-	-	-	125,958
Other post-employment benefits	-	-	-	-	-	616,735
Cell towers	-	-	-	-	-	176,371
Sewer extension	-	-	-	-	-	38,793
Landfill closure	-	-	-	-	-	119
Unassigned	280,418	-	2,111	101	-	8,548,781
Total fund balances	<u>280,418</u>	<u>14,486</u>	<u>2,111</u>	<u>101</u>	<u>-</u>	<u>9,788,875</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 280,418</u>	<u>\$ 52,396</u>	<u>\$ 2,111</u>	<u>\$ 101</u>	<u>\$ (1,707,543)</u>	<u>\$ 20,835,231</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND ACCOUNTS
 JUNE 30, 2015

	General Fund	Water Utility	Revaluation	Insurance Reserve	Community Employment Incentive	Water Mitigation
REVENUES						
Property taxes	\$ 31,633,701	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	22,516,265	-	-	-	-	-
Licenses, permits and fees	224,824	-	-	-	-	-
Charges for services	3,035,619	-	-	-	-	-
Use of money and property	174,403	-	-	-	-	-
Miscellaneous	555,186	-	-	56,257	-	-
Total revenues	<u>58,139,998</u>	<u>-</u>	<u>-</u>	<u>56,257</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	1,972,886	-	64,488	24,150	-	-
Public works	2,272,650	-	-	-	-	-
Recreation and leisure	1,381,713	-	-	-	-	-
Public safety	931,818	-	-	-	-	-
Community development and human services	500,001	-	-	-	-	-
Education	44,202,229	-	-	-	-	-
Miscellaneous	1,946,788	-	-	-	-	-
Debt service:						
Principal payments	1,818,165	-	-	-	-	-
Interest and fiscal charges	1,160,785	-	-	-	-	-
Capital lease payments	384,558	-	-	-	-	-
Debt issuance costs	53,201	-	-	-	-	-
Capital outlays	493,019	-	-	-	-	-
Total expenditures	<u>57,117,813</u>	<u>-</u>	<u>64,488</u>	<u>24,150</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,022,185	-	(64,488)	32,107	-	-
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of refunding bonds	4,195,000	-	-	-	-	-
Premium from issuance of bonds	401,021	-	-	-	-	-
Payment to refunding bond escrow agent	(4,586,156)	-	-	-	-	-
Premium from bond anticipation note	23,900	-	-	-	-	-
Proceeds from capital leases	449,968	-	-	-	-	-
Transfers in	844,656	-	51,602	20,000	-	-
Transfers out	(1,269,210)	-	-	-	-	-
Total other financing sources	<u>59,179</u>	<u>-</u>	<u>51,602</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	1,081,364	-	(12,886)	52,107	-	-
Fund balances - beginning	<u>6,672,721</u>	<u>1,167,432</u>	<u>72,044</u>	<u>243,850</u>	<u>7,687</u>	<u>75,040</u>
Fund balances - ending	<u>\$ 7,754,085</u>	<u>\$ 1,167,432</u>	<u>\$ 59,158</u>	<u>\$ 295,957</u>	<u>\$ 7,687</u>	<u>\$ 75,040</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND ACCOUNTS (Continued)
 JUNE 30, 2015

	Planning and Conservation	Demo and Relocation	Tercentennial	Civil War Monument	Public Safety
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	145	21
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>145</u>	<u>21</u>
EXPENDITURES					
Current:					
General government	-	2,399	-	-	-
Public works	-	-	-	-	-
Recreation and leisure	-	-	-	-	-
Public safety	-	-	-	-	3,267
Community development and human services	-	-	-	-	-
Education	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital lease payments	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Capital outlays					
Total expenditures	<u>-</u>	<u>2,399</u>	<u>-</u>	<u>-</u>	<u>3,267</u>
Excess (deficiency) of revenues over expenditures	-	(2,399)	-	145	(3,246)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of bonds	-	-	-	-	-
Premium from issuance of bonds	-	-	-	-	-
Premium from bond anticipation note	-	-	-	-	-
Premium from bond anticipation note	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-
Transfers in	10,000	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	10,000	(2,399)	-	145	(3,246)
Fund balances - beginning	<u>50,872</u>	<u>68,148</u>	<u>2,000</u>	<u>3,634</u>	<u>3,246</u>
Fund balances - ending	<u>\$ 60,872</u>	<u>\$ 65,749</u>	<u>\$ 2,000</u>	<u>\$ 3,779</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND ACCOUNTS (Concluded)
 JUNE 30, 2015

	Economic Development	Fuel System	Kelp	Earl Chandler	Eliminations	Combined General Fund
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,633,701
Intergovernmental	-	-	-	-	-	22,516,265
Licenses, permits and fees	-	-	-	-	-	224,824
Charges for services	80	-	-	-	-	3,035,699
Investment earnings	-	-	-	-	-	174,569
Miscellaneous	-	5,604	-	-	-	617,047
Total revenues	<u>80</u>	<u>5,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,202,105</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,063,923
Public works	-	59,552	-	-	-	2,332,202
Recreation and leisure	-	-	-	-	-	1,381,713
Public safety	-	-	-	-	-	935,085
Community development and human services	44,014	-	-	-	-	544,015
Education	-	-	-	-	-	44,202,229
Miscellaneous	-	-	-	-	-	1,946,788
Debt service:						
Principal payments	-	-	-	-	-	1,818,165
Interest and fiscal charges	-	-	-	-	-	1,160,785
Capital lease payments	-	-	-	-	-	384,558
Debt issuance costs	-	-	-	-	-	53,201
Capital outlays	-	-	-	-	-	493,019
Total expenditures	<u>44,014</u>	<u>59,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,315,683</u>
Excess (deficiency) of revenues over expenditures	(43,934)	(53,948)	-	-	-	886,422
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of bonds	-	-	-	-	-	4,195,000
Premium from issuance of bonds	-	-	-	-	-	401,021
Premium from bond anticipation note	-	-	-	-	-	(4,586,156)
Premium from bond anticipation note	-	-	-	-	-	23,900
Proceeds from capital leases	-	-	-	-	-	449,968
Transfers in	-	-	-	-	(81,602)	844,656
Transfers out	-	-	-	-	81,602	(1,187,608)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,781</u>
Net changes in fund balances	(43,934)	(53,948)	-	-	-	1,027,203
Fund balances (deficits) - beginning	<u>324,352</u>	<u>68,434</u>	<u>2,111</u>	<u>101</u>	<u>-</u>	<u>8,761,672</u>
Fund balances (deficits) - ending	<u>\$ 280,418</u>	<u>\$ 14,486</u>	<u>\$ 2,111</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 9,788,875</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
PROPERTY TAXES				
Current taxes	\$ 30,470,433	\$ 30,470,433	\$ 30,587,220	\$ 116,787
Prior years' taxes	738,128	738,128	552,441	(185,687)
Supplemental motor vehicle	234,000	234,000	286,807	52,807
Tax interest	325,810	325,810	271,669	(54,141)
Lien fees	14,615	14,615	10,869	(3,746)
Airplane tax	1,440	1,440	1,710	270
Phone access - SNETCO	70,984	70,984	73,580	2,596
Remediation financing	(150,595)	(150,595)	(150,595)	-
Total property taxes	<u>31,704,815</u>	<u>31,704,815</u>	<u>31,633,701</u>	<u>(71,114)</u>
INTERGOVERNMENTAL REVENUES				
State-owned property	265,176	265,176	265,435	259
Elderly tax relief	134,720	134,720	151,154	16,434
Disability exception	4,450	4,450	4,762	312
Property tax abatement	93,090	93,090	99,898	6,808
Veterans' exemption	10,510	10,510	11,582	1,072
Municipal Revenue Sharing	69,757	69,757	-	(69,757)
Connecticard	7,000	7,000	7,020	20
Library grant	1,229	1,229	1,158	(71)
Adult education	106,688	106,688	108,082	1,394
Mashantucket Pequot fund	159,409	159,409	158,610	(799)
Hold Harmless Grant	664,666	664,666	664,666	-
Education equalization grant	15,245,632	15,245,632	15,266,600	20,968
School transportation	242,633	242,633	204,209	(38,424)
Vocational agriculture	205,462	205,462	365,102	159,640
Nonpublic school - health services	34,248	34,248	34,817	569
Transportation - nonpublic	25,375	25,375	32,883	7,508
Medicare reimbursement	25,000	25,000	119,766	94,766
Total intergovernmental revenues	<u>17,295,045</u>	<u>17,295,045</u>	<u>17,495,744</u>	<u>200,699</u>
LICENSES, PERMITS AND FEES				
Building permit fees	150,000	150,000	182,467	32,467
Planning and zoning permits	25,000	25,000	17,375	(7,625)
Other permits	6,500	6,500	8,645	2,145
Library fines and fees	12,000	12,000	15,278	3,278
Animal control fines and fees	1,000	1,000	1,059	59
Total licenses, permits and fees	<u>194,500</u>	<u>194,500</u>	<u>224,824</u>	<u>30,324</u>

(Continued)

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
CHARGES FOR SERVICES				
Town clerk receipts	\$ 155,000	\$ 155,000	\$ 138,831	\$ (16,169)
Conveyance tax	105,000	105,000	97,943	(7,057)
Engineering	6,540	6,540	6,540	-
Elderly housing services	17,839	17,839	17,839	-
Recreation department	125,000	125,000	120,988	(4,012)
District Collections	42,586	42,586	42,422	(164)
Tuition	2,454,374	2,454,374	2,611,056	156,682
Total charges for services	<u>2,906,339</u>	<u>2,906,339</u>	<u>3,035,619</u>	<u>129,280</u>
USE OF MONEY AND PROPERTY				
Investment income	50,000	50,000	45,127	(4,873)
Sewer plant lease	38,397	38,397	38,397	-
Communications tower lease	55,443	55,443	90,879	35,436
Total use of money and property	<u>143,840</u>	<u>143,840</u>	<u>174,403</u>	<u>30,563</u>
MISCELLANEOUS				
School capital contributions	254,821	254,821	261,444	6,623
Miscellaneous	58,000	58,000	361,160	303,160
Total miscellaneous	<u>312,821</u>	<u>312,821</u>	<u>622,604</u>	<u>309,783</u>
Total revenues	<u>52,557,360</u>	<u>52,557,360</u>	<u>53,186,895</u>	<u>629,535</u>
OTHER FINANCING SOURCES				
Transfers in:				
Sewer Operating Fund	809,548	809,548	844,583	35,035
Louisa E. Day	25	25	54	29
Thomas J. Evans	10	10	19	9
Total other financing sources	<u>809,583</u>	<u>809,583</u>	<u>844,656</u>	<u>35,073</u>
Total revenues and other financing sources	<u>\$ 53,366,943</u>	<u>\$ 53,366,943</u>	<u>\$ 54,031,551</u>	<u>\$ 664,608</u> <i>(Concluded)</i>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT				
Town Council:				
Personal services	\$ 6,750	\$ 6,750	\$ 6,750	\$ -
Contractual services	42,200	42,200	36,981	(5,219)
Material and supplies	1,750	1,750	937	(813)
Capital outlays	9,600	9,600	2,299	(7,301)
Total town council	<u>60,300</u>	<u>60,300</u>	<u>46,967</u>	<u>(13,333)</u>
Town Manager:				
Personal services	196,450	206,915	206,907	(8)
Contractual services	38,750	29,310	24,606	(4,704)
Material and supplies	3,200	3,200	2,600	(600)
Total town manager	<u>238,400</u>	<u>239,425</u>	<u>234,113</u>	<u>(5,312)</u>
Legal Services:				
Contractual services	<u>102,772</u>	<u>102,772</u>	<u>97,561</u>	<u>(5,211)</u>
Total legal services	<u>102,772</u>	<u>102,772</u>	<u>97,561</u>	<u>(5,211)</u>
Town Clerk:				
Personnel services	136,511	139,531	136,708	(2,823)
Contractual services	34,650	34,650	27,525	(7,125)
Material and supplies	2,400	2,400	2,259	(141)
Total town clerk	<u>173,561</u>	<u>176,581</u>	<u>166,492</u>	<u>(10,089)</u>
Finance:				
Personal services	187,615	190,425	189,283	(1,142)
Contractual services	60,100	60,100	57,480	(2,620)
Material and supplies	1,800	1,800	1,699	(101)
Total finance	<u>249,515</u>	<u>252,325</u>	<u>248,462</u>	<u>(3,863)</u>
Assessor:				
Personal services	154,765	157,310	156,203	(1,107)
Contractual services	17,260	17,260	12,774	(4,486)
Materials and supplies	1,970	1,970	1,082	(888)
Total assessor	<u>173,995</u>	<u>176,540</u>	<u>170,059</u>	<u>(6,481)</u>
Revenue Collection:				
Personal services	197,535	201,640	186,892	(14,748)
Contractual services	41,809	41,809	37,932	(3,877)
Material and supplies	2,300	2,300	2,116	(184)
Total revenue collection	<u>241,644</u>	<u>245,749</u>	<u>226,940</u>	<u>(18,809)</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT (Continued)				
Registration and Elections:				
Personal services	\$ 58,064	\$ 58,064	\$ 54,400	\$ (3,664)
Contractual services	18,575	18,575	15,627	(2,948)
Material and supplies	1,000	1,000	456	(544)
Total registration and elections	<u>77,639</u>	<u>77,639</u>	<u>70,483</u>	<u>(7,156)</u>
Town Boards and Commissions:				
Contractual services	86,205	86,205	83,193	(3,012)
Total town boards and commissions	<u>86,205</u>	<u>86,205</u>	<u>83,193</u>	<u>(3,012)</u>
Planning and Development:				
Personal services	218,485	223,050	207,159	(15,891)
Contractual services	10,100	10,100	7,010	(3,090)
Material and supplies	3,150	3,150	2,304	(846)
Total planning and development	<u>231,735</u>	<u>236,300</u>	<u>216,473</u>	<u>(19,827)</u>
Data Processing:				
Contractual services	136,500	136,500	121,232	(15,268)
Total data processing	<u>136,500</u>	<u>136,500</u>	<u>121,232</u>	<u>(15,268)</u>
Town Hall:				
Personal services	22,975	27,500	27,459	(41)
Contractual services	84,525	78,925	75,620	(3,305)
Material and supplies	6,700	8,300	8,282	(18)
Capital outlay	8,000	8,000	7,548	(452)
Total town hall	<u>122,200</u>	<u>122,725</u>	<u>118,909</u>	<u>(3,816)</u>
Economic Development:				
Personal services	112,765	115,270	114,956	(314)
Contractual services	12,800	12,800	11,274	(1,526)
Material and supplies	1,200	1,200	1,128	(72)
Total economic development	<u>126,765</u>	<u>129,270</u>	<u>127,358</u>	<u>(1,912)</u>
Total general government	<u>2,021,231</u>	<u>2,042,331</u>	<u>1,928,242</u>	<u>(114,089)</u>
PUBLIC WORKS				
Supervision:				
Personal services	198,105	209,490	209,480	(10)
Contractual services	11,150	7,950	7,876	(74)
Material and supplies	1,700	1,100	1,056	(44)
Capital outlay	3,000	2,890	2,626	(264)
Total supervision	<u>213,955</u>	<u>221,430</u>	<u>221,038</u>	<u>(392)</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
PUBLIC WORKS (Continued)				
Engineering:				
Personal services	\$ 208,970	\$ 211,295	\$ 208,650	\$ (2,645)
Contractual services	11,300	11,300	8,735	(2,565)
Material and supplies	5,500	5,500	3,010	(2,490)
Capital outlay	3,900	3,900	-	(3,900)
Total engineering	<u>229,670</u>	<u>231,995</u>	<u>220,395</u>	<u>(11,600)</u>
Central Garage:				
Personal services	145,950	152,495	152,493	(2)
Contractual services	103,570	113,695	108,031	(5,664)
Material and supplies	292,800	283,890	287,364	3,474
Capital outlay	6,500	6,500	8,660	2,160
Total central garage	<u>548,820</u>	<u>556,580</u>	<u>556,548</u>	<u>(32)</u>
Highways:				
Personal services	723,033	750,080	743,449	(6,631)
Contractual services	50,300	50,300	41,727	(8,573)
Material and supplies	152,500	160,925	160,912	(13)
Total highways	<u>925,833</u>	<u>961,305</u>	<u>946,088</u>	<u>(15,217)</u>
Winter Maintenance:				
Personal services	100,000	137,500	137,468	(32)
Contractual services	5,500	25,500	25,365	(135)
Material and supplies	158,000	189,000	188,320	(680)
Total winter maintenance	<u>263,500</u>	<u>352,000</u>	<u>351,153</u>	<u>(847)</u>
Total public works	<u>2,181,778</u>	<u>2,323,310</u>	<u>2,295,222</u>	<u>(28,088)</u>
RECREATION AND LEISURE				
Recreation:				
Personal services	372,385	375,335	362,639	(12,696)
Contractual services	65,805	65,805	51,829	(13,976)
Material and supplies	27,000	27,000	21,678	(5,322)
Total recreation	<u>465,190</u>	<u>468,140</u>	<u>436,146</u>	<u>(31,994)</u>
Park Development and Maintenance:				
Personal services	175,648	180,806	145,868	(34,938)
Contractual services	69,625	69,625	50,310	(19,315)
Material and supplies	51,350	51,350	46,623	(4,727)
Capital outlay	3,500	3,500	2,650	(850)
Total park development and maintenance	<u>300,123</u>	<u>305,281</u>	<u>245,451</u>	<u>(59,830)</u>
Public Library:				
Personal services	364,681	371,921	362,944	(8,977)
Contractual services	209,200	209,200	188,810	(20,390)
Material and supplies	13,200	13,200	10,477	(2,723)
Total public library	<u>587,081</u>	<u>594,321</u>	<u>562,231</u>	<u>(32,090)</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
RECREATION AND LEISURE (Continued)				
Special Communities Activities:				
Contractual services	\$ 7,125	7,125	\$ 6,125	\$ (1,000)
Total special communities activities	<u>7,125</u>	<u>7,125</u>	<u>6,125</u>	<u>(1,000)</u>
Community Center:				
Personal services	26,415	27,005	21,683	(5,322)
Contractual services	109,220	109,220	90,936	(18,284)
Material and supplies	12,000	12,000	9,565	(2,435)
Total community center	<u>147,635</u>	<u>148,225</u>	<u>122,184</u>	<u>(26,041)</u>
Other Town Buildings:				
Contractual services	20,275	19,825	16,726	(3,099)
Material and supplies	750	1,200	1,183	(17)
Total other town buildings	<u>21,025</u>	<u>21,025</u>	<u>17,909</u>	<u>(3,116)</u>
Total recreation and leisure	<u>1,528,179</u>	<u>1,544,117</u>	<u>1,390,046</u>	<u>(154,071)</u>
PUBLIC SAFETY				
Building Inspector:				
Personal services	163,255	169,315	169,308	(7)
Contractual services	13,310	9,650	9,406	(244)
Material and supplies	7,400	6,310	6,545	235
Total building inspector	<u>183,965</u>	<u>185,275</u>	<u>185,259</u>	<u>(16)</u>
Animal Control:				
Contractual services	51,807	51,807	51,807	-
Material and supplies	300	300	57	(243)
Total animal control	<u>52,107</u>	<u>52,107</u>	<u>51,864</u>	<u>(243)</u>
Law Enforcement:				
Personal services	31,365	32,040	27,413	(4,627)
Contractual services	754,213	750,813	661,031	(89,782)
Material and supplies	2,300	5,700	6,251	551
Total law enforcement	<u>787,878</u>	<u>788,553</u>	<u>694,695</u>	<u>(93,858)</u>
Total public safety	<u>1,023,950</u>	<u>1,025,935</u>	<u>931,818</u>	<u>(94,117)</u>
COMMUNITY DEVELOPMENT AND HUMAN SERVICES				
Community Development:				
Personal services	64,530	65,970	65,970	-
Contractual services	7,650	7,650	4,218	(3,432)
Material and supplies	400	400	-	(400)
Total community development	<u>72,580</u>	<u>74,020</u>	<u>70,188</u>	<u>(3,832)</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
COMMUNITY DEVELOPMENT AND HUMAN SERVICES (Continued)				
Human Services Subsidies:				
Contractual services	\$ 430,040	\$ 430,040	\$ 429,813	\$ (227)
Total human service subsidies	<u>430,040</u>	<u>430,040</u>	<u>429,813</u>	<u>(227)</u>
Total community development and human services	<u>502,620</u>	<u>504,060</u>	<u>500,001</u>	<u>(4,059)</u>
BOARD OF EDUCATION	<u>39,488,458</u>	<u>39,488,458</u>	<u>39,414,586</u>	<u>(73,872)</u>
MISCELLANEOUS				
Employee benefits - contractual services	1,471,338	1,478,403	1,312,800	(165,603)
Insurance - contractual services	610,025	610,025	593,535	(16,490)
Contingencies	260,000	70,940	40,453	(30,487)
Total miscellaneous	<u>2,341,363</u>	<u>2,159,368</u>	<u>1,946,788</u>	<u>(212,580)</u>
DEBT SERVICE				
Principal payments	1,818,165	1,818,165	1,818,165	-
Interest and fiscal charges	1,161,989	1,161,989	1,160,785	(1,204)
Debt issuance costs	20,000	20,000	19,436	(564)
Total debt service	<u>3,000,154</u>	<u>3,000,154</u>	<u>2,998,386</u>	<u>(1,768)</u>
Total expenditures	<u>52,087,733</u>	<u>52,087,733</u>	<u>51,405,089</u>	<u>(682,644)</u>
OTHER FINANCING USES				
Transfers out:				
Capital reserve fund	50,000	50,000	50,000	-
Capital nonrecurring fund	420,660	420,660	420,660	-
Insurance reserve fund	20,000	20,000	20,000	-
Solid waste fund	233,206	233,206	233,206	-
Revaluation fund	51,602	51,602	51,602	-
Plan of Conservation	10,000	10,000	10,000	-
OPEB Trust	10,000	10,000	10,000	-
Education capital nonrecurring fund	483,742	483,742	483,742	-
Total other financing uses	<u>1,279,210</u>	<u>1,279,210</u>	<u>1,279,210</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 53,366,943</u>	<u>\$ 53,366,943</u>	<u>\$ 52,684,299</u>	<u>\$ (682,644)</u>

(Concluded)

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2015

Grand List Year	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers to Suspende	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2015
			Additions	Deletions			Taxes	Interest	Liens	
2013	\$ -	\$ 28,739,306	\$ 3,007,950	\$ 150,447	\$ 427	\$ 31,596,382	\$ 30,824,017	\$ 112,773	\$ 2,439	\$ 772,365
2012	732,307	-	1,390	6,038	1,597	726,062	440,889	81,833	6,232	285,173
2011	238,631	-	489	607	7,994	230,519	96,192	30,673	1,316	134,327
2010	149,723	-	608	488	12,319	137,524	43,769	18,864	432	93,755
2009	74,074	-	1,033	287	8,810	66,010	16,297	13,190	228	49,713
2008	33,254	-	994	245	3,489	30,514	4,962	4,483	150	25,552
2007	13,568	-	1,251	-	1,128	13,691	2,341	2,622	30	11,350
2006	14,116	-	923	-	3,342	11,697	1,511	1,913	6	10,186
2005	6,556	-	1,610	259	2,072	5,835	1,776	2,441	30	4,059
2004	5,240	-	385	263	3,529	1,833	174	458	6	1,659
2003	1,831	-	171	-	227	1,775	171	445	-	1,604
2002	1,031	-	203	-	211	1,023	203	445	-	820
2001	156	-	206	73	-	289	132	291	-	157
2000	254	-	163	-	-	417	163	332	-	254
1999	404	-	250	-	174	480	250	654	-	230
1998	1	-	106	-	1	106	106	290	-	-
	<u>\$ 1,271,146</u>	<u>\$ 28,739,306</u>	<u>\$ 3,017,732</u>	<u>\$ 158,707</u>	<u>\$ 45,320</u>	<u>\$ 32,824,157</u>	<u>\$ 31,432,953</u>	<u>\$ 271,707</u>	<u>\$ 10,869</u>	<u>\$ 1,391,204</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2015

Total cash collections for the year ended
June 30, 2015:

Taxes	\$ 31,432,953
Interest and lien fees	282,576
Total	<u>31,715,529</u>

Reimbursement for revenue loss:

Tax relief for elderly freeze (CGS 12-129d)	151,154
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Base	<u>\$ 31,866,683</u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 71,700,037	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	143,400,074	-	-	-
3-3/4 times base	-	-	119,500,061	-	-
3-1/4 times base	-	-	-	103,566,720	-
3 times base	-	-	-	-	95,600,049
Total debt limitation	<u>71,700,037</u>	<u>143,400,074</u>	<u>119,500,061</u>	<u>103,566,720</u>	<u>95,600,049</u>
Indebtedness:					
Bonds and notes payable	3,495,000	18,650,000	8,274,770	-	-
Authorized, unissued bonds	85,000	7,090,800	5,048,000	-	-
Bond anticipation note payable	-	2,000,000	-	-	-
Total indebtedness	<u>3,580,000</u>	<u>27,740,800</u>	<u>13,322,770</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 68,120,037</u>	<u>\$ 115,659,274</u>	<u>\$ 106,177,291</u>	<u>\$ 103,566,720</u>	<u>\$ 95,600,049</u>
Total capacity of borrowing (7 times base)	\$ 223,066,781				
Total present indebtedness	<u>44,643,570</u>				
Margin for additional borrowing	<u>\$ 178,423,211</u>				

See accompanying Independent Auditor's Report.

CAPITAL IMPROVEMENTS FUND

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND PROJECT APPROPRIATIONS - CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Project Appropriations			Project Expenditures			Remaining Balance June 30, 2015
	Balance June 30, 2014	Current Year Appropriations	Balance June 30, 2015	Balance June 30, 2014	Expenditures	Balance June 30, 2015	
Guide Rail Replacement	\$ 387,500	\$ -	\$ 387,500	\$ 366,478	\$ 16,322	\$ 382,800	\$ 4,700
Sidewalks	360,034	438,987	799,021	344,393	453,158	797,551	1,470
Alexanders Lake Sewer	2,205,000	-	2,205,000	2,173,447	-	2,173,447	31,553
Spot Drainage	215,500	-	215,500	176,000	2,580	178,580	36,920
Putnam Road/Five Mile	1,125,000	-	1,125,000	1,034,488	-	1,034,488	90,512
Landfill Closure	3,000,000	-	3,000,000	2,792,107	-	2,792,107	207,893
Killingly Industrial Park	20,848	-	20,848	15,543	-	15,543	5,305
Industrial Park Expansion	174,222	-	174,222	174,222	-	174,222	-
Cook Hill Road	680,000	-	680,000	680,000	-	680,000	-
KIS Athletic/Recreation Fields	190,000	-	190,000	181,472	-	181,472	8,528
WPCA Odor Control	4,380,553	-	4,380,553	4,097,727	-	4,097,727	282,826
Quinebaug River Bike	1,888,925	-	1,888,925	1,827,709	-	1,827,709	61,216
Vo-Ag Classroom Remodeling and Equipment	1,000,000	-	1,000,000	997,331	-	997,331	2,669
KMS Modular Units	600,000	-	600,000	600,000	-	600,000	-
Anchor Glass Prop MDP	354,700	-	354,700	155,635	-	155,635	199,065
KIS Fire Protect System Replacement	1,100,000	-	1,100,000	843,144	-	843,144	256,856
WPCA - BNR Study A	237,711	-	237,711	199,211	-	199,211	38,500
WPCA - Collections System B	214,693	-	214,693	165,247	-	165,247	49,446
Mashentuck Road - Phase II	301,488	-	301,488	251,043	-	251,043	50,445
Industrial Park Sign	20,000	-	20,000	15,768	-	15,768	4,232
WPCA Sewer/Relining Replacement	-	-	-	-	(121,083)	(121,083)	121,083
High School/Vo-Ag	81,265,000	-	81,265,000	80,773,369	(4,781)	80,768,588	496,412
KHS Asbestos Abatement	237,445	-	237,445	237,362	-	237,362	83
Pratt/Ledge Roads	219,097	34,000	253,097	10,884	-	10,884	242,213
Lake Road Phase II	176,000	-	176,000	148,716	-	148,716	27,284
Fuel Oil Tank Removal/Replacement	25,000	-	25,000	11,004	-	11,004	13,996
KCC Theatre Lighting	29,043	-	29,043	24,867	-	24,867	4,176
Breakneck Hill Road	1,239,881	-	1,239,881	1,239,543	-	1,239,543	338
Street Tree Replacement	10,000	-	10,000	4,065	4,431	8,496	1,504
Salt Storage Facilities	50,000	250,273	300,273	192	300	492	299,781
River Road Bridge Rehabilitation	203,496	(11,525)	191,971	191,970	-	191,970	1
Rock Avenue Bridge	267,661	(50,000)	217,661	217,661	-	217,661	-
Rock Avenue	607,953	(188,748)	419,205	207,753	40,310	248,063	171,142
Chestnut Hill Road Bridge	66,889	-	66,889	32,250	-	32,250	34,639
KCC Gym Floor	15,750	-	15,750	-	-	-	15,750

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND PROJECT APPROPRIATIONS - CAPITAL IMPROVEMENTS FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

	Project Appropriations			Project Expenditures			Remaining Balance June 30, 2015
	Balance June 30, 2014	Current Year Appropriations	Balance June 30, 2015	Balance June 30, 2014	Expenditures	Balance June 30, 2015	
Sewer- Reline and Replace	\$ 400,000	\$ -	\$ 400,000	\$ 225,017	\$ 88,155	\$ 313,172	\$ 86,828
Cat Hollow Park Dev	15,000	-	15,000	-	-	-	15,000
Rock Avenue Bridge	3,870,000	-	3,870,000	2,298,986	-	2,298,986	1,571,014
Lake Road/Louisa Viens Improvement	180,000	-	180,000	101,883	-	101,883	78,117
Sanitary Sewer Line Replacement	10,373,000	-	10,373,000	8,915,942	1,311,450	10,227,392	145,608
Chiller - Old High School	183,621	-	183,621	4,675	165	4,840	178,781
Lake Road ARRA	558,900	-	558,900	427,870	-	427,870	131,030
WPCA Capital Projects 2010-2011	250,000	-	250,000	248,686	1,314	250,000	-
Town Hall Building Improvement	168,000	-	168,000	87,847	250	88,097	79,903
David Avenue Extension	95,000	-	95,000	55,340	-	55,340	39,660
Footbridge Rehab	250,000	-	250,000	249,538	-	249,538	462
Highway Garage Truck Wash/Bay	50,000	-	50,000	-	-	-	50,000
Bugbee Bldg Interior Renovations	50,000	-	50,000	5,864	-	5,864	44,136
River Road Bridges	3,150,000	-	3,150,000	2,750,000	-	2,750,000	400,000
Sewer Replacement 10-11	100,000	-	100,000	-	-	-	100,000
WPCA Capital Projects 2011-2012	529,343	-	529,343	361,501	123,152	484,653	44,690
Highway Garage Roof	140,000	-	140,000	98,219	2,000	100,219	39,781
Spot Drainage (TA)	20,000	-	20,000	-	14,166	14,166	5,834
Community Center Roof	356,983	-	356,983	310,717	35,301	346,018	10,965
WPCA - Capital Projects 12-13	150,000	-	150,000	-	107,162	107,162	42,838
School Administration Offices	60,000	-	60,000	32,294	-	32,294	27,706
Road Renewal TA 2014	239,300	-	239,300	146,854	92,446	239,300	-
Owen Bell Track & Court Renovations	13,545	-	13,545	370	-	370	13,175
Town Hall Generator	65,000	-	65,000	-	16,210	16,210	48,790
WPCA - Capital Projects 13-14	120,000	-	120,000	-	-	-	120,000
Relocate/Replace Garage Fuel Tanks	314,834	-	314,834	301	267,563	267,864	46,970
KCC Gym Floor	-	16,000	16,000	-	-	-	16,000
Road Renewal 14-15 Unimproved TA	-	24,000	24,000	-	-	-	24,000
Road Renewal 14-15 (TA)	-	254,879	254,879	-	254,879	254,879	-
Highway Garage Boiler	-	35,000	35,000	-	258	258	34,742
EV Charging Station	-	6,060	6,060	-	6,060	6,060	-
Nauset/Cape/Orleans Drainage	-	30,000	30,000	-	5,272	5,272	24,728
KCC Underground Tank	-	30,000	30,000	-	8,875	8,875	21,125
KCC Gutters	-	64,000	64,000	-	-	-	64,000
14-15 WPCA Capital Projects	-	147,000	147,000	-	-	-	147,000
	<u>\$ 124,571,915</u>	<u>\$ 1,079,926</u>	<u>\$ 125,651,841</u>	<u>\$ 116,512,505</u>	<u>\$ 2,725,915</u>	<u>\$ 119,238,420</u>	<u>\$ 6,413,421</u>

(Concluded)

See accompanying Independent Auditor's Report.

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Nonmajor Special Revenue Funds					
	School Cafeteria Fund	Educational Grants Fund	Community Development Block Grant Fund	Cemetery Fund	Workplace Substance Abuse Grant	Recreation Revolving Fund
ASSETS						
Cash and cash equivalents	\$ 316,000	\$ 1,489,796	\$ 368,264	\$ 8,055	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	144,192	33,039	-	-	-	-
Other	-	-	28,070	-	-	-
Due from other funds	-	-	-	22,440	5,167	38,575
Inventories	17,947	-	-	-	-	-
Total assets	<u>\$ 478,139</u>	<u>\$ 1,522,835</u>	<u>\$ 396,334</u>	<u>\$ 30,495</u>	<u>\$ 5,167</u>	<u>\$ 38,575</u>
LIABILITIES						
Accounts payable	\$ 29,277	\$ 50,295	\$ -	\$ -	\$ -	\$ -
Due to other funds	596,936	1,191,506	-	-	-	-
Unearned revenue	1,392	281,034	350,629	-	-	-
Total liabilities	<u>627,605</u>	<u>1,522,835</u>	<u>350,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Inventories	17,947	-	-	-	-	-
Permanent funds principal	-	-	-	-	-	-
Restricted for:						
Grant proceeds	-	-	45,705	-	5,167	-
Special reserves - external	-	-	-	-	-	-
Committed to:						
Public safety	-	-	-	-	-	-
Community development and human services	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	38,575
Education	-	-	-	30,495	-	-
Capital and nonrecurring	-	-	-	-	-	-
Unassigned	(167,413)	-	-	-	-	-
Total fund balances (deficits)	<u>(149,466)</u>	<u>-</u>	<u>45,705</u>	<u>30,495</u>	<u>5,167</u>	<u>38,575</u>
Total liabilities and fund balances (deficits)	<u>\$ 478,139</u>	<u>\$ 1,522,835</u>	<u>\$ 396,334</u>	<u>\$ 30,495</u>	<u>\$ 5,167</u>	<u>\$ 38,575</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 JUNE 30, 2015

	Nonmajor Special Revenue Funds					
	Public Investment Community Grant in Aid Fund	Miscellaneous Special Revenue	Law Enforcement	Historic Preservation Fund	Solid Waste Fund	Armory Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ 657,859	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	29,076	-	-	-
Other	-	-	-	-	18,092	-
Due from other funds	5,324	26,417	-	33,617	10,308	39,938
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 5,324</u>	<u>\$ 684,276</u>	<u>\$ 29,076</u>	<u>\$ 33,617</u>	<u>\$ 28,400</u>	<u>\$ 39,938</u>
LIABILITIES						
Accounts payable	\$ -	\$ 9,454	\$ -	\$ -	\$ 15,383	\$ -
Due to other funds	-	217,817	29,076	-	-	-
Unearned revenue	-	30,499	-	-	8,790	-
Total liabilities	<u>-</u>	<u>257,770</u>	<u>29,076</u>	<u>-</u>	<u>24,173</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Inventories	-	-	-	-	-	-
Permanent funds principal	-	-	-	-	-	-
Restricted for:						
Grant proceeds	5,324	-	-	33,617	-	-
Special reserves - external	-	-	-	-	-	-
Committed to:						
Public safety	-	-	-	-	-	39,938
Community development and human services	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	-
Education	-	426,506	-	-	-	-
Capital and nonrecurring	-	-	-	-	-	-
Unassigned	-	-	-	-	4,227	-
Total fund balances (deficits)	<u>5,324</u>	<u>426,506</u>	<u>-</u>	<u>33,617</u>	<u>4,227</u>	<u>39,938</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,324</u>	<u>\$ 684,276</u>	<u>\$ 29,076</u>	<u>\$ 33,617</u>	<u>\$ 28,400</u>	<u>\$ 39,938</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 JUNE 30, 2015

	Nonmajor Special Revenue Funds			Nonmajor Capital Projects Funds	
	Library Operating	Community Outdoor Beautification	Total	Industrial Park	Capital Reserve Fund
ASSETS					
Cash and cash equivalents	\$ -	\$ 3,762	\$ 2,843,736	\$ 433,258	\$ -
Investments	-	10,884	10,884	-	-
Receivables:					
Grants and contracts	-	-	206,307	-	-
Other	-	-	46,162	-	15,231
Due from other funds	31,341	42,541	255,668	7,954	743,508
Inventories	-	-	17,947	-	-
Total assets	\$ 31,341	\$ 57,187	\$ 3,380,704	\$ 441,212	\$ 758,739
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 104,409	\$ -	\$ 15,592
Due to other funds	-	-	2,035,335	-	-
Unearned revenue	-	-	672,344	-	-
Total liabilities	-	-	2,812,088	-	15,592
FUND BALANCES (DEFICITS)					
Nonspendable:					
Inventories	-	-	17,947	-	-
Permanent funds principal	-	-	-	-	-
Restricted for:					
Grant proceeds	-	-	89,813	-	-
Special reserves - external	-	-	-	-	-
Committed to:					
Public safety	-	-	39,938	-	-
Community development and human services	-	57,187	57,187	-	-
Recreation and leisure	31,341	-	69,916	-	-
Education	-	-	457,001	-	-
Capital and nonrecurring	-	-	-	441,212	743,147
Unassigned	-	-	(163,186)	-	-
Total fund balances (deficits)	31,341	57,187	568,616	441,212	743,147
Total liabilities and fund balances (deficits)	\$ 31,341	\$ 57,187	\$ 3,380,704	\$ 441,212	\$ 758,739

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Concluded)
 JUNE 30, 2015

	Nonmajor Capital Projects Funds					Permanent Trust Funds	Total Nonmajor Governmental Funds
	Open Space Acquisition Fund	State Line Road Improvement	Pettingill Hill Road Improvement	Benefit Assessment	Total		
ASSETS							
Cash and cash equivalents	\$ -	\$ 2,207	\$ 85	\$ 4,358	\$ 439,908	\$ 153,328	\$ 3,436,972
Investments	-	6,626	244	13,126	19,996	419,279	450,159
Receivables:							
Grants and contracts	-	-	-	-	-	-	206,307
Other	-	-	-	-	15,231	-	61,393
Due from other funds	209,106	-	-	-	960,568	94,817	1,311,053
Inventories	-	-	-	-	-	-	17,947
Total assets	<u>\$ 209,106</u>	<u>\$ 8,833</u>	<u>\$ 329</u>	<u>\$ 17,484</u>	<u>\$ 1,435,703</u>	<u>\$ 667,424</u>	<u>\$ 5,483,831</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,592	\$ -	\$ 120,001
Due to other funds	-	-	-	-	-	-	2,035,335
Unearned revenue	-	-	-	-	-	-	672,344
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,592</u>	<u>-</u>	<u>2,827,680</u>
FUND BALANCES (DEFICITS)							
Nonspendable:							
Inventories	-	-	-	-	-	-	17,947
Permanent funds principal	-	-	-	-	-	119,632	119,632
Restricted for:							
Grant proceeds	-	-	-	-	-	-	89,813
Special reserves - external	-	-	-	-	-	547,792	547,792
Committed to:							
Public safety	-	-	-	-	-	-	39,938
Community development and human services	-	-	-	-	-	-	57,187
Recreation and leisure	-	-	-	-	-	-	69,916
Education	-	-	-	-	-	-	457,001
Capital and nonrecurring	209,106	8,833	329	17,484	1,420,111	-	1,420,111
Unassigned	-	-	-	-	-	-	(163,186)
Total fund balances (deficits)	<u>209,106</u>	<u>8,833</u>	<u>329</u>	<u>17,484</u>	<u>1,420,111</u>	<u>667,424</u>	<u>2,656,151</u>
Total liabilities and fund balances (deficits)	<u>\$ 209,106</u>	<u>\$ 8,833</u>	<u>\$ 329</u>	<u>\$ 17,484</u>	<u>\$ 1,435,703</u>	<u>\$ 667,424</u>	<u>\$ 5,483,831</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Nonmajor Special Revenue Funds					
	School Cafeteria Fund	Educational Grants Fund	Community Development Block Grant Fund	Cemetery Fund	Workplace Substance Abuse Grant	Recreation Revolving Fund
REVENUES						
Intergovernmental	\$ 741,738	\$ 2,315,885	\$ 293,605	\$ -	\$ -	\$ 2,928
Charges for services	365,557	-	-	-	-	33,469
Investment earnings	-	-	48	332	-	-
Miscellaneous	-	-	9,135	2,500	-	-
Total revenues	<u>1,107,295</u>	<u>2,315,885</u>	<u>302,788</u>	<u>2,832</u>	<u>-</u>	<u>36,397</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	16,407
Public safety	-	-	-	-	-	-
Community development and human services	-	-	293,605	2,580	-	-
Education	1,023,211	2,315,885	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>1,023,211</u>	<u>2,315,885</u>	<u>293,605</u>	<u>2,580</u>	<u>-</u>	<u>16,407</u>
Excess (deficiency) of revenues over expenditures	84,084	-	9,183	252	-	19,990
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>
Net changes in fund balances	84,084	-	9,183	252	-	19,990
Fund balances (deficits) - beginning	<u>(233,550)</u>	<u>-</u>	<u>36,522</u>	<u>30,243</u>	<u>5,167</u>	<u>18,585</u>
Fund balances (deficits) - ending	<u>\$ (149,466)</u>	<u>\$ -</u>	<u>\$ 45,705</u>	<u>\$ 30,495</u>	<u>\$ 5,167</u>	<u>\$ 38,575</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2015

	Nonmajor Special Revenue Funds					
	Public Investment Community Grant in Aid Fund	Miscellaneous Special Revenue	Law Enforcement	Historic Preservation Fund	Solid Waste Fund	Armory Fund
REVENUES						
Intergovernmental	\$ -	\$ 40,618	\$ 65,299	\$ 5,000	\$ -	\$ -
Charges for services	-	776,304	-	-	144,731	12,910
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	3,820	4,722	-	-
Total revenues	<u>-</u>	<u>816,922</u>	<u>69,119</u>	<u>9,722</u>	<u>144,731</u>	<u>12,910</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	352,371	-
Recreation and leisure	-	-	-	7,622	-	-
Public safety	-	-	69,119	-	-	-
Community development and human services	-	-	-	-	-	-
Education	-	761,611	-	-	-	-
Capital outlays	-	-	-	-	-	35,359
Total expenditures	<u>-</u>	<u>761,611</u>	<u>69,119</u>	<u>7,622</u>	<u>352,371</u>	<u>35,359</u>
Excess (deficiency) of revenues over expenditures	-	55,311	-	2,100	(207,640)	(22,449)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	233,206	-
Transfers out	-	-	-	-	(5,641)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,565</u>	<u>-</u>
Net changes in fund balances	-	55,311	-	2,100	19,925	(22,449)
Fund balances (deficits) - beginning	<u>5,324</u>	<u>371,195</u>	<u>-</u>	<u>31,517</u>	<u>(15,698)</u>	<u>62,387</u>
Fund balances (deficits) - ending	<u>\$ 5,324</u>	<u>\$ 426,506</u>	<u>\$ -</u>	<u>\$ 33,617</u>	<u>\$ 4,227</u>	<u>\$ 39,938</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2015

	Nonmajor Special Revenue Funds			Nonmajor Capital Projects Funds	
	Library Operating	Community Outdoor Beautification	Total	Industrial Park	Capital Reserve Fund
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 3,465,073	\$ -	\$ -
Charges for services	400	5,498	1,338,869	-	85,816
Investment earnings	-	-	380	114	-
Miscellaneous	35,000	-	55,177	-	-
Total revenues	35,400	5,498	4,859,499	114	85,816
EXPENDITURES					
Current:					
General government	-	-	352,371	-	-
Recreation and leisure	29,620	-	53,649	-	-
Public safety	-	-	69,119	-	-
Community development and human services	-	29,205	325,390	-	-
Education	-	-	4,100,707	-	-
Capital outlays	-	-	35,359	-	150,675
Total expenditures	29,620	29,205	4,936,595	-	150,675
Excess (deficiency) of revenues over expenditures	5,780	(23,707)	(77,096)	114	(64,859)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	233,206	-	50,000
Transfers out	-	-	(5,641)	-	-
Total other financing sources (uses)	-	-	227,565	-	50,000
Net changes in fund balances	5,780	(23,707)	150,469	114	(14,859)
Fund balances (deficits) - beginning	25,561	80,894	418,147	441,098	758,006
Fund balances (deficits) - ending	\$ 31,341	\$ 57,187	\$ 568,616	\$ 441,212	\$ 743,147

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS (Concluded)
 FOR THE YEAR ENDED JUNE 30, 2015

	Nonmajor Capital Projects Funds					Permanent Trust Funds	Total Nonmajor Governmental Funds
	Open Space Acquisition Fund	State Line Road Improvement	Pettingill Hill Road Improvement	Benefit Assessment	Total		
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,465,073
Charges for services	-	-	-	-	85,816	-	1,424,685
Investment earnings	-	295	2	628	1,039	27,642	29,061
Miscellaneous	5,615	-	-	-	5,615	-	60,792
Total revenues	<u>5,615</u>	<u>295</u>	<u>2</u>	<u>628</u>	<u>92,470</u>	<u>27,642</u>	<u>4,979,611</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	352,371
Recreation and leisure	-	-	-	-	-	-	53,649
Public safety	-	-	-	-	-	-	69,119
Community development and human services	-	-	-	-	-	1,747	327,137
Education	-	-	-	-	-	-	4,100,707
Capital outlays	-	-	-	-	150,675	-	186,034
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,675</u>	<u>1,747</u>	<u>5,089,017</u>
Excess (deficiency) of revenues over expenditures	5,615	295	2	628	(58,205)	25,895	(109,406)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	50,000	-	283,206
Transfers out	-	-	-	-	-	(73)	(5,714)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>(73)</u>	<u>277,492</u>
Net changes in fund balances	5,615	295	2	628	(8,205)	25,822	168,086
Fund balances (deficits) - beginning	<u>203,491</u>	<u>8,538</u>	<u>327</u>	<u>16,856</u>	<u>1,428,316</u>	<u>641,602</u>	<u>2,488,065</u>
Fund balances (deficits) - ending	<u>\$ 209,106</u>	<u>\$ 8,833</u>	<u>\$ 329</u>	<u>\$ 17,484</u>	<u>\$ 1,420,111</u>	<u>\$ 667,424</u>	<u>\$ 2,656,151</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING BALANCE SHEET - KILLINGLY PUBLIC LIBRARY TRUST FUNDS
 JUNE 30, 2015

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Due from Other Funds</u>	<u>Restricted Special Reserves External</u>
Killingly Public Library Funds				
Mildred Sterns	\$ 144	\$ 415	\$ -	\$ 559
Emily Danielson	1,100	3,301	-	4,401
Mary Dexter	263	760	-	1,023
Frederick A. Jacobs	514	1,568	-	2,082
Basset Hammond	825	2,506	-	3,331
Nathan Prince	92,604	243,361	94,817	430,782
Almond M. Paine	6,091	17,616	-	23,707
Ella Dorrance	2,877	8,643	-	11,520
Lena Tripp	6,492	19,542	-	26,034
Adolp Goldwater	1,105	3,318	-	4,423
Library Special	3,831	11,526	-	15,357
Total Killingly Public Library Funds	<u>\$ 115,846</u>	<u>\$ 312,556</u>	<u>\$ 94,817</u>	<u>\$ 523,219</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 KILLINGLY PUBLIC LIBRARY TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balance July 1, 2014	Investment Income	Community Development and Human Services	Transfers In (Out), net	Fund Balance June 30, 2015
Killingly Public Library Funds					
Mildred Sterns	\$ 319	\$ 2	\$ -	\$ 238	\$ 559
Emily Danielson	4,248	147	-	6	4,401
Mary Dexter	1,013	7	-	3	1,023
Frederick A. Jacobs	1,986	93	-	3	2,082
Basset Hammond	3,163	140	-	28	3,331
Nathan Prince	408,866	22,663	(747)	-	430,782
Almond M. Paine	22,406	1,301	-	-	23,707
Ella Dorrance	11,119	391	-	10	11,520
Lena Tripp	25,112	922	-	-	26,034
Adolp Goldwater	4,257	147	-	19	4,423
Library Special	14,821	536	-	-	15,357
Total Killingly Public Library Funds	<u>\$ 497,310</u>	<u>\$ 26,349</u>	<u>\$ (747)</u>	<u>\$ 307</u>	<u>\$ 523,219</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING BALANCE SHEET - PERMANENT TRUST FUNDS
 JUNE 30, 2015

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Nonspendable Permanent Fund Principal</u>	<u>Restricted Special Reserves External</u>
Permanent Trust Funds				
Thomas J. Evans	\$ 771	\$ 2,229	\$ 3,000	\$ -
Ezra Mathewson	103	297	400	-
Shubael Hutchins Nonspendable	1,284	3,716	5,000	-
Louisa E. Day	2,195	6,350	8,545	-
Civil War Monument	52	150	202	-
Arthur Wilkes	128	372	500	-
Hutchins Burial Lot	51	149	200	-
Mildred Stearns	9,633	27,867	37,500	-
Paine Mitchell Matthews	411	1,189	1,600	-
Paine Cemetery - Town	12,844	37,156	50,000	-
Emily Danielson	257	743	1,000	-
Eunice Randell	257	743	1,000	-
Earl Chandler	839	-	839	-
Mary Dexter	128	372	500	-
Frederick A. Jacobs	128	372	500	-
Basset Hammond	1,116	3,230	4,346	-
Ella Dorrance	385	1,115	1,500	-
Adolp Goldwater	771	2,229	3,000	-
Shubael Hutchins Spendable	6,129	18,444	-	24,573
Total Permanent Trust Funds	<u>\$ 37,482</u>	<u>\$ 106,723</u>	<u>\$ 119,632</u>	<u>\$ 24,573</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 PERMANENT TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Fund Balance July 1, 2014</u>	<u>Investment Income</u>	<u>Community Development and Human Services</u>	<u>Transfers In (Out), net</u>	<u>Fund Balance June 30, 2015</u>
Permanent Trust Funds					
Thomas J. Evans	\$ 3,000	\$ 19	\$ -	\$ (19)	\$ 3,000
Ezra Mathewson	400	-	-	-	400
Shubael Hutchins Nonspendable	5,000	32	-	(32)	5,000
Louisa E. Day	8,545	54	-	(54)	8,545
Civil War Monument	202	-	-	-	202
Arthur Wilkes	500	-	-	-	500
Hutchins Burial Lot	200	-	-	-	200
Mildred Stearns	37,500	238	-	(238)	37,500
Paine Mitchell Matthews	1,600	-	-	-	1,600
Paine Cemetery - Town	50,000	-	-	-	50,000
Emily Danielson	1,000	6	-	(6)	1,000
Eunice Randell	1,000	-	-	-	1,000
Earl Chandler	837	2	-	-	839
Mary Dexter	500	3	-	(3)	500
Frederick A. Jacobs	500	3	-	(3)	500
Basset Hammond	4,346	28	-	(28)	4,346
Ella Dorrance	1,500	10	-	(10)	1,500
Adolp Goldwater	3,000	19	-	(19)	3,000
Shubael Hutchins Spendable	24,662	879	(1,000)	32	24,573
Total Permanent Trust Funds	<u>\$ 144,292</u>	<u>\$ 1,293</u>	<u>\$ (1,000)</u>	<u>\$ (380)</u>	<u>\$ 144,205</u>

See accompanying Independent Auditor's Report.

PRIVATE PURPOSE TRUST FUNDS

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2015

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Due from Others</u>	<u>Held in Trust for Endowment Purposes</u>
Olivia Boulais	\$ 46	\$ -	\$ -	\$ 46
Robert D. Payne	53	-	-	53
Blanche Phoenix	1,098	-	-	1,098
Frances Upham Spaulding	1,153	-	-	1,153
Ruth E. Osgood	51	-	-	51
Goldwater Weisberg	852	-	-	852
Laura Pike Rowe	-	607,449	-	607,449
Adrian Herklots	503	-	-	503
Normington Memorial Savings	2,585	-	-	2,585
Normington Memorial CD	2,184	-	-	2,184
Jeffrey Lehman	17,693	-	-	17,693
Chris Wood	17,737	-	-	17,737
Ryan Doyle	2,833	-	-	2,833
John E. Bitgood Trust	-	-	30,195	30,195
John Lagarde Savings	503	-	-	503
John Lagarde CD	973	-	-	973
Helen Lupien Savings	309	-	-	309
Olive Boulais	5,038	-	-	5,038
Robert D. Payne	2,591	-	-	2,591
Ruth E. Osgood	7,500	-	-	7,500
Total Private Purpose Trust Funds	<u>\$ 63,702</u>	<u>\$ 607,449</u>	<u>\$ 30,195</u>	<u>\$ 701,346</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balance July 1, 2014	Additions		Deductions	Transfers In (Out)	Fund Balance June 30, 2015
		Contributions	Investment Income	Awards		
Olive Boulais	\$ 36	\$ -	\$ 10	\$ -	\$ -	\$ 46
Robert D. Payne	43	-	10	-	-	53
Blanche Phoenix	1,098	-	-	-	-	1,098
Frances Upham Spaulding	1,150	-	3	-	-	1,153
Ruth E. Osgood	35	-	16	-	-	51
Goldwater Weisberg	852	-	-	-	-	852
Laura Pike Rowe	607,834	-	8,605	(8,990)	-	607,449
Adrian Herklots	503	2,100	-	(2,100)	-	503
Normington Memorial Savings	2,583	1,000	2	(1,000)	-	2,585
Normington Memorial CD	2,178	-	6	-	-	2,184
Jeffrey Lehman	15,170	10,000	23	(7,500)	-	17,693
Chris Wood	17,710	10,000	27	(10,000)	-	17,737
Ryan Doyle	3,831	-	-	(998)	-	2,833
John E. Bitgood Trust	25,048	5,147	-	-	-	30,195
John Lagarde Savings	1,302	-	1	(800)	-	503
John Lagarde CD	971	-	2	-	-	973
Helen Lupien Savings	319	-	-	(10)	-	309
Olive Boulais	5,038	-	-	-	-	5,038
Robert D. Payne	2,591	-	-	-	-	2,591
Ruth E. Osgood	7,500	-	-	-	-	7,500
Total Private Purpose Trust Funds	<u>\$ 695,792</u>	<u>\$ 28,247</u>	<u>\$ 8,705</u>	<u>\$ (31,398)</u>	<u>\$ -</u>	<u>\$ 701,346</u>

See accompanying Independent Auditor's Report.

AGENCY FUNDS

TOWN OF KILLINGLY, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
 JUNE 30, 2015

	<u>Student Activities</u>	<u>Performance Bonds</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 176,400	\$ 281,850	\$ 458,250
Total assets	<u>\$ 176,400</u>	<u>\$ 281,850</u>	<u>\$ 458,250</u>
LIABILITIES			
Due to student groups	\$ 176,400	\$ -	\$ 176,400
Due to others	-	281,850	281,850
Total liabilities	<u>\$ 176,400</u>	<u>\$ 281,850</u>	<u>\$ 458,250</u>

See accompanying Independent Auditor's Report.

TOWN OF KILLINGLY, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2015</u>
Student Activities				
Assets				
Cash and cash equivalents				
Killingly high school	\$ 96,737	\$ 206,475	\$ 186,717	\$ 116,495
Redmen booster club	1,897	-	-	1,897
Killingly junior high school	25,328	17,358	19,530	23,156
Killingly central school	12,774	5,625	5,216	13,183
Killingly memorial school	8,191	74,491	67,299	15,383
Goodyear early childhood center	3,103	2,789	395	5,497
BASP student activity account	3,368	7,244	9,823	789
Total assets	<u>\$ 151,398</u>	<u>\$ 313,982</u>	<u>\$ 288,980</u>	<u>\$ 176,400</u>
Liabilities				
Due to student groups	\$ 151,398	\$ 313,982	\$ 288,980	\$ 176,400
Total liabilities	<u>\$ 151,398</u>	<u>\$ 313,982</u>	<u>\$ 288,980</u>	<u>\$ 176,400</u>
Performance Bonds				
Assets				
Cash and cash equivalents	\$ 283,473	\$ 24,456	\$ 26,079	\$ 281,850
Total assets	<u>\$ 283,473</u>	<u>\$ 24,456</u>	<u>\$ 26,079</u>	<u>\$ 281,850</u>
Liabilities				
Due to others	\$ 283,473	\$ 24,456	\$ 26,079	\$ 281,850
Total liabilities	<u>\$ 283,473</u>	<u>\$ 24,456</u>	<u>\$ 26,079</u>	<u>\$ 281,850</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 434,871	\$ 338,438	\$ 315,059	\$ 458,250
Total assets	<u>\$ 434,871</u>	<u>\$ 338,438</u>	<u>\$ 315,059</u>	<u>\$ 458,250</u>
Liabilities				
Due to student groups	\$ 151,398	\$ 313,982	\$ 288,980	\$ 176,400
Due to others	283,473	24,456	26,079	281,850
Total liabilities	<u>\$ 434,871</u>	<u>\$ 338,438</u>	<u>\$ 315,059</u>	<u>\$ 458,250</u>

See accompanying Independent Auditor's Report.

OTHER INFORMATION (UNAUDITED)

TOWN OF KILLINGLY, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 30,146,737	\$ 38,554,712	\$ 36,882,006	\$ 65,404,213	\$ 95,429,775	\$ 95,726,718	\$ 97,765,533	\$ 101,541,317	\$ 103,443,636	\$ 104,643,805
Restricted for:										
Endowments - expendable	1	1	1	1	1	484,838	506,970	530,161	552,215	547,792
Endowments - nonexpendable	119,634	119,634	119,634	119,634	119,634	119,634	119,630	119,630	119,630	119,632
Other purposes	405,413	2,620,509	4,150,204	-	-	-	-	-	-	-
Unrestricted	13,806,958	19,614,192	25,814,958	27,301,434	21,309,425	20,510,460	17,963,381	13,674,955	13,713,426	11,174,166
Total governmental activities net position	<u>\$ 44,478,743</u>	<u>\$ 60,909,048</u>	<u>\$ 66,966,803</u>	<u>\$ 92,825,282</u>	<u>\$ 116,858,835</u>	<u>\$ 116,841,650</u>	<u>\$ 116,355,514</u>	<u>\$ 115,866,063</u>	<u>\$ 117,828,907</u>	<u>\$ 116,485,395</u>

TOWN OF KILLINGLY, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 3,031,014	\$ 5,278,440	\$ 5,562,314	\$ 5,482,757	\$ 5,158,527	\$ 2,573,800	\$ 3,619,835	\$ 3,403,030	\$ 4,005,969	\$ 3,494,171
Public works	7,605,508	5,035,684	5,156,595	5,647,186	5,341,129	5,275,524	5,203,896	5,265,384	5,825,718	6,108,779
Recreation and leisure	1,544,109	2,273,213	2,291,172	2,284,037	2,152,551	2,016,637	1,926,344	1,979,551	1,426,575	1,773,789
Public safety	622,082	949,689	917,219	916,807	924,916	875,611	1,055,882	998,195	1,015,900	1,050,732
Community development and human services	1,057,302	1,401,226	1,191,829	1,030,228	829,070	1,088,021	1,342,336	943,972	1,382,091	906,536
Education	34,262,782	39,437,266	50,179,308	44,247,785	45,322,415	50,528,114	51,275,566	52,455,544	53,959,068	54,525,897
Interest and fiscal charges	590,748	418,628	643,918	800,416	767,585	976,042	1,550,711	1,051,283	873,546	1,155,761
Total governmental activities expenses	<u>48,713,545</u>	<u>54,794,146</u>	<u>65,942,355</u>	<u>60,409,216</u>	<u>60,496,193</u>	<u>63,333,749</u>	<u>65,974,570</u>	<u>66,096,959</u>	<u>68,488,867</u>	<u>69,015,665</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	870,657	1,073,297	1,201,587	971,507	869,058	1,065,652	1,092,072	616,933	961,098	507,533
Public works	3,240,286	3,399,531	3,674,040	4,360,811	3,627,236	3,565,532	3,870,175	3,668,673	3,311,533	4,112,042
Recreation and leisure	129,786	200,805	206,726	220,479	236,225	202,152	195,559	218,743	140,129	175,233
Public safety	1,470	16,158	9,488	15,401	25,081	49,074	22,671	24,550	1,710	4,879
Community development and human services	67,791	25,321	24,250	31,965	23,087	25,079	32,899	24,397	17,282	162,650
Education	2,715,354	4,036,993	3,447,855	3,217,596	3,668,551	3,774,361	4,099,742	4,656,775	4,356,732	4,447,256
Operating grants and contributions	18,086,069	21,818,608	31,772,832	23,142,921	23,429,911	22,737,176	24,602,333	24,076,446	27,649,324	23,879,797
Capital grants and contributions	624,834	506,610	4,341,981	27,031,903	24,719,465	2,725,162	1,089,494	2,810,977	2,690,253	1,493,682
Total governmental activities program revenues	<u>25,736,247</u>	<u>31,077,323</u>	<u>44,678,759</u>	<u>58,992,583</u>	<u>56,598,614</u>	<u>34,144,188</u>	<u>35,004,945</u>	<u>36,097,494</u>	<u>39,128,061</u>	<u>34,783,072</u>
Net (Expense)/Revenue										
Governmental activities	(22,977,298)	(23,716,823)	(21,263,596)	(1,416,633)	(3,897,579)	(29,189,561)	(30,969,625)	(29,999,465)	(29,360,806)	(34,232,593)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	21,327,501	23,134,728	25,577,275	25,943,148	26,730,410	28,043,355	28,367,953	28,753,203	30,683,974	31,879,104
Unrestricted grants and contributions	1,305,515	1,482,823	1,089,233	1,081,066	1,012,177	1,053,240	1,258,030	1,254,281	506,500	541,271
Investment income	519,268	690,699	654,843	250,898	188,545	75,781	175,314	184,722	133,176	207,756
Miscellaneous	250,385	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>23,402,669</u>	<u>25,308,250</u>	<u>27,321,351</u>	<u>27,275,112</u>	<u>27,931,132</u>	<u>29,172,376</u>	<u>29,801,297</u>	<u>30,192,206</u>	<u>31,323,650</u>	<u>32,628,131</u>
Change in Net Position										
Governmental activities	<u>\$ 425,371</u>	<u>\$ 1,591,427</u>	<u>\$ 6,057,755</u>	<u>\$ 25,858,479</u>	<u>\$ 24,033,553</u>	<u>\$ (17,185)</u>	<u>\$ (1,168,328)</u>	<u>\$ 192,741</u>	<u>\$ 1,962,844</u>	<u>\$ (1,604,462)</u>

TOWN OF KILLINGLY, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Residential Real Property (%)	Commercial & Industrial Property (%)	All Other Land (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List	Disability Farm, Veterans, and Elderly Relief	Manufacturing Exemption Sec. 12-81 (59) and (60)	Net Taxable Grand List at 70%
2006	38.80	19.42	2.53	31.82	7.43	1,185,767,888	6,436,596	392,394,480	786,936,812
2007	39.58	19.37	2.58	30.38	8.09	1,195,484,358	6,035,070	367,076,970	822,372,318
2008	40.44	19.23	2.76	29.33	8.24	1,216,477,185	6,027,396	358,988,356	851,461,433
2009	48.64	19.57	3.62	22.13	6.04	1,665,623,346	6,541,680	402,077,649	1,257,004,017
2010	48.09	21.13	3.42	21.65	5.71	1,703,661,744	7,781,724	402,264,890	1,293,615,130
2011	48.01	21.17	3.43	21.77	5.63	1,720,057,294	7,582,720	409,828,215	1,302,646,359
2012	48.01	21.00	3.49	21.62	5.87	1,732,442,346	7,915,160	413,076,450	1,311,450,736
2013	44.60	22.30	3.36	23.87	5.87	1,795,222,510	430,043,201	-	1,365,179,309
2014	45.51	22.74	3.44	22.45	5.87	1,765,102,163	428,814,673	-	1,336,287,490
2015	39.41	24.82	3.15	25.62	7.01	1,497,944,702	413,602,923	-	1,084,341,779

Notes: Taxes are levied on all taxable, assessed property on the October 1 grand list, prior to the beginning of the fiscal year. Real property taxes are payable in four installments on July 1, October 1, January 1 and July 1. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after five years, at which time they cease to be carried as receivables. Delinquent real estate accounts are collectible for up to 15 years after the due date in accordance with State Statutes.

Source: Town of Killingly, Office of the Assessor.

TOWN OF KILLINGLY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS
(Unaudited)

FISCAL YEAR ENDED JUNE 30	TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1	NET TAXABLE GRAND LIST	TOTAL ADJUSTED TAX LEVY (2)	NET CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	PERCENT OF LEVY UNCOLLECTED
2015	26.5	2013	\$ 1,084,341,779	\$ 31,596,382	\$ 30,824,027	97.56%	2.44%
2014	20.7	2012	1,336,287,490	30,395,902	29,663,595	97.59%	2.41%
2013	19.7	2011	1,365,179,309	28,764,633	27,961,980	97.21%	2.79%
2012	19.2	2010	1,311,450,736	28,023,792	27,240,681	97.21%	2.79%
2011	19.1	2009	1,302,646,359	27,730,505	26,935,751	97.13%	2.87%
2010	18.2	2008	1,293,615,130	26,462,489	25,818,119	97.56%	2.44%
2009	17.8	2007	1,257,004,017	25,550,095	24,916,013	97.52%	2.48%
2008	25.8	2006	851,461,433	25,298,692	24,641,179	97.40%	2.60%
2007	25.8	2005	822,372,318	22,687,607	22,084,125	97.34%	2.66%
2006	25.0	2004	786,936,812	21,007,294	20,536,540	97.76%	2.24%

(1) Taxes are levied on all taxable, assessed property on the October 1 grand list, prior to the beginning of the fiscal year. Real property taxes are payable in four installments on July 1, October 1, January 1 and July 1. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after five years, at which time they cease to be carried as receivables. Delinquent real estate accounts are collectible for up to 15 years after the due date in accordance with State Statutes.

(2) Tax levy is per \$1,000 of the assessed value of taxable property.

Table 5

TOWN OF KILLINGLY, CONNECTICUT
PRINCIPAL TAXPAYERS
JUNE 30, 2015
(Unaudited)

TAXPAYER	NATURE OF BUSINESS	ASSESSMENT (1)	PERCENT OF NET TAXABLE GRAND LIST
DAYVILLE PROPERTY DEVELOPMENT	COMMERCIAL DEVELOPMENT	\$ 35,317,240	3.26%
EVERSOURCE	UTILITY DISTRIBUTION CO.	29,040,200	2.68%
UNITED NATURAL FOODS	FOOD PRODUCTS	18,240,280	1.68%
FRITO LAY	MANUFACTURER - SNACK FOODS	16,200,950	1.49%
STAPLES	WAREHOUSING-DISTRIBUTION	15,532,388	1.43%
PJC - RITE AID	WAREHOUSING-DISTRIBUTION	15,164,630	1.40%
TARGET CORPORATION	RETAIL DISCOUNT STORE	11,346,430	1.05%
HEALTH & REHAB WESCOTT CARE	HEALTHCARE & REHABILITATION	5,647,100	0.52%
ROGERS CORPORATION	MANUFACTURER	4,869,858	0.45%
US COSMETICS	MANUFACTURER	4,821,960	0.44%
		<hr/>	
TOTAL		<u>\$ 120,863,796</u>	<u>11.15%</u>

(1) The net taxable grand list as of October 1, 2013 totaled \$1,084,341,779

Source: Assessor's Office, Town of Killingly

TOWN OF KILLINGLY, CONNECTICUT
RATIO OF GROSS GENERAL BONDED DEBT TO ASSESSED VALUE
AND GROSS GENERAL BONDED DEBT PER CAPITA -
LAST TEN FISCAL YEARS
(Unaudited)

FISCAL YEAR ENDED JUNE 30	POPULATION(1)	NET TAXABLE GRAND LIST	BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
2015	17,172	\$ 1,084,341,779	\$ 30,488,360	2.8%	\$ 1,775
2014	17,223	1,336,287,490	30,099,935	2.3%	1,748
2013	17,358	1,365,179,309	32,008,100	2.3%	1,844
2012	17,330	1,311,450,736	27,092,675	2.1%	1,563
2011	17,370	1,302,646,359	25,424,700	2.0%	1,464
2010	17,291	1,293,615,130	23,541,825	1.8%	1,362
2009	17,826	1,257,004,017	19,046,400	1.5%	1,068
2008	17,635	851,461,433	18,415,975	2.2%	1,044
2007	17,769	822,372,318	15,600,550	1.9%	878
2006	17,386	786,936,812	12,213,895	1.6%	703
2005	17386	767,118,337	14,172,665	1.8%	815

(1) State of Connecticut, Department of Public Health estimates.

TOWN OF KILLINGLY, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA -
LAST TEN FISCAL YEARS
(Unaudited)

FISCAL YEAR ENDED JUNE 30	POPULATION(1)	NET TAXABLE GRAND LIST	BONDED DEBT	AMOUNT TO BE PROVIDED BY STATE (2)	BONDED DEBT, NET	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2015	17,172	\$ 1,084,341,779	\$ 30,488,360	\$ -	\$ 30,488,360	2.8%	\$ 1,775
2014	17,223	1,336,287,490	30,099,935	-	30,099,935	2.3%	1,748
2013	17,358	1,365,179,309	32,008,100	-	32,008,100	2.3%	1,844
2012	17,330	1,311,450,736	27,092,675	-	27,092,675	2.1%	1,563
2011	17,370	1,302,646,359	25,424,700	112,654	25,312,046	1.9%	1,457
2010	17,291	1,293,615,130	23,541,825	427,769	23,114,056	1.8%	1,337
2009	17,826	1,257,004,017	19,046,400	535,448	18,510,952	1.5%	1,038
2008	17,635	851,461,433	18,415,975	1,399,983	17,015,992	2.0%	965
2007	17,769	822,372,318	15,600,550	2,305,171	13,295,379	1.6%	748
2006	17,386	786,936,812	12,213,895	3,236,817	8,977,078	1.1%	516

(1) State of Connecticut, Department of Public Health estimates.

(2) Amounts to be provided for debt service by the State of Connecticut