

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR
JULY 1, 2014 - JUNE 30, 2015**



**TOWN OF WINDHAM
CONNECTICUT
OFFICE OF THE DIRECTOR OF FINANCE**

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Introductory Section

TOWN OF WINDHAM, CT

Finance Department

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July 26, 2016

To the members of The Town Council, Board of Finance, and the citizens of the Town of Windham, Connecticut:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Windham, Connecticut (the Town) for the fiscal year June 30, 2015. This report was prepared in its entirety by the Finance Department and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules and statistical tables.

The CAFR is designed to be in conformance with generally accepted accounting principles (GAAP) for governmental units as well as the standards of financial reporting promulgated by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the laws of the State of Connecticut. We believe this report presents fairly the financial position of the Town and the results of its operations. The report is consistent with full disclosure so that the reader may gain the maximum understanding of the Town's financial affairs.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complete the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

The Town is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organization". Information related to this single audit, including the schedule of expenditures of federal awards, findings, and recommendations, and auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations are issued under separate cover and are not included in this report. The Town is also required to undergo a state single audit. Information and reporting related to the state single audit is also issued under separate cover.

PROFILE OF THE TOWN

History, Location and Other Information

The Town of Windham, Connecticut was incorporated in 1692 after being settled in 1686. The Town, named after Windham in Sussex, England, covers an area of 27.9 square miles. It is located in the center of eastern Connecticut and is bounded on the north by Mansfield and Chaplin, east by Scotland, south by Franklin and Lebanon, and west by Coventry and Columbia. Windham is 27 miles east of Hartford, Connecticut and 50 miles west of Providence, Rhode Island and is served by several highways, including U.S. Route 6 and State Routes 14, 32, 66, 195, 203, and 289 with connections to Interstates 84, 384 and 395. Freight service is provided by the Genesee & Wyoming along the New England Central Rail Railroad.

Windham is the established service center for northeastern Connecticut with a variety of regional and state facilities. The Town is home to Eastern Connecticut State University, Windham Regional Vocational/Technical School, Windham Airport, Windham Community Memorial Hospital, and a branch of Quinebaug Valley Community Technical College. The University of Connecticut Storrs campus, located in

Mansfield, is only eight miles from Windham. The Windham Regional Transit District provides local bus transportation between Willimantic and Storrs.

Four banks serve Windham, including Bank of America, Liberty Bank, First Niagara Bank, and The Savings Institute. The Chronicle, a daily newspaper, and WILI, a radio station, are located in Windham and provide communication services for the area.

Today, Windham/Willimantic is in the midst of a renaissance. The Windhams, particularly, North Windham is finding a surge in development, while at the same time, Windham Center, and South Windham find the environs filling with new home owners. The city within the Town, Willimantic, is evolving daily. Currently there is a major downtown revitalization taking place that harbingers changes in the fabric of the downtown area. There are a multitude of downtown initiatives: the Victorian Neighborhood Association, The Garden on the Bridge, The Mills Art's Space, The Whitewater Initiative, the Windham Theatre Guild, ACT and the wonders of the Third Thursday Festival are a few of the beacons of success that illuminate the bright future of the Town of Windham.

Form of Government

The consolidation of Windham and Willimantic was approved by referendum in December of 1982 with the charter becoming effective July 1, 1983, revised November 5, 1992, November 7, 2007, and November 4, 2014. The Consolidation Charter created one government for the Town and established a provision for Windham's fire and police protection through service districts. The section of Windham within the boundaries of the former City of Willimantic is known as the Willimantic Taxing District. The Town and the Willimantic Taxing District are maintained as separate funds but consolidated for financial reporting purposes. The area of Windham outside the former city limits is known as the Windham First Taxing District, and funding for police and fire services is appropriated through the Windham First Taxing District, an entity separate from the Town. The Town imposes a separate tax levy for the general government and the Willimantic Taxing District. Individuals residing in the Willimantic Service District receive a tax bill based on the total levy for the general government and the Willimantic Taxing District. Individuals residing in the Windham First Taxing District receive a tax bill based on the total levy for the general government and the Windham First Taxing District.

Effective November 17, 2009, as a result of a Town charter revision, the Town's form of government changed from an eleven-member Board of Selectmen to an eleven-member Town Council (the Mayor plus ten Councilors), which serves as the Town's legislative body. Under the previous form of government, an elected First Selectman acted as the chief executive officer and this position has been replaced with a Town Manager appointed by the Town Council and a "ceremonial" Mayor who serves as the Town Council Chair and acts as the ombudsman for the Town. The general objective of the 2007 charter revision was to provide stable, professional Town management to ensure the efficient administration of Town government and to develop and implement strategic initiatives for the Town that are consistent with the goals set forth by the Town Council, the legislative body.

Effective November 14, 2014, the Town charter was revised again. Under this revision, the budget for the Willimantic Taxing District is under the purview of the elected Board of Directors for the Willimantic Taxing District and not the Board of Finance.

Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes and the Charter. The Town Meeting approves the annual budget, all special appropriations or expenditures over \$100,000, and all bond and note authorizations, except for refunding bond authorizations which are approved by the Town Council. The Town Manager is responsible for the administration of all Town matters with the exception of the education system. Presiding over the Town Council, the Mayor has full voting privileges.

The Board of Finance is the budget-making authority responsible for financial and taxation matters regarding the Town General Government budget and the Board of Education budget, presenting these annual operating budget and special appropriations to the Town Meeting for its approval, and establishing the tax rate. The Board of Finance adjourns the Annual Town Meeting to referendum.

The local Board of Education, which is an elected nine-member board serving four-year staggered terms, is the policy-making body for all public education, grades pre-kindergarten through twelve. The Superintendent of Schools is directly responsible to the Board of Education for the supervision and administration of the education system.

The Water Commission and Sewer Authority serve all citizens of the Willimantic Service District with water service extending beyond the District's boundaries in some areas. The Commission and Authority are governed by a Board whose members are appointed by the Town Council. The rates for user charges are established by the Commission and Authority, respectively, and bond issuance authorizations are approved at a town meeting. The legal liability for the general obligation portion of the Commission's and Authority's debt remains with the Town.

The Windham First Taxing District is the only coterminous entity within the territorial limits of the Town of Windham. Effective July 1, 1983, with the consolidation of Willimantic and the Town of Windham governments, Windham became responsible for the outstanding debt and other liabilities of Willimantic. The Town has the power to incur indebtedness by issuing bonds and/or notes as provided by the Connecticut General Statutes.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

Several diversified industries are located in Windham, including: General Cable Corporation, United Abrasives, Inc., and Willimantic Waste Company. This trio tops the list of Windham's three largest private sector employers. General Cable Corporation is an international manufacturer of fiber-optic cable. United Abrasives, Inc. /SAIT is one of the largest and leading manufacturers of abrasive products in the world and has maintained its headquarters in North Windham since 1970. Willimantic Waste is a 'homegrown' business that focuses on waste management and recycling.

Other companies that round out Windham's manufacturing/industrial base include: Micro Precision, Nathan Airchime, Prime Materials, Flouropolymer, and Windham Materials.

The Windham Mills Technology Center, a massive historic restoration project in the heart of Willimantic's Downtown, continues to be an important economic development resource. The former American Thread Company facility was converted into a multi-tenant technology business center with emphasis on research and development and new-product manufacturing.

The Town of Windham is one of the State's Target Investment Communities, which were set up to grant economic incentives to manufacturing businesses that choose to expand or locate in the Town of Windham. Also, a State-designated Enterprise Zone provides additional tax and other incentives to businesses and property owners within the Willimantic and parts of North Windham.

In 1998, the State designated the Town's historic downtown area as an Entertainment District. Recent economic development has concentrated on the Main Street area of the community, and several new businesses have opened.

Some of these Main Street businesses include The Willimantic Brewing Company, Cafemantic, Swift-water Artisans, Kerri's Gallery, The Burton Leavitt Theater, conversion of the former Capitol Theater into a regional Magnet School (ACT) for the Performing Arts, and historic restoration of the former YMCA building into a Charter School as an alternative learning facility for High School students (Path Academy). A branch of Quinebaug Valley Community College also has a branch located on Main Street in the City of Willimantic.

Windham is one of the major commercial, retail and service centers in eastern Connecticut. A number of large retail establishments are located in Windham, including Home Depot, Stop & Shop, Wal-Mart, B J's Wholesale, Sherman Williams, Auto Zone, Advance Auto Parts, and Ocean State Job Lot. Other popular retailers include CVS and Walgreen's Pharmacy, Cumberland Farms, Aldi's Grocery Store, Tractor Supply, Dollar Tree and Family Dollar.

Eastern Connecticut State University (ECSU), with an enrollment of approximately 5,500 students, continues to expand its facilities. In 2016, ECSU completed construction of a \$62 million state-of-the-art Performing Arts Center.

In the fall of 2008, the University celebrated the opening of a new \$56 million science building. The new facility provides classrooms, laboratories, and educational resource areas for programming in biology, environmental earth science, physical science, math and computer sciences and science education. ECSU renovated and expanded its Student Center in August 2007. Approximately 36,000 square feet was added to provide facilities for a cyber café, a fitness center, a 75-seat theater, several meeting rooms, and enlarged areas for retail food service and the bookstore.

In 2006, the University opened a new 40,000-square-foot childcare facility on the campus. The Child and Family Development Resource Center, a \$10 million facility, is also located near the north entrance off High Street and provides services to 90 children, 15 infants and toddlers as well as 75 preschoolers. In 2005, ECSU's Public Safety Department relocated to a new facility on the north portion of campus, facing High Street across from Windham High School.

The Windham Airport, which is owned by the State of Connecticut, is located on the Route 6 corridor. The Airport has two runways, with the longest approximately 4,200 feet in length. The State has designated the Airport as an important regional asset because of the length of this runway, and recently updated the Airport's Plan as required by the Federal Aviation Administration. In 2015, the Airport added a fueling station and is in the process of hiring a full time fixed-base operator to enhance service.

Other recent developments included the conversion of another old mill building in the Downtown area into eighty-four, market rate apartments. Another project was Common Ground, a 60-unit residential complex that was constructed to provide Supportive Housing for up to 30% of its residents.

In addition, Hartford Hospital merged with our local hospital, and recently completed a 30,000-square-foot professional medical office building with related accessory uses located behind the hospital owned by Windham Community Memorial Hospital.

The Town Manger in conjunction with Town Council and the Economic Development Commission have had significant impact on major economic initiatives throughout the Town. One of these initiatives involved the hiring of a new Economic Development Director in 2015, a position that had been vacant for 6 years. The Economic Development Director, among other things, is charged with promoting the retention and expansion of existing businesses and the recruitment of new businesses to Windham.

Major Projects

The Town has committed to reducing its energy consumption in municipal buildings by 20% by 2018. Much has been accomplished by upgrading all lighting to energy efficient lamps, installing solar panels on all the schools, the public library, an elderly housing facility, and converting from oil to gas fired heating systems in several buildings. Moreover, the Energy Commission is focused on assisting our residents learn of energy conservation through its participation in various energy conservation programs including a Thermal Imaging program.

Housing Initiatives

The Town of Windham has been the leader in this region in providing and promoting affordable housing for a variety of housing types and needs. According to the latest statistics from the State DECD, the Town of Windham is exempt from the requirement to provide affordable housing to be built for a minimum of ten percent of its housing stock.

This is because Windham has over 28% of its housing stock classified as affordable housing for low to moderate-income households. In addition, we have approximately 3,300 apartments in roughly 664 properties of three family dwellings or more. Further, we have 496 mobile homes in Town. Moreover, of all

households in the Town of Windham, less than one third are owner occupied, and one of our primary goals is to promote home ownership.

Willimantic Housing Authority, the board of which is appointed by the Town Council provides housing assistance to low income residents through the management of programs such as Low Rent Public Housing and the Housing Choice Voucher Program - Section 8.

Among the various large scale housing complexes are the following:

- ASHTON TOWERS, 621 Valley Street, Willimantic Housing Authority Federally assisted elderly Public housing with 100 one-bedroom apartments.
- BRIARWOOD APARTMENTS, Route 14, 277 Bricktop Rd, Windham www.simonsreg.com 56 units.
- CEDARWOOD, Roanoak Ave., Willimantic - Common Ground Inc. <http://www.commonground.org> – This project was approved in 2007 as a supportive housing project for 74 one bedroom units financed through CHFA.
- WILBUR CROSS APARTMENTS, 645 Valley Street, Willimantic Housing Authority Federally assisted housing for elderly 50 units.
- EASTMAN TERRACE, Memorial Drive, Willimantic. - 78 units this is a State-assisted moderate-income public housing project.
- 560 ON MAIN - Frog Bridge Development - abutting the Town's famous Frog Bridge in the Downtown area - has 84 apartments.
- GAN-A-DEN, 441 Ash St. Willimantic. Rural Development Housing - 50 units, with 4 handicapped accessible.
- GAN-A-DEN TOO, 306 Ash St., Willimantic. Rural Development Housing. Paradise Agency. Telephone: (860) 537-7044. Web site: www.paradiseagency.com - 54 units, with 5 handicapped units. GA-NA-DEN SOUTH, 300 Windham Road, Willimantic. Rural Development.
- HOUSING, PARADISE AGENCY. Web site: www.paradiseagency.com - 56 units, including 3 accessible for persons with disabilities. NATHAN HALE TERRACE, West Avenue, Willimantic Housing Authority - 100 units; federally assisted, low-income Public, housing. Income limits based on family size, or 30% of income.
- HEVRIN TERRACE at Keating & Emerald Avenues, Willimantic Housing Authority. Section 8 - public housing - 90 units Rental costs according to HUD income guidelines.
- FATHER HONAN TERRACE, 10 Valley Street Extension, Willimantic Housing Authority. Public state aided elderly/disabled housing - 50 units.
- IVY GARDENS 84 Ash Street, Willimantic. 100 units.
- KINGSWOOD APARTMENTS, 466 Ash Street, Willimantic – Carabetta Management Co. Income limits for Low Income Housing Tax Credit Program. 110 units. TERRY COURT, Willimantic Housing Authority Ash Street, Normandy Avenue, Hope Street, Canal Street, and Coral Street, Willimantic. 68 apartments - moderate-income Public housing. JONATHAN TRUMBULL TERRACE, 22 Emerald Avenue, Willimantic Housing Authority. 40 units.
- VILLAGE HEIGHTS, 108B Cameo Drive, Willimantic Section 8 subsidized FHA/HUD housing www.thecalefoundation.org has 142 units.
- WINDHAM HEIGHTS, 202C Scott Rd (Rt. 6), Willimantic. windham@vestacorp.com HUD subsidized housing 350 - One, two, and three bedroom apartments. Rent based on income if meets Section 8 qualifications.

- WYNDHAM PARK APARTMENTS, 140 Plains Road, Windham. wyndhamp@snet.net; 104 two-bedroom townhouses.

Finally, the Town of Windham has had two emergency shelters in Willimantic as needs arise during inclement weather.

Planned Projects

The Town is in the process of securing funding for a new parking structure in the Downtown area near the Public Safety complex and hopes to build it in the near future. The Town has applied for an Urban Grant from the State of Connecticut to fund this state of the art facility. This still requires final bonding approval from the Governor of Connecticut, but has been appropriated by the State legislature.

Redevelopment opportunities: The Downtown still has a number of redevelopment opportunities that we feel will be positive for the resurgence of Willimantic. The Town has benefited from private investment in redevelopment of several old mill buildings and downtown commercial properties - including the renovation of the Capitol Theater into a Theater Arts Magnet School, and now the former YMCA into an alternative Charter High School. We have discussed a few proposals to demolish the former Jillson Cinema into a new retail store that we hope will revitalize the Downtown Business District.

Human services: The State of Ct has awarded a \$1.3 million grant to the Town for the development of a Senior Center on Main Street in Willimantic. In addition, the Town is seeking funding for improvements to the former Noznick Farm Property in Windham Center to develop new ball fields and a dog park. The Willimantic Library just received a \$500,000 Grant to complete a \$1,000,000 renovation of the facility.

Public Safety & Innovative Energy security: The Town was awarded state funding for a MICRO-GRID at Windham Middle and Sweeney Elementary School in response to a grant opportunity offered by the State Department of Energy and Environmental Protection. This project will provide alternative power on a daily basis while continuing to provide power during general service outages. It will be located at Windham Middle School and Sweeney Elementary School both of which can then serve as emergency shelters. Each co-generator is designed to produce 100-150 kilowatts of power.

Long-Term Financial Planning

The Town adopts on an annual basis a five year capital plan. Additionally, in conjunction with the Board of Education a Capital Planning Committee has been established to develop a comprehensive ten year plan.

RELEVANT FINANCIAL POLICIES

Prior to the close of the previous fiscal year, the Town Council, Board of Finance, and Board of Education jointly approved a consolidation of the financial operations of the Finance departments of the Town and Board of Education. To this end the Town has hired Christian Johnson effective September 30, 2013 as a unified Finance Director. This Finance department consolidation was completed on July 1, 2014. The new MUNIS financial system went live in July as well: GL, AP, PO, and budget modules. It has a common chart of accounts for the Town and BOE and it is compliant with the State of CT required Unified Chart of Accounts (UCOA). On the Town side, the MUNIS payroll system went live July 2015. On the BOE side, the payroll system is expected to go live October 2016.

The new accounting system is a fully automated integrated financial management system consisting of general ledger and a full complement of ancillary systems and supporting modules. It is organized and operated on a fund basis. Each fund being a distinct and self-balancing accounting entity.

The implementation of the new financial system reduced the number of funds by 40% as many construction projects were consolidated into a single fund, safety grants were consolidated and assignments of fund balance were no longer accounted for outside of the Town's general fund.

Internal Controls

All financial transactions are subject to pre-audit, as well as to an annual audit by an independent auditing firm selected by the Board of Finance. The independent auditor and Finance Department staff monitors financial policies and procedures. Within this framework we believe that the town's internal controls adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial activity.

Budgetary controls

Centralized budgetary control of disbursements and encumbrances against appropriations is maintained by department, by program, or activity and by principal object of expenditure. The Windham Board of Education budget is controlled only as to its appropriation. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Citizens.

Pension Administration

There are five defined benefit plans for employees of the town and Willimantic Taxing District. Four are single employer plans and one is a plan with the State of Connecticut for certified Teachers at the Board of Education in which the Town is a noncontributing employer.

Debt Administration

The Town has a total of \$19,774,000 in total governmental debt and \$14,100,000 in total enterprise debt outstanding (this includes Clean Water Fund Notes) with interest rates ranging from 1.75-5% and varying maturity dates with a final date of 2033 for the \$8,505,000 bond issued in 2014.

In September 2014, the Town issued \$6,315,000 General Obligation Bond Anticipation Notes to retire existing notes and to provide temporary funding of various school construction and road and sidewalk projects with a Net Interest Cost (NIC) of 0.20% maturing on June 2015.

In June 2015, the Town issued \$4,675,000 General Obligation Bond Anticipation Notes to retire the existing nine-month notes above which provide temporary funding of various school construction and road and sidewalk projects with a Net Interest Cost (NIC) of 0.38% maturing on March 2016. The Town paid down \$1,817,718 for the High School Roof as it received State Grant Funding for the project.

In June 2015, the Town deposited into escrow a \$2,845,000 bond issue for the refinance of an energy lease in August 2015.

The Town has an AA3 rating from Moody's. Standard & Poor's upgraded the Town's rating from A+ to AA in 2014 citing strong management and good financial policies and practices along with strong budgetary performance.

AWARDS AND ACKNOWLEDGEMENT

For the first time in 2015, the Town received the prestigious Certificate of Achievement for Excellence in Financial Reporting. We believe that our current CAFR meets the Certificate of Achievement Program requirements and we are submitting it again to the GFOA to determine its eligibility for a Certificate of Achievement for Excellence in Reporting.

In addition, we would like to acknowledge the achievements of our Water Authority which was recently awarded the first prize in the prestigious "Best Drinking Water for Excellence in Taste" from the Atlantic States Rural Water Annual CT Conference.

The presentation of this report would not have been possible without the efforts of the entire finance staff of the Finance Departments and particularly Karen Williams and Christine Clark. I would like to express my sincerest appreciation to all of the members of the department who assisted and contributed to the preparation of this report and assisted me in the momentous transition to MUNIS financials over the past year. This will leave the Town and BOE a lasting legacy.

Additional thanks are extended to the Town's independent auditors, RSM US LLP during the audit and CAFR preparation and presentation as well as their patience as we transitioned to the new financial platform.

The Town's new CAFR cover is entitled "Willimantic Thread Factory" painted by the famous 19th century American landscape artist Julian Alden Weir (the second to last of a family of 19 children from Greenwich, CT) which depicts the town and its Mill #2 of the Willimantic Linen Company, also known as American Thread and now Windham Mills. St. Joseph's Church steeple is still the highest structure in Town, higher than the black factory smokestack, but the Mill dominates its rural Connecticut landscape in sheer size.

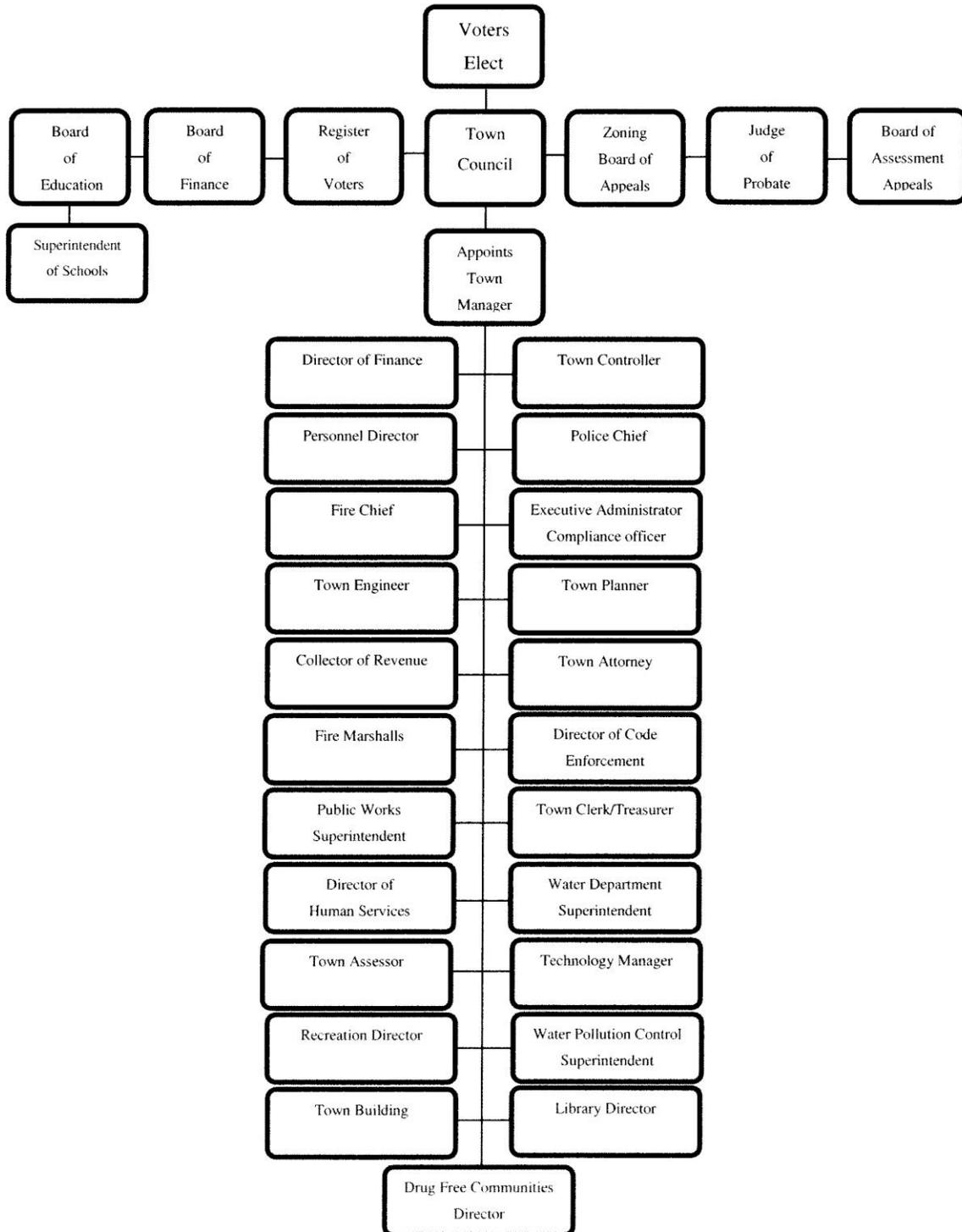
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Christian Johnson".

Christian Johnson
Director of Finance

Town of Windham

Organizational Chart



Principal Municipal Officials
As of June 30, 2015

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Date of Hire/Election Appointment</u>
Town Manager	Neal Beets	Appointed/Indefinite	11/09
Town Council, Mayor.....	Ernie Eldridge	Elected/4 years	11/17
Town Councilor	N. Joseph Underwood	Elected/4 years	11/17
Town Councilor	Charlotte Patros	Elected/4 years	11/17
Town Councilor	Michael Lessard	Elected/4 years	11/17
Town Councilor	Lorraine McDevitt	Elected/4 years	11/17
Town Councilor	James Flores	Elected/4 years	11/17
Town Councilor	Charles Krich	Elected/4 years	11/15
Town Councilor	Christel Donahue	Elected/4 years	11/15
Town Councilor	Mark Doyle	Elected/4 years	11/15
Town Councilor	Tony Fantoli	Elected/4 years	11/15
Town Councilor	Thomas DeVivo	Elected/4 years	11/15
Town Clerk/Treasurer	Patricia Spruance	Appointed/Indefinite	10/07
Director of Finance	Christian Johnson	Appointed/Indefinite	09/13
Town Controller /Risk Manager.....	Thomas Pesce	Appointed/Indefinite	02/09
Collector of Revenue.....	Gay A. St. Louis	Appointed/Indefinite	04/07
Town Assessor	Joan Paskewich	Appointed/Indefinite	09/92
Superintendent of Schools	Patricia Garcia	Appointed/Indefinite	06/14

Financial Section

Independent Auditor's Report

To the Board of Finance
Town of Windham, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Windham, 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 of 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windham, Connecticut as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in the Summary of Significant Accounting Policies in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB No. 68*, which resulted in the Town restating net position for recognition of the Town's pension related activity incurred prior to July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3-9, the schedules of funding progress and employer contributions – OPEB on pages 67-68, budgetary comparison information on page 74 and the pension related schedules on pages 69-73 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.

Supplementary and 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, the combining and individual fund financial statements and other schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2016 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.

RSM US LLP

New Haven, Connecticut
July 26, 2016

Town of Windham, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2015

The management of the Town of Windham, 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

- As of July 1, 2014, the Town was required to implement GASB Statement Nos. 68 and 71 related to pensions. These Statements required that the unrestricted net position of the statement of net position as of July 1, 2014 be restated and decreased in the amount of \$3,445,709. The decrease did not result from a change in benefits offered to employees, only the recognition of the total net pension liability on the statement of net position
- The assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by \$97,606,752 (net position). Of this amount, \$18,891,568 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens and creditors. Of this amount, \$14,964,039 represents unrestricted net position attributed to the operations of the Town's water and sewer systems (business-type activities).
- The Town's changes in net position for the year ended June 30, 2015, amounted to (\$426,800) which consisted of a decrease of (\$796,797) relating to the Town's governmental activities combined with an increase of \$369,997 relating to the Town's business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,729,746, a decrease of \$2,273,041 in comparison with the prior year. Of this amount \$4,134,495 of governmental ending fund balances are available for spending at the Town's discretion (unassigned fund balance).
- At the end of the close of the current fiscal year, unassigned fund balance for the General Fund was \$11,453,914 or 15.2% of total General Fund GAAP expenditures and operating transfers out.
- The Town's total long-term debt, consisting of bonds payable, notes payable and capital leases payable, decreased by \$928,214.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad over view 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 deferred outflows of resources and liabilities and deferred inflows of resources 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.

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 general government, public safety, public works, human services, civic and cultural, education, planning and development, police, and fire. The business-type activities of the Town include sewer and water activities.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements

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

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

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

The Town maintains a number of individual governmental funds for reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Educational Grants Fund and the Capital Improvement Fund, which are considered to be major funds. Data from the other 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 13-14 of this report.

Proprietary funds: The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water operations. The second type is an Internal Service 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 its risk management activities.

The Town maintains 2 individual enterprise funds and 1 internal service fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Fund and the Water Fund, both of which are considered to be major funds and the Internal Service Fund, which is considered a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 16-18 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 19-20 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 21-65 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual and non-major fund statements and schedules that can be found on page 67-118 of this report.

Government-Wide Financial Analysis

Net Position

The analysis below focuses on the net position and changes in net position of the Town's governmental and business-type activities.

Town of Windham, Connecticut
Summary Statement of Net Position

	June 30, 2015			June 30, 2014		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 31,513,613	\$ 16,019,608	\$ 47,533,221	\$ 34,099,961	\$ 16,048,550	\$ 50,148,511
Capital assets	83,991,247	34,442,090	118,433,337	81,914,577	34,912,678	116,827,255
Total assets	115,504,860	50,461,698	165,966,558	116,014,538	50,961,228	166,975,766
Deferred outflows	2,947,034	-	2,947,034	76,593	-	76,593
Long-term liabilities	44,930,228	14,512,876	59,443,104	38,493,587	15,655,923	54,149,510
Other liabilities	10,873,323	642,591	11,515,914	11,054,517	369,071	11,423,588
Total liabilities	55,803,551	15,155,467	70,959,018	49,548,104	16,024,994	65,573,098
Deferred pension credit	347,822	-	347,822	-	-	-
Net Investment in capital assets	56,644,215	20,342,192	76,986,407	56,095,135	19,648,469	75,743,604
Restricted	1,728,651	-	1,728,651	1,715,148	-	1,715,148
Unrestricted	3,927,655	14,964,039	18,891,694	8,732,744	15,287,765	24,020,509
Total Net Position	\$ 62,300,521	\$ 35,306,231	\$ 97,606,752	\$ 66,543,027	\$ 34,936,234	\$ 101,479,261

The Town's government-wide net position of \$97.6 million represents a decrease of \$3.9 million over last year's net position of \$101.5 million. The Town had an overall decrease from operations in the Town's governmental activities. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without restraints established by debt covenants, enabling legislation or other legal requirements, is \$18.9 million at the end of this year compared with \$24.0 million at the end of last year. Government activities unrestricted net position decreased \$4.8 million. Unrestricted net position of the Town's business-type activities increased \$.3 million in 2015.

Town of Windham, Connecticut
Summary of Change in Net Position

	Year Ended June 30, 2015			Year Ended June 30, 2014		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charge for services	\$ 4,181,491	\$ 5,654,911	\$ 9,836,402	\$ 4,026,783	\$ 5,562,717	\$ 9,589,500
Operating grants and contributions	51,235,054	-	51,235,054	50,608,892	-	50,608,892
Capital grants and contributions	2,979,263	-	2,979,263	4,960,329	-	4,960,329
General revenues:						
Property taxes	33,426,989	-	33,426,989	33,855,514	-	33,855,514
Grants, contributions not restricted	4,970,362	183,338	5,153,700	5,489,221	97,072	5,586,293
Unrestricted investment earnings	24,672	530,787	555,459	102,646	535,142	637,788
Total revenues	96,817,831	6,369,036	103,186,867	99,043,385	6,194,931	105,238,316
Expenses:						
Program activities						
Primary government:						
General government	3,004,028	-	3,004,028	3,503,142	-	3,503,142
Public safety	11,508,799	-	11,508,799	11,490,672	-	11,490,672
Public works	6,997,849	-	6,997,849	6,540,875	-	6,540,875
Human services	680,620	-	680,620	670,819	-	670,819
Civic and cultural	1,932,396	-	1,932,396	1,557,750	-	1,557,750
Education	71,894,198	-	71,894,198	68,109,554	-	68,109,554
Planning and development	494,833	-	494,833	1,541,852	-	1,541,852
Interest on long-term debt	1,285,905	-	1,285,905	1,364,141	-	1,364,141
Business-type activities:						
Water	-	2,414,525	2,414,525	-	2,324,419	2,324,419
Sewer	-	3,400,514	3,400,514	-	3,347,794	3,347,794
Total expenses	97,798,628	5,815,039	103,613,667	94,778,805	5,672,213	100,451,018
Increase (decrease) in net position before transfers	(980,797)	553,997	(426,800)	4,264,580	522,718	4,787,298
Transfers	184,000	(184,000)	-	184,000	(184,000)	-
Change in net position	(796,797)	369,997	(426,800)	4,448,580	338,718	4,787,298
Net Position - Beginning	66,543,027	34,936,234	101,479,261	62,094,447	34,597,516	96,691,963
Restatement - GASB No. 68	(3,445,709)	-	(3,445,709)	-	-	-
Net Position - Ending	\$ 62,300,521	\$ 35,306,231	\$ 97,606,752	\$ 66,543,027	\$ 34,936,234	\$ 101,479,261

The Town's governmental activities and business-type activities total revenue in 2015 of \$103.2 million represents a decrease of \$3.1 million over last year. Capital grants and contributions decreased by \$2.0 million as capital expenses subject to reimbursement from the State for the school renovation and construction program decreased compared with the previous year. Operating grants and contributions increased by \$.6 million due to additional grants for various purposes.

The Town's total program expenses of \$103,613,667 represents an increase of \$2,051,451 over last year. The increase in General government, Public works, Planning and development and Education is related to the receipt of additional expenditure driven grants.

The Town's overall net position decreased by \$.4 million from operations.

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 \$10,729,746, a decrease of \$(2,273,041) in comparison with the prior year. Of this amount \$4,134,495 of governmental ending fund balances are available for spending at the Town's discretion (unassigned fund balance). The remainder of fund balance is assigned, committed, restricted or nonspendable, to indicate that it is not available for new spending because it has already been committed for specific purposes.

General Fund

The General Fund is the chief operating fund of the Town and is accounted for separately for the Town and Willimantic Service District. The Town of Windham, Connecticut and City of Willimantic, Connecticut were consolidated by ordinance adopted December 15, 1982 under the name "Town of Windham, Connecticut" and came into political existence on July 1, 1983. The former City of Willimantic is now known as the Willimantic Service District (the WSD). At the end of the current fiscal year, unassigned fund balance of the Town General Fund was \$7,965,327 while the unassigned fund balance of the WSD General Fund was \$3,499,609.

The fund balance of the combined General Fund on a GAAP basis increased by \$210,927 during the current fiscal year, mainly due to property tax revenues ahead of budget and less overall operating expenses.

Educational Grants Fund

There was no change in net position of the Educational Grants Fund as revenue under cost reimbursement grants and contracts equaled grant and contract expenditures. Total revenue and expenditures for the year were \$14,064,581 as compared to \$14,084,901 in the prior year.

Capital Improvement Fund

The Capital Improvement Fund has expenditures of \$5,541,772 in the current year.

General Fund Budgetary Highlights

During the year, revenues were less than budget and expenses were less than planned budgetary expenses for a total Town positive variance of \$358,907.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2015, totaled \$118,433,337 (net of accumulated depreciation). This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The net increase in the Town's investment in capital assets for the current fiscal year was \$1,606,080 or a 1.4% increase. The majority of the increase relates to capital costs incurred in connection with the improvements to the magnet school.

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

Town of Windham, Connecticut
Capital Assets, Net of Depreciation
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and Improvements	\$ 3,547,959	\$ 3,547,959	\$ 99,330	\$ 99,330	\$ 3,647,289	\$ 3,647,289
Construction in Progress	1,059,124	10,122,695	-	-	1,059,124	10,122,695
Buildings and Improvements	63,567,282	55,079,302	16,032,649	16,422,089	79,599,931	71,501,391
Machinery and Equipment	2,554,377	2,192,474	8,490,183	8,421,838	11,044,560	10,614,312
Infrastructure	13,262,505	10,972,147	9,819,928	9,969,423	23,082,433	20,941,570
Total	\$ 83,991,247	\$ 81,914,577	\$ 34,442,090	\$ 34,912,680	\$ 118,433,337	\$ 116,827,257

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

Long-Term Debt. At the end of the current fiscal year, the Town Governmental Activities had total long-term bonded debt outstanding of \$19,233,480. This entire amount is comprised of debt backed by the full faith and credit of the Town.

The Town's total governmental activities long-term obligations increased by \$560,257 during the current fiscal year. The Enterprise Fund's long-term obligations decreased by \$1,164,311 for debt amortization.

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

The following table is a two-year comparison of long-term debt including bonds and notes payable and capital leases payable presented for both governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Bonds Payable	\$ 19,233,480	\$ 18,673,223	\$ 896,519	\$ 1,196,776	\$ 20,129,999	\$ 19,869,999
Notes Payable	-	-	13,203,379	14,067,433	13,203,379	14,067,433
Capital Leases Payable	3,160,389	3,484,549	-	-	3,160,389	3,484,549
	\$ 22,393,869	\$ 22,157,772	\$ 14,099,898	\$ 15,264,209	\$ 36,493,767	\$ 37,421,981

Additional information on the Town's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2016 and thereafter.
- Inflationary trends in the region approximate the national indices.
- As a whole, the Town continues to aggressively pursue economic development activities to help spread the tax burden among commercial and residential taxpayers.

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: Department of Finance, 322 Prospect Street, Willimantic, CT 06226.

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Basic Financial Statements

Town of Windham, Connecticut

Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 15,891,768	\$ 704,213	\$ 16,595,981
Investments	789,344	13,850,573	14,639,917
Other	-	23,111	23,111
Receivables, net of allowances for collection losses:			
Property taxes	1,092,603	-	1,092,603
Grants and contracts	7,462,223	-	7,462,223
Accounts receivable	5,190,558	1,222,962	6,413,520
Notes receivable	293,191	-	293,191
Inventories	139,546	218,749	358,295
Restricted cash	654,380	-	654,380
Capital assets:			
Non-depreciable	4,607,083	99,330	4,706,413
Depreciable, net	79,384,164	34,342,760	113,726,924
Total assets	115,504,860	50,461,698	165,966,558
Deferred Outflows of Resources			
Deferred charge on refunding	263,047	-	263,047
Deferred pension expense	2,683,987	-	2,683,987
Total deferred outflows of resources	2,947,034	-	2,947,034
Liabilities			
Accounts payable and accrued liabilities	5,588,523	642,591	6,231,114
Bond anticipation notes payable	4,675,000	-	4,675,000
Unearned revenues	609,800	-	609,800
Noncurrent liabilities:			
Due within one year	4,689,859	1,144,387	5,834,246
Due in more than one year	40,240,369	13,368,489	53,608,858
Total liabilities	55,803,551	15,155,467	70,959,018
Deferred Inflows of Resources			
Deferred pension credit	347,822	-	347,822
Total deferred inflows of resources	347,822	-	347,822
Net Position			
Net investment in capital assets	56,644,215	20,342,192	76,986,407
Restricted for:			
Grant program purposes	612,336	-	612,336
Endowments	322,389	-	322,389
Debt repayment	654,380	-	654,380
Other purposes	139,546	-	139,546
Unrestricted	3,927,655	14,964,039	18,891,694
Total net position	\$ 62,300,521	\$ 35,306,231	\$ 97,606,752

See Notes to Financial Statements.

Town of Windham, Connecticut

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities:							
General government	\$ (3,004,028)	\$ 752,626	\$ 7,500	\$ -	\$ (2,243,902)	\$ -	\$ (2,243,902)
Public safety	(11,508,799)	1,839,598	241,490	-	(9,427,711)	-	(9,427,711)
Public works	(6,997,849)	304,949	218,387	1,995,629	(4,478,884)	-	(4,478,884)
Human services	(680,620)	11	641,405	-	(39,204)	-	(39,204)
Civic and cultural	(1,932,396)	129,896	-	-	(1,802,500)	-	(1,802,500)
Education	(71,894,198)	1,147,825	50,126,272	983,634	(19,636,467)	-	(19,636,467)
Planning and development	(494,833)	6,586	-	-	(488,247)	-	(488,247)
Interest and other charges	(1,285,905)	-	-	-	(1,285,905)	-	(1,285,905)
Total governmental activities	(97,798,628)	4,181,491	51,235,054	2,979,263	(39,402,820)	-	(39,402,820)
Business-type activities:							
Water	(2,414,525)	2,736,712	-	-	-	322,187	322,187
Sewer	(3,400,514)	2,918,199	-	-	-	(482,315)	(482,315)
Total business-type activities	(5,815,039)	5,654,911	-	-	-	(160,128)	(160,128)
Total primary government	\$ (103,613,667)	\$ 9,836,402	\$ 51,235,054	\$ 2,979,263	(39,402,820)	(160,128)	(39,562,948)
		General Revenues					
		Property taxes, levied for general purposes			33,426,989	-	33,426,989
		Grants and contributions not restricted to specific programs			4,970,362	183,338	5,153,700
		Unrestricted investment earnings			24,672	530,787	555,459
		Transfers			184,000	(184,000)	-
		Total general revenues and transfers			38,606,023	530,125	39,136,148
		Change in net position			(796,797)	369,997	(426,800)
		Net position - Beginning, as restated - Note 16			63,097,318	34,936,234	98,033,552
		Net position - End of year			\$ 62,300,521	\$ 35,306,231	\$ 97,606,752

See Notes to Financial Statements.

Town of Windham, Connecticut

Balance Sheet - Governmental Funds

June 30, 2015

	Major Funds			Other Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Educational Grants Fund	Capital Improvement Fund		
Assets					
Cash and cash equivalents	\$ 7,946,923	\$ 106,118	\$ -	\$ 4,927,846	\$ 12,980,887
Investments	-	-	-	789,344	789,344
Receivables, net of allowance for collection losses:					
Property taxes	1,092,603	-	-	-	1,092,603
Grants and contracts	851,794	56,711	5,677,456	876,262	7,462,223
Accounts receivable	975,746	793,059	9,942	262,020	2,040,767
Notes receivable	-	-	-	293,191	293,191
Due from other funds	5,168,382	-	-	1,586	5,169,968
Restricted cash	654,380	-	-	-	654,380
Inventories	116,251	-	-	23,295	139,546
Total assets	\$ 16,806,079	\$ 955,888	\$ 5,687,398	\$ 7,173,544	\$ 30,622,909
Liabilities					
Accounts payable and accrued liabilities	\$ 2,195,162	\$ 224,983	\$ 547,056	\$ 503,345	\$ 3,470,546
Bond anticipation note payable	-	-	4,675,000	-	4,675,000
Due to other funds	1,586	668,899	2,186,028	718,162	3,574,675
Unearned revenue	-	62,006	-	547,794	609,800
Total liabilities	2,196,748	955,888	7,408,084	1,769,301	12,330,021
Deferred Inflows of Resources					
Unavailable resources	1,707,806	-	5,598,733	256,603	7,563,142
Total deferred inflows of resources	1,707,806	-	5,598,733	256,603	7,563,142
Fund Balances (Deficits)					
Nonspendable	116,251	-	-	482,339	598,590
Restricted	654,380	-	-	3,970,675	4,625,055
Committed	-	-	-	694,626	694,626
Assigned	676,980	-	-	-	676,980
Unassigned	11,453,914	-	(7,319,419)	-	4,134,495
Total fund balances (deficit)	12,901,525	-	(7,319,419)	5,147,640	10,729,746
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 16,806,079	\$ 955,888	\$ 5,687,398	\$ 7,173,544	

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

Capital assets purchased by governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	83,991,247
Unavailable revenues are not available to pay for current-period expenditures and therefore are not recognized as revenues in the funds.	7,563,142
Deferred charge on refunding	263,047
Deferred pension expense	2,683,987
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net positions.	2,478,669
Deferred pension credit	(347,822)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(44,930,228)
Accrued interest payable	(131,267)

Net position of governmental activities

\$ 62,300,521

See Notes to Financial Statements.

Town of Windham, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Governmental Funds
 For the Year Ended June 30, 2015

	Major Funds			Other	Total Governmental Funds
	General Fund	Educational Grants Fund	Capital Improvement Fund	Non-Major Governmental Funds	
Revenues					
Property taxes	\$ 33,313,631	\$ -	\$ -	\$ -	\$ 33,313,631
Intergovernmental	36,520,351	14,064,581	1,119,175	6,731,489	58,435,596
Charges for services	2,398,821	-	-	480,847	2,879,668
Licenses and permits	258,136	-	-	-	258,136
Fines, forfeitures, and penalties	174,831	-	-	-	174,831
Investment income	6,016	-	-	18,656	24,672
Miscellaneous	216,402	-	-	165,114	381,516
Donations and contributions	-	-	-	487,340	487,340
Total revenues	72,888,188	14,064,581	1,119,175	7,883,446	95,955,390
Expenditures					
Current:					
General government	2,723,255	-	-	49,503	2,772,758
Public safety	1,591,520	-	-	333,743	1,925,263
Public works	4,290,678	-	-	215,157	4,505,835
Human services	600,614	-	-	-	600,614
Civic and cultural	1,055,766	-	-	465,839	1,521,605
Planning and development	354,567	-	-	-	354,567
Education	48,972,918	14,064,581	-	6,458,224	69,495,723
Debt issuance costs	-	-	-	20,785	20,785
Other	706,672	-	-	-	706,672
Police	5,901,844	-	-	-	5,901,844
Fire	3,299,653	-	-	-	3,299,653
Miscellaneous	2,000	-	-	-	2,000
Debt service:					
Principal retirements	2,675,868	-	-	-	2,675,868
Interest and other charges	619,794	-	-	70,732	690,526
Capital outlay	-	-	5,541,772	1,308,754	6,850,526
Total expenditures	72,795,149	14,064,581	5,541,772	8,922,737	101,324,239
Excess (deficiency) of revenues over (under) expenditures	93,039	-	(4,422,597)	(1,039,291)	(5,368,849)
Other Financing Sources (Uses)					
Bond premium	-	-	-	66,808	66,808
Bond issuance	-	-	-	2,845,000	2,845,000
Transfers in	249,494	-	2,473,954	5,502,382	8,225,830
Transfers out	(131,606)	-	(5,370,776)	(2,539,448)	(8,041,830)
Total other financing sources (uses)	117,888	-	(2,896,822)	5,874,742	3,095,808
Net change in fund balances (deficits)	210,927	-	(7,319,419)	4,835,451	(2,273,041)
Fund Balances (Deficit), Beginning	12,690,598	-	-	312,189	13,002,787
Fund Balances (Deficit), Ending	\$ 12,901,525	\$ -	\$ (7,319,419)	\$ 5,147,640	\$ 10,729,746

See Notes to Financial Statements.

Town of Windham, Connecticut

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds
to the Statement of Activities

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds \$ (2,273,041)

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

Capital outlay	\$ 6,792,506	
Depreciation expense	(4,715,836)	
		2,076,670

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes and interest collected after 60 days	113,358	
Loans receivable	(234,551)	
Other receivables	(410,153)	
Intergovernmental revenue on school bonds	(894,890)	
Intergovernmental revenue on magnet school construction	2,288,677	
		862,441

Change in net pension liability (2,071,414)

Change in deferred pension expense 2,148,987

Change in deferred pension credit (347,822)

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

Principal payments on bonds	2,284,743	
Amortization of bond premium	(2,947)	
Note proceeds	(2,845,000)	
Principal payments on capital leases	324,160	
Amortization of deferred charges	186,454	
		(52,590)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (549,176)

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

Accrued interest	(51,272)	
Change in landfill closure liability	(166,751)	
Change in long-term compensated absences	1,047,003	
Change in OPEB liability	(1,419,832)	
		(590,852)

Change in net position of governmental activities \$ (796,797)

See Notes to Financial Statements.

Town of Windham, Connecticut

Statement of Net Position - Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Internal
	Fund	Fund		Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 596,482	\$ 107,731	\$ 704,213	\$ 2,910,881
Accounts receivable, net	656,198	566,764	1,222,962	1,554,498
Inventories	218,749	-	218,749	-
Other current asset	23,111	-	23,111	-
Total current assets	1,494,540	674,495	2,169,035	4,465,379
Noncurrent Assets				
Investments	2,623,995	11,226,578	13,850,573	-
Capital assets:				
Non-depreciable	65,000	34,330	99,330	-
Depreciable, net	10,876,751	23,466,009	34,342,760	-
Total noncurrent assets	13,565,746	34,726,917	48,292,663	-
Total assets	15,060,286	35,401,412	50,461,698	4,465,379
Liabilities				
Current Liabilities				
Accounts payable	52,042	458,388	510,430	-
Claims payable	-	-	-	1,986,710
Accrued liabilities:				
Accrued interest	3,827	23,553	27,380	-
Accrued salaries and benefits payable	41,583	40,698	82,281	-
Other	16,500	6,000	22,500	-
Due to other funds	-	-	-	-
Bonds and notes payable - current	258,020	741,824	999,844	-
Compensated absences - current	84,080	60,463	144,543	-
Total current liabilities	456,052	1,330,926	1,786,978	1,986,710
Noncurrent Liabilities				
Bonds and notes payable	638,499	12,461,555	13,100,054	-
Compensated absences	156,147	112,288	268,435	-
Total noncurrent liabilities	794,646	12,573,843	13,368,489	-
Total liabilities	1,250,698	13,904,769	15,155,467	1,986,710
Net Position				
Net Investment in Capital Assets	10,045,232	10,296,960	20,342,192	-
Unrestricted	3,764,356	11,199,683	14,964,039	2,478,669
Total net position	\$ 13,809,588	\$ 21,496,643	\$ 35,306,231	\$ 2,478,669

See Notes to Financial Statements.

Town of Windham, Connecticut

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

	Business-Type Activities - Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities Internal Service Fund
Operating Revenues				
Charges for services	\$ 2,736,712	\$ 2,918,199	\$ 5,654,911	\$ 10,701,769
Other	111,226	72,112	183,338	-
Total operating revenues	2,847,938	2,990,311	5,838,249	10,701,769
Operating Expenses				
Personnel services	1,183,343	1,146,488	2,329,831	-
Outside services	53,587	430,211	483,798	-
Depreciation	382,153	1,045,586	1,427,739	-
Fuel and utilities	228,635	220,659	449,294	-
Administration	67,914	63,887	131,801	1,146,340
Repairs, maintenance and supplies	459,337	217,367	676,704	-
Other	-	1,419	1,419	-
Claims incurred	-	-	-	10,105,740
Total operating expenses	2,374,969	3,125,617	5,500,586	11,252,080
Operating income (loss)	472,969	(135,306)	337,663	(550,311)
Non-Operating Revenues (Expenses)				
Interest income	34,602	496,185	530,787	1,135
Interest expense	(39,556)	(274,897)	(314,453)	-
Total non-operating revenues (expenses)	(4,954)	221,288	216,334	1,135
Net income (loss) before transfers	468,015	85,982	553,997	(549,176)
Transfers out	(92,000)	(92,000)	(184,000)	-
Change in net position	376,015	(6,018)	369,997	(549,176)
Net Position - Beginning	13,433,573	21,502,661	34,936,234	3,027,845
Net Position - Ending	\$ 13,809,588	\$ 21,496,643	\$ 35,306,231	\$ 2,478,669

See Notes to Financial Statement.

Town of Windham, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Cash Flows From Operating Activities				
Cash received for the following:				
Charges for services	\$ 2,643,561	\$ 2,812,356	\$ 5,455,917	\$ 12,182,370
Other income	111,226	72,112	183,338	-
	<u>2,754,787</u>	<u>2,884,468</u>	<u>5,639,255</u>	<u>12,182,370</u>
Cash paid for the following:				
Personnel services	(1,109,988)	(1,122,486)	(2,232,474)	-
Fuel and utilities	(228,635)	(220,659)	(449,294)	-
Outside services	(59,587)	(163,081)	(222,668)	-
Administration	(67,914)	(63,887)	(131,801)	(1,147,934)
Repairs, maintenance and supplies	(525,477)	(217,367)	(742,844)	-
Other	-	(1,419)	(1,419)	-
Claims paid	-	-	-	(9,419,251)
	<u>(1,991,601)</u>	<u>(1,788,899)</u>	<u>(3,780,500)</u>	<u>(10,567,185)</u>
Net cash provided by operating activities	<u>763,186</u>	<u>1,095,569</u>	<u>1,858,755</u>	<u>1,615,185</u>
Cash Flows From Noncapital Financing Activities				
Transfers to other funds	(92,000)	(92,000)	(184,000)	-
Payments (receipts) on due (to)/from other funds	542,329	(1,293,119)	(750,790)	-
Net cash provided by (used in) noncapital financing activities	<u>450,329</u>	<u>(1,385,119)</u>	<u>(934,790)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Purchases of capital assets	(156,433)	(800,718)	(957,151)	-
Principal paid on capital debt	(300,256)	(864,244)	(1,164,500)	-
Interest paid on capital debt	(39,953)	(276,131)	(316,084)	-
Net cash used in capital and related financing activities	<u>(496,642)</u>	<u>(1,941,093)</u>	<u>(2,437,735)</u>	<u>-</u>
Cash Flows From Investing Activities				
Purchase of investments	(297,552)	-	(297,552)	-
Sale of investments	-	715,871	-	-
Interest and dividends	34,602	496,185	530,787	1,135
Net cash (used in) provided by investing activities	<u>(262,950)</u>	<u>1,212,056</u>	<u>949,106</u>	<u>1,135</u>
Net increase (decrease) in cash and cash equivalents	<u>453,923</u>	<u>(1,018,587)</u>	<u>(564,664)</u>	<u>1,616,320</u>
Cash and Cash Equivalents, Beginning of Year	142,559	1,126,318	1,268,877	1,294,561
Cash and Cash Equivalents, End of Year	<u>\$ 596,482</u>	<u>\$ 107,731</u>	<u>\$ 704,213</u>	<u>\$ 2,910,881</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 472,969	\$ (135,306)	\$ 337,663	\$ (550,311)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	382,153	1,045,586	1,427,739	-
(Increase) decrease in assets:				
Accounts receivable	(70,040)	(105,843)	(175,883)	1,480,601
Inventories	(4,257)	21,002	16,745	-
Other assets	(23,111)	-	(23,111)	-
Increase (decrease) in liabilities:				
Accounts payable	(61,883)	270,130	208,247	(1,594)
Accrued liabilities and compensated absences	67,355	-	-	686,489
Net cash provided by operating activities	<u>\$ 763,186</u>	<u>\$ 1,095,569</u>	<u>\$ 1,858,755</u>	<u>\$ 1,615,185</u>

See Notes to Financial Statements.

Town of Windham, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
 June 30, 2015

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$ 2,161,639	\$ 63,049	\$ 68,288
Investments, at fair value:			
Debt securities	2,504,449	-	-
Certificates of deposit	-	-	192,312
Corporate bonds	5,034,103	-	-
Group annuity contracts	6,197,698	-	-
Mutual funds	-	13,437	-
Collective trusts	16,126,036	-	-
Equity securities	19,269,869	86,863	-
Other	-	27,494	-
Receivables	64,101	-	5,955
Total assets	51,357,895	190,843	266,555
Liabilities			
Accounts payable	-	-	1,920
Due to others	-	-	260,600
Due to other funds	1,591,258	-	4,035
Total liabilities	1,591,258	-	266,555
Net position restricted for pension benefits and other	\$ 49,766,637	\$ 190,843	\$ -

See Notes to Financial Statements.

Town of Windham, Connecticut

Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
For the Year Ended June 30, 2015

	Pension Trust Funds	Private Purpose Trust Funds
Additions		
Contributions		
Employer	\$ 2,128,297	\$ -
Plan members	422,366	-
Private donations and other	979	500
Total contributions and other	2,551,642	500
Investment income		
Interest and dividends	1,045,159	2,361
Net depreciation in the fair value of investments	(186,010)	(1,487)
Total investment earnings	859,149	874
Less administrative and other expenses	91,584	3,081
Net investment earnings	767,565	(2,207)
Total additions	3,319,207	(1,707)
Deductions		
Benefit payments	2,112,797	3,250
Total deductions	2,112,797	3,250
Change in net position	1,206,410	(4,957)
Net Position - Restricted For Pension Benefits and Other, Beginning	48,560,227	195,800
Net Position - Restricted For Pension Benefits and Other, Ending	\$ 49,766,637	\$ 190,843

See Notes to Financial Statements.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

Reporting entity: The Town of Windham, Connecticut, (the Town) was incorporated in 1692 after being settled in 1686 and adopted its original charter in 1947. The Town of Windham, Connecticut and City of Willimantic, Connecticut were consolidated by ordinance adopted December 15, 1982 under the name "Town of Windham, Connecticut" and came into political existence on July 1, 1983. The former City of Willimantic is now known as the Willimantic Service District (the WSD).

Effective November 17, 2009, as a result of a Town charter revision, the Town's form of government changed from an eleven member Board of Selectman which served as the Town's legislative body to an eleven member Town Council. Formerly, the First Selectman acted as the chief executive officer and this position has subsequently been replaced with a non-elected Town Manager and a "ceremonial" Mayor who serves as the Town Council Chair and acts as the ombudsman for the Town. The functions of the existing seven member Board of Finance remains substantially unchanged. The general objective of the charter revision is to provide stable, professional Town management which will help to ensure the efficient administration of Town government and to develop and implement strategic initiatives for the Town that are consistent with the goals set forth by the legislative body.

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, included in the financial statements of the Town.

Accounting standards adopted in the current year:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment*, GASB Statement No. 71, were implemented on July 1, 2014. These statements revised and established new accounting and financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their total obligation for pension benefits as a liability for the first time and calls for recognition of more pension expense than is currently required. The effects of the implementation of these statements are as follows: The beginning net position was decreased by \$3,445,709, a net pension liability of \$3,586,603 was recognized, deferred outflow of resources was added in the amount of \$535,000 and a net pension asset of \$394,106 was removed. Details can be found in Note 16. The adoption of these GASB standards also provided additional disclosures related to the State Teachers' Retirement Plan for which the Town has no liability as it is a special funding situation.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the Town's financial statements.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from the statement of net position, except for the net residual amounts due between governmental and business-type activities. The interfund services provided and used are not eliminated from the statement of activities in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

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

The various funds included in the financial statements are described below:

Governmental funds: Governmental Funds are those through which most governmental functions typically are financed.

The *General fund* is the primary operating fund of the Town. This fund is used to account for and report all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special revenue funds account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

Capital project funds account for and report all financial resources that are restricted, committed or assigned to expenditure for capital outlay, other than reported in proprietary funds.

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

The *Debt service fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds: Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Enterprise funds: account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water and Sewer Funds are the Town's only enterprise funds.

Internal service funds: account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Health Insurance Fund is the Town's only internal service fund.

Fiduciary funds: Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and/or other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

The *Pension trust fund* accounts for the various defined benefit plans of the Town.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Student Activities Fund, Student Scholarship Fund and Performance Bonds Fund are the Town's agency funds.

Measurement focus, basis of accounting and financial statement presentation: The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow 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 for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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. It accounts for all activities in relation to the normal recurring operations of the Town's general government, including the Board of Education and the Willimantic Service District (the WSD). The Town and WSD are two separate "sub-funds" of the General Fund. Each sub-fund has its own legally adopted budget.

Educational grants fund: This fund is used to account for educational revenues and expenditures relating to federal and state educational grants.

Capital Improvement fund: This fund is used to account for revenues and expenditures relating to the capital improvement projects.

The Town reports the following major enterprise funds:

Water fund: This fund is used to account for expenses and revenues associated with the processing and distribution of water service to residents of the Town.

Sewer fund: This fund is used to account for expenses and revenues associated with the processing, treatment, and disposal of sewage within the Town.

In addition, the Town reports the following fund types:

Internal service fund: 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 as permitted by GASB Statement No. 10.

Pension trust funds: These funds are used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plans. The Town utilizes these funds to account for activities of the following plans: Firemen's Pension, Policemen's Pension, Municipal Employees', and the Board of Education Employees' Pension.

Private purpose trust funds: These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Town utilizes these funds to account for activities of the Scholarship Trust Fund and the Walter Fahey Trust Fund.

Agency funds: These funds are used to account for resources held by the Town in a purely custodial capacity. The Town primarily utilizes an agency fund to account for assets of the student activities funds. The student activities funds account for monies generated by student activities in the Town's school system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Cash and cash equivalents: Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

Investments: Investments for the Town are stated at fair value using quoted market prices. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's Pension Plan's Guaranteed Investment Contract is valued at contract value. The Guaranteed Investment Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities to pay administrative expenses.

The balance of the pooled fixed income investments were invested in a pool similar to a SEC 2a-7. The value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Property taxes: The Town's property tax is levied each July, on the assessed value listed on the prior October 1 Grand List, for all taxable property located in the Town. Real estate taxes are due in two equal installments on July 1 and January 1 following the levy date and personal property taxes are due in one installment on July 1 following the levy date, although a 30-day grace period is provided. Motor vehicle taxes are due and payable July 1 and motor vehicle supplement taxes are due and payable January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on balances that are delinquent for one year. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes of \$206,000 as of June 30, 2015.

Inventories and prepaid items: All prepaids are reported using the consumption method.

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

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

Accounting 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 of assets, liabilities and deferred inflows/outflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	5-50
Machinery and equipment	3-25
Infrastructure	20-50
Services and improvements	20-100

In the governmental fund financial statements, capital assets are recorded as expenditure when purchased and no depreciation expense is reported.

Compensated absences: Employees are granted vacation and sick leave based upon length of employment. For Town employees, unused vacation can be accumulated from year to year up to certain limits. Sick days can also be accumulated up to certain limits. For Board of Education employees, vacation days do accumulate, as do sick days up to contractual limits.

Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due. The general fund is typically used to liquidate the liability

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

In the fund financial statements, governmental fund types 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 and principal payments, are reported as debt service expenditures.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources

Fund equity: The government-wide statement of net position presents the Town's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances (net of unspent bond proceeds) of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

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

In the government fund financial statements, the Town classified fund balances as follows:

Nonspendable fund balance: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Windham Town Council). Commitments may be established, modified, or rescinded only through resolutions approved by the Town Council as per the Town Charter.

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Town Manager or the Controller has the authority to assign amounts for a specific purpose.

Unassigned fund balance: The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

The Town does not have a formal policy over the use of fund balance. In accordance with GASB Statement No. 54, the Town will use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. The Town also reports deferred outflows related to pensions in the government-wide statement of net position. A deferred outflow of resources related to pensions results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available, in accordance with the modified accrual basis of accounting.

Town of Windham, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The Town makes annual contributions on a pay as you go basis.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position: The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 19,233,480
Deferred premiums, net of amortization	541,210
Capital leases	3,160,389
Compensated absences	5,235,445
Landfill post-closure liability	264,751
Net pension liability	5,658,017
OPEB	<u>10,836,936</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 44,930,228</u></u>

Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town and the Pension Trust funds do not have a policy for deposits. The Town and the Pension Trust funds also do not have a custodial credit risk policy. However, as a practice, the Town and the Pension Trust fund follow State statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Town of Windham, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments: The Town and the Pension Trust Funds do not have a custodial credit risk policy for investments. The Town and the Pension Trust Funds have adopted investment policies for credit risk that conform to the policies as set forth by the State of Connecticut. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market 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. The Statutes (Sections 2-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries. The Pension Trust Fund's investment in foreign bonds and stocks is in proportion with which the investment manager shall deem appropriate.

Interest rate risk: The Town, including its Pension Trust Funds, does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations or pension payments, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentration of credit risk: The Town, including its Pension Trust Funds, does not have a formal policy that limits the amounts invested in any one issuer. However, its practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government 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. As of June 30, 2015, \$10,070,000 of the entity's bank balance of \$11,077,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Town of Windham, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2015:

Cash and cash equivalents		
Deposits with financial institutions	\$	19,543,337
Total cash and cash equivalents		<u>19,543,337</u>
Permanent funds		
Cemetery Trust:		
Corporate Bonds	66,336	*
U.S. Treasury Securities	29,821	*
U.S. Government Agencies	7,989	*
Common Stock	304,528	*
William A. & Jennie S. King Trust:		
Corporate Bonds	81,199	*
U.S. Treasury Securities	31,496	
U.S. Government Agencies	8,994	
Common Stock	258,981	
Total permanent funds		<u>789,344</u>
Enterprise fund		
Sewer fund		
U.S. Government Agencies	9,448,021	*
Certificates of deposits	1,778,557	
Water fund		
Certificates of deposits	2,623,995	
Total enterprise funds		<u>13,850,573</u>
Private purpose trust funds		
Common Stock	86,863	*
Fixed Income Mutual Funds	13,437	*
Other	27,494	*
Total private purpose trust funds		<u>127,794</u>
Scholarship funds		
Certificates of deposits	147,855	*
Student activity funds		
Certificates of deposits	44,457	*
Pension trust funds		
Corporate bonds	5,034,103	*
U.S. Treasury Securities	1,955,931	*
U.S. Government Agencies	548,518	*
Group annuity contracts	6,197,698	*
Collective trusts	16,126,036	*
Common Stock	19,269,869	*
Total pension trust funds		<u>49,132,155</u>
Total cash, cash equivalents and investments	\$	<u>83,635,515</u>

* These investments are uninsured with securities held by the counterparty in the Town's or Pension Trust's name.

Town of Windham, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position		
Cash and cash equivalents		\$ 17,250,361
Investments		14,639,917
		<u>31,890,278</u>
Fiduciary funds		
Cash and cash equivalents		2,292,976
Investments		49,452,261
		<u>51,745,237</u>
Total cash, cash equivalents and investments		<u><u>\$ 83,635,515</u></u>

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows.

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

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt securities					
Corporate Bonds	\$ 5,181,638	\$ -	\$ 3,607,440	\$ 1,574,198	\$ -
Fixed Income Mutual Funds	13,437	13,437	-	-	-
U.S. Government Agencies	10,013,522	240,130	1,435,622	4,363,118	3,974,652
U.S. Treasury Securities	2,017,248	570,552	729,580	717,724	-
Totals	<u>17,225,845</u>	<u>824,119</u>	<u>5,772,642</u>	<u>6,655,040</u>	<u>3,974,652</u>

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the actual rating as required for each debt type investment.

Town of Windham, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

The Town's investments in debt securities were rated by Fitch Ratings and/or Standard & Poor's as follows at June 30, 2015:

Debt Securities	Fair Value	A1	A2	A3	AA1	AA2	AAA
Corporate bonds	\$ 5,181,638	\$ 486,024	\$ 1,037,260	\$ 542,299	\$ 803,772	\$ 320,820	\$ 236,686
Fixed income mutual funds	13,437	-	-	-	-	-	13,437
U.S. government agencies	10,013,522	-	10,013,522	-	-	-	-
	<u>\$ 15,208,597</u>	<u>\$ 486,024</u>	<u>\$ 11,050,782</u>	<u>\$ 542,299</u>	<u>\$ 803,772</u>	<u>\$ 320,820</u>	<u>\$ 250,123</u>

Debt Securities	BAA1	BAA2	BAA3	Unrated
Corporate bonds	\$ 1,273,207	\$ 324,571	\$ 156,999	\$ -
	<u>\$ 1,273,207</u>	<u>\$ 324,571</u>	<u>\$ 156,999</u>	<u>\$ -</u>

No credit risk disclosures are required relating to U.S. Treasury Securities.

Note 4. Capital Assets

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

	Beginning Balance	Increases and Transfers	Decreases and Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land and improvements	\$ 3,547,959	\$ -	\$ -	\$ 3,547,959
Construction in progress	10,122,695	5,812,023	(14,875,594)	1,059,124
Total capital assets, not being depreciated	13,670,654	5,812,023	(14,875,594)	4,607,083
Capital assets, being depreciated				
Buildings and improvements	87,165,377	11,250,756	-	98,416,133
Machinery and equipment	17,137,707	678,656	-	17,816,363
Infrastructure	23,743,367	3,926,665	-	27,670,032
Total capital assets, being depreciated	128,046,451	15,856,077	-	143,902,528
Less accumulated depreciation for:				
Buildings and improvements	(32,086,075)	(2,762,776)	-	(34,848,851)
Machinery and equipment	(14,945,233)	(316,753)	-	(15,261,986)
Infrastructure	(12,771,220)	(1,636,307)	-	(14,407,527)
Total accumulated depreciation	(59,802,528)	(4,715,836)	-	(64,518,364)
Total capital assets, being depreciated, net	68,243,923	11,140,241	-	79,384,164
Governmental activities capital assets, net	\$ 81,914,577	16,952,264	(14,875,594)	\$ 83,991,247

Town of Windham, Connecticut

Notes to Financial Statements

Note 4. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land and improvements	\$ 99,330	\$ -	\$ -	\$ 99,330
Total capital assets, not being depreciated	99,330	-	-	99,330
Capital assets, being depreciated:				
Buildings and improvements	24,384,448	45,622	-	24,430,070
Machinery and equipment	12,041,232	881,122	-	12,922,354
Services and improvements	17,184,809	30,407	-	17,215,216
Total capital assets, being depreciated	53,610,489	957,151	-	54,567,640
Less accumulated depreciation for:				
Buildings and improvements	(7,962,360)	(435,061)	-	(8,397,421)
Machinery and equipment	(3,619,394)	(812,777)	-	(4,432,171)
Services and improvements	(7,215,387)	(179,901)	-	(7,395,288)
Total accumulated depreciation	(18,797,141)	(1,427,739)	-	(20,224,880)
Total capital assets, being depreciated, net	34,813,348	(470,588)	-	34,342,760
Business-type activities capital assets, net	\$ 34,912,678	(470,588)	-	\$ 34,442,090

Depreciation and amortization expense was charged to functions as follows:

Governmental activities	
General government	\$ 377,267
Public safety	943,167
Public works	1,886,334
Human services	47,158
Planning and development	47,158
Civic and cultural	188,633
Education	1,226,119
Total depreciation and amortization expense-governmental activities	\$ 4,715,836
Business-type activities	
Water	\$ 382,153
Sewer	1,045,586
Total depreciation and amortization expense-business-type activities	\$ 1,427,739

Town of Windham, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2015, is presented below:

	Due From Other Funds	Due to Other Funds
General fund	\$ 5,168,382	\$ 1,586
Educational grants fund	-	668,899
Capital improvement fund	-	2,186,028
Nonmajor governmental funds	1,586	718,162
Fiduciary funds	-	1,595,293
	<u>\$ 5,169,968</u>	<u>\$ 5,169,968</u>

The outstanding balances between funds result mainly 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.

Interfund transfers for the year ended June 30, 2015, consisted of the following:

	Transfers From Other Funds	Transfers to Other Funds
General fund	\$ 249,494	\$ 131,606
Capital improvement fund	2,473,954	5,370,776
Water fund	-	92,000
Sewer fund	-	92,000
Nonmajor governmental funds	5,502,382	2,539,448
	<u>\$ 8,225,830</u>	<u>\$ 8,225,830</u>

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 Windham, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities

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

	Beginning Balances as restated	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Bonds and notes payable:					
General obligation bonds	\$ 18,673,223	\$ 2,845,000	\$ (2,284,743)	\$ 19,233,480	\$ 2,496,980
Unamortized amounts:					
Premiums	538,263	66,808	(63,861)	541,210	-
Total bonds payable	19,211,486	2,911,808	(2,348,604)	19,774,690	2,496,980
Other liabilities:					
Capital leases	3,484,549	-	(324,160)	3,160,389	353,473
Compensated absences	6,282,448	1,151,860	(2,198,863)	5,235,445	1,832,406
Landfill post-closure liability	98,000	196,956	(30,205)	264,751	7,000
Net OPEB obligation (see Note 10)	9,417,104	1,419,832	-	10,836,936	-
Net pension liability (see Note 8)	3,586,603	2,071,414	-	5,658,017	-
	\$ 42,080,190	\$ 7,751,870	\$ (4,901,832)	\$ 44,930,228	\$ 4,689,859
Business-type activities					
Bonds payable:					
General obligation bonds	\$ 1,196,776	\$ -	\$ (300,257)	\$ 896,519	\$ 258,020
Other liabilities:					
Notes payable	14,067,433	-	(864,054)	13,203,379	741,824
Compensated absences	391,714	158,364	(137,100)	412,978	144,543
	\$ 15,655,923	\$ 158,364	\$ (1,301,411)	\$ 14,512,876	\$ 1,144,387

Certain general obligation bonds and the notes payable allocable to the water and sewer projects are secured by the full faith and credit of the Town, but are substantially liquidated by water and sewer usage charges. The remaining liabilities above typically have been liquidated in the General and other governmental funds.

Town of Windham, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

General obligation bonds: A summary of general obligation bonds outstanding at June 30, 2015, is as follows:

Purpose of Bonds	Date of Issue	Original Amount	Interest Rates	Final Maturity Date	Amount Outstanding
Governmental activities					
Bonds payable:					
General purposes and schools refunding bonds	2004	\$ 14,424,733	2.75%-5.00%	2016	\$ 1,335,180
General purpose bonds	2010	4,000,000	1.75%-4.00%	2031	3,310,000
General purpose refunding bonds	2010	5,260,000	2.00%-4.00%	2024	2,955,000
General purpose refunding bonds	2014	7,820,900	2.00%-4.00%	2034	7,788,300
General purpose bonds	2015	2,845,000	1.80%	2022	2,845,000
Qualified Zone Academy Bonds	2003	500,000	-	2017	500,000
Qualified Zone Academy Bonds	2006	500,000	-	2022	500,000
Total governmental activities					<u>\$ 19,233,480</u>
Business-type activities					
Bonds payable:					
Water bonds, refinanced	2004	\$ 2,553,665	2.75%-5.00%	2016	\$ 224,820
Water bonds, refinanced	2014	684,100	2.00%-3.00%	2026	671,699
					<u>896,519</u>
Notes payable:					
Clean Water Fund note payable	2008	\$ 668,189	2.00%	2027	427,233
Clean Water Fund note payable	2012	15,408,418	2.00%	2032	12,776,146
					<u>13,203,379</u>
Total business-type activities					<u>\$ 14,099,898</u>

Town of Windham, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

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

Year Ending June 30:	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2016	2,496,980	477,046
2017	2,139,500	467,121
2018	1,685,900	391,740
2019	1,712,300	354,230
2020	1,598,700	313,590
2021-2025	6,100,200	1,009,393
2026-2030	2,194,900	445,970
2031-2034	1,305,000	99,406
	<u>\$ 19,233,480</u>	<u>\$ 3,558,496</u>

Year Ending June 30:	Business-Type Activities					
	Bonds Payable		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	258,020	27,992	741,824	237,244	999,844	265,236
2017	70,500	15,714	803,979	241,860	874,479	257,574
2018	69,100	14,318	804,656	225,753	873,756	240,071
2019	67,700	12,950	805,347	209,676	873,047	222,626
2020	327,500	36,669	806,052	193,562	1,133,552	230,231
2021-2025	103,699	2,759	4,041,342	725,602	4,145,041	728,361
2026-2030	-	-	3,916,090	325,291	3,916,090	325,291
2031-2031	-	-	1,284,089	22,471	1,284,089	22,471
	<u>\$ 896,519</u>	<u>\$ 110,402</u>	<u>\$ 13,203,379</u>	<u>\$ 2,181,459</u>	<u>\$ 14,099,898</u>	<u>\$ 2,291,861</u>

Statutory debt limitation: 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 approximately \$233 million 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.

As of June 30, 2015, the Town has authorized and unissued bonds of \$11,872,242 for school construction projects, \$4,280,000 for roads and sidewalks and \$1,000,000 for a capital project.

Town of Windham, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

Capital leases: A summary of assets under capital leases is as follows as of June 30, 2015:

	Governmental Activities
Machinery and equipment	\$ 5,367,000
Less accumulated depreciation	2,531,962
	<u>\$ 2,835,038</u>

Depreciation expense relative to leased property under capital leases for the year ended June 30, 2015, totaled \$357,000 and is included in depreciation and amortization expense.

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 Activities
2016	\$ 473,390
2017	491,044
2018	509,362
2019	528,371
2020	548,096
Thereafter	1,124,111
Total minimum lease payments	<u>3,674,374</u>
Less amount representing interest	513,985
Present value of minimum lease payments	<u>\$ 3,160,389</u>

Landfill post-closure liability: The Town landfill has been closed. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 13 years are estimated to be \$264,751. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations. The estimated liability is not recorded in the fund financial statements since the liability will be funded from future financial resources, not from expendable available financial resources.

Town of Windham, Connecticut

Notes to Financial Statements

Note 7. Unavailable/Unearned Revenue

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

	Unavailable Revenue	Unearned Revenues
General fund		
Property taxes receivable	\$ 856,012	\$ -
School construction grant receivable	851,794	-
	1,707,806	-
Capital improvement fund		
Intergovernmental receivable	5,598,733	-
	5,598,733	-
Educational grants fund		
Grants drawdown in advance	-	62,006
Other nonmajor governmental funds		
Loans receivable	256,603	-
Grants drawdown in advance	-	547,794
	256,603	547,794
Total	\$ 7,563,142	\$ 609,800

Note 8. Employee Retirement Systems and Pension Plans

Public employee retirement system:

Plan descriptions: The Town is the administrator of three separate single-employer Public Employee Retirement System (PERS) defined benefit contributory pension plans established and administered to provide pension benefits for its municipal, police and firefighters, and one separate single-employer PERS defined benefit noncontributory pension plan established and administered to provide pension benefits for its Board of Education full-time employees other than teachers. The PERS do not issue stand-alone financial statements and are considered to be part of the Town's financial reporting entity. As such, the PERS are included in the Town's fiduciary fund financial statements as pension trust funds. Before the merger of the Town of Windham, Connecticut with the City of Willimantic, municipal employees held their pensions with the Travelers Insurance Company. During 1986, the Travelers plan was frozen and assets related to active participants of this plan were transferred to New England Financial Retirement Services. Since all retirement benefits under this plan were funded through annual purchases of annuity contracts for all active employees, the Travelers is obligated to pay the related pension benefits. Therefore, the activity of the assets in the Travelers plans and the actuarial present value of the accumulated plan benefits are excluded from the Town's financial statements.

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Plan membership: Membership of the Plans consisted of the following at the date of the latest actuarial valuations:

	Fire	Police	Municipal	Board of Education
Retirees and beneficiaries receiving benefits	27	29	14	79
Terminated employees entitled to benefits but not yet receiving them	1	1	60	56
Active plan members	29	42	99	103
	<u>57</u>	<u>72</u>	<u>173</u>	<u>238</u>

Benefit provisions:

Fire and police pension plans: The fire and police PERS cover regular employees of the fire and police departments. The PERS provide retirement, disability and survivorship (optional) benefits generally based on final base pay for all active and retired employees. The Town provides retirement benefits through a single employer, contributory, defined benefit plan. All regular employees of both departments are eligible for participation on their date of hire. Fire and police employees are 100% vested after ten (10) years of service. The retirement benefit for fire is 2.25% of the annual straight time earnings plus paid holiday pay in the fifty-two (52) pay periods before retirement, multiplied by the number of years and completed months of service up to a maximum of thirty-five (35) years. The retirement benefit for police is 2.3% of annual straight time earnings in the fiscal year last completed before retirement plus longevity pay in that year, multiplied by the number of years and completed months of service up to a maximum of forty (40) years. Normal retirement is assumed to be after twenty-five (25) years of service or age sixty (60), whichever comes first, for fire and after twenty (20) years of service or age sixty (60), whichever comes first, for police.

Fire employees are required to contribute 8.0% of their straight time earnings plus holiday pay pre-tax to the PERS. Police employees are required to contribute 8.0% of their straight time earnings pre-tax. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its fire and police employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

Municipal pension plan: The Town's municipal PERS cover all regular employees of the Town other than police, fire, Board of Education employees, and teachers. The Town provides all retirement benefits through a single-employer contributory defined benefit plan. All employees are eligible to become participants in the PERS on the first day of the first month following two (2) years of service. The retirement benefit is the sum of 1.75% of the participant's average annual earnings for the last three (3) years of employment, multiplied by the number of years of service excluding the first two (2) years and any years prior to age twenty-one (21) for employees hired before January 1, 1995. Normal retirement is assumed to be at age sixty-five (65) with the completion of Five (5) years of plan participation. A participant becomes 100% vested upon completion of five (5) years of credited service. The municipal PERS offer optional survivorship benefits.

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Municipal employees are required to make contributions of 1.50% of annual earnings through June 30, 2015 to the PERS. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. Benefits are fixed by contract and may be amended by union negotiations.

Board of education pension plan: The Town of Windham’s Board of Education provides benefits to all full-time employees other than teachers through a single-employer, noncontributory, defined benefit plan. All employees are eligible for membership in the PERS on the first day of the month after completion of two (2) years of service and attainment of age twenty-four (24). Employees are 100% vested after five (5) years of continuous service. The retirement benefit is 1.25% of average earnings paid to a member during the highest five (5) consecutive years of active employment multiplied by the number of whole years of continuous service. Normal retirement is assumed to be the later of age sixty-five (65) and five (5) years of participation in the plan. The Board of Education pension plan offers optional survivorship benefits.

Employees are not required to contribute to the PERS. The Board of Education is required to contribute the amounts necessary to finance the benefits for its employees. Benefits are fixed by contract and may be amended by union negotiations.

Administrative costs: Administrative costs are paid by the plans.

Contribution requirements and contributions made: The Town’s funding policy provides for periodic employer contributions at actuarially determined rates, that, when expressed as a percentage of annual covered payroll, are sufficient to accumulate the assets needed to pay benefits when due. Contributions were determined in accordance with actuarially determined contribution requirements computed through actuarial valuations performed at various valuation dates. The employer’s contributions were based on normal cost and an amortization of the unfunded actuarial accrued liability. The Town’s actuary, as stated in the actuarial valuation, determines annual contributions to each plan. Contributions for the fiscal year ended June 30, 2015, and the employee and employer contributions as a percentage of covered payroll, respectively, are as follows:

Pension Contributions	Fire	Police	Municipal	Board of Education
Employer	\$ 450,000	\$ 753,269	\$ 518,719	\$ 406,309
Employee	123,843	214,435	84,088	-
Total	\$ 573,843	\$ 967,704	\$ 602,807	\$ 406,309

Percentage of Covered Payroll	Fire	Police	Municipal	Board of Education
Employer	23.9%	40.0%	27.5%	21.6%
Employee	6.6%	11.4%	4.5%	0.0%
Total	30.5%	51.4%	32.0%	21.6%

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Plan financial statements:

Town of Windham, Connecticut
 Combining Statement of Fiduciary Net Position -
 Pension Trust Funds
 June 30, 2015

	Firemen's Pension	Policemen's Pension	Municipal Employees' Pension	Board of Education Employees' Pension	Total
Assets					
Cash and cash equivalents	\$ 802,144	\$ 1,359,495	\$ -	\$ -	\$ 2,161,639
Investments:					
Corporate bonds	1,846,327	3,187,776	-	-	5,034,103
U.S. government securities	718,576	1,237,355	-	-	1,955,931
U.S. agencies	200,824	347,694	-	-	548,518
Group annuity contracts	-	-	6,197,698	-	6,197,698
Collective trusts	-	-	7,574,964	8,551,072	16,126,036
Common stock	7,080,942	12,188,927	-	-	19,269,869
Receivables	16,156	47,945	-	-	64,101
Total assets	10,664,969	18,369,192	13,772,662	8,551,072	51,357,895
Liabilities					
Due to other funds	716,871	874,387	-	-	1,591,258
Total liabilities	716,871	874,387	-	-	1,591,258
Net Position					
Restricted for pension benefits	\$ 9,948,098	\$ 17,494,805	\$ 13,772,662	\$ 8,551,072	\$ 49,766,637

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Town of Windham, Connecticut
 Combining Statement of Changes in Fiduciary Net Position -
 Pension Trust Funds
 For the Year Ended June 30, 2015

	Firemen's Pension	Policemen's Pension	Municipal Employees' Pension	Board of Education Employees' Pension	Total
Additions					
Contributions:					
Employer	\$ 450,000	\$ 753,269	\$ 518,719	\$ 406,309	\$ 2,128,297
Plan members	123,843	214,435	84,088	-	422,366
Other	413	566	-	-	979
Total contributions	574,256	968,270	602,807	406,309	2,551,642
Investment earnings:					
Interest and dividends	252,956	435,551	-	356,652	1,045,159
Net appreciation (depreciation) in fair value of investments	(185,582)	(285,836)	436,588	(151,180)	(186,010)
Total investment earnings	67,374	149,715	436,588	205,472	859,149
Less administrative and other expenses	-	-	-	91,584	91,584
Net investment earnings	67,374	149,715	436,588	113,888	767,565
Total additions	641,630	1,117,985	1,039,395	520,197	3,319,207
Deductions					
Benefit payments	697,637	792,555	242,249	380,356	2,112,797
Total deductions	697,637	792,555	242,249	380,356	2,112,797
Change in net position	(56,007)	325,430	797,146	139,841	1,206,410
Net position restricted for pension benefits					
Beginning of year	10,004,105	17,169,375	12,975,516	8,411,231	48,560,227
End of year	\$ 9,948,098	\$ 17,494,805	\$ 13,772,662	\$ 8,551,072	\$ 49,766,637

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Summary of significant accounting policies and plan asset matters:

Basis of accounting: The Pension Trusts' financial statements are accounted for using the accrual basis of accounting. Contributions are recognized when they are due, pursuant to formal commitments and contractual requirements. Investment income is recognized when earned. Expenses (benefits, administration, and refunds) are recognized when they are due and payable in accordance with the terms of the plan.

Investments: Each of the Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the Town Council/Board of Education. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The following was the allocation policy as of June 30, 2015:

Asset Class	Pension Fund Allocation %			
	Fire	Police	Municipal	BOE
Cash	\$ 2.5	\$ 2.5	\$ -	\$ -
Core fixed income	-	-	15.0	100.0
Core Bonds	-	-	-	-
Broad U.S. Equities	-	-	30.0	-
Large Cap Core Equities	32.5	32.5	-	-
Mid Cap Core Equities	15.0	15.0	-	-
Small Cap Core Equities	5.0	5.0	5.0	-
International Equity	10.0	10.0	5.0	-
Developed Foreign Equities	-	-	-	-
Emerging Markets Equities	2.5	2.5	-	-
Intermediate Duration Investment Grade Taxable	17.5	17.5	-	-
Short Duration Investment grade Taxable Fixed	15.0	15.0	-	-
Other	-	-	45.0	-
Total	100.0	100.0	100.0	100.0

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Concentrations of credit risk: The following represents individual holdings which exceeded 5% of each respective Plan's total investments:

Investment Type	Issuer	Fire	Police	Municipal	Board of Education
U.S. treasuries	U.S. Treasury Notes	\$ 718,576	\$ 1,237,355	\$ -	\$ -
U.S. agency securities	Federal National Mortgage Association	200,824	347,694	-	-
Collective trust	PIMCO Total Return	-	-	1,937,868	-
Collective trust	Calvert Equity	-	-	645,956	-
Collective trust	MSCI ACWI Ex Us Index	-	-	645,956	-
Collective trust	Neuberger Berman Genesis Instl	-	-	645,956	-
Collective trust	S&P 500 Index	-	-	2,583,824	-
Collective trust	Diamond Hill Large Cap I	-	-	645,956	-
Group annuity	Metropolitan Life Insurance Company	-	-	5,813,603	-
Group annuity	Aetna Life Insurance Company	-	-	-	8,551,072
		<u>\$ 919,400</u>	<u>\$ 1,585,049</u>	<u>\$ 12,919,119</u>	<u>\$ 8,551,072</u>

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

Municipal Employees Pension Plan	December 31,
Net Pension Liability	2014
	<hr/>
Total pension liability	\$ 14,087,663
Plan fiduciary net position	(13,146,595)
Net pension liability	<u>\$ 941,068</u>

Plan fiduciary net position as a percentage of total pension liability 93.32%

BOE Pension Plan	2015
Net Pension Liability	<hr/>
Total pension liability	\$ 9,376,003
Plan fiduciary net position	(8,551,072)
Net pension liability	<u>\$ 824,931</u>

Plan fiduciary net position as a percentage of total pension liability 91.20%

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Police Pension Plan

Net Pension Liability	2015
	<hr/>
Total pension liability	\$ 18,342,115
Plan fiduciary net position	(17,494,805)
Net pension liability	\$ 847,310
	<hr/> <hr/>

Plan fiduciary net position as a percentage of total pension liability 93.81%

Fire Pension Plan

Net Pension Liability	2015
	<hr/>
Total pension liability	\$ 12,992,806
Plan fiduciary net position	(9,948,098)
Net pension liability	\$ 3,044,708
	<hr/> <hr/>

Plan fiduciary net position as a percentage of total pension liability 74.17%

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 expense, was as follows.

	Police	Fire	Municipal	BOE
	<hr/>			
Money weighted rate of return	0.00	0.00	5.18	2.48

Actuarial assumptions: The total pension liability was determined by actuarial valuations as of July 1, 2013 for Fire, Police, and BOE and January 1, 2014 for Municipal, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2015. There have been no significant changes between the valuation date and the fiscal year-end.

	Police	Fire	Municipal	BOE
	<hr/>			
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	7.5%	7.5%	7.5%	6.25%
Projected salary increases	5% compounded annually	5% compounded annually	3.0%	3.00%
Inflation rate	2.70%	2.70%	2.00%	2.75%
Measurement date	6/30/2015	6/30/2015	12/31/2014	6/30/2015

Mortality rates were based on the RP-2000 Table for Employees, Health Annuitants and Disabled Annuitants with a generational projection to the valuation date with Scale AA.

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Assumed rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. 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, and the final investment return assumption, are summarized in the following table:

Asset Class	Police	Fire	Municipal	BOE
	Long-Term	Long-Term	Long-Term	Long-Term
	Expected	Expected	Expected	Expected
	Geometric	Geometric	Geometric	Arithmetic
	Real Return -	Real Return -	Real Return -	Real Return -
	Portfolio	Portfolio	Portfolio	Portfolio
Cash	-	-	-	0.49
Core fixed income	-	-	-	1.95
Core Bonds	-	-	-	1.61
Short Term Bonds	-	-	2.10	0.98
Intermediate Term Bonds	-	-	3.27	1.46
Long Term Bonds	-	-	-	2.34
Mortgages	-	-	-	2.54
High Yield Bonds	-	-	-	3.90
Non U.S. Fixed Income	-	-	-	0.73
Inflation indexed bonds	-	-	-	0.88
Broad U.S. Equities	-	-	7.49	4.49
Large Cap Value	-	-	7.78	-
Large Cap U.S. Equities	-	-	7.52	4.39
Mid Cap U.S. Equities	-	-	-	4.49
Small Cap U.S. Equities	-	-	-	4.63
Large Cap Core Equities	5.70	5.70	-	-
Mid Cap Core Equities	6.20	6.20	-	-
Small Cap Core Equities	6.70	6.70	8.40	-
International Equity	5.50	5.50	8.35	-
Developed Foreign Equities	-	-	-	4.39
Emerging Markets Equities	6.50	6.50	-	4.88
Intermediate Duration Investment Grade Taxable	1.70	1.70	-	-
Short Duration Investment Grade Taxable Fixed	0.06	0.06	-	-
Master Limited Partnerships	-	-	-	-
Private Equity	-	-	-	5.37
Managed Futures Alternative Investment	-	-	-	-
Preferred Stock	-	-	-	-
High Yield / Junk Rated Fixed Income	-	-	-	-
Long Credit Bonds	-	-	-	3.17
Commodities	-	-	-	2.93
Hedge FUND/ABSOLUTE Return	-	-	-	2.93
Real Estate (property)	-	-	-	3.66
Real Estate (REITS)	6.60	-	-	3.90
Inflation	2.70	2.70	2.00	2.75
Total	38.96	32.36	46.91	66.11

Discount rate: The discount rate to measure the total pension liability was as follows:

	Police	Fire	Municipal	BOE
Discount rate	7.50%	7.50%	7.50%	6.25%

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate:

Net Pension Liability (Asset)	1% decrease	Current Discount Rate	1% increase
Police	\$ 2,600,000	\$ 847,310	\$ (800,000)
Fire	4,545,000	3,044,708	1,827,000
Municipal	2,913,338	941,068	(724,341)
BOE	2,007,534	824,931	(141,863)

Changes in the Net Pension Liability

	Municipal Employees Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/13	\$ 12,813,368	\$ 12,164,788	\$ 648,580
Changes for the year:			
Service cost	339,526	-	339,526
Interest	951,896	-	951,896
Effect of economic/demographic gains or losses	135,707	-	135,707
Contributions - employer	-	496,485	(496,485)
Contributions - member	82,157	82,157	-
Net investment income	-	638,156	(638,156)
Benefit payments, including refunds of employee contributions	(234,991)	(234,991)	-
Net changes	1,274,295	981,807	292,488
Balances at 12/31/14	\$ 14,087,663	\$ 13,146,595	\$ 941,068

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Liability

	BOE Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 8,983,513	\$ 8,411,231	\$ 572,282
Changes for the year:			
Service cost	248,566	-	248,566
Interest	563,878	-	563,878
Effect of economic/demographic gains or losses	(39,598)	-	(39,598)
Contributions - employer	-	406,309	(406,309)
Contributions - member	-	-	-
Net investment income	-	205,472	(205,472)
Benefit payments, including refunds of employee contributions	(380,356)	(380,356)	-
Administrative expense	-	(91,584)	91,584
Net changes	392,490	139,841	252,649
Balances at 6/30/15	\$ 9,376,003	\$ 8,551,072	\$ 824,931

Changes in the Net Pension Liability

	Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 17,227,302	\$ 17,169,375	\$ 57,927
Changes for the year:			
Service cost	599,536	-	599,536
Interest	1,307,830	-	1,307,830
Contributions - employer	-	753,269	(753,269)
Contributions - member	-	214,434	(214,434)
Net investment income	-	94,856	(94,856)
Benefit payments, including refunds of employee contributions	(792,553)	(737,129)	(55,424)
Net changes	1,114,813	325,430	789,383
Balances at 6/30/15	\$ 18,342,115	\$ 17,494,805	\$ 847,310

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Liability

	Fire Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 12,367,343	\$ 10,004,105	\$ 2,363,238
Changes for the year:			
Service cost	413,736	-	413,736
Interest	932,057	-	932,057
Contributions - employer	-	450,000	(450,000)
Contributions - member	-	143,628	(143,628)
Net investment income	-	70,695	(70,695)
Benefit payments, including refunds of employee contributions	(720,330)	(720,330)	-
Net changes	625,463	(56,007)	681,470
Balances at 6/30/15	\$ 12,992,806	\$ 9,948,098	\$ 3,044,708

For the year ended June 30, 2015, the Town recognized pension expense of \$386,000. As of June 30, 2015, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

Municipal Employees Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117,091	\$ -
Net difference between projected and actual earnings on pension plan investments	227,853	(317,882)
Total	\$ 344,944	\$ (317,882)

The Town's contributions made subsequent to the measurement date of \$580,955 will be recognized as a reduction in the net pension liability in the year ended June 30, 2016.

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

For the year ended June 30, 2015, the Town recognized pension expense of \$434,000. As of June 30, 2015, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

BOE Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (29,940)
Net difference between projected and actual earnings on pension plan investments	254,568	-
Total	\$ 254,568	\$ (29,940)

For the year ended June 30, 2015, the Town recognized pension expense of \$635,000. As of June 30, 2015, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	962,760	-
Total	\$ 962,760	\$ -

For the year ended June 30, 2015, the Town recognized pension expense of \$592,000. As of June 30, 2015, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions in the statement of net position from the following sources:

Fire Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	540,760	-
Total	\$ 540,760	\$ -

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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

<u>Year Ended June 30,</u>	<u>Municipal Employees Pension Plan</u>
2016	\$ (32,936)
2017	(32,936)
2018	(32,936)
2019	73,025
2020	16,062
Thereafter	36,783

<u>Year Ended June 30,</u>	<u>BOE Pension Plan</u>
2016	\$ 53,984
2017	53,984
2018	53,984
2019	62,676

<u>Year Ended June 30,</u>	<u>Police Pension Plan</u>
2016	\$ 240,690
2017	240,690
2018	240,690
2019	240,690

<u>Year Ended June 30,</u>	<u>Fire Pension Plan</u>
2016	\$ 135,190
2017	135,190
2018	135,190
2019	135,190

Connecticut State Teachers' Retirement System:

All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. These employees are eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are serviced in the public schools of Connecticut.

Description of system: Eligible employees within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the Town.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units.

Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$5,060,000 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pensions.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Employees are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$1,583,437 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$21,841,000.

Employers are not required to make contributions to the Plan.

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

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

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

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

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

Town of Windham, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State's proportionate share of the net pension liability (NPL) associated with the Town, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate. The Town has no accrued any of the liability as the responsibility for the liability is with the State.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.60%
State's portion of the NPL associated with the Town	\$ 73,399,425	\$ 57,516,697	\$ 44,015,908

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the State net pension liability that was associated with the Town was \$57,516,697 and 100% of the collective net pension liability is allocated to the State. The Town has no proportionate share of the liability.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$4,315,397 as the amount expended by the State on behalf of the Town to meet the State's funding requirements in the Statement of Activities.

Other information: Additional information is included in the required supplementary section of the financial statements.

Note 9. Other Post-Employment Benefits (OPEB)

Plan description: The Town administers an Other Post-Employment Benefits Plan (the Plan), which is a single-employer defined benefit, healthcare plan. The Plan provides healthcare and life insurance benefits for eligible retirees and their spouses through the Town's group healthcare and life insurance plans, which covers both active and retired members. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Funding policy: Contribution requirements of the plan members upon retirement vary by employee class and range from 10% to 100% of the retiree's healthcare premium cost. Contribution requirements are established in the Plan document and may be amended through negotiations between the Town and the unions.

For fiscal year 2015, the Town is self-insured. The retiree contributions exceeded claims and administrative costs resulting in a negative contribution.

Town of Windham, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (OPEB) (Continued)

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

Annual required contribution	\$ 1,518,700
Interest on net OPEB obligation	376,684
Adjustment to annual required contribution	<u>(523,754)</u>
Annual OPEB cost	1,371,630
Contributions made	<u>(48,202)</u>
Increase in net OPEB obligation	1,419,832
Net OPEB obligation, beginning of year	<u>9,417,104</u>
Net OPEB obligation, end of year	<u><u>\$ 10,836,936</u></u>

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

Plan Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 1,371,630	4%	\$ 10,836,936
June 30, 2014	1,365,044	3%	9,417,104
June 30, 2013	1,612,869	-2%	8,097,133

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

Actuarial Valuation Date	Fiscal Year Ended June 30,	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Overfunded (Underfunded) AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((A-B)/C)
July 1, 2014	2015	\$ -	\$ 12,259,100	\$ (12,259,100)	0%	\$ 33,020,300	34%

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, presents 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.

Town of Windham, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (OPEB) (Continued)

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

Significant methods and assumptions were as follows:

Valuation date	July 1, 2014
Actuarial cost method	Projected Unit Credit Method
Amortization method	Level Dollar
Remaining amortization period in years	30 Years – Open
Investment return	N/A
Actuarial assumptions (includes inflation rate):	
Inflation rate	4.00%
Healthcare cost trend rate	9.00 % initial; 5.00% final

In addition to pension benefits, certain health and life insurance benefits for retired employees and their spouses are provided by the Town as determined by various union contracts. Substantially all Town employees may become eligible for those benefits, if they reach normal retirement age while working for the Town. The Town recognizes the cost of providing those benefits on a pay-as-you-go basis.

Note 10. Risk Management

The Town is exposed to various risks of loss relating to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance to manage these risks. Settlement claims resulting from these risks have not exceeded commercial insurance coverage in the last three years. The Town is not insured concerning the following types of risks: unemployment compensation.

The Town is currently a member in 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 et. seq. of the CGS, for workers' compensation coverage. CIRMA has approximately 215 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$750,000 for each insured occurrence.

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.

Town of Windham, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

As of July 1, 2012, the Town and BOE transitioned its liability for health benefits to a Self-Insurance Fund to account for claim activity and the administrative costs associated with a self-insured funding arrangement. The Town and BOE have Individual Stop Loss (ISL) coverage that limits their liability to \$175,000 per claimant in a plan year. The Town and BOE's overall claim liability is also limited to 115% of expected claims (\$10,500,000) with Aggregate Stop Loss coverage for the plan year. Anthem, administers the payment of Medical and Pharmacy claims, calculates and provides the accrued liability in a year-end settlement. Lockton Companies, LLC, the consultant for the Town and BOE, analyzes those claims and administrative expenses and advises the Town and BOE on all health insurance related issues.

A summary of claims activity for the year ended through June 30, 2015 and 2014 are as follows:

Year Ended June 30,	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2014	\$ 436,402	\$ 9,776,306	\$ 8,912,487	\$ 1,300,221
2015	1,300,221	10,105,740	9,419,251	1,986,710

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 in accordance with GASB Statements No. 10 and 30, which require that a liability for claims be reported 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.

Note 11. Contingent Liabilities

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

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

Note 12. Deferred Compensation Plan

The Town offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all Town employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plans participants and their beneficiaries. Therefore, the accounts of the deferred compensation plans are not reported in the general-purpose financial statements of the Town in accordance with GASB Statement No. 32.

Town of Windham, Connecticut

Notes to Financial Statements

Note 13. Fund Balances (Deficits)

Below is a table of fund balance categories and classifications at June 30, 2015, for the Town's governmental funds:

	General Fund	Educational Grants Fund	Capital Improvements Fund	Nonmajor Governmental Funds
Fund balances (deficits)				
Nonspendable:				
Inventory	\$ 116,251	\$ -	\$ -	\$ 23,295
Permanent fund principal	-	-	-	459,044
Total nonspendable	116,251	-	-	482,339
Restricted:				
Education	654,380	-	-	203,374
Debt service	-	-	-	2,877,126
Civic and cultural - cemetery	-	-	-	29,532
Civic and cultural - library	-	-	-	275,474
Debt service	-	-	-	174,988
Public safety	-	-	-	145,248
Public works	-	-	-	102,745
Community rehabilitation program	-	-	-	121,517
Capital outlay	-	-	-	40,671
Total restricted	654,380	-	-	3,970,675
Committed:				
Capital outlay	-	-	-	516,286
Civic and cultural - recreation programs	-	-	-	178,340
Total committed	-	-	-	694,626
Assigned:				
General government - financial software project	104,051	-	-	-
General government -Kramer Building	243,444	-	-	-
General government - grant match	163,407	-	-	-
Economic development	1,959	-	-	-
General government - assessor revaluation	1,491	-	-	-
General government - other	11,942	-	-	-
Police - police services	81,432	-	-	-
Education - books	23,399	-	-	-
Education - literacy program	11,884	-	-	-
Education- other	273	-	-	-
Capital outlay - open space	33,698	-	-	-
Total assigned	676,980	-	-	-
Unassigned (deficit)	11,453,914	-	(7,319,419)	-
Total fund balance (deficit)	\$ 12,901,525	\$ -	\$ (7,319,419)	\$ 5,147,640

Town of Windham, Connecticut

Notes to Financial Statements

Note 14. Subsequent Event

Bond anticipation notes: On March 8, 2016, the Town issued a \$9,150,000 bond anticipation note with an interest rate of 2%, maturing on December 7, 2016.

Note 15. Deficit Fund Equity

Major funds

Capital Improvement fund	<u><u>\$ 7,319,419</u></u>
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The Town anticipates financing the deficit through future bond and grant proceeds.

Note 16. Restatement

The Town's financial statements have been restated as of July 1, 2014. The restatement is a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Governmental activities will show a restatement of net position for the beginning year as follows:

	<u>Governmental Activities</u>
Net position - beginning, as previously reported	\$ 66,543,027
Remove: June 30, 2014 pension asset under GASB No. 27 before implementation of GASB Statement No. 68:	
Defined benefit plan	(394,106)
Add: Implementation of GASB Statement No. 68:	
Beginning net pension liability for:	
Defined benefit plans	(3,586,603)
Beginning deferred outflows - municipal plan	535,000
Net position - beginning, as restated	<u><u>\$ 63,097,318</u></u>

Town of Windham, Connecticut

Notes to Financial Statements

Note 17. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

- GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB 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 completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
 - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
 - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

Town of Windham, Connecticut

Notes to Financial Statements

Note 17. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

Town of Windham, Connecticut

Notes to Financial Statements

Note 17. Governmental Accounting Standards Board (GASB) Statements (Continued)

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this Statement are effective for financial statements for periods beginning after beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

Town of Windham, Connecticut

Notes to Financial Statements

Note 17. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

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**Required Supplementary
Information—*unaudited***

Town of Windham, Connecticut

Required Supplementary Information-Unaudited
 Schedule of Employer Contributions and Funding Progress - OPEB
 June 30, 2015

Schedule of Employer Contributions

	Annual Required Contributions	Actual Contributions	Percentage Contributed
2015	\$ 1,518,700	\$ (48,202)	-3%
2014	1,491,500	45,073	3%
2013	1,713,600	(34,336)	-2%
2012	1,687,300	678,646	40%
2011	2,538,940	615,394	24%
2010	2,498,355	671,816	27%
2009	2,459,331	595,528	24%

Schedule of Funding Progress

Actuarial Valuation Date	Fiscal Year Ended	Actuarial Valuation of Assets (A)	Actuarial Accrued Liability (AAL) (B)	(Unfunded)/ Overfunded AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((A-B)/C)
July 1, 2014	2015	\$ -	\$ 12,259,100	\$ (12,259,100)	0%	\$ 33,020,300	(37%)
July 1, 2012	2013	-	14,318,000	(14,318,000)	0%	42,017,400	(34%)
July 1, 2010	2011	-	18,112,000	(18,112,000)	0%	40,045,000	(45%)
July 1, 2008	2009	-	26,159,831	(26,159,831)	0%	39,532,700	(66%)

Town of Windham, Connecticut

Required Supplementary Information-Unaudited
 Schedule of Employer Contributions
 June 30, 2015

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Fire PERS					
2015	\$ 680,426	\$ 450,000	\$ -	\$ 1,884,070	24%
2014	551,973	551,973	-	1,794,352	31%
2013	526,194	526,194	-	1,794,352	29%
2012	491,040	491,040	-	1,493,434	33%
2011	467,717	444,479	(23,238)	1,493,434	30%
2010	368,082	368,082	-	1,719,319	21%
2009	350,495	350,495	-	1,719,319	20%
2008	357,806	357,806	-	1,407,852	25%
2007	341,103	438,800	97,697	1,407,852	31%
2006	218,189	215,279	(2,910)	1,230,209	17%
Police PERS					
2015	\$ 753,269	\$ 753,269	\$ -	\$ 2,764,927	27%
2014	816,486	816,486	-	2,633,264	31%
2013	777,583	777,583	-	2,633,264	30%
2012	782,520	782,520	-	2,476,451	32%
2011	745,490	695,142	(50,348)	2,476,451	28%
2010	624,215	624,215	-	2,451,505	25%
2009	594,921	594,921	-	2,451,505	24%
2008	676,445	676,455	10	2,138,454	32%
2007	476,291	476,291	-	2,138,454	22%
2006	475,100	475,100	-	2,051,700	23%
Municipal PERS					
2015	\$ 518,719	\$ 518,719	\$ -	\$ 5,729,056	9%
2014	496,485	496,485	-	5,301,533	9%
2013	496,485	496,485	-	5,297,089	9%
2012	445,550	445,550	-	5,266,031	8%
2011	312,389	382,548	70,159	4,891,794	8%
2010	382,548	423,201	40,653	4,753,331	9%
2009	423,201	497,457	74,256	4,807,456	10%
2008	492,458	492,458	-	4,555,826	11%
2007	464,291	464,291	-	4,459,537	10%
2006	498,062	498,062	-	4,352,992	11%
Board of Education PERS					
2015	\$ 406,309	\$ 406,309	\$ -	\$ 3,797,294	11%
2014	367,393	367,393	-	3,776,596	10%
2013	337,885	337,885	-	3,805,941	9%
2012	319,576	319,576	-	3,890,910	8%
2011	298,906	298,906	-	3,797,147	8%
2010	288,880	288,880	-	3,791,184	8%
2009	277,220	277,220	-	3,515,021	8%
2008	260,848	260,848	-	3,429,673	8%
2007	250,997	250,997	-	3,515,021	7%
2006	213,181	219,576	6,395	3,429,673	6%

Town of Windham, Connecticut

Required Supplementary Information - Unaudited
 Schedule of Changes in the Town's Net Pension Liability and Related Ratios and Schedule of Investment Returns
 Last Two Fiscal Years

	2015	2014
Changes in Net Pension Liability (000's)	Municipal Employees Pension Plan	Municipal Employees Pension Plan
Total Pension Liability		
Service cost	\$ 339,526	\$ 328,517
Interest on total pension liability	951,896	863,773
Plan participants' contributions	82,157	79,178
Effect of economic/demographic gains or (losses)	135,707	137,143
Benefit payments	(234,991)	(204,272)
Net change in total pension liability	1,274,295	1,204,339
Total Pension Liability, Beginning	12,813,368	11,609,029
Total pension liability, ending (a)	14,087,663	12,813,368
Fiduciary Net Position		
Employer contributions	496,485	629,646
Member contributions	82,157	79,178
Investment income net of investment expenses	638,156	1,323,945
Benefit payments	(234,991)	(204,272)
Net change in plan fiduciary net position	981,807	1,828,497
Fiduciary Net Position, Beginning	12,164,788	10,336,291
Fiduciary net position, ending (b)	13,146,595	12,164,788
Net pension liability, ending = (a) - (b)	\$ 941,068	\$ 648,580
Fiduciary Net Position as a % of Total Pension Liability	93.32%	94.94%
Covered Payroll	\$ 5,729,056	\$ 5,310,533
Net Pension Liability as a % of Covered Payroll	16.43%	12.21%
	2015	2014
Annual money-weighted rate of return, net of investment expense	5.18%	12.52%

Town of Windham, Connecticut

Required Supplementary Information - Unaudited
 Schedule of Changes in the Board of Education's Net Pension Liability and Related Ratios and
 Schedule of Investment Returns
 Last Two Fiscal Years

	2015 BOE Pension Plan	2014 BOE Pension Plan
Changes in Net Pension Liability (000's)		
Total Pension Liability		
Service cost	\$ 248,566	\$ 250,042
Interest on total pension liability	563,878	539,091
Effect of economic/demographic gains or (losses)	(39,598)	-
Benefit payments	(380,356)	(356,651)
Net change in total pension liability	392,490	432,482
Total Pension Liability, Beginning	8,983,513	8,551,031
Total pension liability, ending (a)	9,376,003	8,983,513
Fiduciary Net Position		
Employer contributions	406,309	367,393
Investment income net of investment expenses	205,472	449,023
Benefit payments	(380,356)	(356,651)
Administrative expenses	(91,584)	(80,084)
Net change in plan fiduciary net position	139,841	379,681
Fiduciary Net Position, Beginning	8,411,231	8,031,550
Fiduciary net position, ending (b)	8,551,072	8,411,231
Net pension liability, ending = (a) - (b)	\$ 824,931	\$ 572,282
Fiduciary Net Position as a % of Total Pension Liability	91.20%	93.63%
Covered Payroll	\$ 3,797,294	\$ 3,776,596
Net Pension Liability as a % of Covered Payroll	21.72%	15.15%
	2015	2014
Annual money-weighted rate of return, net of investment expense	2.48%	5.67%

Town of Windham, Connecticut

Required Supplementary Information - Unaudited

Schedule of Changes in the Police Net Pension Liability and Related Ratios and Schedule of Investment Returns
Last Two Fiscal Years

	2015 Police Pension Plan	2014 Police Pension Plan
Changes in Net Pension Liability (000's)		
Total Pension Liability		
Service cost	\$ 599,536	\$ 570,987
Interest on total pension liability	1,307,830	1,228,112
Benefit payments	(792,553)	(737,935)
Net change in total pension liability	1,114,813	1,061,164
Total Pension Liability, Beginning	17,227,302	16,166,138
Total pension liability, ending (a)	18,342,115	17,227,302
Fiduciary Net Position		
Employer contributions	753,269	816,486
Member contributions	214,434	202,966
Investment income net of investment expenses	94,856	2,457,309
Benefit payments	(737,129)	(737,935)
Net change in plan fiduciary net position	325,430	2,738,826
Fiduciary Net Position, Beginning	17,169,375	14,485,973
Fiduciary net position, ending (b)	17,494,805	17,224,799
Net pension liability, ending = (a) - (b)	\$ 847,310	\$ 2,503
Fiduciary Net Position as a % of Total Pension Liability	95.38%	99.99%
Covered Payroll	\$ 2,764,927	\$ 2,633,264
Net Pension Liability as a % of Covered Payroll	30.64%	0.10%
	2015	2014
Annual money-weighted rate of return, net of investment expense	0.01%	17.24%

Town of Windham, Connecticut

Required Supplementary Information - Unaudited
 Schedule of Changes in the Fire Net Pension Liability and Related Ratios and Schedule of Investment Returns
 Last Two Fiscal Years

	2015	2014
	Fire Pension Plan	Fire Pension Plan
Changes in Net Pension Liability (000's)		
Total Pension Liability		
Service cost	\$ 413,736	\$ 394,034
Interest on total pension liability	932,057	884,978
Benefit payments	(720,330)	(623,426)
Net change in total pension liability	625,463	655,586
Total Pension Liability, Beginning	12,367,343	11,711,757
Total pension liability, ending (a)	12,992,806	12,367,343
Fiduciary Net Position		
Employer contributions	450,000	551,973
Member contributions	143,628	139,703
Investment income net of investment expenses	70,695	1,470,873
Benefit payments	(720,330)	(623,426)
Net change in plan fiduciary net position	(56,007)	1,539,123
Fiduciary Net Position, Beginning	10,004,105	8,464,982
Fiduciary net position, ending (b)	9,948,098	10,004,105
Net pension liability, ending = (a) - (b)	\$ 3,044,708	\$ 2,363,238
Fiduciary Net Position as a % of Total Pension Liability	76.57%	80.89%
Covered Payroll	\$ 1,884,070	\$ 1,794,352
Net Pension Liability as a % of Covered Payroll	161.60%	131.70%
	2015	2014
Annual money-weighted rate of return, net of investment expense	0.01%	17.83%

Town of Windham, Connecticut

**Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers' Retirement System
Required Supplementary Information - unaudited
For the Year Ended June 30, 2015**

Measurement Date June, 30	2014
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>\$ 57,516,697</u>
Total	<u>\$ 57,516,697</u>
Town's covered-employee payroll	<u>\$ 21,841,000</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>
System fiduciary net position as a percentage of the total pension liability	<u>61.51%</u>

Notes to Connecticut State Teachers' Retirement System

Changes of Assumptions

In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Method and assumptions used in calculations of actuarially determined contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00 percent
Salary increase	3.75-7.00 percent, including inflation
Investment rate of return	8.50 percent, net of investment related expense

Town of Windham, Connecticut

Required Supplementary Information-Unaudited
 Combined Statement of Revenues and Expenditures - Budget and Actual - Budgetary Basis -
 General Fund
 For the Year Ended June 30, 2015

	Total			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes, liens and interest	\$ 33,452,914	\$ 33,452,914	\$ 33,313,631	\$ (139,283)
Intergovernmental	31,321,638	31,321,638	31,010,351	(311,287)
Licenses and permits	331,900	331,900	258,136	(73,764)
Fines, forfeitures, and penalties	32,500	32,500	174,831	142,331
Charges for services	2,233,500	2,233,500	2,344,197	110,697
Investment income	70,000	70,000	6,016	(63,984)
Other	496,500	496,500	216,402	(280,098)
Total revenues	67,938,952	67,938,952	67,323,564	(615,388)
Expenditures				
Current:				
General government	2,640,050	2,744,135	2,588,269	155,866
Public safety	1,778,132	1,790,342	1,591,520	198,822
Public works	4,156,056	4,242,456	4,176,592	65,864
Human services	617,411	627,411	600,614	26,797
Civic and cultural	1,234,965	1,161,965	1,055,766	106,199
Planning and development	488,565	445,565	354,567	90,998
Other	1,343,060	1,257,760	1,203,959	53,801
Police	6,131,820	6,101,120	5,901,845	199,275
Fire	2,603,180	2,746,880	2,744,971	1,909
Education	43,555,007	43,555,007	43,529,946	25,061
Debt service:	3,274,706	3,297,756	3,297,662	94
Contingency	180,000	32,555	-	32,555
Total expenditures	68,002,952	68,002,952	67,045,711	957,241
Excess (deficit) of revenues over (under) expenditures	(64,000)	(64,000)	277,853	341,853
Other Financing Sources (Uses)				
Transfers in	329,000	329,000	344,494	15,494
Transfers out	(265,000)	(265,000)	(263,440)	1,560
Total other financing sources (uses)	64,000	64,000	81,054	17,054
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 358,907	\$ 358,907

See Note to Supplementary Information.

Town of Windham, Connecticut

Note to Required Supplementary Information - Unaudited

Note 1. Budgetary Information and Compliance

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

- On or before March 1 and after input from each agency and department of the Town, except the Board of Education (BOE), the Town Manager submits to the Town Council a proposed operating budget for both the Town and the WSD. These two budgets are the driving force of and are operated as "sub-funds" of the combined General Fund. In addition, a program concerning capital improvement projects for the next five fiscal years and a method of financing them for the fiscal year commencing the following July 1, is also submitted.
- On or before March 15, the Town Manager and Town Council presents to the Board of Finance (BOF) a budget prepared for the fiscal year commencing the following July 1 for both the Town and WSD.
- Copies of the budgets are made available to taxpayers five (5) days before the public hearings and five (5) days before the annual budget meeting. One (1) public hearing is held to obtain taxpayer comments. A Town meeting is held on the first Tuesday of May and adjourned to a referendum on the second Tuesday in May. Should the recommended budgets fail at referendum, they are returned to the BOF for adjustments. The budgets are legally enacted no later than seven (7) days after the taxpayers approve them by vote.
- Management cannot amend the budgets without approval of the BOF. Only the BOF is authorized to transfer budgeted amounts.
- The BOF must approve any additional appropriation and a Town Meeting must be held to approve any additional appropriation over \$40,000 for both budgets. During the year ended June 30, 2014, no additional appropriations from fund balance were made.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the budgetary department line item level (i.e. Finance Department, Town Council within the General Government function) for the General Fund, except for the BOE where department control is implemented.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teachers Retirement System are not recorded for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year-end.

Town of Windham, Connecticut

Note to Required Supplementary Information – Unaudited (Continued)

Note 1. Budgetary Information and Compliance (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:

	Revenues and Transfers	Expenditures and Transfers
Budgetary basis	\$ 67,668,058	\$ 67,309,151
"On-behalf" payments - State Teachers Retirement Fund (see Note 9)	5,510,000	5,510,000
Reclassified to General Fund due to GASB No. 54	103,064	114,086
Transfers eliminated due to GASB No. 54	(143,440)	(143,440)
Other	-	136,958
GAAP basis	<u>\$ 73,137,682</u>	<u>\$ 72,926,755</u>

**Combining and Individual
Fund Statements and Other Schedules**

General Fund

General Fund

The General 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.

Town of Windham, Connecticut

Combining Balance Sheet - General Fund
June 30, 2015

	Town	Willimantic Service District	Special Education Excess Cost Fund	Other Special Revenue Funds	Total
Assets					
Cash and cash equivalents	\$ 4,477,517	\$ 3,402,940	\$ -	\$ 66,466	\$ 7,946,923
Receivables:					
Property taxes, net	470,943	621,660	-	-	1,092,603
Grants and contracts receivable	851,794	-	-	-	851,794
Accounts receivable, net	564,474	411,272	-	-	975,746
Due from other funds	5,168,382	-	-	-	5,168,382
Restricted cash	654,380	-	-	-	654,380
Inventories	116,251	-	-	-	116,251
Total assets	\$ 12,303,741	\$ 4,435,872	\$ -	\$ 66,466	\$ 16,806,079
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,757,513	\$ 360,161	\$ -	\$ 77,488	\$ 2,195,162
Due to other funds	1,586	-	-	-	1,586
Total liabilities	1,759,099	360,161	-	77,488	2,196,748
Deferred Inflows of Resources					
Unavailable resources	1,213,136	494,670	-	-	1,707,806
Total deferred inflows of resources	1,213,136	494,670	-	-	1,707,806
Fund balance:					
Nonspendable	116,251	-	-	-	116,251
Restricted	654,380	-	-	-	654,380
Assigned	595,548	81,432	-	-	676,980
Unassigned	7,965,327	3,499,609	-	(11,022)	11,453,914
Total fund balance	9,331,506	3,581,041	-	(11,022)	12,901,525
Total liabilities, deferred inflows of resources and fund balance	\$ 12,303,741	\$ 4,435,872	\$ -	\$ 66,466	\$ 16,806,079

Town Of Windham, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
General Fund

For the Year Ended June 30, 2015

	Town	Willimantic Service District	Special Education Excess Cost Fund	Other Special Revenue Funds	Eliminations	Total
Revenues						
Property taxes	\$ 28,053,634	\$ 5,259,997	\$ -	\$ -	\$ -	\$ 33,313,631
Intergovernmental	33,079,448	3,440,903	-	-	-	36,520,351
Charges for services	1,788,671	555,526	-	54,624	-	2,398,821
Licenses and permits	216,372	41,764	-	-	-	258,136
Fines, forfeitures, and penalties	85,630	89,201	-	-	-	174,831
Investment income	6,016	-	-	-	-	6,016
Miscellaneous	71,829	144,573	-	-	-	216,402
Total revenues	63,301,600	9,531,964	-	54,624	-	\$ 72,888,188
Expenditures						
Current:						
General government	2,723,255	-	-	-	-	2,723,255
Public safety	1,591,520	-	-	-	-	1,591,520
Public works	4,176,592	-	-	114,086	-	4,290,678
Human services	600,614	-	-	-	-	600,614
Civic and cultural	1,055,766	-	-	-	-	1,055,766
Planning and development	354,567	-	-	-	-	354,567
Education	48,972,918	-	-	-	-	48,972,918
Other	706,672	-	-	-	-	706,672
Police	-	5,901,844	-	-	-	5,901,844
Fire	-	3,299,653	-	-	-	3,299,653
Miscellaneous	2,000	-	-	-	-	2,000
Debt service:						
Principal retirements	2,675,868	-	-	-	-	2,675,868
Interest and other charges	619,794	-	-	-	-	619,794
Total expenditures	63,479,566	9,201,497	-	114,086	-	72,795,149
Excess (deficiency) of revenues over (under) expenditures	(177,966)	330,467	-	(59,462)	-	93,039
Other Financing Sources (Uses)						
Transfers in	334,494	10,000	-	48,440	(143,440)	249,494
Transfers out	(190,046)	(85,000)	-	-	143,440	(131,606)
Total other financing sources (uses)	144,448	(75,000)	-	48,440	-	117,888
Net change in fund balance	(33,518)	255,467	-	(11,022)	-	210,927
Fund Balances, Beginning	9,365,024	3,325,574	-	-	-	12,690,598
Fund balances, Ending	\$ 9,331,506	\$ 3,581,041	\$ -	\$ (11,022)	\$ -	\$ 12,901,525

Town of Windham, Connecticut

Schedule of Revenues - Budget and Actual - Budgetary Basis - Town
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Taxes, Liens and Interest				
Current taxes	\$ 27,214,785	\$ 27,214,785	\$ 26,986,600	\$ (228,185)
Motor vehicle supplemental	300,000	300,000	375,014	75,014
Prior year taxes	460,000	460,000	421,480	(38,520)
Interest and liens	310,000	310,000	270,540	(39,460)
Total taxes, liens and interest	28,284,785	28,284,785	28,053,634	(231,151)
Intergovernmental				
Emergency management	11,000	11,000	14,782	3,782
Social services block grant	15,000	15,000	13,754	(1,246)
Education cost sharing grant	24,255,048	24,255,048	24,152,653	(102,395)
School transportation	311,698	311,698	321,502	9,804
School construction grants	894,889	894,889	894,890	1
Aid to private schools	42,000	42,000	40,625	(1,375)
PILOT 2 - housing authority	36,000	36,000	37,663	1,663
PILOT - state property ECSU	913,210	913,210	914,102	892
PILOT - elderly circuit breakers	64,000	64,000	54,836	(9,164)
PILOT - housing authority	35,000	35,000	28,310	(6,690)
PILOT - totally disabled	2,000	2,000	2,467	467
Library grant	1,200	1,200	-	(1,200)
Maintenance of state public works	12,000	12,000	23,844	11,844
Off-track betting tax	30,000	30,000	20,872	(9,128)
PILOT - private colleges and hospitals	203,810	203,810	200,494	(3,316)
Supp municipal aid (former Pequot)	445,131	445,131	446,288	1,157
Distressed municipalities manufacturing	9,000	9,000	-	(9,000)
PILOT - veterans exemptions	7,500	7,500	6,633	(867)
Other revenue - state of CT	27,820	27,820	31,558	3,738
Town aid road	150,000	150,000	150,000	-
MRSA bonded distribution	301,161	301,161	214,175	(86,986)
Total intergovernmental	27,767,467	27,767,467	27,569,448	(198,019)
Licenses and permits				
Gaming permits	400	400	286	(114)
Building permits	210,000	210,000	145,117	(64,883)
Multi family permits	90,000	90,000	66,401	(23,599)
Animal licenses	3,000	3,000	2,987	(13)
Hunting and fishing licenses	2,500	2,500	1,581	(919)
Total licenses and permits	305,900	305,900	216,372	(89,528)
Fines, Forfeitures and Penalties				
Dog redemption and sale	1,000	1,000	1,507	507
Blight ordinance	1,000	1,000	84,123	83,123
Total fines, forfeitures and penalties	2,000	2,000	85,630	83,630

(Continued)

Town of Windham, Connecticut

Schedule of Revenues - Budget and Actual - Budgetary Basis - Town (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Charges for Services				
Use of town property	\$ 20,000	\$ 20,000	\$ 19,534	\$ (466)
Refuse fees	18,000	18,000	8,564	(9,436)
Miscellaneous fees	-	-	12,889	12,889
Ambulance fees	1,000,000	1,000,000	1,047,950	47,950
Shared services	-	-	30,000	30,000
Grave openings	25,100	25,100	13,500	(11,600)
Property rental	31,000	31,000	2,000	(29,000)
Town photocopies	18,000	18,000	16,156	(1,844)
Recording fees	72,000	72,000	66,789	(5,211)
Telecommunications	40,000	40,000	42,367	2,367
Vital statistics	80,000	80,000	66,281	(13,719)
Real estate conveyance	165,000	165,000	260,782	95,782
Fire marshal plan review	5,000	5,000	3,450	(1,550)
Fire marshal inspection fee	10,000	10,000	17,225	7,225
Fire marshal permit and fees	200	200	405	205
Other charges for services	6,000	6,000	6,473	473
Engineering services	2,000	2,000	3,120	1,120
Zoning fees	7,000	7,000	5,390	(1,610)
Notary fees	3,000	3,000	3,236	236
BOE tuition from other towns	350,000	350,000	162,560	(187,440)
Total charges for services	1,852,300	1,852,300	1,788,671	(63,629)
Investment Income	40,000	40,000	6,016	(33,984)
Other				
Financial services - Windham First Taxing District	38,000	38,000	21,759	(16,241)
Eviction receipts	500	500	430	(70)
Insurance reimbursement	-	-	6,586	6,586
Miscellaneous	170,000	170,000	43,054	(126,946)
Total other	208,500	208,500	71,829	(136,671)
Other Financing Uses				
Transfer in - school readiness	50,000	50,000	65,494	15,494
Transfer in - sewer fund	92,000	92,000	92,000	-
Transfer in - water fund	92,000	92,000	92,000	-
Transfer in - Willimantic Service District	85,000	85,000	85,000	-
Total other financing uses	319,000	319,000	334,494	15,494
Total revenues	\$ 58,779,952	\$ 58,779,952	\$ 58,126,094	\$ (653,858)

Town of Windham, Connecticut

Schedule of Revenues - Budget and Actual - Budgetary Basis - Willimantic Service District
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Taxes, Liens and Interest				
Current taxes	\$ 4,968,129	\$ 4,968,129	\$ 5,055,395	\$ 87,266
Motor vehicle supplemental	60,000	60,000	73,560	13,560
Prior Years Taxes	85,000	85,000	77,454	(7,546)
Interest and liens	55,000	55,000	53,588	(1,412)
Total Taxes, Liens and Interest	5,168,129	5,168,129	5,259,997	91,868
Intergovernmental				
PILOT - state property ECSU	2,130,823	2,130,823	2,132,906	2,083
PILOT - elderly circuit breakers	64,000	64,000	54,836	(9,164)
PILOT - housing authority	35,000	35,000	28,310	(6,690)
PILOT - totally disabled	2,000	2,000	2,467	467
PILOT 2 - housing authority	84,000	84,000	87,881	3,881
PILOT - private colleges and hospitals	475,556	475,556	467,818	(7,738)
Supp municipal aid (former Pequot)	445,131	445,131	446,288	1,157
Distressed municipalities manufacturing	9,000	9,000	-	(9,000)
PILOT - veterans exemptions	7,500	7,500	6,633	(867)
MRSA bonded obligation	301,161	301,161	213,764	(87,397)
Total Intergovernmental	3,554,171	3,554,171	3,440,903	(113,268)
Licenses and Permits				
Parking permits	12,000	12,000	38,249	26,249
Miscellaneous permits	14,000	14,000	3,515	(10,485)
Total Licenses and Permits	26,000	26,000	41,764	15,764
Fines, Forfeitures and Penalties				
Parking fines	25,000	25,000	76,245	51,245
Fines to towns	5,000	5,000	12,701	7,701
False alarms	500	500	255	(245)
Total Fines, Forfeitures and Penalties	30,500	30,500	89,201	58,701
Charges for Services				
Private police services	370,000	370,000	542,234	172,234
Private fire services	10,000	10,000	7,113	(2,887)
Police, fire and ambulance reports	1,200	1,200	6,179	4,979
Total Charges for Services	381,200	381,200	555,526	174,326
Investment Income				
	30,000	30,000	-	(30,000)
Other				
BOE youth services officer reimbursement	50,000	50,000	-	(50,000)
Telecommunications	43,000	43,000	42,367	(633)
Miscellaneous	195,000	195,000	102,206	(92,794)
Total Other	288,000	288,000	144,573	(143,427)
Other Financing Uses				
Transfer in - WSD	10,000	10,000	10,000	-
Total revenues and operating transfers	\$ 9,488,000	\$ 9,488,000	\$ 9,541,964	\$ 53,964

Town of Windham, Connecticut

Schedule of Expenditures and Other Financing Uses - Budget and Actual -
 Budgetary Basis - Town
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Board of finance	\$ 91,360	\$ 76,360	\$ 75,266	\$ 1,094
Town council	29,200	32,700	32,520	180
Municipal administration	334,930	334,930	308,814	26,116
Finance/treasury	533,685	594,535	585,010	9,525
Tax/revenue collection	323,391	323,391	317,286	6,105
Assessor	335,490	318,490	299,477	19,013
Board of assessment appeals	200	380	150	230
Town clerk/recording	246,798	232,108	212,938	19,170
Elections	79,815	84,120	78,313	5,807
Registrar of voters	-	700	635	65
Legal counsel	41,500	107,830	107,795	35
Probate court	36,201	40,001	39,939	62
Town hall	144,850	153,770	139,638	14,132
Town central services	61,500	47,500	44,840	2,660
Aid to private schools	42,000	42,000	40,625	1,375
Data processing	215,940	205,940	176,456	29,484
Charter revision	10,000	20,530	19,030	1,500
Personnel	113,190	128,850	109,537	19,313
Total general government	2,640,050	2,744,135	2,588,269	155,866
Public Safety				
Fire marshal/emergency management	120,645	120,645	113,058	7,587
Animal control	107,250	107,250	92,261	14,989
Ambulance	1,550,237	1,562,447	1,386,201	176,246
Total public safety	1,778,132	1,790,342	1,591,520	198,822
Public Works				
Engineering	155,465	155,465	144,821	10,644
Roads and drainage	737,900	742,700	740,419	2,281
Machinery and equipment	516,100	522,600	522,474	126
Snow removal	99,500	207,700	207,628	72
Garage maintenance	59,550	56,250	55,716	534
Public works administration	286,900	255,900	245,918	9,982
Street lighting	312,640	352,040	351,973	67
Park maintenance	289,600	289,600	281,852	7,748
Building	134,875	114,875	90,432	24,443
Cemeteries	210,000	210,000	205,841	4,159
Solid waste removal	1,353,526	1,335,326	1,329,518	5,808
Total public works	4,156,056	4,242,456	4,176,592	65,864

(Continued)

Town of Windham, Connecticut

Schedule of Expenditures and Other Financing Uses - Budget and Actual -
Budgetary Basis - Town (Continued)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Human Services				
Human services	\$ 174,650	\$ 184,650	\$ 174,850	\$ 9,800
Outside agencies	184,911	184,911	184,886	25
Windham Health Department	117,175	117,175	117,175	-
Senior center	140,675	140,675	123,703	16,972
Total human services	617,411	627,411	600,614	26,797
Civic and Cultural Donations				
Willimantic Public Library	766,320	713,320	652,525	60,795
Recreation administration	256,420	234,920	221,125	13,795
Recreation general programs	107,600	107,600	76,310	31,290
Recreation center	104,625	106,125	105,806	319
Total civic and cultural	1,234,965	1,161,965	1,055,766	106,199
Planning and Development				
Land use boards	15,100	15,100	1,466	13,634
Economic development	49,590	49,590	29,084	20,506
Zoning code enforcement	292,450	249,450	206,616	42,834
Town planner	130,925	130,925	117,147	13,778
Windham Historic District	500	500	254	246
Total planning and development	488,565	445,565	354,567	90,998
Other				
Fringe benefits	585,060	562,760	531,303	31,457
Risk management	140,000	140,000	117,975	22,025
Total other	725,060	702,760	649,278	53,482
Town Contingency	130,000	32,555	-	32,555
Debt Service				
Bond payments - principal	2,615,184	2,675,884	2,675,868	16
Bond payments - interest	657,522	619,822	619,794	28
Miscellaneous	2,000	2,050	2,000	50
Total debt service	3,274,706	3,297,756	3,297,662	94
Total general government	15,044,945	15,044,945	14,314,268	730,677

(Continued)

Town of Windham, Connecticut

Schedule of Expenditures and Other Financing Uses - Budget and Actual -
 Budgetary Basis - Town (Continued)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Board of Education	\$ 43,555,007	\$ 43,555,007	\$ 43,529,946	\$ 25,061
Other Financing Uses				
Transfer out - Kramer Building Fund	50,000	50,000	48,440	1,560
Transfer out- Recreation Revolving Fund	20,000	20,000	20,000	-
Transfer out - Reserve for Capital Improvement Fund	100,000	100,000	100,000	-
Transfer out - Revaluation	10,000	10,000	10,000	-
Total other financing uses	<u>180,000</u>	<u>180,000</u>	<u>178,440</u>	<u>1,560</u>
Total expenditures and other financing uses	<u>\$ 58,779,952</u>	<u>\$ 58,779,952</u>	<u>\$ 58,022,654</u>	<u>\$ 757,298</u>

Town of Windham, Connecticut

Schedule of Expenditures and Other Financing Uses - Budget and Actual -
 Budgetary Basis - Willimantic Service District
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Police				
Administration	\$ 763,120	\$ 786,820	\$ 780,823	\$ 5,997
Patrol services	3,558,300	3,516,300	3,478,250	38,050
Parking control	-	30,500	20,294	10,206
Support services	313,530	313,530	285,304	28,226
Fringe benefits	1,183,200	1,122,000	1,010,431	111,569
Detective/youth/identification	313,670	331,970	326,743	5,227
Total police	6,131,820	6,101,120	5,901,845	199,275
Fire				
Administration	175,990	233,840	233,118	722
Fire prevention	52,450	36,250	36,158	92
Operations and maintenance	1,798,340	1,927,290	1,926,527	763
Central services	7,700	7,500	7,499	1
Fringe benefits	568,700	542,000	541,669	331
Total fire	2,603,180	2,746,880	2,744,971	1,909
Other				
Safety complex	618,000	555,000	554,681	319
WSD Contingency				
	50,000	-	-	-
Other Financing Uses				
Transfer out -Grant Match Fund	85,000	85,000	85,000	-
Total other financing uses	85,000	85,000	85,000	-
Total expenditures and other financing uses	\$ 9,488,000	\$ 9,488,000	\$ 9,286,497	\$ 201,503

Town of Windham, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding -
 District 1
 For the Year Ended June 30, 2015

Grand List Year	Mill Rate	Uncollected Taxes/Levy July 1, 2014	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2015	
			Additions	Deletions			Taxes	Liens and Interest	Suspense Collections		Total
1998	23.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46	\$ 46	\$ -
1999	26.34	-	-	-	-	-	-	-	594	594	-
2000	26.73	1,185	-	-	-	1,185	-	-	179	179	1,185
2001	24.75	-	-	-	-	-	-	-	-	-	-
2002	25.46	-	-	-	-	-	-	-	102	102	-
2003	27.84	-	-	-	-	-	-	-	352	352	-
2004	27.87	-	-	-	-	-	-	-	467	467	-
2005	23.95	-	-	-	-	-	-	-	1,196	1,196	-
2006	24.93	24	-	-	-	24	-	-	806	806	24
2007	24.94	225	-	-	(111)	114	-	-	1,469	1,469	114
2008	25.29	294	178	-	(179)	293	178	-	845	1,023	115
2009	26.87	2,325	-	-	(671)	1,654	1,503	1,015	368	2,886	151
2010	28.15	14,441	-	16	(2,509)	11,916	5,642	3,089	1,242	9,973	6,274
2011	28.63	59,518	103	2	(5,340)	54,279	24,284	10,311	952	35,547	29,995
2012	29.06	219,401	3,124	17,470	(25,675)	179,380	104,864	25,420	155	130,439	74,516
		297,413	3,405	17,488	(34,485)	248,845	136,471	39,835	8,773	185,079	112,374
2013	32.41	<u>\$ 13,004,481</u>	30,686	-	(37,844)	12,997,323	12,740,753	44,689	-	12,785,442	256,570
			<u>\$ 34,091</u>	<u>\$ 17,488</u>	<u>\$ (72,329)</u>	<u>\$ 13,246,168</u>	<u>\$ 12,877,224</u>	<u>\$ 84,524</u>	<u>\$ 8,773</u>	<u>\$ 12,970,521</u>	<u>\$ 368,944</u>

Note: The 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009 mill rates shown above exclude 1.55 mills, 1.50 mills, 1.59 mills, 1.87 mills, 1.58 mills, 1.48 mills, 1.55 mills, 1.62 mills, 1.625 mills, 1.56 mills, 1.35 mills and 1.49 mills representing taxes levied by the Town for the Windham First Taxing District.

Town of Windham, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding -
District 2

For the Year Ended June 30, 2015

Grand List Year	Mill Rate	Uncollected Taxes/Levy July 1, 2014	Lawful Corrections		Transfers to (from) Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2015	
			Additions	Deletions			Taxes	Liens and Interest	Suspense Collection		
1998	35.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121	\$ 121	\$ -
1999	37.44	60	-	-	(60)	-	-	-	320	320	-
2000	39.14	63	-	-	-	63	-	-	335	335	63
2001	36.00	56	-	-	-	56	-	-	207	207	56
2002	37.20	58	-	-	-	58	-	-	518	518	58
2003	42.22	521	-	-	-	521	-	-	588	588	521
2004	42.84	528	-	-	-	528	-	-	627	627	528
2005	30.93	562	-	-	-	562	-	-	222	222	562
2006	34.11	3,355	-	-	-	3,355	2,808	-	1,036	3,844	547
2007	34.94	3,437	-	-	-	3,437	-	-	1,994	1,994	3,437
2008	35.29	7,297	-	-	(2,149)	5,148	21	46	3,069	3,136	5,127
2009	36.68	8,263	-	-	(4,468)	3,795	22	42	4,316	4,380	3,773
2010	36.68	25,174	-	-	(2,438)	22,736	4,369	2,523	6,163	13,055	18,367
2011	38.67	138,407	616	7	(13,906)	125,110	39,155	14,661	4,073	57,889	85,955
2012	39.29	445,096	8,132	11,792	(62,692)	378,744	253,456	51,812	39	305,307	125,288
		632,877	8,748	11,799	(85,713)	544,113	299,831	69,084	23,628	392,543	244,282
2013		<u>\$ 20,313,918</u>	28,024	-	(80,021)	20,261,921	19,766,148	90,491	-	19,856,639	495,773
			\$ 36,772	\$ 11,799	\$ (165,734)	\$ 20,806,034	\$ 20,065,979	\$ 159,575	\$ 23,628	\$ 20,249,182	\$ 740,055

Town of Windham, Connecticut

Schedule of Debt Limitation
 Connecticut General Statutes, Section 7-374(B)
 June 30, 2015

Tax Receipts for the Year Ended June 30, 2015	
Tax collections (including interest and lien fees)	\$ 33,219,703
Tax relief for the elderly (CGS 12-129d)	-
Base for debt limitation computations	\$ 33,219,703

	General Purpose	Schools	Sewer & Water	Urban Renewal	Unfunded Pension Benefit Obligation
Debt Limitation					
2-1/4 times base	\$ 74,744,332	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	149,488,664	-	-	-
3-3/4 times base	-	-	124,573,886	-	-
3-1/4 times base	-	-	-	107,964,035	-
3 times base	-	-	-	-	99,659,109
Total debt limitation	74,744,332	149,488,664	124,573,886	107,964,035	99,659,109
Debt as Defined by Statute					
Bonds and notes payable	15,752,900	3,480,580	14,099,898	-	-
Less amount to be reimbursed by State	-	(851,794)	-	-	-
Add bonds authorized and unissued	-	11,872,242	-	-	-
Total indebtedness	15,752,900	14,501,028	14,099,898	-	-
Debt Limitation in Excess of Indebtedness	<u>\$ 58,991,432</u>	<u>\$ 134,987,636</u>	<u>\$ 110,473,988</u>	<u>\$ 107,964,035</u>	<u>\$ 99,659,109</u>
Total Capacity of Borrowing (7 times base)	\$ 232,537,921				
Total Present Indebtedness	<u>44,353,826</u>				
Margin for Additional Borrowing	<u>\$ 188,184,095</u>				

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established in the City pursuant to State Statutes and local ordinance or resolution. Special revenue funds are a governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds

Capital Projects Funds are used to account for financial resource to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes as defined by the grantor. The Town's permanent funds include funds for public safety, parks and recreation, human services, and education

Town of Windham, Connecticut

Combining Balance Sheet - Nonmajor Governmental Funds - by Fund Type
June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,262,588	\$ 605,444	\$ 18,378	\$ 3,041,436	\$ 4,927,846
Investments	-	-	789,344	-	789,344
Receivables:					
Grants and contracts receivable	634,180	242,082	-	-	876,262
Accounts receivable, net	258,377	2,349	1,294	-	262,020
Notes receivable, net	293,191	-	-	-	293,191
Due from other funds	-	-	1,586	-	1,586
Inventories	23,295	-	-	-	23,295
Total assets	\$ 2,471,631	\$ 849,875	\$ 810,602	\$ 3,041,436	\$ 7,173,544
Liabilities					
Accounts payable and accrued expenses	\$ 420,401	\$ 36,787	\$ -	\$ 46,157	\$ 503,345
Due to other funds	442,862	246,131	29,169	-	718,162
Unearned revenue	537,794	10,000	-	-	547,794
Total liabilities	1,401,057	292,918	29,169	46,157	1,769,301
Deferred Inflows of Resources					
Unavailable resources	256,603	-	-	-	256,603
Total deferred inflows of resources	256,603	-	-	-	256,603
Fund Balances (Deficit)					
Nonspendable	23,295	-	459,044	-	482,339
Restricted	612,336	40,671	322,389	2,995,279	3,970,675
Committed	178,340	516,286	-	-	694,626
Total fund balances	813,971	556,957	781,433	2,995,279	5,147,640
Total liabilities, deferred inflow of resources and fund balances	\$ 2,471,631	\$ 849,875	\$ 810,602	\$ 3,041,436	\$ 7,173,544

Town of Windham, Connecticut

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues					
Intergovernmental	\$ 6,456,818	\$ 274,671	\$ -	\$ -	\$ 6,731,489
Charges for services	474,688	6,159	-	-	480,847
Investment earnings	217	-	18,439	-	18,656
Miscellaneous	87,216	64,627	13,271	-	165,114
Donations and Contributions	487,340	-	-	-	487,340
Total revenues	7,506,279	345,457	31,710	-	7,883,446
Expenditures					
Current:					
General government	49,503	-	-	-	49,503
Public safety	333,743	-	-	-	333,743
Public works	215,157	-	-	-	215,157
Civic and cultural	463,811	-	2,028	-	465,839
Education	6,458,224	-	-	-	6,458,224
Debt issuance costs	-	-	-	20,785	20,785
Interest	-	-	-	70,732	70,732
Capital outlays	-	1,308,754	-	-	1,308,754
Total expenditures	7,520,438	1,308,754	2,028	91,517	8,922,737
Excess (deficiency) of revenues over (under) expenditures	(14,159)	(963,297)	29,682	(91,517)	(1,039,291)
Other Financing Sources (Uses)					
Bond premiums	-	-	-	66,808	66,808
Bond issuance	-	-	-	2,845,000	2,845,000
Transfers in	31,606	5,470,776	-	-	5,502,382
Transfers out	(65,494)	(2,473,954)	-	-	(2,539,448)
Total other financing sources (uses)	(33,888)	2,996,822	-	2,911,808	5,874,742
Net change in fund balances	(48,047)	2,033,525	29,682	2,820,291	4,835,451
Fund Balances - Beginning	862,018	(1,476,568)	751,751	174,988	312,189
Fund Balances - Ending	\$ 813,971	\$ 556,957	\$ 781,433	\$ 2,995,279	\$ 5,147,640

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Town of Windham, Connecticut

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2015

	Cafeteria Fund	School Readiness/ Quality Enhancement Fund	Miscellaneous BOE Funds	Historic Preservation Fund	Small Cities Fund
Assets					
Cash and cash equivalents	\$ 64,622	\$ 138,521	\$ 289,477	\$ 11,000	\$ 1,547
Receivables:					
Grants and contracts receivable	-	-	263,847	-	-
Accounts receivable	254,743	-	-	-	-
Notes receivable, net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories	23,295	-	-	-	-
Total assets	\$ 342,660	\$ 138,521	\$ 553,324	\$ 11,000	\$ 1,547
Liabilities					
Accounts payable and accrued liabilities	\$ 5,709	\$ 138,521	\$ 38,030	\$ 4,220	\$ 500
Due to other funds	110,282	-	-	-	-
Unearned revenue	-	-	515,294	-	-
Total liabilities	115,991	138,521	553,324	4,220	500
Deferred Inflows of Resources					
Unavailable resources	-	-	-	-	1,047
Total deferred inflows of resources	-	-	-	-	1,047
Fund Balances					
Nonspendable	23,295	-	-	-	-
Restricted	203,374	-	-	-	-
Committed	-	-	-	6,780	-
Total fund balances	226,669	-	-	6,780	-
Total liabilities, deferred inflows of resources and fund balances	\$ 342,660	\$ 138,521	\$ 553,324	\$ 11,000	\$ 1,547

Community Development Fund	Small Cities 1994 NE Alliance Fund	Town Aid Road Fund	Windham / Willimantic Child Care Grant Fund	Public Library Fund	C-PACE Fund	Recreation Revolving Fund
\$ 27,104	\$ 83,881	\$ 104,347	\$ 182,178	\$ 12,299	\$ 50	\$ 173,137
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,268	288,923	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 31,372</u>	<u>\$ 372,804</u>	<u>\$ 104,347</u>	<u>\$ 182,178</u>	<u>\$ 12,299</u>	<u>\$ 50</u>	<u>\$ 173,137</u>
\$ -	\$ -	\$ 1,602	\$ 182,178	\$ -	\$ -	\$ 1,577
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,602	182,178	-	-	1,577
4,269	251,287	-	-	-	-	-
4,269	251,287	-	-	-	-	-
-	-	-	-	-	-	-
27,103	121,517	102,745	-	12,299	50	-
-	-	-	-	-	-	171,560
<u>27,103</u>	<u>121,517</u>	<u>102,745</u>	<u>-</u>	<u>12,299</u>	<u>50</u>	<u>171,560</u>
<u>\$ 31,372</u>	<u>\$ 372,804</u>	<u>\$ 104,347</u>	<u>\$ 182,178</u>	<u>\$ 12,299</u>	<u>\$ 50</u>	<u>\$ 173,137</u>

(Continued)

Town of Windham, Connecticut

Combining Balance Sheet
 Nonmajor Special Revenue Funds (Continued)
 June 30, 2015

	Public Safety Donation Fund	Officer Incentive Forfeiture Fund	Public Transportation Fund	Town Incentive Housing Overlay Fund	DERP Grant Fund
Assets					
Cash and cash equivalents	\$ 8,982	142,943	\$ -	22,500	\$ -
Receivables:					
Grants and contracts receivable	25,961	-	-	-	19,500
Accounts receivable	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 34,943	\$ 142,943	\$ -	\$ 22,500	\$ 19,500
Liabilities					
Accounts payable and accrued liabilities	\$ 27,788	\$ 4,850	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	19,500
Unearned revenue	-	-	-	22,500	-
Total liabilities	27,788	4,850	-	22,500	19,500
Deferred Inflows of Resources					
Unavailable resources	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	7,155	138,093	-	-	-
Committed	-	-	-	-	-
Total fund balances	7,155	138,093	-	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 34,943	\$ 142,943	\$ -	\$ 22,500	\$ 19,500

Miscellaneous Education Fund	Probate Court District Fund	Drug-Free Communities Year Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 1,262,588
-	-	324,872	634,180
-	3,634	-	258,377
-	-	-	293,191
-	-	-	-
-	-	-	23,295
<u>\$ -</u>	<u>\$ 3,634</u>	<u>\$ 324,872</u>	<u>\$ 2,471,631</u>
\$ -	\$ 338	\$ 15,088	\$ 420,401
-	3,296	309,784	442,862
-	-	-	537,794
<u>-</u>	<u>3,634</u>	<u>324,872</u>	<u>1,401,057</u>
-	-	-	256,603
-	-	-	256,603
-	-	-	23,295
-	-	-	612,336
-	-	-	178,340
<u>-</u>	<u>-</u>	<u>-</u>	<u>813,971</u>
<u>\$ -</u>	<u>\$ 3,634</u>	<u>\$ 324,872</u>	<u>\$ 2,471,631</u>

Town of Windham, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2015

	Cafeteria Fund	School Readiness/ Quality Initiative Grant Fund	Miscellaneous BOE Funds	Historic Preservation Fund	Small Cities Fund
Revenues					
Intergovernmental	\$ 1,610,816	\$ 1,402,409	\$ 654,796	\$ 7,500	\$ 340,107
Charges for services	368,106	-	-	3,523	-
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	73,363	2,047	-
Donations and contributions	-	-	487,340	-	-
Total revenues	1,978,922	1,402,409	1,215,499	13,070	340,107
Expenditures					
Current:					
General government	-	-	-	17,896	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Civic and cultural	-	-	-	-	340,107
Planning and development	-	-	-	-	-
Education	1,909,715	1,336,915	1,215,499	-	-
Total expenditures	1,909,715	1,336,915	1,215,499	17,896	340,107
Excess (deficiency) of revenues over (under) expenditures	69,207	65,494	-	(4,826)	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	11,606	-
Transfers out	-	(65,494)	-	-	-
Total other financing sources (uses)	-	(65,494)	-	11,606	-
Net change in fund balances	69,207	-	-	6,780	-
Fund Balances, Beginning	157,462	-	-	-	-
Fund Balances, Ending	\$ 226,669	\$ -	\$ -	\$ 6,780	\$ -

Community Development Fund	Small Cities 1994 NE Alliance Fund	Town Aid Road Fund	Windham/ Willimantic Child Care Grant Fund	Public Library Fund	C-PACE Fund	Recreation Revolving Fund
\$ -	\$ -	\$ 218,387	\$ 522,095	\$ -	\$ -	\$ -
-	-	-	-	-	-	91,044
217	-	-	-	-	-	-
5,554	-	-	-	6,202	50	-
-	-	-	-	-	-	-
5,771	-	218,387	522,095	6,202	50	91,044
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	215,157	-	-	-	-
-	21,230	-	-	3,275	-	99,199
-	-	-	-	-	-	-
-	-	-	522,095	-	-	-
-	21,230	215,157	522,095	3,275	-	99,199
5,771	(21,230)	3,230	-	2,927	50	(8,155)
-	-	-	-	-	-	20,000
-	-	-	-	-	-	-
-	-	-	-	-	-	20,000
5,771	(21,230)	3,230	-	2,927	50	11,845
21,332	142,747	99,515	-	9,372	-	159,715
\$ 27,103	\$ 121,517	\$ 102,745	\$ -	\$ 12,299	\$ 50	\$ 171,560

(Continued)

Town of Windham, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 Nonmajor Special Revenue Funds (Continued)
 For the Year Ended June 30, 2015

	Public Safety Donation Fund	Officer Incentive Forfeiture Fund	Public Transportation Fund	Town Incentive Housing Overlay Fund	DERP Grant Fund
Revenues					
Intergovernmental	\$ 86,888	\$ 4,127	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Donations and contributions	-	-	-	-	-
Total revenues	86,888	4,127	-	-	-
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	86,888	92,601	18,561	-	-
Public works	-	-	-	-	-
Civic and cultural	-	-	-	-	-
Planning and development	-	-	-	-	-
Education	-	-	-	-	-
Total expenditures	86,888	92,601	18,561	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(88,474)	(18,561)	-	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	(88,474)	(18,561)	-	-
Fund Balances, Beginning	7,155	226,567	18,561	-	-
Fund Balances, Ending	\$ 7,155	\$ 138,093	\$ -	\$ -	\$ -

Miscellaneous Education Fund	Probate Court District Fund	Drug-Free Communities Year Fund	Total Nonmajor Special Revenue Funds
\$ 1,474,000	\$ -	\$ 135,693	\$ 6,456,818
-	12,015	-	474,688
-	-	-	217
-	-	-	87,216
-	-	-	487,340
<u>1,474,000</u>	<u>12,015</u>	<u>135,693</u>	<u>7,506,279</u>
-	31,607	-	49,503
-	-	135,693	333,743
-	-	-	215,157
-	-	-	463,811
-	-	-	-
<u>1,474,000</u>	<u>-</u>	<u>-</u>	<u>6,458,224</u>
<u>1,474,000</u>	<u>31,607</u>	<u>135,693</u>	<u>7,520,438</u>
-	(19,592)	-	(14,159)
-	-	-	31,606
-	-	-	(65,494)
-	-	-	(33,888)
-	(19,592)	-	(48,047)
-	19,592	-	862,018
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 813,971</u>

Town of Windham, Connecticut

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2015

	LoCIP Projects Fund	Town Capital Improvements Fund	WSD Capital Improvements Fund	Town Garage Fund
Assets				
Cash and cash equivalents	\$ -	\$ 365,147	\$ 190,621	\$ 41,675
Receivables:				
Grants and contracts receivable	242,082	-	-	-
Accounts receivable	-	-	-	-
Total assets	\$ 242,082	\$ 365,147	\$ 190,621	\$ 41,675
Liabilities				
Accounts payable and accrued liabilities	\$ 7,511	\$ 27,922	\$ -	\$ 1,004
Due to other funds	234,571	-	11,560	-
Unearned revenue	-	-	-	-
Total liabilities	242,082	27,922	11,560	1,004
Fund Balances (Deficit)				
Restricted	-	-	-	40,671
Committed	-	337,225	179,061	-
Total fund balances (deficits)	-	337,225	179,061	40,671
Total liabilities, deferred inflow of resources and fund balances	\$ 242,082	\$ 365,147	\$ 190,621	\$ 41,675

Municipal Energy Efficiency Grant Fund	Windham Magnet School Fund	Windham High School Fund	Natchaug School Roof Fund	Roads and Sidewalk Bonds	Total Nonmajor Capital Projects Funds
\$ 8,001	\$ -	\$ -	\$ -	\$ -	\$ 605,444
-	-	-	-	-	242,082
2,349	-	-	-	-	2,349
<u>\$ 10,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,875</u>
\$ 350	\$ -	\$ -	\$ -	\$ -	\$ 36,787
-	-	-	-	-	246,131
10,000	-	-	-	-	10,000
<u>10,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,918</u>
-	-	-	-	-	40,671
-	-	-	-	-	516,286
-	-	-	-	-	556,957
<u>\$ 10,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,875</u>

Town of Windham, Connecticut

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

	LoCIP Projects Fund	Parking Garage Fund	Town Capital Improvements Fund	WSD Capital Improvements Fund	Town Garage Fund	Municipal Energy Efficiency Grant Fund
Revenues						
Intergovernmental	\$ 274,671	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	6,159	-	-	-
Miscellaneous	-	-	-	-	62,278	2,349
Total revenues	274,671	-	6,159	-	62,278	2,349
Expenditures						
Capital outlay	274,671	-	745,745	205,750	80,239	2,349
Total expenditures	274,671	-	745,745	205,750	80,239	2,349
Excess (deficiency) of revenues over expenditures	-	-	(739,586)	(205,750)	(17,961)	-
Other Financing Sources (Uses)						
Transfers in	-	-	100,000	-	-	-
Transfers out	-	(14,215)	-	-	-	-
Total other financing sources (uses)	-	(14,215)	100,000	-	-	-
Net change in fund balances	-	(14,215)	(639,586)	(205,750)	(17,961)	-
Fund Balances (Deficit), Beginning	-	14,215	976,811	384,811	58,632	-
Fund Balances (Deficit), Ending	\$ -	\$ -	\$ 337,225	\$ 179,061	\$ 40,671	\$ -

Windham Magnet School Fund	Windham High School Fund	Natchaug School Roof Fund	Roads and Sidewalk Bonds	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 274,671
-	-	-	-	6,159
-	-	-	-	64,627
-	-	-	-	345,457
-	-	-	-	1,308,754
-	-	-	-	1,308,754
-	-	-	-	(963,297)
4,732,144	216,571	422,061	-	5,470,776
-	-	-	(2,459,739)	(2,473,954)
4,732,144	216,571	422,061	(2,459,739)	2,996,822
4,732,144	216,571	422,061	(2,459,739)	2,033,525
(4,732,144)	(216,571)	(422,061)	2,459,739	(1,476,568)
\$ -	\$ -	\$ -	\$ -	\$ 556,957

Town of Windham, Connecticut

Balance Sheet
Debt Service Fund
June 30, 2015

	Debt Service Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 3,041,436
Total assets	<u><u>\$ 3,041,436</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 46,157
Total liabilities	<u>46,157</u>
Fund balance:	
Restricted	2,995,279
Total fund balance	<u>2,995,279</u>
Total liabilities and fund balance	<u><u>\$ 3,041,436</u></u>

Town of Windham, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended June 30, 2015

	Debt Service Fund
Revenues	\$ -
Expenditures	
Debt issuance costs	20,785
Interest Expense	<u>70,732</u>
Total expenditures	<u>91,517</u>
Excess (deficiency) of revenues over expenditures	 <u>(91,517)</u>
Other Financing Sources (Uses)	
Bond premiums	66,808
Bond issuance	<u>2,845,000</u>
Total other financing sources (uses)	 <u>2,911,808</u>
Net change in fund balance	 2,820,291
Fund Balance, Beginning	 <u>174,988</u>
Fund Balance, Ending	 <u><u>\$ 2,995,279</u></u>

Town of Windham, Connecticut

Combining Balance Sheet
 Nonmajor Permanent Funds
 June 30, 2015

	Cemetery Trust Fund	William A. & Jennie S. King Trust	Total Nonmajor Permanent Funds
Assets			
Cash and cash equivalents	\$ 10,620	\$ 7,758	\$ 18,378
Investments	408,674	380,670	789,344
Receivables:			
Accounts receivable	607	687	1,294
Due from other funds	-	1,586	1,586
Total assets	\$ 419,901	\$ 390,701	\$ 810,602
Liabilities and Fund Balances			
Liabilities:			
Due to other funds	29,169	-	29,169
Total liabilities	29,169	-	29,169
Fund balances:			
Nonspendable	338,148	120,896	459,044
Restricted	52,584	269,805	322,389
Total fund balances	390,732	390,701	781,433
Total liabilities and fund balances	\$ 419,901	\$ 390,701	\$ 810,602

Town of Windham, Connecticut

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

	Cemetery Trust Fund	William A. & Jennie S. King Trust	Total Nonmajor Permanent Funds
Revenues			
Investment earnings	\$ 9,792	\$ 8,647	\$ 18,439
Miscellaneous	13,260	11	13,271
Total revenues	23,052	8,658	31,710
Expenditures			
Current:			
Civic and cultural	-	2,028	2,028
Total expenditures	-	2,028	2,028
Excess (deficiency) of revenues over expenditures	23,052	6,630	29,682
Fund Balances, Beginning	367,680	384,071	751,751
Fund Balances, Ending	\$ 390,732	\$ 390,701	\$ 781,433

Town of Windham, Connecticut

Schedule of Expenditures and Encumbrances Compared with Appropriations, etc.
 Capital Improvement Fund #301
 For the Year Ended June 30, 2015

Project Number	Description	Date Project Approved	Appropriations		
			Prior to July 1, 2014	Current Period	Cumulative Total
13999	Municipal Fiber Network		\$ -	\$ 23,400	\$ 23,400
14000	Parking Garage		600,000	-	600,000
14001	Airline & Hop River Extension		2,550,000	-	2,550,000
14002	Road & Sidewalk Bonds Phase I & II		7,650,000	-	7,650,000
14003	Windham Magnet School		42,000,000	-	42,000,000
14004	Natchaug Roof		1,568,242	-	1,568,242
14005	Windham High School Roof		4,426,250	-	4,426,250
14006	Micro Grid		1,831,000	-	1,831,000
TOTAL CAPITAL IMPROVEMENT FUND			<u>\$ 60,625,492</u>	<u>\$ 23,400</u>	<u>\$ 60,648,892</u>

Conversion to GAAP based financial statement reporting:

Previous year retainage and off system accrued payables

Current year retainage and off system accrued payables

Total

2/12/2015 Resolution # 2656: \$23,400 Grant Award from State of CT
 2015-16 12/15/2015 Resolution # 2668: \$500,000 Appropriation from Undesignated Fund Balance for Rehabilitation of the Hop River Trail Bridge
 2015-16 12/15/2015 Appropriation and Bond Authorization of \$4,964,000 for the Micro Grid Project
 2015-16 12/15/2015 Appropriation and Bond Authorization of \$4,000,000 for the Road and Sidewalk Phase III Project

Expenditures				
Prior to July 1, 2014	Current Period	Cumulative Total	Outstanding Encumbrances	Unencumbered Balance
\$ -	\$ -	\$ -	\$ 23,000	\$ 400
-	53,375	53,375	-	546,625
-	278,939	278,939	1,456,529	814,532
4,991,831	2,116,156	7,107,987	361,945	180,067
41,494,734	271,867	41,766,601	1,032	232,366
1,508,076	72,045	1,580,121	-	(11,879)
1,144,365	2,770,456	3,914,822	-	511,429
-	14,693	14,693	90,257	1,726,050
<u>\$ 49,139,007</u>	5,577,531	<u>\$ 54,716,538</u>	<u>\$ 1,932,764</u>	<u>\$ 3,999,590</u>

(115,575)

79,819
\$ 5,541,775

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Fiduciary Funds

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Funds

Utilize the accrual basis of accounting and are used for the accumulation of resources to be used for retirement benefits.

Private Purpose Trust Funds

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in a pension trust fund or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Town of Windham, Connecticut

Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2015

	Firemen's Pension	Policemen's Pension	Municipal Employees' Pension	Board of Education Employees' Pension	Total
Assets					
Cash and cash equivalents	\$ 802,144	\$ 1,359,495	\$ -	\$ -	\$ 2,161,639
Investments:					
Debt securities	919,400	1,585,049	-	-	2,504,449
Corporate bonds	1,846,327	3,187,776	-	-	5,034,103
Group annuity contracts	-	-	6,197,698	-	6,197,698
Collective trusts	-	-	7,574,964	8,551,072	16,126,036
Equity securities	7,080,942	12,188,927	-	-	19,269,869
Receivables	16,156	47,945	-	-	64,101
Total assets	10,664,969	18,369,192	13,772,662	8,551,072	51,357,895
Liabilities					
Due to other funds	716,871	874,387	-	-	1,591,258
Total liabilities	716,871	874,387	-	-	1,591,258
Net Position					
Restricted for pension benefits	\$ 9,948,098	\$ 17,494,805	\$ 13,772,662	\$ 8,551,072	\$ 49,766,637

Town of Windham, Connecticut

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2015

	Firemen's Pension	Policemen's Pension	Municipal Employees' Pension	Board of Education Employees' Pension	Total
Additions					
Contributions:					
Employer	\$ 450,000	\$ 753,269	\$ 518,719	\$ 406,309	\$ 2,128,297
Plan members	123,843	214,435	84,088	-	422,366
Other	413	566	-	-	979
Total contributions	574,256	968,270	602,807	406,309	2,551,642
Investment earnings:					
Interest and dividends	252,956	435,551	-	356,652	1,045,159
Net appreciation in the fair value of investments	(185,582)	(285,836)	436,588	(151,180)	(186,010)
Total investment earnings	67,374	149,715	436,588	205,472	859,149
Less administrative and other expenses	-	-	-	91,584	91,584
Net investment earnings	67,374	149,715	436,588	113,888	767,565
Total additions	641,630	1,117,985	1,039,395	520,197	3,319,207
Deductions					
Benefit payments	697,637	792,555	242,249	380,356	2,112,797
Total deductions	697,637	792,555	242,249	380,356	2,112,797
Change in net position	(56,007)	325,430	797,146	139,841	1,206,410
Restricted for					
Pension benefits:					
Beginning of year	10,004,105	17,169,375	12,975,516	8,411,231	48,560,227
End of year	\$ 9,948,098	\$ 17,494,805	\$ 13,772,662	\$ 8,551,072	\$ 49,766,637

Town of Windham, Connecticut

Combining Statement of Fiduciary Net Position -
Private Purpose Trust Funds
June 30, 2015

	Scholarship Trust Fund	Walter Fahey Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 59,419	\$ 3,630	\$ 63,049
Investments:			
Common stock	-	86,863	86,863
Fixed income mutual funds	-	13,437	13,437
Other	-	27,494	27,494
Total assets	59,419	131,424	190,843
Liabilities			
Due to other funds	-	-	-
Net Position			
Held in trust for other purposes	\$ 59,419	\$ 131,424	\$ 190,843

Town of Windham, Connecticut

Combining Statement of Changes in Fiduciary Net Position
 Private Purpose Trust Funds
 For the Year Ended June 30, 2015

	Scholarship Trust Fund	Walter Fahey Trust Fund	Total
Additions			
Private donations	\$ 500	\$ -	\$ 500
Investment earnings:			
Interest and dividends	6	2,355	2,361
Net appreciation in the fair value of investments	-	(1,487)	(1,487)
Total additions	<u>506</u>	<u>868</u>	<u>1,374</u>
Deductions			
Benefit payments	3,250	-	3,250
Administrative and other expenses	-	3,081	3,081
Total deductions	<u>3,250</u>	<u>3,081</u>	<u>6,331</u>
Net change in net position	(2,744)	(2,213)	(4,957)
Net Position Held in Trust			
Beginning of year	<u>62,163</u>	<u>133,637</u>	<u>195,800</u>
End of year	<u>\$ 59,419</u>	<u>\$ 131,424</u>	<u>\$ 190,843</u>

Town of Windham, Connecticut

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2015

	Sunshine Fund	Mid- Northeast Recycling Fund	Student Activity Funds	Scholarship Funds	Athletic Association Fund	Total Agency Funds
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 64,068	\$ -	\$ 4,220	\$ 68,288
Investments:						
Certificates of deposit	-	-	147,855	44,457	-	192,312
Other receivables	-	5,955	-	-	-	5,955
Total assets	\$ -	\$ 5,955	\$ 211,923	\$ 44,457	\$ 4,220	\$ 266,555
Liabilities						
Accounts payable	\$ -	\$ 1,920	\$ -	\$ -	\$ -	\$ 1,920
Due to others	-	-	211,923	44,457	4,220	260,600
Due to other funds	-	4,035	-	-	-	4,035
Total liabilities	\$ -	\$ 5,955	\$ 211,923	\$ 44,457	\$ 4,220	\$ 266,555

Town of Windham, Connecticut

Combining Statement of Changes in Fiduciary Assets and Liabilities -
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Sunshine Fund				
Assets				
Due from other funds	\$ 2,238	\$ -	\$ 2,238	\$ -
Liabilities				
Accounts payable	\$ 50	\$ -	\$ 50	\$ -
Due to others	2,188	-	2,188	-
	\$ 2,238	\$ -	\$ 2,238	\$ -
Mid-Northeast Recycling Fund				
Assets				
Other receivables	\$ 6,551	\$ 22,363	\$ 22,959	\$ 5,955
Liabilities				
Accounts payable	\$ 1,697	\$ 223	\$ -	\$ 1,920
Due to other funds	4,854	-	819	4,035
Total liabilities	\$ 6,551	\$ 223	\$ 819	\$ 5,955
Student Activity Funds				
Assets				
Cash and cash equivalents	\$ 81,669	\$ 256,883	\$ 274,484	\$ 64,068
Investments	145,999	2,391	535	147,855
Total assets	\$ 227,668	\$ 259,274	\$ 275,019	\$ 211,923
Liabilities				
Due to others	\$ 227,668	\$ 259,274	\$ 275,019	\$ 211,923
Scholarship Funds				
Assets				
Investments	\$ 46,146	\$ 1,411	\$ 3,100	\$ 44,457
Liabilities				
Due to others	\$ 46,146	\$ 1,411	\$ 3,100	\$ 44,457
Athletic Association Fund				
Assets				
Cash and cash equivalents	\$ 1,570	\$ 28,650	\$ 26,000	\$ 4,220
Liabilities				
Due to others	\$ 1,570	\$ 28,650	\$ 26,000	\$ 4,220
Totals				
Assets				
Cash and cash equivalents	\$ 83,239	\$ 285,533	\$ 300,484	\$ 68,288
Investments	192,145	3,802	3,635	192,312
Other receivables	6,551	22,363	22,959	5,955
Due from other funds	2,238	-	2,238	-
Total assets	\$ 284,173	\$ 311,698	\$ 329,316	\$ 266,555
Liabilities				
Accounts payable	\$ 1,747	\$ 223	\$ 50	\$ 1,920
Due to others	277,572	289,335	306,307	260,600
Due to other funds	4,854	-	819	4,035
Total liabilities	\$ 284,173	\$ 289,558	\$ 307,176	\$ 266,555

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

**Net Position by Component
Last Ten Fiscal Years
(In Thousands)
(Unaudited)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006*
Government Activities										
Net investment in capital assets	\$ 56,644	\$ 56,095	\$ 41,964	\$ 34,029	\$ 16,234	\$ 21,861	\$ 19,451	\$ 16,621	\$ 16,824	\$ 12,762
Restricted	1,729	1,715	1,652	2,485	5,064	851	1,080	2,684	6,920	3,444
Unrestricted	3,928	8,733	18,478	6,768	9,352	7,469	8,131	10,402	6,040	14,706
Total governmental activities net assets	62,301	66,543	62,094	43,282	30,650	30,181	28,662	29,707	29,784	30,912
Business-Type Activities										
Net investment in capital assets	20,342	19,648	19,747	19,796	18,267	17,258	15,393	12,461	12,409	11,727
Unrestricted	14,964	15,288	14,851	15,784	14,453	13,502	11,988	11,535	9,893	8,571
Total business-type activities net assets	35,306	34,936	34,598	35,580	32,720	30,760	27,381	23,996	22,302	20,298
Primary Government										
Net investment in capital assets	76,986	75,743	61,711	53,825	34,501	39,119	34,844	29,082	29,233	24,489
Restricted	1,729	1,715	1,652	2,485	5,064	851	1,080	2,684	6,920	3,444
Unrestricted	18,892	24,021	33,329	22,552	23,805	20,971	20,119	21,937	15,933	23,277
Total primary government net assets	\$ 97,607	\$ 101,479	\$ 96,692	\$ 78,862	\$ 63,370	\$ 60,941	\$ 56,043	\$ 53,703	\$ 52,086	\$ 51,210

*Restated - retroactive reporting of infrastructure

Notes: Schedule prepared on the accrual basis of accounting

Change in Net Position
Last Ten Fiscal Years
(In Thousands)
(Unaudited)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 3,004	\$ 3,503	\$ 3,014	\$ 2,762	\$ 2,925	\$ 2,974	\$ 3,554	\$ 3,368	\$ 3,659	\$ 3,046
Public safety	11,509	11,491	11,622	10,678	10,482	10,828	13,462	10,463	9,464	8,645
Public works	6,998	6,541	5,688	5,188	6,624	5,326	6,648	5,141	5,421	4,422
Human services	681	671	645	669	759	636	824	822	584	605
Civic and culture	1,932	1,558	2,065	2,330	2,319	2,052	2,599	1,638	1,896	1,960
Education	71,894	68,110	63,776	64,575	61,697	58,709	56,077	70,635	54,826	52,900
Planning and development	495	1,542	777	851	570	840	598	367	666	826
Interest on long-term debt	1,286	1,364	1,520	839	511	841	935	1,036	1,155	1,068
Total governmental activities expense	97,799	94,780	89,107	87,892	85,887	82,206	84,697	93,470	77,671	73,472
Business-type activities:										
Water	2,414	2,769	2,387	2,144	2,215	2,212	2,120	2,076	2,054	2,152
Sewer	3,401	2,793	3,382	2,329	2,122	2,137	2,340	2,130	2,149	2,665
Total business-type activities expense	5,815	5,562	5,769	4,473	4,337	4,479	4,636	4,206	4,203	4,817
Total primary government expenses	103,614	100,342	94,876	92,365	90,224	86,685	89,333	97,676	81,874	78,289
Program Revenues										
Governmental activities										
Charges for services:										
General government	753	1,014	806	838	910	1,047	1,083	1,127	1,530	1,631
Public safety	1,840	1,605	1,515	1,359	1,473	1,160	1,245	1,283	1,159	963
Public works	305	410	441	655	435	275	202	243	273	397
Human services	0	144	1	90	-	1	-	-	-	-
Civic and culture	130	237	209	32	110	104	130	87	81	144
Education	1,148	578	833	1,203	2,167	2,530	2,763	3,001	2,503	2,667
Planning and development	7	39	33	35	81	93	54	177	47	134
Operating grants and contributions	51,235	50,609	45,847	46,339	43,129	41,865	40,884	52,736	37,689	37,629
Capital grants and contributions	2,979	4,960	18,743	12,456	2,474	2,516	2,065	714	1,444	870
Total governmental activities program revenues	\$ 58,396	\$ 59,596	\$ 68,428	\$ 63,007	\$ 50,779	\$ 49,591	\$ 48,426	\$ 59,368	\$ 44,726	\$ 44,435

Change in Net Position (Continued)
Last Ten Fiscal Years
(In Thousands)
(Unaudited)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Charges for services:										
Water	\$ 2,737	\$ 2,769	\$ 2,387	\$ 2,834	\$ 2,795	\$ 2,763	\$ 3,118	\$ 2,695	\$ 2,787	\$ 2,639
Sewer	2,918	2,793	3,382	3,612	2,978	2,838	2,902	2,570	2,818	2,700
Total business-type activities program revenues	5,655	5,562	5,769	6,446	5,773	5,601	6,020	5,265	5,605	5,339
Total primary government program revenues	64,051	65,158	74,197	69,453	56,552	55,192	54,446	64,633	50,331	49,774
Net (expense)/revenue										
Governmental activities	(39,403)	(35,184)	(20,679)	(24,885)	(35,108)	(32,615)	(36,271)	(34,102)	(32,945)	(29,037)
Business-type activities	(160)	(1,341)	(1,341)	1,972	1,436	1,122	1,384	1,059	1,402	522
Total primary government net expense	(39,563)	(36,525)	(22,020)	(22,913)	(33,672)	(31,493)	(34,887)	(33,043)	(31,543)	(28,515)
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	33,427	33,856	32,429	31,423	30,054	28,538	28,541	27,866	25,281	24,796
Unrestricted grants and contributions	4,970	5,489	6,837	6,024	5,163	5,380	6,707	5,996	6,059	6,852
Investment earnings (losses)	25	103	41	70	176	214	(21)	577	683	521
Transfers and other	184	184	184	184	184	-	-	-	-	-
Total governmental activities	38,606	39,632	39,491	37,701	35,577	34,132	35,227	34,439	32,023	32,169
Business-type activities:										
Investment earnings	531	535	479	(532)	122	785	607	392	308	154
Unrestricted grants and contributions	183	97	63	1,604	587	1,473	1,394	242	294	297
Transfers and other	(184)	(184)	(184)	(184)	(184)	-	-	-	-	-
Total business-type activities	530	448	358	888	525	2,258	2,001	634	602	451
Total primary government	39,136	40,080	39,849	38,589	36,102	36,390	37,228	35,073	32,625	32,620
Changes in net position										
Governmental activities	(797)	4,448	18,812	12,816	469	1,517	(1,044)	337	(922)	3,132
Business-type activities	370	(893)	(983)	2,860	1,961	3,380	3,385	1,693	2,004	973
Total primary government	\$ (427)	\$ 3,555	\$ 17,829	\$ 15,676	\$ 2,430	\$ 4,897	\$ 2,341	\$ 2,030	\$ 1,082	\$ 4,105

Note: Schedule prepared on the accrual basis of accounting.

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(In Thousands)
(Unaudited)**

	Fiscal Year									
	2015	2014	2013	2012	2011*	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 116	\$ 112	\$ 112	\$ 109	\$ 107	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	654	587	520	453	374	-	-	-	-	-
Committed	-	-	142	822	62	-	-	-	-	-
Assigned	677	898	542	613	507	-	-	-	-	-
Unassigned	11,454	11,093	10,109	8,461	8,332	-	-	-	-	-
Reserved	-	-	-	-	-	400	365	1,138	400	304
Unreserved	-	-	-	-	-	7,279	5,946	5,554	6,420	7,148
Total general fund	\$ 12,902	\$ 12,690	\$ 11,425	\$ 10,458	\$ 9,382	\$ 7,679	\$ 6,311	\$ 6,692	\$ 6,820	\$ 7,452
All Other Governmental Funds										
Nonspendable	\$ 482	\$ 481	\$ 498	\$ 499	\$ 549	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,971	3,681	522	1,424	455	-	-	-	-	-
Committed	695	1,521	2,299	3,711	5,863	-	-	-	-	-
Assigned	-	-	(6,805)	-	-	-	-	-	-	-
Unassigned	(7,319)	(5,371)	-	-	-	-	-	-	-	-
Reserved	-	-	(209)	-	-	683	638	1,792	347	470
Unreserved	-	-	-	-	-	-	-	-	4,696	3,130
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	2,720	2,762	2,402	3,313	2,454
Capital project funds	-	-	-	-	-	185	459	892	1,416	12
Permanent fund	-	-	-	-	-	-	-	-	232	194
Total all other governmental funds	\$ (2,172)	\$ 312	\$ (3,695)	\$ 5,634	\$ 6,867	\$ 3,588	\$ 3,859	\$ 5,086	\$ 10,004	\$ 6,260

*The Town implemented GASB No. 54, Fund Balance and Governmental Reporting Fund Type Definitions, in FY2011

Note: Schedule prepared on the modified accrual basis of accounting

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(In Thousands)
(Unaudited)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Property Taxes	\$ 33,314	\$ 33,827	\$ 32,599	\$ 31,384	\$ 30,053	\$ 28,708	\$ 28,549	\$ 27,527	\$ 25,230	\$ 24,981
Assessments	-	-	-	-	-	-	-	-	4	7
Intergovernmental	58,436	64,362	65,960	65,455	51,611	50,125	49,643	59,973	45,881	45,647
Charges for services	2,880	2,557	2,557	2,781	3,033	1,683	3,180	3,374	3,068	2,817
Food sales	-	-	-	-	-	-	-	-	394	401
Licenses and permits	258	296	291	346	330	23	157	162	166	292
Fines, forfeitures, and penalties	175	45	15	21	37	1,533	29	28	36	48
Investment income (losses)	25	103	41	70	176	214	(21)	577	683	521
Miscellaneous	868	1,129	976	1,147	1,609	2,295	3,037	2,721	2,189	2,705
Total revenues	95,954	102,319	102,439	101,204	86,849	84,581	84,574	94,362	77,651	77,419
Expenditures:										
General government	2,773	2,959	2,536	2,349	2,430	3,081	3,006	3,094	3,435	6,948
Public safety	1,925	2,163	2,242	2,159	1,940	2,467	1,999	1,901	1,752	1,382
Public works	4,506	4,696	4,282	4,132	4,065	4,235	4,729	4,295	4,276	4,289
Human services	601	586	545	545	540	557	624	775	512	511
Civic and cultural	1,522	1,341	1,917	2,019	2,026	1,791	2,070	1,464	1,842	1,833
Planning and development	355	1,340	722	760	477	752	458	322	636	787
Employee benefits	-	-	-	-	-	-	-	-	469	569
Education	69,496	66,674	63,580	62,612	59,625	57,330	54,258	74,329	53,687	52,214
Police	5,902	5,573	5,671	5,714	5,114	5,062	5,313	5,132	4,796	4,468
Fire	3,300	2,610	2,459	2,206	2,279	2,396	2,969	2,489	2,364	2,119
Miscellaneous	708	1,055	576	1,079	1,210	1,227	5,263	1,176	655	662
Debt service:										
Principal	2,676	2,196	2,205	2,064	2,191	2,086	2,092	2,102	2,113	1,971
Interest and other charges	691	1,136	1,374	745	641	857	956	1,057	1,158	1,094
Debt issuance costs	21	39	-	-	120	-	-	-	-	-
Capital outlay	6,851	11,204	22,876	15,161	3,517	1,759	2,513	880	2,276	1,060
Total expenditures	101,324	103,572	110,985	101,545	86,175	83,600	86,250	99,016	79,971	79,907
Excess of revenues over (under) expenditures	(5,370)	(1,253)	(8,546)	(341)	674	981	(1,676)	(4,654)	(2,320)	(2,488)
Other Financing Sources (Uses)										
Transfers in	8,226	765	1,021	1,247	1,414	576	871	525	869	570
Transfers out	(8,042)	(581)	(837)	(1,063)	(1,230)	(576)	(871)	(525)	(869)	(570)
Proceeds from capital leases	-	-	-	-	-	117	295	-	4,932	260
Proceeds from issuance of refunding bonds	2,845	1,791	-	-	5,260	-	-	-	-	-
Restated recording of bond refunding	-	-	-	-	(3,703)	-	-	-	-	-
Premium from issuance of refunding bonds	-	-	-	-	153	-	-	-	-	-
Payment to refunded bonds escrow agent	-	(1,837)	-	-	(1,646)	-	-	-	-	-
Proceeds from issuance of long-term bonds	-	6,030	-	-	4,000	-	-	-	500	3,200
Premium from issuance of long-term bonds	67	358	-	-	60	-	-	-	-	-
Restated General Fund Balance	-	-	-	-	-	-	-	(413)	(206)	-
Total other financing sources (uses)	3,096	6,526	184	184	4,308	117	295	(413)	5,226	3,460
Net change in fund balances	(2,274)	5,273	(8,362)	(157)	4,982	1,098	(1,381)	(5,067)	2,906	972
Fund Balances, Beginning of Year	13,004	7,731	16,093	16,250	11,268	10,170	11,551	16,618	13,712	12,740
Fund Balances, End of Year	\$ 10,730	\$ 13,004	\$ 7,731	\$ 16,093	\$ 16,250	\$ 11,268	\$ 10,170	\$ 11,551	\$ 16,618	\$ 13,712
Debt Service as a Percentage of Noncapital Expenditures	3.56%	3.61%	4.06%	3.25%	3.43%	3.60%	3.64%	3.22%	4.21%	3.89%

Note: Schedule prepared on the modified accrual basis of accounting

Town of Windham, Connecticut
Assessed Value and Estimated Actual of Taxable Property
Last Ten Fiscal Years

(Thousands)
(Unaudited)

Fiscal Year	Grand List Year	Land and Buildings	Personal Property	Motor Vehicle	Gross Taxable Grand List (1)	Less Tax Exempt Property	Net Taxable Grand List	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value (2)	Taxable Assessed Value as a Percentage of Actual Taxable Value
2015	2013	\$ 1,292,137	\$ 99,697	\$ 95,396	\$ 1,487,230	\$ 626,001	\$ 861,230		\$ 1,230,329	70.00%
2014	2012	1,367,454	93,406	94,936	1,555,796	593,397	962,400		1,374,857	70.00%
2013	2011	1,349,891	84,066	96,278	1,530,235	582,801	947,435	See	1,353,479	70.00%
2012	2010	1,318,163	79,939	92,108	1,490,210	555,048	935,162	Table 7	1,335,946	70.00%
2011	2009	1,301,235	75,441	90,625	1,467,301	541,485	925,815		1,322,593	70.00%
2010	2008	1,293,022	71,396	88,570	1,452,988	527,926	925,062		1,321,517	70.00%
2009	2007	1,273,808	69,814	93,455	1,437,077	511,558	925,519		1,322,170	70.00%
2008	2006	1,239,399	66,962	91,439	1,397,800	484,107	913,694		1,305,277	70.00%
2007	2005	1,220,369	60,140	90,338	1,370,847	470,731	900,116		1,285,880	70.00%
2006	2004	839,014	57,461	84,385	980,860	321,600	659,259		941,799	70.00%

Source: Town of Windham, Office of Tax Assessor

Notes:

(1) Assessed Value is 70% of Estimated Actual Value

Town of Windham, Connecticut
Principal Taxpayers
Current Year and Nine Years Ago

(Thousands)
(Unaudited)

2015				2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power	\$21,419	1	2.23%	Connecticut Light & Power	\$10,211	1	1.58%
Yankee Gas	\$9,811	2	1.02%	Walmart Stores Inc.	\$6,438	2	0.99%
Vesta Windham LLC	\$9,508	3	0.99%	United Abrasives Inc.	\$6,171	3	0.95%
MHC Stonegate Manor LLC	\$9,118	4	0.95%	General Cable Industries Inc.	\$5,797	4	0.90%
United Abrasives Inc.	\$7,451	5	0.77%	Windham Heights LTD Ptn.	\$5,325	5	0.82%
Walmart Stores Inc.	\$7,285	6	0.76%	St Josephs Living Center Inc.	\$4,285	6	0.66%
General Cable Industries Inc.	\$6,938	7	0.72%	Yankee Gas	\$3,932	7	0.61%
Colonial BT LLC	\$6,145	8	0.64%	Rogers Corp	\$3,718	8	0.57%
Willimantic (E & A) LLC	\$5,769	9	0.60%	Stonegate Manor Manufacturer	\$3,717	9	0.57%
Generations Willimantic LLC	\$4,479	10	0.47%	Colonial BT LLC	\$3,716	10	0.57%
	\$87,923		9.14%		\$53,310		8.24%

Source: Town of Windham, Office of Tax Assessor

Town of Windham, Connecticut
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 7

(Thousands) (Unaudited)										
Fiscal Year Ended June 30	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Tax Levy	Tax Collections First Year of Levy	Percentage Collected First Year of Levy	Tax Collections in Subsequent Years	Total Collections to Date	Percentage Collected to Date
District 1*										
2015	2013	398,867	32	13,005	12,997	12,741	98.0%	N/A	12,741	98.0%
2014	2012	442,490	29	12,921	12,917	12,697	98.3%	188	12,886	99.8%
2013	2011	439,465	29	12,632	12,618	12,359	97.9%	159	12,518	99.2%
2012	2010	435,992	28	12,298	12,290	12,064	98.2%	158	12,222	99.4%
2011	2009	430,855	27	11,520	11,588	11,429	98.6%	145	11,574	99.9%
2010	2008	432,457	25	10,954	10,924	10,788	98.8%	123	10,911	99.9%
2009	2007	430,830	25	10,790	10,770	10,583	98.3%	160	10,743	99.7%
2008	2006	421,895	25	10,571	10,569	10,399	98.4%	145	10,544	99.8%
2007	2005	414,221	24	9,959	10,002	9,827	98.3%	146	9,973	99.7%
2006	2004	310,303	28	8,713	8,674	8,492	97.9%	155	8,647	99.7%
District 2										
2015	2013	463,150	43	20,314	20,262	19,766	0.0%	N/A	19,766	97.6%
2014	2012	519,527	39	20,557	20,525	20,080	97.8%	398	20,478	99.8%
2013	2011	507,970	39	19,793	19,794	19,300	97.5%	315	19,615	99.1%
2012	2010	499,170	37	19,031	19,019	18,537	97.5%	289	18,826	99.0%
2011	2009	494,960	37	18,118	18,187	17,733	97.5%	343	18,076	99.4%
2010	2008	492,605	35	17,472	17,441	17,109	98.1%	261	17,370	99.6%
2009	2007	494,689	35	17,401	17,369	16,969	97.7%	297	17,266	99.4%
2008	2006	491,799	34	16,889	16,838	16,259	96.6%	488	16,747	99.5%
2007	2005	485,895	31	15,136	15,160	14,667	96.7%	416	15,083	99.5%
2006	2004	348,956	43	15,169	15,190	14,728	97.0%	363	15,091	99.3%

Source: Town of Windham Tax Collector's Office

*NOTE: The 2006, 2007, 2008, 2009, 2010 and 2011 mill rates shown above exclude 1.56 mills, 1.35 mills, 1.38 mills, 1.49 mills, 1.60 mills and 1.55 mills representing taxes levied by the Town for the First Taxing District.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years(In Thousands, Except Per Capita)
(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Debt to Taxable Assessed Value	Total Debt Per Capita	Percentage of Personal Income
	General Obligation Bonds	Capital Leases	Water	Sewer				
2015	\$ 19,233	\$ 3,160	\$ 897	\$ -	\$ 23,290	2.70%	921.72	2.19%
2014	18,673	3,485	1,197	-	23,355	2.37%	793.53	1.88%
2013	14,781	3,806	1,464	-	20,051	2.12%	793.53	1.88%
2012	16,986	4,110	1,743	11	22,850	2.44%	904.31	2.14%
2011	19,050	4,440	2,046	29	25,565	2.76%	1,011.75	2.40%
2010	16,941	4,759	2,371	48	24,119	2.61%	954.53	2.45%
2009	19,027	4,961	2,697	66	26,751	2.89%	1,170.36	3.01%
2008	21,119	4,955	3,022	84	29,180	3.19%	1,276.63	3.28%
2007	23,221	5,047	3,352	102	31,722	3.52%	1,387.85	3.57%
2006	24,763	-	3,681	120	28,564	4.33%	1,249.68	3.21%

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

**Schedule of Debt Limitation
June 30, 2015
(In Thousands)
(Unaudited)**

Tax receipts for the fiscal year ended June 30, 2015:						
Tax collections (including interest and lien fees)						\$ 33,220
Tax relief for the elderly						-
Base for debt limitation computations						<u>\$ 33,220</u>
	General Purpose	Schools	Sewer & Water	Urban Renewal	Unfunded Pension Benefit Obligation	Total
Debt Limitation						
2-1/4 times base	\$ 74,744	\$ -	\$ -	\$ -	\$ -	\$ 74,744
4-1/2 times base	-	149,489	-	-	-	149,489
3-3/4 times base	-	-	124,574	-	-	124,574
3-1/4 times base	-	-	-	107,964	-	107,964
3 times base	-	-	-	-	99,659	99,659
Total debt limitation	<u>74,744</u>	<u>149,489</u>	<u>124,574</u>	<u>107,964</u>	<u>99,659</u>	<u>556,430</u>
Debt as defined by statute:						
Bonds and notes payable	15,753	3,481	13,265	-	-	32,499
Less: amount to be reimbursed by State	-	(852)	-	-	-	(852)
Add: bonds authorized and unissued	5,280	11,872	-	-	-	17,152
Total indebtedness	<u>21,033</u>	<u>14,501</u>	<u>13,265</u>	<u>-</u>	<u>-</u>	<u>48,799</u>
Debt limitation in excess of indebtedness	<u>\$ 53,711</u>	<u>\$ 134,988</u>	<u>\$ 111,309</u>	<u>\$ 107,964</u>	<u>\$ 99,659</u>	<u>\$ 507,631</u>
Total Capacity of Borrowing (7 times base)	\$ 232,538					
Total Present Indebtedness	<u>44,354</u>					
Margin for Additional Borrowing	<u>\$ 188,184</u>					

Note: Total indebtedness above amounts to \$48.8 million but in no event shall total indebtedness exceed \$232.5 million (seven times the base for debt limitation computation).

Town of Windham, Connecticut
 Legal Debt Margin Information
 Last Ten Fiscal Years
(Thousands)
 (Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 232,538	\$ 236,209	\$ 227,803	\$ 219,736	\$ 208,831	\$ 200,995	\$ 200,082	\$ 292,963	\$ 181,994	\$ 178,147
Total net debt applicable to limit	48,799	36,866	45,760	40,967	44,177	47,593	42,796	19,318	31,225	30,023
Legal Debt Margin	\$ 183,739	\$ 199,343	\$ 182,043	\$ 178,768	\$ 164,654	\$ 153,402	\$ 157,286	\$ 273,645	\$ 150,769	\$ 148,124
Total net debt applicable to the limit as percentage of debt limit	20.99%	15.61%	20.09%	18.64%	21.15%	23.68%	21.39%	6.59%	17.16%	16.85%

Source: Comprehensive annual financial report - Statement of Debt Limitation

Note: See Table 9 for calculation of current year debt limitation

Table 11

Town of Windham, Connecticut
Statement of Direct and Overlapping Debt
Last Ten Fiscal Years
(Thousands)

Fiscal Year	Governmental General Obligation Bonds	Business-type Activities General Obligation Bonds	Business-type Activities Long-term Notes	Total Long-term Debt	Ratio of Long-term Debt to Taxable Assessed Value	Debt per Capita
2015	\$ 18,607	\$ 880	\$ 13,265	\$ 32,752	3.40%	\$ 1,299.01
2014	18,097	1,197	14,067	33,361	3.47%	1,323.17
2013	14,781	1,464	14,869	31,114	3.33%	1,231.36
2012	16,986	1,754	15,673	34,413	3.72%	1,361.94
2011	19,050	2,075	550	21,675	2.34%	857.79
2010	16,941	2,419	579	19,939	2.15%	872.34
2009	19,027	2,763	609	22,399	2.45%	979.96
2008	21,119	3,106	616	24,841	2.76%	1,086.80
2007	23,221	3,454	429	27,104	4.11%	1,185.79
2006	24,763	3,801	210	28,774	4.43%	1,258.87

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

Town of Windham, Connecticut
Demographic and Employment Statistics
Last Ten Calendar Years
(Unaudited)

Fiscal Year	Population (1)	School Enrollment (2)	Median Age (1)	Median Family Income (1)	Calendar Year	Labor Force		Percentage Unemployed (3)			
						Employed (3)	Unemployed (3)	Town of Windham	Willimantic/ Danielson Labor Market	State of Connecticut	United States
2015	21,021	2,868	30.7	\$ 45,735	2015	11,660	976	7.7%	6.2%	6.2%	5.6%
2014	25,213	3,190	30.3	42,073	2014	11,492	1,055	9.4%	7.4%	6.6%	6.1%
2013	25,213	3,223	-	-	2013	10,727	1,418	11.7%	9.5%	8.0%	7.5%
2012	25,091	3,271	-	42,178	2012	10,682	1,546	12.6%	10.4%	8.3%	8.2%
2011	25,129	3,390	39.0	42,092	2011	10,878	1,612	12.9%	10.8%	8.9%	9.2%
2010	25,036	3,391	39.2	38,918	2010	11,107	1,516	12.0%	10.3%	8.7%	9.3%
2009	23,609	3,466	38.0	42,764	2009	10,977	1,200	9.9%	9.3%	8.2%	8.9%
2008	23,609	3,478	38.0	42,057	2008	11,083	906	7.6%	6.8%	5.7%	6.0%
2007	23,678	3,632	-	-	2007	11,063	773	6.5%	5.4%	4.6%	4.7%
2006	23,810	3,675	-	-	2006	10,832	791	6.8%	5.3%	4.4%	5.1%

Sources:

- (1) U.S. Department of Commerce, Bureau of Census. (2011 data most current available)
(2) Windham Board of Education, State Department of Education
(3) State of Connecticut, Department of Labor, Office of Research

Town of Windham, Connecticut
 Building Permits, Value of Construction and Permit Fees Collected
 Last Ten Calendar Years

(Thousands)
(Unaudited)

Fiscal Year	Residential		Non-Residential		Total	
	Number	Value	Number	Value	Permits	Value
2015	849	\$ 6,061	190	\$ 5,606	1,039	\$ 11,667
2014	881	5,419	212	11,927	1,093	17,346
2013	928	5,314	272	5,826	1,200	11,140
2012	994	4,983	287	35,776	1,281	40,759
2011	839	8,736	211	10,661	1,050	19,397
2010	865	4,990	231	11,339	1,096	16,329
2009	963	5,352	200	21,624	1,163	26,976
2008	920	6,503	192	4,965	1,112	11,468
2007	990	6,678	147	2,791	1,137	9,469
2006	1108	9,033	250	12,256	1,358	21,289

Table 14

Town of Windham, Connecticut
Principal Employers
Windham's Major Employers
(Unaudited)

Business Name	Nature of Business	Area	Employees
Town of Windham	Municipality	Windham	847
Windham Community Memorial Hospital	Health Care	Windham	778
Eastern Connecticut State University	Public Education	Windham	620
General Cable Industries	Communication Cable	Windham	350
United Abrasives, Inc.	Manufacturing	Windham	300
Willimantic Waste Paper Co., Inc.	Recycling Collection	Windham	260
Wal-Mart Supercenter	Department Store	Windham	250-499
United Services	Mental Health Services	Windham	250-499
Kohl's	Department Store	Windham	100-249
Super Stop & Shop	Grocery Store	Windham	100-249

Source: Connecticut Department of Labor, 2013

Town of Windham, Connecticut
Budgeted Full-Time Equivalent Employees
Last Seven Fiscal Years
(Unaudited)

Table 15

<u>FUNCTION/PROGRAM</u>	Full-Time-Equivalent Employees as of June 30,						
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government	43	43	43	41	41	38	38
Public Works	25	25	25	28	28	27	27
Willimantic Public Library	12	12	12	12	13	12	12
Windham Water Works	12	12	12	12	12	12	12
Willimantic Police	47	47	47	47	47	46	46
Water Pollution Control Authority	10	10	10	10	9	9	9
Willimantic Fire	30	30	30	30	32	28	30
Education	705	710	698	701	682	695	719
Total	<u>884</u>	<u>889</u>	<u>877</u>	<u>881</u>	<u>864</u>	<u>867</u>	<u>893</u>

Source: Adopted Budget Books for General Government, Official Statements for Education

TOWN OF WINDHAM, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS
(Unaudited)

TABLE 16

		FISCAL YEAR							
		2015	2014	2013	2012	2011	2010	2009	2008
<i>City Manager</i>									
<i>General Government</i>									
<i>Finance</i>									
	Number of invoices approved for payment	18,015	17,375	17,261	17,261	16,803	17,067	17,587	18,082
	Number of internal control reviews performed	5	5	5	5	5	5	5	5
<i>Treasurer</i>									
<i>Assessor</i>									
	Number of deeds processed	546	362	278	278	268	304	266	301
	Number of veterans exemptions	1,787	1,473	1,927	1,927	2,017	2,099	2,127	2,154
	Board of assessment appeals adjustments	(364,566)	(164,100)	(164,100)	(164,100)	(106,910)	(171,848)	(38,390)	(843,390)
<i>Personnel</i>									
	Number of applications processed	12	-	109	109	15	127	202	31
	Vacancies filled through new hires	656	-	3	3	10	5	9	4
<i>Town Clerk</i>									
	Land records recorded	2,367	2,400	2,932	2,932	2,505	2,367	2,742	2,887
	Marriage licenses issued	237	210	318	318	360	244	154	190
	Death certificates issued	364	368	374	374	333	314	314	337
<i>City Council</i>									
<i>Election</i>									
	Birth certificates issued	292	342	457	457	473	464	488	478
	Voters added	362	194	1,403	1,403	*	*	*	*
	Voters removed	757	357	963	963	*	*	*	*
	Voter changes	2,297	1,743	4,409	4,409	*	*	*	*
	Total voters	8,965	9,932	13,427	13,427	*	*	*	*
<i>Public Safety</i>									
<i>Police</i>									
	911 calls	18,209	15,854	13,597	13,597	16,528	15,270	14,436	14,982
	Non-emergency calls	25,214	18,677	14,954	14,954	19,729	19,108	18,968	19,547
	DWI arrests	57	63	54	54	122	159	112	109
<i>Fire</i>									
* note: Call center is a PSAP (Public Safety Answering Point) and all data is from state website and reported on a calendar not fiscal year									
	Fire	118	105	105	105	138	121	122	101
	No Fire	2	2	2	2	11	6	4	7
	Rescue & Emergency Medical Services	3,818	3,711	3,905	3,905	3,736	3,530	3,647	3,975
	Hazardous Conditions	215	162	205	205	315	259	252	231
	Service Calls	167	155	166	166	175	169	172	214
	Good Intent Calls	241	197	224	224	182	184	184	129
	False Alarm & False Calls	279	305	314	314	258	285	267	296
	Severe Weather & Natural Disaster	-	1	14	14	15	3	2	1
	Special Incident Type	3	1	1	1	3	4	1	4
<i>Public Works</i>									
<i>Engineering & Administration</i>									
	Road miles paved	3.57	4.00	2.89	2.89	4.47	5.69	1.11	2.39

(Continued)

TOWN OF WINDHAM, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS
(Unaudited)

TABLE 16

	FISCAL YEAR							
	2015	2014	2013	2012	2011	2010	2009	2008
<i>Development and Code Enforcement</i>								
<i>Development Services</i>								
Zoning Board appeals	4	3	6	8	15	7	-	10
<i>Civic and Cultural</i>								
<i>Willimantic Public Library</i>								
Branches	1	1	1	1	1	1	1	1
Volumes (physical Collections print and nonprint)	49,146	52,469	52,469	51,294	52,331	59,120	62,642	63,868
Volumes (electronic/digital collections)	8,953	5,958	5,958	5,786	*	*	*	*
Licensed data bases	40	26	26	26	*	*	*	*
Total circulation	30,775	95,000	97,725	47,954	56,911	57,247	65,721	60,412
Total annual number of visits (based on sample)	55,678	53,664	140,000	140,000	140,000	130,000	20,000	25,000
Total registered resident library users	4,762	6,836	11,276	10,394	9,700	11,240	10,460	11,669
<i>Education</i>								
Average Class Size - Kindergarten	18.0	20.4	22	22	*	*	*	*
Average Class Size - Grade 2	20.0	22.0	19	19	*	*	*	*
Average Class Size - Grade 5	18.0	19.4	22	22	21	*	*	*
Average Class Size - Grade 7	18.0	18.1	19	20	22	*	*	*
<i>Economic Development</i>								
<i>Recreation and culture</i>								
Number of youth registrations	1,010	1,021	1,044	*	*	*	*	*
Number of youth program hours	1,075	548	554	*	*	*	*	*
Number of hours provided by volunteers	798	791	855	*	*	*	*	*

Source: Internal Department Tracking Reports

Notes: * Information not available for prior years

TOWN OF WINDHAM, CONNECTICUT
 CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
 LAST SIX FISCAL YEARS
 (Unaudited)

		Fiscal Year					
		2015	2014	2013	2012	2011	2010
Function							
<i>Education</i>							
	School buildings	7	7	6	6	6	6
	Administrative buildings	1	1	1	1	1	1
<i>Public Safety</i>							
<i>Police</i>							
	Stations	1	1	1	1	1	1
	Vehicles	36	36	33	30	30	27
<i>Fire</i>							
	Firefighting/ rescue vehicles	11	11	11	10	10	10
	Other vehicles	4	4	4	3	3	3
	Fire stations	4	4	4	4	4	4
<i>Social Services</i>							
<i>Recreation</i>							
	Number of basketball courts	7	7	7	7	7	7
	Number of football fields	1	1	1	1	1	1
	Number of multi-use fields	-	-	-	-	-	-
	Number of playscapes/grounds	3	3	3	3	3	3
	Number of soccer fields	2	2	2	2	2	2
	Number of softball fields	3	3	3	3	3	3
	Number of tennis courts	6	6	6	6	6	6
	Mowers	7	7	7	7	4	4
	Other vehicles	2	2	2	2	1	1
<i>Library</i>							
	Central	1	1	1	1	1	1
	Number of Branches	-	-	-	-	-	-
	Library on Wheels	-	-	-	-	-	-

(Continued)

TOWN OF WINDHAM, CONNECTICUT
 CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
 LAST SIX FISCAL YEARS
 (Unaudited)

Function	Fiscal Year					
	2015	2014	2013	2012	2011	2010
<i>Public Works</i>						
Infrastructure						
Concrete road miles	-	-	-	-	-	-
Asphalt road miles	90	90	90	90	90	90
Bridges	2	2	2	2	2	2
Traffic lights	2	2	2	2	2	2
Conduit system (miles)	N/A	N/A	N/A			
Street Maintenance						
Dump trucks	17	17	17	17	16	16
Sweepers	2	2	2	2	2	2
Parks & Cemeteries						
Parks:						
Large multi-use	N/A	N/A	N/A			
Medium size	11	11	11	11	11	11
Smaller/playgrounds	3	3	3	3	3	3
Cemeteries	4	4	4	4	4	4
Building Maintenance						
Parking lots	6	6	6	6	6	6
Parking garages	-	-	-	-	-	-

Sources: Police Department, Public Works and Recreation Town records

