

TOWN OF WILLINGTON

CONNECTICUT



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2010

TOWN OF WILLINGTON, CONNECTICUT

Comprehensive Annual Financial Report

**For The Year Ended
June 30, 2010**

Prepared by:

**Finance Department
Tish Ignatowicz, Treasurer
Donna Latincsics, Business Manager**

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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

December 31, 2010

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, 2010 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. The examination was conducted by the firm of CCR 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, federal and State of Connecticut mandated “Single Audit” designed to meet the special needs of federal and state grantor agencies. The Single Audit Report contains the independent auditors’ reports on compliance and internal control, the schedules of expenditures of federal and state financial assistance, and the schedule of findings and questioned costs.

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 Town of Willington

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. She 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.

A seven-member Board of Education, elected for four-year staggered terms, is responsible for the operation of the Town's 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.

Profile of the Town of Willington *(Continued)*

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.

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.

Local Economy

Property tax collections over the past 10 years have averaged 99 percent. The commercial/industrial operations in the Town have consistently provided a significant portion of property taxes.

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. 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 2009 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'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.

During the fiscal year the Town continued plans for expansion of public water services to Center Elementary School. This project, to be funded through a \$350,000 STEAP grant, is expected to be completed during the next fiscal year.

An additional STEAP Grant of \$150,000 was awarded to continue plans for the River Road Recreation Complex. This project is expected to include a pavilion, playscape, basketball court, volleyball court and walking path.

The Town was awarded a \$300,000 Community Development Block Grant made available for use by income eligible resident property owners for housing rehabilitation projects.

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.

Awards and Acknowledgement

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, 2009. 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 only the fiscal year awarded. 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.

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

Respectfully Submitted,



Tish Ignatowicz
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, 2009

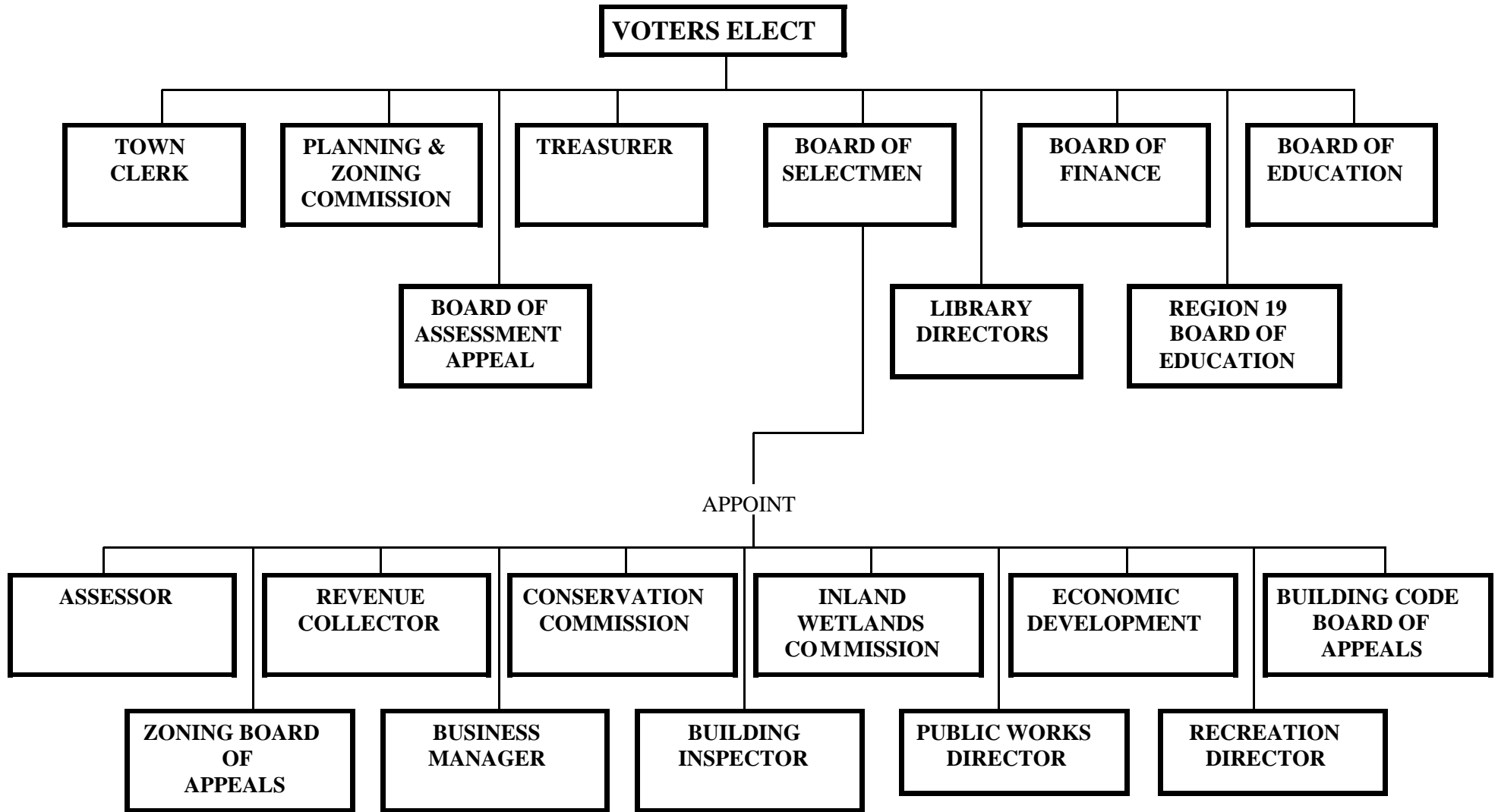
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**TOWN OF WILLINGTON, CONNECTICUT
ORGANIZATIONAL CHART
JUNE 30, 2010**



**TOWN OF WILLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2010**

TOWN MEETING - BOARD OF SELECTMEN FORM OF GOVERNMENT

BOARD OF SELECTMEN

Christina B. Mailhos, First Selectman
Tyler F. Millix, Selectman
John Blessington, Selectman

First Selectman.....	Christina B. Mailhos
Chairman, Board of Finance.....	Kenneth Schoppmann
Town Treasurer.....	Tish Ignatowicz
Business Manager.....	Donna Latincsics
Director of Public Works.....	Lynn A. Nicholls
Town Clerk.....	Donna J. Hardie
Collector of Revenues.....	Carol Larson
Superintendent of Schools.....	David C. Harding

BOARD OF EDUCATION

Mark Makuch, Chairman
Herbert C. Arico
Erika G. Wiczenski
Leo Mercado
Mark Jones
Laurie Semprebon
Barry Wallett

BOARD OF FINANCE

Kenneth Schoppmann, Chairman
Ann Marie Brown
Peter J. Latincsics
Elizabeth A. Marco
Alan John Ference
Chopeta C. Lyons
Richard M. Littell, Alternate
Mark A. Wiggins, 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, the business-type 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, 2010, which collectively comprise the Town's basic financial statements as listed in the accompanying 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Willington, Connecticut as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, 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 January 25, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the schedules of funding progress on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. 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 financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

CCR LLP

Glastonbury, Connecticut
January 25, 2011

Management's Discussion and Analysis

TOWN OF WILLINGTON, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Willington, Connecticut (the "Town") offers the 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, 2010. We encourage readers to consider the information presented here in conjunction with 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 ("Report").

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$13,520,405 (net assets). Of this amount, \$3,904,817 represents unrestricted net assets.
- The Town's total net assets decreased by \$50,083 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$4,042,642, an increase of \$107,463 in comparison with the prior year. The primary cause of this fund balance increase was an increase in the receipt of property tax revenues, an increase in intergovernmental revenues for the construction of Kechkes Road Bridge and an increase in miscellaneous revenue due to a bequest to the Willington Public Library.
- At the close of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$1,579,101 or 10.9% of total general fund expenditures and other financing uses. Expressed another way, unreserved fund balance for the General Fund was sufficient to cover 1.27 months of General Fund operating expenditures.
- The Town's total long-term bonded debt decreased by \$345,000 or 11.9% during the current fiscal year due to scheduled principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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.

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).

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

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

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, culture and recreation, education, Regional School District No. 19, miscellaneous and interest and fiscal charges. The business-type activities of the Town relate to the Town's water facility.

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

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Small Cities Grant Housing Fund, Fire Department Fund and the Reserve for Capital and Nonrecurring Expenditures Fund, all of which are considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 - 20 of this report.

Proprietary Funds

The Town maintains one type of proprietary fund. Enterprise funds are used to account for the same functions reported as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 21 - 23 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 for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 - 51 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on page 52 of this report. Combining and individual fund statements and schedules can be found on pages 53 - 73 of this report and statistical information can be found on pages 74 - 89 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 \$13,520,405 and \$13,570,488 as of June 30, 2010 and 2009, respectively and are summarized as follows:

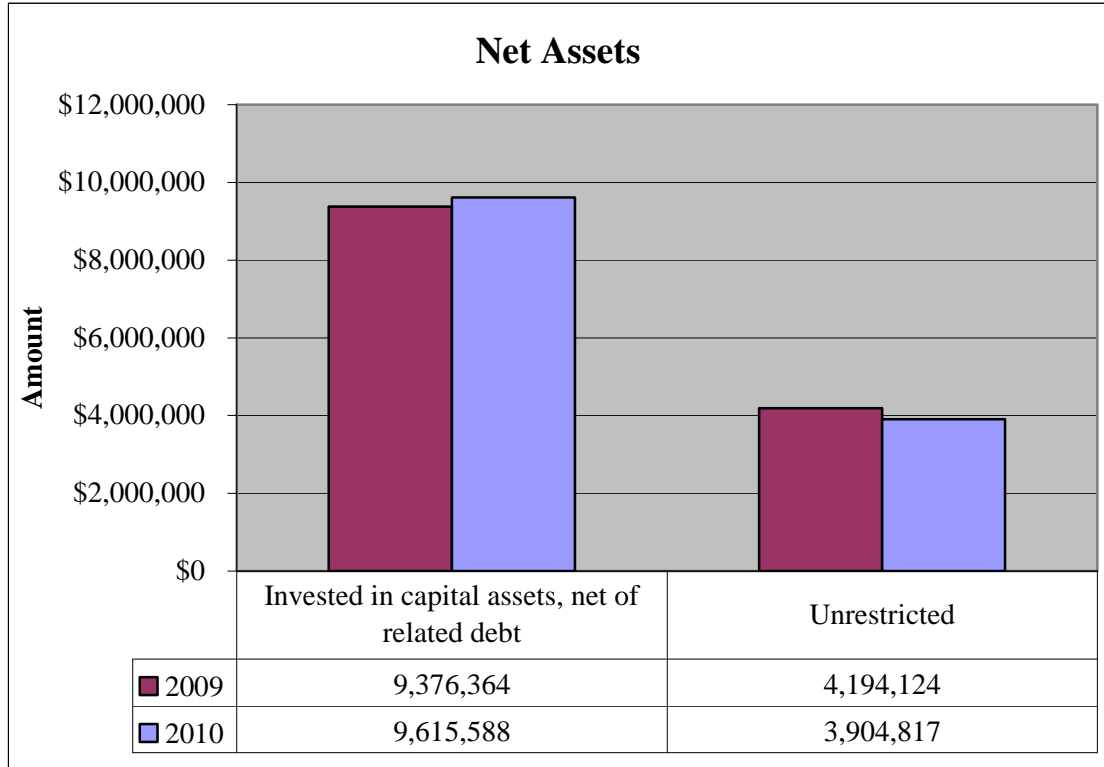
**Town of Willington, Connecticut
Net Assets
June 30, 2010 and 2009**

	Total	
	2010	2009
Current and other assets	\$ 5,934,982	\$ 5,756,241
Capital assets	12,497,767	12,725,403
Total assets	18,432,749	18,481,644
Other liabilities	1,140,757	1,387,464
Long-term liabilities	3,771,587	3,523,692
Total liabilities	4,912,344	4,911,156
Net assets:		
Invested in capital assets, net of related debt	9,615,588	9,376,364
Unrestricted	3,904,817	4,194,124
Total net assets	\$ 13,520,405	\$ 13,570,488

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Assets (Continued)



As of June 30, 2010, approximately 71% 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.

The remainder of the Town's net assets are considered unrestricted.

Overall, net assets decreased by \$50,083 in comparison with the prior year.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets

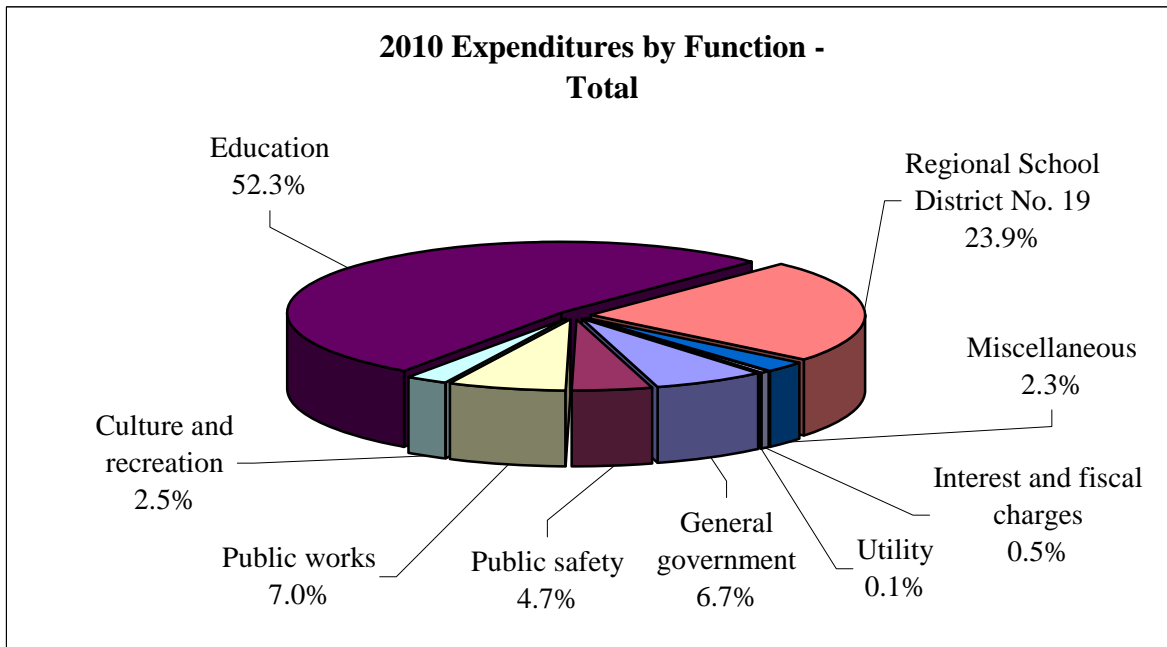
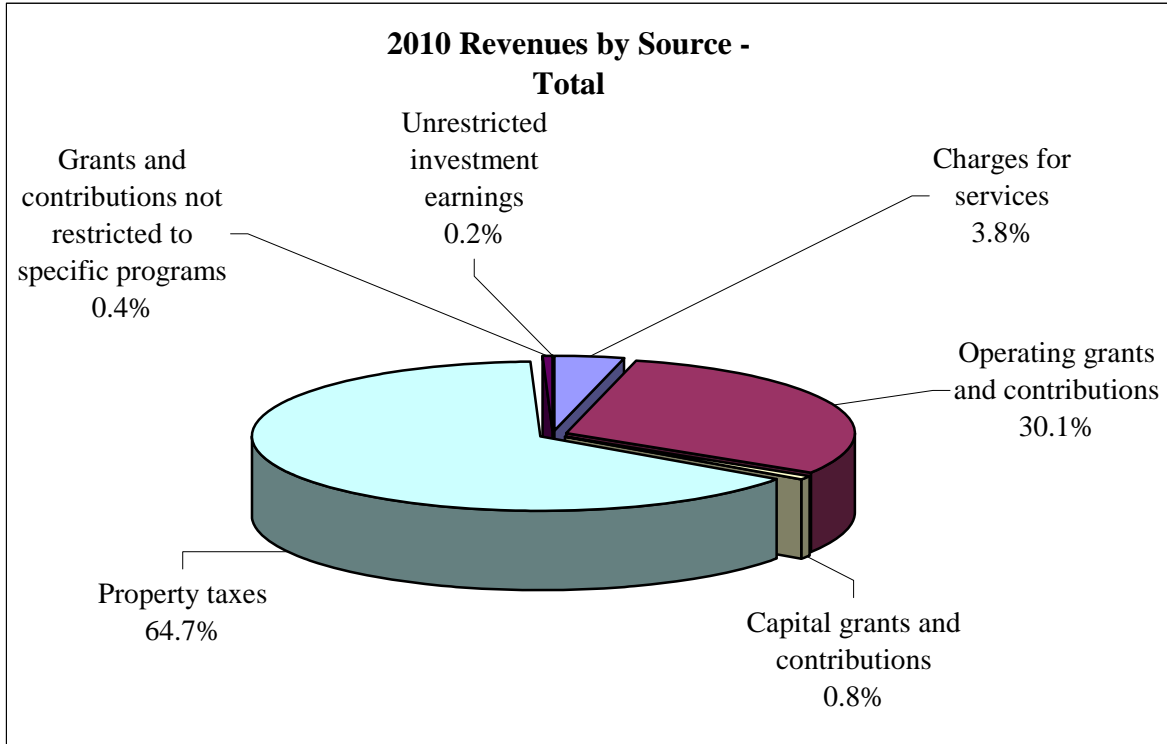
Changes in net assets for the years ended June 30, 2010 and 2009 are as follows:

Town of Willington, Connecticut		Changes in Net Assets	
For The Years Ended June 30, 2010 and 2009			
		Total	
		2010	2009
Revenues			
Program revenues:			
Charges for services	\$	651,034	\$ 623,626
Operating grants and contributions		5,109,733	4,904,463
Capital grants and contributions		138,284	13,266
General revenues:			
Property taxes, levied for general purposes		10,996,767	10,787,383
Grants and contributions not restricted to specific programs		74,902	158,623
Unrestricted investment earnings		23,216	71,457
Loss on disposal of assets		-	(4,654)
Total revenues		16,993,936	16,554,164
Expenses			
General government		1,148,876	1,057,511
Public safety		804,561	791,602
Public works		1,185,785	1,966,935
Culture and recreation		423,964	466,019
Education		8,912,951	8,519,218
Regional School District No. 19		4,069,389	3,768,771
Miscellaneous		396,744	334,617
Interest and fiscal charges		82,262	137,956
Utility		19,487	20,496
Total expenses		17,044,019	17,063,125
Change in net assets		(50,083)	(508,961)
Net assets, beginning		13,570,488	14,079,449
Net assets, ending		\$13,520,405	\$13,570,488

**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 decreased the Town's net assets by \$53,195. Key elements of this decrease are as follows:

- Property tax revenues increased by \$209,384 reflecting an increase in property assessments of \$71,021,462.
- Unrestricted investment earnings decreased by \$48,241 as a result of market conditions and falling interest rates in the current year.
- Education expenditures increased by approximately \$694,000 due primarily to an increase in budgeted salaries and other operating expenditures necessary to meet the educational needs of the Town. This increase was offset by a large decrease in the amount of on-behalf pension payments recorded in the current year, which had no effect on the change in net assets, as the decrease is also seen in operating grants and contributions.

Business-type activities increased the Town's net assets by \$3,112 due to a slight increase in charges for services incurred in the normal course of operations.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, 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 a combined ending balance of \$4,042,642, an increase of \$107,463 in comparison with prior year. Of this amount, \$2,876,102 constitutes unreserved and undesignated fund balance which is available for spending at the Town's discretion. The remainder of the fund balance is either reserved or designated 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 and undesignated fund balance of the general fund was \$1,579,101, while total fund balance was \$1,947,888. As a measure of the general fund's liquidity, it may be useful to compare unreserved and undesignated fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 10.9% of total general fund expenditures and other financing uses. Expressed another way, unreserved and undesignated fund balance for the general fund was sufficient to cover 1.27 months of general fund operating expenditures.

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

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

General Fund (Continued)

The fund balance of the Town's general fund increased by \$123,135 during the current fiscal year, which was primarily due to expenditures being lower than budgeted. The Town has appropriated \$200,000 of the fund balance for spending in fiscal year 2011 budget. It is intended that this use of fund balance will reduce the amount of tax increases during the 2011 fiscal year

Small Cities Grant Housing Fund

The fund balance of the Small Cities Grant Housing Fund increased by \$23,411. This increase was due to the collection of rehabilitation loans.

Fire Department Fund

The fund balance of the Fire Department Fund increased by \$58,757. This increase was due to ambulatory receipts and contributions from the General Fund sufficient to cover the operational needs of the Fund. Revenues, expenditures and other financing sources were consistent with the prior year.

Reserve for Capital and Nonrecurring Expenditures Fund

The fund balance of the Reserve for Capital and Nonrecurring Expenditures Fund decreased by \$152,429. This decrease was due to capital expenditures for the construction of Kechkes Road Bridge and the replacement of the roof at Fire Station 213. Also contributing to the decrease is the transfer out of funds due to the closing of the Senior Center Drainage capital project.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no additional appropriations from the original budget to the final budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2010 and 2009 totaled \$12,497,767 and \$12,725,403, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure, vehicles and furniture and fixtures. The total decrease in the Town's investment in capital assets for the current fiscal year was \$227,636 or 1.8%. This decrease is due to capital asset additions of \$382,850, offset by depreciation expense of \$589,472, and net dispositions of \$21,014. Major capital asset events during the current fiscal year included the following:

- Land and infrastructure improvements such as Center School water main extension, Kechkes Road bridge, Turnpike Road and building improvements related to the fire station roof.

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

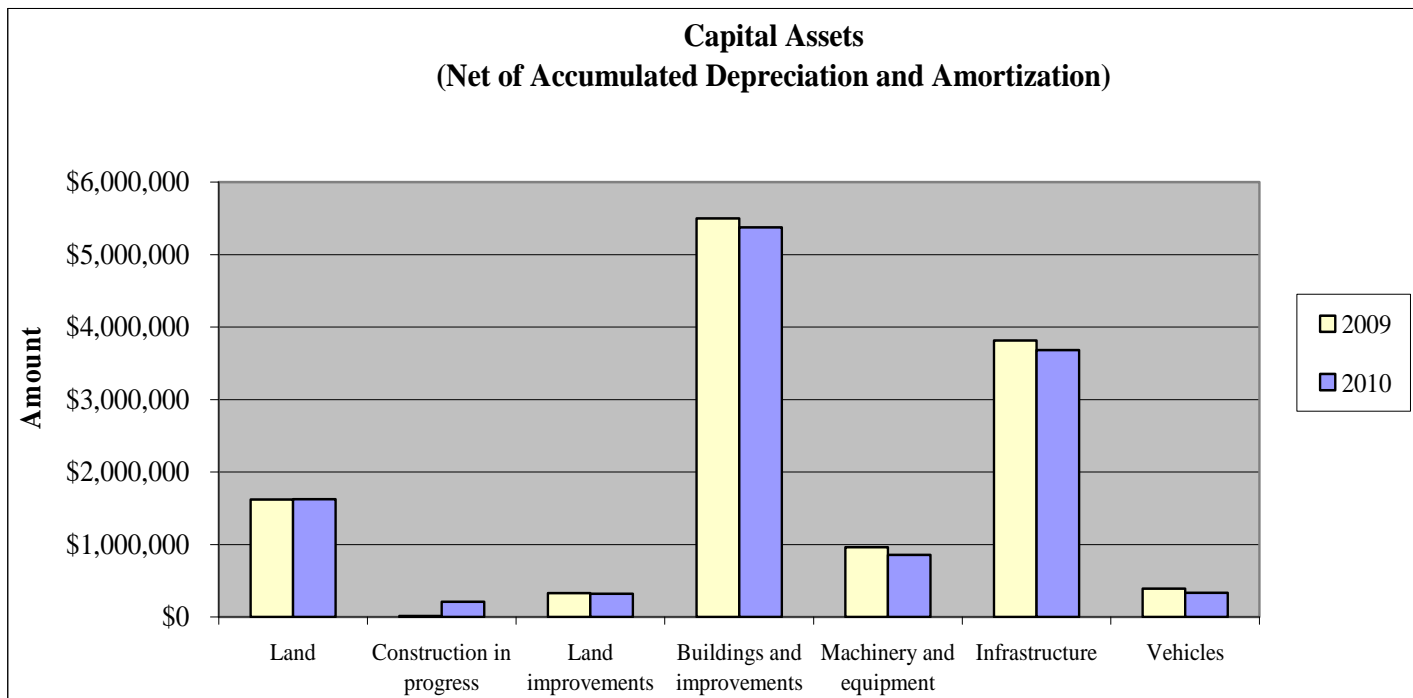
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

**Town of Willington, Connecticut
Capital Assets, Net
June 30, 2010 and 2009**

	Total	
	2010	2009
Land	\$ 1,627,246	\$ 1,621,592
Construction in progress	211,415	11,783
Land improvements	321,558	327,704
Buildings and improvements	5,377,113	5,497,863
Machinery and equipment	857,363	961,032
Infrastructure	3,684,278	3,816,890
Vehicles	334,261	390,165
Furniture and equipment	84,533	98,374
Totals	<u>\$ 12,497,767</u>	<u>\$ 12,725,403</u>



Additional information on the Town's capital assets can be found in Note 6 on page 38 and 39 of this report.

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

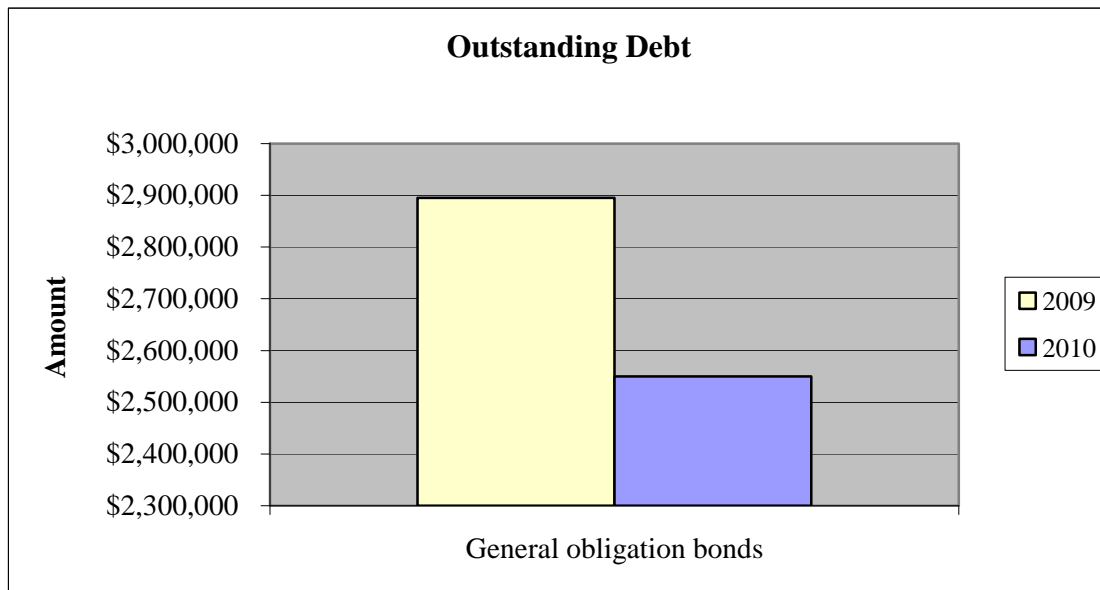
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$2,550,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$345,000 or 11.9% during the current fiscal year due to current year principal repayments. 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 current debt limitation for the Town is \$77,655,256, 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, 2010 and 2009**

	Total	
	2010	2009
General obligation bonds	\$ 2,550,000	\$ 2,895,000
Totals	\$ 2,550,000	\$ 2,895,000



Additional information on the Town's long-term debt can be found in Note 10 on pages 41 - 43 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 6.9%. This compares favorably to the state's average unemployment rate of 8.0% and the national unemployment rate of 9.5%.
- During the current fiscal year, unreserved and undesignated fund balance of the General Fund increased to \$1,579,101.
- 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 2011, 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, the Town Clerk and the amount of conveyance taxes and interest income.

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 2011.

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, 2010

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 797,828	\$ -	\$ 797,828
Investments	4,260,734	16,638	4,277,372
Receivables:			
Property taxes receivable	107,770	-	107,770
Grants and contracts receivable	62,170	-	62,170
Accounts receivable	19,719	190	19,909
Interest receivable	25,867	-	25,867
Inventories	2,055	-	2,055
Net pension asset	32,195	-	32,195
Rehabilitation loans receivable	609,816	-	609,816
Capital assets:			
Non-depreciable	1,838,661	-	1,838,661
Depreciable, net	10,659,106	-	10,659,106
Total assets	<u>18,415,921</u>	<u>16,828</u>	<u>18,432,749</u>
LIABILITIES			
Accounts payable and accrued liabilities	812,762	7,914	820,676
Deferred revenue	311,722	-	311,722
Accrued interest	8,359	-	8,359
Internal balances	1,891	(1,891)	-
Noncurrent liabilities:			
Due within one year	284,619	-	284,619
Due in more than one year:	3,486,968	-	3,486,968
Total liabilities	<u>4,906,321</u>	<u>6,023</u>	<u>4,912,344</u>
NET ASSETS			
Invested in capital assets, net of related debt	9,615,588	-	9,615,588
Unrestricted	3,894,012	10,805	3,904,817
Total net assets	<u>\$ 13,509,600</u>	<u>\$ 10,805</u>	<u>\$ 13,520,405</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets-		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 1,148,876	\$ 186,728	\$ 51,348	\$ 133,024	\$ (777,776)	\$ -	\$ (777,776)
Public safety	804,561	225,218	-	-	(579,343)	-	(579,343)
Public works	1,185,785	-	136,743	5,260	(1,043,782)	-	(1,043,782)
Culture and recreation	423,964	84,670	124,383	-	(214,911)	-	(214,911)
Education	8,912,951	131,859	4,797,259	-	(3,983,833)	-	(3,983,833)
Regional School District No. 19	4,069,389	-	-	-	(4,069,389)	-	(4,069,389)
Miscellaneous	396,744	-	-	-	(396,744)	-	(396,744)
Interest and fiscal charges	82,262	-	-	-	(82,262)	-	(82,262)
Total governmental activities	<u>17,024,532</u>	<u>628,475</u>	<u>5,109,733</u>	<u>138,284</u>	<u>(11,148,040)</u>	<u>-</u>	<u>(11,148,040)</u>
Business- type activities:							
Utility - water	<u>19,487</u>	<u>22,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,072</u>	<u>3,072</u>
	<u>\$ 17,044,019</u>	<u>\$ 651,034</u>	<u>\$ 5,109,733</u>	<u>\$ 138,284</u>	<u>(11,148,040)</u>	<u>3,072</u>	<u>(11,144,968)</u>
General revenues:							
Property taxes, levied for general purposes					10,996,767	-	10,996,767
Grants and contributions not restricted to specific programs					74,902	-	74,902
Unrestricted investment earnings					23,176	40	23,216
Total general revenues					<u>11,094,845</u>	<u>40</u>	<u>11,094,885</u>
Change in net assets					(53,195)	3,112	(50,083)
Net assets - beginning					13,562,795	7,693	13,570,488
Net assets - ending					<u>\$ 13,509,600</u>	<u>\$ 10,805</u>	<u>\$ 13,520,405</u>

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

TOWN OF WILLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>	<u>Small Cities Grant Housing Fund</u>	<u>Fire Department Fund</u>	<u>Reserve for Capital and Nonrecurring Expenditures Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 142,147	\$ 4,987	\$ 244,134	\$ -	\$ 406,560	\$ 797,828
Investments	2,524,834	51,462	207,255	797,619	679,564	4,260,734
Receivables:						
Property tax receivable	107,770	-	-	-	-	107,770
Grants and contracts receivable	-	12,000	-	-	50,170	62,170
Accounts receivable	4,668	7,665	-	-	7,386	19,719
Rehabilitation loans receivable	-	609,816	-	-	-	609,816
Due from other funds	297,758	-	53,372	1,100	352,317	704,547
Inventories	-	-	-	-	2,055	2,055
Total assets	<u>\$ 3,077,177</u>	<u>\$ 685,930</u>	<u>\$ 504,761</u>	<u>\$ 798,719</u>	<u>\$ 1,498,052</u>	<u>\$ 6,564,639</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 642,294	\$ 9,653	\$ 36,488	\$ 3,741	\$ 120,586	\$ 812,762
Due to other funds	403,386	4,194	88,337	140,180	70,341	706,438
Unearned / deferred revenue	83,609	609,816	-	-	309,372	1,002,797
Total liabilities	<u>1,129,289</u>	<u>623,663</u>	<u>124,825</u>	<u>143,921</u>	<u>500,299</u>	<u>2,521,997</u>
Fund Balances:						
Reserved for:						
Encumbrances	168,787	-	-	-	-	168,787
Inventories	-	-	-	-	2,055	2,055
Unreserved, undesignated	1,579,101	62,267	379,936	654,798	-	2,676,102
Unreserved, designated for:						
Subsequent year's budget	200,000	-	-	-	-	200,000
Unreserved, reported in nonmajor:						
Special revenue fund	-	-	-	-	751,975	751,975
Capital projects fund	-	-	-	-	243,723	243,723
Total fund balances	<u>1,947,888</u>	<u>62,267</u>	<u>379,936</u>	<u>654,798</u>	<u>997,753</u>	<u>4,042,642</u>
Total liabilities and fund balances	<u>\$ 3,077,177</u>	<u>\$ 685,930</u>	<u>\$ 504,761</u>	<u>\$ 798,719</u>	<u>\$ 1,498,052</u>	<u>\$ 6,564,639</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, 2010**

Total fund balances for governmental funds \$ 4,042,642

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	\$ 2,030,815	
Construction in progress	211,415	
Buildings and improvements	13,965,579	
Machinery and equipment	2,095,621	
Infrastructure	25,691,518	
Vehicles	912,661	
Furniture and equipment	414,416	
Less: accumulated depreciation and amortization	<u>(32,824,258)</u>	
Total capital assets, net		12,497,767

The net pension asset resulting from contributions in excess of the annual required contribution are not financial sources and, therefore, are not reported in the governmental funds. 32,195

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. 81,259

Interest receivable related to delinquent taxes is not susceptible to accrual and, therefore, is not reported in the governmental funds. 25,867

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. 609,816

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

Long-term debt:		
Bonds payable	(2,550,000)	
Unamortized premium	(5,827)	
Capital leases	(326,352)	
Accrued interest payable	(8,359)	
Other long-term liabilities:		
Compensated absences	(368,723)	
Accrued landfill postclosure costs	(106,400)	
Net OPEB obligation	<u>(414,285)</u>	
Total long-term liabilities		<u>(3,779,946)</u>

Net assets of governmental activities \$ 13,509,600

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	General Fund	Small Cities Grant Housing Fund	Fire Department Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 11,056,874	\$ -	\$ -	\$ -	\$ -	\$ 11,056,874
Intergovernmental	4,164,989	21,400	-	-	1,111,949	5,298,338
Licenses, fees and permits	136,425	-	218,486	-	91,402	446,313
Food sales	-	-	-	-	131,859	131,859
Investment earnings	14,792	86	3,731	1,900	2,667	23,176
Miscellaneous	50,303	18,498	-	-	108,061	176,862
Total revenues	<u>15,423,383</u>	<u>39,984</u>	<u>222,217</u>	<u>1,900</u>	<u>1,445,938</u>	<u>17,133,422</u>
EXPENDITURES						
Current:						
General government	912,958	-	-	-	115,747	1,028,705
Public safety	392,747	-	288,453	-	22,616	703,816
Public works	1,134,900	-	-	-	4,221	1,139,121
Culture and recreation	-	-	-	-	328,953	328,953
Education	7,574,117	-	-	-	1,061,170	8,635,287
Regional School District No. 19	4,069,389	-	-	-	-	4,069,389
Miscellaneous	380,171	16,573	-	-	-	396,744
Debt service:						
Principal payments	380,105	-	86,402	-	-	466,507
Interest and fiscal charges	74,243	-	12,514	-	-	86,757
Capital outlays	3,953	-	-	96,701	70,026	170,680
Total expenditures	<u>14,922,583</u>	<u>16,573</u>	<u>387,369</u>	<u>96,701</u>	<u>1,602,733</u>	<u>17,025,959</u>
Excess (deficiency) of revenues over expenditures	500,800	23,411	(165,152)	(94,801)	(156,795)	107,463
OTHER FINANCING SOURCES (USES)						
Transfers out	(435,293)	-	-	(57,628)	(925)	(493,846)
Transfers in	57,628	-	223,909	-	212,309	493,846
Total other financing sources (uses)	<u>(377,665)</u>	<u>-</u>	<u>223,909</u>	<u>(57,628)</u>	<u>211,384</u>	<u>-</u>
Net changes in fund balances	123,135	23,411	58,757	(152,429)	54,589	107,463
Fund balances - beginning	<u>1,824,753</u>	<u>38,856</u>	<u>321,179</u>	<u>807,227</u>	<u>943,164</u>	<u>3,935,179</u>
Fund balances - ending	<u>\$ 1,947,888</u>	<u>\$ 62,267</u>	<u>\$ 379,936</u>	<u>\$ 654,798</u>	<u>\$ 997,753</u>	<u>\$ 4,042,642</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, 2010**

Net change in fund balances for governmental funds \$ 107,463

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

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

Expenditures for capital assets	\$ 382,850	
Depreciation and amortization expense	(589,472)	
Net adjustment		(206,622)

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets. (21,014)

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the governmental 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. (83,479)

Interest receivable related to delinquent taxes is not susceptible to accrual and therefore is only reported as revenue in the funds when the cash is received by the Town. The change in interest receivable during the year decreased revenues recognized in the funds. (18,674)

Changes in pension assets resulting from the annual required contributions are not financial sources and, therefore, are not reported in the governmental funds (1,292)

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 and related items is as follows:

Principal repayments:		
Bonds	345,000	
Obligations under capital lease	121,507	
Net adjustment		466,507

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

Compensated absences	(38,680)	
Accrued interest	4,142	
Net OPEB obligation	(209,567)	
Amortization of bond premiums	353	
Landfill closure and postclosure costs	7,600	
		(236,152)

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. (59,932)

Change in net assets of governmental activities \$ (53,195)

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 10,876,516	\$ 10,876,516	\$ 11,056,874	\$ 180,358
Intergovernmental	4,094,228	3,569,701	3,576,948	7,247
Licenses, fees and permits	146,000	146,000	136,425	(9,575)
Interest income	30,000	30,000	14,792	(15,208)
Other revenues	52,000	52,000	50,303	(1,697)
Total revenues	<u>15,198,744</u>	<u>14,674,217</u>	<u>14,835,342</u>	<u>161,125</u>
EXPENDITURES				
Current:				
General government	927,556	933,531	914,566	(18,965)
Public safety	390,182	392,381	392,246	(135)
Public works	1,133,669	1,122,503	1,118,139	(4,364)
Education	7,594,202	7,069,675	6,944,817	(124,858)
Regional School District No. 19	4,069,388	4,069,389	4,069,389	-
Miscellaneous	394,106	397,097	384,797	(12,300)
Debt service:				
Principal payments	345,000	345,000	345,000	-
Interest and fiscal charges	109,348	109,348	109,348	-
Total expenditures	<u>14,963,451</u>	<u>14,438,924</u>	<u>14,278,302</u>	<u>(160,622)</u>
Excess of revenues over expenditures	235,293	235,293	557,040	321,747
OTHER FINANCING USES				
Designation of fund balance	200,000	200,000	-	(200,000)
Transfers out	(435,293)	(435,293)	(435,293)	-
Transfers in	-	-	57,628	57,628
Total other financing uses	<u>(235,293)</u>	<u>(235,293)</u>	<u>(377,665)</u>	<u>(142,372)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	179,375	<u>\$ 179,375</u>
Fund balance - beginning			<u>1,599,726</u>	
Fund balance - ending			<u>\$ 1,779,101</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010**

	<u>Business-Type Activities</u>	
	<u>Utility Fund</u>	
ASSETS		
Current assets:		
Investments	\$ 16,638	
Accounts receivable	190	
Due from other funds	1,891	
Total assets	<u>18,719</u>	
 LIABILITIES AND FUND BALANCES		
Current liabilities:		
Accounts payable and accrued liabilities	7,914	
Total liabilities	<u>7,914</u>	
 NET ASSETS		
Unrestricted	10,805	
Total net assets	<u>\$ 10,805</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Business-Type Activities
	Utility Fund
OPERATING REVENUES	
Charges for service	\$ 22,559
Total operating revenues	22,559
OPERATING EXPENSES	
Monitoring pump station	19,487
Total operating expenses	19,487
Operating income	3,072
NONOPERATING REVENUES (EXPENSES)	
Interest income	40
Total nonoperating revenue	40
Change in net assets	3,112
Net assets - beginning	7,693
Net assets - ending	\$ 10,805

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

**TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Business-Type Activities
	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 22,369
Payments for operating expenses	(22,369)
Net cash provided by operating activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments, net	(40)
Interest income	40
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 3,072
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in assets:	
Accounts receivable	(190)
Due from other funds	(1,891)
Increase (decrease) in liabilities:	
Accounts payable	6,776
Due to other funds	(7,767)
Net cash provided by operating activities	\$ -

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

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 158,569
Investments:		
Mutual funds	299,866	-
Life insurance - cash surrender value	44,464	-
Certificates of deposit	-	4,862
Contributions receivable	379	-
Other	-	157
Total assets	344,709	\$ 163,588
LIABILITIES		
Due to others		161,611
Other		1,977
Total liabilities		\$ 163,588
NET ASSETS		
Held in trust for pension benefits and other purposes	\$ 344,709	

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, 2010**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 15,095
Employee	5,261
Total contributions	20,356
Investment earnings:	
Interest and dividends	22,452
Net increase in the fair value of investments	3,429
Total investment earnings	25,881
Total additions	46,237
 DEDUCTIONS	
Administrative expenses	5,195
Benefit payments	52,241
Total deductions	57,436
Change in net assets	(11,199)
Net assets - beginning	355,908
Net assets - ending	\$ 344,709

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

**TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

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 (the "Committee"), which provides regional solid waste recycling services to member towns. The Town paid \$408 in assessments to the Committee for the year ended June 30, 2010.

Related Organizations

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 \$27,687 for services provided by the District for the year ended June 30, 2010.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

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

Government-wide Financial Statements (*Continued*)

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, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

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.

Fire Department Fund – This fund is used to account for the revenues and expenditures associated with the fire department.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

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

Fund Financial Statements (*Continued*)

The Town reports the following proprietary fund:

Utility Fund – This enterprise fund is used to account for the operations of the Town’s water facility similar to those often found in the private sector. These funds are accounted for on the accrual basis of accounting.

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 11.

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, Proprietary and Fiduciary Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Town’s Utility Fund consists of charges for services. Operating expenses of the Town’s Utility Fund consist of expenses for monitoring the pump station. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise fund financial statements subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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 and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents as of June 30, 2010 consist of money market accounts and short-term certificates of deposit which totaled \$107,715.

Investments

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Town presents all investments at fair value.

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.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

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

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Compensated Absences

All Town employees who have achieved five years of continuing service are eligible for the following: 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. 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. Grandfathered 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 not to exceed step 15. 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 governmental activities, business-type activities, or proprietary fund type 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.

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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

INTERFUND ACTIVITIES

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Advances between 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, 2010

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 a reduction in appropriations from fund balance of \$524,527.
- 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.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 2 - BUDGETARY INFORMATION (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2010:

	Total Revenues	Total Expenditures	Net Change In Fund Balance
Budgetary basis	\$ 14,835,342	\$ 14,278,302	\$ 179,375
"On-behalf" payments - State Teachers Retirement Fund (<i>see Note 11</i>)	588,041	588,041	-
Encumbrances outstanding:			
June 30, 2009	-	225,027	(225,027)
June 30, 2010	-	(168,787)	168,787
GAAP basis	\$ 15,423,383	\$ 14,922,583	\$ 123,135

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

A reconciliation of the Town's cash deposits as of June 30, 2010 is as follows:

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 797,828
Statement of fiduciary net assets - Agency funds:	
Cash and cash equivalents	158,569
	956,397
Add: certificates of deposit considered cash deposits for GASB Statement No. 40 disclosure	45,235
Cash deposits	\$ 1,001,632

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

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, 2010 the Town's cash deposits were \$1,001,632. In addition, \$987,211 of the Town's bank balance of \$1,246,552 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 888,490
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	98,721
	\$ 987,211

Investments in certain certificates of deposits totaling \$45,235 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.

INVESTMENTS

A reconciliation of the Town's investments as of June 30, 2010 is as follows:

Government-wide statement of net assets:	
Investments	\$ 4,277,372
Statement of fiduciary net assets - Agency funds:	
Pension trust funds	344,330
Agency funds	4,862
	4,626,564
Less: certificates of deposit considered cash deposits under GASB Statement No. 40	45,235
	\$ 4,581,329

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

As of June 30, 2010, 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)	\$ 2,518,589	\$ 2,518,589
Cooperative Liquid Asset Security System (CLASS)	1,718,410	1,718,410
	<u>4,236,999</u>	<u>\$ 4,236,999</u>
Other investments:		
Equity mutual funds	299,866	
Cash surrender value	44,464	
Total	<u>\$ 4,581,329</u>	

Because the STIF, CLASS and certificates of deposit funds had weighted average maturities of less than 90 days, they are presented as investments with maturities of less than one year.

Interest Rate Risk

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

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 obligations of the United States, including its instrumentalities and agencies; 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; 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, 2010

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, 2010:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>Standard & Poor's AAA</u>
Short Term Investment Fund (STIF)	\$ 2,518,589	\$ 2,518,589
Cooperative Liquid Asset Security Systems Fund (CLASS)	1,718,410	1,718,410
	<u>\$ 4,236,999</u>	<u>\$ 4,236,999</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 certificates of deposit 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 certificates of deposit 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, 2010

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, 2010:

	Unavailable	Unearned
Delinquent property taxes receivable	\$ 81,259	\$ -
Grants drawdown prior to meeting all eligibility requirements	-	309,372
Rehabilitation loans	609,816	-
Unearned program revenues	-	2,350
	\$ 691,075	\$ 311,722

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,621,592	\$ 5,654	\$ -	\$ 1,627,246
Construction in progress	11,783	199,632	-	211,415
Total capital assets, not being depreciated	1,633,375	205,286	-	1,838,661
Capital assets, being depreciated:				
Land improvements	390,205	13,364	-	403,569
Buildings and improvements	13,908,565	57,014	-	13,965,579
Machinery and equipment	2,044,204	87,199	(35,782)	2,095,621
Infrastructure	25,672,601	18,917	-	25,691,518
Vehicles	948,367	-	(35,706)	912,661
Furniture and fixtures	415,946	1,070	(2,600)	414,416
Total capital assets, being depreciated	43,379,888	177,564	(74,088)	43,483,364
Less accumulated depreciation:				
Land improvements	62,501	19,510	-	82,011
Buildings and improvements	8,410,702	177,764	-	8,588,466
Machinery and equipment	1,083,172	174,213	(19,127)	1,238,258
Infrastructure	21,855,711	151,529	-	22,007,240
Vehicles	558,202	51,545	(31,347)	578,400
Furniture and fixtures	317,572	14,911	(2,600)	329,883
Total accumulated depreciation	32,287,860	589,472	(53,074)	32,824,258
Total capital assets, being depreciated, net	11,092,028	(411,908)	(21,014)	10,659,106
Governmental activities capital assets, net	\$ 12,725,403	\$ (206,622)	\$ (21,014)	\$ 12,497,767

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 6 - CAPITAL ASSETS (Continued)

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

Governmental Activities:

Education	\$ 145,745
Public safety	99,304
Public works	196,594
General government	48,374
Culture and recreation	99,455
Total depreciation and amortization expense	<u>\$ 589,472</u>

The following is a summary of construction commitments and cumulative capital outlays for capital projects at June 30, 2010:

<u>Project</u>	<u>Project Authorization</u>	<u>Cummulative Expenditures Through June 30, 2010</u>	<u>Balance June 30, 2010</u>
Revaluation	\$ 273,491	\$ 261,215	\$ 12,276
Housing Authority	84,376	69,448	14,928
River Road Ball Field	540,507	375,084	165,423
GIS Project	33,000	22,839	10,161
Conservation and Development Plan	70,000	69,120	880
Land Use Digitize	48,000	42,858	5,142
Senior Housing Project	1,269,000	1,268,817	183
Senior Housing Water System	839,000	834,441	4,559
Senior Housing Drainage	252,622	240,923	11,699
Senior Housing Septic	551,500	391,588	159,912
Radio System	10,500	10,198	302
Roof - Station 213	200,000	135,949	64,051
EOC Computer	2,500	2,500	-
Rt 74 Bridge Engineering	18,000	12,897	5,103
EOC Upgrades	5,000	4,977	23
Senior Cottages	196,000	-	196,000
Water Main Extension - CES	350,000	17,564	332,436
Kechkes Road Bridge	110,000	68,560	41,440
Municipal Facility Study	24,422	15,446	8,976
Turnpike Road Ext	34,093	4,199	29,894
JAG Grant	9,100	9,073	27
Knowlton Property	330,000	-	330,000
Rehab Program	300,000	-	300,000
EECBG Grant	46,776	-	46,776
	<u>\$ 5,597,887</u>	<u>\$ 3,857,696</u>	<u>\$ 1,740,191</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following as of June 30, 2010:

	General Fund	Small Cities Grant Housing Fund	Fire Department Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total
Accounts payable	\$ 178,244	\$ 9,653	\$ 36,488	\$ 3,741	\$ 119,079	\$ 347,205
Salaries and benefits payable	464,050	-	-	-	1,507	465,557
	<u>\$ 642,294</u>	<u>\$ 9,653</u>	<u>\$ 36,488</u>	<u>\$ 3,741</u>	<u>\$ 120,586</u>	<u>\$ 812,762</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Fire Department Fund	\$ 87,237
	Reserve for Capital and Nonrecurring Expenditures Fund	140,180
	Other Governmental Funds	70,341
		<u>\$ 297,758</u>
Fire Department Fund	General Fund	<u>\$ 53,372</u>
Reserve for Capital and Nonrecurring Expenditures Fund	Fire Department Fund	<u>\$ 1,100</u>
Nonmajor Governmental Funds	General Fund	\$ 348,123
	Small Cities Grant Housing Fund	4,194
		<u>\$ 352,317</u>
Proprietary Funds		
Utility Fund	General Fund	<u>\$ 1,891</u>
Total due from/to other funds		<u>\$ 706,438</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, 2010

NOTE 9 - INTERFUND TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Reserve for Capital and Nonrecurring Expenditures Fund	\$ 57,628
Fire Department Fund	General Fund	\$ 223,909
Nonmajor Governmental Funds	General Fund Willington Youth, Family and Social Services Fund	\$ 211,384 925
		<u>\$ 212,309</u>
Total transfers		<u>\$ 493,846</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) account for 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, 2010:

	<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	\$ 2,895,000	\$ -	\$ (345,000)	\$ 2,550,000	\$ 150,000
Unamortized bond premium	6,180	-	(353)	5,827	-
Other liabilities:					
Capital leases	447,859	-	(121,507)	326,352	127,019
Compensated absences	330,043	41,399	(2,719)	368,723	-
Accrued landfill postclosure costs	114,000	-	(7,600)	106,400	7,600
Net OPEB obligation	204,718	209,567	-	414,285	-
	<u>\$ 3,997,800</u>	<u>\$ 250,966</u>	<u>\$ (477,179)</u>	<u>\$ 3,771,587</u>	<u>\$ 284,619</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, 2010

NOTE 10 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS

A summary of general obligation bonds outstanding at June 30, 2010 is as follows:

<u>Bond Issue</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities			
2006 General obligation bonds	2026	3.625 - 5.0%	<u>\$ 2,550,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2010:

Year ending June 30:	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 150,000	\$ 97,312
2012	150,000	91,500
2013	150,000	85,875
2014	150,000	80,250
2015	150,000	73,688
2016- 2020	750,000	281,157
2021- 2025	750,000	135,000
2026- 2030	300,000	12,000
	<u>\$ 2,550,000</u>	<u>\$ 856,782</u>

The Town is contingently liable for its pro-rata share of Regional School District No. 19's outstanding bonds. At June 30, 2010, the District's total outstanding bonds were \$14,280,000 of which \$9,919,024 is to be reimbursed by the State of Connecticut. The remaining balance of \$4,360,976 represents the District's net obligation with 23.35%, or \$1,018,288, 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.

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, 2010 was \$85,569.

LEGAL DEBT LIMIT

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$77,655,256 as of June 30, 2010. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2010.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 10 - LONG-TERM LIABILITIES (Continued)

CAPITAL LEASES

A summary of assets acquired through capital leases is as follows as of June 30, 2010:

	Governmental Activites
Machinery and equipment	\$ 995,000
Less: accumulated amortization	700,000
	<u>\$ 295,000</u>

Amortization expense relative to leased property under capital leases totaled \$117,500 for the year ended June 30, 2010 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, 2010 is as follows:

	Governmental Activites
Year ending June 30:	
2011	\$ 140,152
2012	140,152
2013	68,727
Total minimum lease payments	349,031
Less: amount representing interest	22,679
Present value of minimum lease payments	326,352
Less: current portion	127,019
	<u>\$ 199,333</u>

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 \$7,600 per year for the next 14 years total \$106,400. 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, 2010

NOTE 11 - PENSION PLANS

DEFINED BENEFIT PLAN

Plan Description

The Town maintains the Town of Willington Pension Plan (the "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, and income is recognized when earned.

Plan Membership

Membership of the Plan consisted of 4 active Plan participants and 1 terminated vested participants at July 1, 2010, 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.

Additional Information and Actuarial Assumptions

The required contribution was determined as part of the July 1, 2010 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, inflations rates are assumed to be zero. Assumptions used in the actuarial valuation are as follows:

Valuation date:	July 1, 2010
Actuarial cost method:	Individual Aggregate Cost
Asset valuation method:	Fair Value
Actuarial assumptions:	
Investment rate of return	6.5% pre-retirement 6.0% post-retirement
Projected salary increases	4.0%

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

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	\$	120,839
Common Stock Fund		179,027
Life insurance - cash surrender value		44,464

Schedule of Funded Status

The funded status of the Plan as of July 1, 2010 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Normal Method (B)	(Overfunded) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2010	\$ 344,709	\$ 463,748	\$ 119,039	0.0%	\$ 210,457	56.6%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Annual Pension Cost and Net Pension Obligation (Asset)

Annual required contribution	\$ 20,796
Interest on net pension obligation	(2,177)
Adjustment to annual required contribution	3,029
Annual pension cost	<u>21,648</u>
Contributions made	<u>20,356</u>
Decrease in net pension asset	1,292
Net pension asset, beginning of the year	<u>(33,487)</u>
Net pension asset, end of the year	<u><u>\$ (32,195)</u></u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Schedule of Contributions

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 16,789	\$ 17,466	104%
2009	19,511	16,598	85%
2010	20,796	20,356	98%

Three Year Trend Information

Plan Year Ended June 30,	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension (Asset)
2008	\$ 17,210	\$ 17,466	101%	\$ (36,653)
2009	19,765	16,598	84%	(33,487)
2010	21,648	20,356	94%	(32,195)

Plan Financial Statements

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF PLAN NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Pension Trust Fund
ASSETS	
Investments:	
Mutual funds	\$ 299,866
Life insurance - cash surrender value	44,464
Contributions receivable	379
Total assets	<u>344,709</u>
NET ASSETS	
Held in trust for pension benefits and other purposes	<u>\$ 344,709</u>

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Plan Financial Statements (Continued)

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 15,095
Employee	5,261
Total contributions	20,356
Investment earnings:	
Interest and dividends	22,452
Net increase in the fair value of investments	3,429
Total investment earnings	25,881
Total additions	46,237
DEDUCTIONS	
Administrative expenses	5,195
Benefit payments	52,241
Total deductions	57,436
Change in net assets	(11,199)
Net assets - beginning	355,908
Net assets - ending	\$ 344,709

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

NOTE 11 - 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, 2010, Town teachers contributed \$275,585 to the plan and covered payroll for the year was \$3,801,172.

In accordance with the provisions of GASB Statement No. 24, the Town has reported "on behalf" payments of \$588,041 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 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town, in accordance with various collective bargaining and employment agreements, is committed to provide health benefits to certain eligible retirees and their spouses. Teachers covered under the union contract are eligible to receive other post-employment benefits. The Willington Board of Education pays 1% per every year of service of the post retirement costs for five years until the retiree reaches age 65. Actuarial valuations involve estimates of the fair value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other cost trends. The Government Accounting Standards Board (GASB) has issued statements to establish financial reporting, liability calculation, along with the requirement to disclose the government's funding strategy and progress.

The benefits include individual, two person, or family coverage under the Connecticare 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 months. P.A. 08-112 effective July 1, 2008 provides a health insurance subsidy of \$220 per month for an eligible retired member, spouse, surviving spouse or civil union partner who meets all the eligibility requirements. These subsidies are paid to the Town in quarterly installments. In addition, the current contract calls for the teacher to pay 16% towards their insurance premium.

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy

The Town's strategy currently is to fund through the purchase of premium based coverage, the current claims and administrative costs for post employment benefits. Although a trust fund may be established to exclusively control the funding and reporting of post employment benefits, the Town currently funds the post employment benefits provided to the retirees on a pay-as-you-go basis. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The Town has not established a trust fund as of June 30, 2010, to irrevocably segregate assets to fund the liability for post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The following is the current census of the Town's post employment benefit participants as of July 1, 2010:

Active members	42
Retirees and spouses	9
Total	51

OPEB payments for the year ended June 30, 2010, net of retiree and other contributions, amounted to \$23,499.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 218,736
Interest on net OPEB obligation	14,330
Adjustment to annual required contribution	-
Annual OPEB cost	233,066
Contributions made	23,499
Increase in net OPEB obligation	209,567
Net OPEB obligation, beginning of the year	204,718
Net OPEB obligation, end of the year	\$ 414,285

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 is as follows:

<u>Plan Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 218,736	6.4%	\$ 204,718
2010	233,066	10.1%	414,285

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2007 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Method (B)	(Overfunded) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2007	\$ -	\$ 3,540,659	\$ 3,540,659	0.0%	\$ 3,702,791	95.6%

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

Actuarial Methods and Assumptions

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

Valuation date:	July 1, 2007
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level Percentage of Payroll
Remaining amortization period:	30 years
Asset valuation method:	Alternative Measurement Method
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	2.5%
Healthcare cost trend rate	9.0% initial 1.0% decrease per year to ultimate 6.0

TOWN OF WILLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

NOTE 13 - 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, 2010, 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. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. During the year ended June 30, 2010, members of MIRMA were assessed retroactive fees based on higher than predicted claims paid by the pool. The District's initial assessment was estimated to be \$120,976. The District has joined with several other members to retain legal counsel to protect the members interests and to determine the accuracy of the assessments.

As of June 30, 2010, the actual amount of the assessment to be paid by the Town has been estimated to be \$130,193 initially assessed by MIRMA, of which \$20,193 has been paid. The Town has accrued a liability in the amount of \$110,000 as of June 30, 2010 for payment of the assessment.

The Town is also a member of MIRMA's Liability-Automotive-Property Pool, a risk sharing pool. For the coverage period July 1, 2009 to June 30, 2010, the Town paid \$64,429 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.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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 15 – PRONOUNCEMENT ISSUED BUT NOT YET EFFECTIVE

The Town has not completed the process of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Town is therefore unable to disclose the impact that adopting this statement will have on its financial position when such statement is implemented. GASB Statement No. 54 establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds, and clarifies existing governmental fund type definitions. GASB Statement No. 54 is effective for fiscal periods beginning after June 15, 2010.

**Required
Supplementary
Information**

**TOWN OF WILLINGTON, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS
JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Normal (B) *	(Overfunded) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
Employees' Pension Plan						
July 1, 2005	\$ 411,015	\$ -	\$ -	0.0%	\$ 201,346	0.0%
July 1, 2006	454,887	-	-	0.0%	225,935	0.0%
July 1, 2007	540,696	-	-	0.0%	233,421	0.0%
July 1, 2008	513,825	-	-	0.0%	243,608	0.0%
July 1, 2009	355,908	-	-	0.0%	210,553	0.0%
July 1, 2010	344,709	463,748	119,039	74.3%	210,457	56.6%

* The Accrued Actuarial Liability is presented above using the Entry Age Normal Method as of July 1, 2010 the only year the data is available.

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Cost (B)	(Overfunded) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
Other Post-Employment Benefit Plan						
July 1, 2007	\$ -	\$ 3,540,659	\$ 3,540,659	0.0%	\$ 3,702,791	95.6%

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
PROPERTY TAXES				
Taxes	\$ 10,843,516	\$ 10,843,516	\$ 11,004,858	\$ 161,342
Interest and lien fees	33,000	33,000	52,016	19,016
Total property taxes	<u>10,876,516</u>	<u>10,876,516</u>	<u>11,056,874</u>	<u>180,358</u>
INTERGOVERNMENTAL REVENUES				
Education:				
Education cost sharing	3,676,637	3,152,110	3,152,105	(5)
Transportation	-	-	38,215	38,215
Miscellaneous	101,044	101,044	57,543	(43,501)
Noneducation:				
State property reimbursement	41,348	41,348	41,418	70
Elderly and disabled property tax homeowner	16,420	16,420	17,165	745
Disability reimbursement	640	640	613	(27)
Manufacturers pilot	19,000	19,000	14,539	(4,461)
Pequot funds	26,877	26,877	26,570	(307)
Additional vetran's exemption	976	976	931	(45)
Taxes on vessels (boat grant)	-	-	236	236
Judicial fines	6,000	6,000	10,705	4,705
School construction	85,569	85,569	85,569	-
FEMA planning grant	3,000	3,000	750	(2,250)
Town aid roads	116,717	116,717	130,589	13,872
Total intergovernmental revenues	<u>4,094,228</u>	<u>3,569,701</u>	<u>3,576,948</u>	<u>7,247</u>
LICENSES, FEES AND PERMITS				
Building, zoning fees and permits	63,000	63,000	55,604	(7,396)
Zoning board of appeals	500	500	582	82
Inland/wetland fees	9,500	9,500	5,104	(4,396)
Conveyance tax	30,000	30,000	36,920	6,920
Permits - bingo, pistol, etc.	1,000	1,000	2,175	1,175
Town clerk fees	30,000	30,000	30,602	602
Transfer station fees	6,000	6,000	5,175	(825)
Reimbursement - recycling	6,000	6,000	263	(5,737)
Total licenses, fees and permits	<u>146,000</u>	<u>146,000</u>	<u>136,425</u>	<u>(9,575)</u>
INVESTMENT EARNINGS	<u>30,000</u>	<u>30,000</u>	<u>14,792</u>	<u>(15,208)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
MISCELLANEOUS				
Telecommunications grant	\$ 27,000	\$ 27,000	\$ 18,332	\$ (8,668)
Other	25,000	25,000	31,971	6,971
Total miscellaneous	<u>52,000</u>	<u>52,000</u>	<u>50,303</u>	<u>(1,697)</u>
 Total revenues	 <u>15,198,744</u>	 <u>14,674,217</u>	 <u>14,835,342</u>	 <u>161,125</u>
OTHER FINANCING SOURCES				
Transfers in:				
Reserve for Capital and Nonrecurring ExpendituresFund (drainage project closed)	-	-	57,628	57,628
Designation of fund balance	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>57,628</u>	<u>(142,372)</u>
 Total revenues and other financing sources	 <u>\$ 15,398,744</u>	 <u>\$ 14,874,217</u>	 <u>\$ 14,892,970</u>	 <u>\$ 18,753</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Selectmen	\$ 100,915	\$ 99,515	\$ 96,218	\$ (3,297)
Probate court	5,317	5,317	5,167	(150)
Elections/registrars	21,322	21,322	19,667	(1,655)
Accounting services	178,621	179,296	179,294	(2)
Board of finance	3,600	4,092	4,091	(1)
Town treasurer	27,505	27,625	27,620	(5)
Auditor	30,000	30,000	30,000	-
Assessor	80,418	78,118	78,113	(5)
Board of assessment appeals	1,273	1,273	1,273	(0)
Revenue collector	74,260	74,260	71,468	(2,792)
Legal counsel	34,500	54,978	54,973	(5)
Town clerk	92,324	92,324	90,796	(1,528)
Conservation commission	2,000	2,000	1,851	(149)
Planning and zoning	112,289	112,289	111,997	(292)
Zoning board of appeals	4,200	4,200	4,174	(26)
Economic development commission	1,000	460	456	(4)
Inland/wetlands commission	2,950	2,950	2,780	(170)
Town office operations	82,520	82,520	76,635	(5,885)
Town hall operations	7,352	9,652	9,426	(226)
Senior Center operations	24,190	24,190	21,452	(2,738)
Consulting engineers	41,000	27,150	27,115	(35)
Total general government	<u>927,556</u>	<u>933,531</u>	<u>914,566</u>	<u>(18,965)</u>
PUBLIC SAFETY				
Ambulance grant	270,200	273,224	273,224	-
Fire marshal	22,275	22,275	22,155	(120)
Fire protection	27,997	28,747	28,747	-
Public safety & welfare	27,700	27,700	27,687	(13)
Emergency management director	6,000	6,000	6,000	-
Fire main and hydrant	5,800	5,825	5,824	(1)
Building official	30,210	28,610	28,609	(1)
Total public safety	<u>390,182</u>	<u>392,381</u>	<u>392,246</u>	<u>(135)</u>
PUBLIC WORKS				
Public works department	848,658	850,128	850,126	(2)
Cemetery	2,000	2,000	2,000	-
Transfer station	283,011	270,375	266,013	(4,362)
Total public works	<u>1,133,669</u>	<u>1,122,503</u>	<u>1,118,139</u>	<u>(4,364)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
EDUCATION				
Elementary education	\$ 2,871,173	\$ 2,382,281	\$ 2,356,516	\$ (25,765)
Special education	1,244,218	1,305,732	1,302,364	(3,368)
Summer school	17,627	17,627	17,851	224
Fringe benefits	1,026,144	781,383	780,342	(1,041)
Contingency				-
Pupil services	348,180	348,420	347,764	(656)
Staff and program development	79,264	117,873	96,014	(21,859)
Educational media	104,852	112,782	111,366	(1,416)
Board of Education	447,627	512,560	496,342	(16,218)
Principal's office	416,199	418,099	415,899	(2,200)
Plant operations	572,069	580,069	531,098	(48,971)
Transportation	466,849	492,849	489,261	(3,588)
Total education	<u>7,594,202</u>	<u>7,069,675</u>	<u>6,944,817</u>	<u>(124,858)</u>
REGIONAL SCHOOL DISTRICT NO. 19	<u>4,069,388</u>	<u>4,069,389</u>	<u>4,069,389</u>	<u>-</u>
MISCELLANEOUS				
Social security	77,200	77,200	70,940	(6,260)
Unemployment	500	640	637	(3)
Employee health insurance	186,000	191,210	191,208	(2)
Pension fund	39,500	40,015	40,012	(3)
Insurance	80,906	80,406	80,304	(102)
Contingency fund	5,000	5,000	-	(5,000)
Miscellaneous	5,000	2,626	1,696	(930)
Total miscellaneous	<u>394,106</u>	<u>397,097</u>	<u>384,797</u>	<u>(12,300)</u>
DEBT SERVICE				
Principal payments	345,000	345,000	345,000	-
Interest and fiscal charges	109,348	109,348	109,348	-
Total debt service	<u>454,348</u>	<u>454,348</u>	<u>454,348</u>	<u>-</u>
Total expenditures	<u>14,963,451</u>	<u>14,438,924</u>	<u>14,278,302</u>	<u>(160,622)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING USES				
Transfers out:				
Reserve for compensated absences	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Dog Fund	16,448	16,448	16,448	-
Fire Department Fund	223,909	223,909	223,909	-
Willington Public Library Fund	101,607	101,607	101,607	-
Recreation Commission Fund	36,649	36,649	36,649	-
Willington Youth, Family and Social Services Fund	46,680	46,680	46,680	-
Total other financing uses	<u>435,293</u>	<u>435,293</u>	<u>435,293</u>	<u>-</u>
 Total expenditures and other financing uses	 <u>\$ 15,398,744</u>	 <u>\$ 14,874,217</u>	 <u>\$ 14,713,595</u>	 <u>\$ (160,622)</u>

**TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2010**

Grand List Year	Uncollected Taxes July 1, 2009	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2010
			Additions	Deletions			Taxes	Interest	Liens	
2008	\$ -	\$ 11,004,367	\$ 17,904	\$ 30,046	\$ 7,490	\$ 10,984,735	\$ 10,911,259	\$ 32,154	\$ 4,386	\$ 73,476
2007	127,235	-	3,387	22,923	4,276	103,423	94,023	12,516	1,208	9,400
2006	16,318	-	2,073	151	1,246	16,994	10,656	3,130	110	6,338
2005	6,283	-	650	-	-	6,933	1,048	435	117	5,885
2004	5,871	-	68	-	-	5,939	67	54	26	5,872
2003	5,693	-	144	-	-	5,837	1,179	1,162	1	4,658
2002	2,141	-	206	-	-	2,347	206	241	111	2,141
2001	-	-	19	-	-	19	19	34	1	-
2000	-	-	31	-	-	31	31	46	1	-
1999	-	-	279	-	-	279	279	454	8	-
1998 and prior	-	-	430	-	-	430	430	855	196	-
	<u>\$ 163,541</u>	<u>\$ 11,004,367</u>	<u>\$ 25,191</u>	<u>\$ 53,120</u>	<u>\$ 13,012</u>	<u>\$ 11,126,967</u>	<u>\$ 11,019,197</u>	<u>\$ 51,081</u>	<u>\$ 6,165</u>	<u>\$ 107,770</u>

**TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2010**

Total cash collections for the year ended
June 30, 2010:

Taxes	\$ 11,019,197
Interest and lien fees	57,246
	<u>11,076,443</u>

Reimbursement for revenue loss:

Tax relief for elderly freeze (CGS 12-129d)	17,165
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Base \$ 11,093,608

	<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	\$ 24,960,618	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	49,921,236	-	-	-
3-3/4 times base	-	-	41,601,030	-	-
3-1/4 times base	-	-	-	36,054,226	-
3 times base	-	-	-	-	33,280,824
	<u>24,960,618</u>	<u>49,921,236</u>	<u>41,601,030</u>	<u>36,054,226</u>	<u>33,280,824</u>
Total debt limitation					
Indebtedness:					
Bonds payable	2,550,000	-	-	-	-
Regional School District No. 19 Authorized, unissued bonds	-	1,018,288	-	-	-
	<u>2,550,000</u>	<u>1,018,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: amounts to be provided by the state	-	-	-	-	-
Total indebtedness	<u>2,550,000</u>	<u>1,018,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 22,410,618</u>	<u>\$ 48,902,948</u>	<u>\$ 41,601,030</u>	<u>\$ 36,054,226</u>	<u>\$ 33,280,824</u>
Total capacity of borrowing (7 times base)	\$ 77,655,256				
Total present indebtedness	3,568,288				
Margin for additional borrowing	<u>\$ 74,086,968</u>				

Combining Statements

**TOWN OF WILLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 JUNE 30, 2010**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 406,560	\$ -	\$ 406,560
Investments	600,045	79,519	679,564
Receivables:			
Grants and contracts receivable	50,170	-	50,170
Accounts receivable	7,386	-	7,386
Due from other funds	177,401	174,916	352,317
Inventories	2,055	-	2,055
Total assets	\$ 1,243,617	\$ 254,435	\$ 1,498,052
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 116,813	\$ 3,773	\$ 120,586
Due to other funds	63,412	6,929	70,341
Deferred revenue	309,362	10	309,372
Total liabilities	489,587	10,712	500,299
 Fund Balances:			
Reserved for:			
Inventories	2,055	-	2,055
Unreserved, reported in nonmajor:			
Special revenue funds	751,975	-	751,975
Capital projects funds	-	243,723	243,723
Total fund balances	754,030	243,723	997,753
Total liabilities and fund balance	\$ 1,243,617	\$ 254,435	\$ 1,498,052

**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, 2010**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 988,082	\$ 123,867	\$ 1,111,949
Licenses, fees and permits	91,402	-	91,402
Food sales	131,859	-	131,859
Investment earnings	2,456	211	2,667
Miscellaneous	108,061	-	108,061
Total revenues	<u>1,321,860</u>	<u>124,078</u>	<u>1,445,938</u>
EXPENDITURES			
Current:			
General government	6,213	109,534	115,747
Public safety	22,616	-	22,616
Public works	4,221	-	4,221
Culture and recreation	328,953	-	328,953
Education	1,061,170	-	1,061,170
Capital outlays	-	70,026	70,026
Total expenditures	<u>1,423,173</u>	<u>179,560</u>	<u>1,602,733</u>
Deficiency of revenues over expenditures	(101,313)	(55,482)	(156,795)
OTHER FINANCING SOURCES (USES)			
Transfers out	(925)	-	(925)
Transfers in	212,309	-	212,309
Total other financing sources (uses)	<u>211,384</u>	<u>-</u>	<u>211,384</u>
Net changes in fund balances	110,071	(55,482)	54,589
Fund balances - beginning	<u>643,959</u>	<u>299,205</u>	<u>943,164</u>
Fund balances - ending	<u>\$ 754,030</u>	<u>\$ 243,723</u>	<u>\$ 997,753</u>

NONMAJOR GOVERNMENTAL FUNDS

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:

Preservation Management Fund - To account for revenues and expenditures of document preservation work.

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 Youth Family and Social Services 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.

Willington Public Library Fund - To account for funds received from the State and gifts from the public in support of the public library.

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.

CAPITAL PROJECT FUNDS

Capital project 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 project funds include 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 infrastructure.

Capital Projects Fund - To account for revenues and expenditures associated with the construction of Town facilities and infrastructure.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2010

	Preservation Management Fund	Reserve for Compensated Absences Fund	Dog Fund	Recreation Commission Fund	Willington Youth, Family and Social Services Fund	Open Space Fund	Fuel Bank Fund
ASSETS							
Cash and cash equivalents	\$ 11,824	\$ -	\$ -	\$ -	\$ 100	\$ 307,352	\$ -
Investments	-	132,204	-	-	14,888	30,680	4,213
Receivables:							
Grants and contracts receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	118	-	-
Due from other funds	-	8,737	9,808	16,656	25,844	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 11,824</u>	<u>\$ 140,941</u>	<u>\$ 9,808</u>	<u>\$ 16,656</u>	<u>\$ 40,950</u>	<u>\$ 338,032</u>	<u>\$ 4,213</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3,913	\$ 4,577	\$ 600	\$ 154	\$ -
Due to other funds	-	-	-	-	-	29,955	2,710
Unearned / deferred revenue	-	-	-	-	-	306,250	-
Total liabilities	<u>-</u>	<u>-</u>	<u>3,913</u>	<u>4,577</u>	<u>600</u>	<u>336,359</u>	<u>2,710</u>
Fund Balances:							
Reserved for:							
Inventories	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:							
Special revenue funds	11,824	140,941	5,895	12,079	40,350	1,673	1,503
Total fund balances	<u>11,824</u>	<u>140,941</u>	<u>5,895</u>	<u>12,079</u>	<u>40,350</u>	<u>1,673</u>	<u>1,503</u>
Total liabilities and fund balances	<u>\$ 11,824</u>	<u>\$ 140,941</u>	<u>\$ 9,808</u>	<u>\$ 16,656</u>	<u>\$ 40,950</u>	<u>\$ 338,032</u>	<u>\$ 4,213</u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
JUNE 30, 2010

	Willington Public Library Fund	Michalec Road Fund	State and Federal Grants Fund	School Lunch Fund	Education Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ 41,145	\$ -	\$ -	\$ 46,139	\$ -	\$ 406,560
Investments	405,926	12,134	-	-	-	600,045
Receivables:						
Grants and contracts receivable	-	-	42,258	7,912	-	50,170
Accounts receivable	-	-	-	805	6,463	7,386
Due from other funds	-	-	68,261	-	48,095	177,401
Inventories	-	-	-	2,055	-	2,055
Total assets	<u>\$ 447,071</u>	<u>\$ 12,134</u>	<u>\$ 110,519</u>	<u>\$ 56,911</u>	<u>\$ 54,558</u>	<u>\$ 1,243,617</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 107,407	\$ 162	\$ -	\$ 116,813
Due to other funds	-	-	-	30,747	-	63,412
Unearned / deferred revenue	-	-	3,112	-	-	309,362
Total liabilities	<u>-</u>	<u>-</u>	<u>110,519</u>	<u>30,909</u>	<u>-</u>	<u>489,587</u>
Fund Balances:						
Reserved for:						
Inventories	-	-	-	2,055	-	2,055
Unreserved, reported in nonmajor:						
Special revenue fund	447,071	12,134	-	23,947	54,558	751,975
Total fund balances	<u>447,071</u>	<u>12,134</u>	<u>-</u>	<u>26,002</u>	<u>54,558</u>	<u>754,030</u>
Total liabilities and fund balances	<u>\$ 447,071</u>	<u>\$ 12,134</u>	<u>\$ 110,519</u>	<u>\$ 56,911</u>	<u>\$ 54,558</u>	<u>\$ 1,243,617</u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	Preservation Management Fund	Reserve for Compensated Absences Fund	Dog Fund	Recreation Commission Fund	Willington Youth, Family and Social Services Fund	Open Space Fund	Fuel Bank Fund
REVENUES							
Intergovernmental	\$ 5,000	\$ -	\$ -	\$ -	\$ 19,507	\$ -	\$ -
Licenses, fees and permits	1,718	-	6,732	62,848	4,766	-	-
Food sales	-	-	-	-	-	-	-
Investment earnings	20	315	-	-	52	85	10
Miscellaneous	-	-	-	638	1,986	-	5,404
Total revenues	<u>6,738</u>	<u>315</u>	<u>6,732</u>	<u>63,486</u>	<u>26,311</u>	<u>85</u>	<u>5,414</u>
EXPENDITURES							
Current:							
General government	3,286	2,927	-	-	-	-	-
Public safety	-	-	22,616	-	-	-	-
Public works	-	-	-	-	-	-	4,221
Culture and recreation	-	-	-	96,101	66,332	5,654	-
Education	-	-	-	-	-	-	-
Total expenditures	<u>3,286</u>	<u>2,927</u>	<u>22,616</u>	<u>96,101</u>	<u>66,332</u>	<u>5,654</u>	<u>4,221</u>
Excess (deficiency) of revenues over expenditures	3,452	(2,612)	(15,884)	(32,615)	(40,021)	(5,569)	1,193
OTHER FINANCING SOURCES (USES)							
Transfers out	-	-	-	-	(925)	-	-
Transfers in	-	10,000	16,448	37,574	46,680	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>16,448</u>	<u>37,574</u>	<u>45,755</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	3,452	7,388	564	4,959	5,734	(5,569)	1,193
Fund balances - beginning	<u>8,372</u>	<u>133,553</u>	<u>5,331</u>	<u>7,120</u>	<u>34,616</u>	<u>7,242</u>	<u>310</u>
Fund balances - ending	<u>\$ 11,824</u>	<u>\$ 140,941</u>	<u>\$ 5,895</u>	<u>\$ 12,079</u>	<u>\$ 40,350</u>	<u>\$ 1,673</u>	<u>\$ 1,503</u>

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2010

	Willington Public Library Fund	Michalec Road Fund	State and Federal Grants Fund	School Lunch Fund	Education Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Intergovernmental	\$ 2,252	\$ -	\$ 892,089	\$ 57,753	\$ 11,481	\$ 988,082
Licenses, fees and permits	15,338	-	-	-	-	91,402
Food sales	-	-	-	131,859	-	131,859
Investment earnings	1,945	29	-	-	-	2,456
Miscellaneous	100,000	-	-	-	33	108,061
Total revenues	<u>119,535</u>	<u>29</u>	<u>892,089</u>	<u>189,612</u>	<u>11,514</u>	<u>1,321,860</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	6,213
Public safety	-	-	-	-	-	22,616
Public works	-	-	-	-	-	4,221
Culture and recreation	160,866	-	-	-	-	328,953
Education	-	-	892,089	169,081	-	1,061,170
Total expenditures	<u>160,866</u>	<u>-</u>	<u>892,089</u>	<u>169,081</u>	<u>-</u>	<u>1,423,173</u>
Excess (deficiency) of revenues over expenditures	(41,331)	29	-	20,531	11,514	(101,313)
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	-	(925)
Transfers in	101,607	-	-	-	-	212,309
Total other financing sources (uses)	<u>101,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,384</u>
Net changes in fund balances	60,276	29	-	20,531	11,514	110,071
Fund balances - beginning	<u>386,795</u>	<u>12,105</u>	<u>-</u>	<u>5,471</u>	<u>43,044</u>	<u>643,959</u>
Fund balances - ending	<u>\$ 447,071</u>	<u>\$ 12,134</u>	<u>\$ -</u>	<u>\$ 26,002</u>	<u>\$ 54,558</u>	<u>\$ 754,030</u>

**TOWN OF WILLINGTON, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010**

	Park and Recreation Capital and Nonrecurring Expenditures Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Investments	\$ 32,172	\$ 47,347	\$ 79,519
Due from other funds	-	174,916	174,916
Total assets	\$ 32,172	\$ 222,263	\$ 254,435
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 3,773	\$ 3,773
Due to other funds	6,929	-	6,929
Deferred revenue	10	-	10
Total liabilities	6,939	3,773	10,712
Fund Balances:			
Unreserved, reported in nonmajor:			
Capital projects fund	25,233	218,490	243,723
Total fund balances	25,233	218,490	243,723
Total liabilities and fund balance	\$ 32,172	\$ 222,263	\$ 254,435

**TOWN OF WILLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Park and Recreation Capital and Nonrecurring Expenditures Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Intergovernmental	\$ -	\$ 123,867	\$ 123,867
Investment earnings	76	135	211
Total revenues	<u>76</u>	<u>124,002</u>	<u>124,078</u>
EXPENDITURES			
Current:			
General government	-	109,534	109,534
Capital outlays	-	70,026	70,026
Total expenditures	<u>-</u>	<u>179,560</u>	<u>179,560</u>
Net changes in fund balances	76	(55,558)	(55,482)
Fund balances - beginning	<u>25,157</u>	<u>274,048</u>	<u>299,205</u>
Fund balances - ending	<u>\$ 25,233</u>	<u>\$ 218,490</u>	<u>\$ 243,723</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.

Willington Day Fund

To account for monies collected for the Town's Willington Day activities and the Town's upcoming tercentennial celebration.

TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
JUNE 30, 2010

	Center School Activity Fund	Hall Memorial School Activity Fund	Performance Bond Fund	Flex Benefit Fund	Tax Sale Proceeds Fund	Scholarship Fund	Willington Day Fund	Total Agency Funds
ASSETS								
Cash and cash equivalents	\$ 11,580	\$ 27,216	\$ 99,172	\$ 5,739	\$ 7,539	\$ 6,265	\$ 1,058	\$ 158,569
Investments	-	-	-	-	-	4,862	-	4,862
Other	-	-	-	-	-	-	157	157
Total assets	<u>\$ 11,580</u>	<u>\$ 27,216</u>	<u>\$ 99,172</u>	<u>\$ 5,739</u>	<u>\$ 7,539</u>	<u>\$ 11,127</u>	<u>\$ 1,215</u>	<u>\$ 163,588</u>
LIABILITIES								
Due to others	\$ 11,580	\$ 27,216	\$ 99,172	\$ 3,762	\$ 7,539	\$ 11,127	\$ 1,215	\$ 161,611
Other	-	-	-	1,977	-	-	-	1,977
	<u>\$ 11,580</u>	<u>\$ 27,216</u>	<u>\$ 99,172</u>	<u>\$ 5,739</u>	<u>\$ 7,539</u>	<u>\$ 11,127</u>	<u>\$ 1,215</u>	<u>\$ 163,588</u>

**TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Balance, July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2010</u>
Center School Activity Fund				
Assets				
Cash and cash equivalents	\$ 10,784	\$ 23,144	\$ 22,348	\$ 11,580
Total assets	<u>\$ 10,784</u>	<u>\$ 23,144</u>	<u>\$ 22,348</u>	<u>\$ 11,580</u>
Liabilities				
Due to others	\$ 10,784	\$ 23,144	\$ 22,348	\$ 11,580
Total liabilities	<u>\$ 10,784</u>	<u>\$ 23,144</u>	<u>\$ 22,348</u>	<u>\$ 11,580</u>
Hall Memorial School Activity Fund				
Assets				
Cash and cash equivalents	\$ 21,569	\$ 53,930	\$ 48,283	\$ 27,216
Total assets	<u>\$ 21,569</u>	<u>\$ 53,930</u>	<u>\$ 48,283</u>	<u>\$ 27,216</u>
Liabilities				
Due to others	\$ 21,569	\$ 53,930	\$ 48,283	\$ 27,216
Total liabilities	<u>\$ 21,569</u>	<u>\$ 53,930</u>	<u>\$ 48,283</u>	<u>\$ 27,216</u>
Performance Bond Fund				
Assets				
Cash and cash equivalents	\$ 38,004	\$ 95,407	\$ 34,239	\$ 99,172
Investments	44,793	447	45,240	-
Total assets	<u>\$ 82,797</u>	<u>\$ 95,854</u>	<u>\$ 79,479</u>	<u>\$ 99,172</u>
Liabilities				
Due to others	\$ 82,797	\$ 50,614	\$ 34,239	\$ 99,172
Total liabilities	<u>\$ 82,797</u>	<u>\$ 50,614</u>	<u>\$ 34,239</u>	<u>\$ 99,172</u>
Flex Benefit Fund				
Assets				
Cash and cash equivalents	\$ 5,345	\$ 9,488	\$ 9,094	\$ 5,739
Total assets	<u>\$ 5,345</u>	<u>\$ 9,488</u>	<u>\$ 9,094</u>	<u>\$ 5,739</u>
Liabilities				
Due to others	\$ 3,368	\$ 9,488	\$ 9,094	\$ 3,762
Other	1,977	-	-	1,977
Total liabilities	<u>\$ 5,345</u>	<u>\$ 9,488</u>	<u>\$ 9,094</u>	<u>\$ 5,739</u>
Tax Sale Proceeds Fund				
Assets				
Cash and cash equivalents	\$ 7,503	\$ 36	\$ -	\$ 7,539
Total assets	<u>\$ 7,503</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 7,539</u>
Liabilities				
Due to others	\$ 7,503	\$ 36	\$ -	\$ 7,539
Total liabilities	<u>\$ 7,503</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 7,539</u>

**TOWN OF WILLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Balance, July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2010</u>
Scholarship Fund				
Assets				
Cash and cash equivalents	\$ 6,127	\$ 138	\$ -	\$ 6,265
Investments	4,747	115	-	4,862
Total assets	<u>\$ 10,874</u>	<u>\$ 253</u>	<u>\$ -</u>	<u>\$ 11,127</u>
Liabilities				
Due to others	\$ 10,874	\$ 253	\$ -	\$ 11,127
Total liabilities	<u>\$ 10,874</u>	<u>\$ 253</u>	<u>\$ -</u>	<u>\$ 11,127</u>
Willington Day Fund				
Assets				
Cash and cash equivalents	\$ 1,086	\$ 1,055	\$ 1,083	\$ 1,058
Other	-	157	-	157
Total assets	<u>\$ 1,086</u>	<u>\$ 1,212</u>	<u>\$ 1,083</u>	<u>\$ 1,215</u>
Liabilities				
Due to others	\$ 1,086	\$ 1,212	\$ 1,083	\$ 1,215
Total liabilities	<u>\$ 1,086</u>	<u>\$ 1,212</u>	<u>\$ 1,083</u>	<u>\$ 1,215</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 90,418	\$ 183,198	\$ 115,047	\$ 158,569
Investments	49,540	562	45,240	4,862
Other	-	157	-	157
Total assets	<u>\$ 139,958</u>	<u>\$ 183,917</u>	<u>\$ 160,287</u>	<u>\$ 163,588</u>
Liabilities				
Due to others	\$ 137,981	\$ 138,677	\$ 115,047	\$ 161,611
Other	1,977	-	-	1,977
Total liabilities	<u>\$ 139,958</u>	<u>\$ 138,677</u>	<u>\$ 115,047</u>	<u>\$ 163,588</u>

*Capital Assets
Used in the
Operation of
Governmental
Funds*

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS
BY SOURCE
JUNE 30, 2010

Governmental funds capital assets:	
Land and improvements	\$ 2,030,815
Construction in progress	211,415
Buildings and improvements	13,965,579
Machinery and equipment	2,095,621
Infrastructure	25,691,518
Vehicles	912,661
Furniture and fixtures	414,416
Total governmental funds capital assets	<u>\$ 45,322,025</u>
Investments in governmental funds capital assets by source:	
Assets put into service prior to July 1, 2003	\$ 34,955,466
Assets put into service subsequent to July 1, 2003:	
General Fund Appropriations:	
General government	1,706,639
Board of education	913,130
Public safety	1,721,380
Public works	150,746
Culture and recreation	3,377,232
Contributed capital	262,599
Intergovernmental grants and contracts	1,991,445
Transfer of program income from Small Cities Grant	
Housing Fund	243,388
Total governmental funds capital assets	<u>\$ 45,322,025</u>

TOWN OF WILLINGTON, CONNECTICUT
SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2010

	<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	\$ -	\$ -	\$ -	\$ 1,825	\$ -	\$ -	\$ 3,695	\$ 5,520
Election/registrars	-	-	-	19,356	-	-	3,905	23,261
Accounting services	-	-	-	20,622	-	-	29,105	49,727
Assessor	-	-	-	6,407	-	-	8,475	14,882
Revenue collector	-	-	-	5,080	-	-	1,225	6,305
Town clerk	-	-	-	10,779	-	-	24,225	35,004
Planning and zoning	-	-	-	17,557	-	-	22,760	40,317
Town office operations	-	9,073	-	25,474	-	-	17,520	52,067
Town Hall operations	-	16,660	-	-	-	-	175	16,835
Unclassified	1,567,003	2,160,329	-	17,627	-	-	-	3,744,959
Total general government	<u>1,567,003</u>	<u>2,186,062</u>	<u>-</u>	<u>124,727</u>	<u>-</u>	<u>-</u>	<u>111,085</u>	<u>3,988,877</u>
Public safety	<u>-</u>	<u>133,716</u>	<u>-</u>	<u>626,011</u>	<u>-</u>	<u>316,416</u>	<u>-</u>	<u>1,076,143</u>
Public works	<u>-</u>	<u>456,696</u>	<u>211,415</u>	<u>267,933</u>	<u>25,691,518</u>	<u>586,245</u>	<u>4,035</u>	<u>27,217,842</u>
Culture and recreation	<u>403,569</u>	<u>3,260,818</u>	<u>-</u>	<u>50,281</u>	<u>-</u>	<u>10,000</u>	<u>107,966</u>	<u>3,832,634</u>
Board of education	<u>60,243</u>	<u>7,928,287</u>	<u>-</u>	<u>1,026,669</u>	<u>-</u>	<u>-</u>	<u>191,330</u>	<u>9,206,529</u>
Total governmental fund capital assets	<u><u>\$ 2,030,815</u></u>	<u><u>\$ 13,965,579</u></u>	<u><u>\$ 211,415</u></u>	<u><u>\$ 2,095,621</u></u>	<u><u>\$ 25,691,518</u></u>	<u><u>\$ 912,661</u></u>	<u><u>\$ 414,416</u></u>	<u><u>\$ 45,322,025</u></u>

TOWN OF WILLINGTON
SCHEDULE OF CHANGES IN GOVERNMENTAL FUND CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Transfers	Additions	Deletions	Balance June 30, 2010
General government:					
Selectmen	\$ 4,883	\$ -	\$ 637	\$ -	\$ 5,520
Election/registrars	24,111	-	-	850	23,261
Accounting services	45,774	-	3,953	-	49,727
Assessor	17,682	-	-	2,800	14,882
Revenue collector	6,305	-	-	-	6,305
Town clerk	35,004	-	-	-	35,004
Planning and zoning	37,669	-	2,648	-	40,317
Town office operations	46,567	-	9,073	3,573	52,067
Town Hall operations	16,835	-	-	-	16,835
Unclassified	3,739,305	-	5,654	-	3,744,959
Total general government	<u>3,974,135</u>	<u>-</u>	<u>21,965</u>	<u>7,223</u>	<u>3,988,877</u>
Public safety	<u>1,049,818</u>	<u>-</u>	<u>26,325</u>	<u>-</u>	<u>1,076,143</u>
Public works:					
Public works department	27,018,450	-	259,822	64,265	27,214,007
Transfer station	3,835	-	-	-	3,835
Total public works	<u>27,022,285</u>	<u>-</u>	<u>259,822</u>	<u>64,265</u>	<u>27,217,842</u>
Culture and recreation	<u>3,818,271</u>	<u>-</u>	<u>14,363</u>	<u>-</u>	<u>3,832,634</u>
Board of education	<u>9,148,754</u>	<u>-</u>	<u>60,375</u>	<u>2,600</u>	<u>9,206,529</u>
Total governmental fund capital assets allocated by function and activity	<u>\$ 45,013,263</u>	<u>\$ -</u>	<u>\$ 382,850</u>	<u>\$ 74,088</u>	<u>\$ 45,322,025</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.

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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.	74
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.	80
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.	83
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.	85
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.	87

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.

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 3,447,746	\$ 4,734,758	\$ 5,627,332	\$ 5,988,609	\$ 8,801,505	\$ 9,940,670	\$ 9,376,364	\$ 9,615,588
Restricted	-	-	-	651,739	-	-	-	-
Unrestricted	2,698,999	3,316,722	3,587,258	3,831,921	3,920,144	4,129,815	4,194,124	3,894,012
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>	<u>\$ 12,721,649</u>	<u>\$ 14,070,485</u>	<u>\$ 13,570,488</u>	<u>\$ 13,509,600</u>

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

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 955,590	\$ 899,884	\$ 819,523	\$ 962,560	\$ 941,163	\$ 1,023,653	\$ 1,057,511	\$ 1,148,876
Public safety	583,683	585,760	599,944	619,175	664,389	693,424	791,602	804,561
Public works	884,219	817,018	978,144	1,140,811	1,851,496	1,603,545	1,966,935	1,185,785
Culture and recreation	208,645	303,097	248,078	243,115	533,467	402,768	466,019	423,964
Education	6,850,266	6,835,686	6,999,851	7,385,860	7,686,701	10,476,004	8,519,218	8,912,951
Regional School District No. 19	2,931,677	3,192,188	3,611,142	3,744,190	3,796,225	3,640,407	3,768,771	4,069,389
Townwide	273,264	285,510	314,706	303,653	310,952	331,335	334,617	396,744
Interest on long-term debt	92,298	97,598	78,658	56,742	238,255	159,031	137,956	82,262
Total governmental activities expenses	<u>12,779,642</u>	<u>13,016,741</u>	<u>13,650,046</u>	<u>14,456,106</u>	<u>16,022,648</u>	<u>18,330,167</u>	<u>17,042,629</u>	<u>17,024,532</u>
Business-type activities:								
Utility	-	-	-	-	-	15,981	20,497	19,487
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,981</u>	<u>20,497</u>	<u>19,487</u>
Total primary government expenses	<u>\$ 12,779,642</u>	<u>\$ 13,016,741</u>	<u>\$ 13,650,046</u>	<u>\$ 14,456,106</u>	<u>\$ 16,022,648</u>	<u>\$ 18,346,148</u>	<u>\$ 17,063,126</u>	<u>\$ 17,044,019</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 269,211	\$ 292,485	\$ 298,899	\$ 311,657	\$ 305,276	\$ 447,746	\$ 168,246	\$ 186,728
Public safety	105,662	110,118	124,985	121,582	155,596	175,614	222,788	225,218
Public works	8,869	15,000		9,383	1,706	21,824	12,591	-
Culture and recreation	58,436	47,811	48,611	59,503	57,685	58,383	67,552	84,670
Education	116,992	116,588	127,714	124,550	119,810	126,379	133,383	131,859
Operating grants and contributions	3,927,485	3,817,281	4,083,514	4,558,213	4,193,977	6,996,530	4,904,463	5,109,733
Capital grants and contributions	1,454,159	922,557	548,751	424,555	346,179	365,789	13,266	138,284
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>	<u>5,180,229</u>	<u>8,192,265</u>	<u>5,522,289</u>	<u>5,876,492</u>
Business-type activities:								
Charges for services:								
Utility	-	-	-	-	-	507	19,066	22,559
Operating grants and contributions	-	-	-	-	-	48,000	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,507</u>	<u>19,066</u>	<u>22,559</u>
Total primary government program revenues	<u>\$ 5,940,814</u>	<u>\$ 5,321,840</u>	<u>\$ 5,232,474</u>	<u>\$ 5,609,443</u>	<u>\$ 5,180,229</u>	<u>\$ 8,240,772</u>	<u>\$ 5,541,355</u>	<u>\$ 5,899,051</u>

TOWN OF WILLINGTON, CONNECTICUT
CHANGES IN NET ASSETS (Concluded)
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental activities	\$ (6,838,828)	\$ (7,694,901)	\$ (8,417,572)	\$ (8,846,663)	\$ (10,842,419)	\$ (10,137,902)	\$ (11,520,340)	\$ (11,148,040)
Business-type activities	-	-	-	-	-	32,526	(1,431)	3,072
Total primary government net expense	<u>\$ (6,838,828)</u>	<u>\$ (7,694,901)</u>	<u>\$ (8,417,572)</u>	<u>\$ (8,846,663)</u>	<u>\$ (10,842,419)</u>	<u>\$ (10,105,376)</u>	<u>\$ (11,521,771)</u>	<u>\$ (11,144,968)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 8,059,426	\$ 8,971,109	\$ 9,302,153	\$ 9,748,778	\$ 10,049,269	\$ 10,266,751	\$ 10,787,383	\$ 10,996,767
Unrestricted grants and contributions	100,020	87,957	76,535	86,439	586,846	981,488	158,623	74,902
(Loss) on disposal of capital assets			105,704		12,885	(9,353)	(4,654)	-
Investment earnings	58,220	39,696	96,290	269,125	292,822	223,853	71,297	23,176
Special Item	(100,984)					24,000	-	-
Total governmental activities	<u>8,116,682</u>	<u>9,098,762</u>	<u>9,580,682</u>	<u>10,104,342</u>	<u>10,941,822</u>	<u>11,486,739</u>	<u>11,012,649</u>	<u>11,094,845</u>
Business-type activities:								
Investment earnings	-	-	-	-	-	438	160	40
Transfers	-	-	-	-	-	(24,000)	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,562)</u>	<u>160</u>	<u>40</u>
Total primary government	<u>\$ 8,116,682</u>	<u>\$ 9,098,762</u>	<u>\$ 9,580,682</u>	<u>\$ 10,104,342</u>	<u>\$ 10,941,822</u>	<u>\$ 11,463,177</u>	<u>\$ 11,012,809</u>	<u>\$ 11,094,885</u>
Change in Net Assets								
Governmental activities	\$ 1,277,854	\$ 1,403,861	\$ 1,163,110	\$ 1,257,679	\$ 99,403	\$ 1,348,837	\$ (507,691)	\$ (53,195)
Business-type activities	-	-	-	-	-	8,964	(1,271)	3,112
Total primary government	<u>\$ 1,277,854</u>	<u>\$ 1,403,861</u>	<u>\$ 1,163,110</u>	<u>\$ 1,257,679</u>	<u>\$ 99,403</u>	<u>\$ 1,357,801</u>	<u>\$ (508,962)</u>	<u>\$ (50,083)</u>

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

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

(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 67,887	\$ 52,830	\$ 166,587	\$ 201,400	\$ 112,732	\$ 80,857	\$ 225,027	\$ 168,787
Unreserved	1,089,980	1,318,248	1,365,114	1,640,220	1,537,232	1,440,115	1,599,726	1,779,101
Total general fund	<u>\$ 1,157,867</u>	<u>\$ 1,371,078</u>	<u>\$ 1,531,701</u>	<u>\$ 1,841,620</u>	<u>\$ 1,649,964</u>	<u>\$ 1,520,972</u>	<u>\$ 1,824,753</u>	<u>\$ 1,947,888</u>
All Other Governmental Funds								
Reserved	\$ 712	\$ 1,233	\$ 193	\$ 1,311	\$ 1,564	\$ 1,502	\$ 2,210	\$ 2,055
Unreserved, reported in:								
Special revenue funds	745,089	520,986	817,993	1,036,367	914,620	986,212	1,001,784	1,194,178
Capital projects funds	476,823	748,811	696,592	1,756,285	797,684	1,121,434	1,106,432	898,521
Debt service funds	-	-	-	-	-	-	-	-
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>	<u>\$ 1,713,868</u>	<u>\$ 2,109,148</u>	<u>\$ 2,110,426</u>	<u>\$ 2,094,754</u>

Table 4 (Continued)

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 7,158,444	\$ 7,721,786	\$ 8,037,817	\$ 8,957,348	\$ 9,304,350	\$ 9,738,700	\$ 10,040,332	\$ 10,241,129	\$ 10,738,692	\$ 11,056,874
Licenses, fees and permits	342,191	459,558	363,896	392,262	407,032	452,485	461,208	523,005	547,271	578,172
Intergovernmental	4,436,281	4,406,567	5,472,040	4,881,914	4,761,153	5,005,287	5,096,475	8,170,394	5,144,523	5,298,338
Investment earnings	189,695	91,349	58,051	39,696	96,290	269,125	292,822	223,853	71,297	23,176
Other revenues	106,070	374,422	226,571	270,112	292,759	344,926	214,119	361,231	73,967	176,862
Total revenues	12,232,681	13,053,682	14,158,375	14,541,332	14,861,584	15,810,523	16,104,956	19,519,612	16,575,750	17,133,422
Expenditures										
General government	649,863	701,966	837,510	788,080	778,854	862,829	906,976	959,921	938,359	1,028,705
Public safety	380,291	462,744	507,747	530,994	542,444	561,250	598,219	634,380	692,661	703,816
Miscellaneous	232,570	276,646	273,264	285,510	314,706	303,653	310,952	331,335	334,617	396,744
Public works	857,412	850,751	857,496	847,113	934,781	1,015,115	1,024,759	1,204,816	1,107,169	1,139,121
Culture and recreation	210,794	207,661	206,950	300,802	246,317	246,360	393,024	339,296	375,970	328,953
Education	8,993,567	9,171,560	9,514,373	10,016,348	10,600,328	11,163,022	11,449,174	14,112,764	11,984,889	12,704,676
Capital outlays	397,514	351,461	1,899,408	1,061,018	856,604	2,765,321	2,190,527	1,108,876	267,143	170,680
Debt service:										
Debt issuance costs						12,224				
Interest	187,006	114,199	113,540	101,952	83,043	64,026	116,397	163,612	142,278	86,757
Principal	314,367	300,000	353,909	347,898	350,136	247,479	274,075	422,323	427,606	466,507
Total expenditures	12,223,384	12,436,988	14,564,197	14,279,715	14,707,213	17,241,279	17,264,103	19,277,323	16,270,692	17,025,959
Revenues over under) expenditures	9,297	616,694	(405,822)	261,617	154,371	(1,430,756)	(1,159,147)	242,289	305,058	107,463

Table 4 (Concluded)

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Proceeds from sale of land	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from BAN	-	-	-	-	-	3,000,000	(3,000,000)	-	-	-
Premium on note issued	-	-	-	-	-	19,860	-	-	-	-
Premium on bond issued	-	-	-	-	-	-	7,063	-	-	-
Proceeds from bonds	-	-	-	-	-	-	3,000,000	-	-	-
Interest charged on BAN	-	-	-	-	-	-	(119,667)	-	-	-
Settlement of lawsuit	-	-	(100,984)	-	-	-	-	-	-	-
Capital lease financing	-	-	575,000	-	-	-	-	-	-	-
Transfers in	299,724	479,793	453,926	845,923	622,612	698,260	961,542	660,239	689,875	493,846
Transfers out	(299,724)	(479,793)	(453,926)	(845,923)	(622,612)	(698,260)	(961,542)	(636,239)	(689,875)	(493,846)
Total other financing sources (uses)	-	-	474,016	-	250,000	3,019,860	(112,604)	24,000	-	-
Net change in fund balances	\$ 9,297	\$ 616,694	\$ 68,194	\$ 261,617	\$ 404,371	\$ 1,589,104	\$ (1,271,751)	\$ 266,289	\$ 305,058	\$ 107,463
Debt service as a percentage of noncapital expenditures	4.2%	3.4%	3.7%	3.4%	3.1%	2.2%	2.6%	3.2%	3.6%	3.3%

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 Vehicle	Less: Tax Exempt Property	Total Taxable Assessed Value	(1) Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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%
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%
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%
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%
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%
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%
2007	225,439,145	70,167,485	42,279,896	12,970,000	38,006,299	1,180,130	387,682,695	25.57	555,518,321	70%
2008	229,645,000	71,295,120	41,446,686	14,185,828	37,865,284	1,179,062	393,258,856	25.78	563,482,740	70%
2009	232,349,040	72,659,780	42,304,650	12,963,337	39,213,770	1,405,654	398,084,923	26.72	570,700,824	70%
2010	326,155,040	78,302,630	17,119,040	12,887,480	36,125,337	1,483,142	469,106,385	23.35	672,270,753	70%

(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 lienied 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, October 1, 2003 October 1, 2008 grand list.

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>	FISCAL YEAR					
	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Services Development Corp.	\$ 21,988,540	1	4.69%	\$ 12,361,800	1	4.49%
GLK Realty Ltd Partnership	10,481,840	2	2.23%	5,849,840	4	2.13%
ING US Students No 7 LLC	6,459,600	3	1.38%	3,228,820	5	1.17%
Storrs Polo Run Limited Partnership	4,955,440	4	1.06%	2,171,480	7	0.79%
Royce Properties LLC	4,891,510	5	1.04%	7,484,510	2	2.72%
Connecticut Light & Power Co.	3,987,890	6	0.85%	2,382,530	6	0.87%
Lawrence Becker	2,645,860	7	0.56%	1,551,280	8	0.56%
FedEx Ground Package Systems Inc	2,548,470	8	0.54%	6,536,450	3	2.38%
ING US Students No 3 LLC	2,422,350	9	0.52%	1,369,490	9	0.50%
C & S Willington Ltd Partnership	2,052,860	10	0.44%	1,301,990	10	0.47%
Total	\$ 62,434,360		13.31%	\$ 44,238,190		16.09%

Note: A property revaluation was performed on the grand list dated October 1, 2008.

Source: Town of Willington, Office of the Assessor.

Table 7

**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
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%	80,097	9,722,649	99.85%
2007	10,016,998	9,943,771	99.27%	56,774	10,000,545	99.84%
2008	10,226,951	10,131,369	99.07%	79,264	10,210,633	99.84%
2009	10,742,791	10,577,596	98.46%	155,794	10,733,390	99.91%
2010	11,004,367	10,911,259	99.15%		10,911,259	99.15%

(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.

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

(Unaudited)

Fiscal Year	General Obligation Bonds	Capital Leases	Total Governmental Activites	(1) Percentage of Personal Income	(1) Per Capita
2001	\$ 2,175,000	\$ -	\$ 2,175,000	1.35%	\$ 365
2002	1,875,000	-	1,875,000	1.14%	309
2003	1,575,000	521,091	2,096,091	1.27%	343
2004	1,275,000	473,193	1,748,193	1.04%	282
2005	975,000	423,057	1,398,057	0.83%	226
2006	780,000	370,578	1,150,578	0.68%	185
2007	3,585,000	675,288	4,260,288	2.52%	682
2008	3,240,000	564,095	3,804,095	2.06%	604
2009	2,895,000	447,859	3,342,859	1.78%	523
2010	2,550,000	326,352	2,876,352	1.45%	466

(1) See Table 10 the Schedule of Demographic and Economic Statistics for personal income and 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Legal Debt Margin Calculation:										
Total cash collections for the fiscal year:										
Taxes	\$ 7,127,683	\$ 7,698,731	\$ 7,995,212	\$ 8,869,200	\$ 9,262,695	\$ 9,685,458	\$ 10,005,964	\$ 10,184,931	\$ 10,661,035	\$ 11,019,197
Interest and lien fees	35,761	31,837	32,514	99,644	41,956	41,596	45,044	51,714	65,595	57,246
	<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>	<u>10,051,008</u>	<u>10,236,645</u>	<u>10,726,630</u>	<u>11,076,443</u>
Reimbursements for revenue loss:										
Tax relief for elderly (CGS 12-129d)	2,879	2,970	3,001	-	-	663	698	18,916	17,210	17,165
Base	<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>	<u>\$ 10,051,706</u>	<u>\$ 10,255,561</u>	<u>\$ 10,743,840</u>	<u>\$ 11,093,608</u>
Indebtedness:										
General Purposes:										
Bonds payable	\$ 780,000	\$ 635,000	\$ 490,000	\$ 345,000	\$ 200,000	\$ 160,000	\$ 3,120,000	\$ 2,930,000	\$ 2,740,000	\$ 2,550,000
Authorized, unissued bonds	-	-	20,000	3,020,000	3,000,000	3,000,000	-	-	-	-
Subtotal general purposes	<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>	<u>3,120,000</u>	<u>2,930,000</u>	<u>2,740,000</u>	<u>2,550,000</u>
Schools:										
Bonds payable	1,395,000	1,240,000	1,085,000	930,000	775,000	620,000	465,000	310,000	155,000	-
Regional School District 19	2,149,056	1,856,546	1,794,928	1,794,265	1,723,485	1,551,043	1,300,715	1,203,612	1,091,590	1,018,288
Authorized, unissued bonds			376,000	376,000	376,000					
Authorized, unissued bonds, Regional School District 19			381,440				-	-	-	-
Subtotal schools	<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>	<u>1,765,715</u>	<u>1,513,612</u>	<u>1,246,590</u>	<u>1,018,288</u>
Less: amounts to be provided by State	751,311	667,832	584,353	500,874	333,916	250,437	250,437	166,958	83,479	-
Total indebtedness	<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>	<u>\$ 4,635,278</u>	<u>\$ 4,276,654</u>	<u>\$ 3,903,111</u>	<u>\$ 3,568,288</u>
Total capacity of borrowing (7 times base)	\$ 50,164,261	\$ 54,134,766	\$ 56,215,089	\$ 62,781,908	\$ 65,132,557	\$ 68,094,019	\$ 70,361,942	\$ 71,788,927	\$ 75,206,880	\$ 77,655,256
Total present indebtedness	<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>	<u>4,635,278</u>	<u>4,276,654</u>	<u>3,903,111</u>	<u>3,568,288</u>
Margin for additional borrowing	<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>	<u>\$ 65,726,664</u>	<u>\$ 67,512,273</u>	<u>\$ 71,303,769</u>	<u>\$ 74,086,968</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	<u>7%</u>	<u>6%</u>	<u>6%</u>	<u>10%</u>	<u>9%</u>	<u>7%</u>	<u>7%</u>	<u>6%</u>	<u>5%</u>	<u>5%</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 FISCAL YEARS**
(Unaudited)

Year	(1) Population	Personal Income <i>(in thousands)</i>	(2) Per Capita Personal Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
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%
2007	6,248	169,083	27,062	34.6	857	3.8%
2008	6,297	184,767	29,342	34.8	855	3.9%
2009	6,396	187,671	29,342	34.8	810	6.5%
2010	6,169	197,976	32,092	34.8	782	6.9%

- (1) U.S. Census Bureau Population Estimates Program
- (2) U.S. Census Bureau, 2005-2009 American Community Survey
- (3) Connecticut Economic Resource Center, Inc Town Profile 2010
- (4) Town of Willington, Board of Education
- (5) Connecticut Department of Labor, Office of Research

Table 11

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

<u>Employer</u>	<u>2010</u>			<u>2001</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	15.99%	600	1	16.26%
Travel Centers of America	170	2	4.53%	170	2	4.61%
Town of Willington	145	3	3.86%	144	3	3.90%
Willington Pizza	65	4	1.73%	120	4	3.25%
St of Ct - Depart of Transportation	25	5	0.67%	25	5	0.68%
Becker Construction	24	6	0.64%	23	7	0.62%
Cable Technology, Inc	17	7	0.45%	25	6	0.68%
Lyon Manor	13	8	0.35%	14	8	0.38%
NewAlliance Bank	7	9	0.19%	7	10	0.19%
Rodeway Inn	4	10	0.11%	10	9	0.27%
Total	<u>1,070</u>		<u>28.52%</u>	<u>1,128</u>		<u>30.58%</u>

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

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government										
Management services	7.1	6.3	6.3	6.3	6.3	6.3	6.3	6.2	7.0	7.0
Finance	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Other	5.8	5.8	5.8	4.8	4.8	4.8	4.8	4.8	4.6	4.6
Fire										
Volunteer Firefighters	45.0	76.0	76.0	76.0	76.0	76.0	59.0	60.0	60.0	49.0
Transfer Station	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Other public works	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Parks and recreation	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Library	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	7.0	3.1
Total	<u>75.6</u>	<u>105.8</u>	<u>105.8</u>	<u>104.8</u>	<u>104.8</u>	<u>104.8</u>	<u>87.8</u>	<u>89.7</u>	<u>91.2</u>	<u>76.3</u>

Note: A full-time employee is scheduled to work 40 hours per week (including vacation and sick leave).
 Full-time equivalent employment is calculated by dividing total labor by 40.

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fire										
Emergency responses	482	480	484	474	497	508	523	525	917	834
Non-Emergency responses	249	318	352	363	399	399	400	405	351	(1)
Inspections	538	576	528	490	515	515	465	455	455	489
Refuse collection										
Refuse collected (tons per year)	2,267.1	2,175.0	1,785.1	989.7	1,063.6	1,417.9	1,371.6	2,229.1	2,229.8	2,043.0
Recyclables collected (tons per year)	640.4	671.0	669.4	785.7	841.6	780.2	743.9	712.5	669.5	770.3
Other public works										
Street resurfacing (miles)	14.3	11.4	13.7	11.8	10.4	11.6	12.2	11.9	9.5	8.0
Library										
Volumes in collection	15,700	17,700	17,700	17,700	17,700	20,387	20,206	28,103	33,464	37,470

Source: Various Town departments.

(1) Data is no longer available on the number of non-emergency responses.

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

(Unaudited)

<u>Function/Program</u>	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	70.9	71.1	71.1	71.1	71.1	72.7	72.7	72.7	72.7	73.9
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	292	292	292	292	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	6	6	6	6
Soccer/football fields	2	2	2	2	2	2	3	3	3	3