

**TOWN OF WILLINGTON,
CONNECTICUT**

**Comprehensive Annual
Financial Report**

**For The Year Ended
June 30, 2006**

Prepared by:

**Finance Department
Annemarie Poole, Treasurer
Donna Latincsics, Business Manager**

**TOWN OF WILLINGTON, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2006**

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INTRODUCTORY SECTION

Town of Willington

Board of Selectmen • 40 Old Farms Road • Willington, Connecticut 06279 • (860) 487-3100 • Fax (860) 487-3103

January 4, 2007

To the Members of the Board of Selectmen,
Board of Finance and the Citizens of the
Town of Willington, Connecticut:

The Comprehensive Annual Financial Report (CAFR) of the Town of Willington, Connecticut (the “Town”) for the fiscal year ended June 30, 2006 is hereby submitted.

This report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board. Responsibility for the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management of the Town of Willington.

We believe the information presented is accurate in all material respects; that it is presented in a manner designed to fairly exhibit the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain maximum understanding of the Town’s financial activity have been included.

Pursuant to Connecticut Law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2006, the examination was conducted by the firm of Carlin, Charron & Rosen LLP, independent certified public accountants, of Glastonbury, Connecticut. The independent auditors’ report is presented as the first component of the financial section of this report.

The CAFR is presented in three sections:

The **Introductory Section** includes a description of the Town government, local economy and major initiatives.

The **Financial Section** contains the independent auditors’ report, the management’s discussion and analysis, the basic financial statements and the notes to the basic financial statements. It also includes combining and individual fund statements and schedules.

The **Statistical Section** contains statistical data that relates to the financial condition of the Town and includes various financial, economic, social, and demographic data of the Town for the past ten years.

The independent audit of the basic financial statements of the Town was part of a broader State of Connecticut mandated “Single Audit” designed to meet the special needs of state grantor agencies. The State Single Audit Report contains the independent auditors’ reports on compliance and internal control, the schedules of expenditures of state financial assistance, and the schedule of findings and questioned costs. These reports are available in the Town of Willington’s separately issued State Single Audit Reports.

GAAP requires 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). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town’s MD&A can be found immediately following the report of the independent auditors .

Profile of the Government

The Town of Willington, located in Tolland County, is approximately 25 miles northeast of Hartford and two miles from the main campus of the University of Connecticut at Storrs. The Town is bounded on the north by the Towns of Stafford and Union, on the east by the Town of Ashford, on the west by the Towns of Ellington and Tolland and on the south by the Town of Mansfield. The Town of Willington was incorporated in 1727 and covers an area of 34.8 square miles. It is traversed by Interstate 84 and state routes No. 32, 44, 74, and 320. Passenger service is provided on a limited basis by the buses of the Windham Regional Transit District. Freight service is provided by Central Vermont Railway and numerous motor common carriers.

The Town of Willington has a Board of Selectmen, Town Meeting, and Board of Finance form of government. The Board of Selectmen, elected to two-year terms, consists of three members and functions as the executive authority of the Town in accordance with the provisions of the General Statutes of the State of Connecticut.

The First Selectman, a member of the Board of Selectmen, is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman, with the approval of the Board of Selectmen, appoints members to various commissions and boards and also serves as the Town's Purchasing Agent. Additional duties include the authority over and the responsibility for the revenue collector's and assessor's operations.

The six-member Board of Finance, elected for six-year staggered terms, is responsible for proposing annual budgets and special appropriations at Town Meetings and works closely with the First Selectman and Treasurer to establish and enforce fiscal policy as well as internal control policies and procedures. The Board of Finance reviews requests for funding from the Board of Selectmen, Board of Education and other agencies and officials. A budget hearing is held in April, at which time taxpayer comments are obtained. The annual Town meeting followed by a referendum are held at the beginning of May at which time the proposed operating budget for the fiscal year commencing July 1 is voted upon for approval. In accordance with the provisions of local ordinance, all Town meeting votes on proposed budgets are adjourned to referendum vote on voting machines. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1, the budget is legally enacted.

Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

Generally, all unexpended and unencumbered appropriations lapse at year-end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbered appropriations in the general fund are not reappropriated in the ensuing year's budget, but are carried forward.

Upon approval of the budget, the Board of Finance establishes the tax rate and notifies the Revenue Collector. The Board of Finance files an official copy of the approved budget with the Town Clerk within five days of approval.

The seven-member Board of Education, elected for four-year staggered terms, is responsible for the operation of the grades K-8 school system. Willington also elects four members to the Regional 19 Board of Education. The Regional Board is responsible for Willington students' high school education and the operation of E.O. Smith Regional High School. Elections are held biennially in November in every odd-numbered year.

The Town's professional staff includes a Business Manager, Treasurer, a Revenue Collector and an Assessor. The Treasurer is responsible for the treasury management functions of the Town. The Business Manager is responsible for the activities of the accounting staff for the Town and Board of Education. In addition, they are both responsible for assisting the Board of Finance in the preparation of the annual budget; the maintenance of the general ledgers of the Town; financial planning and cost accounting; data processing; financial report preparation; and supervision of the annual independent audit. The Treasurer is also responsible for the investment of all Town funds. The Revenue Collector is responsible for the collection and reconciliation of all property tax obligations due to the Town. The Assessor values all buildings, land, motor vehicles and personal property to assess the amount of taxes owed by the taxpayers. The Assessor also oversees the town-wide physical revaluation. The Town must implement revaluation every five years and a revaluation by physical inspection must be done no later than ten years from the preceding physical inspections. Assessment information is sent to the Revenue Collector so she may send tax notifications to the taxpayers.

Profile of the Government(Continued)

The Town's accounting system considers the adequacy of internal control to ensure that the assets of the Town are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of reliable financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations take into consideration the concepts listed above. Management believes the Town's internal control adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

The Town of Willington provides a range of services, including ambulance and fire protection, recreational activities and cultural events. The Town participates in the Mid-Northeast Recycling Operating Committee ("Mid-NEROC") for collection of recyclable materials and household hazardous wastes. It is a member of the five-town Eastern Highlands Health District for the purpose of providing environmental health-related services including septic design reviews, restaurant inspections and health education. Also, the Board of Selectmen appoints members to the Willington Housing Authority, a related organization. These organizations are described in the notes to the financial statements included in the Financial Section.

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 in which the Town operates.

Local Economy

The largest concentration of economic development in the Town is located on State Route 320 by the Exit 71 interchange of Interstate 84. Five hundred nineteen acres of land on the east side of Route 320 is zoned "Designed Industrial". In 1997, Roadway Package Systems, now FedEx, completed a \$22 million New England regional distribution facility on 109 acres of the industrial property. In 2001, FedEx finished a planned \$5 million expansion of their facility. They expanded their sorting system within the existing building footprint. Since then they received permits for improvements costing \$3.2 million to expand the parking areas, the maintenance building, add a storage building to the main building and build a new office building. In addition to the FedEx distribution facility, other industrial development in Town is limited to the mining and quarrying of earth products near the center of Town, a water bottling company, a bulk spring water supply and several small-scale industrial operations in South Willington.

Travel Centers of America is located off of the Exit 71 interchange and consists of a truck stop, several commercial services and a motel. Travel Centers has received permits to build a large truck wash on their facility. Other existing commercial facilities are principally located in West Willington center with sporadic commercial development occurring along River Road (Route 32) and a few commercial businesses located on Tolland Turnpike (Route 74). These facilities include a small shopping plaza, convenience stores, restaurants, service stations, small retail establishments, kennels, banks, research facilities and other small service establishments. An Economic Development Commission is charged with promoting and developing the economic resources of the Town.

The growth of the commercial/industrial tax base has been strong over the past several years. This has resulted in shifting the burden of a fairly significant portion of property taxes from residential properties to business properties. For the 2004 Grand List, the percentage of the real estate portion of the grand list paid by commercial/industrial properties was 18%, which is significantly higher than comparable towns in the region.

Long-Range Financial Planning

The Town utilizes a five year financial plan that projects peaks and valleys of fund balance levels for each year and also determines the amount of expenditures that are affordable for the upcoming year's budget. The Town, in essence, backs into the expenditure increase percentage that is affordable for the upcoming budget using an analysis that allows the Town to review revenues, operating expenditures, debt service expenditures and capital outlays for five years into the future. For peak years of expenditures, the Town determines that revenues plus available surplus are adequate to meet these obligations without the need for spikes in the tax rates.

The Town has a number of ongoing initiatives. The Town's capital improvement plan (CIP) continues to be used as the primary planning and implementation document for capital purchases and fund identification. This plan is a five-year rolling plan and is updated annually. The CIP committee's long-term objective is to have a five-year bonding cycle for major purchases and an adequate reserve for all other capital purchases.

Projects for fiscal year 2006 include the construction of wells to support the Town's planned Senior Housing complex, the construction of the new Public Library and the acquisition of Open Space land which supports the Town's interest to retain its rural character.

The Plan of Conservation and Development (PoCD) committee completed its Town policy guide which was approved during the 2006 fiscal year. Presentations of the PoCD were held with various committees and boards as this is expected to be the blueprint for Town growth. The Planning and Zoning Commission continues to head up the work required to implement the plan.

Cash Management Policies and Practices

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The Town of Willington's operating and working capital funds are invested under the responsibility and authority of the Town Treasurer. Currently, the Town's short-term investments consist of: (1) the State of Connecticut Short Term Investment Fund ("STIF") which is an investment pool managed by the State Treasurer's Office; and (2) the Cooperative Liquid Asset Security Systems Fund ("CLASS") which is an investment pool managed by MBIA Municipal Investors Service Corporation. The fair value of the Town's position in these pools is the same as the value of the pool shares.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for some risks and participates in various risk pools for other risks. Additional information on the Town of Willington's risk management activity can be found in Note 14 to the financial statements.

Town Defined Benefit Plan.

The Town maintains the Town of Willington Pension Plan ("Plan"), a single-employer, contributory, defined benefit pension plan covering substantially all employees, except Board of Education employees. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. Benefit provisions are established and can be amended by the Board of Selectmen. This Plan is considered to be part of the Town's financial reporting entity and is included as a pension trust fund of the Town. Separate, stand-alone financial statements for the Plan are not prepared.

As of June 30, 2006 the net assets held in trust for the Plan were \$454,886. Investment income for the year ended June 30, 2006 totaled \$28,323 or an approximate 5.0% rate of return. There were no benefit payments made during the year. The plan is fully funded.

Additional information on the Town's pension plan can be found in Note 13 to the financial statements.

CERTIFICATE OF ACHIEVEMENT

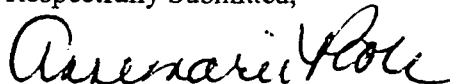
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the Business Manager, Donna Latincics and her department. Credit must also be given to the Board of Selectmen, the Board of Finance and especially its Chairman Lynn Brown for their unflinching support for maintaining the highest standards of professionalism in the management of the Town's finances.

Respectfully Submitted,



Annemarie Poole
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Willington Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

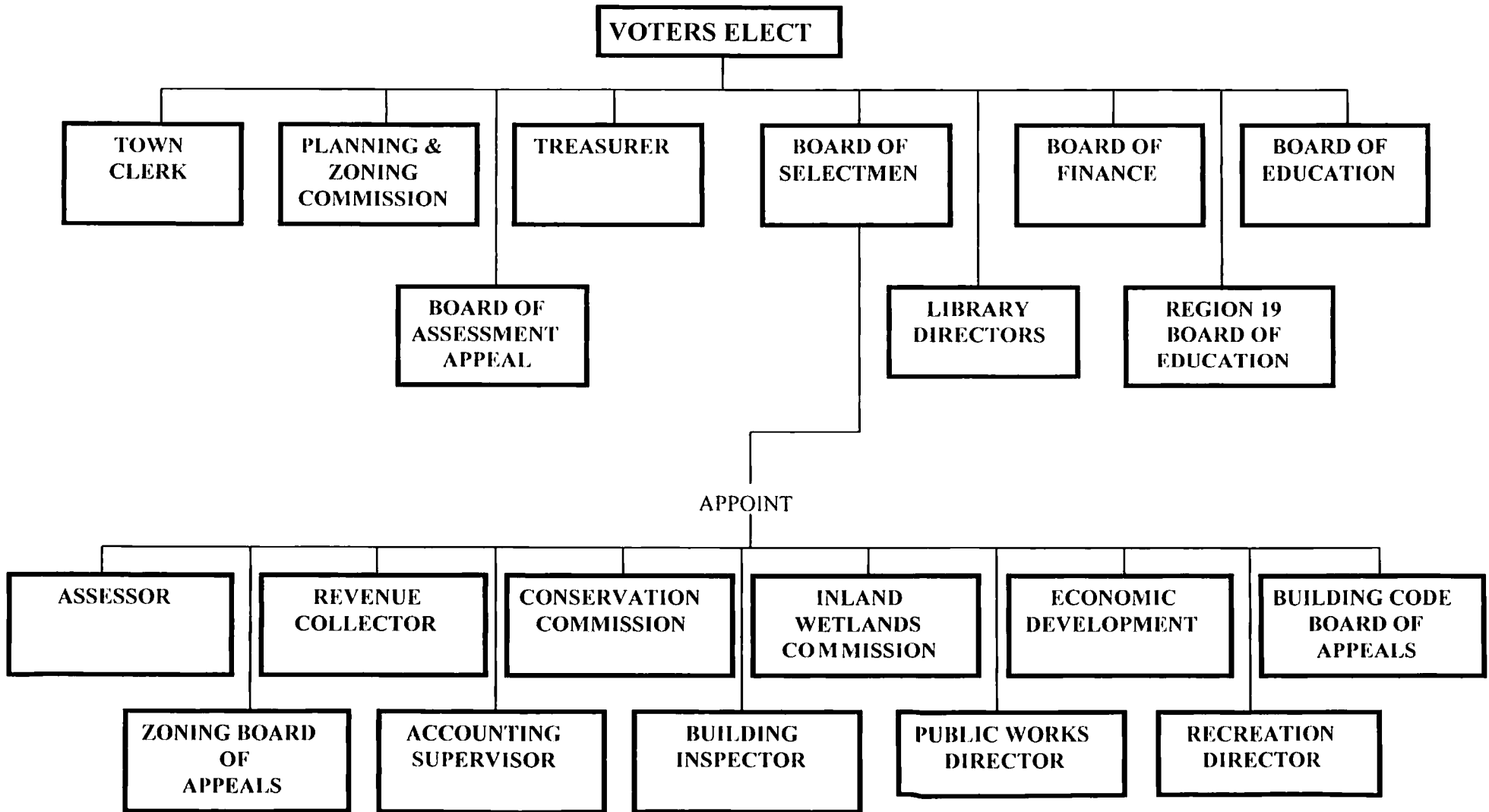
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**TOWN OF WILLINGTON, CONNECTICUT
ORGANIZATIONAL CHART
JUNE 30, 2006**



**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2006**

TOWN MEETING - BOARD OF SELECTMEN FORM OF GOVERNMENT

BOARD OF SELECTMEN

Michael L. Eldredge, First Selectman
John Patton, Selectman
John R. Lewis, Selectman

First Selectman.....	Michael L. Eldredge
Chairman, Board of Finance.....	Lynn R. Brown
Town Treasurer.....	Annemarie Poole
Business Manager.....	Donna Latincsics
Director of Public Works.....	Lynn A. Nicholls
Town Clerk.....	Donna J. Hardie
Collector of Revenues.....	Carol Larson
Superintendent of Schools.....	Corinne Berglund

BOARD OF EDUCATION

Laurie Semprebon, Chairman
Herbert C. Arico
Christine Psathas
Christina Mailhos
Dorothy Drobney
Mark Makuch
David O. Tharp

BOARD OF FINANCE

Lynn R. Brown, Chairman
Kathleen K. Blessing
James E. Harvey
Kenneth Schoppmann
Matthew R. DiNallo
Ann Marie Brown
Geoffrey W. Prusak, Alternate
Elizabeth A. Marco, Alternate

FINANCIAL SECTION

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Finance of the
Town of Willington, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Willington, Connecticut (the "Town") as of and for the year ended June 30, 2006, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Willington, Connecticut as of June 30, 2006, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2006 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis presented on pages 3 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Carlin, Charon & Rosen, LLP

Glastonbury, Connecticut
December 22, 2006

Management's Discussion and Analysis

TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Willington, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this Comprehensive Annual Financial Report.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$10,472,269 (net assets). Of this amount, \$3,831,921 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$1,257,679 or 13.6%. This increase is primarily related to the increase in property tax revenues and proceeds received in relation to the sale of land. Overall, total revenues increased 6.1% which offset a 5.9% increase in total expenses.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,635,583 an increase of \$1,589,104 over the prior year. Approximately 96% or \$4,432,872 of this total amount is available for spending at the Town's discretion (unreserved fund balance).
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$1,640,220 or 12% of total general fund expenditures.
- The Town's total bonded debt decreased by \$195,000 or 20% during the current fiscal year, due to current year principal payments. However the Town obtained financing through the issuance of bond anticipation notes to finance the construction of capital projects. The notes, maturing in December 2006, are to be refinanced through the issuance of general obligation bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

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

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

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Small Cities Grant Housing Fund, Capital Projects Fund, and the Reserve for Capital and Nonrecurring Expenditures Fund, all of which are considered to be major funds. Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 – 21 of this report.

TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 22 and 23 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for 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 24 - 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains combining and individual fund statements and schedules and statistical tables that can be found on pages 48 – 80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

Over time, net assets may serve as one measure of a government's financial position. Total net assets of the Town totaled \$10,472,269 and 9,214,590 as of June 30, 2006 and 2005, respectively and are summarized as follows:

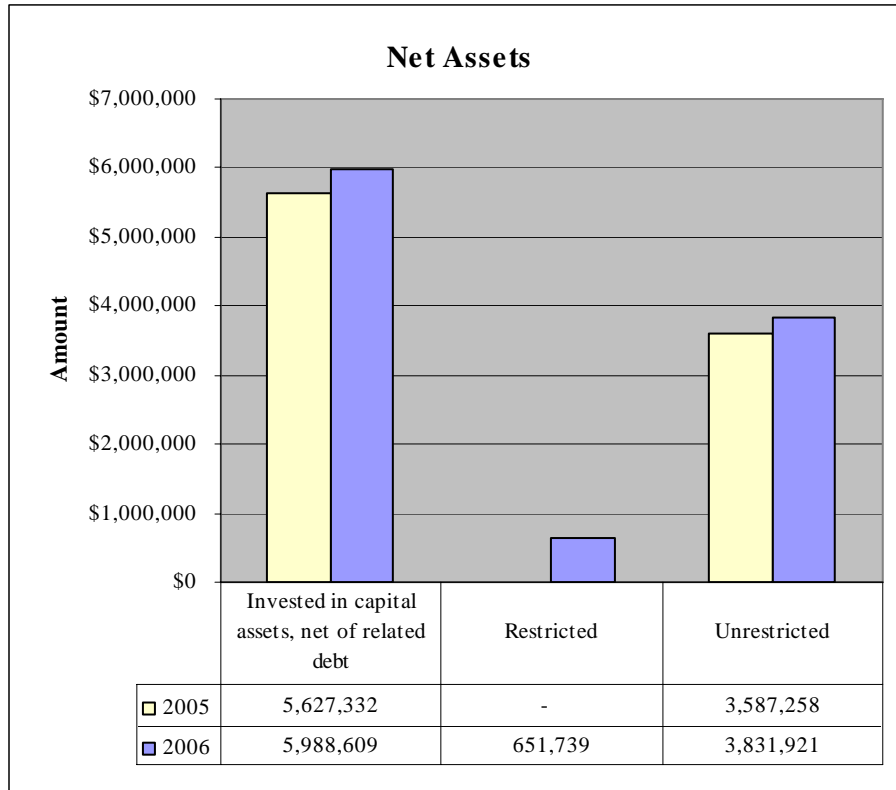
**Town of Willington, Connecticut
Net Assets
June 30, 2006 and 2005**

	Governmental Activities	
	2006	2005
Current and other assets	\$ 7,079,483	\$ 5,114,422
Capital assets	9,491,266	7,025,389
Total assets	16,570,749	12,139,811
Current and other liabilities	4,719,137	1,253,344
Long-term liabilities	1,379,343	1,671,877
Total liabilities	6,098,480	2,925,221
Net assets:		
Invested in capital assets, net of related debt	5,988,609	5,627,332
Restricted	651,739	-
Unrestricted	3,831,921	3,587,258
Total net assets	\$ 10,472,269	\$ 9,214,590

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Assets (Continued)



As of June 30, 2006, 57% of the Town's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2006, 6% of the Town's net assets are restricted for capital projects, relating to unspent debt proceeds for the construction of the new library.

Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net assets increased by \$1,257,679 or 13.6%. This increase is primarily related to the increase in general revenues, specifically the increase in property tax revenues and unrestricted investment earnings. Overall, revenues increased 6.1% which favorably offset the increase in total expenses of 5.9%.

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets

Changes in net assets for the years ended June 30, 2006 and 2005 are as follows:

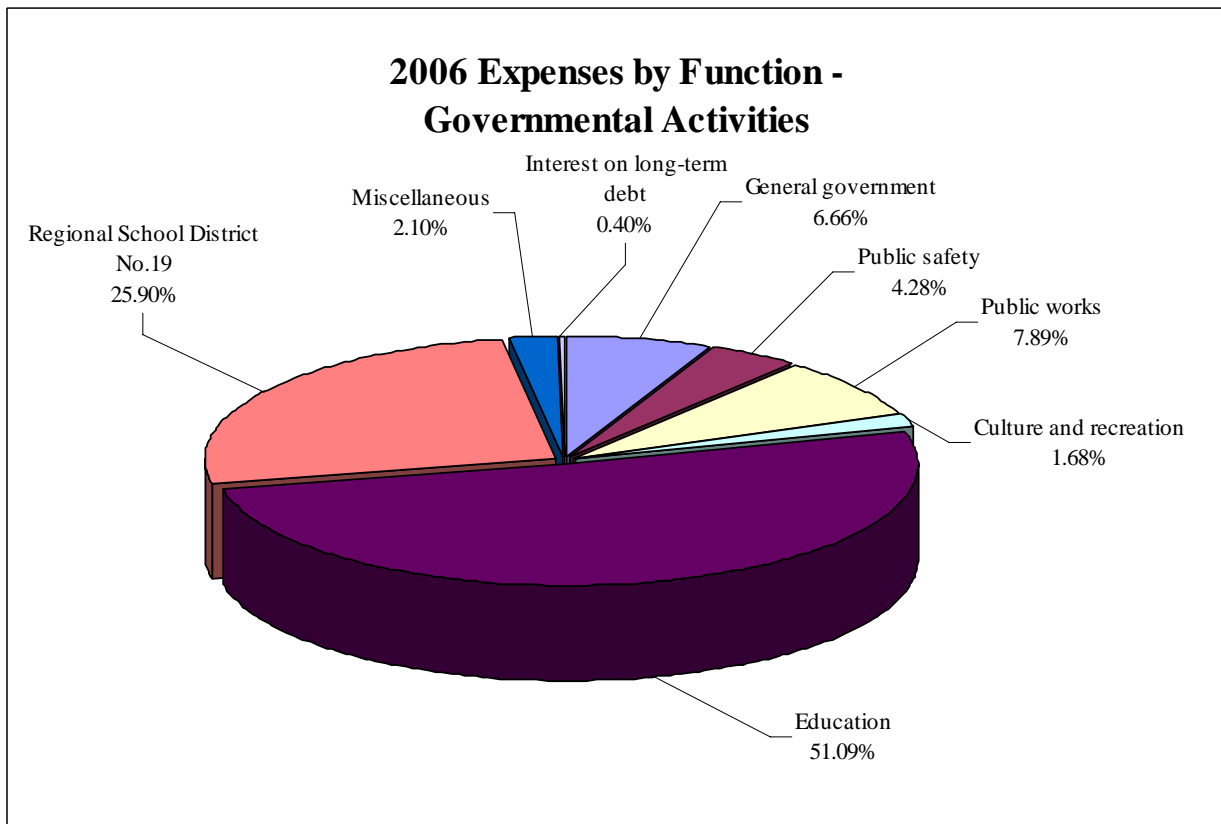
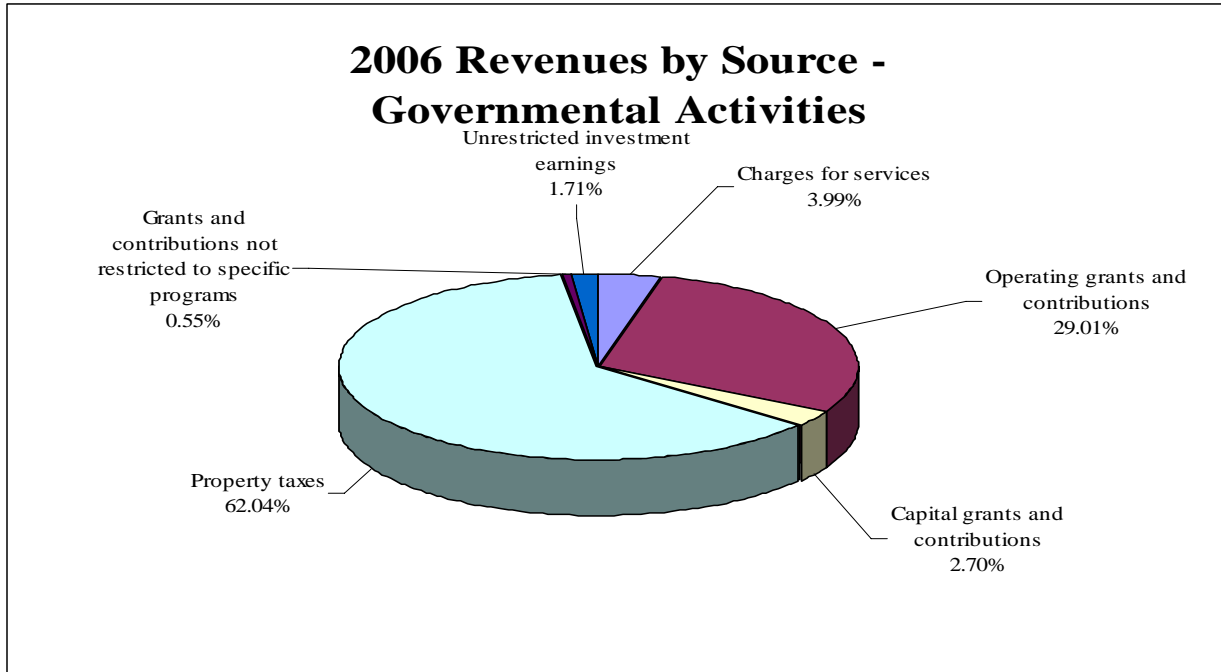
**Town of Willington, Connecticut
Changes in Net Assets
June 30, 2006 and 2005**

	Governmental Activities	
	2006	2005
Revenues		
Program revenues:		
Charges for services	\$ 626,675	\$ 600,209
Operating grants and contributions	4,558,213	4,083,514
Capital grants and contributions	424,555	548,751
General revenues:		
Property taxes	9,748,778	9,302,153
Grants and contributions not restricted to specific programs	86,439	76,535
Gain on sale of capital assets	-	105,704
Unrestricted investment earnings	269,125	96,290
Total revenues	<u>15,713,785</u>	<u>14,813,156</u>
Expenses		
General government	962,560	819,523
Public safety	619,175	599,944
Public works	1,140,811	978,144
Culture and recreation	243,115	248,078
Education	7,385,860	6,999,851
Regional School District No.19	3,744,190	3,611,142
Miscellaneous	303,653	314,706
Interest on long-term debt	56,742	78,658
Total expenses	<u>14,456,106</u>	<u>13,650,046</u>
Change in net assets	1,257,679	1,163,110
Net assets - beginning	<u>9,214,590</u>	<u>8,051,480</u>
Net assets - ending	<u>\$ 10,472,269</u>	<u>\$ 9,214,590</u>

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets (Continued)



TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (*Continued*)

Changes in Net Assets (*Continued*)

Governmental activities increased the Town's net assets by \$1,257,679 thereby accounting for 13.6% of the total growth of the Town's net assets. Key elements of this increase are as follows:

- Property tax revenues reflect a 3% increase in the Town's tax rate (approximately 1 mill) and a 2% increase in the total assessed value of taxable property in comparison to the prior fiscal year.
- Revenue from intergovernmental grants and contracts increased by 5% due to increases in awards for culture and recreation and education.
- Investment earnings increased by 179.5% due to general economic conditions resulting in increases in interest rates as well as the overall increase in the Town's investments of 32%.
- Expenditures of governmental activities increased by 5.9% due primarily to a 17% increase in general government, 16% in public works and a 5.5% increase in education expenditures. General government expenditures increased due to a 9% increase in budgeted expenditures and increases in Town hall operational costs attributable to rising utility rates and engineering costs for various consulting services connected with the Town's road infrastructure. In addition other general government increases related to salary and benefit increases in connection with liabilities for compensated absences. Public works also had a 9% increase in budgeted expenditures and additional costs associated with increased storm costs. Furthermore, depreciation expenses for this function increased due to the first full year of depreciation expense for the Village Hill Bridge as it was placed in service at the end of 2005. Increases in education expenditures are related to a 3.5% increase in budgeted expenses and the remaining increase is due to the amount paid by the State of Connecticut on behalf of the Town's teachers for the State Teachers Retirement fund. The State increased the contribution rate by 6.6% and the on behalf payments are recognized as intergovernmental revenue and education expenditures of the same amounts.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,635,583 an increase of \$1,589,104 for the year. The increase is primarily attributable to the increase in property tax revenues, investment earnings and unspent debt proceeds from the issuance of bond anticipation notes which are for the financing of the construction for the new library.

TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (*Continued*)

Governmental Funds (Continued)

Of the total governmental fund balances, \$4,432,872 constitutes unreserved fund balance which is available for spending at the Town's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for specific purposes

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,640,220, while total fund balance was \$1,841,620. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12% of total General Fund expenditures, while total fund balance represents 14% of that same amount.

The fund balance of the Town's General Fund increased by \$309,919 during the current fiscal year. This increase was in spite of a planned utilization of fund balance of the General Fund of \$350,000, as approved in the original budget, and two additional appropriations totaling \$164,000. Expenditures were generally lower than originally estimated, thus the actual increase in the fund balance was due to strong revenue growth primarily related to increases in property taxes and investment earnings.

Small Cities Grant Housing Fund

The fund balance of the Small Cities Grant Housing Fund increased by \$27,667 due to collection of rehabilitation loans of approximately \$23,000 in 2006. Rehabilitation loans consist of deferred loans made to certain qualifying individuals for home improvements in connection with funding received by the Town under a Small Cities Development Block Grant to administer the Town's Housing Rehabilitation Program which began in 1982. The loans bear no interest during their term and are repaid upon the sale or transfer of the property.

Capital Projects Fund

The fund balance of the Capital Projects Fund increased by \$804,084. The majority of the increase is related to unspent debt proceeds of \$651,739 from the bond anticipation notes (BANS) which are being used to finance the construction of the new library schedule for completion before the end of June 30, 2007. The BANS mature in December 2006 and are expected to be refinanced by the issuance of general obligation bonds.

Reserve for Capital and Nonrecurring Expenditures Fund

The fund balance of the Reserve for Capital and Nonrecurring Expenditures Fund increased by \$254,556 due to a transfer from the General Fund to be set aside for large capital expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were primarily attributable to an increase in appropriations of \$164,000. Additional appropriations were made to fund: increased costs to Public Works due to severe storms; and various miscellaneous general government expenditures associated with Town hall operations.

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2006 totaled \$9,491,266 (net of accumulated depreciation). This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, machinery and equipment, infrastructure, vehicles and furniture and fixtures. The total increase in the Town's investment in capital assets for the current fiscal year was \$2,465,877, an 35% increase. The increase consisted of capital asset additions of \$2,940,941, offset by \$475,064 of current year depreciation and amortization expense.

Major capital asset events during the current fiscal year included the following:

- Outlays for construction in progress totaling \$2,740,491 for the Library, Village Hill Bridge, the Senior Housing Project, River Road Ball Field and open space projects. The assets constructed by these projects will be utilized primarily in public works, general government, and culture and recreation functions.
- Other increases of approximately \$200,000 in capital assets included improvements made to the Town Hall office building, the Hall and Center Schools as well as additions of capital equipment.

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation and amortization, presented for governmental activities:

**Town of Willington, Connecticut
Capital Assets, net
June 30, 2006 and 2005**

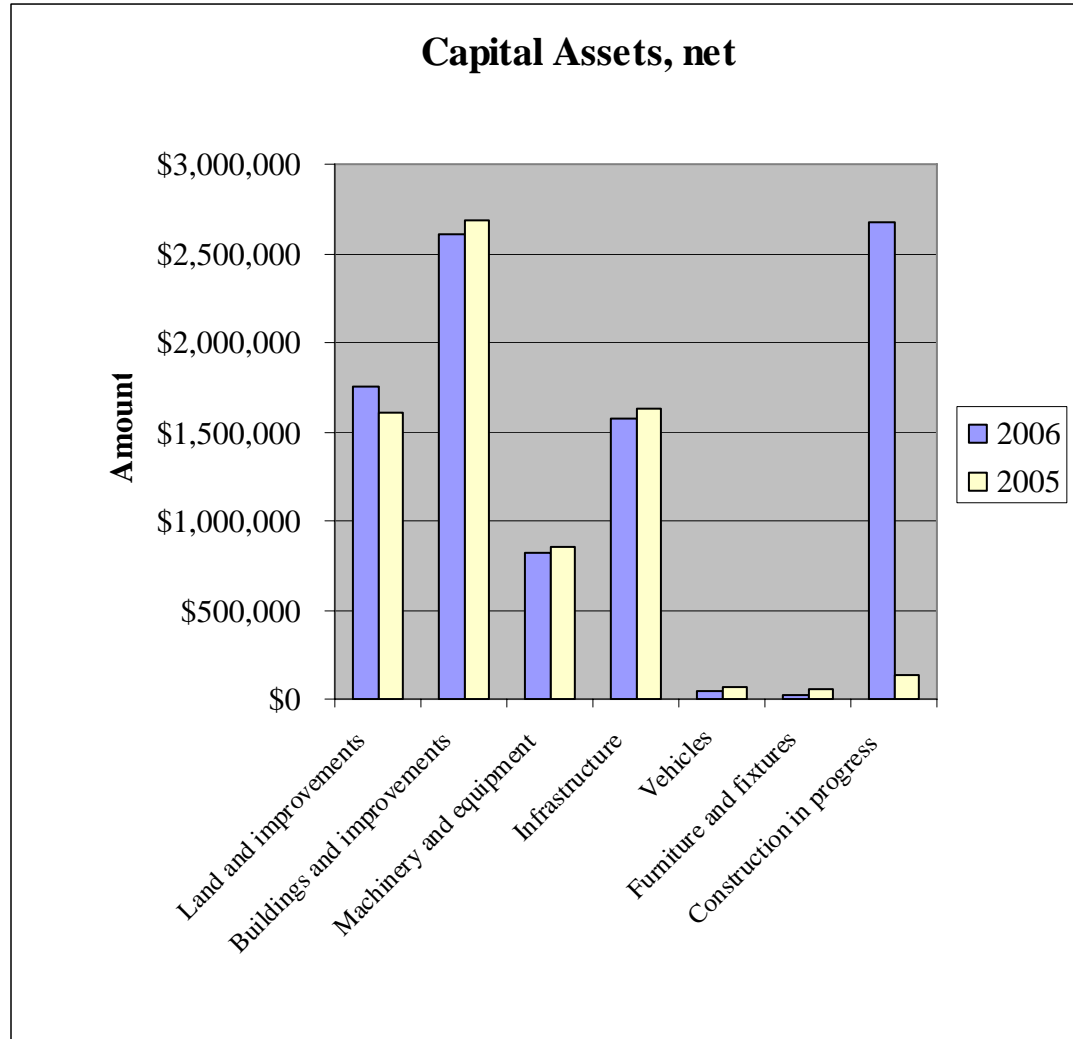
	Governmental Activities	
	2006	2005
Land and improvements	\$ 1,752,816	\$ 1,612,236
Buildings and improvements	2,602,020	2,686,805
Machinery and equipment	815,734	851,926
Infrastructure	1,577,495	1,624,070
Vehicles	42,596	65,038
Furniture and fixtures	25,512	52,848
Construction in progress	2,675,093	132,466
Totals	<u>\$ 9,491,266</u>	<u>\$ 7,025,389</u>

The Town has not yet implemented the provisions of GASB Statement No. 34 related to recording infrastructure assets acquired prior to the July 1, 2002 implementation date of the standard. The Town has implemented the prospective reporting provisions of the standard for all infrastructure assets acquired after the July 1, 2003 implementation date.

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



Additional information on the Town's capital assets can be found in Note 6 on pages 36 and 37 of this report.

Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$780,000. This entire amount is comprised of debt backed by the full faith and credit of the Town.

The Town's total bonded debt decreased by \$195,000 or 20% during the current fiscal year due to current year principal repayments. Debt service payments on current bonded debt are projected to be \$195,000 per year from fiscal 2007 through fiscal year 2010 when the bonds mature.

During 2006, the Town obtained financing through the issuance of bond anticipation notes payable in the amount of \$3,000,000 and related premium of \$19,680. The notes mature on December 15, 2006 and were subsequently refinanced by general obligation bonds (see Note 17 of the notes to the financial statements).

**TOWN OF WILLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt (Continued)

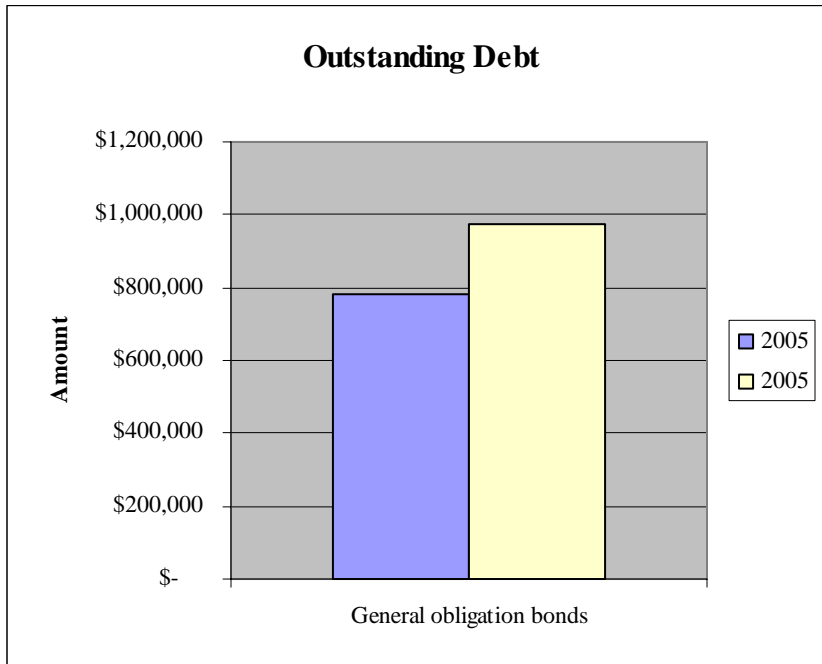
The Town maintains an A2 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The capacity of borrowing for the Town is \$68,094,019, which is significantly in excess of the Town's outstanding general obligation debt.

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

**Town of Willington, Connecticut
Long-Term Debt
June 30, 2006 and 2005**

	Governmental Activities	
	2006	2005
General obligation bonds	\$ 780,000	\$ 975,000



Additional information on the Town's long term debt can be found in Note 10 on pages 39 – 41 of this report.

TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The unemployment rate for the Town is currently 3.9%, which is a decrease from a rate of 4.8% in the prior year and compares favorably to the state's average unemployment rate of 4.6% and the national unemployment rate of 4.6%.
- Inflationary trends in the region are consistent with national indices of 4.3%.
- During the current fiscal year, unreserved fund balance of the General Fund increased to \$1,640,220. The Town has appropriated \$350,000 of this amount for spending in the fiscal year 2007 budget. It is intended that this use of available fund balance will reduce the amount of tax increases during the 2007 fiscal year.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2007, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department and the Town Clerk, as well as the amount of interest income to be earned on cash deposits and investments.

The Town utilizes a five year financial plan that projects peaks and valleys of fund balance levels for each year and also determines the amount of expenditures that are affordable for the upcoming year's budget. The Town, in essence, backs into the expenditure increase percentage that is affordable for the upcoming budget using an analysis that allows the Town to review revenues, operating expenditures, debt service expenditures and capital outlays for five years into the future. For peak years of expenditures, the Town determines that revenues plus available surplus are adequate to meet these obligations without the need for spikes in the tax rates.

All of these factors were considered in preparing the Town's budget for fiscal year 2007.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Willington, Financial Division, 40 Old Farms Road, Willington, CT 06279.

Basic Financial Statements

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 719,881
Investments	4,927,049
Receivables:	
Property taxes receivable	97,193
Grants and contracts receivable	456,991
Accounts receivable	16,727
Interest receivable	7,412
Inventories and prepaid items	1,311
Net pension asset	30,667
Grants and contracts receivable, long-term portion	166,958
Rehabilitation loans receivable	649,182
Deferred charges, net of accumulated amortization of \$6,112	6,112
Capital assets:	
Non-depreciable	4,201,956
Depreciable, net	5,289,310
Total assets	<u>16,570,749</u>
 LIABILITIES	
Accounts payable and accrued liabilities	1,327,641
Unearned revenue	95,878
Accrued interest	14,596
Noncurrent liabilities:	
Due within one year:	
Bonds and notes payable	3,195,000
Capital leases	54,931
Compensated absences	23,891
Accrued landfill post closure costs	7,200
Due in more than one year:	
Bonds and notes payable	594,930
Capital leases	315,647
Compensated absences	346,366
Accrued landfill post closure costs	122,400
Total liabilities	<u>6,098,480</u>
 NET ASSETS	
Invested in capital assets, net of related debt	5,988,609
Restricted for:	
Capital projects	651,739
Unrestricted	3,831,921
Total net assets	<u>\$ 10,472,269</u>

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets - Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 962,560	\$ 311,657	\$ 56,840	\$ 73,125	\$ (520,938)
Public safety	619,175	121,582	73	-	(497,520)
Public works	1,140,811	9,383	223,263	82,727	(825,438)
Culture and recreation	243,115	59,503	143,326	250,000	209,714
Education	7,385,860	124,550	4,134,711	18,703	(3,107,896)
Regional School District No. 19	3,744,190	-	-	-	(3,744,190)
Miscellaneous	303,653	-	-	-	(303,653)
Interest on long-term debt	56,742	-	-	-	(56,742)
Total governmental activities	<u>\$ 14,456,106</u>	<u>\$ 626,675</u>	<u>\$ 4,558,213</u>	<u>\$ 424,555</u>	<u>(8,846,663)</u>
General revenues:					
Property taxes, levied for general purposes					9,748,778
Grants and contributions not restricted to specific programs					86,439
Unrestricted investment earnings					269,125
Total general revenues					<u>10,104,342</u>
Change in net assets					1,257,679
Net assets - beginning					9,214,590
Net assets - ending					<u>\$ 10,472,269</u>

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

TOWN OF WILLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	General Fund	Small Cities Grant Housing Fund	Capital Projects Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 17,451	\$ 501,825	\$ -	\$ 200,605	\$ 719,881
Investments	3,279,381	108,234	20,282	745,197	773,955	4,927,049
Receivables:						
Property taxes receivable	97,193	-	-	-	-	97,193
Grants and contracts receivable	18,849	-	292,054	-	62,609	373,512
Accounts receivable	4,025	10,615	-	-	2,087	16,727
Rehabilitation loans receivable	-	649,182	-	-	-	649,182
Due from other funds	170,008	-	635,720	236,094	103,258	1,145,080
Inventories and prepaid items	-	-	-	-	1,311	1,311
Total assets	<u>\$ 3,569,456</u>	<u>\$ 785,482</u>	<u>\$ 1,449,881</u>	<u>\$ 981,291</u>	<u>\$ 1,143,825</u>	<u>\$ 7,929,935</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 605,147	\$ -	\$ 654,067	\$ 8,806	\$ 59,621	\$ 1,327,641
Due to other funds	950,240	23,732	41,520	-	129,588	1,145,080
Unearned/deferred revenue	172,449	649,182	-	-	-	821,631
Total liabilities	<u>1,727,836</u>	<u>672,914</u>	<u>695,587</u>	<u>8,806</u>	<u>189,209</u>	<u>3,294,352</u>
Fund Balances:						
Reserved for:						
Inventories	-	-	-	-	1,311	1,311
Encumbrances	201,400	-	-	-	-	201,400
Unreserved	1,640,220	112,568	754,294	972,485	-	3,479,567
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	923,799	923,799
Capital project funds	-	-	-	-	29,506	29,506
Total fund balances	<u>1,841,620</u>	<u>112,568</u>	<u>754,294</u>	<u>972,485</u>	<u>954,616</u>	<u>4,635,583</u>
Total liabilities and fund balances	<u>\$ 3,569,456</u>	<u>\$ 785,482</u>	<u>\$ 1,449,881</u>	<u>\$ 981,291</u>	<u>\$ 1,143,825</u>	<u>\$ 7,929,935</u>

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

TOWN OF WILLINGTON, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006

Total fund balances for governmental funds \$ 4,635,583

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land and improvements	\$ 1,762,885	
Construction in progress	2,675,093	
Buildings and improvements	10,430,379	
Machinery and equipment	1,624,906	
Infrastructure	1,658,699	
Vehicles	523,217	
Furniture and fixtures	321,295	
Less: accumulated depreciation and amortization	<u>(9,505,208)</u>	
Total capital assets, net		9,491,266

Debt issuance costs are recorded as expenditures in the governmental funds. However, these costs are deferred and amortized over the life of the related debt in the statement of net assets.

Debt issuance costs	12,224	
Less accumulated amortization	<u>(6,112)</u>	
Total debt issuance costs, net		6,112

School construction grants receivable from the State of Connecticut are not susceptible to accrual and, therefore, are not reported in the governmental funds. 250,437

The pension assets resulting from contributions in excess of the annual required contributions are not financial resources and, therefore, are not reported in the governmental funds. 30,667

Some of the Town's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds. 76,571

Interest receivable related to delinquent taxes is not susceptible to accrual and, therefore, is not reported in the governmental funds. 7,412

Rehabilitation loans receivable are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds. 649,182

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Those liabilities consist of:

Long-term debt:		
Bonds payable	(780,000)	
Bond anticipation notes payable	(3,000,000)	
Unamortized premium	(9,930)	
Capital leases	(370,578)	
Accrued interest payable	(14,596)	
Other long-term liabilities:		
Compensated absences	(370,257)	
Accrued landfill postclosure costs	<u>(129,600)</u>	
Total long-term liabilities		<u>(4,674,961)</u>

Net assets of governmental activities \$ 10,472,269

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	Small Cities Grant Housing Fund	Capital Projects Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 9,738,700	\$ -	\$ -	\$ -	\$ -	\$ 9,738,700
Intergovernmental	4,257,485	-	332,729	69,647	345,426	5,005,287
Food sales	-	-	-	-	124,550	124,550
Licenses, fees and permits	262,017	-	-	-	190,468	452,485
Investment earnings	151,007	3,830	41,749	27,724	44,815	269,125
Miscellaneous	56,752	23,837	1,068	-	138,719	220,376
Total revenues	<u>14,465,961</u>	<u>27,667</u>	<u>375,546</u>	<u>97,371</u>	<u>843,978</u>	<u>15,810,523</u>
EXPENDITURES						
Current:						
General government	862,829	-	-	-	-	862,829
Public safety	312,874	-	-	-	248,376	561,250
Public works	1,006,315	-	-	-	8,800	1,015,115
Culture and recreation	-	-	-	-	246,360	246,360
Education	6,966,782	-	-	-	452,050	7,418,832
Regional School District No. 19	3,744,190	-	-	-	-	3,744,190
Miscellaneous	303,653	-	-	-	-	303,653
Debt service:	-	-	-	-	-	-
Debt issuance costs	-	-	12,224	-	-	12,224
Principal payments	195,000	-	-	-	52,479	247,479
Interest and fiscal charges	45,081	-	-	-	18,945	64,026
Capital outlays	21,058	-	2,604,098	140,165	-	2,765,321
Total expenditures	<u>13,457,782</u>	<u>-</u>	<u>2,616,322</u>	<u>140,165</u>	<u>1,027,010</u>	<u>17,241,279</u>
Excess (deficiency) of revenues over expenditures	1,008,179	27,667	(2,240,776)	(42,794)	(183,032)	(1,430,756)
OTHER FINANCING SOURCES (USES)						
Proceeds from bond anticipation notes	-	-	3,000,000	-	-	3,000,000
Premium on bond anticipation notes issued	-	-	19,860	-	-	19,860
Transfers in	-	-	25,000	297,350	375,910	698,260
Transfers out	(698,260)	-	-	-	-	(698,260)
Total other financing sources (uses)	<u>(698,260)</u>	<u>-</u>	<u>3,044,860</u>	<u>297,350</u>	<u>375,910</u>	<u>3,019,860</u>
Net change in fund balances	309,919	27,667	804,084	254,556	192,878	1,589,104
Fund balances - beginning	<u>1,531,701</u>	<u>84,901</u>	<u>(49,790)</u>	<u>717,929</u>	<u>761,738</u>	<u>3,046,479</u>
Fund balances - ending	<u>\$ 1,841,620</u>	<u>\$ 112,568</u>	<u>\$ 754,294</u>	<u>\$ 972,485</u>	<u>\$ 954,616</u>	<u>\$ 4,635,583</u>

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

**TOWN OF WILLINGTON, 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, 2006**

Net change in fund balances for total governmental funds	\$	1,589,104
Total change in net assets reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:</p>		
Expenditures for capital assets	\$ 2,940,941	
Depreciation and amortization expense	<u>(475,064)</u>	
Net adjustment		2,465,877
<p>Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net assets.</p>		
		(83,479)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net assets. The net effect of these differences in the treatment of long-term debt is as follows:</p>		
Debt issuance:		
Bond anticipation notes issued	(3,000,000)	
Premium on bond anticipation notes issued	(19,860)	
Principal repayments:		
Bonds	195,000	
Obligations under capital lease	<u>52,479</u>	
Net adjustment		(2,772,381)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:</p>		
Accrued interest	3,466	
Net pension asset	6,489	
Landfill closure and postclosure care costs	1,500	
Compensated absences	44,320	
Amortization of bond anticipation note premium	9,930	
Amortization of bond issuance costs	<u>6,112</u>	
		71,817
Interest receivable related to delinquent taxes not reported in the governmental funds		(3,635)
<p>Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as unearned revenues in the governmental funds. This amount represents the change in unearned revenue.</p>		
		<u>(9,624)</u>
Change in net assets of governmental activities	\$	<u><u>1,257,679</u></u>

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL-BUDGETARY BASIS-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
REVENUES				
Property taxes	\$ 9,475,285	\$ 9,475,285	\$ 9,738,700	\$ 263,415
Intergovernmental	3,564,618	3,564,618	3,807,549	242,931
Licenses, fees and permits	174,300	174,300	262,017	87,717
Investment earnings	45,000	45,000	151,007	106,007
Miscellaneous	60,000	60,000	56,752	(3,248)
Total revenues	<u>13,319,203</u>	<u>13,319,203</u>	<u>14,016,025</u>	<u>696,822</u>
EXPENDITURES				
Current:				
General government	799,505	871,260	857,168	(14,092)
Public safety	304,429	313,361	312,874	(487)
Public works	854,463	1,012,737	1,008,268	(4,469)
Education	6,613,203	6,613,203	6,546,637	(66,566)
Regional School District No. 19	3,744,190	3,744,190	3,744,190	-
Miscellaneous	376,041	322,111	315,596	(6,515)
Debt service:				
Principal payments	195,000	195,000	195,000	-
Interest and fiscal charges	45,081	45,081	45,081	-
Capital outlays	18,000	18,000	17,845	(155)
Total expenditures	<u>12,949,912</u>	<u>13,134,943</u>	<u>13,042,659</u>	<u>(92,284)</u>
Excess of revenues over expenditures	369,291	184,260	973,366	789,106
OTHER FINANCING SOURCES (USES)				
Designation of fund balance	350,000	514,000	-	(514,000)
Transfers out	(719,291)	(698,260)	(698,260)	-
Total other financing sources (uses)	<u>(369,291)</u>	<u>(184,260)</u>	<u>(698,260)</u>	<u>(514,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	275,106	<u>\$ 275,106</u>
Fund balance - beginning			<u>1,365,114</u>	
Fund balance - ending			<u>\$ 1,640,220</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006**

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 104,840
Investments:		
Mutual funds	397,375	-
Life insurance - cash surrender value	47,109	-
Certificates of deposit	-	41,410
Contribution receivable	10,402	-
Total assets	<u>454,886</u>	<u>\$ 146,250</u>
LIABILITIES		
Due to others	-	\$ 144,273
Other	-	1,977
Total liabilities	<u>-</u>	<u>\$ 146,250</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 454,886</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 16,153
Plan members	5,648
Total contributions	21,801
Investment earnings:	
Net appreciation in the fair value of investments	28,323
Total additions	50,124
DEDUCTIONS	
Administrative expenses	6,253
Total deductions	6,253
Change in net assets	43,871
Net assets - beginning	411,015
Net assets - ending	\$ 454,886

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

History and Organization

The Town of Willington, Connecticut operates under the provisions of the general statutes of the State of Connecticut. The Board of Selectmen functions as the executive authority of the Town. The First Selectman, who is the chief executive officer, oversees the concerns of the Town. The legislative power of the Town is vested in a Town Meeting. The Board of Finance is responsible for presenting a fiscal operating budget to the Town Meeting for approval. The Board of Education is responsible for the operation of the school system.

The Town has considered all agencies, departments, commissions, boards, authorities, and funds to determine the "financial reporting entity" of the Town. The basic financial statements of the Town include only the funds of the Town as no component units exist based on operational or financial relationships with the Town.

Jointly Governed Organizations

The Town and eleven other local municipalities each appoint a member to the governing board of the Mid-Northeast Recycling Operating Committee (Committee), which provides regional solid waste recycling services to member towns. The Town paid \$521 in assessments to the Committee for the year ended June 30, 2006.

Related Organization

The Town is responsible for appointing members to the board of the Willington Housing Authority. The Town's accountability for this organization does not extend beyond making the appointments.

Members of the governing body of the Town are also members of the governing board of Eastern Highlands Health District (the "District"). The Town has contracted with the District for environmental health services. The Town paid \$25,133 for services provided by the District for the year ended June 30, 2006.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

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

The statement of net assets presents the Town's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

Restricted net assets - This category consists of net assets whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - This category consists of net assets which do not meet the definition of the two preceding categories.

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

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

Fund Financial Statements

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (*Continued*)

Fund Financial Statements (*Continued*)

The Town reports the following major governmental funds:

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

Small Cities Grant Housing Fund – This fund is used to account for the expenditures of Federal housing funds in the form of rehabilitation loans to property owners. Loan repayments are also deposited into this fund.

Capital Projects Fund – This fund is used to account for the revenues and expenditures associated with the construction of Town facilities and infrastructure.

Reserve for Capital and Nonrecurring Expenditures Fund – This fund is used to account for the accumulation of reserve funds set aside for large capital expenditures.

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

Pension Trust Fund - This fund is used to account for resources held in trust for the members and beneficiaries of the Town’s defined benefit pension plan. The Town utilizes this fund to account for activities of the Town of Willington Pension Plan. This plan is discussed more fully in Note 13.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities, contractor bonds, employees and others.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide and Fiduciary Fund Financial Statements

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

Accounting and financial reporting for governmental activities is based on all applicable Governmental Accounting Standards Board (“GASB”) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements:

- a. Financial Accounting Standards Board (“FASB”) Statements and Interpretations
- b. Accounting Principles Board Opinions
- c. Accounting Research Bulletins of the Committee on Accounting Procedure

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (*Continued*)

Governmental Fund Financial Statements

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected 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 period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

ASSETS, LIABILITIES AND FUND EQUITY

Cash Equivalents

Cash equivalents include short-term, highly liquid investments, generally consisting of money market accounts and certificates of deposit, with original maturities of three months or less when purchased. As of June 30, 2006, cash equivalents totaled \$542,167.

Investments

The Town's policy is to present all investments at fair value except for money market investments, which the Town has elected to report at amortized cost. Money market investments have a remaining maturity at time of purchase of one year or less.

The fair value of investments traded on public markets is determined using quoted market prices. The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office. In addition, the Town invests in the Cooperative Liquid Assets Security Systems Fund (CLASS), which is an investment pool managed by MBIA Municipal Investors Service Corp. The fair value of the Town's position in these pools is the same as the value of the pool shares.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

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

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Property Taxes

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year.

Inventories and Prepaid Items

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

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for infrastructure assets, more than \$500 for technology equipment and more than \$1,000 for all other assets and an estimated useful life of at least 10 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 a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20-50
Buildings and improvements	20-50
Machinery and equipment	10
Vehicles	10
Infrastructure	12-50
Furniture and fixtures	10

The Town has not yet implemented the provisions of GASB Statement No. 34 related to recording infrastructure assets acquired prior to the July 1, 2002 implementation date of the standard. The Town has implemented the prospective reporting provisions of the standard for all infrastructure assets acquired after the July 1, 2002 implementation date.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

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

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Unearned/Deferred Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned. In the fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

Compensated Absences

All Town employees who have achieved five years of continuing service are eligible for the following: Category I full-time Town employees are allowed to accumulate up to 150 days of sick leave for which they will receive full compensation at the rate of pay in effect upon retirement. Category I part-time Town employees are allowed to accumulate up to 56 days of sick leave for which they will receive compensation for 50% at the rate of pay in effect upon retirement. Category II Town employees are allowed to accumulate up to 60 days of sick leave for which they will receive compensation for 25% at the rate of pay in effect upon retirement. Board of Education certified employees are allowed to accumulate up to 180 days of sick leave for which they will receive compensation for up to 160 days upon retirement, with 15 years or more of service, at fifty percent of the prevailing substitute rate of pay. Board of Education non-certified employees are allowed to accumulate up to 160 days of sick leave for which they will receive compensation for 50% upon retirement, with 10 years or more of continuous service, at the employee's per diem rate of pay. Board of Education administrative employees are allowed to accumulate up to eighty-six percent of total annual working days for which they will receive compensation upon retirement, with 5 years or more of service, at fifty percent of the prevailing substitute rate of pay. One week of vacation pay may be carried forward for one year by Town employees only.

All compensated absences are accrued when incurred in the government-wide and fiduciary fund financial statements.

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. 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.

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

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

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Designations of fund balance are discussed more fully in Note 12.

INTERFUND ACTIVITIES

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances from other funds, as reported in the fund financial statements, are offset by a fund balance reservation in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

USE OF ESTIMATES

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

NOTE 2 - BUDGETARY INFORMATION

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

- The Board of Finance submits at the annual Town budget meeting, at which taxpayer comments are obtained, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted.
- The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve one additional appropriation up to an aggregate of \$20,000 per department per year. Additional appropriations aggregating more than \$20,000 for any one department per year must be approved at a Town Meeting.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must be approved at a Town Meeting if over \$20,000.
- During the year, the Board of Finance approved additional appropriations from fund balance of \$164,000.
- Management is not authorized to transfer budgeted amounts or to approve additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. “On behalf” payments made by the State of Connecticut into the State Teacher’s Retirement System are not recorded for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Generally, all unexpended and unencumbered General Fund appropriations lapse at year-end. Encumbered appropriations in the General Fund are not reappropriated in the ensuing year’s budget, but are carried forward.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP basis”). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2006:

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 2 - BUDGETARY INFORMATION (Continued)

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 14,016,025	\$ 13,042,659	\$ 973,366
"On-behalf" payments - State Teachers Retirement Fund (see Note 12)	449,936	449,936	-
Encumbrances outstanding:			
June 30, 2005	-	166,587	(166,587)
June 30, 2006	-	(201,400)	201,400
GAAP basis	<u>\$ 14,465,961</u>	<u>\$ 13,457,782</u>	<u>\$ 1,008,179</u>

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS – CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2006 the Town's cash deposits were \$866,131. In addition, \$857,580 of the Town's bank balance of \$1,194,283 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 771,822
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	85,758
	<u>\$ 857,580</u>

Investments in certain certificates of deposits totaling \$41,410 are included in investments in the accompanying statement of net assets. For purposes of disclosure under GASB Statement No. 40, such amounts are considered cash deposits and are included in the disclosure of cash deposits.

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

CASH DEPOSITS – CUSTODIAL CREDIT RISK (Continued)

A reconciliation of the Town's cash deposits as of June 30, 2006 is as follows:

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 719,881
Statement of fiduciary net assets - Agency funds:	
Cash and cash equivalents	104,840
	<u>824,721</u>
Add: certificates of deposit considered cash deposits for GASB Statement No. 40 disclosure	41,410
Cash deposits	<u><u>\$ 866,131</u></u>

As of June 30, 2006, cash and cash equivalents totaling \$651,739 represent unspent debt proceeds that are restricted for capital projects.

INVESTMENTS

As of June 30, 2006, the Town's investments consisted of the following:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years) Less Than 1</u>
Debt Securities:		
Short Term Investment Fund (STIF)	\$ 2,966,588	\$ 2,966,588
Cooperative Liquid Asset Security Sytem (CLASS)	1,868,623	1,868,623
Money market funds	91,838	91,838
	<u>4,927,049</u>	<u><u>\$ 4,927,049</u></u>
Other investments:		
Equity mutual funds	397,375	
Cash surrender value	47,109	
Total	<u><u>\$ 5,371,533</u></u>	

Because the STIF, CLASS and money market funds had weighted average maturities of 35 days, 60 days and 30 days, respectively, they are presented as investments with maturities of less than one year.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

A reconciliation of the Town's investments as of June 30, 2006 is as follows:

Government-wide statement of net assets:

Investments	\$ 4,927,049
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Statement of fiduciary net assets:

Pension trust funds	444,484
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Agency funds	<u>41,410</u>
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	5,412,943
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Less: certificates of deposit considered cash deposits

under GASB Statement No. 40	<u>41,410</u>
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	<u><u>\$ 5,371,533</u></u>
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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

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk (Continued)

The Town's investments in debt securities were rated as follows at June 30, 2006:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>Standard & Poor's AAA</u>	<u>Unrated</u>
Short Term Investment Fund (STIF)	\$2,966,588	\$2,966,588	\$ -
Cooperative Liquid Asset Security Systems Fund (CLASS)	1,868,623	1,868,623	-
Money market funds	91,838	-	91,838
	<u>\$ 4,927,049</u>	<u>\$ 4,835,211</u>	<u>\$ 91,838</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments consist of investments in external investment pools and money market funds which are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Concentrations of Credit Risk

The Town's investments consist of investments in external investment pools and money market funds which are not exposed to concentrations of credit risk because they are not evidenced by securities that exist in physical or book entry form.

NOTE 4 - REHABILITATION LOANS

Rehabilitation loans consist of deferred loans made to certain qualifying individuals for home improvements in connection with funding received by the Town under a Small Cities Development Block Grant to administer the Town's Housing Rehabilitation Program. The loans bear no interest during their term.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 5 – UNEARNED/DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues 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. The components of deferred revenue and unearned revenue are as follows as of June 30, 2006:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 76,571	\$ -
Grants drawdown prior to meeting all eligibility requirements	-	91,838
Rehabilitation loans	649,182	-
Unearned program revenues	-	4,040
	<u>\$ 725,753</u>	<u>\$ 95,878</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,410,863	\$ 116,000	\$ -	\$ 1,526,863
Construction in progress	132,466	2,740,491	(197,864)	2,675,093
Total capital assets, not being depreciated	<u>1,543,329</u>	<u>2,856,491</u>	<u>(197,864)</u>	<u>4,201,956</u>
Capital assets, being depreciated:				
Land improvements	201,373	34,649	-	236,022
Buildings and improvements	10,368,931	61,448	-	10,430,379
Machinery and equipment	1,728,846	93,138	(197,078)	1,624,906
Infrastructure	1,624,070	34,629	-	1,658,699
Vehicles	470,117	53,100	-	523,217
Furniture and fixtures	335,740	5,350	(19,795)	321,295
Total capital assets, being depreciated	<u>14,729,077</u>	<u>282,314</u>	<u>(216,873)</u>	<u>14,794,518</u>
Less accumulated depreciation and amortization for:				
Land improvements	-	(10,069)	-	(10,069)
Buildings and improvements	(7,682,126)	(146,233)	-	(7,828,359)
Machinery and equipment	(876,920)	(129,330)	197,078	(809,172)
Infrastructure	-	(81,204)	-	(81,204)
Vehicles	(405,079)	(75,542)	-	(480,621)
Furniture and fixtures	(282,892)	(32,686)	19,795	(295,783)
Total accumulated depreciation and amortizat	<u>(9,247,017)</u>	<u>(475,064)</u>	<u>216,873</u>	<u>(9,505,208)</u>
Total capital assets, being depreciated, net	<u>5,482,060</u>	<u>(192,750)</u>	<u>-</u>	<u>5,289,310</u>
Governmental activities capital assets, net	<u>\$ 7,025,389</u>	<u>\$ 2,663,741</u>	<u>\$ (197,864)</u>	<u>\$ 9,491,266</u>

The Town has not yet implemented the provisions of GASB Statement No. 34 related to recording infrastructure assets acquired prior to the July 1, 2002 implementation date of the standard. The Town has implemented the prospective reporting provisions of the standard for all infrastructure assets acquired after the July 1, 2003 implementation date.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 6 - CAPITAL ASSETS (Continued)

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

Governmental Activities:

Education	\$ 223,252
Public safety	57,925
Public works	126,873
General government	54,539
Culture and recreation	12,475
Total depreciation and amortization expense	<u>\$ 475,064</u>

The following is a summary of construction commitments and cumulative capital outlays for capital projects at June 30, 2006:

<u>Project</u>	<u>Project Authorization</u>	<u>Cummulative Expenditures Through June 30, 2006</u>	<u>Balance June 30, 2006</u>
Revaluation	\$ 173,491	\$ 173,033	\$ 458
Village Hill Bridge	1,753,540	1,658,699	94,841
Housing Authority	59,377	57,132	2,245
River Road Ball Field	276,635	220,302	56,333
GIS Project	28,000	22,839	5,161
Conservation Project	70,000	69,120	880
Land Use Digitize	48,000	41,811	6,189
Senior Housing Project	1,269,000	1,246,974	22,026
Library	3,500,000	2,605,897	894,103
Hall School Sidewalks	30,000	2,149	27,851
Town Hall Roof Replacement	18,000	14,680	3,320
Wells for Senior Housing Project	45,000	44,754	246
Senior Housing Water System	590,000	21,400	568,600
Senior Housing Drainage	210,250	893	209,357
Replacement of 1978 JB544 Loader	15,000	-	15,000
Center Library AC	6,700	4,594	2,106
Assessor Computer & CAMA Software	20,000	9,945	10,055
Talmadge Property	138,000	125,000	13,000
	<u>\$ 8,250,993</u>	<u>\$ 6,319,222</u>	<u>\$ 1,931,771</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following as of June 30, 2006:

	General Fund	Capital Projects Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total
Accounts payable	\$ 147,092	\$ 654,067	\$ 8,806	\$ 57,202	\$ 867,167
Salaries and benefits payable	458,055	-	-	2,419	460,474
	<u>\$ 605,147</u>	<u>\$ 654,067</u>	<u>\$ 8,806</u>	<u>\$ 59,621</u>	<u>\$ 1,327,641</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2006 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 128,488
	Capital Projects Fund	41,520
		<u>\$ 170,008</u>
Other Governmental Funds	General Fund	<u>\$ 103,258</u>
Reserve for Capital and Nonrecurring Expenditures Fund	General Fund	\$ 234,994
	Other Governmental Funds	1,100
		<u>\$ 236,094</u>
Capital Projects Fund	General Fund	\$ 611,988
	Small Cities Grant Housing fund	23,732
		<u>\$ 635,720</u>
Total due from/to other funds		<u>\$ 1,145,080</u>

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

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 9 - INTERFUND TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital Projects Fund	General Fund	<u>\$ 25,000</u>
Reserve for Capital and Nonrecurring Expenditures Fund	General Fund	<u>\$ 297,350</u>
Other Governmental Funds	General Fund	<u>\$ 375,910</u>
Total transfers		<u>\$ 698,260</u>

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

NOTE 10 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2006:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation bonds	\$ 975,000	\$ -	\$ (195,000)	\$ 780,000	\$ 195,000
Bond anticipation notes	-	3,000,000	-	3,000,000	3,000,000
Bond anticipation notes premium	-	19,860	(9,930)	9,930	-
Other liabilities:					
Capital leases	423,057	-	(52,479)	370,578	54,931
Compensated absences	414,577	-	(44,320)	370,257	23,891
Accrued landfill post closure costs	131,100	5,700	(7,200)	129,600	7,200
	<u>\$ 1,943,734</u>	<u>\$ 3,025,560</u>	<u>\$ (308,929)</u>	<u>\$ 4,660,365</u>	<u>\$ 3,281,022</u>

Long-term liabilities typically have been liquidated in the General and Other Governmental Funds.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 10 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS

A summary of general obligation bonds outstanding and bonds authorized but unissued at June 30, 2006 is as follows:

<u>Bond Issue</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities			
1995 General obligation bonds	2010	4.70%-5.4%	\$ 160,000
2000 General obligation bonds	2010	4.75%-5.0%	620,000
			<u>\$ 780,000</u>

In addition, during 2004, the Town was authorized to issue \$3,000,000 of bonds for the construction of a new library. As of June 30, 2006 these bonds were not yet issued.

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2006:

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	195,000	35,525
2008	195,000	25,735
2009	195,000	15,905
2010	195,000	6,035
	<u>\$ 780,000</u>	<u>\$ 83,200</u>

The general obligation bonds maturing in 2010 have a callable feature based on the following schedule:

<u>Time Period</u>	<u>Redemption Percentage</u>
June 15, 2006 to June 14, 2007	101%
June 15, 2007 to June 14, 2010	100%

The Town is contingently liable for its pro-rata share of Regional School District No. 19's outstanding bonds. At June 30, 2006, the District's total outstanding bonds were \$21,385,000 of which \$14,947,893 is to be reimbursed by the State of Connecticut. The remaining balance of \$6,437,107 represents the District's net obligation with 24.10%, or \$1,551,043, representing the Town of Willington's share. Regional School District No. 19 has no authorized, unissued bonds, for which the Town of Willington would be contingently liable.

BOND ANTICIPATION NOTES

On December 15, 2005 the Town issued \$3,000,000 in bond anticipation notes payable (BANS) to finance the costs of library construction. The BANS bear interest at 4% and mature on December 15, 2006.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 10 - LONG-TERM LIABILITIES (Continued)

SCHOOL BOND REIMBURSEMENTS

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2006 was \$102,182. Additional reimbursements of principal and interest aggregating \$275,512 are expected to be received through the applicable bonds' maturity dates.

CAPITAL LEASES

A summary of assets acquired through capital leases is as follows as of June 30, 2006:

	Governmental Activites
Machinery and equipment	\$ 575,000
Less: accumulated amortization	230,000
	\$ 345,000

Amortization expense relative to leased property under capital leases totaled \$57,500 for the year ended June 30, 2006 and is included in depreciation and amortization expense disclosed in Note 6.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2006 is as follows:

	Governmental Activites
Year ending June 30:	
2007	71,424
2008	71,424
2009	71,424
2010	71,424
2011	71,424
2012-2013	71,427
Total minimum lease payments	428,547
Less: amount representing interest	57,969
Present value of minimum lease payments	370,578
Less: current portion	54,931
	\$ 315,647

LANDFILL POST-CLOSURE COSTS

The Town landfill has been closed. State and federal laws and regulations require continued monitoring of closed landfills. Estimated monitoring costs of \$7,200 per year for the next 18 years total \$129,600. These amounts are based on estimates which are subject to change due to inflation, technology or changes in applicable laws and regulations.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 11 - DEFICIT FUND EQUITY

The School Lunch Fund had a deficit fund balance of \$764 as of June 30, 2006, which is attributable to costs that were higher than anticipated. This deficit does not constitute a statutory violation and will be funded through future revenues.

NOTE 12 - DESIGNATED FUND BALANCE

Designations of unreserved fund balance reported in the governmental funds balance sheet represent the Town's self-imposed limitations on the use of otherwise available expendable financial resources of governmental funds. The Town has designated unreserved fund balance of the General Fund in the amount of \$350,000 for use in the fiscal year 2007.

NOTE 13 - PENSION PLANS

DEFINED BENEFIT PLAN

Plan Description

The Town maintains the Town of Willington Pension Plan (Plan), a single-employer, contributory, defined benefit pension plan covering substantially all employees except Board of Education employees. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. Benefit provisions are established and can be amended by the Board of Selectmen. The Plan does not issue stand-alone financial statements and is considered to be part of the Town's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a Pension Trust Fund.

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan administrative expenses are funded through the assets of the Plan.

Investments are reported at fair value.

Plan Membership

Membership of the Plan consisted of 5 active Plan participants and 2 terminated vested participants at July 1, 2006, the date of the latest actuarial valuation.

Funding Policy

The contribution requirements of Plan members and the Town are established and can be amended by the Board of Selectmen. Employees are required to contribute 2.5%. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 13 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Additional Information and Actuarial Assumptions

The required contribution was determined as part of the July 1, 2006 actuarial valuation using the individual aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities. Because these assumptions use a level dollar amortization, inflation rates are assumed to be zero. Assumptions used in the actuarial valuation are as follows:

Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	6%
Projected salary increases	4%

Concentrations

The following investments represent 5 percent or more of Plan net assets:

Mass Mutual Life Insurance Company pooled investment account investing in mutual funds:	
Investment Year Fund	\$ 214,089
Common Stock Fund	183,286
Life Insurance- Cash Surrender Value	47,109

Three Year Trend Information

Year ended June 30,	Annual Pension Cost	Percentage Of APC Contributed	Net Pension (Asset)
2004	\$16,857	101%	\$ (16,838)
2005	13,654	154	(24,178)
2006	15,312	142	(30,667)

Schedule of Contributions

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2001	\$23,114	\$28,166	122%
2002	17,879	26,348	148
2003	20,362	20,687	102
2004	16,733	17,062	102
2005	13,510	20,994	155
2006	15,106	21,801	144

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 13 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Annual Pension Cost and Net Pension Obligation (Asset)

Annual required contribution	\$ 15,106
Interest on net pension asset	(1,451)
Adjustment to annual required contribution	<u>1,657</u>
Annual pension cost	15,312
Contributions made	<u>21,801</u>
Increase in net pension asset	(6,489)
Net pension asset, beginning of the year	<u>(24,178)</u>
Net pension asset, end of the year	<u><u>\$(30,667)</u></u>

Plan Financial Statements

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF PLAN NET ASSETS
JUNE 30, 2006

	Pension Trust Fund
ASSETS	<u> </u>
Investments, at fair value:	
Mutual funds	\$ 397,375
Life insurance - cash surrender value	47,109
Contribution receivable	<u>10,402</u>
Total assets	<u><u>454,886</u></u>
 NET ASSETS	
Held in trust for pension benefits	<u>454,886</u>
Total net assets	<u><u>\$ 454,886</u></u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2006

NOTE 13 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 16,153
Plan members	5,648
Total contributions	21,801
Investment earnings	
Net appreciation in the fair value of investments	28,323
Total additions	50,124
DEDUCTIONS	
Administrative expenses	6,253
Total deductions	6,253
NET INCREASE	43,871
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	411,015
End of year	\$ 454,886

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

NOTE 13 - PENSION PLANS (*Continued*)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual town basis. For the year ended June 30, 2006, Town teachers contributed \$257,258 to the plan and covered payroll for the year was \$3,548,391.

In accordance with the provisions of GASB Statement No. 24, the Town has reported "on behalf" payments of \$449,936 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

NOTE 14 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The Town purchases commercial insurance for some risks and participates in various risk pools for other risks as described below. During the year ended June 30, 2006, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage in the last three years. There have been no reductions in coverage from those of the prior year.

The Town became a member of the Municipal Interlocal Risk Management Agency (MIRMA) during 2003. MIRMA is an unincorporated association of Connecticut local public agencies which was formed in 2002 for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7479a et. seq. of the Connecticut General Statutes.

The Town is a member of MIRMA's Workers' Compensation Pool, a risk sharing pool, which was begun on January 17, 2002. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan and losses incurred in coverage period July 1, 2005 to June 30, 2006 will be evaluated at 24, 36 and 48 months after the effective date of coverage. The deposit contribution (premium) paid in for that period was \$43,117. The contribution (premium) is subject to payroll audit at the close of the coverage period.

MIRMA's Workers' Compensation Pool retains \$750,000 for each insured occurrence to the limit of liability of \$10 million per occurrence. In addition, MIRMA purchases statutory excess insurance in the event of a single occurrence in excess of \$10 million.

The Town is also a member of MIRMA's Liability-Automotive-Property Pool, a risk sharing pool, which was begun on January 17, 2002. For coverage period July 1, 2005 to June 30, 2006, the Town paid \$57,865 in contributions (premiums) to MIRMA for provision of general liability, automotive liability, employee benefit liability, law enforcement liability, public officials liability, auto physical damage, property and boiler and machinery insurance coverages. The contribution (premium) is subject to audit after the close of the coverage period. Various deductibles applied to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2006

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS

Teachers covered under the union contract are eligible to receive post- retirement benefits. The Willington Board of Education pays 1% per every year of service of the post retirement costs for five years or until the retiree reaches age 65.

The benefits include individual, two person, or family coverage under the Blue Cross Health Plan (or equivalent), including hospitalization, surgical, prescriptions, dental and major medical. Eligible teachers, who choose to participate, must pay the same percentage of the premium cost as full time employees covered by this agreement, less the 1% per year of service contribution paid by the Town.

Currently, the State Teachers' Retirement Board will subsidize the monthly payments for a member in the amount of \$110 per month, or for a member and a spouse, \$220 per month. These subsidies are paid to the Town in quarterly installments. In addition, the current contract calls for the teachers to pay 13% towards their insurance premium.

As of year end, there were 6 employees who had retired and were receiving benefits. There are an additional 3 employees currently eligible for these benefits. The Town finances the plan on a pay as you go basis. For the year ended June 30, 2006, the Town had \$11,764 in expenditures for these benefits.

Town employees do not currently receive any other post employment benefits.

NOTE 16 - CONTINGENT LIABILITIES

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

NOTE 17 – SUBSEQUENT EVENT

On December 1, 2006 the Town issued \$3,000,000 in general obligation bonds to finance the repayment of the bond anticipation notes (BANS) which matured on December 15, 2006. The BANS were used to fund the costs of library construction as described in Note 10. The bonds bear interest at 3.625% - 5.5% and mature through December 2026.

NOTE 18 - PRONOUNCEMENT ISSUED BUT NOT YET EFFECTIVE

The Town has not completed the process of implementing GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Town is therefore unable to disclose the impact that adopting this statement will have on its financial position and results of operations when such statement is adopted. GASB Statement No. 45 is effective for fiscal periods beginning after December 15, 2007.

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND(Continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
PROPERTY TAXES				
Taxes	\$ 9,448,285	\$ 9,448,285	\$ 9,697,681	\$ 249,396
Interest and lien fees	27,000	27,000	41,019	14,019
Total property taxes	<u>9,475,285</u>	<u>9,475,285</u>	<u>9,738,700</u>	<u>263,415</u>
INTERGOVERNMENTAL REVENUES				
Education:				
Education cost sharing	3,152,720	3,152,720	3,247,247	94,527
Transportation	102,374	102,374	99,422	(2,952)
Miscellaneous	-	-	9,600	9,600
Noneducation:				
State property reimbursement	44,930	44,930	48,247	3,317
Elderly and disabled property tax homeowner	23,400	23,400	21,636	(1,764)
Disability reimbursement	700	700	663	(37)
Manufacturers pilot	12,000	12,000	14,425	2,425
Pequot funds	44,202	44,202	47,724	3,522
Additional veteran's exemption	940	940	1,006	66
Taxes on vessels (Boat grant)	462	462	462	-
Judicial fines	85	85	435	350
School construction	102,182	102,182	102,182	-
FEMA snow reimbursement	-	-	101,352	101,352
Town aid roads	80,623	80,623	113,148	32,525
Total intergovernmental revenues	<u>3,564,618</u>	<u>3,564,618</u>	<u>3,807,549</u>	<u>242,931</u>
LICENSES, FEES AND PERMITS				
Building, zoning fees and permits	74,000	74,000	108,633	34,633
Zoning board of appeals	1,000	1,000	828	(172)
Inland/wetland fees	5,000	5,000	8,114	3,114
Conveyance tax	35,000	35,000	86,389	51,389
Permits - bingo, pistol, etc.	300	300	541	241
Town clerk fees	50,000	50,000	45,366	(4,634)
Transfer station fees	4,000	4,000	3,386	(614)
Reimbursement - recycling	5,000	5,000	8,760	3,760
Total licenses, fees and permits	<u>174,300</u>	<u>174,300</u>	<u>262,017</u>	<u>87,717</u>
INVESTMENT EARNINGS				
	<u>45,000</u>	<u>45,000</u>	<u>151,007</u>	<u>106,007</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND(Concluded)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
MISCELLANEOUS				
Telecommunications grant	\$ 35,000	\$ 35,000	\$ 32,129	\$ (2,871)
Other	25,000	25,000	24,623	(377)
Total miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>56,752</u>	<u>(3,248)</u>
 Total revenues	 <u>13,319,203</u>	 <u>13,319,203</u>	 <u>14,016,025</u>	 <u>696,822</u>
OTHER FINANCING SOURCES				
Designation of fund balance	350,000	514,000	-	(514,000)
Total other financing sources	<u>350,000</u>	<u>514,000</u>	<u>-</u>	<u>(514,000)</u>
 Total revenues and other financing sources	 <u>\$ 13,669,203</u>	 <u>\$13,833,203</u>	 <u>\$ 14,016,025</u>	 <u>\$ 182,822</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
GENERAL GOVERNMENT				
Selectmen	\$ 102,106	\$ 100,278	\$ 98,441	\$ (1,837)
Probate court	4,415	4,415	4,372	(43)
Elections/registrar	17,604	17,955	16,849	(1,106)
Accounting services	152,186	168,428	167,400	(1,028)
Board of finance	3,890	4,240	3,981	(259)
Town treasurer	24,987	28,281	28,165	(116)
Auditor	30,000	35,253	35,253	-
Assessor	71,179	73,232	70,387	(2,845)
Board of assessment appeals	1,223	1,223	1,200	(23)
Revenue collector	61,786	63,820	62,201	(1,619)
Legal counsel	30,000	33,600	33,509	(91)
Town clerk	85,580	88,639	88,621	(18)
Conservation commission	1,500	1,500	1,496	(4)
Planning and zoning	100,539	103,411	103,396	(15)
Zoning board of appeals	4,200	4,225	4,224	(1)
Inland/wetlands commission	2,950	2,950	2,722	(228)
Town office operations	67,340	75,040	74,000	(1,040)
Town hall operations	4,500	6,500	5,785	(715)
Senior Center operations	11,520	12,170	12,045	(125)
Consulting engineers	22,000	46,100	43,121	(2,979)
Total general government	<u>799,505</u>	<u>871,260</u>	<u>857,168</u>	<u>(14,092)</u>
PUBLIC SAFETY				
Ambulance grant	199,400	199,400	199,400	-
Fire marshal	21,363	21,821	21,718	(103)
Fire protection	21,854	27,856	27,856	-
Public safety and welfare	25,130	25,133	25,133	-
Building official	36,682	39,151	38,767	(384)
Total public safety	<u>304,429</u>	<u>313,361</u>	<u>312,874</u>	<u>(487)</u>
PUBLIC WORKS				
Public works department	621,068	758,330	754,400	(3,930)
Cemetery	2,000	2,000	2,000	-
Transfer station	231,395	252,407	251,868	(539)
Total public works	<u>854,463</u>	<u>1,012,737</u>	<u>1,008,268</u>	<u>(4,469)</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
EDUCATION				
Elementary education	\$ 2,828,710	\$ 2,846,759	\$ 2,833,825	\$ (12,934)
Special education	720,856	716,055	708,608	(7,447)
Fringe benefits	1,022,035	846,508	838,205	(8,303)
Pupil services	303,407	305,575	304,757	(818)
Staff and program development	163,756	164,131	162,002	(2,129)
Library/audio visual	71,749	100,952	100,272	(680)
Board of Education	362,942	369,068	386,956	17,888
Principal's office	369,801	369,242	365,455	(3,787)
Plant operations	427,613	578,194	518,258	(59,936)
Transportation	342,334	316,719	328,299	11,580
Total education	<u>6,613,203</u>	<u>6,613,203</u>	<u>6,546,637</u>	<u>(66,566)</u>
REGIONAL SCHOOL DISTRICT NO. 19	<u>3,744,190</u>	<u>3,744,190</u>	<u>3,744,190</u>	<u>-</u>
MISCELLANEOUS				
Social security	68,000	68,500	66,565	(1,935)
Unemployment	1,000	500	26	(474)
Employee health insurance	160,000	153,500	152,594	(906)
Pension fund	34,500	35,500	33,565	(1,935)
Insurance	60,000	60,920	59,863	(1,057)
Contingency fund	47,541	191	-	(191)
Miscellaneous	5,000	3,000	2,983	(17)
Total miscellaneous	<u>376,041</u>	<u>322,111</u>	<u>315,596</u>	<u>(6,515)</u>
DEBT SERVICE				
Principal payments	195,000	195,000	195,000	-
Interest and fiscal charges	45,081	45,081	45,081	-
Total debt service	<u>240,081</u>	<u>240,081</u>	<u>240,081</u>	<u>-</u>
CAPITAL OUTLAYS				
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>17,845</u>	<u>(155)</u>
OTHER FINANCING USES				
Transfers out:				
Reserve for Compensated Absences Fund	10,000	10,000	10,000	-
Dog Fund	13,000	13,394	13,394	-
Fire Department Fund	196,543	196,543	196,543	-
Mary D. Edwards Public Library Fund	75,830	75,830	75,830	-
Recreation Commission Fund	28,037	28,037	28,037	-
Willington Community Council Fund	52,106	52,106	52,106	-
Emergency Service Reserve Fund	21,425	-	-	-
Capital Projects Fund	25,000	25,000	25,000	-
Reserve for Capital and Nonrecurring Expenditures Fund	297,350	297,350	297,350	-
Total other financing uses	<u>719,291</u>	<u>698,260</u>	<u>698,260</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 13,669,203</u>	<u>\$ 13,833,203</u>	<u>\$ 13,740,919</u>	<u>\$ (92,284)</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2006

Grand List Year	Uncollected Taxes July 1, 2005	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2006
			Additions	Deletions			Taxes	Interest	Liens	
2004	\$ -	\$ 9,737,618	\$ 15,488	\$ 36,451	\$ 6,881	\$ 9,709,774	\$ 9,642,552	\$ 29,333	\$ 769	\$ 67,222
2003	49,463	-	2,218	1,428	1,938	48,315	32,681	6,135	486	15,634
2002	15,511	-	1,677	42.00	310	16,836	8,060	1,222	114	8,776
2001	1,972	-	561	-	-	2,533	561	357	-	1,972
2000	1,918	-	488	-	-	2,406	488	389	-	1,918
1999	1,968	-	64	-	109	1,923	252	1,985	-	1,671
1998	423	-	233	-	-	656	656	284	24	-
1997	-	-	13	-	-	13	13	18	-	-
1996	-	-	-	-	-	-	-	-	-	-
1995	-	-	38	-	-	38	38	65	-	-
1994 and prior	-	-	157	-	-	157	157	415	-	-
	<u>\$ 71,255</u>	<u>\$ 9,737,618</u>	<u>\$ 20,937</u>	<u>\$ 37,921</u>	<u>\$ 9,238</u>	<u>\$ 9,782,651</u>	<u>\$ 9,685,458</u>	<u>\$ 40,203</u>	<u>\$ 1,393</u>	<u>\$ 97,193</u>

**TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2006**

Total cash collections for the year ended
June 30, 2006:

Taxes	\$ 9,685,458
Interest and lien fees	41,596
	<u>9,727,054</u>

Reimbursement for revenue loss:

Tax relief for elderly freeze (CGS 12-129d)	663
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Base \$ 9,727,717

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 21,887,363	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	43,774,727	-	-	-
3-3/4 times base	-	-	36,478,939	-	-
3-1/4 times base	-	-	-	31,615,080	-
3 times base	-	-	-	-	29,183,151
	<u>21,887,363</u>	<u>43,774,727</u>	<u>36,478,939</u>	<u>31,615,080</u>	<u>29,183,151</u>
Total debt limitation					
Indebtedness:					
Bonds payable	160,000	620,000	-	-	-
Regional School District No. 19	-	1,551,043	-	-	-
Authorized, unissued bonds	3,000,000	-	-	-	-
	<u>3,160,000</u>	<u>2,171,043</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: amounts to be provided by the state	-	250,437	-	-	-
	<u>3,160,000</u>	<u>1,920,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness					
Debt limitation in excess of outstanding and authorized debt	<u>\$ 18,727,363</u>	<u>\$ 41,854,121</u>	<u>\$ 36,478,939</u>	<u>\$ 31,615,080</u>	<u>\$ 29,183,151</u>
Total capacity of borrowing (7 times base)	\$ 68,094,019				
Total present indebtedness	<u>5,080,606</u>				
Margin for additional borrowing	<u>\$ 63,013,413</u>				

Combining Statements

NONMAJOR CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects, other than those financed by proprietary funds. The nonmajor capital projects fund is the following:

Park and Recreation Capital and Nonrecurring Expenditures Fund

To account for contributions and donations made for the specific purpose of purchasing and improving Town park and recreational facilities and infrastructures.

**TOWN OF WILLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 JUNE 30, 2006**

	Special Revenue Funds	Park and Recreation Capital and Nonrecurring Expenditures Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 200,605	\$ -	\$ 200,605
Investments	744,645	29,310	773,955
Receivables:			
Grants and contracts receivable	62,609	-	62,609
Accounts receivable	2,087	-	2,087
Due from other funds	103,062	196	103,258
Inventories	1,311	-	1,311
Total assets	<u>\$ 1,114,319</u>	<u>\$ 29,506</u>	<u>\$ 1,143,825</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 59,621	\$ -	\$ 59,621
Due to other funds	129,588	-	129,588
Deferred revenue	-	-	-
Total liabilities	<u>189,209</u>	<u>-</u>	<u>189,209</u>
 Fund Balances:			
Reserved for:			
Inventories	1,311	-	1,311
Unreserved	923,799	29,506	953,305
Total fund balances	<u>925,110</u>	<u>29,506</u>	<u>954,616</u>
Total liabilities and fund balances	<u>\$ 1,114,319</u>	<u>\$ 29,506</u>	<u>\$ 1,143,825</u>

**TOWN OF WILLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 2006**

	Special Revenue Funds	Park and Recreation Capital and Nonrecurring Expenditures Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 345,426	\$ -	\$ 345,426
Food sales	124,550	-	124,550
Licenses, fees and permits	190,468	-	190,468
Investment earnings	43,762	1,053	44,815
Miscellaneous	138,719	-	138,719
Total revenues	<u>842,925</u>	<u>1,053</u>	<u>843,978</u>
EXPENDITURES			
Current:			
Public safety	248,376	-	248,376
Public works	8,800	-	8,800
Culture and recreation	246,360	-	246,360
Education	452,050	-	452,050
Debt service:			
Principal payments	52,479	-	52,479
Interest and fiscal charges	18,945	-	18,945
Total expenditures	<u>1,027,010</u>	<u>-</u>	<u>1,027,010</u>
Excess (deficiency) of revenues over expenditures	(184,085)	1,053	(183,032)
OTHER FINANCING SOURCES			
Transfers in	375,910	-	375,910
Total other financing sources	<u>375,910</u>	<u>-</u>	<u>375,910</u>
Net change in fund balances	191,825	1,053	192,878
Fund balances - beginning	<u>733,285</u>	<u>28,453</u>	<u>761,738</u>
Fund balances - ending	<u>\$ 925,110</u>	<u>\$ 29,506</u>	<u>\$ 954,616</u>

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted for specified purposes. Nonmajor special revenue funds include the following:

Reserve for Compensated Absences Fund

To account for monies to pay the liability of Town employees' accumulated sick and vacation time for those employees that are not paid through the operations of the General Fund.

Dog Fund

To account for the revenues and expenditures of animal control operations.

Recreation Commission Fund

To account for the revenues and expenditures of recreation operations.

Willington Community Council Fund

To account for the revenues and expenditures of social services operations.

Open Space Fund

To account for receipt of donations and payments from builders in lieu of land. Money will be accumulated for the purchase and preservation of land for open space.

Fuel Bank Fund

To account for donations and disbursements of funds for fuel emergencies.

Mary D. Edwards Public Library Fund

To account for funds received from the State and gifts from the public in support of the public library.

Fire Department Fund

To account for the operating revenues and expenditures of the fire department.

Michalec Road Fund

To account for the funds available from the developer for future maintenance of this road.

State and Federal Grants Fund

To account for the expenditures of grants not otherwise accounted for in the General Fund.

School Lunch Fund

To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and State Grants and USDA food donations.

Education Fund

To account for the revenues and expenditures of other educational grants and donations.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2006

	Reserve for Compensated Absences Fund	Dog Fund	Recreation Commission Fund	Willington Community Council Fund	Open Space Fund	Fuel Bank Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 100	\$ 5,994	\$ -
Investments	99,737	-	-	14,455	24,461	2,677
Receivables:						
Grants and contracts receivable	-	-	-	-	-	-
Accounts receivable	-	31	-	-	-	-
Due from other funds	10,785	20,231	15,342	28,183	-	1,661
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 110,522</u>	<u>\$ 20,262</u>	<u>\$ 15,342</u>	<u>\$ 42,738</u>	<u>\$ 30,455</u>	<u>\$ 4,338</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 3,858	\$ 1,164	\$ 7,773	\$ -	\$ -
Due to other funds	-	-	-	-	3,522	-
Total liabilities	<u>-</u>	<u>3,858</u>	<u>1,164</u>	<u>7,773</u>	<u>3,522</u>	<u>-</u>
Fund Balances (Deficit):						
Reserved for inventories	-	-	-	-	-	-
Unreserved	110,522	16,404	14,178	34,965	26,933	4,338
Total fund balances	<u>110,522</u>	<u>16,404</u>	<u>14,178</u>	<u>34,965</u>	<u>26,933</u>	<u>4,338</u>
Total liabilities and fund balances	<u>\$ 110,522</u>	<u>\$ 20,262</u>	<u>\$ 15,342</u>	<u>\$ 42,738</u>	<u>\$ 30,455</u>	<u>\$ 4,338</u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
JUNE 30, 2006

	Mary D. Edwards Public Library Fund	Fire Department Fund	Michalec Road Fund	State and Federal Grants Fund	School Lunch Fund	Education Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$ 52,735	\$ 133,454	\$ -	\$ -	\$ 8,322	\$ -	\$ 200,605
Investments	495,524	96,782	11,009	-	-	-	744,645
Receivables:							
Grants and contracts receivable	-	-	-	50,740	11,869	-	62,609
Accounts receivable	-	-	-	-	2,056	-	2,087
Due from other funds	-	-	-	-	-	26,860	103,062
Inventories	-	-	-	-	1,311	-	1,311
Total assets	<u>\$ 548,259</u>	<u>\$ 230,236</u>	<u>\$ 11,009</u>	<u>\$ 50,740</u>	<u>\$ 23,558</u>	<u>\$ 26,860</u>	<u>\$ 1,114,319</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 4,592	\$ -	\$ 38,144	\$ 4,090	\$ -	\$ 59,621
Due to other funds	-	93,238	-	12,596	20,232	-	129,588
Total liabilities	<u>-</u>	<u>97,830</u>	<u>-</u>	<u>50,740</u>	<u>24,322</u>	<u>-</u>	<u>189,209</u>
Fund Balances (Deficit):							
Reserved for inventories	-	-	-	-	1,311	-	1,311
Unreserved	548,259	132,406	11,009	-	(2,075)	26,860	923,799
Total fund balances	<u>548,259</u>	<u>132,406</u>	<u>11,009</u>	<u>-</u>	<u>(764)</u>	<u>26,860</u>	<u>925,110</u>
Total liabilities and fund balances	<u>\$ 548,259</u>	<u>\$ 230,236</u>	<u>\$ 11,009</u>	<u>\$ 50,740</u>	<u>\$ 23,558</u>	<u>\$ 26,860</u>	<u>\$ 1,114,319</u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2006

	Reserve for Compensated Absences Fund	Dog Fund	Recreation Commission Fund	Willington Community Council Fund	Open Space Fund	Fuel Bank Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 16,285	\$ 3,478	\$ -
Food sales	-	-	-	-	-	-
Licenses, fees and permits	-	6,364	28,619	30,884	9,383	-
Investment earnings	3,710	-	-	-	821	13
Miscellaneous	-	73	-	1,337	43	5,327
Total revenues	<u>3,710</u>	<u>6,437</u>	<u>28,619</u>	<u>48,506</u>	<u>13,725</u>	<u>5,340</u>
EXPENDITURES						
Current:						
Public safety	-	22,912	-	-	-	-
Public works	-	-	-	-	7,000	1,800
Culture and recreation	-	-	63,917	98,275	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal payments	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>22,912</u>	<u>63,917</u>	<u>98,275</u>	<u>7,000</u>	<u>1,800</u>
Excess (deficiency) of revenues over expenditures	3,710	(16,475)	(35,298)	(49,769)	6,725	3,540
OTHER FINANCING SOURCES						
Transfers in	10,000	13,394	28,037	52,106	-	-
Total other financing sources	<u>10,000</u>	<u>13,394</u>	<u>28,037</u>	<u>52,106</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,710	(3,081)	(7,261)	2,337	6,725	3,540
Fund balances - beginning	<u>96,812</u>	<u>19,485</u>	<u>21,439</u>	<u>32,628</u>	<u>20,208</u>	<u>798</u>
Fund balances (Deficit) - ending	<u>\$ 110,522</u>	<u>\$ 16,404</u>	<u>\$ 14,178</u>	<u>\$ 34,965</u>	<u>\$ 26,933</u>	<u>\$ 4,338</u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2006

	Mary D. Edwards Public Library Fund	Fire Department Fund	Michalec Road Fund	State and Federal Grants Fund	School Lunch Fund	Education Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	\$ 1,424	\$ 3,392	\$ -	\$ 284,742	\$ 36,105	\$ -	\$ 345,426
Food sales	-	-	-	-	124,550	-	124,550
Licenses, fees and permits	-	115,218	-	-	-	-	190,468
Investment earnings	18,483	20,326	409	-	-	-	43,762
Miscellaneous	124,280	-	-	-	-	7,659	138,719
Total revenues	<u>144,187</u>	<u>138,936</u>	<u>409</u>	<u>284,742</u>	<u>160,655</u>	<u>7,659</u>	<u>842,925</u>
EXPENDITURES							
Current:							
Public safety	-	225,464	-	-	-	-	248,376
Public works	-	-	-	-	-	-	8,800
Culture and recreation	84,168	-	-	-	-	-	246,360
Education	-	-	-	284,742	162,304	5,004	452,050
Debt service:							
Principal payments	-	52,479	-	-	-	-	52,479
Interest and fiscal charges	-	18,945	-	-	-	-	18,945
Total expenditures	<u>84,168</u>	<u>296,888</u>	<u>-</u>	<u>284,742</u>	<u>162,304</u>	<u>5,004</u>	<u>1,027,010</u>
Excess (deficiency) of revenues over expenditures	60,019	(157,952)	409	-	(1,649)	2,655	(184,085)
OTHER FINANCING SOURCES							
Transfers in	75,830	196,543	-	-	-	-	375,910
Total other financing sources	<u>75,830</u>	<u>196,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,910</u>
Net change in fund balances	135,849	38,591	409	-	(1,649)	2,655	191,825
Fund balances - beginning	<u>412,410</u>	<u>93,815</u>	<u>10,600</u>	<u>-</u>	<u>885</u>	<u>24,205</u>	<u>733,285</u>
Fund balances (Deficit) - ending	<u>\$ 548,259</u>	<u>\$ 132,406</u>	<u>\$ 11,009</u>	<u>\$ -</u>	<u>\$ (764)</u>	<u>\$ 26,860</u>	<u>\$ 925,110</u>

*Fiduciary
Funds*

AGENCY FUNDS

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

Center School Activity Fund

To account for monies generated by student activities at Center Elementary School.

Hall Memorial School Activity Fund

To account for monies generated by student activities at Hall Memorial School.

Performance Bond Fund

To account for contractor's bonds which are held to ensure performance on contracts. Once the project is completed, the bonds are released to the contractors.

Flex Benefit Fund

To account for monies deducted from pre-tax employee payroll for the employee's non-covered medical expenses and child care expenses.

Tax Sale Proceeds Fund

To account for monies collected on the sales of property to reimburse the Town for unpaid taxes, with the excess refunded to the state.

Scholarship Fund

To account for monies generated by student activities for school scholarships.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
JUNE 30, 2006

	Center School Activity Fund	Hall Memorial School Activity Fund	Performance Bond Fund	Flex Benefit Fund	Tax Sale Proceeds Fund	Scholarship Fund	Total Agency Funds
ASSETS							
Cash and cash equivalents	\$ 8,679	\$ 15,002	\$ 51,297	\$ 11,619	\$ 7,391	\$ 10,852	\$ 104,840
Investments	-	-	41,410	-	-	-	41,410
Total assets	<u>\$ 8,679</u>	<u>\$ 15,002</u>	<u>\$ 92,707</u>	<u>\$ 11,619</u>	<u>\$ 7,391</u>	<u>\$ 10,852</u>	<u>\$ 146,250</u>
LIABILITIES							
Due to others	\$ 8,679	\$ 15,002	\$ 92,707	\$ 9,642	\$ 7,391	\$ 10,852	\$ 144,273
Other	-	-	-	1,977	-	-	1,977
	<u>\$ 8,679</u>	<u>\$ 15,002</u>	<u>\$ 92,707</u>	<u>\$ 11,619</u>	<u>\$ 7,391</u>	<u>\$ 10,852</u>	<u>\$ 146,250</u>

**TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2006**

	Balance, July 1, 2005	Additions	Deletions	Balance, June 30, 2006
Center School Activity Fund				
Assets				
Cash and cash equivalents	\$ 8,087	\$ 20,473	\$ 19,881	\$ 8,679
Total assets	<u>\$ 8,087</u>	<u>\$ 20,473</u>	<u>\$ 19,881</u>	<u>\$ 8,679</u>
Liabilities				
Due to others	\$ 8,087	\$ 20,473	\$ 19,881	\$ 8,679
Total liabilities	<u>\$ 8,087</u>	<u>\$ 20,473</u>	<u>\$ 19,881</u>	<u>\$ 8,679</u>
Hall Memorial School Activity Fund				
Assets				
Cash and cash equivalents	\$ 1,020	\$ 72,381	\$ 58,399	\$ 15,002
Total assets	<u>\$ 1,020</u>	<u>\$ 72,381</u>	<u>\$ 58,399</u>	<u>\$ 15,002</u>
Liabilities				
Due to others	\$ 1,020	\$ 72,381	\$ 58,399	\$ 15,002
Total liabilities	<u>\$ 1,020</u>	<u>\$ 72,381</u>	<u>\$ 58,399</u>	<u>\$ 15,002</u>
Performance Bond Fund				
Assets				
Cash and cash equivalents	\$ 57,692	\$ 49,438	\$ 55,833	\$ 51,297
Investments	41,310	890	790	41,410
Total assets	<u>\$ 99,002</u>	<u>\$ 50,328</u>	<u>\$ 56,623</u>	<u>\$ 92,707</u>
Liabilities				
Due to others	\$ 99,002	\$ 50,328	\$ 56,623	\$ 92,707
Total liabilities	<u>\$ 99,002</u>	<u>\$ 50,328</u>	<u>\$ 56,623</u>	<u>\$ 92,707</u>
Flex Benefit Fund				
Assets				
Cash and cash equivalents	\$ 4,652	\$ 36,176	\$ 29,209	\$ 11,619
Total assets	<u>\$ 4,652</u>	<u>\$ 36,176</u>	<u>\$ 29,209</u>	<u>\$ 11,619</u>
Liabilities				
Due to others	\$ 4,652	\$ 34,199	\$ 29,209	\$ 9,642
Other	-	1,977	-	1,977
Total liabilities	<u>\$ 4,652</u>	<u>\$ 36,176</u>	<u>\$ 29,209</u>	<u>\$ 11,619</u>
Tax Sale Proceeds Fund				
Assets				
Cash and cash equivalents	\$ 7,354	\$ 37	\$ -	\$ 7,391
Total assets	<u>\$ 7,354</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 7,391</u>
Liabilities				
Due to others	\$ 7,354	\$ 37	\$ -	\$ 7,391
Total liabilities	<u>\$ 7,354</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 7,391</u>

**TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Balance, July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2006</u>
Scholarship Fund				
Assets				
Cash and cash equivalents	\$ 10,700	\$ 152	\$ -	\$ 10,852
Total assets	<u>\$ 10,700</u>	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 10,852</u>
Liabilities				
Due to others	\$ 10,700	\$ 152	\$ -	\$ 10,852
Total liabilities	<u>\$ 10,700</u>	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 10,852</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 89,505	\$ 178,657	\$ 163,322	\$ 104,840
Investments	41,310	890	790	41,410
Total assets	<u>\$ 130,815</u>	<u>\$ 179,547</u>	<u>\$ 164,112</u>	<u>\$ 146,250</u>
Liabilities				
Due to others	\$ 130,815	\$ 177,570	\$ 164,112	\$ 144,273
Other	-	1,977	-	1,977
Total liabilities	<u>\$ 130,815</u>	<u>\$ 179,547</u>	<u>\$ 164,112</u>	<u>\$ 146,250</u>

*Capital Assets
Used in the
Operation of
Governmental
Funds*

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS
BY SOURCE
JUNE 30, 2006

Governmental funds capital assets:	
Land and improvements	\$ 1,762,885
Construction in progress	2,675,093
Buildings and improvements	10,430,379
Machinery and equipment	1,624,906
Infrastructure	1,658,699
Vehicles	523,217
Furniture and fixtures	321,295
Total governmental funds capital assets	<u>\$ 18,996,474</u>
Investments in governmental funds capital assets by source:	
Assets put into service prior to July 1, 2003	\$ 13,762,205
Assets put into service subsequent to July 1, 2003:	
General Fund Appropriations:	
General government	176,936
Board of education	479,004
Public works	92,987
Culture and recreation	2,528,218
Intergovernmental grants and contracts	1,713,736
Transfer of program income from Small Cities Grant	
Housing Fund	243,388
Total governmental funds capital assets	<u>\$ 18,996,474</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2006

	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Construction in Progress</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
General government:								
Selectmen	\$ -	\$ -	\$ -	\$ 3,388	\$ -	\$ -	\$ 3,695	\$ 7,083
Election/registrars	-	-	-	33,056	-	-	2,210	35,266
Accounting services	-	-	-	10,400	-	-	29,215	39,615
Assessor	-	-	-	8,640	-	-	8,475	17,115
Revenue collector	-	-	-	3,603	-	-	1,770	5,373
Town clerk	-	-	-	15,774	-	-	23,005	38,779
Planning and zoning	-	-	-	20,879	-	-	23,130	44,009
Town office operations	-	-	-	25,774	-	-	17,830	43,604
Town Hall operations	-	14,680	-	-	-	-	175	14,855
Unclassified	1,466,620	2,059,126	67,047	-	-	-	-	3,592,793
Total general government	<u>1,466,620</u>	<u>2,073,806</u>	<u>67,047</u>	<u>121,514</u>	<u>-</u>	<u>-</u>	<u>109,505</u>	<u>3,838,492</u>
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,250</u>
Public works	<u>-</u>	<u>429,514</u>	<u>-</u>	<u>170,440</u>	<u>1,658,699</u>	<u>523,217</u>	<u>4,035</u>	<u>2,785,905</u>
Culture and recreation	<u>236,022</u>	<u>88,100</u>	<u>2,605,897</u>	<u>12,374</u>	<u>-</u>	<u>-</u>	<u>11,685</u>	<u>2,954,078</u>
Board of education	<u>60,243</u>	<u>7,838,959</u>	<u>2,149</u>	<u>741,328</u>	<u>-</u>	<u>-</u>	<u>196,070</u>	<u>8,838,749</u>
Total governmental fund capital assets	<u><u>\$ 1,762,885</u></u>	<u><u>\$ 10,430,379</u></u>	<u><u>\$ 2,675,093</u></u>	<u><u>\$ 1,624,906</u></u>	<u><u>\$ 1,658,699</u></u>	<u><u>\$ 523,217</u></u>	<u><u>\$ 321,295</u></u>	<u><u>\$ 18,996,474</u></u>

TOWN OF WILLINGTON
SCHEDULE OF CHANGES IN GOVERNMENTAL FUND CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
General government:					
Selectmen	\$ 8,437	\$ 1,685	\$ -	\$ 3,039	\$ 7,083
Election/registrars	37,041	-	-	1,775	35,266
Accounting services	42,275	(1,250)	1,940	3,350	39,615
Assessor	19,478	2,895	666	5,924	17,115
Revenue collector	4,850	-	898	375	5,373
Town clerk	35,492	-	5,197	1,910	38,779
Planning and zoning	38,528	4,452	2,598	1,569	44,009
Town office operations	36,756	13,203	-	6,355	43,604
Town Hall operations	14,855	-	-	-	14,855
Unclassified	3,493,998	(78,428)	177,223	-	3,592,793
Total general government	<u>3,731,710</u>	<u>(57,443)</u>	<u>188,522</u>	<u>24,297</u>	<u>3,838,492</u>
Public safety	<u>575,000</u>	<u>4,250</u>	<u>-</u>	<u>-</u>	<u>579,250</u>
Public works:					
Public works department	2,325,187	(4,250)	35,326	-	2,356,263
Transfer station	3,835	-	-	-	3,835
Unclassified	425,807	-	-	-	425,807
Total public works	<u>2,754,829</u>	<u>(4,250)</u>	<u>35,326</u>	<u>-</u>	<u>2,785,905</u>
Culture and recreation	<u>433,909</u>	<u>1,850</u>	<u>2,518,319</u>	<u>-</u>	<u>2,954,078</u>
Board of education	<u>8,776,958</u>	<u>55,593</u>	<u>198,774</u>	<u>192,576</u>	<u>8,838,749</u>
Total governmental fund capital assets allocated by function and activity	<u>\$ 16,272,406</u>	<u>\$ -</u>	<u>\$ 2,940,941</u>	<u>\$ 216,873</u>	<u>\$ 18,996,474</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

CONTENTS	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	66
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.	70
Debt Capacity	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	73
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	75
Operating Information	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	77

Sources: Unless otherwise noted, the information in the accompanying tables is derived from the comprehensive annual financial reports for the relevant year. The Town implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* in fiscal year 2003; tables presenting government-wide information include information beginning in that year.

Table 1

TOWN OF WILLINGTON, CONNECTICUT
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 3,447,746	\$ 4,734,758	\$ 5,627,332	\$ 5,988,609
Restricted	-	-	-	651,739
Unrestricted	2,698,999	3,316,722	3,587,258	3,831,921
Total governmental activities net assets	<u>\$ 6,146,745</u>	<u>\$ 8,051,480</u>	<u>\$ 9,214,590</u>	<u>\$ 10,472,269</u>

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

Table 2

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS

(Accrual Basis of Accounting - Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 955,590	\$ 899,884	\$ 819,523	\$ 962,560
Public safety	583,683	585,760	599,944	619,175
Public works	884,219	817,018	978,144	1,140,811
Culture and recreation	208,645	303,097	248,078	243,115
Education	6,850,266	6,835,686	6,999,851	7,385,860
Regional School District No. 19	2,931,677	3,192,188	3,611,142	3,744,190
Miscellaneous	273,264	285,510	314,706	303,653
Interest on long-term debt	92,298	97,598	78,658	56,742
Total governmental activities expenses	<u>12,779,642</u>	<u>13,016,741</u>	<u>13,650,046</u>	<u>14,456,106</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	269,211	292,485	298,899	311,657
Public safety	105,662	110,118	124,985	121,582
Public works	8,869	15,000	-	9,383
Culture and recreation	58,436	47,811	48,611	59,503
Education	116,992	116,588	127,714	124,550
Operating grants and contributions	3,927,485	3,817,281	4,083,514	4,558,213
Capital grants and contributions	1,454,159	922,557	548,751	424,555
Total governmental activities program revenues	<u>5,940,814</u>	<u>5,321,840</u>	<u>5,232,474</u>	<u>5,609,443</u>
Net (Expense)/Revenue				
Governmental activities	(6,838,828)	(7,694,901)	(8,417,572)	(8,846,663)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	8,059,426	8,971,109	9,302,153	9,748,778
Unrestricted grants and contributions	100,020	87,957	76,535	86,439
Gain of sale of capital assets	-	-	105,704	-
Unrestricted investment earnings	58,220	39,696	96,290	269,125
Special Item	(100,984)	-	-	-
Total governmental activities	<u>8,116,682</u>	<u>9,098,762</u>	<u>9,580,682</u>	<u>10,104,342</u>
Change in Net Assets				
Governmental activities	<u>\$ 1,277,854</u>	<u>\$ 1,403,861</u>	<u>\$ 1,163,110</u>	<u>\$ 1,257,679</u>

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

Table 3

**TOWN OF WILLINGTON, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS**

(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 67,887	\$ 52,830	\$ 166,587	\$ 201,400
Unreserved	1,089,980	1,318,248	1,365,114	1,640,220
Total general fund	<u>\$ 1,157,867</u>	<u>\$ 1,371,078</u>	<u>\$ 1,531,701</u>	<u>\$ 1,841,620</u>
All Other Governmental Funds				
Reserved	\$ 712	\$ 1,233	\$ 193	\$ 1,311
Unreserved, reported in:				
Special revenue funds	745,089	520,986	817,993	1,036,367
Capital projects funds	476,823	748,811	696,592	1,756,285
Total all other governmental funds	<u>\$ 1,222,624</u>	<u>\$ 1,271,030</u>	<u>\$ 1,514,778</u>	<u>\$ 2,793,963</u>

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Property taxes	\$ 5,690,894	\$ 5,997,887	\$ 6,359,421	\$ 6,962,018	\$ 7,158,444	\$ 7,721,786	\$ 8,037,817	\$ 8,957,348	\$ 9,304,350	\$ 9,738,700
Licenses, fees and permits	167,999	260,610	296,087	328,976	342,191	459,558	363,896	392,262	407,032	452,485
Intergovernmental	4,028,533	4,213,036	4,510,787	4,139,199	4,436,281	4,406,567	5,472,040	4,881,914	4,761,153	5,005,287
Investment earnings	161,094	192,637	164,640	176,364	189,695	91,349	58,051	39,696	96,290	269,125
Other revenues	209,989	101,554	158,792	131,857	106,070	374,422	226,571	270,112	292,759	344,926
Total revenues	10,258,509	10,765,724	11,489,727	11,738,414	12,232,681	13,053,682	14,158,375	14,541,332	14,861,584	15,810,523
Expenditures										
General government	553,074	537,105	570,346	604,619	649,863	701,966	837,510	788,080	778,854	862,829
Public safety	400,287	398,657	414,134	417,836	380,291	462,744	507,747	530,994	542,444	561,250
Miscellaneous	235,675	217,095	208,179	212,401	232,570	276,646	273,264	285,510	314,706	303,653
Public works	804,267	834,613	832,566	890,723	857,412	850,751	857,496	847,113	934,781	1,015,115
Culture and recreation	172,759	166,590	181,629	183,255	210,794	207,661	206,950	300,802	246,317	246,360
Education	7,333,467	7,609,559	7,917,667	8,514,189	8,993,567	9,171,560	9,514,373	10,016,348	10,600,328	11,163,022
Capital outlays	308,252	1,741,561	764,555	556,078	397,514	351,461	1,899,408	1,061,018	856,604	2,765,321
Debt service:										
Debt issuance costs										12,224
Interest	167,388	139,010	109,920	81,555	187,006	114,199	113,540	101,952	83,043	64,026
Principal	451,000	451,000	446,000	396,000	314,367	300,000	353,909	347,898	350,136	247,479
Total expenditures	10,426,169	12,095,190	11,444,996	11,856,656	12,223,384	12,436,988	14,564,197	14,279,715	14,707,213	17,241,279
Excess (deficiency) of revenues over expenditures	\$ (167,660)	\$ (1,329,466)	\$ 44,731	\$ (118,242)	\$ 9,297	\$ 616,694	\$ (405,822)	\$ 261,617	\$ 154,371	\$ (1,430,756)

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

Other Financing Sources (Uses)	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Proceeds from sale of land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Proceeds from bond anticipation note	-	-	-	-	-	-	-	-	-	3,000,000
Premium on note issued	-	-	-	-	-	-	-	-	-	19,860
Proceeds from bonds	-	-	-	1,550,000	-	-	-	-	-	-
Settlement of lawsuit	-	-	-	-	-	-	(100,984)	-	-	-
Capital lease financing	-	-	-	-	-	-	575,000	-	-	-
Transfers in	201,858	200,805	317,891	295,574	299,724	479,793	453,926	845,923	622,612	698,260
Transfers out	(201,858)	(200,805)	(317,891)	(295,574)	(299,724)	(479,793)	(453,926)	(845,923)	(622,612)	(698,260)
Total other financing sources (uses)	-	-	-	1,550,000	-	-	474,016	-	250,000	3,019,860
Net change in fund balances	\$ (167,660)	\$ (1,329,466)	\$ 44,731	\$ 1,431,758	\$ 9,297	\$ 616,694	\$ 68,194	\$ 261,617	\$ 404,371	\$ 1,589,104
Debt service as a percentage of noncapital expenditures	6.1%	5.7%	5.2%	4.2%	4.2%	3.4%	3.7%	3.4%	3.1%	2.2%

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

Fiscal Year Ended June 30,	Residential Property	Commercial & Industrial Property	All Other Land	Personal Property	Motor Vehicles	Less: Tax Exempt Property	Total Taxable Assessed Value	(1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
								Total Direct Tax Rate		
1997	\$206,704,395	\$ 36,695,730	\$17,564,695	\$ 7,221,003	\$24,614,578	\$ 1,114,038	\$ 291,686,363	\$ 19.10	\$ 418,286,287	70.00%
1998	209,314,205	53,721,530	15,402,915	7,666,170	25,443,483	1,207,660	310,340,643	18.85	445,069,004	70.00%
1999	211,780,025	55,728,650	15,173,785	16,000,360	26,280,550	1,166,080	323,797,290	19.35	464,233,386	70.00%
2000	214,896,493	55,603,570	13,925,875	16,517,070	27,531,064	1,510,460	326,963,612	20.90	469,248,674	70.00%
2001	148,225,270	50,344,680	31,614,400	16,509,680	29,840,320	1,800,160	274,734,190	25.70	395,049,071	70.00%
2002	150,776,200	51,692,020	31,969,520	15,596,580	31,494,920	1,927,240	279,602,000	26.50	402,184,629	70.00%
2003	153,891,410	51,779,050	32,403,150	22,132,890	32,382,267	1,896,420	290,692,347	27.25	417,983,953	70.00%
2004	158,046,388	52,169,700	32,647,420	20,550,560	33,659,368	1,750,440	295,322,996	28.80	424,390,623	70.00%
2005	217,488,320	70,423,910	40,913,540	10,823,110	33,168,857	1,558,460	371,259,277	24.77	532,596,767	70.00%
2006	222,076,160	69,383,970	40,872,050	11,060,910	35,268,590	1,356,950	377,304,730	25.51	540,945,257	70.00%

(1) The Total Direct Tax Rate shown above is the mill rate. The mill rate is divided by 1,000 and then multiplied by the taxable assessed value in arriving at the current property tax levy.

Notes: Taxes for the fiscal year are levied based on the Grand List of October 1 and are due July 1 payable in two installments, one-half July 1 and one-half January 1 with the exception of motor vehicles which are due July 1. Failure to pay any installment within one month of the installment due date makes the installment delinquent and subject to an interest charge of 1-1/2% per month or \$2.00 minimum interest charge, whichever is greater. Real estate is liened for delinquent taxes unpaid within one year after the due date. The amount collected to the end of each fiscal year represents collections of twelve months.

Revaluation was completed and effective for October 1, 1999 and October 1, 2003 grand list. The basis of the assessment is 70% of the 1999 fair market value for the years ended 2001 through 2004 and 70% of the 2003 fair market value for fiscal year ended 2005.

Source: Town of Willington, Office of the Assessor.

Table 6

**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

(Unaudited)

<u>Taxpayer</u>	2006			1997		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Services Development Corp.	\$ 26,545,360	1	7.04%	\$ 5,238,270	2	1.79%
Royce Properties LLC	7,518,820	2	1.99%	-		0.00%
GLK Realty Ltd Partnership	7,297,940	3	1.93%	6,072,330	1	2.08%
Willington Oaks Apartments LLC	3,540,360	4	0.94%	4,349,930	3	1.49%
Storrs Polo Run Limited Partnership	3,261,200	5	0.86%	3,066,600	4	1.05%
Connecticut Light and Power	2,674,800	6	0.71%	1,998,010	5	0.68%
Lawrence Becker	2,250,590	7	0.60%	1,565,920	6	0.54%
C & S Willington Ltd Partnership	1,647,970	8	0.44%	-		0.00%
Ruby Associates General Partnership	1,477,000	9	0.39%	1,314,430	10	0.45%
FedEx Ground Package Systems Inc	1,348,620	10	0.36%	-		0.00%
Joseph Mihaliak	-		0.00%	1,502,940	7	0.51%
Ridgeview Heights Limited Par	-		0.00%	1,445,560	8	0.50%
87 Ruby Road Corporation	-		0.00%	1,328,550	9	0.45%
Total	\$ 57,562,660		15.26%	\$ 27,882,540		9.55%

Note: A property revaluation was performed prior to fiscal year 2006.

Source: Town of Willington, Office of the Tax Collector.

**TOWN OF WILLINGTON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 5,606,560	\$ 5,517,951	98.42%	88,609	5,606,560	100.00%
1998	5,888,867	5,900,599	100.20%	(11,732)	5,888,867	100.00%
1999	6,305,856	6,230,551	98.81%	75,305	6,305,856	100.00%
2000	6,892,468	6,832,863	99.14%	59,605	6,892,468	100.00%
2001	7,145,155	7,082,949	99.13%	60,535	7,143,484	99.98%
2002	7,486,430	7,653,741	102.23%	(169,229)	7,484,512	99.97%
2003	8,032,090	7,962,133	99.13%	67,985	8,030,118	99.98%
2004	8,627,425	8,675,275	100.55%	(56,626)	8,618,649	99.90%
2005	9,290,665	9,213,600	99.17%	61,431	9,275,031	99.83%
2006	9,737,618	9,642,552	99.02%	-	9,642,552	99.02%

(1) Negative collections are due to presentation of current levy prior to lawful corrections and transfers to suspense.

Source: Town of Willington, Office of the Tax Collector.

Table 8

**TOWN OF WILLINGTON, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	General Obligation Bonds	(1) Percentage of Actual Property Value	(2) Per Capita
1997	\$ 2,190,000	0.75%	\$ 347
1998	1,750,000	0.56%	284
1999	1,315,000	0.41%	214
2000	2,480,000	0.76%	416
2001	2,175,000	0.79%	365
2002	1,875,000	0.67%	309
2003	1,575,000	0.54%	258
2004	1,275,000	0.43%	206
2005	975,000	0.26%	157
2006	780,000	0.21%	125

(1) See Table 5 for taxable property value data.

(2) See Table 10 for population data.

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

TOWN OF WILLINGTON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Legal Debt Margin Calculation:										
Total cash collections for the fiscal year:										
Taxes	\$ 5,626,348	\$ 5,955,713	\$ 6,316,204	\$ 6,914,904	\$ 7,127,683	\$ 7,698,731	\$ 7,995,212	\$ 8,869,200	\$ 9,262,695	\$ 9,685,458
Interest and lien fees	64,360	42,174	43,217	47,114	35,761	31,837	32,514	99,644	41,956	41,596
	<u>5,690,708</u>	<u>5,997,887</u>	<u>6,359,421</u>	<u>6,962,018</u>	<u>7,163,444</u>	<u>7,730,568</u>	<u>8,027,726</u>	<u>8,968,844</u>	<u>9,304,651</u>	<u>9,727,054</u>
Reimbursements for revenue loss:										
Tax relief for elderly (CGS 12-129d)	6,898	5,759	5,188	4,812	2,879	2,970	3,001	-	-	663
Base	<u>\$ 5,697,606</u>	<u>\$ 6,003,646</u>	<u>\$ 6,364,609</u>	<u>\$ 6,966,830</u>	<u>\$ 7,166,323</u>	<u>\$ 7,733,538</u>	<u>\$ 8,030,727</u>	<u>\$ 8,968,844</u>	<u>\$ 9,304,651</u>	<u>\$ 9,727,717</u>
Indebtedness:										
General Purposes:										
Bonds payable	\$ 1,682,367	\$ 1,431,367	\$ 1,185,367	\$ 939,367	\$ 780,000	\$ 635,000	\$ 490,000	\$ 345,000	\$ 200,000	\$ 160,000
Authorized, unissued bonds	-	-	-	-	-	-	20,000	3,020,000	3,000,000	3,000,000
Subtotal General Purposes	<u>1,682,367</u>	<u>1,431,367</u>	<u>1,185,367</u>	<u>939,367</u>	<u>780,000</u>	<u>635,000</u>	<u>510,000</u>	<u>3,365,000</u>	<u>3,200,000</u>	<u>3,160,000</u>
Schools:										
Bonds payable	550,000	350,000	150,000	1,550,000	1,395,000	1,240,000	1,085,000	930,000	775,000	620,000
Regional School District No. 19	1,295,000	3,879,200	6,165,000	2,002,201	2,149,056	1,856,546	1,794,928	1,794,265	1,723,485	1,551,043
Authorized, unissued bonds	-	-	-	-	-	-	376,000	376,000	376,000	-
Authorized, unissued bonds, Regional School District 19	-	-	-	-	-	-	381,440	-	-	-
Subtotal Schools	<u>1,845,000</u>	<u>4,229,200</u>	<u>6,315,000</u>	<u>3,552,201</u>	<u>3,544,056</u>	<u>3,096,546</u>	<u>3,637,368</u>	<u>3,100,265</u>	<u>2,874,485</u>	<u>2,171,043</u>
Less: amounts to be provided by State	408,689	260,074	111,460	751,310	751,311	667,832	584,353	500,874	333,916	250,437
Total indebtedness	<u>\$ 3,118,678</u>	<u>\$ 5,400,493</u>	<u>\$ 7,388,907</u>	<u>\$ 3,740,258</u>	<u>\$ 3,572,745</u>	<u>\$ 3,063,714</u>	<u>\$ 3,563,015</u>	<u>\$ 5,964,391</u>	<u>\$ 5,740,569</u>	<u>\$ 5,080,606</u>
Total capacity of borrowing (7 times base)	\$ 39,883,242	\$ 42,025,522	\$ 44,552,263	\$ 48,767,810	\$ 50,164,261	\$ 54,134,766	\$ 56,215,089	\$ 62,781,908	\$ 65,132,557	\$ 68,094,019
Total present indebtedness	3,118,678	5,400,493	7,388,907	3,740,258	3,572,745	3,063,714	3,563,015	5,964,391	5,740,569	5,080,606
Margin for additional borrowing	<u>\$ 36,764,564</u>	<u>\$ 36,625,029</u>	<u>\$ 37,163,356</u>	<u>\$ 45,027,552</u>	<u>\$ 46,591,516</u>	<u>\$ 51,071,052</u>	<u>\$ 52,652,074</u>	<u>\$ 56,817,517</u>	<u>\$ 59,391,988</u>	<u>\$ 63,013,413</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	<u>8%</u>	<u>13%</u>	<u>17%</u>	<u>8%</u>	<u>7%</u>	<u>6%</u>	<u>6%</u>	<u>10%</u>	<u>9%</u>	<u>7%</u>

Note: Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may incur to 7 times total tax collections, including interest and lien fees and the tax relief for the elderly freeze grant.

Table 10

**TOWN OF WILLINGTON, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

(Unaudited)

<u>Year</u>	<u>(1) Population</u>	<u>Personal Income</u> <i>(in thousands)</i>	<u>(2) Per Capita Personal Income</u>	<u>(3) Median Age</u>	<u>(4) School Enrollment</u>	<u>(5) Unemployment Rate</u>
1997	6,309	153,599	24,346	29.2	913	3.4%
1998	6,153	153,394	24,930	29.2	870	2.2%
1999	6,131	152,846	24,930	29.2	898	2.0%
2000	5,962	164,293	27,557	29.2	897	1.7%
2001	5,959	161,262	27,062	33.6	906	2.3%
2002	6,071	164,293	27,062	33.6	887	2.7%
2003	6,116	165,511	27,062	33.6	881	3.3%
2004	6,198	167,730	27,062	33.6	899	3.6%
2005	6,197	167,703	27,062	33.6	878	3.7%
2006	6,216	168,217	27,062	34.6	887	3.9%

(1) U.S. Department of Commerce, Bureau of the Census, 2000, for the calendar years ended 2003 through 2006.
State of Connecticut, Department of Health estimates for the calendar years ended 1997-2002.

(2) U.S. Department of Commerce, Bureau of the Census, 2000, for calendar years ended 2001 through 2006.
DataCore Partners, 1998, for calendar years ended 1998 through 2000.
DataCore Partners, 1996, for calendar years ended 1996 through 1997.

(3) U.S. Department of Commerce, Bureau of the Census, 2000, for calendar years ended 2001 through 2006.
U.S. Department of Commerce, Bureau of the Census, 1990, for calendar years ended 1997 through 2000.

(4) Town of Willington, Board of Education

(5) State of Connecticut, Labor Department, Office of Research and Statistics.

Table 11

TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2006</u>			<u>1999 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Fed Ex Ground	600	1	16.26%	300	1	8.70%
Travel Centers of America	170	2	4.61%	170	2	4.93%
Town of Willington	144	3	3.90%	133	3	3.86%
Willington Pizza	120	4	3.25%	85	4	2.46%
St. of CT. - Depart. of Transportation	25	5	0.68%	30	5	0.87%
Cable Technology, Inc	25	6	0.68%	26	6	0.75%
Becker Construction	23	7	0.62%	22	8	0.64%
Lyon Manor	14	8	0.38%	14	10	0.41%
Econolodge	10	9	0.27%	20	9	0.58%
NewAlliance Bank / Tolland Bank	7	10	0.19%	5	11	0.14%
Teggiano Restaruant	-		0.00%	24	7	0.70%
Total	<u>1,138</u>		<u>30.85%</u>	<u>829</u>		<u>24.04%</u>

(1) The earliest year for which information on principal employers was available was 1999.

TOWN OF WILLINGTON, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

(Unaudited)

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government										
Management services	11	11	11	11	11	10	10	10	10	10
Finance	3	3	3	5	5	5	5	5	5	5
Planning	1	1	1	1	1	1	1	1	1	1
Building	1	1	1	1	1	1	1	1	1	1
Other	8	9	9	9	9	9	9	8	8	8
Public safety										
Volunteer Firefighters	45	45	45	45	45	76	76	76	76	76
Public works										
Transfer Station	2	2	2	2	2	2	2	2	2	2
Other public works	5	5	5	5	5	5	5	5	5	5
Culture and recreation	1	1	1	1	1	1	1	1	1	1
Library	5	5	5	5	5	5	5	5	5	5
Total	<u>82</u>	<u>83</u>	<u>83</u>	<u>85</u>	<u>85</u>	<u>115</u>	<u>115</u>	<u>114</u>	<u>114</u>	<u>114</u>

Note: A full-time employee is scheduled to work 35 hours per week (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 35.

Source: Town of Willington, Treasurer's Office.

Table 13

**TOWN OF WILLINGTON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Fire										
Emergency responses	306	414	406	435	482	480	484	474	497	508
Non-Emergency responses	277	262	168	196	249	318	352	363	399	399
Inspections	690	690	650	404	538	576	528	490	515	515
Refuse collection										
Refuse collected (tons per year)	1,666.1	1,666.1	1,666.1	1,666.1	2,267.1	2,175.0	1,785.1	989.7	1,063.6	1,417.9
Recyclables collected (tons per year)	635.6	635.6	635.6	635.6	640.4	671.0	669.4	785.7	841.6	780.2
Other public works										
Street resurfacing (miles)	15.8	13.5	11.4	12.2	14.3	11.4	13.7	11.8	10.4	11.6
Potholes repaired	-	-	-	-	-	-	-	-	-	-
Culture and recreation										
Library - Volumes in collection	14,700	14,700	14,700	14,700	15,700	17,700	17,700	17,700	17,700	20,387

Source: Town of Willington Annual Reports, 1997-2005. 2006 information obtained from various Town departments

Table 14

**TOWN OF WILLINGTON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**
(Unaudited)

<u>Function/Program</u>	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	70.9	70.9	70.9	70.9	70.9	71.1	71.1	71.1	71.1	72.7
Streetlights	16	16	16	16	16	16	16	16	16	16
Traffic signals	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Acreage	212	212	212	212	292	292	292	292	292	292
Playgrounds	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/football fields	2	2	2	2	2	2	2	2	2	2

Source: Various Town departments.