TOWN OF WINCHESTER
CONNECTICUT

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2016

Prepared By
Winchester Finance Department
Winsted, Connecticut 06098

TOWN OF WINCHESTER, CONNECTICUT

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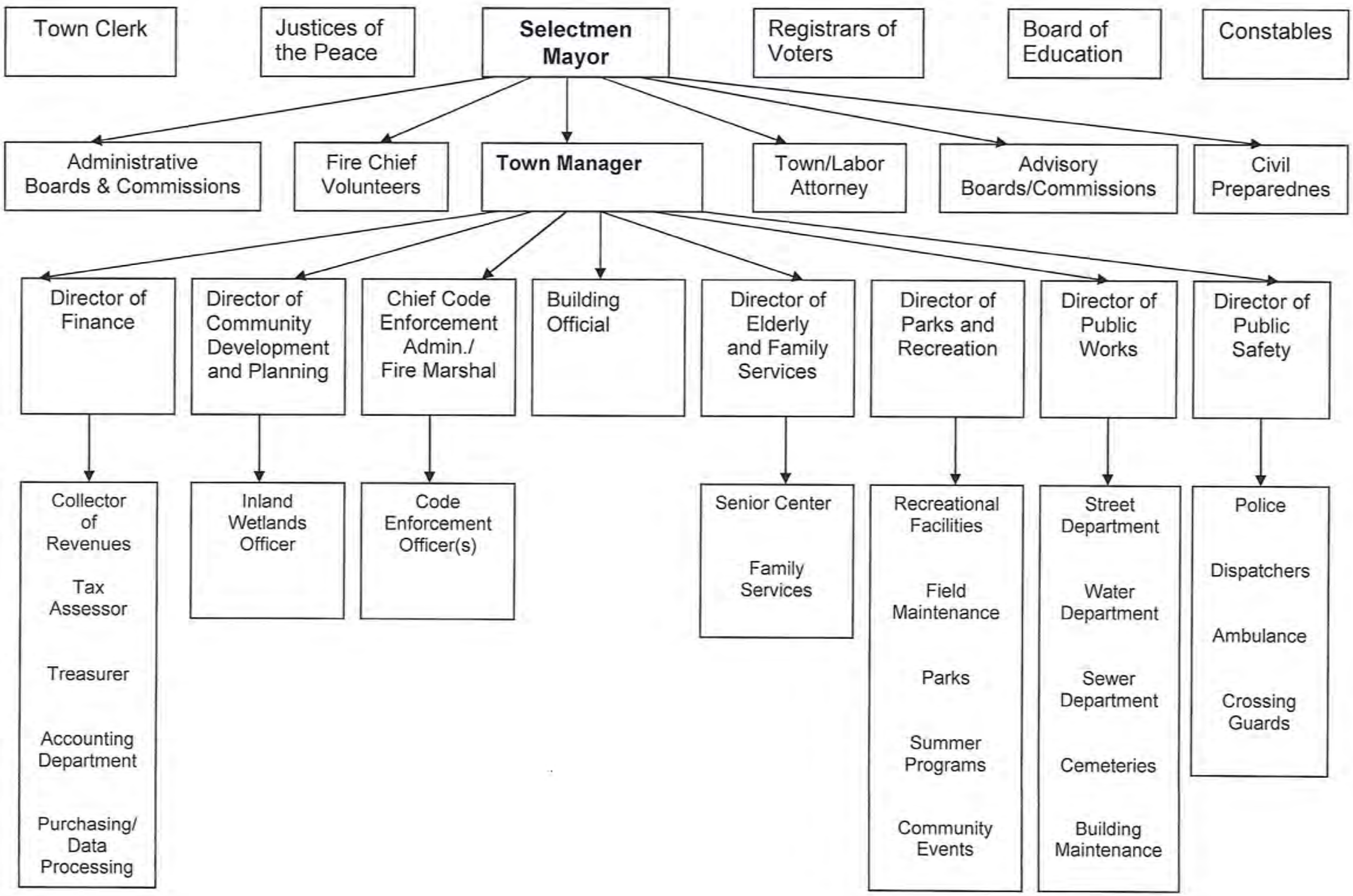
Introductory Section

TOWN OF WINCHESTER, CONNECTICUT
List of Elected and Appointed Officials
As of June 30, 2016

Office	Name	Manner of Selection
Mayor:	Althea Candy Perez	Appointed
Board of Selectman:	Althea Candy Perez	Elected
	Steven Sedlack	Elected
	Glenn S. Albanesius	Elected
	Todd Arcelaschi	Elected
	Melissa Bird	Elected
	Jack Bourque	Elected
	Brian Shaughnessy	Elected
Board of Assessment Appeals:	Mark Arcelaschi, Chairman	Appointed
	Jackie Mulvey	Appointed
	Walter St. Onge, Jr.	Appointed
	Samuel Demonstranti	Alternate
Director of Public Works:	James Rollins	Appointed
Town Manager:	Robert Geiger	Appointed
Director of Finance:	Bruce B. Stratford	Appointed
Treasurer:	Cynthia Rines	Appointed
Tax Collector:	Arlene M. Boutin	Appointed
Town Clerk:	Sheila S. Sedlack	Elected
Purchasing Agent:	Mark A. Douglass	Appointed
Town Assessor:	Rhonda Roy	Appointed
Superintendent of Schools:	State of Connecticut Department of Education	Receivership

TOWN OF WINCHESTER, CONNECTICUT
Organizational Chart of the Town Government



TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

February 24, 2016

Honorable Mayor Althea Candy Perez

Members of the Board of Selectmen

Town Manager Robert Geiger

Citizens of the Town of Winchester

The Finance Department is pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the Town of Winchester for the fiscal year ended June 30, 2016 (FY16). The report includes the independent auditors' report as required by the Town Charter and the Connecticut Statutes. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

State law requires that every general purpose local government publish, within 6 months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for FY16. This report has been delayed beyond December 31, 2016 awaiting a pension plan valuation report from the Town's actuaries and to permit some corrections to the Town's fixed asset and depreciation records.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for this purpose. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met, including producing financial statements that are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the anticipated benefits.

King, King & Associates, CPAs have issued an unqualified opinion on the Town of Winchester's financial statements for the fiscal year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

A state "single audit" was also performed as required by state law. The purpose of this audit is to determine whether the Town of Winchester complied with the laws and regulations and applicable compliance requirements of the major state assistance programs, and whether the Town maintained controls to assure compliance. The Town did not require a federal "single audit" as total federal grant receipts for the fiscal year fell below the level requiring such an audit.

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

Profile of the Town of Winchester

The Town of Winchester, located in Litchfield County, is a political subdivision located approximately thirty miles northwest of Hartford in the watersheds of the Farmington and Naugatuck Rivers. It is bordered on the north by the Town of Colebrook, on the south by the City of Torrington, on the east by the Town of Barkhamsted, and on the west by the Towns of Norfolk and Goshen. It covers a land area of approximately thirty-four square miles. What is commonly referred to as the City of Winsted is located within the Town of Winchester, but that "entity" has no separate government or other political distinction (the terms "Winchester" and "Winsted" are used interchangeably by area residents). Winchester was first settled and incorporated as a Town in 1732. The Town sits at the crossroads of U.S. Route 44 and State Route 8. State Routes 20 and 183 also traverse the Town. The Town has approximately eighty miles of Town roads, of which approximately seventy-five miles are paved. State-controlled and maintained roads account for an additional twenty-three miles.

The Town of Winchester is governed under a home-rule charter, last revised in 2016, that provides a Manager/Selectmen/Town Meeting form of government with a seven-member Board of Selectmen that also serves as the Board of Finance. Elections for the Board of Selectmen are held in November in every odd-numbered year. The residents also have the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The Town Manager is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman, or officially titled "Mayor," presides over the Board of Selectmen and has full voting privileges on the Board. The Board of Selectmen appoints members to various commissions and boards.

In accordance with the recently revised Town Charter, the Town's annual Budget Meeting is held on the second Monday in May. Prior to adjournment to Budget Referendum, the electors at the Budget Meeting review the budget as presented by the Board of Selectmen and have the power to decrease, but not increase, any line-item of the budget. The Budget Meeting is then adjourned to a referendum for approval. The approved budget serves as the foundation for the Town's financial planning and control.

The Town provides a full range of services, including general government operations; police and fire protection; the construction and maintenance of highways, streets and other infrastructure; health and welfare services; cultural and recreational activities; economic development support; and education. Water and wastewater treatment and distribution are under the control of an independent Water and Sewer Commission (appointed by the Board of Selectmen).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Winchester operates.

Economic Condition and Outlook

Winchester is primarily a residential community with single-family homes. Most residents are employed in the manufacturing, education, retail, health care and social services categories. Recent data from The CT Data Collaborative indicates that Winchester's 2014 median household income is $60,163, as compared to the State of Connecticut's $69,899. The Town's population has been relatively stable since 2000 at approximately 11,000.

In accordance with State of Connecticut statutes, the Town conducted a property revaluation in 2012 (including a physical inspection of all properties, which was not part of the 2007 revaluation). The tax base is primarily zoned residential (71%) with an important industrial and commercial presence (14%).

The Town of Winchester's bond rating was reduced in June, 2013, from A1 to A2. The primary reasons cited for this downgrade were unexplained shortfalls of cash, later attributed to embezzlement by a former finance director, and the lack of current financial reports. Shortly thereafter, the rating was withdrawn due to the same factors. New personnel and substantially revised and implemented policies and procedures have significantly improved the Town's financial organization. Budgetary controls and a supplemental tax levied in November, 2013, have greatly improved the Town's fiscal condition. At June 30, 2016 the Town's General Fund balance was $6,174,511, which represents 18.7 percent of FY16 General Fund expenditures. The Town will seek a new bond rating with its next issue of general obligation bonds.

Major Initiatives

Zoning Regulations

The Planning and Zoning Commission has adopted a complete revision of its zoning regulations, which are expected to encourage economic growth through increased clarity and modernization.

Economic Development

The Economic Development Commission is committed to expanding the Town's commercial and industrial base and constantly looks for opportunities to create readily marketable properties in the Town's industrial and commercial zoned areas, including the adaptive reuse of former mill sites.

The Town recently updated its website to feature the Town's most favorable attributes. The Commission is pursuing grants for property development, facilities improvements, and recreational funding. The Town was recently awarded $1.5 million to extend the Sue Grossman Trail, a bike and pedestrian greenway, into the downtown area.

Comprehensive Economic Development Strategy (CEDS)

The Northwest Connecticut Economic Development Commission (NWCTEDC), in which the Town is a participant, prepared in 2012 a Comprehensive Economic Development Strategy CEDS) document. The plan identifies economic development projects which have positive impacts on the regional and local economy. The CEDS document affords the Town access to Federal Economic Development Administration grant and loan funds.

Regional Outreach

In conjunction with the CEDS project, the Town is also a member of the Northwest Hills Council of Governments (NHCOG), a regional planning organization. A popular and effective program among the twenty-one member towns is the Public Works Equipment Cooperative, which enables member towns to share pieces of heavy-duty equipment related to public works activities.

Brownfields

In 2015 the Town was awarded $600,000 in State of Connecticut grants for brownfield assessment and remediation of a long-vacant and deteriorating town-controlled site: $100,000 was funded by the Department of Community and Economic Development's Municipal Brownfield Assessment and Inventory (MBAI) program, and the remaining $500,000 was received from the Office of Policy and Management's Small Town Economic Assistance Program (STEAP). The remediation of this property is largely complete making it nearly ready for redevelopment.

Labor Contracts

During the fiscal year the Town completed three-year extensions to three separate collective bargaining agreements that had expired on June 30, 2015. These extensions secured annual pay increases of two percent for the Winchester Supervisors Association, the Winchester Public Works employees unit and the Town's Assistants and Clerical employees unit. These bargaining units comprise approximately 40 employees.

Budgetary Controls

Under the direction of the Finance Director, the Town has reviewed and revised its budgetary controls, and implemented other changes, policies, and procedures recommended by the independent auditor and other State and Federal regulatory agencies. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the electors at referendum. Budget administration is performed by the Town Manager and the Finance Director. The budget is legally enacted at the department expenditure level, which serves as a management tool; budgetary control is maintained at the department level. This is achieved using a full encumbrance system, which encumbers appropriations upon the issuance of purchase orders. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of the fund balance at June 30. Transfers within a department may be made during the fiscal year upon approval by the Board of Selectmen. Transfers between departments can only be made during the last three months of the fiscal year, once again, with approval by the Board of Selectmen. Management cannot amend the budget.

Fiduciary Fund Operation

Fiduciary Funds are used to account for funds that the Town holds in a trustee capacity or as an agent for individuals or organizations. The Town of Winchester Town Employees' Pension Trust Fund is used to account for contributions, pension benefits and other costs that are associated with the operations of the pension plan.

Acknowledgements

The preparation of this report would have not been accomplished without the services of the members of the Department of Finance, including Treasurer Cynthia Rines, other Town staff and Nancy O'Dea-Wyrick, Director of Finance and Business Services for the Winchester Board of Education. I would also like to thank the Board of Selectmen for its continued interest, efforts, and support in planning and conducting the financial operations of the Town in a responsible and professional manner.

Respectfully submitted,

Bruce B. Stratford CPA CFE CFF
Director of Finance

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectman
Town of Winchester, Connecticut

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 Winchester, Connecticut, as of and for the year ended June 30, 2016, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 18 and 64 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 February 24, 2017 on our consideration of the Town of Winchester, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Winchester, Connecticut's internal control over financial reporting and compliance.

King, King & Associates

King, King & Associates, CPAs
Winsted, CT
February 24, 2017

As management of the Town of Winchester, we offer readers of the Town of Winchester's financial statements this narrative overview and analysis of the financial activities of the Town of Winchester for the fiscal year ended June 30, 2016.

Financial Highlights

- The assets of the Town of Winchester exceeded its liabilities at the close of the most recent fiscal year by $64,867,091 (*net position*). Governmental activities reflect a negative unrestricted net position in the amount of ($4,450,938) indicating that currently none of the net position may be used to meet ongoing obligations to citizens and creditors. Business-type activities have an unrestricted net position of $1,711,887.
- The government's total net position increased by $672,336.
- As of the close of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of $8,827,119, an increase of $1,528,039 in comparison with the prior year.
- At the end of the current fiscal year, unassigned and total fund balances for the General Fund were $5,724,511 and $6,174,511, respectively.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position is 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 only result in future cash inflows (revenues) and outflows (expenditures).

Both of the government-wide financial statements distinguish functions of the Town of Winchester that are principally supported by grants 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 of Winchester include education, public safety, general government and public works.

The government-wide financial statements can be found on pages 19-20 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 of Winchester, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Winchester 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 a government'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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town of Winchester maintains thirty-two (32) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Town of Winchester adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary Funds: The Town maintains two proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

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

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

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

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-63 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Winchester, assets exceeded liabilities by $64,867,091 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	$ 12,081,008	$ 11,052,175	$ 1,930,210	$ 1,336,538	$ 14,011,218	$ 12,388,713
Capital Assets	42,055,899	42,885,347	28,933,094	29,992,608	70,988,993	72,877,955
Total Assets	54,136,907	53,937,522	30,863,304	31,329,146	85,000,211	85,266,668
Deferred Outflows of Resources	2,429,907	692,189	75,002	92,790	2,504,909	784,979
Long-term Liabilities	18,232,175	16,619,363	2,282,063	2,727,143	20,514,238	19,346,506
Other Liabilities	1,920,945	1,992,182	108,722	147,403	2,029,667	2,139,585
Total Liabilities	20,153,120	18,611,545	2,390,785	2,874,546	22,543,905	21,486,091
Deferred Inflows of Resources	94,124	370,801	-	-	94,124	370,801
Net Position:						
Net Investment in Capital Assets	38,586,005	38,982,568	26,835,634	27,450,183	65,421,639	66,432,751
Restricted	2,184,503	2,132,045	-	-	2,184,503	2,132,045
Unrestricted	(4,450,938)	(5,467,248)	1,711,887	1,097,207	(2,739,051)	(4,370,041)
Total Net Position	$ 36,319,570	$ 35,647,365	$ 28,547,521	$ 28,547,390	$ 64,867,091	$ 64,194,755

$38,586,005 of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Certain 2015 amounts have been restated as discussed in note 9. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

$1,306,696 of the restricted portion of the Town of Winchester's net position represents net position restricted for Community Development, $135,295 is restricted for Soldiers Monument Restoration, $101,427 is restricted for Grants & Donations, and $193,779 is restricted for other purposes. The remaining restricted portion, $447,306, represents net position restricted for purposes of trust. Negative unrestricted net position in the amount of ($4,450,938) indicates that currently none of the net position may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Winchester's Governmental Activities are able to report positive balances in all categories of net position except Unrestricted Net Position, for the government as a whole.

The beginning net position of the year ended June 30, 2016 is $2,729,626 lower than the ending net position on June 30, 2015 due to the adoption of GASB Statement No. 72 and prior period restatements. The details can be found in Notes 8 and 9 on page 63.

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
REVENUES						
General Revenues:						
Property Taxes	$ 22,693,437	$ 22,563,841	$ -	$ -	$ 22,693,437	$ 22,563,841
Unrestricted Grants & Contributions	275,647	334,480	-	-	275,647	334,480
Unrestricted Investment Income	227	240	-	-	227	240
Other General Revenues, Net	126,873	424,294	-	-	126,873	424,294
Insurance Claim	-	-	-	-	-	-
Program Revenues:						
Charges for Services	881,544	846,706	3,289,335	3,328,373	4,170,879	4,175,079
Operating Grants and Contributions	14,465,116	13,340,706	-	-	14,465,116	13,340,706
Capital Grants and Contributions	426,070	45,448	-	-	426,070	45,448
Total Revenues	38,868,914	37,555,715	3,289,335	3,328,373	42,158,249	40,884,088
EXPENSES						
Governmental Activities:						
General Government	3,044,626	3,738,169	-	-	3,044,626	3,738,169
Public Safety	3,684,860	3,045,908	-	-	3,684,860	3,045,908
Public Works	3,096,519	3,111,181	-	-	3,096,519	3,111,181
Health	1,164,840	649,113	-	-	1,164,840	649,113
Library	206,000	200,003	-	-	206,000	200,003
Parks and Recreation	263,445	224,911	-	-	263,445	224,911
Waste Disposal and Recycling	198,356	196,247	-	-	198,356	196,247
Interest on Long-Term Debt	146,895	166,124	-	-	146,895	166,124
Education	26,325,204	25,103,389	-	-	26,325,204	25,103,389
Business-Type Activities:						
Waterworks	-	-	1,575,518	1,624,816	1,575,518	1,624,816
Sewer	-	-	1,782,200	1,937,700	1,782,200	1,937,700
Total Expenses	38,130,745	36,435,045	3,357,718	3,562,516	41,488,463	39,997,561
Change in Net Position Before Transfers, and Contributions to Permanent Funds	738,169	1,120,670	(68,383)	(234,143)	669,786	886,527
Transfers	(68,514)	(78,653)	68,514	78,653	-	-
Contributions to Permanent Funds	2,550	2,877	-	-	2,550	2,877
Change in Net Position	672,205	1,044,894	131	(155,490)	672,336	889,404
Beginning Net Position, as Restated	35,647,365	34,602,471	31,862,210	32,017,700	67,509,575	66,620,171
Ending Net Position	$ 36,319,570	$ 35,647,365	$ 31,862,341	$ 31,862,210	$ 68,181,911	$ 67,509,575

Governmental Activities

Governmental activities increased the Town of Winchester's net position by $672,205. Fifty eight percent (58.4%) of the revenues of the Town were derived from property taxes, followed by thirty-eight percent (38.3%) from intergovernmental, two percent (2.3%) from Fees for services, and one percent (1%) from Capital grants and contributions, Major revenue factors include:

- Collection of property taxes and related interest.
- State of Connecticut grants and contributions.

For Governmental Activities, 69% of the Town's expenses relate to education, 13% relate to public safety and health, 8% relate to public works, and the remaining 10% relates to government and community services, administration, and other areas.

Major expense factors include:

- Retention of contingency funds to restore Fund Balance.
- Under-expenditure by the General Government, Public Safety, and Public Works functions.
- Over-expenditure by the Education function.

Chart 1 presents the costs of each of the five largest programs, as well as each program's net cost (total cost less revenues generated by the activities). The Net Cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

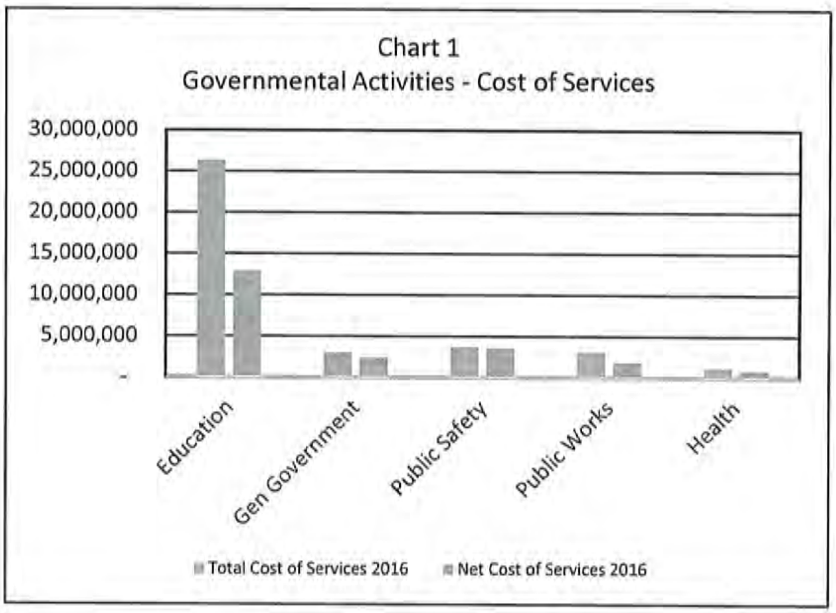
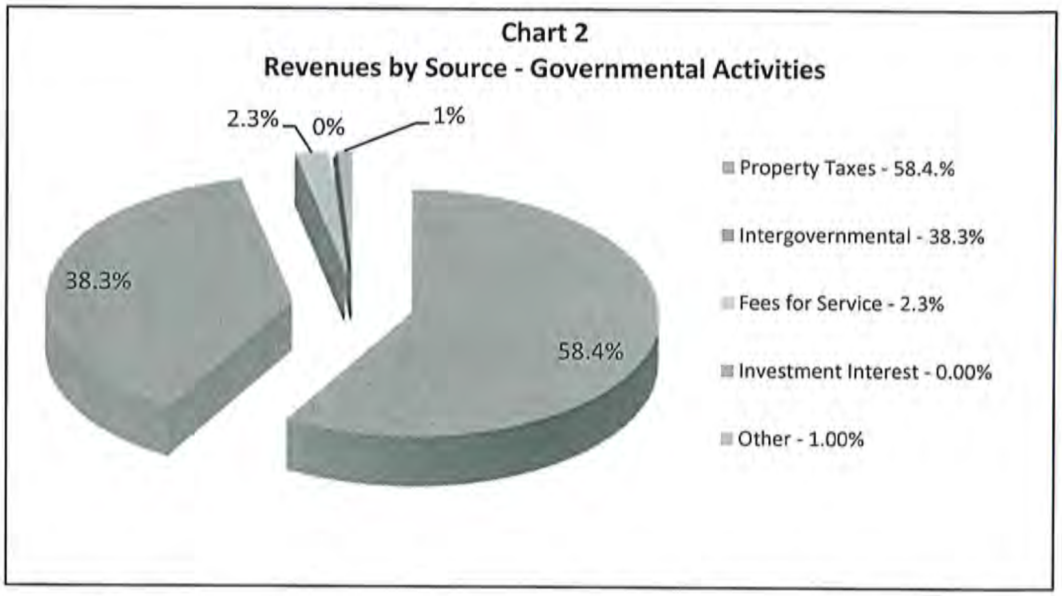


Chart 2 presents the various sources of revenue that fund Town operations. The percentages indicate what part of the whole each segment represents.

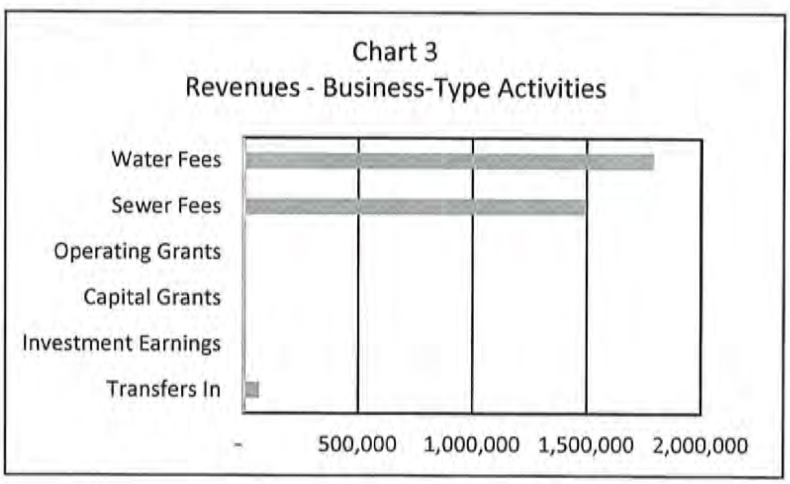


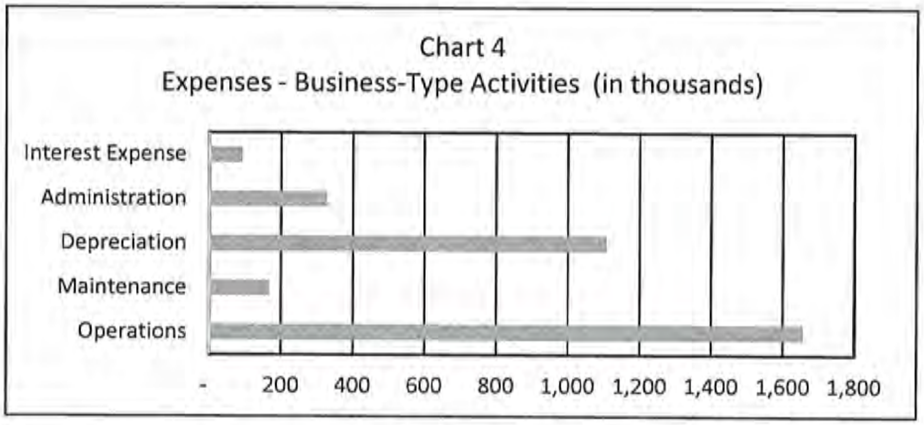
Business-Type activities

Business-type activities increased the Town of Winchester's net position by $131. One hundred percent (100%) of the revenues of the business-type activities were derived from charges for services. Key elements of enterprise fund performance are as follows:

- Total revenues decreased by $39,038 compared to the previous year's revenues.
- The change in net position was an increase of $131 (compared to a decrease of $155,490 in the previous year).

Charts 3 and 4 reflect the water/sewer utility operations for fiscal year 2016 regarding sources of revenue and classes of expenses.





Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of the Town of Winchester'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 of Winchester's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of $8,827,119, an increase of $1,528,039 in comparison with the prior year.

The General Fund is the chief operating fund of the Town of Winchester. At June 30, 2016, the General Fund balance was $6,174,511 of which $450,000 was committed to capital improvements: $200,000 for accounting system upgrades and $250,000 for redeployment of the Mary P. Hinsdale School. The remaining $5,724,511 is classified as unassigned General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned and total fund balances to total fund expenditures. At June 30, 2016, unassigned and total General Fund balances represented 17.3% and 18.7% of total General Fund expenditures, respectively.

The fund balance of the Town of Winchester's General Fund increased by $1,011,480 during the current fiscal year.

General Fund Budgetary Highlights

The General Fund Balance increased primarily due to the following:

- A $465,000 dedicated contribution to the Fund Balance via contingency expenditure savings.
- $285,000 of past due taxes and related interest and lien fee collections in excess of budget.
- $200,000 (6%) of expenditure savings in the General Government function.
- $125,000 (3.5%) of expenditure savings in the Public Safety function.
- $87,000 (4.3%) of expenditure savings in the Public Works function.

The General Fund balance increase was partially offset by $159,000 (0.8%) of over-expenditures in the Education Function due primarily to the Connecticut State Commissioner of Education appointing a Receiver to assume the duties of the Winchester Board of Education through at least June 2017 in accordance with Section 302 of the June 2015 Special Session Public Act 15-5. During fiscal 2016 the Receiver introduced changes to both standard and special education curricula and determined to consolidate the elementary student population into two elementary schools resulting in closing the Mary P. Hinsdale School effective June 2016. The Receiver also began training the Board of Education members to be more effective when they resume their duties. Notwithstanding additional state funding received during the fiscal year to accomplish this work, transition costs exceeded the Education function budget by the amount noted above.

Capital Asset and Debt Administration

Capital Assets: The Town of Winchester's reported value in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to $70,988,993 (net of accumulated depreciation). The reported value in capital assets includes land and buildings, vehicles, machinery and equipment. Major capital asset events during the current fiscal year included the following:

- Vehicle leases (Public Safety and Public Works)
- Bridge design and matching construction funds
- Road Repairs
- 2015 Capital Assets as restated from further examination

	2016	2015
Governmental Activities:		
Land	$ 25,700,445	$ 25,700,445
Construction in Progress	201,420	201,420
Buildings	1,124,278	1,157,525
Improvements	2,324,492	2,370,498
Machinery and Equipment	2,713,889	2,840,888
Infrastructure	9,991,375	10,614,571
	$ 42,055,899	$ 42,885,347
	2016	2015
Business-type Activities:		
Land	$ 92,847	$ 92,847
Buildings	18,603,626	19,324,090
Improvements	1,558,106	1,558,106
Machinery and Equipment	231,103	215,922
Infrastructure	8,447,412	8,801,643
	$ 28,933,094	$ 29,992,608

Additional information on the Town of Winchester's capital assets can be found in Note 3 on pages 41-42 of this report.

Long-Term Debt: The Town of Winchester has the following obligations:

Date	Purpose	Rate %	Original Issue	Outstanding	Maturity
Bonds					
8/14/2008	Public Improvements	4.02	$ 6,316,000	$ 3,356,000	2024
8/15/2002	Sewer	3.00-5.00	6,290,000	935,000	2022
1/15/2004	General Purpose (Water)	2.00-4.00	3,900,000	750,000	2019
Other					
1/31/2008	Clean Water Fund Loans	2.00	642,019	368,017	2027
	Total			$ 5,409,017	

The Town of Winchester's total borrowings decreased by $943,915 during the current fiscal year, primarily due to the repayment of debt. Additional information on the Town of Winchester's long-term debt can be found in Note 3 on pages 44-47 of this report.

Economic Factors and Next Year's Budgets and Rates

- Proper funding of the State's Minimum Budget Requirement for education.
- Growing need for capital investment, for both infrastructure and equipment.
- Need for additional public safety and replacement public works staff.
- Expiring public safety collective bargaining agreements.

Request for Information

This financial report is designed to provide a general overview of the Town of Winchester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Winchester, 338 Main Street, Winsted, CT 06098.

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Basic Financial Statements

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TOWN OF WINCHESTER, CONNECTICUT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 8,341,149	$ 1,501,731	$ 9,842,880
Receivables, Net of Allowance	3,261,923	173,108	3,435,031
Other Assets	1,594	686,575	688,169
Internal Balances	431,204	(431,204)	-
Prepaid Expenses	45,138	-	45,138
Capital Assets:			
Assets Not Being Depreciated	25,901,865	92,847	25,994,712
Assets Being Depreciated, Net	16,154,034	28,840,247	44,994,281
Total Assets	$ 54,136,907	$ 30,863,304	$ 85,000,211
Deferred Outflows of Resources:			
Deferred Pension Expense	2,429,907	-	2,429,907
Deferred Charge on Refunding	-	75,002	75,002
Total Deferred Outflows of Resources	2,429,907	75,002	2,504,909
Liabilities:			
Accounts Payable and Accrued Items	$ 1,291,732	$ 108,722	$ 1,400,454
Due to Other Governments	153,130	-	153,130
Unearned Grant Revenue	476,083	-	476,083
Noncurrent Liabilities:			
Due Within One Year	848,542	523,663	1,372,205
Due In More Than One Year	17,383,633	1,758,400	19,142,033
Total Liabilities	20,153,120	2,390,785	22,543,905
Deferred Inflows of Resources:			
Unavailable Revenue - Advanced Property Tax Collections	94,124	-	94,124
Total Deferred Inflows of Resources	94,124	-	94,124
Net Position:			
Net Investment in Capital Assets	38,586,005	26,835,634	65,421,639
Restricted for Community Development	1,306,696	-	1,306,696
Restricted for Soldiers Monument Restoration	135,295	-	135,295
Restricted for Grants & Donations	101,427	-	101,427
Restricted for Other Purposes	193,779	-	193,779
Restricted for Purposes of Trust:			
Nonexpendable	197,649	-	197,649
Expendable	249,657	-	249,657
Unrestricted	(4,450,938)	1,711,887	(2,739,051)
Total Net Position	$ 36,319,570	$ 28,547,521	$ 64,867,091

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT
Statement of Activities
For the Year Ended June 30, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activties	Total
Functions/Program Activities							
Governmental Activities:							
General Government	$ 3,044,626	$ 358,225	$ 289,124	$ -	$ (2,397,277)	$ -	$ (2,397,277)
Library	206,000	-	-	-	(206,000)	-	(206,000)
Waste Disposal and Recycling	198,356	-	-	-	(198,356)	-	(198,356)
Public Safety	3,684,860	64,812	20,826	-	(3,599,222)	-	(3,599,222)
Public Works	3,096,519	245,626	607,565	426,070	(1,817,258)	-	(1,817,258)
Health	1,164,840	66,807	235,537	-	(862,496)	-	(862,496)
Parks and Recreation	263,445	15,000	-	-	(248,445)	-	(248,445)
Education	26,325,204	131,074	13,312,064	-	(12,882,066)	-	(12,882,066)
Interest on Long-Term Debt	146,895	-	-	-	(146,895)	-	(146,895)
Total Governmental Activities	38,130,745	881,544	14,465,116	426,070	(22,358,015)	-	(22,358,015)
Business-Type Activities							
Waterworks	1,575,518	1,790,896	-	-	-	215,378	215,378
Sewer	1,782,200	1,498,439	-	-	-	(283,761)	(283,761)
Total Business-Type Activities	3,357,718	3,289,335	-	-	-	(68,383)	(68,383)
Total Primary Government	$ 41,488,463	$ 4,170,879	$ 14,465,116	$ 426,070	(22,358,015)	(68,383)	(22,426,398)
General Revenues:							
Property Taxes					22,693,437	-	22,693,437
Grants and Contributions not Restricted to Specific Programs					275,647	-	275,647
Unrestricted Investment Earnings					227	-	227
Contributions to Permanent Fund Principal					2,550	-	2,550
Miscellaneous					126,873	-	126,873
Transfers					(68,514)	68,514	-
Total General Revenues and Transfers					23,030,220	68,514	23,098,734
Change in Net Position					672,205	131	672,336
Net Position at Beginning of Year (As Restated)					35,647,365	28,547,390	64,194,755
Net Position at End of Year					$ 36,319,570	$ 28,547,521	$ 64,867,091

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2016

	General	Federal and State Education Grants Fund	Sewer Assessment	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 7,564,537	$ -	$ -	$ 776,612	$ 8,341,149
Receivables, Net of Allowance	698,796	-	441,358	1,749,721	2,889,875
Prepaid Expenditures	45,138	-	-	-	45,138
Due from Other Funds	1,144,683	476,083	-	1,046,106	2,666,872
Other Assets	-	-	-	1,594	1,594
Total Assets	$ 9,453,154	$ 476,083	$ 441,358	$ 3,574,033	$ 13,944,628
Liabilities					
Accounts Payable and Accrued Items	$ 1,236,916	$ -	$ 1,801	$ 53,015	$ 1,291,732
Due to Other Funds	1,522,189	-	680,643	32,836	2,235,668
Due to Other Governments	-	-	-	153,130	153,130
Unearned Grant Revenue	-	476,083	-	-	476,083
Total Liabilities	2,759,105	476,083	682,444	238,981	4,156,613
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	425,414	-	-	-	425,414
Unearned Revenue - Advanced Property Tax Collections	94,124	-	-	-	94,124
Unavailable Revenue - Sewer Assessment Charges	-	-	441,358	-	441,358
Total Deferred Inflows of Resources	519,538	-	441,358	-	960,896
Fund Balances					
Nonspendable	-	-	-	1,505,939	1,505,939
Restricted	-	-	-	680,158	680,158
Committed	450,000	-	-	1,149,002	1,599,002
Unassigned	5,724,511	-	(682,444)	(47)	5,042,020
Total Fund Balances	6,174,511	-	(682,444)	3,335,052	8,827,119
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,453,154	$ 476,083	$ 441,358	$ 3,574,033	$ 13,944,628

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2016

Fund balances reported in governmental funds Balance Sheet	$ 8,827,119
Amounts reported for governmental activities in the government- wide Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets	71,162,925
Depreciation	(29,107,026)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property taxes receivable greater than 60 days	425,414
Sewer assessments receivable greater than 60 days	441,358
Interest receivable on property taxes	350,232
Interest receivable on sewer assessments	21,816
Certain changes related to pensions are deferred and amortized over time.	2,429,907
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
Bonds payable	(3,356,000)
Net Pension Liability	(9,322,300)
Net Pension Liability - MERS	(941,454)
OPEB obligation	(2,150,102)
Pollution remediation	(262,456)
Capital leases payable	(113,894)
Claims and judgments	(1,087,269)
Early retirement incentives	(50,500)
Compensated Absences	(948,200)
Net position of governmental activities	$ 36,319,570

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General	Federal and State Education Grants Fund	Sewer Assessment	Nonmajor Governmental Funds	Total
Revenues					
Property Taxes, Interest and Lien Fees	$ 22,967,681	$ -	$ -	$ -	$ 22,967,681
Intergovernmental Revenues	10,841,687	3,156,756	-	1,047,606	15,046,049
Interest and Dividends	22	-	-	205	227
Charges for Services	522,559	-	117,767	130,074	770,400
Licenses, Fees and Permits	200,988	-	-	-	200,988
Other Revenue	126,873	-	-	183,559	310,432
Total Revenues	34,659,810	3,156,756	117,767	1,361,444	39,295,777
Expenditures					
Current:					
General Government	2,810,989	-	-	223,777	3,034,766
Library	206,000	-	-	-	206,000
Miscellaneous	433,930	-	-	-	433,930
Waste Disposal and Recycling	198,356	-	-	-	198,356
Public Safety	3,432,816	-	-	-	3,432,816
Public Works	1,947,597	-	-	-	1,947,597
Health	339,625	-	-	231,303	570,928
Parks and Recreation	253,191	-	-	-	253,191
Education	22,235,653	3,172,865	-	434,296	25,842,814
Program and Project Expenditures	546,322	-	-	20,360	566,682
Debt Service:					
Principal Retirement	483,626	-	-	74,627	558,253
Interest	163,972	-	-	2,297	166,269
Capital Outlay	-	-	-	487,622	487,622
Total Expenditures	33,052,077	3,172,865	-	1,474,282	37,699,224
Excess/(Deficiency) of Revenues over Expenditures	1,607,733	(16,109)	117,767	(112,838)	1,596,553
Other Financing Sources/(Uses)					
Transfers In	39,080	26,682	-	650,333	716,095
Transfers Out	(635,333)	-	(107,222)	(42,054)	(784,609)
Total Other Financing Sources/(Uses)	(596,253)	26,682	(107,222)	608,279	(68,514)
Net Change in Fund Balances	1,011,480	10,573	10,545	495,441	1,528,039
Fund Balances at Beginning of Year	5,163,031	(10,573)	(692,989)	2,839,611	7,299,080
Fund Balances at End of Year	$ 6,174,511	$ -	$ (682,444)	$ 3,335,052	$ 8,827,119

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds	$ 1,528,039
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital expenditures	196,681
Depreciation expense	(1,026,129)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds	
Property taxes collected accrual basis change	(387,936)
Sewer assessment revenue accrual basis change	(89,844)
Interest income on property taxes	118,074
Interest income on sewer assessments	(4,382)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
General obligation bond principal payments	503,000
Amortization of deferred outflows related to pension benefits	1,737,718
Amortization of deferred inflows related to pension benefits	212,796
Certain benefits are expended in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred.	
Capital leases	(70,115)
Net Pension Liability	(2,031,001)
Net Pension Liability - MERS	(245,290)
OPEB obligation	(97,093)
Claims and judgments	133,550
Pollution Remediation	9,144
Early retirement incentives	96,000
Compensated Absences	88,993
Change in net position of governmental activities	$ 672,205

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Net Position
Proprietary Funds
June 30, 2016

	Waterworks	Sewer	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 999,277	$ 502,454	$ 1,501,731
Rents and Assessments Receivable, Net	79,816	74,283	154,099
Interest Receivable	10,195	8,814	19,009
Accrued Utility Reserve	387,205	299,370	686,575
Total Current Assets	1,476,493	884,921	2,361,414
Noncurrent Assets:			
Due from Other Funds	-	1,017,166	1,017,166
Nondepreciable Capital Assets	63,212	29,635	92,847
Capital Assets, Net of Accumulated Deprecation	13,755,612	15,084,635	28,840,247
Total Noncurrent Assets	13,818,824	16,131,436	29,950,260
Total Assets	$ 15,295,317	$ 17,016,357	$ 32,311,674
Deferred Outflows of Resources			
Unamortized Bond Costs	15,854	59,148	75,002
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Items	$ 57,648	$ 51,074	$ 108,722
Due to Other Funds	200,000	200,000	400,000
Current Portion of Long-Term Debt	283,674	239,989	523,663
Total Current Liabilities	541,322	491,063	1,032,385
Noncurrent Liabilities:			
Due to Other Funds	219,762	828,608	1,048,370
Compensated Absences	44,026	68,560	112,586
Clean Water Fund Loans	-	336,476	336,476
Bonds Payable	504,048	805,290	1,309,338
Total Noncurrent Liabilities	767,836	2,038,934	2,806,770
Total Liabilities	1,309,158	2,529,997	3,839,155
Deferred Inflows of Resources	-	-	-
Net Position			
Net Investment in Capital Assets	13,060,729	13,774,905	26,835,634
Unrestricted	941,284	770,603	1,711,887
Total Net Position	$ 14,002,013	$ 14,545,508	$ 28,547,521

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Waterworks	Sewer	Total
OPERATING REVENUES			
Charges for Services	$ 1,736,005	$ 1,463,736	$ 3,199,741
Fines, Penalties and Interest	54,891	34,703	89,594
Total Operating Revenues	1,790,896	1,498,439	3,289,335
OPERATING EXPENSES			
Operations	831,768	826,288	1,658,056
Maintenance	73,111	94,573	167,684
Depreciation Expense	468,783	640,221	1,109,004
Administration	167,549	160,978	328,527
Total Operating Expenses	1,541,211	1,722,060	3,263,271
Operating Income/(Loss)	249,685	(223,621)	26,064
NONOPERATING EXPENSES			
Interest Expense	(34,307)	(60,140)	(94,447)
Income/(Loss) before Transfers, and Other Changes	215,378	(283,761)	(68,383)
Transfers:			
Transfers In	-	107,222	107,222
Transfers Out	-	(38,708)	(38,708)
Total Transfers	-	68,514	68,514
Change in Net Position	215,378	(215,247)	131
Net Position - Beginning of Year, as Restated	13,786,635	14,760,755	28,547,390
Net Position - End of Year	$ 14,002,013	$ 14,545,508	$ 28,547,521

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Waterworks	Sewer	Total
Cash Flows from Operating Activities:			
Receipts from Customers and Users	$ 1,901,561	$ 1,596,384	$ 3,497,945
Receipts from Interfund Services	6,429	6,429	12,858
Payments to Employees	(167,257)	(155,328)	(322,585)
Payments to Suppliers	(909,890)	(954,531)	(1,864,421)
Net Cash Provided by Operating Activities	830,843	492,954	1,323,797
Cash Flows from Noncapital Financing Activities:			
Advance/(Repayment) from General Fund	(121,809)	(114,072)	(235,881)
Advance/(Repayment) from Sewer Assessments	-	10,269	10,269
Advance/(Repayment) from Proprietary Funds	1,013	(1,013)	-
Net Cash Used by Noncapital Financing Activities	(120,796)	(104,816)	(225,612)
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Bonds Payable	(250,000)	(160,000)	(410,000)
Principal Payments on Clean Water Fund Loans	-	(30,916)	(30,916)
Principal Payments on General Fund Bonds Payable	-	(29,000)	(29,000)
Purchase of Capital Assets	(24,745)	(24,745)	(49,490)
Interest Paid on Bonds Payable and Clean Water Fund Loans	(30,424)	(66,049)	(96,473)
Highland Lake Assessments	-	107,222	107,222
Net Cash Used by Capital and Related Financing Activities	(305,169)	(203,488)	(508,657)
Cash Flows from Investing Activities:			
Net Cash Provided by Investing Activities	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	404,878	184,650	589,528
Cash and Cash Equivalents at Beginning of Year	594,399	317,804	912,203
Cash and Cash Equivalents at End of Year	$ 999,277	$ 502,454	$ 1,501,731
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	$ 249,685	$ (223,621)	$ 26,064
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities:			
Depreciation	468,783	640,221	1,109,004
Change in Assets and Liabilities:			
(Increase) Decrease in Rents Receivable	53,971	30,422	84,393
(Increase) Decrease in Interest Receivable	1,883	10,167	12,050
(Increase) Decrease in Accrued Utility Reserve	61,240	63,785	125,025
Increase (Decrease) in Accounts Payable and Accrued Expenses	(5,011)	(33,670)	(38,681)
Increase (Decrease) in Accrued Vacation and Sick Leave Benefits	292	5,650	5,942
Total Adjustments	581,158	716,575	1,297,733
Net Cash Provided by Operating Activities	$ 830,843	$ 492,954	$ 1,323,797

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fiduciary Net Position
June 30, 2016

	Pension Trust Fund	Agency Funds
Assets		
Cash and Cash Equivalents	$ -	$ 27,573
Investments, at Fair Value:		
Short-Term Investments	596,394	-
Mutual Funds	6,669,624	-
Total Investments, at Fair Value	7,266,018	-
Accrued Income	10,442	-
Total Assets	$ 7,276,460	$ 27,573
Deferred Outflows of Resources	-	-
Liabilities		
Fiduciary Deposits	$ -	$ 27,573
Total Liabilities	-	$ 27,573
Deferred Inflows of Resources	-	-
Net Position		
Restricted for Pension Benefits	$ 7,276,460	

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2016

		Pension Trust Fund
Additions		
Contributions:		
Employer	$	712,716
Plan Members		62,554
Total Contributions		775,270
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments		(541,316)
Interest		331,423
Total Investment Income		(209,893)
Total Additions		565,377
Deductions		
Benefits		769,799
Administrative expenses		46,508
Total Deductions		816,307
Change in Net Position		(250,930)
Net Position at Beginning of Year		7,527,390
Net Position at End of Year	$	7,276,460

See accountant's report.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity
The Town of Winchester, Connecticut, was incorporated in 1771. The Town operates under a Selectmen-Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, health, welfare, parks, recreation, and elementary and secondary education. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

The Winchester Housing Authority (the Authority) has been determined to be a related organization of the Town of Winchester, Connecticut, as the governing body of the Authority is appointed by the Town. The Authority is not included in this report, as the Town is not obligated to finance any deficit that the authority may incur, nor does the Town significantly subsidize the Authority; the Town obtains no financial benefit, nor can it impose its will upon the Authority.

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

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

> The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *Federal and State Education Grants Fund* is to account for revenues and expenditures of various education grants.
>
> The *Sewer Assessment Fund* is used to account for the sewer assessment revenues and expenditures related to the Highland Lake sewer project.

The Town reports the following major proprietary funds:

The *Waterworks Fund* is used to account for the financial operations of the Winsted Waterworks. All necessary activities to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. The Water and Sewer Commission, as empowered by the Town Charter, oversees the operation of the Winsted Waterworks.

The *Sewer Fund* is used to account for the financial operations of the Town's sewer utility. All activities necessary to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. Authority over the operations of the Sewer Fund is with the Water and Sewer Commission.

Additionally, the Town reports the following fund types:

The *Pension Trust Fund* is used to account for the activities of the Town's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town as a custodian for outside student and municipal groups.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

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

Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less. This definition also applies to the proprietary statement of cash flows.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

Fair Value of Financial Instruments
In accordance with ASC 820-10, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

a. Quoted prices for similar assets or liabilities in active markets.
b. Quoted prices for identical or similar assets in markets that are not active;
c. Observable inputs other than quoted prices for the assets or liability;
d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are carried at fair value based on Level 1 observable inputs and are presented in Note 3.

Inventories - 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.

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Capital Assets - Capital assets, which include property, plant and equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.
Property, plant and equipment and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Buildings, Structures and Improvements	50
Equipment	7-15
Distribution reservoirs and standpipes	50
Infrastructure	7-100

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports the deferred charge on refunding in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports Deferred Pension Expense in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense 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 and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The government reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and sewer assessments. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

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

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

Compensated Absences - A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Sick leave may be accumulated by employees in accordance with union contracts until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity and Net Position – Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The equity of the fund financial statements is defined as "fund balance" and is classified in the following five separate categories:

> *Nonspendable Fund Balance* - Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.
>
> *Restricted Fund Balance* - Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
>
> *Committed Fund Balance* - Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Selectman and Town Meeting in accordance with provisions of the Connecticut General Statutes.
>
> *Assigned Fund Balance* - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Winchester Board of Selectmen or department head as specified in the Town Charter.
>
> *Unassigned Fund Balance* - Represents the remaining fund balance after amounts are set aside for all other classifications. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies establishing stabilization funds.

The Town's Policy on Fund Balance is as follows:

> The Town of Winchester shall increase the level of its unassigned and assigned fund balance (in relation to General Fund expenditures) to at least ten percent by the conclusion of the fiscal year ending in 2018 (as indicated in the audited financial statements of that fiscal year).
>
> Until the minimally recommended threshold of ten percent of General Fund expenditures is achieved in the fund balance, the funds used to restore the unassigned and assigned fund balance will be specifically designated within each successive budget. Furthermore, unanticipated "one-time" revenues exceeding $50,000 shall be designated directly to fund balance.
>
> Until the minimally recommended threshold of ten percent of General Fund expenditures is achieved in the fund balance, this policy shall be annually reconsidered by the Board of Selectman at the second regularly scheduled Board of Selectman meeting in February.

Property Taxes
The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A physical revaluation of all real property is required to be completed every ten years, and a statistical revaluation is required to be completed every five years. The Town had a revaluation of its property as of October 1, 2012. The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. A mill rate was applied to the Grand List. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are placed on delinquent accounts in June following the levy date.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

NOTE 2 - **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Information
Budgets are authorized annually by the Board of Selectmen.

Program budgets are established for funds not budgeted normally. The procedures establishing the budgetary data reflected in the financial statements are as follows:

- Prior to March 16, the Town Manager submits to the Board of Selectmen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at locations throughout the Town to obtain taxpayer comments.
- The budget is reviewed at the annual Town budget meeting and sent to referendum for enactment by vote of the general public.
- Upon request of the Town Manager, but only within the last three months of the fiscal year, only the Board of Selectmen may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. Management cannot amend the budget.
- The control level on which expenditures may not legally exceed appropriations is the departmental level. The Board of Selectman must approve transfers within a department. Unencumbered appropriations lapse at the close of the fiscal year, except for those appropriations which are made for capital improvements.

The budgets are prepared on a modified-accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Budgeted amounts are as originally adopted, or as amended by the Board of Selectmen. There were no additional appropriations for the year ended June 30, 2016.

Deficit Fund Equity
The following nonmajor funds had deficit fund balances as of June 30, 2016:

Redevelopment Fund	(47)

NOTE 3 – **DETAILED NOTES ON ALL FUNDS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository." The following is a summary of cash and cash equivalents at June 30, 2016.

Detailed Cash Notes on all Funds

	Governmental Funds	Fiduciary Funds	Proprietary Funds	Total
Demand Accounts	$ 8,341,149	$ 27,573	$ 1,501,731	$ 9,870,453
Total	$ 8,341,149	$ 27,573	$ 1,501,731	$ 9,870,453

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

At year-end, the Town's carrying amount of deposits was $9,870,453 and the bank balance was $10,413,016. Of the bank balance, the Federal Depository Insurance Corporation insured $807,763.

As of June 30, 2016, $9,605,253 of the Town's bank balance of $10,413,016 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 8,569,728
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	1,035,525
Total	$ 9,605,253

Investments

As of June 30, 2016, the Town had the following investments in the Pension Trust Fund:

				Investment Maturities		
Investment Type	Credit Rating	Fair Value	Not Applicable	Less Than 1	1-10	More Than 10
Short-term Investments	N/A	$ 596,394	$ -	$ 596,394	$ -	$ -
Mutual Funds	N/A	6,669,624	6,669,624	-	-	-
Total Investments		$ 7,266,018	$ 6,669,624	$ 596,394	$ -	$ -

N/A - Not Applicable

The following is a summary of assets measured at fair value:

		Fair Value Measurements Using		
Description	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	596,394	596,394	-	-
Short-Term Investments	6,669,624	6,669,624	-	-
Total	$ 7,266,018	$ 7,266,018	$ -	$ -

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

Credit Risk-Investments- The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk- The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk- Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Receivables

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

	General Fund	Sewer Assessment	Waterworks	Sewer	Nonmajor and Other Funds	Total
Receivables:						
Property taxes	$ 580,354	$ -	$ -	$ -	$ -	$ 580,354
Sewer assessment	-	441,358	-	-	-	441,358
Intergovernmental	-	-	-	-	443,025	443,025
Loans *	-	-	-	-	1,306,696	1,306,696
Interest, Liens, and Fees	-	-	10,195	8,814	-	19,009
Rents and assessments	-	-	95,722	82,488	-	178,210
Accounts	163,857	-	-	-	-	163,857
Gross receivables	744,211	441,358	105,917	91,302	1,749,721	3,132,509
Less allowance for uncollectibles:						
Property taxes	(45,415)	-	-	-	-	(45,415)
Rents and assessments	-	-	(15,906)	(8,205)	-	(24,111)
Total allowance	(45,415)	-	(15,906)	(8,205)	-	(69,526)
Net Total Receivables	$ 698,796	$ 441,358	$ 90,011	$ 83,097	$ 1,749,721	$ 3,062,983

* Not expected to be collected within one year.

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

	Unavailable	Unearned
General Fund:		
Delinquent property taxes receivable	$ 425,414	$ -
Prepaid taxes	-	94,124
Sewer Assessment:		
Assessments receivable not yet due	441,358	-
Total Deferred/Unearned Revenue for Governmental Funds	$ 866,772	$ 94,124

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets, not being depreciated				
Land	$ 25,700,445	$ -	$ -	$ 25,700,445
Construction in Progress	201,420	-	-	201,420
Total capital assets, not being depreciated	25,901,865	-	-	25,901,865
Capital assets, being depreciated				
Buildings	4,364,446	-	-	4,364,446
Improvements	3,545,190	-	-	3,545,190
Machinery & Equipment	8,808,829	196,681	(16,700)	8,988,810
Infrastructure	28,362,614	-	-	28,362,614
Total capital assets, being depreciated	45,081,079	196,681	(16,700)	45,261,060
Less accumulated depreciation for:				
Buildings	3,206,921	33,247	-	3,240,168
Improvements	1,174,692	46,006	-	1,220,698
Machinery & Equipment	5,967,941	323,680	(16,700)	6,274,921
Infrastructure	17,748,043	623,196	-	18,371,239
Total accumulated depreciation, net	28,097,597	1,026,129	(16,700)	29,107,026
Total capital assets, being depreciated	16,983,482	(829,448)	-	16,154,034
Governmental Activities capital assets, net	$ 42,885,347	$ (829,448)	$ -	$ 42,055,899
Business-Type Activities:				
Capital assets not being depreciated				
Land	$ 92,847	$ -	$ -	$ 92,847
Total capital assets, not being depreciated	92,847	-	-	92,847
Capital assets, being depreciated				
Buildings	35,540,811	-	-	35,540,811
Improvements	3,012,252	-	-	3,012,252
Machinery & Equipment	5,755,871	49,490	-	5,805,361
Infrastructure	15,646,258	-	-	15,646,258
Total capital assets, being depreciated	59,955,192	49,490	-	60,004,682
Less accumulated depreciation for:				
Buildings	16,216,721	720,464	-	16,937,185
Improvements	1,454,146	-	-	1,454,146
Machinery & Equipment	5,539,949	34,309	-	5,574,258
Infrastructure	6,844,615	354,231	-	7,198,846
Total accumulated depreciation	30,055,431	1,109,004	-	31,164,435
Total capital assets, being depreciated, net	29,899,761	(1,059,514)	-	28,840,247
Business-Type Activities capital assets, net	$ 29,992,608	$ (1,059,514)	$ -	$ 28,933,094

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

Governmental activities:	
General Government	$ 71,951
Public Safety	155,853
Public Works	699,534
Education	68,157
Parks and Recreation	30,634
Total Depreciation Expense Governmental Activities	$ 1,026,129
Business-type activities	
Waterworks	$ 468,783
Sewer	640,221
Total Depreciation Expense Business-Type Activities	$ 1,109,004

Construction Commitments

The Town has several active bridge construction projects as of June 30, 2016. At year-end, the Town's commitments are as follows:

	Spent to Date	Remaining Commitment
Holabird Avenue Bridge	$ 121,363	$ 25,000
West Road Bridge	63,500	235,500
	$ 184,863	$ 260,500

Except for certain engineering costs the State of Connecticut has assumed management and financial responsibility for the Holabird Avenue Bridge Project. The West Road Project Costs are estimated to be $586,000 of which $287,000 is to be funded by the State of Connecticut. The Sucker Brook Road Bridge Project has been postponed due to an increase in scope and costs. At June 30, 2016 the Town has no contractual commitment to the project. However, $175,000 has been appropriated in the Capital Improvements Fund toward this project.

Interfund Transfers, Receivables, and Payables

	Transfer from:						
Transfer to:	General Fund	Sewer Fund	Sewer Assessments	Dog Fund	Champs Fund	Soliders Monument Fund	Total
General Fund	$ -	$ 38,708	$ -	$ 372	$ -	$ -	$ 39,080
Soldiers Monument Rest. Fund	-	-	-	-	-	15,000	15,000
Fed/State Grants Fund	-	-	-	-	26,682	-	26,682
Capital Improvements Fund	635,333	-	-	-	-	-	635,333
Sewer Fund	-	-	107,222	-	-	-	107,222
	$ 635,333	$ 38,708	$ 107,222	$ 372	$ 26,682	$ 15,000	823,317

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds and bond payments in the Sewer Fund paid from sewer assessments.

Interfund receivables and payables are a result of temporary loans and/or advances to various funds. A portion of the amounts due to the General Fund from the Waterworks and Sewer Funds, the amount due from Sewer Assessments to the Sewer Fund, and the amounts due from the General Fund to Nonmajor Funds are not expected to be repaid within one year. The composition of interfund balances as of June 30, 2016 is as follows:

	Due To:			
Due From:	General Fund	Nonmajor Funds	Sewer Fund	Total
General Fund	$ -	$ 1,522,189	$ -	$ 1,522,189
Nonmajor Funds	32,836	-	-	32,836
Sewer Assessments	-	-	680,643	680,643
Sewer Fund	1,028,608	-	-	1,028,608
Waterworks Fund	83,239	-	336,523	419,762
	$ 1,144,683	$ 1,522,189	$ 1,017,166	$ 3,684,038

Long-Term Debt

Changes in Long-Term Liabilities
Long-Term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds and notes	$ 3,859,000	$ -	$ 503,000	$ 3,356,000	$ 420,000
Capital leases	43,779	144,742	74,627	113,894	48,893
Compensated absences	1,037,193	-	88,993	948,200	205,338
Heart and hypertension	1,220,819	-	133,550	1,087,269	133,811
Pollution remediation	271,600	-	9,144	262,456	-
Early retirement incentives	146,500	-	96,000	50,500	40,500
Net Pension Liability	7,291,299	2,031,001	-	9,322,300	-
Net Pension Liability-MERS (Restated)	696,164	245,290	-	941,454	-
OPEB obligation	2,053,009	97,093	-	2,150,102	-
Total Governmental Activities Long-Term Liabilities	$ 16,619,363	$ 2,518,126	$ 905,314	$ 18,232,175	$ 848,542
Business-Type Activities:					
Bonds payable:					
General obligation bonds	$ 2,095,000	$ -	$ 410,000	$ 1,685,000	$ 410,000
Plus deferred amounts:					
Issuance premiums on refunding	54,548	-	10,105	44,443	10,105
Total bonds payable	2,149,548	-	420,105	1,729,443	420,105
Clean water fund loans	398,933	-	30,916	368,017	31,541
Compensated absences	178,662	5,941	-	184,603	72,017
Total Business-Type Activities Long-Term Liabilities	$ 2,727,143	$ 5,941	$ 451,021	$ 2,282,063	$ 523,663

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

General Obligation Bonds
The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have also been issued for business-type activities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Original Issue	Interest Rate	Date of Maturity	Annual Principal	Principal Outstanding June 30, 2016
General Purposes:						
Public Improvements	8/14/2008	6,316,000	4.02%	8/15/2023	$ 416,000 - 425,000	$ 3,356,000
Water and Sewer:						
General refunding	8/15/2002	6,290,000	2-5%	6/1/2022	150,000 - 490,000	935,000
General refunding	1/15/2004	3,900,000	2-4%	8/1/2018	250,000	750,000
						$ 5,041,000

All bonds are general obligation bonds secured by the general revenue raising powers of the Town, and payment will be provided by General Fund revenues, except for proprietary fund type bonds, which are expected to be paid from the receipts of the related fund, and Highland Lake Sewer Fund Bonds, which are expected to be paid by revenues of the Sewer Assessment Fund.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Governmental activities		Business-type activities	
Ending	Principal	Interest	Principal	Interest
2017	420,000	126,469	410,000	69,563
2018	420,000	109,585	410,000	52,763
2019	420,000	92,701	405,000	35,763
2020	420,000	75,817	155,000	23,788
2020	420,000	58,933	155,000	16,813
2021-2025	1,256,000	75,576	150,000	7,125
Total	$ 3,356,000	$ 539,081	$ 1,685,000	$ 205,815

Clean Water Fund Notes
The Town is currently participating in a capital project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for "eligible water quality project costs." The notes were converted to permanent financing on January 31, 2008, and the balance as of June 30, 2016, was $368,017. The notes carry an interest rate of 2%.

Project loan obligations payable to the State of Connecticut mature as follows:

Year	Business-Type Activities	
Ending	Principal	Interest
2017	31,540	7,072
2018	32,176	6,436
2019	32,826	5,786
2020	33,488	5,124
2021	34,164	4,448
2022-2026	181,448	11,613
2027	22,375	149
Total	$ 368,017	$ 40,628

Clean Water Fund notes will be repaid by sewer user fees.

Pollution Remediation
Pursuant to federal and state laws, the Town has recorded a liability of $262,456 for remediation of 32 Lake Street. Management has estimated this liability taking into account data based on estimates from their consulting firm. The estimated liability has the potential to change due to factors such as price increases or decreases, changes in technology, or changes in applicable laws or regulations.

Early Retirement Incentives
During 2013, 2014, 2015, and 2016 the Board of Education offered the following options for each employee who was eligible and who opted to participate: 1) cash payment (less state and federal taxes and FICA contribution), payable in three equal installments, with the first payment paid to the employee on September 30th of the following fiscal year, with annual payments in each ensuing year being due on September 30th ; 2) cash payment and a contribution to each employee for three years as a subsidy towards that employee's health insurance costs, payable in three equal installments, with the first payment paid to the employee on September 30th of the following fiscal year, with annual payments in each ensuing year being due on September 30th. In 2013, nine teachers chose early retirement, in 2014, six teachers chose early retirement, and in 2015, five teachers chose early retirement. In 2016, a liability of $50,500 is recorded in the government-wide financial statements.

Leases

Capital Leases
The Town has entered into lease agreements as lessee for financing the acquisition of police vehicles and public works equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	$ 244,015
Less accumulated depreciation	(52,903)
Total	$ 191,112

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

	Governmental Activities
Year ending June 30:	
2017	$ 53,774
2018	42,203
2019	26,212

Operating Leases
During the fiscal year 2011, the Board of Education signed a copier lease agreement for six copiers. The lease requires 60 monthly payments of $4,791. Total lease payments in the current fiscal year were $57,492.

The Town has entered into several lease agreements for equipment. These leases require monthly or quarterly payments from $82 to $1,959. These leases expire ranging from July 2017 to October 2020. Total lease expense for 2016 was $26,595.

Future minimum lease payments under current agreements are as follows:

	Governmental Activities
Year ending June 30:	
2017	$ 66,563
2018	27,405
2019	23,508
2020	23,508
2021	3,918

NOTE 4 - FUND BALANCE ASSIGNMENTS

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

	General Fund	Major Special Revenue Funds	Non-Major Governmental Funds	Total
Fund balances:				
Nonspendable:				
Small Cities	$ -	$ -	$ 1,306,696	$ 1,306,696
Cafeteria Fund	-	-	1,594	1,594
Forest View Cemetery Fund	-	-	138,267	138,267
Winchester Center Cemetery Fund	-	-	38,410	38,410
Winchester Memorial Park Fund	-	-	14,061	14,061
Town Park Fund	-	-	6,911	6,911
Total Nonspendable	$ -	$ -	$ 1,505,939	$ 1,505,939
Restricted for:				
Small Cities	$ -	$ -	$ 13,343	$ 13,343
Homeless Shelter Fund	-	-	188	188
Brownfields Pilot Program	-	-	103,027	103,027
Elderly Enrichment Part I Fund	-	-	10,916	10,916
Soldiers Monument Fund	-	-	3,488	3,488
Cemetery Association Trust Fund	-	-	669	669
Soldiers Monument Restoration Fund	-	-	135,295	135,295
Bullet Proof Vests Fund	-	-	392	392
JAG Grant Fund	-	-	14,672	14,672
EDC Donation Fund	-	-	249	249
Champs Fund	-	-	46,835	46,835
Grants & Donations Fund	-	-	101,427	101,427
Winchester School Trust Fund	-	-	83,481	83,481
Forest View Cemetery Fund	-	-	75	75
Winchester Center Cemetery Fund	-	-	22	22
Winchester Bond Sinking Fund	-	-	18	18
Forest View Cemetery Chapel Trust	-	-	630	630
Crippled Children Trust Fund	-	-	445	445
Jane A Nisbet Fund	-	-	7,784	7,784
Town Park Fund	-	-	149,103	149,103
Beverly Passbook Fund	-	-	8,099	8,099
Total Restricted	$ -	$ -	$ 680,158	$ 680,158
Committed to:				
Industrial Park #2 Fund	$ -	$ -	$ 186,984	$ 186,984
Cafeteria Fund	-	-	8,642	8,642
City Sidewalks Fund	-	-	859	859
Highland Lake Catch Basin Fund	-	-	870	870
Unexpended Education Funds Account	-	-	92,260	92,260
Capital Improvements Fund	450,000	-	859,387	1,309,387
Total Committed	$ 450,000	$ -	$ 1,149,002	$ 1,599,002
Unassigned:				
General Fund	$ 5,724,511	$ -	$ -	$ 5,724,511
Sewer Assessment Fund	-	(682,444)	-	(682,444)
Redevelopment Fund	-	-	(47)	(47)
Total Unassigned	$ 5,724,511	$ (682,444)	$ (47)	$ 5,042,020

NOTE 5 - EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

As of July 1, 2014 non-union employees and newly hired union positions are eligible to participate in a Defined Contribution retirement plan administered by the Town. The deferred compensation plan currently has 2 participants enrolled in the plan. The Town will match employee contributions up to 6% of eligible compensation. There were no expenses to the Town for the year ended June 30, 2016, as the matching contributions were made after year end.

Defined Benefit Pension Plan

Plan Description - The Town of Winchester is the administrator of a single-employer public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its municipal employees. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries. The PERS is considered to be part of the Town of Winchester's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The plan does not issue a stand-alone financial report. The Retirement Administration Board has the authority to make rules and regulations for the administration of the plan. The Board consists of the Town Manager, two citizens at large, and two non-supervisory employees of the Town appointed by the Board of Selectmen. The Town manager's seat is ex-officio (non-voting).

Classes of Employees Covered and Current Membership – All union employees hired prior to June 30, 2014 (except Police Officers covered by CMERS, those covered by the State of Connecticut Teachers Retirement System, and alternative funding source employees) at least 21 years of age and having six months of service are eligible. One year of credited service is earned for each calendar year during which 1,000 hours is worked. Current membership consists of the following:

Active plan members	43
Inactive plan members or beneficiaries receiving benefits	48
Inactive plan members entitled to but not yet receiving benefits	9
Total plan participants	100

Benefits Provided - Employees are 100% vested after five years of continuous service as long as their contributions remain in the fund upon termination. Employees who retire at the normal retirement age 65 or 5 years of service (age 55 or 10 years of services for BOE members); or upon meeting the rule of 75 (age plus years of service = 75) receive a retirement benefit for life of 2% times years of credited service (maximum of 25 years for BOE; 35 years for all other employees) of the average of the three highest consecutive years of compensation out of the last 10 years prior to retirement. No cost of living adjustments are included. Members can withdraw or discontinue their contributions at any time during their service with the Town. They can re-join the plan after one year from the date the participant elected to withdraw or discontinue their contributions. Members' contributions are also returnable on termination or upon death while active. The balance of contributions are returnable after retirement (less any benefits paid) provided in each case that no death benefits are otherwise paid.

Contributions - The contribution requirements of the Town are established and may be amended by the Board of Selectmen, as suggested by the actuarial valuations. The actuarial method used to develop the annual funding percentage for all benefits is the Entry Age Normal Actuarial Cost Method. The Town currently contributes at the actuarially determined rate; the current rate is 26.53% of annual covered payroll. Plan participants from the Board of Education are required to contribute 2.5% of their earnings up to the Social Security base and 5% of earnings over the Social Security base. All others must contribute 5% of earnings. Costs to administer the plan are paid by the Pension Trust Fund and are included in the actuarially determined contribution. Investment management fees are also paid out of the Pension Trust Fund.

Summary of Significant Accounting Policies

Basis of Accounting - The Town of Winchester Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investment Policy – The Pension Plan's policy in regards to the allocation of invested assets is established and may be amended by the Board of Selectmen. It is the policy of the Town's board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Method Used to Value Investments: All funds are invested at Morgan Stanley and administered through First State Trust Company, and are reported at fair value. Investment income is recognized as earned.

There were no investments that represented 5% or more of the pension plan's fiduciary net position.

Money-weighted Rate of Return – For the year ended June 30, 2016 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -3.13 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Currently there is no Deferred Retirement Option Plan.

Net Pension Liability of the Town

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

Schedule of Net Pension Liability

	2016
Total pension liability	$ 16,598,760
Plan fiduciary net position	7,276,460
Net pension liability (asset)	9,322,300
Plan fiduciary net position as a percentage of total pension liability	43.84%
Covered-employee payroll	2,254,826
Net pension liability as a % of covered-employee payroll	413.44%

Actuarial Methods and Assumptions - The annual required contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the entry age normal actuarial cost method. The funding policy consists of two parts, normal cost plus an amortization of the plan's Unfunded Actuarial Liability. For the January 1, 2015 valuation, an open amortization period of 30 years was used. Significant actuarial assumptions used include: (1) rate of return on investments of 7.75% per year, (2) projected salary increases of 3.0% per year, and (3) a normal retirement age at the later of age 65 or 5 years of service. The unfunded actuarial accrued liability is being amortized over 30 years. Mortality was based on RP-2000 Mortality Table with separate male and female rates, no collar adjustment, a combined table for non-annuitants and annuitants, and projected to the valuation date with Scale AA. An expenses study has not been performed.

Discount Rate – The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where a) contributions amounts are established by statute or contract or b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover the expected benefit payments and administrative expenses.

Plans that are projected to have a sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. Plans that are projected to not have a sufficient fiduciary net position (i.e., assets are not sufficient to cover future benefit payments and administrative expenses) will be required to use a blended single equivalent discount rate, which may be significantly lower that the long-term expected rate of return on investments and will result in higher liabilities. A single equivalent interest rate of 3.99% was used for the current discount rate.

	Current Discount Rate 3.99%	1% Decrease Discount Rate 2.99%	1% Increase Discount Rate 4.99%
Net pension liability as of June 30, 2016	\$9,322,300	\$11,285,333	\$7,658,969

Valuation Date and Roll Forward Process – The plan used the January 1, 2015 valuation to calculate the Actuarially Determined Employer Contribution for fiscal year ending June 30, 2016. The January 1, 2015 Total Pension Liability was increased by service cost, interest, and decreased by benefit payments to estimate the Total Pension Liability as of June 30, 2016. The Total Pension Liability as of June 30, 2016 was also adjusted to reflect any material plan changes after the valuation.

Target Allocation and Expected Rate of Return
June 30, 2016

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *	Weighting
U.S. Large Cap	20.00%	5.70%	1.14%
U.S. Mid Cap	10.00%	6.20%	0.62%
U.S. Small Cap	6.00%	6.70%	0.40%
International-Developed	10.00%	5.80%	0.58%
Emerging Markets	7.00%	2.20%	0.15%
Domestic Government Fixed	10.00%	1.70%	0.17%
Global High Yield	5.00%	5.00%	0.25%
International Fixed	5.00%	2.00%	0.10%
Global Inflation Adjusted	5.00%	1.40%	0.07%
Hedge Strategy	10.00%	2.80%	0.28%
Real Estate	5.00%	4.70%	0.24%
Commodities	2.00%	1.30%	0.03%
Cash	5.00%	0.00%	0.00%
	100.00%		4.03%
Long-Term Inflation Expectation			3.00%
Long-Term Expected Nominal Return			7.03%

* Long-term returns are provided by Morgan Stanley. The returns are geometric means.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.5% and 7.75%. An expected rate of return of 7.75% was used for purposes of the actuarial valuation. A rate of 3.99% was used in the calculation of liabilities for GASB purposes contained in this report.

	Increase (Decrease)		
	Total Pension Liablity (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2015	$ 14,855,425	$ 7,564,126	$ 7,291,299
Changes for the year:			
Service Cost	356,834	-	356,834
Interest	786,103	-	786,103
Differences Between Expected and Actual Experience	(756,267)	-	(756,267)
Changes in Assumptions	2,126,873	-	2,126,873
Employer Contributions	-	598,100	(598,100)
Member Contributions	-	118,366	(118,366)
Net Investment Income	-	(228,997)	228,997
Benefit Payments	(770,208)	(770,208)	-
Administrative Expenses	-	(4,927)	4,927
Net Changes	1,743,335	(287,666)	2,031,001
Balance at June 30, 2016	$ 16,598,760	$ 7,276,460	$ 9,322,300
Plan fiduciary net position as a percentage of the total pension liability			43.84%
Covered-Employee Payroll			$ 2,254,826
Net pension liability as a percentage of covered-employee payroll			413.44%

For the year ended June 30, 2016, the Town recognized pension expense of $1,181,583. As of June 30, 2016, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Town contributions subsequent to the measurement date	$ 500,000	$ -
Differences between expected and actual experience	-	(540,479)
Changes of assumptions	1,519,195	-
Net difference between projected and actual earnings of Pension Plan investments	605,535	-
Total	$ 2,624,730	$ (540,479)

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2017	$ 551,449
2018	551,449
2019	355,680
2020	125,673
	$ 1,584,251

Connecticut Teachers Retirement Board

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

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

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

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

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7.25% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2016 the certified teachers' contribution to the Connecticut Teachers Retirement Board was $353,728. Covered payroll for the Town for the year ended June 30, 2016 was approximately $4,879,007.

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

Town's proportionate share of the net pension liability	$ -
State's proportionate share of the net pension liability associated with the Town	14,125,042
Total	$ 14,125,042

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

For the year ended June 30, 2016, the Town recognized benefits expense and contribution revenue of $1,191,997 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized $1,131,772 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

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 through June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.00 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.

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

The long-term expected rate of return on pension investments was determined using a log-normal distributions 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	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Liquidity Fund	6.00%	0.40%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 8.5%. 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is $0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Municipal Employees' Retirement System

Plan Description: All Town employees not covered by the Town pension plan or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). This is a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating local government authorities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit Provisions: The Plan provides retirement, disability and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement: For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1.5% of the average of the three highest paid years of service not in excess of the year's breakpoint, times years of service. Maximum benefit is 100% of average final compensation and the minimum benefit is $1,000 annually.

Early Retirement: Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement – Service Connected: Employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability, are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement – Non-Service Connected: Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Death Benefit: Employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Contributions - Member: Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2.25% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

Contributions – Employer: Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2016 the Town reports a total liability of $941,454 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2016, the Town's proportion was 3.08%. Due to this year being the first cycle of implementation, the increase or decrease in proportion from June 30, 2014 is not available.

For the year ended June 30, 2016, the Town recognized pension expense of $197,481. As of June 30, 2016, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions subsequent to the measurement date	$ 274,508	$ -
Net difference between projected and actual earnings of Pension Plan investments	230,745	(159,597)
Total	$ 505,253	$ (159,597)

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2017	$ 4,487
2018	4,487
2019	4,487
2020	57,687
	$ 71,148

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Inflation	3.25 Percent
Salary increases, including inflation	4.25-11.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	8.00 Percent

Mortality rates were based on the RP-2000 Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

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 long-term expected rate of return on pension investments was determined using a log-normal distributions 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	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	16.00%	5.80%
Developed Non-U.S. Equities	14.00%	6.60%
Emerging Markets (Non-U.S.)	7.00%	8.30%
Core Fixed Income	8.00%	1.30%
Inflation Linked Bond Fund	5.00%	1.00%
Emerging Market Bond	8.00%	3.70%
High Yield Bonds	14.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	10.00%	7.60%
Alternative Investments	8.00%	4.10%
Liquidity Fund	3.00%	0.40%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the 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 plan 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate of 8.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	7.0%	8.0%	9.0%
Net Pension Liability as of June 30, 2016	$ 1,761,973	$ 941,454	$ 257,734

For the fiscal year ended June 30, 2015, the fiduciary net position of the plan was restated by the Auditors of Public Accounts to include the gross amount of contributions receivable as of July 1, 2014. The result of the restatement was to increase the July 1, 2014 fiduciary net position from the amount reported in the prior year audited financial statements by $47,797.

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligations

The Town allows certain retirees and their spouses to remain on the Town's health insurance plan. All eligible employees pay 100% of the premiums. Premiums for police retirees had been historically paid from a co-funded Retiree Insurance Fund. In accordance with a collective bargaining agreement, when funds were exhausted the benefits ceased. A new collective bargaining agreement provides a new framework for restoring medical benefits for Police Department retirees, with the program going into effect July 1, 2015. The Town's cost is calculated based on the annual required contributions (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	$ 369,733
Interest on net OPEB obligation	71,855
Adjustment to annual required contribution	(107,826)
Annual OPEB cost	333,762
Contributions made	236,669
Increase in net OPEB obligation	97,093
Net OPEB Obligation, Beginning of Year	2,053,009
Net OPEB Obligation, End of Year	$ 2,150,102

OPEB obligations are liquidated by monies from the General Fund.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Cotributed	Net OPEB Obligation
June 30, 2014	$ 649,579	$ 424,622	65.4%	$ 1,666,422
June 30, 2015	650,472	424,622	65.3%	2,053,009
June 30, 2016	333,762	236,669	70.9%	2,150,102

As of July 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately $5.7 million, and the actuarial value of assets was $-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately $5.7 million. The covered payroll (annual payroll of active employees covered by the plan) was $7.2 million. For 2015, the UAAL was 79% of the covered payroll.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into 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 employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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

In the July 1, 2014 actuarial valuation, the normal cost method was used. The actuarial assumptions include a 3.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 8% initially, reduced by decrements of 0.5% per year to an ultimate rate of 4.75% for 2021 and later. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll over a constant 30-year period.

NOTE 7 - **OTHER INFORMATION**

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except for worker's compensation, which is handled through an interlocal risk pool. Settled claims for these risks did not exceed commercial insurance coverage during the year ended June 30, 2014, 2015 and 2016.

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2016, 2015 and 2014, is presented below:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2013-14	1,488,701	-	135,356	1,353,345
2014-15	1,353,345	-	132,526	1,220,819
2015-16	1,220,819	-	133,550	1,087,269

Interlocal Risk Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 212 members in the Workers' Compensation Pool. CIRMA's Workers' Compensation Pool retains up to $1,000,000 per occurrence. Claims over $1,000,000 are reinsured. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. Historically, such disallowances were not material; however, the CT SDE performed reviews of special education grant payments and determined that reimbursable expenditures had been overstated. As a result, the CT SDE initially requested repayment of $720,865. The Town and CT SDE have negotiated an agreement that a waiver of one-fifth of the amount to be repaid can be requested each year for five years. If the Town and BOE attain specified criteria regarding the local special education programs, the CT SDE has agreed to grant the waiver each year. The first waiver of $144,173 has been granted to the Town. The second waiver has not yet been granted; however, based on the work done regarding special education programs, the Town and BOE have no reason to assume the second waiver will not be granted.

Continuing disclosure requirements have not been timely filed in relation to general obligation bonds, and its rating has been withdrawn.

The Town may be subject to rebate penalties to the federal government relating to various bond note issues. The Town expects such amounts, if any, to be immaterial.

The Town participates in Regional Refuse District No. 1, a transfer station that was formally a landfill. The District has been informed that its landfill is on the Superfund list and has been named a potentially responsible party by the Environmental Protection Agency. The District has settled its liability for the Remedial Investigation/Feasibility Study, and the EPA has approved a long-term natural attenuation and monitoring program as the final remedy for the site. The annual financial obligation for this long-term work was funded by amounts obtained in grant funds and assessed to all PRP's and set aside in a trust fund for these activities. At this point, it is premature to estimate the final cost of the program, as the total cost of post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations. The towns served by the District are required to pay any shortfall in the District's budget. The Town of Winchester, CT is responsible for approximately 51% of any such shortfall.

NOTE 8 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Town adopted GASB Statement No. 72. *Fair Value Measurement and Application*, during the fiscal year. The adoption of these standards required additions to the footnote disclosures regarding the fair value of investments.

NOTE 9 – PRIOR PERIOD RESTATEMENT

The MERS net pension liability was restated for the fiscal year ended June 30, 2015. This restatement resulted in an increase in government activities net position of $47,797. The fixed assets were restated to correct the beginning accumulated depreciation amounts and previously omitted assets, which increased the government activities net position $537,397.

	Governmental Activities
Net Position at June 30, 2015	$ 35,062,171
MERS Restatement	47,797
Fixed Asset Restatement	537,397
Net Position at July 1, 2015	$ 35,647,365

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Required Supplementary Information

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Over/(Under)
REVENUES				
Taxes				
Property Taxes	$ 22,121,223	$ 22,121,223	$ **22,067,013**	$ (54,210)
Property Taxes - Prior Years	400,000	400,000	**560,592**	160,592
Supplemental Tax	-	-	**15,550**	15,550
Interest and Lien Fees	200,000	200,000	**324,526**	124,526
Total Taxes	22,721,223	22,721,223	**22,967,681**	246,458
Intergovernmental Revenue				
State of Connecticut - General Government	925,282	925,282	**890,364**	(34,918)
State of Connecticut - Board of Education	7,851,251	7,851,251	**7,833,265**	(17,986)
Total Intergovernmental Revenues	8,776,533	8,776,533	**8,723,629**	(52,904)
Other Local Revenues				
Licenses, Fees and Permits				
Cemeteries	20,000	20,000	**38,884**	18,884
Town Clerk	130,000	130,000	**159,793**	29,793
Charges for Services				
In Lieu of Taxes - Housing Authority	36,000	36,000	**36,487**	487
Building Department	121,500	121,500	**143,432**	21,932
Planning and Zoning	3,000	3,000	**3,378**	378
Inland Wetlands Commission	2,000	2,000	**2,802**	802
Zoning Board of Appeals	3,000	3,000	**4,444**	1,444
Police Department	12,000	12,000	**13,169**	1,169
Fire and Ambulance	81,000	81,000	**51,643**	(29,357)
Sale of Land and Equipment	75,000	75,000	**96,868**	21,868
Park and Recreation Department	15,000	15,000	**15,000**	-
Rental Income	-	-	**1,000**	1,000
Sewer-Water Administration	240,000	240,000	**245,626**	5,626
Water Debt Service	285,000	285,000	**285,000**	-
Sewer Debt Service	285,964	285,964	**285,964**	-
Other	23,500	23,500	**38,288**	14,788
Total Other Local Revenues	1,332,964	1,332,964	**1,421,778**	88,814
Other Financing Sources				
Transfers In	-	-	-	-
Total Revenues	$ 32,830,720	$ 32,830,720	$ **33,113,088**	$ 282,368

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	(Over)/Under
EXPENDITURES				
General Government				
Board of Selectmen	$ 29,819	$ 29,819	$ **29,442**	$ 377
Town Clerk	192,762	192,762	**170,698**	22,064
Treasurer	43,060	43,060	**43,058**	2
Accounting Department	278,018	289,018	**288,100**	918
Election Expenditures	60,187	60,187	**53,536**	6,651
Insurance	459,426	445,426	**427,235**	18,191
Town Counsel	120,000	134,000	**131,632**	2,368
Town Manager	178,590	178,590	**174,306**	4,284
Building Department	270,357	270,357	**251,592**	18,765
Assessor	153,536	176,536	**172,074**	4,462
Board of Tax Review	1,765	1,765	**1,395**	370
Tax Collector	143,122	146,122	**145,948**	174
Planning and Zoning	22,500	22,500	**19,333**	3,167
Building	184,417	184,417	**168,229**	16,188
Inland Wetland Commission	2,903	2,903	**475**	2,428
Zoning Board of Appeals	675	675	**110**	565
Laurel City Commission	5,000	5,000	**4,961**	39
Advisory Comm. for the Disabled	1,000	1,000	**-**	1,000
Northwest Conservation District	1,840	1,840	**1,840**	-
Purchasing/Data Processing	215,696	240,696	**239,651**	1,045
Probate Court	6,155	6,155	**5,525**	630
Senior Citizens	184,420	184,420	**170,145**	14,275
Rural Transit District	2,397	2,397	**2,397**	-
Vacation and Sick Pay Accrual	50,000	50,000	**17,103**	32,897
Highland Lake	30,000	30,000	**18,789**	11,211
Economic Development Commission	48,500	48,500	**48,156**	344
School Crossing Guards	49,644	50,744	**50,667**	77
Conservation Commission	1	1	**-**	1
Unemployment Compensation	20,000	20,000	**15,158**	4,842
Cemeteries	63,461	63,461	**50,866**	12,595
Soldiers Monument Commission	6,400	6,400	**5,691**	709
Planning and Community Development	118,767	118,767	**101,852**	16,915
Civil Service Commission	9,500	24,500	**21,968**	2,532
Friends of Main Street	9,000	9,000	**9,000**	-
Total General Government	2,962,918	3,041,018	**2,840,932**	200,086
Library	$ 206,000	$ 206,000	$ **206,000**	$ -

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	(Over)/Under
Miscellaneous	$ 477,800	$ 430,800	**$ 428,935**	$ 1,865
Contracted Printing	5,000	5,000	**4,995**	5
Waste Disposal and Recycling	198,356	198,356	**198,356**	-
Public Safety				
Police Department	2,723,821	2,683,721	**2,635,493**	48,228
Fire Department	350,577	350,577	**292,398**	58,179
Animal Control	51,096	51,096	**37,644**	13,452
Civil Preparedness	11,883	11,883	**9,604**	2,279
Winchester Fire Department	43,000	43,000	**41,484**	1,516
Ambulance	87,033	88,033	**87,796**	237
Dispatch	329,383	329,383	**328,397**	986
Total Public Safety	3,596,793	3,557,693	**3,432,816**	124,877
Public Works				
Public Works Department	1,884,917	1,870,917	**1,784,604**	86,313
Streetlighting	150,000	164,000	**162,993**	1,007
Total Public Works	2,034,917	2,034,917	**1,947,597**	87,320
Health				
Department of Health	145,074	145,074	**145,074**	-
Youth and Family Services	29,353	29,353	**29,353**	-
Paramedic	165,200	165,200	**165,198**	2
Total Health	339,627	339,627	**339,625**	2
Parks and Recreation				
Park and Recreation Department	248,672	256,672	**253,191**	3,481
Education				
Board of Education	19,958,149	19,958,149	**20,117,595**	(159,446)
Retirement and Pension Contribution	$ 552,634	$ 552,634	**$ 546,322**	$ 6,312

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	(Over)/Under
Debt Service				
Principal Retirement	$ 474,000	$ 474,000	$ **474,000**	$ -
Interest	134,890	134,890	**134,890**	-
Sewer Plant Principal Retirement	29,000	29,000	**29,000**	-
Sewer Plant Interest	9,708	9,708	**9,708**	-
Sewer Principal Retirement	190,916	190,916	**190,916**	-
Water Principal Retirement	250,000	250,000	**250,000**	-
Sewer and Water Interest	91,340	91,340	**91,340**	-
Total Debt Service	1,179,854	1,179,854	**1,179,854**	-
Contingency	470,000	470,000	**5,390**	464,610
Total Expenditures	$ 32,230,720	$ 32,230,720	$ **31,501,608**	$ 729,112
Other Financing Uses				
Transfer out to Capital Projects	$ 600,000	$ 600,000	$ **600,000**	$ -
Total Transfers	600,000	600,000	**600,000**	-
Total	**32,830,720**	**32,830,720**	**32,101,608**	**729,112**
Excess of Revenues over Expenditures	**$ -**	**$ -**	**$ 1,011,480**	**$ 1,011,480**

See accountant's report.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Budgetary Information and Accounting

The budgets are prepared on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper change against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Encumbrance accounting is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities.

Budgetary/GAAP Reconciliation

The Town of Winchester, CT prepares its annual budget on a basis (budget basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the District's method (budget basis) in the *Budgetary Comparison Schedule* to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that certain interfund transfers are recorded as expenditures (budget) rather than operating transfers (GAAP). The budget as presented has been amended by the Board of Selectmen throughout the year.

Adjustments necessary to reconcile the budget basis to GAAP basis are presented below:

General Fund	GAAP Basis	Perspective Differences	Basis Differences	Budgetary Basis
Revenues	$ 34,659,810	$ 571,336	$ (2,118,058)	$ 33,113,088
Expenditures	33,052,077	567,589	(2,118,058)	31,501,608
Excess of Revenues Over / (Under) Expenditures	1,607,733	3,747	-	1,611,480
Other Financing Sources / (Uses)	(596,253)	(3,747)	-	(600,000)
Excess of Revenues and Other Sources Over Expenditures, Loss on Assets, and Other Uses	$ 1,011,480	$ -	$ -	$ 1,011,480

Perspective Differences: *Revenues and expenditures for Water/Sewer Debt Service are shown in the General Fund for budgetary purposes and in the Proprietary funds for the GAAP statements.*

Basis Differences: *The on-behalf payments made to the Connecticut Teachers Retirement Board and Excess Cost Grant are recognized as a GAAP adjustment to arrive at the Fund Financial Statements.*

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2016

	2016	2015	2014
Total Pension Liability			
Service Cost	$ 356,834	$ 373,253	$ 362,381
Interest	786,103	765,560	744,581
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(756,267)	(502)	-
Changes of Assumptions	2,126,873	-	-
Benefit Payments, Including Refunds of Member Contributions	(770,208)	(699,299)	(744,122)
Net Change in Total Pension Liability	1,743,335	439,012	362,840
Total Pension Liability - Beginnning	14,855,425	14,416,413	14,053,573
Total Pension Liability - Ending (a)	$ 16,598,760	$ 14,855,425	$ 14,416,413
Plan Fiduciary Net Position			
Contributions - Employer	$ 598,100	$ 448,806	$ 153,179
Contributions - Member	118,366	88,137	103,410
Net Investment Income	(228,997)	222,132	983,007
Benefit Payments, Including Refunds of Member Contributions	(770,208)	(699,299)	(744,122)
Administrative Expenses	(4,927)	(2,174)	(21,100)
Other	-	-	-
Net Change in Pension Fiduciary Net Position	(287,666)	57,602	474,374
Plan Fidiucary Net Position - Beginning	7,564,126	7,506,524	7,032,150
Plan Fidiucary Net Position - Ending (b)	$ 7,276,460	$ 7,564,126	$ 7,506,524
Net Pension Liability - Ending: (a) - (b)	$ 9,322,300	$ 7,291,299	$ 6,909,889
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.84%	50.92%	52.07%
Covered Employee Payroll	$ 2,254,826	$ 2,376,673	$ 2,668,367
Net Pension Liability as a Percentage of Covered-Employee Payroll	413.44%	306.79%	258.96%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Contributions
Last Three Fiscal Years
For the Year Ended June 30, 2016

	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	$ 460,938	$ 525,230	$ 474,401
Contributions in Relation to the ADEC	598,100	448,806	153,179
Contribution Deficiency (Excess)	$ (137,162)	$ 76,424	$ 321,222
Covered-Employee Payroll	2,254,826	2,376,673	2,668,367
Contributions as a Percentage of Covered-Employee Payroll	26.53%	18.88%	5.74%

Notes to Schedule

Valuation Date: 1/1/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level Percent of Salary
Amortization method	Open
Remaining amortization period	30 yrs
Asset valuation method	Market Value of assets as of January 1, 1984; after January 1, 1984 the Market Value of assets has been adjusted to reflect 25% of realized and unrealized gains (or losses) of each future year until fully recognized. Beginning January 1, 2003 the Market Value of Assets have been adjusted to reflect 20% of actuarial gains and losses since January 1, 1998. Actuarial Value is limited to be within 80% to 120% of Market Value.
Salary increases	3% increase per year
Investment rate of return	7.75%
Normal Retirement	Later of age 65 or 5 years of service.
Mortality	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Investment Returns

Last Three Fiscal Years

For the Year Ended June 30, 2016

	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	-3.13%	3.03%	14.55%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Town's Proportionate Share of the Net Pension Liability
Municipal Employees Retirement System
Last Two Fiscal Years
For the Year Ended June 30, 2016

	2016	2015
Town's proportion of the net pension liability	3.076929%	3.076929%
Town's proportionate share of the net pension liability	$ 941,454	$ 696,164
Town's covered-employee payroll	$ 1,232,689	$ 1,232,689
Town's proportionate share of the net pension liability as a percentage of its covered payroll	76.37%	56.48%
Plan fiduciary net position as a percentage of the total pension liability	92.72%	90.48%

Notes to Schedule

Valuation Date	June 30, 2014
Actuarial cost method	Entry age
Investment rate of return	8%
Salary increases	4.25% - 11.00%, including inflation
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Employer Contributions
Municipal Employees Retirement System
Last Two Fiscal Years
For the Year Ended June 30, 2016

	2016	2015
Actuarially Determined Employer Contribution (ADEC)	$ 274,508	$ 255,456
Contributions in Relation to the ADEC	274,508	255,456
Contribution Deficiency (Excess)	$ -	$ -
Covered-Employee Payroll	1,232,689	1,232,689
Contributions as a Percentage of Covered-Employee Payroll	22.27%	20.72%

Notes to Schedule
Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5 years smoothed market
Inflation	3.25%
Salary increases	4.25% - 11.00%, including inflation
Investment rate of return	8%, net of investment related expenses

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Funding Progress
For the Year Ended June 30, 2016

Other Post-Employment Benefits

Actuarial Valuation Date	(1) Actuarial Value of Assets Available For Benefits	(2) Actuarial Accrued Liability- Projected Unit Cost Credit Method	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
July 1, 2014	$ -	$ 5,662,846	0.0%	$ 5,662,846	$ 7,208,883	78.6%
July 1, 2012	-	9,667,792	0.0%	9,667,792	9,038,631	107.0%
July 1, 2010	-	8,794,747	0.0%	8,794,747	7,773,806	113.1%
July 1, 2008	-	8,446,082	0.0%	8,446,082	11,150,708	75.7%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
State Teacher's Retirement System
Proportionate Share of Net Pension Liability and Schedule of Contributions
June 30, 2016

Schedule of Proportionate Share of Net Pension Liability

	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	$ -	$ -
State of Connecticut's proportionate share of the net pension associated with the Town	14,125,042	13,055,770
Total	$ 14,125,042	$ 13,055,770
Town's covered-employee payroll	$ 4,879,007	$ 4,600,786
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll.	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%

Schedule of Contributions

		2016	2015
Contractually required contribution (1)	(1)	$ -	$ -
Contributions in relation to the contactually required contribution		-	-
Contribution deficiency (excess)		$ -	$ -
Town's covered payroll		$ 4,879,007	$ 4,600,786
Contributions as a percentage of covered-employee payroll		0.00%	0.00%

(1) Local employees are not required to contribute to the plan

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
State Teacher's Retirement System
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
June 30, 2016

Change of Benefit Terms	None
Changes of Assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	3.00%
Salary Increases	3.75%-7.00% average, including inflation
Investment Rate of Return	8.50%, net of pension plan investment expense, including inflation

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Supplemental, Combining Individual Nonmajor Fund Statements, and Schedules

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Industrial Park #2 Fund - To account for revenues and expenditures for the marketing and sales of lots in the Town's second industrial park.

Cafeteria Fund - To account for the Child Nutrition Program. Revenues consist of sales of food and grant subsidies for nutrition.

Small Cities - is used to account for federal grant revenues from the U.S. Department of Housing and Urban Development and subsequent loans to entities for various grant years.

Homeless Shelter Fund - To account for the activities of the Town's homeless shelter.

Brownfields Pilot Program - To account for a grant from the U.S. Environmental Protection Agency and related expenditures to study and redevelop several potentially contaminated manufacturing sites.

City Sidewalks Fund - To account for revenues and expenditures relating to the maintenance of sidewalks.

Elderly Enrichment Part I Fund - To account for the revenues and expenditures relating to day services for developmentally disabled individuals.

Soldiers Monument Fund - To account for the revenues and expenditures relating to general maintenance of the soldiers monument park.

Cemetery Association Trust Fund - To account for the revenues and expenditures relating to the maintenance of the Forest View Cemetery.

Soldiers Monument Restoration Fund - To account for the revenues and expenditures relating to the renovation of the monument structure at the soldiers monument park.

Bullet Proof Vests Fund - To account for the revenue and expenditures for the purchase of bullet proof vests for the police department.

Highland Lake Catch Basin Fund - To account for the revenue and expenditures for the repairs to catch basins at the Highland Lake area.

JAG Grant Fund - To account for revenues and expenditures of the Federal Justice Assistance grant.

EDC Donation Fund - To account for economic development commission donations and related expenditures.

Redevelopment Fund – Created by Ordinance Sec. 171 to exercise all powers set forth in CGS Chapter 130.

Grants & Donations Fund - To account for revenue and expenditures from estate bequeaths, citizen donations, and funds arising from organizations declaring a non-taxable status.

CHAMPS Fund – To account for activity of an after school enrichment program.

Unexpended Education Funds Account – To account for unexpended education funds in a non-lapsing account.

Capital Projects Fund

Capital Improvements Fund - To account for various long-term capital projects.

Permanent Funds

Winchester School Trust Fund - To account for beneficiary funds received from the W. H. Batcheller Trust to provide scholarships on an annual basis to local youth who excel in the school system.

Winchester Bond Sinking Fund - To account for funds established for the retirement of debt. The fund balance must exceed $75,000 before any funds can be utilized.

Forest View Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Town's Forest View Cemetery and to purchase cemetery land.

Winchester Center Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Winchester Center Cemetery and to purchase cemetery land.

Forest View Cemetery Chapel Trust Fund - This fund is used to account for the revenues and expenditures for the repairs and maintenance of the chapel located on the grounds of the Forest View Cemetery.

Crippled Children Trust Fund - This fund was established to provide funds for disabled children.

Winchester Memorial Park Fund - This fund was established to provide funds to make repairs and improvements to the Town of Winchester parks.

Jane A Nisbet Fund - This fund was established to accumulate interest with the income used for the operation and maintenance of the Forest View Cemetery.

Beverly Passbook Fund - This fund was established as a scholarship fund.

Town Park Fund - To account for funds contributed to the Town, the income on which is used for repairs and maintenance of the Town parks.

TOWN OF WINCHESTER, CONNECTICUT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

SPECIAL REVENUE FUNDS

	Industrial Park #2 Fund	Cafeteria Fund	Small Cities	Homeless Shelter Fund	Brownfields Pilot Program	City Sidewalks Fund	Elderly Enrichment Part I Fund	Soldiers Monument Fund	Cemetery Association Trust Fund
Assets									
Cash and Cash Equivalents	$ -	$ 6,496	$ 13,343	$ 188	$ 105,092	$ 859	$ 27,866	$ 3,488	$ 669
Receivables, Net	-	36,329	1,306,696	-	-	-	14,597	-	-
Inventory	-	1,594	-	-	-	-	-	-	-
Due from Other Funds	340,114	-	-	-	-	-	-	-	-
Total Assets	$ 340,114	$ 44,419	$1,320,039	$ 188	$ 105,092	$ 859	$ 42,463	$ 3,488	$ 669
Liabilities and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Items	$ -	$ 34,183	$ -	$ -	$ 902	$ -	$ 3,925	$ -	$ -
Due to Other Funds	-	-	-	-	1,163	-	27,622	-	-
Due to Other Governments	153,130	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	153,130	34,183	-	-	2,065	-	31,547	-	-
Fund Balances:									
Nonspendable	-	1,594	1,306,696	-	-	-	-	-	-
Restricted	-	-	13,343	188	103,027	-	10,916	3,488	669
Committed	186,984	8,642	-	-	-	859	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	186,984	10,236	1,320,039	188	103,027	859	10,916	3,488	669
Total Liabilities and Fund Balances	$ 340,114	$ 44,419	$1,320,039	$ 188	$ 105,092	$ 859	$ 42,463	$ 3,488	$ 669

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	SPECIAL REVENUE FUNDS									CAPITAL PROJECTS FUNDS
	Soldiers Monument Restoration Fund	Bullet Proof Vests Fund	Highland Lake Catch Basin Fund	JAG Grant Fund	EDC Donation Fund	Redevelopment Fund	Grants & Donations Fund	Champs Fund	Unexpended Education Funds Account	Capital Improvements Fund
Assets										
Cash and Cash Equivalents	$ 135,295	$ 392	$ 4,736	$ 14,672	$ 249	$ 138	$ 99,108	$ -	$ -	$ 271,786
Receivables, Net	-	-	-	-	-	-	-	-	-	392,099
Inventory	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	5,152	46,835	92,260	206,674
Total Assets	$ 135,295	$ 392	$ 4,736	$ 14,672	$ 249	$ 138	$ 104,260	$ 46,835	$ 92,260	$ 870,559
Liabilities and Fund Balances										
Liabilities:										
Accounts Payable and Accrued Items	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,833	$ -	$ -	$ 11,172
Due to Other Funds	-	-	3,866	-	-	185	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	3,866	-	-	185	2,833	-	-	11,172
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	135,295	392	-	14,672	249	-	101,427	46,835	-	-
Committed	-	-	870	-	-	-	-	-	92,260	859,387
Unassigned	-	-	-	-	-	(47)	-	-	-	-
Total Fund Balances	135,295	392	870	14,672	249	(47)	101,427	46,835	92,260	859,387
Total Liabilities and Fund Balances	$ 135,295	$ 392	$ 4,736	$ 14,672	$ 249	$ 138	$ 104,260	$ 46,835	$ 92,260	$ 870,559

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	PERMANENT FUNDS										
	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Fund	Winchester Center Cemetery Fund	Forest View Cemetery Chapel Trust Fund	Crippled Children Trust Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Beverly Passbook Fund	Town Park Fund	Total
Assets											
Cash and Cash Equivalents	$ 49,664	$ -	$ 24,830	$ 9,625	$ -	$ -	$ -	$ -	$ 8,099	$ 17	$ 776,612
Receivables, Net	-	-	-	-	-	-	-	-	-	-	1,749,721
Inventory	-	-	-	-	-	-	-	-	-	-	1,594
Due from Other Funds	33,817	18	113,512	28,807	630	445	14,061	7,784	-	155,997	1,046,106
Total Assets	$ 83,481	$ 18	$ 138,342	$ 38,432	$ 630	$ 445	$ 14,061	$ 7,784	$ 8,099	$ 156,014	$ 3,574,033
Liabilities and Fund Balances											
Liabilities:											
Accounts Payable and Accrued Items	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,015
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	32,836
Due to Other Governments	-	-	-	-	-	-	-	-	-	-	153,130
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-	238,981
Fund Balances:											
Nonspendable	-	-	138,267	38,410	-	-	14,061	-	-	6,911	1,505,939
Restricted	83,481	18	75	22	630	445	-	7,784	8,099	149,103	680,158
Committed	-	-	-	-	-	-	-	-	-	-	1,149,002
Unassigned	-	-	-	-	-	-	-	-	-	-	(47)
Total Fund Balances	83,481	18	138,342	38,432	630	445	14,061	7,784	8,099	156,014	3,335,052
Total Liabilities and Fund Balances	$ 83,481	$ 18	$ 138,342	$ 38,432	$ 630	$ 445	$ 14,061	$ 7,784	$ 8,099	$ 156,014	$ 3,574,033

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS

	Industrial Park #2 Fund	Cafeteria Fund	Small Cities	Homeless Shelter Fund	Dog Fund	Brownfields Pilot Program	City Sidewalks Fund	Elderly Enrichment Part I Fund	Soldiers Monument Fund	Cemetery Association Trust Fund
Revenues										
Intergovernmental Revenues	$ -	$ 263,119	$ -	$ -	$ -	$ 109,206	$ -	$ 235,537	$ -	$ -
Interest and Dividends	-	-	-	-	-	-	-	-	3	-
Charges for Services	-	107,969	-	-	-	-	-	-	-	-
Licenses, Fees and Permits	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	1,091	-	-	-	-	-	-	1,302	-
Total Revenues	-	372,179	-	-	-	109,206	-	235,537	1,305	-
Expenditures										
General Government	-	-	-	-	-	60,798	5	-	734	5
Public Safety	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	231,303	-	-
Education	-	426,048	-	-	-	-	-	-	-	-
Program and Project	-	-	20,360	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	426,048	20,360	-	-	60,798	5	231,303	734	5
Excess/(Deficiency) of Revenues Over Expenditures	-	(53,869)	(20,360)	-	-	48,408	(5)	4,234	571	(5)
Other Financing Sources/(Uses)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(372)	-	-	-	(15,000)	-
Total Other Financing Sources/(Uses)	-	-	-	-	(372)	-	-	-	(15,000)	-
Net Change in Fund Balances	-	(53,869)	(20,360)	-	(372)	48,408	(5)	4,234	(14,429)	(5)
Fund Balances at Beginning of Year	186,984	64,105	1,340,399	188	372	54,619	864	6,682	17,917	674
Fund Balances at End of Year	$ 186,984	$ 10,236	$ 1,320,039	$ 188	$ -	$ 103,027	$ 859	$ 10,916	$ 3,488	$ 669

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS									CAPITAL PROJECTS FUNDS
	Soldiers Monument Restoration Fund	Bullet Proof Vests Fund	Highland Lake Catch Basin Fund	JAG Grant Fund	EDC Donation Fund	Redevelopment Fund	Grants & Donations Fund	Champs Fund	Unexpended Education Funds Account	Capital Improvements Fund
Revenues										
Intergovernmental Revenues	$ -	$ -	$ -	$ 13,674	$ -	$ -	$ -	$ -	$ -	$ 426,070
Interest and Dividends	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	22,105	-	-
Licenses, Fees and Permits	-	-	-	-	-	-	-	-	-	-
Other Revenue	6,943	-	-	-	-	-	171,673	-	-	-
Total Revenues	6,943	-	-	13,674	-	-	171,673	22,105	-	426,070
Expenditures										
General Government	-	-	-	13,014	-	-	149,201	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	7,288	-	-
Program and Project	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	76,924
Capital Outlay	-	-	-	-	-	-	-	-	-	487,622
Total Expenditures	-	-	-	13,014	-	-	149,201	7,288	-	564,546
Excess/(Deficiency) of Revenues Over Expenditures	6,943	-	-	660	-	-	22,472	14,817	-	(138,476)
Other Financing Sources/(Uses)										
Transfers In	15,000	-	-	-	-	-	-	-	-	635,333
Transfers Out	-	-	-	-	-	-	-	(26,682)	-	-
Total Other Financing Sources/(Uses)	15,000	-	-	-	-	-	-	(26,682)	-	635,333
Net Change in Fund Balances	21,943	-	-	660	-	-	22,472	(11,865)	-	496,857
Fund Balances at Beginning of Year	113,352	392	870	14,012	249	(47)	78,955	58,700	92,260	362,530
Fund Balances at End of Year	$ 135,295	$ 392	$ 870	$ 14,672	$ 249	$ (47)	$ 101,427	$ 46,835	$ 92,260	$ 859,387

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

PERMANENT FUNDS

	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Fund	Winchester Center Cemetery Fund	Forest View Cemetery Chapel Trust Fund	Crippled Children Trust Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Beverly Passbook Fund	Town Park Fund	Total
Revenues											
Intergovernmental Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,047,606
Interest and Dividends	48	-	10	3	-	-	-	-	141	-	205
Charges for Services	-	-	-	-	-	-	-	-	-	-	130,074
Licenses, Fees and Permits	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	2,550	-	-	-	-	-	-	-	-	-	183,559
Total Revenues	2,598	-	10	3	-	-	-	-	141	-	1,361,444
Expenditures											
General Government	-	-	10	10	-	-	-	-	-	-	223,777
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	231,303
Education	960	-	-	-	-	-	-	-	-	-	434,296
Program and Project	-	-	-	-	-	-	-	-	-	-	20,360
Debt Service	-	-	-	-	-	-	-	-	-	-	76,924
Capital Outlay	-	-	-	-	-	-	-	-	-	-	487,622
Total Expenditures	960	-	10	10	-	-	-	-	-	-	1,474,282
Excess/(Deficiency) of Revenues Over Expenditures	1,638	-	-	(7)	-	-	-	-	141	-	(112,838)
Other Financing Sources/(Uses)											
Transfers In	-	-	-	-	-	-	-	-	-	-	650,333
Transfers Out	-	-	-	-	-	-	-	-	-	-	(42,054)
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-	608,279
Net Change in Fund Balances	1,638	-	-	(7)	-	-	-	-	141	-	495,441
Fund Balances at Beginning of Year	81,843	18	138,342	38,439	630	445	14,061	7,784	7,958	156,014	2,839,611
Fund Balances at End of Year	$ 83,481	$ 18	$ 138,342	$ 38,432	$ 630	$ 445	$ 14,061	$ 7,784	$ 8,099	$ 156,014	$ 3,335,052

See accountant's report.

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 or other governments.

Agency Funds

Student Activities - To account for the Batcheller, Hinsdale and Pearson school activity funds.

Town Hall Employees - To account for funds set aside for employee celebrations.

Employee Union - Refund of union dues for Town hall employees.

Other - To account for performance bonds held by the Town.

TOWN OF WINCHESTER, CONNECTICUT

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Student Activities				
Assets:				
Cash and Cash Equivalents	$ 18,188	$ 14,280	$ 23,790	$ 8,678
Total Assets	18,188	14,280	23,790	8,678
Liabilities:				
Fiduciary Deposits	18,188	14,280	23,790	8,678
Total Liabilities	$ 18,188	$ 14,280	$ 23,790	$ 8,678
Town Hall Employees				
Assets:				
Cash and Cash Equivalents	$ 290	$ -	$ 290	$ -
Total Assets	290	-	290	-
Liabilities:				
Fiduciary Deposits	290	-	290	-
Total Liabilities	$ 290	$ -	$ 290	$ -
Employee Union				
Assets:				
Cash and Cash Equivalents	$ 28,398	$ -	$ 28,398	$ -
Total Assets	28,398	-	28,398	-
Liabilities:				
Fiduciary Deposits	28,398	-	28,398	-
Total Liabilities	$ 28,398	$ -	$ 28,398	$ -
Other				
Assets:				
Cash and Cash Equivalents	$ 27,052	$ 57,895	$ 66,052	$ 18,895
Total Assets	27,052	57,895	66,052	18,895
Liabilities:				
Fiduciary Deposits	27,052	57,895	66,052	18,895
Total Liabilities	$ 27,052	$ 57,895	$ 66,052	$ 18,895
Total Agency Funds				
Assets:				
Cash and Cash Equivalents	$ 73,928	$ 72,175	$ 118,530	$ 27,573
Total Assets	73,928	72,175	118,530	27,573
Liabilities				
Fiduciary Deposits	73,928	72,175	118,530	27,573
Total Liabilities	$ 73,928	$ 72,175	$ 118,530	$ 27,573

See accountant's report.

Supplemental Schedules

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2016

List of 10/1:	Outstanding July 1, 2015	Current Levy	Lawful Corrections Additions	Lawful Corrections Deductions	Transfers to Suspense	Collectible Taxes	Receipt of Taxes	Receipt of Interest and Liens	Total Receipts	Outstanding June 30, 2016
2014		$ 22,816,003	$ 51,943	$ 173,912	$ (40,973)	$ 22,653,061	$ 22,223,820	$ 147,104	$ 22,370,924	$ 429,241
2013	$ 655,764	-	16,741	18,535	(132,260)	521,710	446,828	94,899	541,727	74,882
2012	152,267	-	18,179	8,586	(43,116)	118,744	86,635	11,121	97,756	32,109
2011	81,976	-	4,653	8,680	(45,302)	32,647	9,471	4,849	14,320	23,176
2010	51,020	-	4,653	8,681	(20,761)	26,231	13,557	3,330	16,887	12,674
2009	6,292	-	4,743	3,632	-	7,403	5,010	272	5,282	2,393
2008	608	-	4,680	-	-	5,288	4,939	225	5,164	349
2007	349	-	1,652	-	-	2,001	1,652	-	1,652	349
2006	688	-	-	-	-	688	-	-	-	688
2005	795	-	-	11	-	784	-	-	-	784
2004	937	-	88	-	-	1,025	-	-	-	1,025
2003	946	-	83	52	-	977	-	-	-	977
2002	953	-	-	97	-	856	-	-	-	856
2001	851	-	-	-	-	851	-	-	-	851
2000	384	-	-	384	-	-	-	-	-	-
	$ 953,830	**$ 22,816,003**	**$107,415**	**$ 222,570**	**$ (282,412)**	**$ 23,372,266**	**22,791,912**	**261,800**	**23,053,712**	**$ 580,354**
						Total Suspense Collections	93,310	79,913	173,223	
						Total Collections	**$ 22,885,222**	**$ 341,713**	**$ 23,226,935**	

Net Grand List - October 1, 2014

Tax Rate: 32.7 mills

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding
For the Year Ended June 30, 2016

Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2015	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections Rents	Collections Interest and Liens	Collections Total	Water Rents Receivable June 30, 2016
2014	$ 1,792,071	$ 3,603	$ -	$ 1,795,674	$ 1,710,992	$ 24,977	$ 1,735,969	$ 84,682
2013	132,115	(1,486)	-	130,629	122,736	25,531	148,267	7,893
2012	14,011	(191)	-	13,820	11,612	4,467	16,079	2,208
2011	2,347	70	-	2,417	1,626	969	2,595	791
2010	209	225	-	434	286	214	500	148
2009	200	66	-	266	266	249	515	-
2008	313	-	-	313	313	341	654	-
	$ 1,941,266	$ 2,287	$ -	$ 1,943,553	$ 1,847,831	$ 56,748	$ 1,904,579	$ 95,722

Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2015	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections Rents	Collections Interest and Liens	Collections Total	Sewer Rents Receivable June 30, 2016
2014	$ 1,445,532	$ 3,123	$ -	$ 1,448,655	$ 1,385,994	$ 19,578	$ 1,405,572	$ 62,661
2013	97,313	(1,347)	-	95,966	90,441	21,030	111,471	5,525
2012	9,777	-	-	9,777	7,449	3,450	10,899	2,328
2011	1,764	-	-	1,764	843	520	1,363	921
2010	260	13	-	273	170	137	307	103
2009	767	(617)	-	150	150	151	301	-
2008	204	-	-	204	204	231	435	-
	$ 1,555,617	$ 1,172	$ -	$ 1,556,789	$ 1,485,251	$ 45,097	$ 1,530,348	$ 71,538

See accountant's report.

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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 conditions.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.

- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.)

- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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

Table 1

TOWN OF WINCHESTER, CONNECTICUT
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	$ 37,596,274	$ 40,755,815	$ 37,616,669	$ 37,575,954	$ 37,937,496	$ 37,955,510	$ 38,299,684	$ 38,706,670	$ 38,445,171	$ 38,586,005
Restricted	432,864	503,576	504,466	522,003	524,258	2,523,523	2,694,119	2,338,704	2,132,045	2,184,503
Unrestricted	4,630,810	1,328,438	1,349,394	(1,027,616)	(2,747,154)	(5,462,501)	(6,442,404)	(5,878,735)	(5,515,045)	(4,450,938)
Total Governmental Activities Net Position	$ 42,659,948	$ 42,587,829	$ 39,470,529	$ 37,070,341	$ 35,714,600	$ 35,016,532	$ 34,551,399	$ 35,166,639	$ 35,062,171	$ 36,319,570
Business-type Activities:										
Net Investment in Capital Assets	$ 31,606,447	$ 31,481,209	$ 34,073,572	$ 33,299,371	$ 32,869,701	$ 32,508,601	$ 32,182,934	$ 31,687,119	$ 30,765,003	$ 26,835,634
Unrestricted	882,617	509,720	(207,422)	(869,187)	(1,193,895)	(1,292,067)	(924,692)	330,581	1,097,207	1,711,887
Total Business-type Activities Net Position	$ 32,489,064	$ 31,990,929	$ 33,866,150	$ 32,430,184	$ 31,675,806	$ 31,216,534	$ 31,258,242	$ 32,017,700	$ 31,862,210	$ 28,547,521
Primary Government										
Net Investment in Capital Assets	$ 69,202,721	$ 72,237,024	$ 71,690,241	$ 70,875,325	$ 70,807,197	$ 70,464,111	$ 70,482,618	$ 70,393,789	$ 69,210,174	$ 65,421,639
Restricted	432,864	503,576	504,466	522,003	524,258	2,523,523	2,694,119	2,338,704	2,132,045	2,184,503
Unrestricted	5,513,427	1,838,158	1,141,972	(1,896,803)	(3,941,049)	(6,754,568)	(7,367,096)	(5,548,154)	(4,417,838)	(2,739,051)
Total Primary Government Net Position	$ 75,149,012	$ 74,578,758	$ 73,336,679	$ 69,500,525	$ 67,390,406	$ 66,233,066	$ 65,809,641	$ 67,184,339	$ 66,924,381	$ 64,867,091

TOWN OF WINCHESTER, CONNECTICUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Education	$ 21,551,084	$ 26,648,882	$ 23,531,203	$ 23,545,291	$ 23,668,453	$ 22,869,216	$ 23,083,862	$ 24,007,954	$ 25,103,389	$ 26,325,204
Public safety	3,971,722	3,936,737	4,286,390	4,967,321	4,115,483	3,576,949	3,607,845	3,558,537	3,045,908	3,684,860
Public works	3,370,104	3,086,803	3,432,120	3,275,459	3,175,507	2,382,942	2,226,107	3,067,995	3,111,181	3,096,519
General government	2,571,804	3,143,876	4,343,136	3,342,550	3,358,796	3,617,443	3,881,057	3,184,962	3,738,169	3,044,626
Health	284,419	269,570	313,813	287,221	289,932	365,698	332,349	575,514	649,113	1,164,840
Parks and recreation	315,423	280,558	268,004	263,574	244,723	512,726	199,271	210,019	224,911	263,445
Library	191,025	196,756	197,941	161,795	194,141	194,141	176,474	176,474	200,003	206,000
Waste disposal and recyling	327,548	355,293	363,464	360,824	335,869	405,320	204,965	222,812	196,247	198,356
Interest on long-term debt	150,320	254,313	305,566	301,724	283,729	270,484	202,821	222,581	166,124	146,895
Total Governmental Activities Expenses	32,733,449	38,172,788	37,041,637	36,505,759	35,666,633	34,194,919	33,914,751	35,226,848	36,435,045	38,130,745
Business-Type Activities										
Water	1,777,621	2,008,912	1,809,639	1,976,247	1,763,578	1,798,146	1,632,254	1,522,972	1,624,816	1,575,518
Sewer	1,741,196	1,808,430	1,751,541	2,309,850	1,880,397	1,776,674	1,698,684	1,695,555	1,937,700	1,782,200
Total Business-Type Activities Expenses	3,518,817	3,817,342	3,561,180	4,286,097	3,643,975	3,574,820	3,330,938	3,218,527	3,562,516	3,357,718
Total Primary Government Expenses	$ 36,252,266	$ 41,990,130	$ 40,602,817	$ 40,791,856	$ 39,310,608	$ 37,769,739	$ 37,245,689	$ 38,445,375	$ 39,997,561	$ 41,488,463
Program Revenues										
Governmental Activities:										
Charges for Services:										
Education	$ 202,715	$ 217,359	$ 224,163	$ 211,054	$ 171,398	$ 191,980	$ 117,548	$ 102,112	$ 170,174	$ 131,074
Public safety	331,138	272,387	247,535	230,263	158,752	44,460	68,454	84,557	61,615	64,812
Public works	146,010	18,895	16,694	16,928	74,551	-	-	381,676	222,998	245,626
Health	-	-	-	-	-	21,680	40,105	77,678	75,893	66,807
General government	234,063	214,367	160,542	90,180	484,494	349,799	256,293	286,497	305,526	358,225
Parks and Recreation	-	55,578	7,726	52,606	28,493	10,500	10,500	10,500	10,500	15,000
Operating Grants and Contributions	10,203,048	14,018,112	12,036,009	12,122,738	11,374,639	12,213,309	11,969,905	13,081,110	13,340,706	14,465,116
Capital Grants and Contributions	1,330,607	1,430,470	753,033	778,542	932,659	364,085	483,407	650,810	45,448	426,070
Total Governmental Activities Program Revenues	12,447,581	16,227,168	13,445,702	13,502,311	13,224,986	13,195,813	12,946,212	14,674,940	14,232,860	15,772,730
Business-type Activities:										
Water:										
Charges for Services	1,561,408	1,564,815	1,542,744	1,497,962	1,513,425	1,600,046	1,694,717	1,937,052	1,806,242	1,790,896
Capital Grants and Contributions	100,727	-	94,396	-	-	-	-	-	-	-
Sewer:										
Charges for Services	1,214,181	1,259,016	1,137,164	1,133,761	1,171,571	1,347,344	1,439,621	1,662,134	1,522,131	1,498,439
Capital Grants and Contributions	-	266,251	2,234	-	2,685	2,714	-	1,317	-	-
Total Business-type Activities Program Revenues	2,876,316	3,090,082	2,776,538	2,631,723	2,687,681	2,950,104	3,134,338	3,600,503	3,328,373	3,289,335
Total Primary Government Program Revenues	$ 15,323,897	$ 19,317,250	$ 16,222,240	$ 16,134,034	$ 15,912,667	$ 16,145,917	$ 16,080,550	$ 18,275,443	$ 17,561,233	$ 19,062,065
								(continued)	(continued)	(continued)

TOWN OF WINCHESTER, CONNECTICUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Revenues (Expenses):										
Governmental Activities	$ (20,285,868)	$ (21,945,620)	$ (23,595,935)	$ (23,003,448)	$ (22,441,647)	$ (20,999,106)	$ (20,968,539)	$ (20,551,908)	$ (22,202,185)	$ (22,358,015)
Business-type Activities	(642,501)	(727,260)	(784,642)	(1,654,374)	(956,294)	(624,716)	(196,600)	381,976	(234,143)	(68,383)
Total Primary Government Net Expense	$ (20,928,369)	$ (22,672,880)	$ (24,380,577)	$ (24,657,822)	$ (23,397,941)	$ (21,623,822)	$ (21,165,139)	$ (20,169,932)	$ (22,436,328)	$ (22,426,398)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	$ 19,416,214	$ 20,563,030	$ 20,168,038	$ 20,094,437	$ 20,820,308	$ 20,828,728	$ 20,720,481	$ 23,977,690	$ 22,563,841	$ 22,693,437
Grants and Contributions Not Restricted to Specific Programs	847,448	860,523	1,008,005	656,303	622,394	-	-	322,157	334,480	275,647
Unrestricted Investment Earnings	396,785	116,768	10,581	18,379	44,360	3,451	268	84	240	227
Contributions to Permanent Fund Principal	-	-	-	-	-	-	-	3,369	2,877	2,550
Miscellaneous	213,563	556,727	348,863	303,654	449,522	84,106	105,287	1,239,163	424,294	126,873
Transfers	(218,408)	(223,547)	(215,838)	(218,408)	(215,838)	(213,269)	(251,923)	(110,480)	(78,653)	-
Total Governmental Activities	20,655,602	21,873,501	21,319,649	20,854,365	21,720,746	20,703,016	20,574,113	25,431,983	23,247,079	23,098,734
Business-type Activities:										
Unrestricted Investment Earnings	13,447	5,578	154	-	-	-	-	-	-	-
Transfers	218,408	223,547	215,838	218,408	215,838	213,269	251,923	110,480	78,653	68,514
Total Business-type Activities	231,855	229,125	215,992	218,408	215,838	213,269	251,923	110,480	78,653	68,514
Total Primary Government	$ 20,887,457	$ 22,102,626	$ 21,535,641	$ 21,072,773	$ 21,936,584	$ 20,916,285	$ 20,826,036	$ 25,542,463	$ 23,325,732	$ 23,167,248
Loss on Assets:										
Governmental Activities	-	-	-	-	484,079	401,978	70,707	-	-	68,514
Business-type activities	$ -	$ -	$ -	$ -	$ 52,992	$ 47,825	$ 13,615	$ -	$ -	$ -
Total Primary Government	$ -	$ -	$ -	$ -	$ 537,071	$ 449,803	$ 84,322	$ -	$ -	$ 68,514
Change in Net Position										
Governmental Activities	$ 369,734	$ (72,119)	$ (2,276,286)	$ (2,149,083)	$ (1,204,980)	$ (698,068)	$ (465,133)	$ 4,880,075	$ 1,044,894	$ 672,205
Business-type Activities	(410,646)	(498,135)	(568,650)	(1,435,966)	(793,448)	(459,272)	41,708	492,456	(155,490)	131
Total Primary Government	$ (40,912)	$ (570,254)	$ (2,844,936)	$ (3,585,049)	$ (1,998,428)	$ (1,157,340)	$ (423,425)	$ 5,372,531	$ 889,404	$ 672,336

Table 3

TOWN OF WINCHESTER, CONNECTICUT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011**	2012	2013	2014	2015	2016
General Fund:										
Reserved	$ 298,934	$ 85,163	$ 125,094	$ 50,556	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	1,335,002	1,124,767	865,410	711,143	-	-	-	-	-	-
Nonspendable					-	3,050	-	-	-	-
Committed					-	-	-	-	-	450,000
Assigned					52,034	-	-	-	-	-
Unassigned					(510,943)	(1,426,982)	(1,205,348)	3,526,109	5,163,031	5,724,511
Total General Fund	$ 1,633,936	$ 1,209,930	$ 990,504	$ 761,699	$ (458,909)	$ (1,423,932)	$ (1,205,348)	$ 3,526,109	$ 5,163,031	$ 6,174,511
All Other Governmental Funds										
Reserved	$ 432,864	$ 503,576	$ 692,921	$ 588,576	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special Revenue Funds	612,716	223,163	128,123	(194,593)	-	-	-	-	-	-
Capital Projects Funds	(4,161,383)	(6,025,566)	(127,346)	(133,789)	-	-	-	-	-	-
Permanent Funds	60,017	15,861	16,009	16,185	-	-	-	-	-	-
Nonspendable					507,907	2,508,983	2,679,098	2,098,898	1,763,036	1,505,939
Restricted					237,487	238,638	180,102	241,494	379,883	680,158
Committed					308,806	376,093	391,493	948,908	696,739	1,149,002
Assigned					-	-	-	-	-	-
Unassigned					1,545,024	(624,456)	(711,709)	(716,106)	(703,609)	(682,491)
Total All Other Governmental Funds	$ (3,055,786)	$ (5,282,966)	$ 709,707	$ 276,379	$ 2,599,224	$ 2,499,258	$ 2,538,984	$ 2,573,194	$ 2,136,049	$ 2,652,608

Note:
The change in the classification of fund balance amounts in 2011 is discussed in the notes to the 2011 Financial Statements
** Prior year amounts have not been restated for the implementation of Statement 54.

Table 4

TOWN OF WINCHESTER, CONNECTICUT
Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes, Interest and Lien Fees	$ 19,601,927	$ 20,388,059	$ 20,403,777	$ 20,170,995	$ 20,736,727	$ 20,667,970	$ 20,900,669	$ 23,758,932	$ 22,479,091	$ 22,967,681
Intergovernmental Revenue	12,626,070	16,537,291	14,009,909	13,516,197	12,921,397	12,520,941	12,411,437	13,940,209	13,758,449	15,046,049
Other local revenues	1,524,274	1,589,592	1,016,074	1,058,662	1,419,863	873,307	808,282	2,418,090	1,522,283	1,282,047
Total Revenues	33,752,271	38,514,942	35,429,760	34,745,854	35,077,987	34,062,218	34,120,388	40,117,231	37,759,823	39,295,777
Expenditures										
Current:										
Education	$ 21,488,430	$ 26,571,531	$ 23,302,950	$ 23,406,821	$ 23,493,166	$ 22,320,536	$ 22,660,688	$ 23,846,496	$ 24,901,947	$ 25,842,814
Program and Project Expenses	234,527	389,932	780,930	589,488	302,286	161,960	155,109	810,473	505,184	566,682
Public Safety	3,150,570	3,223,021	3,439,359	3,246,833	3,277,314	3,281,243	3,108,489	3,392,423	3,205,229	3,432,816
Public Works	1,887,870	2,250,074	2,097,788	2,025,162	1,959,313	1,731,088	1,548,594	1,725,019	1,712,751	1,947,597
Miscellaneous	366,864	496,431	660,180	327,692	583,544	555,000	514,425	402,436	504,794	433,930
General Government	2,790,524	3,033,420	3,311,289	2,699,466	2,665,573	3,050,201	3,226,659	2,870,365	2,981,403	3,034,766
Health	280,759	269,570	313,813	287,221	289,932	297,473	295,203	565,181	542,775	570,928
Parks and Recreation	244,475	236,411	208,524	224,152	206,805	219,716	176,353	186,958	196,636	253,191
Library	191,025	196,756	197,941	161,795	194,141	194,141	176,474	176,474	200,003	206,000
Waste Disposal and Recycling	327,548	355,293	363,464	360,824	335,869	405,320	204,965	222,812	196,247	198,356
Debt Service:										
Principal	375,000	350,000	330,000	425,000	425,000	508,000	508,000	526,582	535,768	558,253
Interest & Issuance Costs	153,591	257,365	213,230	308,131	290,134	270,484	202,821	222,622	166,124	166,269
Capital Outlay	4,355,994	3,543,774	620,756	1,168,114	1,320,985	1,516,798	761,668	952,001	788,956	487,622
Total Expenditures	35,847,177	41,173,578	35,840,224	35,230,699	35,344,062	34,511,960	33,539,448	35,899,842	36,437,817	37,699,224
Excess (Deficiency) of Revenues Over Expenditures	(2,094,906)	(2,658,636)	(410,464)	(484,845)	(266,075)	(449,742)	580,940	4,217,389	1,322,006	1,596,553
Other Financing Sources (Uses)										
Issuance of Bonds & GANS	-	-	6,316,000	-	-	-	-	2,000,000	-	-
Issuance of Capital Lease	26,973	230,996	33,337	41,120	415,000	-	-	-	-	-
Repayment of GANS	-	-	-	-	-	-	-	(2,000,000)	-	-
Transfers In	336,030	184,390	59,530	161,836	-	305,556	310,602	877,354	771,991	716,095
Transfers Out	(554,438)	(407,937)	(275,368)	(380,244)	(215,838)	(518,825)	(562,525)	(987,834)	(850,644)	(784,609)
Total Other Financing Sources (Uses)	(191,435)	7,449	6,133,499	(177,288)	199,162	(213,269)	(251,923)	(110,480)	(78,653)	(68,514)
Loss on Assets	-	-	-	-	484,079	401,977	70,707	-	-	-
Net Change in Fund Balances	(2,286,341)	(2,651,187)	5,723,035	(662,133)	(550,992)	(1,064,988)	258,310	4,106,909	1,243,353	1,528,039
Fund Balance at Beginning of Year	864,492	(1,421,849)	(4,022,824)	1,700,211	2,691,307	2,140,314	1,075,326	1,948,818	6,055,727	7,299,080
Fund Balance at End of Year	$ (1,421,849)	$ (4,073,036)	$ 1,700,211	$ 1,038,078	$ 2,140,315	$ 1,075,326	$ 1,333,636	$ 6,055,727	$ 7,299,080	$ 8,827,119
Debt Service as a Percentage to Noncapital Expenditures	1.68%	1.61%	1.54%	2.15%	2.10%	2.36%	2.17%	2.14%	1.97%	1.95%

Note: A $1,653,229 prior period adjustment was recorded and the 2011 beginning fund balance was restated.
Note: A $658,758 prior period adjustment was recorded and the 2014 beginning fund balance was restated for the implementation of GASB 67.
Note: A $43,576 prior period adjustment was recorded and the 2015 beginning fund balance was restated to correct individual fund balances.

Table 5

TOWN OF WINCHESTER, CONNECTICUT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

	Real Property		Personal Property						
Fiscal Year	Residential Property	Commercial Property	Motor Vehicles	Other	Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	392,177	62,891	59,924	78,316	8,960	584,348	33.34	834,783	70%
2008	394,682	63,293	60,307	78,816	9,017	588,081	24.67	840,116	70%
2009	596,351	107,992	60,472	85,917	9,245	841,487	24.67	1,202,124	70%
2010	570,237	108,160	60,566	86,051	9,259	815,755	24.67	1,165,364	70%
2011	568,892	107,905	60,423	85,848	9,237	813,831	24.43	1,162,616	70%
2012	610,247	122,099	62,634	43,345	25,312	813,013	25.43	1,161,447	70%
2013	611,083	121,991	65,524	44,215	24,667	818,146	25.43	1,168,780	70%
2014	493,174	102,398	66,208	49,056	22,457	688,379	31.20	983,399	70%
2015	494,082	101,804	67,187	50,788	22,914	690,947	31.91	987,067	70%
2016	495,044	101,635	69,257	50,905	23,958	692,883	32.70	989,833	70%

Source: Assessor's Office - Town of Winchester, Connecticut

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property. The estimated actual amount is the equalized grand list which is estimated by the state of Connecticut, office of Policy and Management.

Table 6

TOWN OF WINCHESTER, CONNECTICUT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2016				2007		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List		Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Howmet Casting and Services	$ 11,214,578	1	1.62%	Howmet Turbine	8,091,930	1	1.41%
Winrock LLC	9,477,370	2	1.37%	Connecticut Light and Power Co	6,102,830	2	1.07%
Connecticut Light and Power Co.	7,553,274	3	1.09%	Ledgebrook LLC Trustee	5,796,140	3	1.01%
DRT Power Systems LLC	4,288,342	4	0.62%	Yankee Gas	3,939,770	4	0.69%
Yankee Gas	3,374,552	5	0.49%	Barden Corporation *	3,163,830	5	0.55%
Litchfield Gardens Association	3,310,020	6	0.48%	Litchfield Gardens Apts LLC	2,611,770	6	0.46%
Barden Corporation *	2,130,017	7	0.31%	Homer D Bronson Co	2,439,580	7	0.43%
Litchfield Heights Apartments	1,921,850	8	0.28%	Electric Motion Company Inc.	1,971,070	8	0.34%
Adam L & Deannie K Reeder	1,773,980	9	0.26%	Litchfield Heights Apts LLC	1,922,410	9	0.34%
Camp Wahnee Associates Inc.	1,750,560	10	0.25%	Nationwide Health Properties Inc.	1,730,750	10	0.30%
	$ 46,794,543		6.76%		$ 37,770,080		6.60%

Source: Town Assessor's office

* Formerly Winsted Precision Ball

TOWN OF WINCHESTER, CONNECTICUT
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	19,521,627	19,016,468	97.41%	429,389	19,445,857	99.61%
2008	20,275,676	19,734,037	97.33%	385,395	20,119,432	99.23%
2009	20,193,362	19,716,097	97.64%	329,753	20,045,850	99.27%
2010	20,100,013	19,592,274	97.47%	416,938	20,009,212	99.55%
2011	20,613,265	20,198,358	97.99%	397,921	20,596,279	99.92%
2012	20,735,196	20,224,636	97.54%	370,072	20,594,708	99.32%
2013	20,882,442	20,315,733	97.29%	367,441	20,683,174	99.05%
2014	23,715,401	23,020,269	97.07%	450,059	23,470,328	98.97%
2015	22,202,107	21,409,286	96.43%	446,828	21,856,114	98.44%
2016	22,816,003	22,223,820	97.40%	-	22,223,820	97.40%

Source: Town Assessor's office and Finance office

TOWN OF WINCHESTER, CONNECTICUT
Ratios of Net General Bonded Debt to
Assessed Value and Net General Bonded Debt per Capita
Last Ten Fiscal Years

	General Bonded Debt		Other Governmental Activities Debt		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Notes	Capital Leases	Notes	General Obligation Bonds	Notes	Total Primary Government	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Total Debt per Capita
2007	680,000	6,399,000	935,290	-	8,235,000	-	$ 16,249,290	6.63%	1.95%	$ 1,497
2008	330,000	6,151,000	844,498	-	7,880,000	-	$ 15,205,498	6.20%	1.81%	$ 1,401
2009	6,316,000	-	703,615	-	6,916,995	-	$ 13,936,610	5.68%	1.16%	$ 1,284
2010	5,891,000	-	376,359	-	5,954,573	-	$ 12,221,932	4.30%	1.05%	$ 1,087
2011	5,466,000	-	144,614	-	5,141,598	-	$ 10,752,212	3.53%	0.92%	$ 956
2012	5,041,000	332,000	85,092	-	4,348,057	-	$ 9,806,149	3.08%	0.84%	$ 866
2013	4,616,000	249,000	856	-	3,558,940	-	$ 8,424,796	2.59%	0.72%	$ 751
2014	4,196,000	166,000	43,047	-	2,949,236	-	$ 7,354,283	2.26%	0.75%	$ 656
2015	3,776,000	83,000	43,779	-	2,493,932	-	$ 6,396,711	1.98%	0.65%	$ 581
2016	3,356,000	-	113,894	-	2,053,017	-	$ 5,522,911	1.71%	0.56%	$ 505

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
[1] See Table 5 for taxable property value data
[2] See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calender year.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Debt Limitation
June 30, 2016

Total Tax Collection, Including Interest and Lien Fees for Prior Fiscal Year	$ 22,175,785
Reimbursement for Revenue Loss on:	
Tax Relief for Elderly and Disabled (Prior Year)	60,407
Base	$ 22,236,192

	General Long-Term Debt			
	General Purposes (2.25 x base)	Schools (4.50 x base)	Urban Renewal (3.25 x base)	Enterprise (3.75 x base)
Debt Limitation:				
Statutory Debt Limits by Function	$ 50,031,432	$ 100,062,864	$ 72,267,624	$ 83,385,720
Indebtedness:				
Bonds Payable	3,356,000	-	-	1,685,000
Clean Water Fund Loans	-	-	-	368,017
Total Indebtedness	3,356,000	-	-	2,053,017
Debt Limitation in Excess of Debt*	$ 46,675,432	$ 100,062,864	$ 72,267,624	$ 81,332,703

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately $155,653,344

TOWN OF WINCHESTER, CONNECTICUT
Legal Debt Margin Information
Last Ten Fiscal Years

Table 10

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limitation	$ 140,903,455	$ 147,133,637	$ 148,287,965	$ 144,552,366	$ 148,714,174	$ 147,073,122	$ 147,628,894	$ 166,749,107	$ 155,653,344	$ 155,653,344
Total net debt applicable to limit	$ 17,236,317	$ 16,159,953	$ 13,936,610	$ 11,845,575	$ 11,022,599	$ 9,389,057	$ 8,174,940	$ 7,145,236	$ 6,269,932	$ 5,409,017
Legal debt margin	$ 123,667,138	$ 130,973,684	$ 134,351,355	$ 132,706,791	$ 137,691,575	$ 137,684,065	$ 139,453,954	$ 159,603,871	$ 149,383,412	$ 150,244,327
Total net debt applicable to the limit as a percentage of debt limit	12.23%	10.98%	9.40%	8.19%	7.41%	6.38%	5.54%	4.29%	4.03%	3.48%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual base. The calculation of the 2016 debt limit can be found on Table 9 of this Report.

Table 11

TOWN OF WINCHESTER, CONNECTICUT
Debt Statement
For the Year Ended June 30, 2016

Direct Debt	
General Obligation Bonds	$ 5,041,000
Notes and Loans Payable	368,017
Capital Leases	113,894
Total Direct Debt	5,522,911
Total Net Direct Debt (a)	3,356,000
Overlapping Debt	-
Total Net Overall Debt	$ 3,356,000

(a) - Excludes leases and self-supporting water and sewer debt

TOWN OF WINCHESTER, CONNECTICUT
Current Debt Ratios
June 30, 2016

Table 12

1 Population	10,929
Net Taxable Grand List (10/1/14) (70%)	$ 692,517,000
Estimated Full Value	$ 989,310,000
1 Equalized Net Taxable Grand List (2014)	$ 931,621,000
1 Per Capita Income	$ 31,475

	Total Direct Debt	Total Net Direct Debt	Total Net Overall Debt
	$ 5,522,911	$ 3,356,000	$ 3,356,000
Per Capita	$ 505.34	$ 307.07	$ 307.07
Ratio to Net Taxable Grand List	0.80%	0.48%	0.48%
Ratio to Estimated Full Value	0.56%	0.34%	0.34%
Ratio to Equalized Net Taxable Grand List	0.59%	0.36%	0.36%
Debt per Capita to Money Income per Capita	1.61%	0.98%	0.98%

1 State of Connecticut Municipal Fiscal Indicators, Office of Policy and Management 2009-2016

TOWN OF WINCHESTER, CONNECTICUT
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (1)	Unemployment Rate (2)
2007	10,857	245,249	22,589	40	12+	1,071	4.9
2008	10,857	245,249	22,589	40	12+	991	4.9
2009	10,857	245,249	22,589	40	12+	996	8.9
2010	11,242	284,321	25,291	40	12+	979	8.7
2011	11,242	304,220	27,061	40	12+	948	8.6
2012	11,328	317,875	28,061	44	12+	715	8.1
2013	11,216	325,758	29,044	43	12+	654	8.6
2014	11,189	324,973	29,044	44	12+	637	6.0
2015	11,013	323,584	29,382	44	12+	584	5.4
2016	10,929	343,990	31,475	47	12+	545	5.6

Sources: Population, personal income, median age and education level provided by U.S Department of Comm
Bureau of Census and Department of Health Services, State of Connecticut

(1) Town of Winchester, Board of Education. Enrollment prior to 2012 includes grades K-8, subsequent to 2012 is grades K-6.

(2) State of Connecticut, Department of Labor

Table 14

TOWN OF WINCHESTER, CONNECTICUT

Principal Employers
Current Year and Nine
Years Ago

	2016			2007		
Employer	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Town Employment
Howmet Corporation	185	1	3.06%	185	2	3.18%
Town of Winchester	156	2	2.58%	270	1	4.64%
Electric Motion	130	3	2.15%	140	3	2.41%
NW CT Community College	100	4	1.66%	100	4	1.72%
Foothills Visiting Nurse/Home Care	65	5	1.08%	65	7	1.12%
ICS	55	6	0.91%	55	8	0.95%
DRT Power Systems	54	7	0.89%			
Barden Corporation	53	8	0.88%			
Sterling Sintered Technologies	49	9	0.81%	55	9	0.95%
Northwest Community Bank	47	10	0.78%	85	5	1.46%
Superior Energy				40	10	0.69%
Homer D Bronson Co				70	6	1.20%

Source: Assessor's Office - Town of Winchester, Connecticut

Table 15

TOWN OF WINCHESTER, CONNECTICUT
Full-Time Equivalent Government Employees By Function/ Program
Last Ten Fiscal Years

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
Management Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	6.0	6.0	4.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Planning	1.0	1.0	-	-	-	2.0	2.0	2.0	2.0	2.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	8.0	8.0	9.0	8.0	9.0	8.0	7.0	7.0	7.0	7.0
Public Safety										
Officers	18.0	18.0	16.0	17.0	18.0	20.0	21.0	23.0	23.0	23.0
Civilians	4.0	3.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Public Works	9.0	10.0	9.0	9.0	12.0	13.0	15.0	17.0	17.0	17.0
Parks and Recreation	1.0	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Water and Sewer Authority	10.0	10.0	10.0	10.0	9.0	7.0	10.0	10.0	10.0	10.0
Human Services	-	-	-	-	-	-	-	-	-	-
Town Properties	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Board of Education										
Certified	71.0	66.0	73.0	67.0	62.0	67.0	99.0	99.0	99.0	99.0
Noncertified	22.6	85.0	70.0	71.0	82.0	71.0	93.0	93.0	93.0	93.0
Total	156.6	213.0	201.0	199.0	209.0	207.0	266.0	270.0	270.0	270.0

Sources: Various Town departments
Notes: a full-time employee is scheduled to work a minimum 1,820 hours per year (including vacation and sick leave).

Table 16

TOWN OF WINCHESTER, CONNECTICUT
Operating Indicators By Function/Program
Last Ten Fiscal Years

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
Workers Compensation										
Claims Processed	22	24	24	31	35	39	46	47	45	48
General Liability										
Claims Processed	6	30	27	17	9	27	34	32	31	32
Marriage Licenses Recorded	61	105	109	99	88	100	78	79	80	101
Birth Certificates Recorded	89	73	105	83	115	100	101	121	120	119
Death Certificates Recorded	125	121	125	125	130	128	122	110	108	109
Boards and Agencies										
Registered Voters	5,566	6,660	6,916	6,815	6,815	6,825	6,732	6,718	6,720	6,716
Elections and Referendums	4	4	4	7	3	2	2	3	5	7
Planning and Development										
Building Permits Issued	696	626	585	639	705	704	733	768	852	848
Rental Certificate of										
Occupancy Issued	40	67	28	66	90	239	142	140	138	70
Value of Building Permits	9,240,598	7,402,728	6,728,828	5,628,905	7,791,834	4,353,375	15,766,459	16,745,859	13,744,459	20,382,953
Public Safety										
Arrests	393	655	394	487	556	935	972	975	875	925
Parking Violations	198	499	96	872	1,197	1,200	1,289	1,400	1,689	1,773
Traffic Accidents	353	816	408	393	400	390	410	425	450	477
Traffic Stops	772	1,320	1,149	1,438	2,162	2,289	2,390	2,488	2,548	2,612
Police Calls	8,260	8,816	9,310	10,436	11,581	12,790	12,978	12,365	11,956	12,186
Animal Control Calls	362	624	204	307	409	550	499	504	480	545
Fire Dispatched	279	718	188	269	489	648	298	300	290	300
Ambulance Requests	1,142	1,284	1,245	1,357	1,737	1,569	1,532	1,468	1,466	1,375
Public Works										
Miles of Roads Maintained	81	81	81	81	81	81	81	81	81	81
Parks and Recreation										
Community Event Participants	506	452	325	1,538	1,750	1,250	3,278	3,670	3,670	3,800
Recreation Program Participants	740	627	1,550	1,468	1,520	1,595	2,198	2,100	2,100	2,000
Annual Participants	1,246	1,079	875	3,006	3,270	2,845	5,476	5,770	5,770	5,800

TOWN OF WINCHESTER, CONNECTICUT
Operating Indicators By Function/Program
Last Ten Fiscal Years

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Libraries										
Volumes in Collection	36,361	40,627	43,058	46,884	48,982	59,745	77,466	77,466	77,466	77,840
Collection Size	40,369	45,157	47,258	52,098	44,291	53,979	61,045	61,045	610,454	60,044
Senior Citizens										
Meals on Wheels Provided - Anually	35,170	36,108	35,793	37,802	37,802	37,600	36,750	36,000	36,000	36,000
Meals at Senior Center Provided - Anually	6,274	6,897	8,171	7,172	7,172	7,000	9,800	10,000	10,000	10,000
Van Rides Provided to Seniors - Anually	5,385	4,670	4,482	6,504	6,504	6,000	11,000	11,000	11,000	11,000
Senior Mini-Bus Trips - number of senior anually	179	206	143	793	793	850	1,000	1,000	1,000	1,000
Education										
Workers Compensations Claims Processed	51	16	25	22	17	13	14	13	13	13
Elementary Schools	2	2	2	2	2	2	2	2	2	2
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	2
Water										
New Connections	1	-	-	1	-	4	9	10	17	17
Water Main Breaks	3	-	1	3	4	7	5	6	3	3
Average Daily Consumption (million of gallons)	0.99	0.93	0.93	0.85	0.85	0.98	0.95	0.90	0.88	0.93
Peak Daily Consumption (million of gallons)	1.29	1.32	1.32	1.17	1.22	1.29	1.12	1.10	1.16	1.12
Sewer										
Average Daily Sewage Treatment (mil. of gallons)	1.23	1.37	1.49	1.43	1.64	3	3	3	3	3

Source(s): Various Town Departments

n/a - information not available

TOWN OF WINCHESTER, CONNECTICUT
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Zone Offices	1	1	1	1	1	1	1	1	1	1
Police Vehicles	11	12	12	12	6	9	11	11	11	11
Fire Vehicles	12	9	9	9	8	8	7	7	7	7
Public Works										
Miles of Town Roads	81	81	81	81	81	81	81	81	81	81
Traffic Signals	13	13	13	13	13	13	13	13	13	13
Public Works Vehicles and Equipment	54	54	54	54	54	54	54	54	54	54
Parks and Recreation										
Acreage	30	30	30	30	30	30	30	30	30	30
Parks and Greens	4	4	4	4	4	4	4	4	4	4
Athletic Fields	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
Public Libraries										
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Citizens										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Mini-Buses	2	2	2	2	2	2	2	2	2	2
Education										
Schools	4	4	4	4	4	4	4	4	4	4
Water										
Water Mains (miles)	40	40	40	40	40	40	40	40	40	40
Fire Hydrants	350	350	350	350	350	350	350	350	350	350
Storage Capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Sewer										
Sanitary Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment Capacity (millions of gallons)	3	3	3	3	3	3	3	3	3	3

Sources: Various Town Departments