

# **TOWN OF WILLINGTON CONNECTICUT**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2011**

# **TOWN OF WILLINGTON, CONNECTICUT**

## **Comprehensive Annual Financial Report**

**For The Year Ended  
June 30, 2011**

**Prepared by:**

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

**TOWN OF WILLINGTON, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

---

**INTRODUCTORY SECTION**

**Page**

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	vi
Organizational Chart	vii
List of Principal Town Officials	viii

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
-------------------------------------	----------

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>3</b>
---------------------------------------------	----------

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements	
Statement of Net Assets	14
Statement of Activities	15

Fund Financial Statements

Governmental Fund Financial Statements	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	20

Proprietary Fund Financial Statements

Statement of Net Assets	21
Statement of Revenues, Expenses and Changes in Net Assets	22
Statement of Cash Flows	23

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Assets	24
Statement of Changes in Fiduciary Net Assets	25

Notes to the Financial Statements	26
-----------------------------------	----

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedules of Funding Progress	52
-------------------------------	----

**TOWN OF WILLINGTON, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

---

**FINANCIAL SECTION (*Continued*)**

**Page**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Governmental Funds

General Fund

Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	53
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	55
Schedule of Property Taxes Levied, Collected and Outstanding	58
Schedule of Debt Limitation	59

Combining Statements

Narrative	
Combining Balance Sheet - Nonmajor Governmental Funds - By Fund Type	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - By Fund Type	61
Combining Balance Sheet - Nonmajor Special Revenue Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	63
Combining Balance Sheet - Nonmajor Capital Projects Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	65

Fiduciary Funds

Agency Funds

Narrative	
Combining Statement of Fiduciary Assets and Liabilities	66
Combining Statement of Changes in Fiduciary Assets and Liabilities	67

Capital Assets Used in the Operation of Governmental Funds

Schedule of Governmental Fund Capital Assets by Source	69
Schedule of Governmental Fund Capital Assets by Function and Activity	70
Schedule of Changes in Governmental Fund Capital Assets by Function and Activity	71

**TOWN OF WILLINGTON, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

---

**STATISTICAL SECTION**

	<b><u>Page</u></b>
Narrative	
Financial Trends	
Table 1 – Net Assets by Component	72
Table 2 – Changes in Net Assets	73
Table 3 – Fund Balances of Governmental Funds	75
Table 4 – Changes in Fund Balances of Governmental Funds	76
Revenue Capacity	
Table 5 – Assessed Value and Estimated Actual Value of Taxable Property	78
Table 6 – Principal Property Taxpayers	79
Table 7 – Property Tax Levies and Collections	80
Debt Capacity	
Table 8 – Ratios of Outstanding Debt by Type	81
Table 9 – Legal Debt Margin Information	82
Demographic and Economic Information	
Table 10 – Demographic and Economic Statistics	83
Table 11 – Principal Employers	84
Operating Information	
Table 12 – Full-time Equivalent Town Government Employees by Function	85
Table 13 – Operating Indicators by Function	86
Table 14 – Capital Asset Statistics by Function	87

# **INTRODUCTORY SECTION**

# Town of Willington

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

January 3, 2012

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, 2011 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 re-appropriated 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.

### **Long-Range Financial Planning**

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 the Town Office Building and the Willington Hill Fire Station. Funded through a \$350,000 STEAP grant, the Center Elementary School was completed during the fiscal year, and the Town Office Building and Willington Hill Fire Station are expected to be connected to the water system during the next fiscal year.

A STEAP Grant of \$100,000 was awarded to repair and renovate the Old Town Hall building.

The Town was awarded a \$300,000 Community Development Block Grant in 2010 and funds were still available for use by income eligible resident property owners for housing rehabilitation projects.

A Municipal Energy Efficiency Community Block Grant of \$42,776 was awarded. These monies were used to replace all of the old windows in the original portion of the Town Office Building.

### **Financial 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.

### **Town Defined Benefit Plan**

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

As of June 30, 2011 the net assets held in trust for the Plan were \$382,791. Investment income for the year ended June 30, 2011 totaled \$66,616 or an approximate gain of 17.0% rate of return. There was one benefit payment made during the year.

Additional information on the Town's pension plan can be found in Note 11 to the financial statements.

#### **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, 2010. 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,

A handwritten signature in black ink that reads "Tish Ignatowicz". The signature is written in a cursive, flowing style.

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, 2010

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.



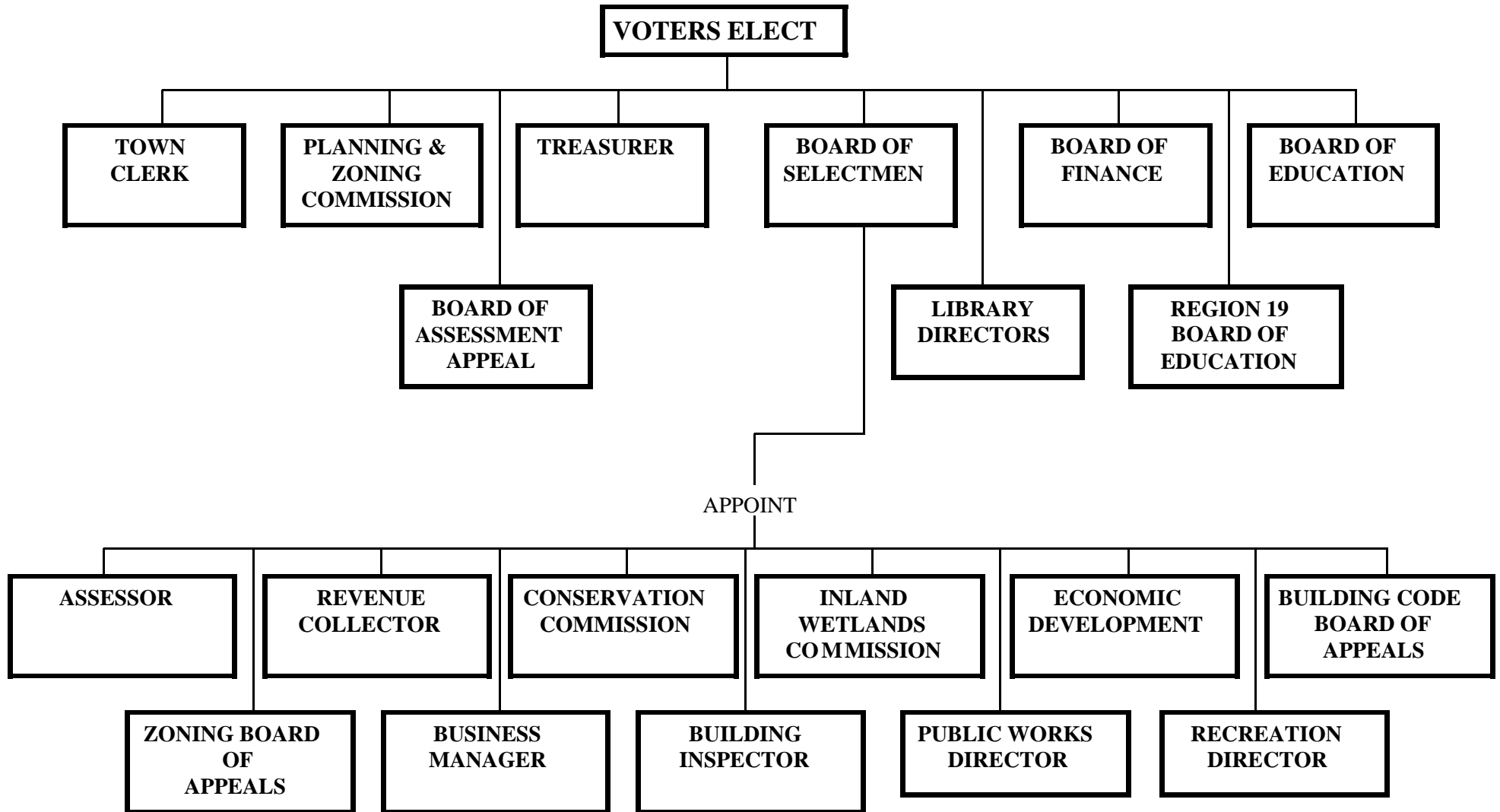
*Linda C. Davidson*

President

*Jeffrey R. Emer*

Executive Director

**TOWN OF WILLINGTON, CONNECTICUT  
ORGANIZATIONAL CHART  
JUNE 30, 2011**



**TOWN OF WILLINGTON, CONNECTICUT  
PRINCIPAL TOWN OFFICIALS  
JUNE 30, 2011**

**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  
Leonardo 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, 2011, 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, 2011, 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 3, 2012 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 3, 2012

# **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, 2011. 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 \$13,719,590 (net assets). Of this amount, \$3,149,809 represents unrestricted net assets.
- The Town's total net assets increased by \$199,185 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 \$3,469,789, a decrease of \$572,853 in comparison with the prior year. The primary cause of this fund balance decrease was the acquisition of Knowlton Property for open space and public use for Town residents.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$1,450,023 or 9.0% of total General Fund expenditures and other financing uses. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover 1.08 months of General Fund operating expenditures.
- The Town's total long-term bonded debt decreased by \$150,000 or 5.9% 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 several 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 remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 through 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 through 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 through 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 through 71 of this report and statistical information can be found on pages 72 through 87 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 \$13,719,590 and \$13,520,405 as of June 30, 2011 and 2010, respectively and are summarized as follows:

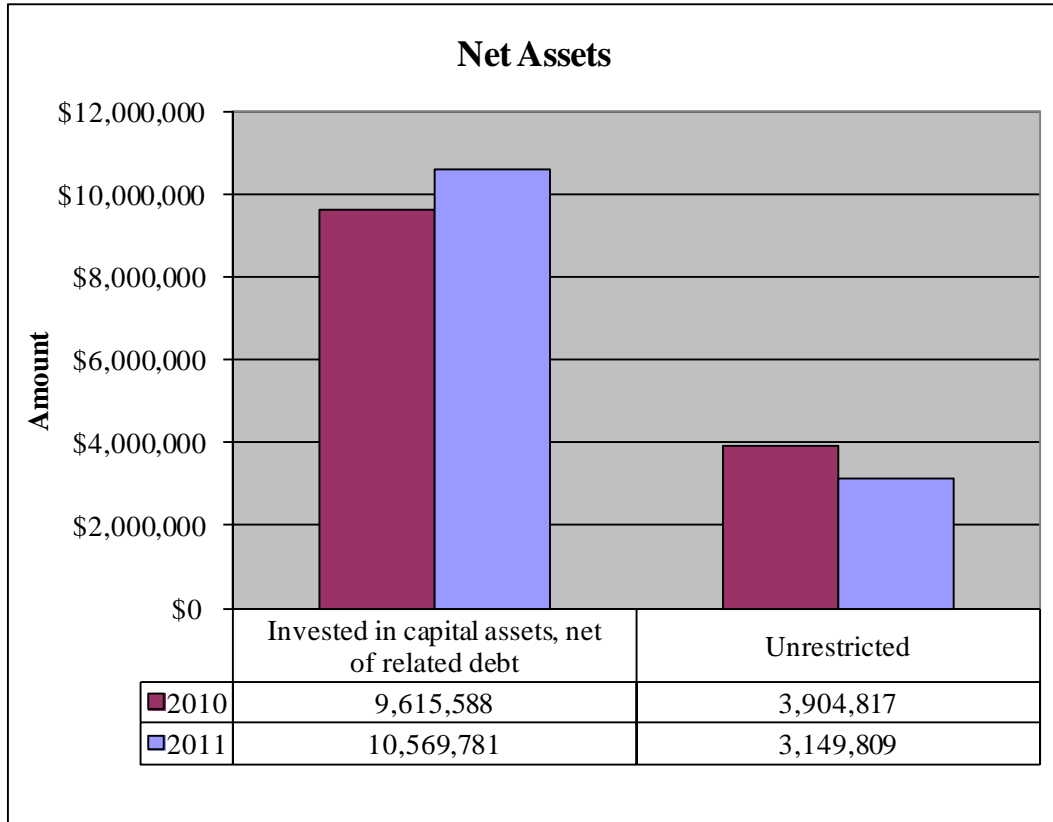
**Town of Willington, Connecticut**  
**Net Assets**  
**June 30, 2011 and 2010**

	Total	
	2011	2010
Current and other assets	\$ 5,136,587	\$ 5,934,982
Capital assets	13,741,231	12,497,767
Total assets	<u>18,877,818</u>	<u>18,432,749</u>
Other liabilities	1,228,692	1,140,757
Long-term liabilities	3,929,536	3,771,587
Total liabilities	<u>5,158,228</u>	<u>4,912,344</u>
Net assets:		
Invested in capital assets, net of related debt	10,569,781	9,615,588
Unrestricted	3,149,809	3,904,817
Total net assets	<u><u>\$ 13,719,590</u></u>	<u><u>\$ 13,520,405</u></u>

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

### Net Assets *(Continued)*



As of June 30, 2011, approximately 77% 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 increased by \$199,185 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, 2011 and 2010 are as follows:

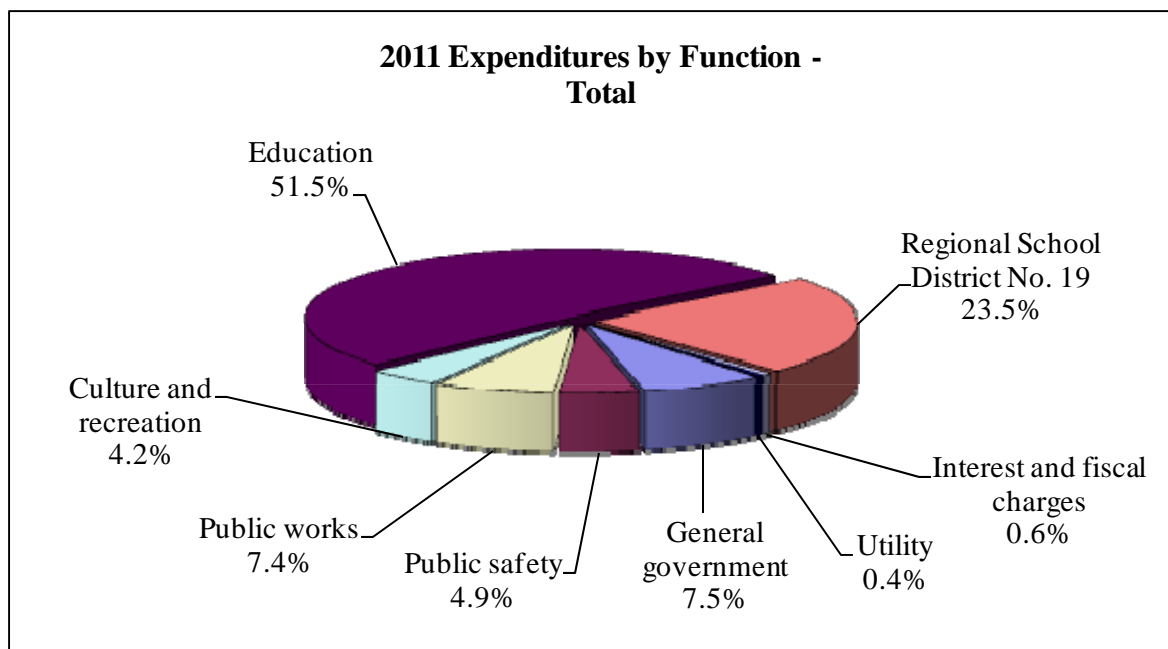
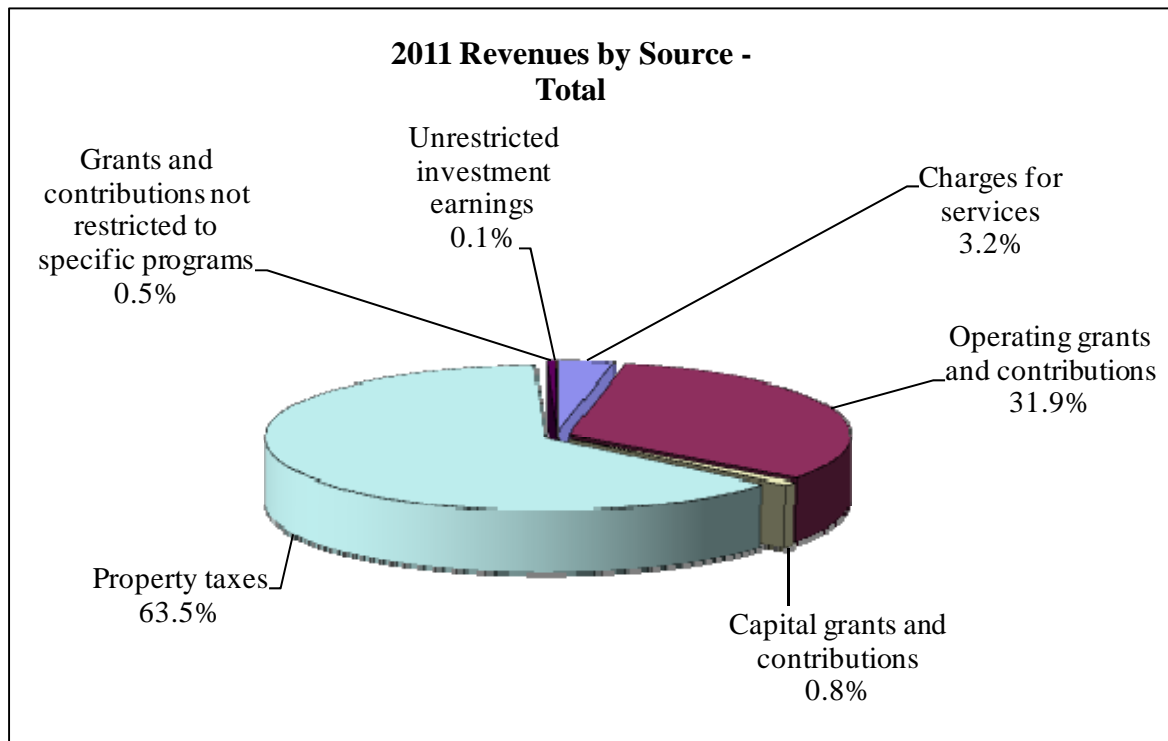
<b>Town of Willington, Connecticut Changes in Net Assets For The Years Ended June 30, 2011 and 2010</b>		
	Total	
	2011	2010
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 560,142	\$ 651,034
Operating grants and contributions	5,557,023	5,109,733
Capital grants and contributions	147,600	138,284
General revenues:		
Property taxes, levied for general purposes	11,052,558	10,996,767
Grants and contributions not restricted to specific programs	84,338	74,902
Unrestricted investment earnings	14,192	23,216
Total revenues	<u>17,415,853</u>	<u>16,993,936</u>
<b>Expenses</b>		
General government	1,286,720	1,545,620
Public safety	835,768	804,561
Public works	1,272,702	1,185,785
Culture and recreation	748,023	423,964
Education	8,858,705	8,912,951
Regional School District No. 19	4,047,308	4,069,389
Interest and fiscal charges	105,003	82,262
Utility	62,439	19,487
Total expenses	<u>17,216,668</u>	<u>17,044,019</u>
Change in net assets	199,185	(50,083)
Net assets, beginning	<u>13,520,405</u>	<u>13,570,488</u>
Net assets, ending	<u><u>\$13,719,590</u></u>	<u><u>\$13,520,405</u></u>



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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Assets (Continued)**



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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (*Continued*)**

### **Changes in Net Assets (*Continued*)**

Governmental activities decreased the Town's net assets by \$1,162,755. Key elements of this decrease are as follows:

- Governmental activities transferred \$1,403,928 of capital assets to the business-type activities during the year. These assets relate to the operations of the Utility Fund and as such should be reflected in that fund. These assets reflect the sewer infrastructure of the Town.
- Operating grants and contributions increased by \$447,290 mainly due to the Town being awarded a Community Investment Grant for the acquisition of Knowlton Property.
- General government expenditures decreased by approximately \$259,000 due primarily to the capitalization of the Town's purchase of open space property.
- Culture and recreation expenditures increased by approximately \$324,000 due primarily to the acquisition of the Knowlton Property.

Business-type activities increased the Town's net assets by \$1,361,940 due to primarily to the transfer of capital assets, mentioned above.

## **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 \$3,469,789, an decrease of \$572,853 in comparison with prior year. Of this amount, \$1,383,977 constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of the fund balance is either restricted or assigned 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, unassigned fund balance of the general fund was \$1,450,023, while total fund balance was \$2,494,015. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 9.0% of total general fund expenditures and other financing uses. Expressed another way, unassigned fund balance for the general fund was sufficient to cover 1.08 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 decreased by \$41,885 during the current fiscal year, which was primarily due to expenditures being higher than budgeted. The Town has appropriated \$263,600 of the fund balance for spending in fiscal year 2012 budget. It is intended that this use of fund balance will reduce the amount of tax increases during the 2012 fiscal year.

### ***Small Cities Grant Housing Fund***

The fund balance of the Small Cities Grant Housing Fund increased by \$37,689. This increase was due to the receipt of Small Cities Program grant.

### ***Fire Department Fund***

The fund balance of the Fire Department Fund decreased by \$33,433. This decrease was due to principal payments made for the capital lease of a new fire truck. All other 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 \$281,350. This decrease was due to ongoing capital expenditures for the construction of Kechkes Road Bridge and the acquisition of the Knowlton Property.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were \$66,000 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, 2011 and 2010 totaled \$12,382,247 and \$12,497,767, 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 \$115,520 or 0.9%. This decrease is due to capital asset additions of \$1,843,367, offset by depreciation expense of \$534,232, net dispositions of \$20,727, and capital asset transfers of \$1,403,928. Major capital asset events during the current fiscal year included the following:

- Land acquisition as they relate to Knowlton Property, and new capital leases for a fire truck to be used for public safety and a dump truck to be used for public works.

# TOWN OF WILLINGTON, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

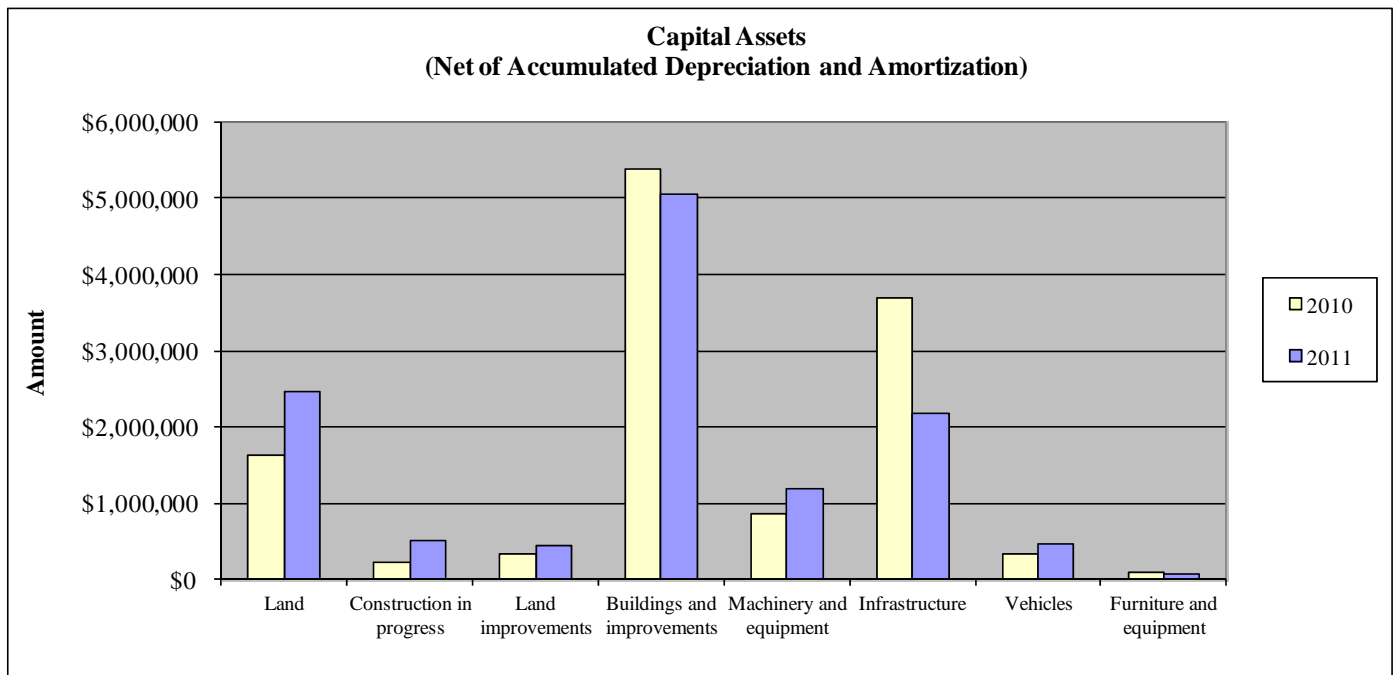
### CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

#### 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, 2011 and 2010**

	Total	
	2011	2010
Land	\$ 2,463,342	\$ 1,627,246
Construction in progress	501,167	211,415
Land improvements	444,389	321,558
Buildings and improvements	5,061,227	5,377,113
Machinery and equipment	1,190,946	857,363
Infrastructure	2,177,584	3,684,278
Vehicles	474,077	334,261
Furniture and equipment	69,515	84,533
Totals	<u>\$ 12,382,247</u>	<u>\$ 12,497,767</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

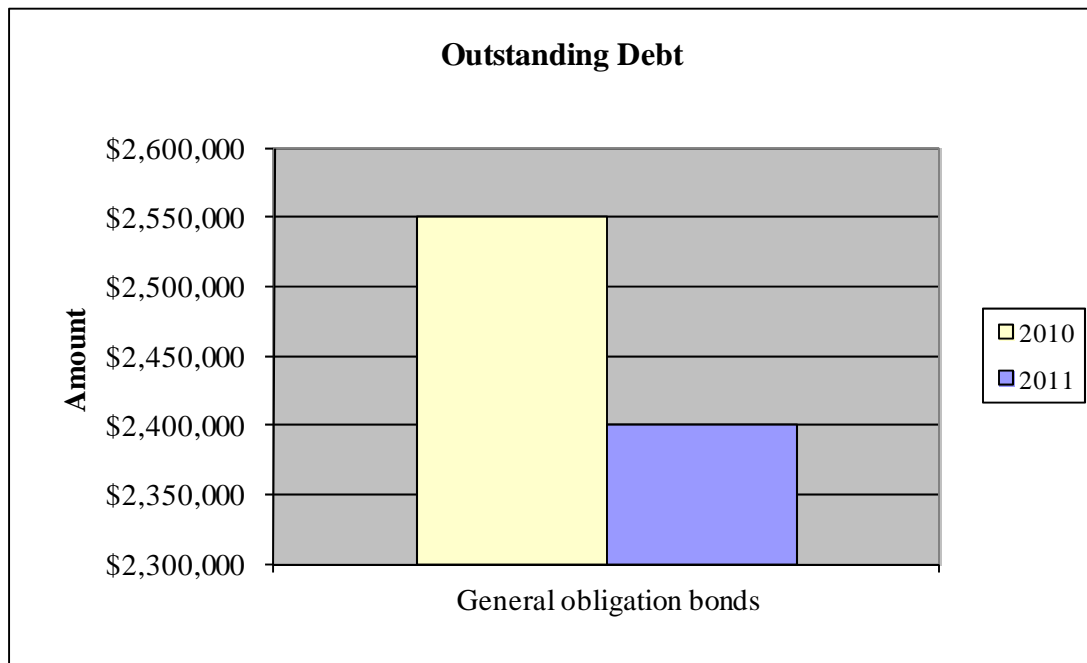
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$2,400,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$150,000 or 5.9% during the current fiscal year due to current year principal 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 \$77,274,043, 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, 2011 and 2010**

	Total	
	2011	2010
General obligation bonds	\$ 2,400,000	\$ 2,550,000
Totals	\$ 2,400,000	\$ 2,550,000



Additional information on the Town's long-term debt can be found in Note 10 on pages 41 through 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 7.1%. This compares favorably to the state's average unemployment rate of 9.1% and the national unemployment rate of 9.2%.
- During the current fiscal year, unassigned fund balance of the General Fund increased to \$1,450,023.
- 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 2012, 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 capital improvement 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 2012.

## **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, 2011**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,170,463	\$ 16,662	\$ 4,187,125
Investments	40,807	-	40,807
Receivables:			
Property taxes receivable	153,284	-	153,284
Grants and contracts receivable	52,944	-	52,944
Accounts receivable	20,076	364	20,440
Interest receivable	40,424	-	40,424
Inventories	2,387	-	2,387
Internal balances	1,535	(1,535)	-
Net pension asset	35,360	-	35,360
Rehabilitation loans receivable	603,816	-	603,816
Capital assets:			
Non-depreciable	2,964,509	-	2,964,509
Depreciable, net	9,417,738	1,358,984	10,776,722
Total assets	<u>17,503,343</u>	<u>1,374,475</u>	<u>18,877,818</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	842,986	1,730	844,716
Unearned revenue	5,612	-	5,612
Accrued interest	7,859	-	7,859
Noncurrent liabilities:			
Due within one year	370,505	-	370,505
Due in more than one year	3,929,536	-	3,929,536
Total liabilities	<u>5,156,498</u>	<u>1,730</u>	<u>5,158,228</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,210,797	1,358,984	10,569,781
Unrestricted	3,136,048	13,761	3,149,809
Total net assets	<u>\$ 12,346,845</u>	<u>\$ 1,372,745</u>	<u>\$ 13,719,590</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, 2011**

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	\$ 1,286,720	\$ 161,332	\$ 355,976	\$ 144,600	\$ (624,812)	\$ -	\$ (624,812)
Public safety	835,768	196,839	-	-	(638,929)	-	(638,929)
Public works	1,272,702	-	180,891	3,000	(1,088,811)	-	(1,088,811)
Culture and recreation	748,023	57,773	218,546	-	(471,704)	-	(471,704)
Education	8,858,705	123,771	4,801,610	-	(3,933,324)	-	(3,933,324)
Regional School District No. 19	4,047,308	-	-	-	(4,047,308)	-	(4,047,308)
Interest and fiscal charges	105,003	-	-	-	(105,003)	-	(105,003)
Total governmental activities	17,154,229	539,715	5,557,023	147,600	(10,909,891)	-	(10,909,891)
Business- type activities:							
Utility - water	62,439	20,427	-	-	-	(42,012)	(42,012)
	\$ 17,216,668	\$ 560,142	\$ 5,557,023	\$ 147,600	(10,909,891)	(42,012)	(10,951,903)
General revenues:							
Property taxes, levied for general purposes					11,052,558	-	11,052,558
Grants and contributions not restricted to specific programs					84,338	-	84,338
Unrestricted investment earnings					14,168	24	14,192
Special item - transfer of capital assets					(1,403,928)	1,403,928	-
Total general revenues					9,747,136	1,403,952	11,151,088
Change in net assets					(1,162,755)	1,361,940	199,185
Net assets - beginning					13,509,600	10,805	13,520,405
Net assets - ending					\$ 12,346,845	\$ 1,372,745	\$ 13,719,590

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	General Fund	Small Cities Grant Housing Fund	Fire Department Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,104,587	\$ 65,095	\$ 346,280	\$ 461,223	\$ 193,278	\$ 4,170,463
Investments	40,807	-	-	-	-	40,807
Receivables:						
Property tax receivable	153,284	-	-	-	-	153,284
Grants and contracts receivable	-	38,800	-	-	14,144	52,944
Accounts receivable	10,486	7,265	-	-	2,325	20,076
Rehabilitation loans receivable	-	603,816	-	-	-	603,816
Due from other funds	223,118	-	44,100	-	143,618	410,836
Inventories	-	-	-	-	2,387	2,387
Total assets	<u>\$ 3,532,282</u>	<u>\$ 714,976</u>	<u>\$ 390,380</u>	<u>\$ 461,223</u>	<u>\$ 355,752</u>	<u>\$ 5,454,613</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 725,824	\$ 7,208	\$ 40,820	\$ 641	\$ 68,493	\$ 842,986
Due to other funds	183,722	3,996	3,057	87,134	131,392	409,301
Unearned / deferred revenue	128,721	603,816	-	-	-	732,537
Total liabilities	<u>1,038,267</u>	<u>615,020</u>	<u>43,877</u>	<u>87,775</u>	<u>199,885</u>	<u>1,984,824</u>
Fund Balances:						
Nonspendable:						
Inventories	-	-	-	-	2,387	2,387
Committed:						
General government	-	-	-	-	3,624	3,624
Public safety	-	-	346,503	-	5,123	351,626
Culture and recreation	-	-	-	-	66,657	66,657
Public works	-	-	-	-	4,933	4,933
Education	-	-	-	-	97,195	97,195
Capital projects funds	-	-	-	373,448	41,994	415,442
Rehabilitation loans	-	99,956	-	-	-	99,956
Compensated absences	150,551	-	-	-	-	150,551
Willington Public Library	419,549	-	-	-	-	419,549
Assigned:						
Subsequent year's budget	263,600	-	-	-	-	263,600
General government	210,292	-	-	-	-	210,292
Unassigned	1,450,023	-	-	-	(66,046)	1,383,977
Total fund balances	<u>2,494,015</u>	<u>99,956</u>	<u>346,503</u>	<u>373,448</u>	<u>155,867</u>	<u>3,469,789</u>
Total liabilities and fund balances	<u>\$ 3,532,282</u>	<u>\$ 714,976</u>	<u>\$ 390,380</u>	<u>\$ 461,223</u>	<u>\$ 355,752</u>	<u>\$ 5,454,613</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, 2011**

Total fund balances for governmental funds		\$ 3,469,789
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	\$ 3,009,576	
Construction in progress	501,167	
Buildings and improvements	13,821,770	
Machinery and equipment	2,483,000	
Infrastructure	24,165,977	
Vehicles	1,074,567	
Furniture and fixtures	414,231	
Less: accumulated depreciation and amortization	<u>(33,088,041)</u>	
Total capital assets, net		12,382,247
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.		35,360
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.		123,109
Interest receivable related to delinquent taxes is not susceptible to accrual and, therefore, is not reported in the governmental funds.		40,424
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.		603,816
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	(2,400,000)	
Unamortized premium	(5,474)	
Capital leases	(765,976)	
Accrued interest payable	(7,859)	
Other long-term liabilities:		
Compensated absences	(415,077)	
Accrued landfill postclosure costs	(98,800)	
Net OPEB obligation	<u>(614,714)</u>	
Total long-term liabilities		<u>(4,307,900)</u>
Net assets of governmental activities		<u><u>\$ 12,346,845</u></u>

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

**TOWN OF WILLINGTON, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund	Small Cities Grant Housing Fund	Fire Department Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 10,996,151	\$ -	\$ -	\$ -	\$ -	\$ 10,996,151
Intergovernmental	4,652,039	144,600	-	-	905,790	5,702,429
Licenses, fees and permits	120,289	-	190,161	-	64,278	374,728
Food sales	-	-	-	-	123,771	123,771
Investment earnings	11,527	72	830	1,000	739	14,168
Miscellaneous	79,728	9,597	139	-	44,284	133,748
Total revenues	<u>15,859,734</u>	<u>154,269</u>	<u>191,130</u>	<u>1,000</u>	<u>1,138,862</u>	<u>17,344,995</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,353,923	116,580	-	-	12,999	1,483,502
Public safety	398,589	-	311,034	-	25,341	734,964
Public works	1,149,678	-	-	-	7,668	1,157,346
Culture and recreation	184,809	-	-	-	475,889	660,698
Education	8,061,269	-	-	-	531,529	8,592,798
Regional School District No. 19	4,047,308	-	-	-	-	4,047,308
Debt service:						
Principal payments	198,735	-	126,641	-	-	325,376
Interest and fiscal charges	97,313	-	8,543	-	-	105,856
Capital outlays	161,701	-	461,250	342,075	459,974	1,425,000
Total expenditures	<u>15,653,325</u>	<u>116,580</u>	<u>907,468</u>	<u>342,075</u>	<u>1,513,400</u>	<u>18,532,848</u>
Excess (deficiency) of revenues over expenditures	206,409	37,689	(716,338)	(341,075)	(374,538)	(1,187,853)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from capital leases	153,750	-	461,250	-	-	615,000
Transfers out	(402,044)	-	-	(15,275)	(12,500)	(429,819)
Transfers in	-	-	221,655	75,000	133,164	429,819
Total other financing sources (uses)	<u>(248,294)</u>	<u>-</u>	<u>682,905</u>	<u>59,725</u>	<u>120,664</u>	<u>615,000</u>
Net changes in fund balances	(41,885)	37,689	(33,433)	(281,350)	(253,874)	(572,853)
Fund balances - beginning, as restated (see Note 15)	<u>2,535,900</u>	<u>62,267</u>	<u>379,936</u>	<u>654,798</u>	<u>409,741</u>	<u>4,042,642</u>
Fund balances - ending	<u>\$ 2,494,015</u>	<u>\$ 99,956</u>	<u>\$ 346,503</u>	<u>\$ 373,448</u>	<u>\$ 155,867</u>	<u>\$ 3,469,789</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, 2011**

Net change in fund balances for governmental funds \$ (572,853)

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 capital outlays exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$	1,843,367	
Depreciation and amortization expense		(534,232)	
Transfer of capital assets from Governmental Activities to Business-Type Activities		<u>(1,403,928)</u>	
Net adjustment			(94,793)

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. (20,727)

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. 14,557

Changes in pension assets resulting from the annual required contributions are not financial sources and, therefore, are not reported in the governmental funds. 3,165

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:

Debt issued or incurred:			
Capital leases		(615,000)	
Principal repayments:			
Bonds		150,000	
Obligations under capital lease		<u>175,376</u>	
Net adjustment			(289,624)

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		(46,354)	
Accrued interest		500	
Net OPEB obligation		(200,429)	
Amortization of bond premiums		353	
Landfill closure and postclosure costs		<u>7,600</u>	
			(238,330)

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. 35,850

Change in net assets of governmental activities \$ (1,162,755)

**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, 2011**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 11,072,337	\$ 11,072,337	\$ 10,996,151	\$ (76,186)
Intergovernmental	4,014,100	4,014,100	4,044,515	30,415
Licenses, fees and permits	118,900	118,900	120,289	1,389
Investment income	20,000	20,000	10,110	(9,890)
Other revenues	43,000	43,000	41,043	(1,957)
Total revenues	<u>15,268,337</u>	<u>15,268,337</u>	<u>15,212,108</u>	<u>(56,229)</u>
<b>EXPENDITURES</b>				
Current:				
General government	921,907	947,096	937,328	(9,768)
Public safety	401,184	401,080	398,589	(2,491)
Public works	1,181,640	1,220,947	1,201,006	(19,941)
Education	7,706,296	7,706,296	7,493,574	(212,722)
Regional School District No. 19	4,047,307	4,047,308	4,047,308	-
Miscellaneous	425,500	429,107	417,327	(11,780)
Debt service:				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	97,313	97,313	97,313	-
Capital outlays	10,000	8,000	7,951	(49)
Total expenditures	<u>14,941,147</u>	<u>15,007,147</u>	<u>14,750,396</u>	<u>(256,751)</u>
Excess of revenues over expenditures	327,190	261,190	461,712	200,522
<b>OTHER FINANCING SOURCES (USES)</b>				
Designation of fund balance	200,000	266,000	-	(266,000)
Transfers out	(527,190)	(527,190)	(527,190)	-
Total other financing uses	<u>(327,190)</u>	<u>(261,190)</u>	<u>(527,190)</u>	<u>(266,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(65,478)	<u>\$ (65,478)</u>
Fund balance - beginning			<u>1,779,101</u>	
Fund balance - ending			<u>\$ 1,713,623</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2011**

	<u>Business-Type Activities</u>
	<u>Utility Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 16,662
Accounts receivable	364
Capital assets:	
Depreciable, net	<u>1,358,984</u>
Total assets	<u>1,376,010</u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	1,730
Due to other funds	<u>1,535</u>
Total liabilities	<u>3,265</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,358,984
Unrestricted	<u>13,761</u>
Total net assets	<u>\$ 1,372,745</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, 2011**

	<u><b>Business-Type Activities</b></u>
	<u><b>Utility Fund</b></u>
<b>OPERATING REVENUES</b>	
Charges for service	\$ 20,427
Total operating revenues	<u>20,427</u>
<b>OPERATING EXPENSES</b>	
Monitoring pump station	17,495
Depreciation expense	44,944
Total operating expenses	<u>62,439</u>
Operating loss	(42,012)
<b>NONOPERATING REVENUES</b>	
Interest income	<u>24</u>
Total nonoperating revenue	<u>24</u>
Change in net assets before special item	(41,988)
Special item - transfer of capital assets	<u>1,403,928</u>
Change in net assets	1,361,940
Net assets - beginning	<u>10,805</u>
Net assets - ending	<u><u>\$ 1,372,745</u></u>

*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, 2011**

	<u><b>Business-Type Activities</b></u>
	<u><b>Utility Fund</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 20,253
Payments for operating expenses	<u>(20,253)</u>
Net cash provided by operating activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>24</u>
Net cash provided by investing activities	<u>24</u>
Net increase in cash and cash equivalents	24
Cash and cash equivalents - beginning	<u>16,638</u>
Cash and cash equivalents - ending	<u><u>\$ 16,662</u></u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (42,012)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	44,944
(Increase) decrease in assets:	
Accounts receivable	(174)
Due from other funds	1,891
Increase (decrease) in liabilities:	
Accounts payable	(6,184)
Due to other funds	<u>1,535</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 163,693
Investments:		
Mutual funds	318,920	-
Life insurance - cash surrender value	48,871	-
Certificates of deposit	-	4,912
Contributions receivable	15,000	-
Total assets	<u>382,791</u>	<u>\$ 168,605</u>
<b>LIABILITIES</b>		
Due to others	-	\$ 166,605
Other	-	2,000
Total liabilities	<u>-</u>	<u>\$ 168,605</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes ( <i>see schedule of funding progress on page 52</i> )	<u>\$ 382,791</u>	

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 20,095
Employee	5,776
Total contributions	<u>25,871</u>
Investment earnings:	
Interest and dividends	62,208
Net increase in the fair value of investments	4,408
Total investment earnings	<u>66,616</u>
Total additions	<u>92,487</u>
<b>DEDUCTIONS</b>	
Administrative expenses	5,095
Benefit payments	49,310
Total deductions	<u>54,405</u>
Change in net assets	38,082
Net assets - beginning	<u>344,709</u>
Net assets - ending	<u><u>\$ 382,791</u></u>

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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**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 \$316 in assessments to the Committee for the year ended June 30, 2011.

**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 \$27,574 for services provided by the District for the year ended June 30, 2011.

**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, 2011**

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

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

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

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.

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.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Government-wide, Proprietary and Fiduciary Fund Financial Statements**

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

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.

**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, 2011 consist of money market accounts, Cooperative Liquid Asset Security Systems Funds (CLASS), and State Treasurer's Short-Term Investment Fund (STIF), which totaled \$177,698, \$1,316,874 and \$2,305,426, respectively.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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

**ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)**

**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 Cooperative Liquid Asset Security Systems Funds (CLASS), which is an investment pool managed by Cutwater Asset Management. The balances in the pools are reported at net asset value, which is representative of the pools 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.

**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:

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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

**ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)**

**Unearned/Deferred Revenue**

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

**Compensated Absences**

All Town employees who have achieved five years of continuing service are eligible for the following: 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.



**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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

**ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)**

**Fund Equity**

The government-wide 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 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.

During the year ended June 30, 2011, the Town implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes criteria for classifying fund balances into specifically defined classifications for all governments that report governmental funds. The Town's governmental funds report the following fund balance categories:

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

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

***Committed*** – Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures regulated by the Town Charter that of which is consistent with the Town's budgeting procedures as described in Note 2.

***Assigned*** – Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. The Town Treasurer has been authorized by the Board of Finance to assign Fund Balance as needed to meet the obligations of the Town, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Note 2.

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

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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

**INTERFUND ACTIVITIES**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

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

**Interfund Services Provided and Used**

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

**Interfund Transfers**

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

**Interfund Reimbursements**

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

**USE OF ESTIMATES**

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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**NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY**

**BUDGETARY INFORMATION**

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

- The Board of Finance submits at the annual Town budget meeting, at which taxpayer comments are obtained, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted.
- The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve one additional appropriation up to an aggregate of \$20,000 per department per year. Additional appropriations aggregating more than \$20,000 for any one department per year must be approved at a Town Meeting.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must be approved at a Town Meeting if over \$20,000.
- During the year, the Board of Finance approved additional appropriations from fund balance of \$66,000.
- Management is not authorized to transfer budgeted amounts or to approve additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Generally, all unexpended and unencumbered General Fund appropriations lapse at year-end. Encumbered appropriations in the General Fund are not reappropriated in the ensuing year's budget, but are carried forward.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

**BUDGETARY INFORMATION (Continued)**

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2011:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses - Transfers, Net</u>	<u>Net Change In Fund Balance</u>	<u>Fund Balance</u>
Budgetary basis	\$ 15,212,108	\$ 14,750,396	\$ (527,190)	\$ (65,478)	\$ 1,713,623
"On-behalf" payments -					
State Teachers Retirement					
Fund (see Note 11)	605,292	605,292	-	-	-
Encumbrances outstanding:					
June 30, 2010	-	168,787	-	(168,787)	-
June 30, 2011	-	(210,292)	-	210,292	210,292
Budgetary perspective differences -					
funds combined for GAAP financial					
reporting purposes					
Reserve for Compensated					
Absences	193	583	10,000	9,610	150,551
Willington Public Library	42,141	184,809	115,146	(27,522)	419,549
Capital lease proceeds not					
recorded for budgetary purposes	-	153,750	153,750	-	-
GAAP basis	<u>\$ 15,859,734</u>	<u>\$ 15,653,325</u>	<u>\$ (248,294)</u>	<u>\$ (41,885)</u>	<u>\$ 2,494,015</u>

**DEFICIT FUND EQUITY**

The Capital Projects Fund has a deficit fund balance as of June 30, 2011 of \$66,046, which does not constitute a violation of statutory provisions. The deficit arose due to expenditures related to the water main extension of the Center Elementary School system. This deficit is expected to be funded by future appropriations from the General Fund.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

A reconciliation of the Town's cash deposits as of June 30, 2011 is as follows:

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 4,187,125
Statement of fiduciary net assets - Agency funds:	
Cash and cash equivalents	163,693
Add: certificates of deposit classified as investments	45,719
Less: investments classified as cash equivalents	(3,622,300)
	<u>\$ 774,237</u>

Investments in CLASS and STIF totaling \$3,622,300 are included in cash and cash equivalents in the accompanying statements of net assets. For purposes of disclosure, such amounts are considered investments and are included in the disclosure of investments. Furthermore, investments totaling \$45,719 in certain certificates of deposits are included in investments in the accompanying statement of net assets, but are considered cash deposits for purposes of disclosure.

**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, 2011 the carrying value of the Town's cash deposits totaled \$774,237. As of June 30, 2011, \$47,564 of the Town's bank balance of \$919,300 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 42,808
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	4,756
	<u>\$ 47,564</u>

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

**INVESTMENTS**

A reconciliation of the Town's investments as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Investments	\$	40,807
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Statement of fiduciary net assets:

Pension trust funds		367,791
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Agency funds		4,912
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Less: certificates of deposit classified as investments		(45,719)
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Add: investments classified as cash equivalents		3,622,300
	\$	3,990,091

As of June 30, 2011, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years) Less Than 1
<b>Debt Securities:</b>		
Cooperative Liquid Asset Security System (CLASS)	\$ 2,305,426	\$ 2,305,426
Short-Term Investment Fund (STIF)	1,316,874	1,316,874
	3,622,300	\$ 3,622,300
<b>Other investments:</b>		
Mutual funds	318,920	
Cash surrender value	48,871	
<b>Total</b>	\$ 3,990,091	

Because the STIF and CLASS 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.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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

**INVESTMENTS (*Continued*)**

**Credit Risk**

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

The Town's investments in debt securities were rated as follows at June 30, 2011:

<b>Debt Securities</b>	<b>Fair Value</b>	<b>Standard &amp; Poor's AAA</b>
Cooperative Liquid Asset Security Systems Fund (CLASS)	\$ 2,305,426	\$ 2,305,426
Short Term Investment Fund (STIF)	1,316,874	1,316,874
	<u>\$ 3,622,300</u>	<u>\$ 3,622,300</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 primarily of investments in external investment pools 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 places no limit on the amount of investment in any one issuer. The Town's investments consist primarily of investments in external investment pools 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, 2011**

**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, 2011:

	<b>Unavailable</b>	<b>Unearned</b>
Delinquent property taxes receivable	\$ 123,109	\$ -
Rehabilitation loans	603,816	-
Unearned program revenues	-	5,612
	<u>\$ 726,925</u>	<u>\$ 5,612</u>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 consisted of the following:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,627,246	\$ 836,096	\$ -	\$ 2,463,342
Construction in progress	211,415	290,844	(1,092)	501,167
Total capital assets, not being depreciated	<u>1,838,661</u>	<u>1,126,940</u>	<u>(1,092)</u>	<u>2,964,509</u>
Capital assets, being depreciated:				
Land improvements	403,569	146,110	(3,445)	546,234
Buildings and improvements	13,965,579	40,291	(184,100)	13,821,770
Machinery and equipment	2,095,621	522,937	(135,558)	2,483,000
Infrastructure	25,691,518	-	(1,525,541)	24,165,977
Vehicles	912,661	191,189	(29,283)	1,074,567
Furniture and fixtures	414,416	-	(185)	414,231
Total capital assets, being depreciated	<u>43,483,364</u>	<u>900,527</u>	<u>(1,878,112)</u>	<u>42,505,779</u>
Less accumulated depreciation:				
Land improvements	82,011	20,006	(172)	101,845
Buildings and improvements	8,588,466	172,077	-	8,760,543
Machinery and equipment	1,238,258	171,900	(118,104)	1,292,054
Infrastructure	22,007,240	103,858	(122,705)	21,988,393
Vehicles	578,400	51,373	(29,283)	600,490
Furniture and fixtures	329,883	15,018	(185)	344,716
Total accumulated depreciation	<u>32,824,258</u>	<u>534,232</u>	<u>(270,449)</u>	<u>33,088,041</u>
Total capital assets, being depreciated, net	<u>10,659,106</u>	<u>366,295</u>	<u>(1,607,663)</u>	<u>9,417,738</u>
Governmental activities capital assets, net	<u>\$ 12,497,767</u>	<u>\$ 1,493,235</u>	<u>\$ (1,608,755)</u>	<u>\$ 12,382,247</u>



**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

**NOTE 6 - CAPITAL ASSETS (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital assets, being depreciated:				
Infrastructure	\$ -	\$ 1,526,633	\$ -	\$ 1,526,633
Total capital assets, being depreciated	-	1,526,633	-	1,526,633
Less accumulated depreciation:				
Infrastructure	-	167,649	-	167,649
Total accumulated depreciation	-	167,649	-	167,649
Total capital assets, being depreciated, net	-	1,358,984	-	1,358,984
Business-type activities capital assets, net	\$ -	\$ 1,358,984	\$ -	\$ 1,358,984

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

**Governmental Activities:**

General government	\$ 49,309
Public safety	100,804
Public works	150,121
Culture and recreation	100,051
Education	133,947
Total depreciation and amortization expense - governmental activities	<u>\$ 534,232</u>

**Business-type Activities:**

Utility - water	\$ 44,944
Total depreciation and amortization expense - business-type activities	<u>\$ 44,944</u>

**NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following as of June 30, 2011:

	General Fund	Small Cities Grant Housing Fund	Fire Department Fund	Reserve for Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total
Accounts payable	\$ 201,609	\$ 7,208	\$ 40,820	\$ 641	\$ 66,376	\$ 316,654
Salaries and benefits payable	524,215	-	-	-	2,117	526,332
	<u>\$ 725,824</u>	<u>\$ 7,208</u>	<u>\$ 40,820</u>	<u>\$ 641</u>	<u>\$ 68,493</u>	<u>\$ 842,986</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Fire Department Fund	\$ 3,057
	Reserve for Capital and Nonrecurring Expenditures Fund	87,134
	Nonmajor Governmental Funds	131,392
	Utility Fund	1,535
		<u>\$ 223,118</u>
Fire Department Fund	General Fund	<u>\$ 44,100</u>
Nonmajor Governmental Funds	General Fund	\$ 139,622
	Small Cities Grant Housing Fund	3,996
		<u>\$ 143,618</u>
Total due from/to other funds		<u>\$ 410,836</u>

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

**NOTE 9 - INTERFUND TRANSFERS**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
Fire Department Fund	General Fund	<u>\$ 221,655</u>
Reserve for Capital and Nonrecurring Expenditures Fund	General Fund	<u>\$ 75,000</u>
Nonmajor Governmental Funds	General Fund	\$ 105,389
	Reserve for Capital and Nonrecurring Expenditures Fund	15,275
	Nonmajor Governmental Funds	12,500
		<u>\$ 133,164</u>
Total transfers		<u>\$ 429,819</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.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

**NOTE 10 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2011:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation bonds	\$ 2,550,000	\$ -	\$ (150,000)	\$ 2,400,000	\$ 150,000
Unamortized bond premium	5,827	-	(353)	5,474	-
Other liabilities:					
Capital leases	326,352	615,000	(175,376)	765,976	212,905
Compensated absences	368,723	48,605	(2,251)	415,077	-
Accrued landfill postclosure costs	106,400	-	(7,600)	98,800	7,600
Net OPEB obligation	414,285	200,429	-	614,714	-
	<u>\$ 3,771,587</u>	<u>\$ 864,034</u>	<u>\$ (335,580)</u>	<u>\$ 4,300,041</u>	<u>\$ 370,505</u>

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

**GENERAL OBLIGATION BONDS**

A summary of general obligation bonds outstanding at June 30, 2011 is as follows:

<u>Bond Issue</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>			
2006 General obligation bonds	2027	3.625 - 5.0%	<u>\$ 2,400,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2011:

	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 150,000	\$ 91,500
2013	150,000	85,875
2014	150,000	80,250
2015	150,000	73,688
2016	150,000	67,219
2017- 2021	750,000	252,938
2022- 2026	750,000	105,000
2027	150,000	3,000
	<u>\$ 2,400,000</u>	<u>\$ 759,470</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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**NOTE 10 - LONG-TERM OBLIGATIONS (Continued)**

**GENERAL OBLIGATION BONDS (Continued)**

The Town is contingently liable for its pro-rata share of Regional School District No. 19's outstanding bonds. At June 30, 2011, the District's total outstanding bonds were \$14,387,000. The Town of Willington's share will be approximately 22.89% of the total, or \$3,293,184. Such outstanding indebtedness represents general obligations of the Regional School District No. 19 and its member towns, however, the Town is not required to record its share in the accompanying statement of net assets. Regional School District No. 19 has no authorized, unissued bonds, for which the Town of Willington would be contingently liable.

**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 \$77,274,043 as of June 30, 2011. 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, 2011.

**CAPITAL LEASES**

A summary of assets acquired through capital leases is as follows as of June 30, 2011:

	<b>Governmental Activites</b>
Machinery and equipment	\$ 1,456,250
Vehicles	153,750
	<hr/>
Less: accumulated amortization	861,429
	<hr/>
	<u>\$ 748,571</u>

Amortization expense relative to leased property under capital leases totaled \$161,429 for the year ended June 30, 2011 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, 2011 is as follows:

Year ending June 30:	<b>Governmental Activites</b>
2012	\$ 236,871
2013	165,438
2014	96,715
2015	96,716
2016	96,715
2017 - 2021	145,073
Total minimum lease payments	837,528
Less: amount representing interest	71,552
Present value of minimum lease payments	765,976
Less: current portion	212,905
	<hr/>
	<u>\$ 553,071</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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**NOTE 10 - LONG-TERM OBLIGATIONS (*Continued*)**

**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 \$98,800. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**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 at July 1, 2011, the date of the latest actuarial valuation.

**Funding Policy**

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

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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**NOTE 11 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Additional Information and Actuarial Assumptions**

The required contribution was determined as part of the July 1, 2011 actuarial valuation using the individual aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities. Because these assumptions use a level dollar amortization, inflation rates are assumed to be zero. Assumptions used in the actuarial valuation are as follows:

Valuation date:	July 1, 2011
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%

**Concentrations**

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

ING Fixed Account	\$ 125,601
American Funds Fundamental Investment R3 Fund	96,882
Lord Abbett Fundamental Equity R3 Fund	96,437
Life insurance - cash surrender value	48,871

**Schedule of Funded Status**

The funded status of the Plan as of July 1, 2011 (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, 2011	\$ 382,791	\$ 461,825	\$ 79,034	82.9%	\$ 231,019	34.2%

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.

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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**NOTE 11 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Annual Pension Cost and Net Pension Obligation (Asset)**

Annual required contribution	\$ 21,744
Interest on net pension obligation	(2,093)
Adjustment to annual required contribution	3,055
Annual pension cost	<u>22,706</u>
Contributions made	<u>25,871</u>
Increase in net pension asset	(3,165)
Net pension asset, beginning of the year	(32,195)
Net pension asset, end of the year	<u><u>\$ (35,360)</u></u>

**Schedule of Contributions**

<b>Year Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2006	\$ 15,106	\$ 21,801	144%
2007	15,955	21,948	138%
2008	16,789	17,466	104%
2009	19,511	16,598	85%
2010	20,796	20,356	98%
2011	21,744	25,871	119%

**Three Year Trend Information**

<b>Plan Year Ended June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension (Asset)</b>
2009	\$ 19,765	\$ 16,598	84%	\$ (33,487)
2010	21,648	20,356	94%	(32,195)
2011	22,706	25,871	114%	(35,360)

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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**NOTE 11 - PENSION PLANS (*Continued*)**

**DEFINED BENEFIT PLAN (*Continued*)**

**Plan Financial Statements**

**TOWN OF WILLINGTON, CONNECTICUT**  
**STATEMENT OF PLAN NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

	<b>Pension Trust Fund</b>
<b>ASSETS</b>	
Investments:	
Mutual funds	\$ 318,920
Life insurance - cash surrender value	48,871
Contributions receivable	<u>15,000</u>
Total assets	<u>382,791</u>
 <b>NET ASSETS</b>	
Held in trust for pension benefits and other purposes ( <i>see schedule of funding progress on page 52</i> )	 <u><u>\$ 382,791</u></u>



**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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**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, 2011**

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 20,095
Employee	5,776
Total contributions	<u>25,871</u>
Investment earnings:	
Interest and dividends	62,208
Net increase in the fair value of investments	<u>4,408</u>
Total investment earnings	<u>66,616</u>
Total additions	<u>92,487</u>
<b>DEDUCTIONS</b>	
Administrative expenses	5,095
Benefit payments	49,310
Total deductions	<u>54,405</u>
 Change in net assets	 38,082
 Net assets - beginning	 <u>344,709</u>
 Net assets - ending	 <u><u>\$ 382,791</u></u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)**  
**JUNE 30, 2011**

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**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, 2011, Town teachers contributed \$275,998 to the plan and covered payroll for the year was \$3,806,869.

In accordance with the provisions of GASB Statement No. 24, the Town has reported "on-behalf" payments of \$605,292 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, 2011**

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**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, 2011, 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, 2011:

Active members	34
Retirees and spouses	7
Total	<u>41</u>

OPEB payments for the year ended June 30, 2011, net of retiree and other contributions, amounted to \$16,447.

**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	\$ 187,876
Interest on net OPEB obligation	29,000
Annual OPEB cost	<u>216,876</u>
Contributions made	16,447
Increase in net OPEB obligation	<u>200,429</u>
Net OPEB obligation, beginning of the year	414,285
Net OPEB obligation, end of the year	<u>\$ 614,714</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2011 is as follows:

<b>Plan Year Ended June 30,</b>	<b>Annual OPEB Cost</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
2009	\$ 218,736	6.4%	\$ 204,718
2010	233,066	10.1%	414,285
2011	216,876	7.6%	614,714

**TOWN OF WILLINGTON, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2011 (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)
June 30, 2011	\$ -	\$ 3,760,453	\$ 3,760,453	0.0%	Not applicable	Not applicable

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:	June 30, 2011
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, 2011**

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**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, 2011, 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 no longer a member of MIRMA's Workers' Compensation Pool, a risk sharing pool. 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, 2011, the MIRMA assessment has been recalculated. The actual amount to be paid by the Town has been revised to \$99,527, of which \$66,309 has been paid. The Town has accrued a liability for the entire remaining amount owed to MIRMA as of June 30, 2011.

**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 - ADJUSTMENTS**

In February 2009, the Governmental Accounting Standards Board ("GASB") issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("Statement No. 54"). Statement No. 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds and clarified the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. The application of Statement No. 54 was effective for the Town as of July 1, 2010. Based on the interpretations of certain terms within the definition of the special revenue fund type provided for in Statement No. 54, the Town has determined that certain activities previously reported in special revenue funds are required to be reported in the General Fund. Accordingly, fund balance reclassifications made by the Town have been applied by adjusting the beginning fund balance of the General Fund and other governmental funds as of July 1, 2010 in order to conform with the provisions of Statement No. 54.

# **Required Supplementary Information**

**TOWN OF WILLINGTON, CONNECTICUT**  
**SCHEDULES OF FUNDING PROGRESS**  
**JUNE 30, 2011**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age Normal (B) *</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
<b>Employees' Pension Plan</b>						
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%
July 1, 2011	382,790	461,825	79,035	82.9%	231,019	34.2%

\* The Accrued Actuarial Liability has been presented using the Entry Age Normal Method beginning with the July 1, 2011 actuarial valuation. Prior to July 1, 2010, the Accrued Actuarial Liability was calculated using the Aggregate Actuarial Cost Method.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age Cost (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
<b>Other Post-Employment Benefit Plan</b>						
June 30, 2011	\$ -	\$ 3,760,453	\$ 3,760,453	0.0%	Not applicable	Not applicable

# **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, 2011**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget Over (Under)</b>
<b>PROPERTY TAXES</b>				
Taxes	\$ 11,042,337	\$ 11,042,337	\$ 10,941,567	\$ (100,770)
Interest and lien fees	30,000	30,000	54,584	24,584
Total property taxes	<u>11,072,337</u>	<u>11,072,337</u>	<u>10,996,151</u>	<u>(76,186)</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
Education:				
Education cost sharing	3,676,637	3,676,637	3,678,893	2,256
Transportation	79,266	79,266	52,430	(26,836)
Miscellaneous	-	-	38,215	38,215
Noneducation:				
State property reimbursement	47,517	47,517	47,790	273
Elderly and disabled property tax homeowner	16,000	16,000	17,717	1,717
Disability reimbursement	650	650	591	(59)
Manufacturers pilot	27,500	27,500	15,891	(11,609)
Pequot funds	25,465	25,465	26,088	623
Additional veteran's exemption	976	976	1,073	97
Taxes on vessels (boat grant)	-	-	373	373
Judicial fines	6,000	6,000	10,360	4,360
FEMA planning grant	3,500	3,500	3,000	(500)
FEMA Storm Benedict	-	-	22,369	22,369
Town aid roads	130,589	130,589	129,725	(864)
Total intergovernmental revenues	<u>4,014,100</u>	<u>4,014,100</u>	<u>4,044,515</u>	<u>30,415</u>
<b>LICENSES, FEES AND PERMITS</b>				
Building, zoning fees and permits	48,500	48,500	51,981	3,481
Zoning board of appeals	650	650	1,588	938
Inland/wetland fees	5,000	5,000	5,794	794
Conveyance tax	30,000	30,000	23,231	(6,769)
Permits - bingo, pistol, etc.	1,750	1,750	2,630	880
Town clerk fees	28,000	28,000	29,662	1,662
Transfer station fees	5,000	5,000	5,020	20
Reimbursement - recycling	-	-	383	383
Total licenses, fees and permits	<u>118,900</u>	<u>118,900</u>	<u>120,289</u>	<u>1,389</u>
<b>INVESTMENT EARNINGS</b>	<u>20,000</u>	<u>20,000</u>	<u>10,110</u>	<u>(9,890)</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, 2011**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
MISCELLANEOUS				
Telecommunications grant	\$ 18,000	\$ 18,000	\$ 15,441	\$ (2,559)
Other	25,000	25,000	25,602	602
Total miscellaneous	<u>43,000</u>	<u>43,000</u>	<u>41,043</u>	<u>(1,957)</u>
 Total revenues	 <u>15,268,337</u>	 <u>15,268,337</u>	 <u>15,212,108</u>	 <u>(56,229)</u>
OTHER FINANCING SOURCES				
Designation of fund balance	200,000	266,000	-	(266,000)
Total other financing sources	<u>200,000</u>	<u>266,000</u>	<u>-</u>	<u>(266,000)</u>
 Total revenues and other financing sources	 <u><u>\$ 15,468,337</u></u>	 <u><u>\$ 15,534,337</u></u>	 <u><u>\$ 15,212,108</u></u>	 <u><u>\$ (322,229)</u></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, 2011**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Selectmen	\$ 100,954	\$ 100,954	\$ 100,409	\$ (545)
Probate court	5,371	5,498	5,498	-
Elections/registrars	22,600	22,600	22,507	(93)
Accounting services	185,357	185,357	184,950	(407)
Board of finance	3,713	3,713	3,315	(398)
Town treasurer	28,421	28,421	28,371	(50)
Auditor	31,000	34,000	34,000	-
Assessor	82,202	80,202	79,270	(932)
Board of assessment appeals	1,273	1,273	1,273	(0)
Revenue collector	76,825	74,825	74,408	(417)
Legal counsel	36,500	45,905	45,905	-
Town clerk	94,817	94,817	94,338	(479)
Conservation commission	2,000	2,000	699	(1,301)
Planning and zoning	115,160	115,160	115,053	(107)
Zoning board of appeals	4,200	4,200	4,200	-
Economic development commission	1,000	1,000	285	(715)
Inland/wetlands commission	2,950	2,950	1,253	(1,697)
Town office operations	80,770	82,627	82,626	(1)
Town hall operations	6,112	6,112	5,264	(848)
Senior Center operations	21,932	21,932	20,156	(1,776)
Consulting engineers	18,750	33,550	33,548	(2)
Total general government	921,907	947,096	937,328	(9,768)
<b>PUBLIC SAFETY</b>				
Ambulance grant	283,900	284,596	284,596	-
Fire marshal	22,823	22,823	22,823	-
Fire protection	28,747	28,747	28,300	(447)
Public safety & welfare	27,574	27,574	27,574	-
Emergency management director	7,000	7,000	6,526	(474)
Fire main and hydrant	5,800	6,000	5,956	(44)
Building official	25,340	24,340	22,814	(1,526)
Total public safety	401,184	401,080	398,589	(2,491)
<b>PUBLIC WORKS</b>				
Public works department	903,098	969,098	960,182	(8,916)
Cemetery	2,000	2,000	2,000	-
Transfer station	276,542	249,849	238,824	(11,025)
Total public works	1,181,640	1,220,947	1,201,006	(19,941)

**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, 2011**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget Over (Under)</b>
<b>EDUCATION</b>				
Elementary education	\$ 2,766,791	\$ 2,763,413	\$ 2,741,986	\$ (21,427)
Special education	1,523,162	1,520,132	1,437,018	(83,114)
Summer school	7,627	7,627	7,754	127
Fringe benefits	888,701	824,919	815,123	(9,796)
Pupil services	363,340	361,451	354,388	(7,063)
Staff and program development	122,187	113,572	100,209	(13,363)
Educational media	101,869	110,806	109,752	(1,054)
Board of Education	474,678	516,983	505,483	(11,500)
Principal's office	428,194	427,741	422,794	(4,947)
Plant operations	533,728	564,930	546,206	(18,724)
Transportation	496,019	494,722	452,861	(41,861)
Total education	<u>7,706,296</u>	<u>7,706,296</u>	<u>7,493,574</u>	<u>(212,722)</u>
<b>REGIONAL SCHOOL DISTRICT NO. 19</b>	<u>4,047,307</u>	<u>4,047,308</u>	<u>4,047,308</u>	<u>-</u>
<b>MISCELLANEOUS</b>				
Social security	76,500	76,500	73,418	(3,082)
Unemployment	500	1,153	1,085	(68)
Employee health insurance	207,000	218,500	216,418	(2,082)
Pension fund	45,700	47,350	47,350	-
Insurance	88,300	78,104	77,606	(498)
Contingency fund	5,000	5,000	-	(5,000)
Miscellaneous	2,500	2,500	1,450	(1,050)
Total miscellaneous	<u>425,500</u>	<u>429,107</u>	<u>417,327</u>	<u>(11,780)</u>
<b>DEBT SERVICE</b>				
Principal payments	150,000	150,000	150,000	-
Interest and fiscal charges	<u>97,313</u>	<u>97,313</u>	<u>97,313</u>	<u>-</u>
Total debt service	<u>247,313</u>	<u>247,313</u>	<u>247,313</u>	<u>-</u>
<b>CAPITAL OUTLAYS</b>	<u>10,000</u>	<u>8,000</u>	<u>7,951</u>	<u>(49)</u>
Total expenditures	<u>14,941,147</u>	<u>15,007,147</u>	<u>14,750,396</u>	<u>(256,751)</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, 2011**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
OTHER FINANCING USES				
Transfers out:				
Reserve for compensated absences	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Dog Fund	18,030	18,030	18,030	-
Fire Department Fund	221,655	221,655	221,655	-
Mary D. Edwards Public Library	115,146	115,146	115,146	-
Recreation Commission Fund	42,471	42,471	42,471	-
Willington Youth, Family and Social Services Fund	44,888	44,888	44,888	-
Reserve for capital and nonrecurring	75,000	75,000	75,000	-
Total other financing uses	<u>527,190</u>	<u>527,190</u>	<u>527,190</u>	<u>-</u>
 Total expenditures and other financing uses	 <u>\$ 15,468,337</u>	 <u>\$ 15,534,337</u>	 <u>\$ 15,277,586</u>	 <u>\$ (256,751)</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Grand List Year	Uncollected Taxes July 1, 2010	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2011
			Additions	Deletions			Taxes	Interest	Liens	
2009	\$ -	\$ 11,101,296	\$ 5,600	\$ 63,910	\$ 7,889	11,035,097	\$ 10,919,642	\$ 40,047	\$ 5,222	\$ 115,455
2008	73,476	-	2,519	33,589	262	42,144	36,145	11,568	949	5,999
2007	9,400	-	1,967	274	-	11,093	3,719	1,311	441	7,374
2006	6,338	-	695	-	-	7,033	1,133	589	53	5,900
2005	5,885	-	133	-	-	6,018	133	54	5	5,885
2004	5,872	-	-	-	-	5,872	-	-	-	5,872
2003	4,658	-	-	-	-	4,658	-	-	-	4,658
2002	2,141	-	-	-	-	2,141	-	-	-	2,141
2001	-	-	73	-	-	73	73	105	28	-
2000	-	-	-	-	-	-	-	-	-	-
1999	-	-	67	-	-	67	67	148	-	-
	<u>\$ 107,770</u>	<u>\$ 11,101,296</u>	<u>\$ 11,054</u>	<u>\$ 97,773</u>	<u>\$ 8,151</u>	<u>\$ 11,114,196</u>	<u>\$ 10,960,912</u>	<u>\$ 53,822</u>	<u>\$ 6,698</u>	<u>\$ 153,284</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Total cash collections for the year ended

June 30, 2011:

Taxes	\$ 10,960,912
Interest and lien fees	60,520
	<u>11,021,432</u>

Reimbursement for revenue loss:

Tax relief for elderly freeze (CGS 12-129d)	17,717
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Base	<u>\$ 11,039,149</u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 24,838,085	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	49,676,171	-	-	-
3-3/4 times base	-	-	41,396,809	-	-
3-1/4 times base	-	-	-	35,877,234	-
3 times base	-	-	-	-	33,117,447
	<u>24,838,085</u>	<u>49,676,171</u>	<u>41,396,809</u>	<u>35,877,234</u>	<u>33,117,447</u>
Total debt limitation					
	<u>24,838,085</u>	<u>49,676,171</u>	<u>41,396,809</u>	<u>35,877,234</u>	<u>33,117,447</u>
Indebtedness:					
Bonds payable	2,400,000	-	-	-	-
Regional School District No. 19	-	3,293,184	-	-	-
	<u>2,400,000</u>	<u>3,293,184</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: amounts to be provided by the state	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>2,400,000</u>	<u>3,293,184</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 22,438,085</u>	<u>\$ 46,382,986</u>	<u>\$ 41,396,809</u>	<u>\$ 35,877,234</u>	<u>\$ 33,117,447</u>
Total capacity of borrowing (7 times base)	\$ 77,274,043				
Total present indebtedness	<u>5,693,184</u>				
Margin for additional borrowing	<u>\$ 71,580,859</u>				



# *Combining Statements*

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## NONMAJOR GOVERNMENTAL FUNDS

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### 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.

**Dog Fund** - To account for the revenues and expenditures of animal control operations.

**Parks and Recreation 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.

**Fuel Bank Fund** - To account for donations and disbursements of funds for fuel emergencies.

**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.

**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.

**Michalec Road Fund** - To account for the funds available from the developer for future maintenance of this road.

**TOWN OF WILLINGTON, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2011**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 103,851	\$ 89,427	\$ 193,278
Receivables:			
Grants and contracts receivable	14,144	-	14,144
Accounts receivable	2,325	-	2,325
Due from other funds	139,622	3,996	143,618
Inventories	2,387	-	2,387
Total assets	<u>\$ 262,329</u>	<u>\$ 93,423</u>	<u>\$ 355,752</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 33,479	\$ 35,014	\$ 68,493
Due to other funds	48,931	82,461	131,392
Total liabilities	<u>82,410</u>	<u>117,475</u>	<u>199,885</u>
Fund Balances:			
Nonspendable:			
Inventories	2,387	-	2,387
Committed:			
General government	3,624	-	3,624
Public safety	5,123	-	5,123
Culture and recreation	66,657	-	66,657
Public works	4,933	-	4,933
Education	97,195	-	97,195
Capital projects funds	-	41,994	41,994
Unassigned:	-	(66,046)	(66,046)
Total fund balances	<u>179,919</u>	<u>(24,052)</u>	<u>155,867</u>
Total liabilities and fund balance	<u>\$ 262,329</u>	<u>\$ 93,423</u>	<u>\$ 355,752</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Intergovernmental	\$ 446,865	\$ 458,925	\$ 905,790
Licenses, fees and permits	64,278	-	64,278
Food sales	123,771	-	123,771
Investment earnings	47	692	739
Miscellaneous	21,560	22,724	44,284
Total revenues	<u>656,521</u>	<u>482,341</u>	<u>1,138,862</u>
<b>EXPENDITURES</b>			
Current:			
General government	12,999	-	12,999
Public safety	25,341	-	25,341
Public works	7,668	-	7,668
Culture and recreation	169,165	306,724	475,889
Education	531,529	-	531,529
Capital outlays	-	459,974	459,974
Total expenditures	<u>746,702</u>	<u>766,698</u>	<u>1,513,400</u>
Deficiency of revenues over expenditures	(90,181)	(284,357)	(374,538)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(12,500)	(12,500)
Transfers in	117,889	15,275	133,164
Total other financing sources (uses)	<u>117,889</u>	<u>2,775</u>	<u>120,664</u>
Net changes in fund balances	27,708	(281,582)	(253,874)
Fund balances - beginning, as restated (see Note 15)	<u>152,211</u>	<u>257,530</u>	<u>409,741</u>
Fund balances - ending	<u><u>\$ 179,919</u></u>	<u><u>\$ (24,052)</u></u>	<u><u>\$ 155,867</u></u>

**TOWN OF WILLINGTON, CONNECTICUT  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011**

	<b>Preservation Management Fund</b>	<b>Dog Fund</b>	<b>Parks and Recreation Fund</b>	<b>Willington Youth, Family and Social Services Fund</b>	<b>Fuel Bank Fund</b>	<b>State and Federal Grants Fund</b>	<b>School Lunch Fund</b>	<b>Education Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 3,624	\$ -	\$ -	\$ 15,023	\$ 4,219	\$ -	\$ 80,985	\$ -	\$ 103,851
Receivables:									
Grants and contracts receivable	-	-	-	-	-	5,905	8,239	-	14,144
Accounts receivable	-	-	-	-	-	-	983	1,342	2,325
Due from other funds	-	9,070	28,143	37,432	714	6,608	-	57,655	139,622
Inventories	-	-	-	-	-	-	2,387	-	2,387
Total assets	<u>\$ 3,624</u>	<u>\$ 9,070</u>	<u>\$ 28,143</u>	<u>\$ 52,455</u>	<u>\$ 4,933</u>	<u>\$ 12,513</u>	<u>\$ 92,594</u>	<u>\$ 58,997</u>	<u>\$ 262,329</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ 3,947	\$ 12,880	\$ 1,061	\$ -	\$ 8,281	\$ 7,310	\$ -	\$ 33,479
Due to other funds	-	-	-	-	-	4,232	44,699	-	48,931
Total liabilities	<u>-</u>	<u>3,947</u>	<u>12,880</u>	<u>1,061</u>	<u>-</u>	<u>12,513</u>	<u>52,009</u>	<u>-</u>	<u>82,410</u>
Fund Balances:									
Nonspendable:									
Inventories	-	-	-	-	-	-	2,387	-	2,387
Committed:									
General government	3,624	-	-	-	-	-	-	-	3,624
Public safety	-	5,123	-	-	-	-	-	-	5,123
Culture and recreation	-	-	15,263	51,394	-	-	-	-	66,657
Public works	-	-	-	-	4,933	-	-	-	4,933
Education	-	-	-	-	-	-	38,198	58,997	97,195
Total fund balances	<u>3,624</u>	<u>5,123</u>	<u>15,263</u>	<u>51,394</u>	<u>4,933</u>	<u>-</u>	<u>40,585</u>	<u>58,997</u>	<u>179,919</u>
Total liabilities and fund balances	<u>\$ 3,624</u>	<u>\$ 9,070</u>	<u>\$ 28,143</u>	<u>\$ 52,455</u>	<u>\$ 4,933</u>	<u>\$ 12,513</u>	<u>\$ 92,594</u>	<u>\$ 58,997</u>	<u>\$ 262,329</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Preservation Management Fund	Dog Fund	Parks and Recreation Fund	Willington Youth, Family and Social Services Fund	Fuel Bank Fund	State and Federal Grants Fund	School Lunch Fund	Education Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>									
Intergovernmental	\$ 3,000	\$ -	\$ -	\$ 19,585	\$ -	\$ 353,574	\$ 66,267	\$ 4,439	\$ 446,865
Licenses, fees and permits	1,792	6,505	53,241	2,740	-	-	-	-	64,278
Food sales	-	-	-	-	-	-	123,771	-	123,771
Investment earnings	7	-	-	34	6	-	-	-	47
Miscellaneous	-	34	1,089	6,845	11,092	2,500	-	-	21,560
Total revenues	<u>4,799</u>	<u>6,539</u>	<u>54,330</u>	<u>29,204</u>	<u>11,098</u>	<u>356,074</u>	<u>190,038</u>	<u>4,439</u>	<u>656,521</u>
<b>EXPENDITURES</b>									
Current:									
General government	12,999	-	-	-	-	-	-	-	12,999
Public safety	-	25,341	-	-	-	-	-	-	25,341
Public works	-	-	-	-	7,668	-	-	-	7,668
Culture and recreation	-	-	106,117	63,048	-	-	-	-	169,165
Education	-	-	-	-	-	356,074	175,455	-	531,529
Total expenditures	<u>12,999</u>	<u>25,341</u>	<u>106,117</u>	<u>63,048</u>	<u>7,668</u>	<u>356,074</u>	<u>175,455</u>	<u>-</u>	<u>746,702</u>
Excess (deficiency) of revenues over expenditures	(8,200)	(18,802)	(51,787)	(33,844)	3,430	-	14,583	4,439	(90,181)
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	18,030	54,971	44,888	-	-	-	-	117,889
Total other financing sources	<u>-</u>	<u>18,030</u>	<u>54,971</u>	<u>44,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,889</u>
Net changes in fund balances	(8,200)	(772)	3,184	11,044	3,430	-	14,583	4,439	27,708
Fund balances - beginning, as restated (see Note 15)	<u>11,824</u>	<u>5,895</u>	<u>12,079</u>	<u>40,350</u>	<u>1,503</u>	<u>-</u>	<u>26,002</u>	<u>54,558</u>	<u>152,211</u>
Fund balances - ending	<u>\$ 3,624</u>	<u>\$ 5,123</u>	<u>\$ 15,263</u>	<u>\$ 51,394</u>	<u>\$ 4,933</u>	<u>\$ -</u>	<u>\$ 40,585</u>	<u>\$ 58,997</u>	<u>\$ 179,919</u>

**TOWN OF WILLINGTON, CONNECTICUT  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2011**

	<b>Park and Recreation Capital and Nonrecurring Expenditures Fund</b>	<b>Capital Projects Fund</b>	<b>Open Space Fund</b>	<b>Michalec Road Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,887	\$ 47,433	\$ 16,956	\$ 12,151	\$ 89,427
Due from other funds	-	3,996	-	-	3,996
Total assets	<u>\$ 12,887</u>	<u>\$ 51,429</u>	<u>\$ 16,956</u>	<u>\$ 12,151</u>	<u>\$ 93,423</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 35,014	\$ -	\$ -	\$ 35,014
Due to other funds	-	82,461	-	-	82,461
Total liabilities	<u>-</u>	<u>117,475</u>	<u>-</u>	<u>-</u>	<u>117,475</u>
Fund Balances (Deficit):					
Committed:					
Capital projects fund	12,887	-	16,956	12,151	41,994
Unassigned:	-	(66,046)	-	-	(66,046)
Total fund balances (deficit)	<u>12,887</u>	<u>(66,046)</u>	<u>16,956</u>	<u>12,151</u>	<u>(24,052)</u>
Total liabilities and fund balance (deficit)	<u>\$ 12,887</u>	<u>\$ 51,429</u>	<u>\$ 16,956</u>	<u>\$ 12,151</u>	<u>\$ 93,423</u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Park and Recreation Capital and Nonrecurring Expenditures Fund</b>	<b>Capital Projects Fund</b>	<b>Open Space Fund</b>	<b>Michalec Road Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 152,675	\$ 306,250	\$ -	\$ 458,925
Investment earnings	44	87	544	17	692
Miscellaneous	110	7,584	15,030	-	22,724
Total revenues	<u>154</u>	<u>160,346</u>	<u>321,824</u>	<u>17</u>	<u>482,341</u>
<b>EXPENDITURES</b>					
Current:					
Culture and recreation	-	183	306,541	-	306,724
Capital outlays	-	459,974	-	-	459,974
Total expenditures	<u>-</u>	<u>460,157</u>	<u>306,541</u>	<u>-</u>	<u>766,698</u>
Excess (deficiency) of revenues over expenditures	154	(299,811)	15,283	17	(284,357)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(12,500)	-	-	-	(12,500)
Transfers in	-	15,275	-	-	15,275
Total other financing sources (uses)	<u>(12,500)</u>	<u>15,275</u>	<u>-</u>	<u>-</u>	<u>2,775</u>
Net changes in fund balances	(12,346)	(284,536)	15,283	17	(281,582)
Fund balances - beginning, as restated (see Note 15)	<u>25,233</u>	<u>218,490</u>	<u>1,673</u>	<u>12,134</u>	<u>257,530</u>
Fund balances - ending	<u>\$ 12,887</u>	<u>\$ (66,046)</u>	<u>\$ 16,956</u>	<u>\$ 12,151</u>	<u>\$ (24,052)</u>



# *Fiduciary Funds*

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## **AGENCY FUNDS**

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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 from donations 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, 2011**

	<b>Center School Activity Fund</b>	<b>Hall Memorial School Activity Fund</b>	<b>Performance Bond Fund</b>	<b>Flex Benefit Fund</b>	<b>Tax Sale Proceeds Fund</b>	<b>Scholarship Fund</b>	<b>Willington Day Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 19,681	\$ 19,321	\$ 103,299	\$ 5,473	\$ 7,560	\$ 6,370	\$ 1,989	\$ 163,693
Investments	-	-	-	-	-	4,912	-	4,912
Total assets	<u>\$ 19,681</u>	<u>\$ 19,321</u>	<u>\$ 103,299</u>	<u>\$ 5,473</u>	<u>\$ 7,560</u>	<u>\$ 11,282</u>	<u>\$ 1,989</u>	<u>\$ 168,605</u>
<b>LIABILITIES</b>								
Due to others	\$ 19,681	\$ 19,321	\$ 103,299	\$ 3,473	\$ 7,560	\$ 11,282	\$ 1,989	\$ 166,605
Other	-	-	-	2,000	-	-	-	2,000
Total liabilities	<u>\$ 19,681</u>	<u>\$ 19,321</u>	<u>\$ 103,299</u>	<u>\$ 5,473</u>	<u>\$ 7,560</u>	<u>\$ 11,282</u>	<u>\$ 1,989</u>	<u>\$ 168,605</u>

**TOWN OF WILLINGTON, CONNECTICUT  
COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUNDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
<b>Center School Activity Fund</b>				
Assets				
Cash and cash equivalents	\$ 11,580	\$ 23,600	\$ 15,499	\$ 19,681
Total assets	<u>\$ 11,580</u>	<u>\$ 23,600</u>	<u>\$ 15,499</u>	<u>\$ 19,681</u>
Liabilities				
Due to others	\$ 11,580	\$ 23,600	\$ 15,499	\$ 19,681
Total liabilities	<u>\$ 11,580</u>	<u>\$ 23,600</u>	<u>\$ 15,499</u>	<u>\$ 19,681</u>
<b>Hall Memorial School Activity Fund</b>				
Assets				
Cash and cash equivalents	\$ 27,216	\$ 38,816	\$ 46,711	\$ 19,321
Total assets	<u>\$ 27,216</u>	<u>\$ 38,816</u>	<u>\$ 46,711</u>	<u>\$ 19,321</u>
Liabilities				
Due to others	\$ 27,216	\$ 38,816	\$ 46,711	\$ 19,321
Total liabilities	<u>\$ 27,216</u>	<u>\$ 38,816</u>	<u>\$ 46,711</u>	<u>\$ 19,321</u>
<b>Performance Bond Fund</b>				
Assets				
Cash and cash equivalents	\$ 99,172	\$ 22,926	\$ 18,799	\$ 103,299
Total assets	<u>\$ 99,172</u>	<u>\$ 22,926</u>	<u>\$ 18,799</u>	<u>\$ 103,299</u>
Liabilities				
Due to others	\$ 99,172	\$ 22,926	\$ 18,799	\$ 103,299
Total liabilities	<u>\$ 99,172</u>	<u>\$ 22,926</u>	<u>\$ 18,799</u>	<u>\$ 103,299</u>
<b>Flex Benefit Fund</b>				
Assets				
Cash and cash equivalents	\$ 5,739	\$ 9,563	\$ 9,829	\$ 5,473
Total assets	<u>\$ 5,739</u>	<u>\$ 9,563</u>	<u>\$ 9,829</u>	<u>\$ 5,473</u>
Liabilities				
Due to others	\$ 3,762	\$ 9,540	\$ 9,829	\$ 3,473
Other	1,977	23	-	2,000
Total liabilities	<u>\$ 5,739</u>	<u>\$ 9,563</u>	<u>\$ 9,829</u>	<u>\$ 5,473</u>
<b>Tax Sale Proceeds Fund</b>				
Assets				
Cash and cash equivalents	\$ 7,539	\$ 21	\$ -	\$ 7,560
Total assets	<u>\$ 7,539</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 7,560</u>
Liabilities				
Due to others	\$ 7,539	\$ 21	\$ -	\$ 7,560
Total liabilities	<u>\$ 7,539</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 7,560</u>

**TOWN OF WILLINGTON, CONNECTICUT  
COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUNDS (Concluded )  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
<b>Scholarship Fund</b>				
Assets				
Cash and cash equivalents	\$ 6,265	\$ 105	\$ -	\$ 6,370
Investments	4,862	50	-	4,912
Total assets	<u>\$ 11,127</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 11,282</u>
Liabilities				
Due to others	\$ 11,127	\$ 155	\$ -	\$ 11,282
Total liabilities	<u>\$ 11,127</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 11,282</u>
 <b>Willington Day Fund</b>				
Assets				
Cash and cash equivalents	\$ 1,215	\$ 1,210	\$ 436	\$ 1,989
Total assets	<u>\$ 1,215</u>	<u>\$ 1,210</u>	<u>\$ 436</u>	<u>\$ 1,989</u>
Liabilities				
Due to others	\$ 1,215	\$ 1,210	\$ 436	\$ 1,989
Total liabilities	<u>\$ 1,215</u>	<u>\$ 1,210</u>	<u>\$ 436</u>	<u>\$ 1,989</u>
 <b>Total Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 158,726	\$ 96,241	\$ 91,274	\$ 163,693
Investments	4,862	50	-	4,912
Total assets	<u>\$ 163,588</u>	<u>\$ 96,291</u>	<u>\$ 91,274</u>	<u>\$ 168,605</u>
Liabilities				
Due to others	\$ 161,611	\$ 96,268	\$ 91,274	\$ 166,605
Other	1,977	23	-	2,000
Total liabilities	<u>\$ 163,588</u>	<u>\$ 96,291</u>	<u>\$ 91,274</u>	<u>\$ 168,605</u>

*Capital Assets  
Used in the  
Operation of  
Governmental  
Funds*

**TOWN OF WILLINGTON, CONNECTICUT**  
**SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS**  
**BY SOURCE**  
**JUNE 30, 2011**

Governmental funds capital assets:

Land and improvements	\$ 3,009,576
Construction in progress	501,167
Buildings and improvements	13,821,770
Machinery and equipment	2,483,000
Infrastructure	24,165,977
Vehicles	1,074,567
Furniture and fixtures	414,231
Total governmental funds capital assets	<u><u>\$ 45,470,288</u></u>

Investments in governmental funds capital assets by source:

Assets put into service prior to July 1, 2003	\$ 34,794,486
Assets put into service subsequent to July 1, 2003:	
General Fund Appropriations:	
General government	2,346,294
Board of education	953,884
Public safety	2,184,539
Public works	(1,164,426)
Culture and recreation	3,413,758
Contributed capital	264,725
Intergovernmental grants and contracts	2,433,640
Transfer of program income from Small Cities Grant	
Housing Fund	243,388
Total governmental funds capital assets	<u><u>\$ 45,470,288</u></u>

**TOWN OF WILLINGTON, CONNECTICUT**  
**SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**JUNE 30, 2011**

	<b>Land and Improvements</b>	<b>Buildings and Improvements</b>	<b>Construction in Progress</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Vehicles</b>	<b>Furniture and Fixtures</b>	<b>Total</b>
General government:								
Selectmen	\$ -	\$ -	\$ -	\$ 1,825	\$ -	\$ -	\$ 3,930	\$ 5,755
Election/registrars	-	-	-	19,356	-	-	3,905	23,261
Accounting services	-	-	-	23,073	-	-	29,105	52,178
Assessor	-	-	-	6,407	-	-	8,240	14,647
Revenue collector	-	-	-	5,978	-	-	1,225	7,203
Town clerk	-	7,100	-	10,779	-	-	24,225	42,104
Planning and zoning	-	-	-	15,079	-	-	22,760	37,839
Town office operations	-	9,073	-	25,474	-	-	17,520	52,067
Town Hall operations	-	16,660	-	-	-	-	175	16,835
Unclassified	2,202,687	2,160,329	-	17,627	-	-	-	4,380,643
Total general government	2,202,687	2,193,162	-	125,598	-	-	111,085	4,632,532
Public safety	-	135,625	-	1,087,261	-	316,416	-	1,539,302
Public works	-	466,696	501,167	270,166	24,165,977	748,151	3,850	26,156,007
Culture and recreation	562,546	3,260,818	-	52,407	-	10,000	107,966	3,993,737
Board of education	244,343	7,765,469	-	947,568	-	-	191,330	9,148,710
Total governmental fund capital assets	<u>\$ 3,009,576</u>	<u>\$ 13,821,770</u>	<u>\$ 501,167</u>	<u>\$ 2,483,000</u>	<u>\$ 24,165,977</u>	<u>\$ 1,074,567</u>	<u>\$ 414,231</u>	<u>\$ 45,470,288</u>



**TOWN OF WILLINGTON**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL FUND CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Balance July 1, 2010</b>	<b>Transfers</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2011</b>
General government:					
Selectmen	\$ 5,520	\$ 235	\$ -	\$ -	\$ 5,755
Election/registrars	23,261	-	-	-	23,261
Accounting services	49,727	-	2,451	-	52,178
Assessor	14,882	(235)	-	-	14,647
Revenue collector	6,305	898	854	854	7,203
Town clerk	35,004	-	7,100	-	42,104
Planning and zoning	40,317	(898)	-	1,580	37,839
Town office operations	52,067	-	-	-	52,067
Town Hall operations	16,835	-	-	-	16,835
Unclassified	3,744,959	-	635,684	-	4,380,643
Total general government	3,988,877	-	646,089	2,434	4,632,532
Public safety	1,076,143	-	463,159		1,539,302
Public works:					
Public works department	27,214,007	(1,526,633)	494,266	29,468	26,152,172
Transfer station	3,835	-	-	-	3,835
Total public works	27,217,842	(1,526,633)	494,266	29,468	26,156,007
Culture and recreation	3,832,634	-	164,548	3,445	3,993,737
Board of education	9,206,529	-	75,305	133,124	9,148,710
Total governmental fund capital assets allocated by function and activity	<u>\$ 45,322,025</u>	<u>\$ (1,526,633)</u>	<u>\$ 1,843,367</u>	<u>\$ 168,471</u>	<u>\$ 45,470,288</u>

# **STATISTICAL SECTION**

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## STATISTICAL SECTION

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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.

<b>CONTENTS</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	72
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.	78
<b>Debt Capacity</b>	
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.	81
<b>Demographic and Economic Information</b>	
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.	83
<b>Operating Information</b>	
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.	85

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

Table 1

## TOWN OF WILLINGTON, CONNECTICUT

## NET ASSETS BY COMPONENT

## LAST NINE FISCAL YEARS

*(Accrual Basis of Accounting - Unaudited)*

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 9,210,797
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	3,136,048
Total governmental activities net assets	6,146,745	8,051,480	9,214,590	10,472,269	12,721,649	14,070,485	13,570,488	13,509,600	12,346,845

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

Table 2 (Continued)

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

(Accrual Basis of Accounting - Unaudited)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
General government	\$ 955,590	\$ 899,884	\$ 819,523	\$ 962,560	\$ 941,163	\$ 1,023,653	\$ 1,057,511	\$ 1,148,876	\$ 1,286,720
Public Safety	583,683	585,760	599,944	619,175	664,389	693,424	791,602	804,561	835,768
Public works	884,219	817,018	978,144	1,140,811	1,851,496	1,603,545	1,966,935	1,185,785	1,272,702
Culture and recreation	208,645	303,097	248,078	243,115	533,467	402,768	466,019	423,964	748,023
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	8,858,705
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	4,047,308
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	105,003
Total governmental activities expenses	12,779,642	13,016,741	13,650,046	14,456,106	16,022,648	18,330,167	17,042,629	17,024,532	17,154,229
Business-type activities:									
Utility	-	-	-	-	-	15,981	20,497	19,487	62,439
Total business-type activities expenses	-	-	-	-	-	15,981	20,497	19,487	62,439
Total primary government expenses	\$ 12,779,642	\$ 13,016,741	\$ 13,650,046	\$ 14,456,106	\$ 16,022,648	\$ 18,346,148	\$ 17,063,126	\$ 17,044,019	\$ 17,216,668
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General Government	\$ 269,211	\$ 292,485	\$ 298,899	\$ 311,657	\$ 305,276	\$ 447,746	\$ 168,246	\$ 186,728	\$ 161,332
Public Safety	105,662	110,118	124,985	121,582	155,596	175,614	222,788	225,218	196,839
Public Works	8,869	15,000		9,383	1,706	21,824	12,591	-	-
Parks and recreation	58,436	47,811	48,611	59,503	57,685	58,383	67,552	84,670	57,773
Education	116,992	116,588	127,714	124,550	119,810	126,379	133,383	131,859	123,771
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	5,557,023
Capital grants and contributions	1,454,159	922,557	548,751	424,555	346,179	365,789	13,266	138,284	147,600
Total governmental activities program revenues	5,940,814	5,321,840	5,232,474	5,609,443	5,180,229	8,192,265	5,522,289	5,876,492	6,244,338
Business-type activities:									
Charges for services:									
Utility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507	\$ 19,066	\$ 22,559	\$ 20,427
Operating grants and contributions	-	-	-	-	-	48,000	-	-	-
Total business-type activities program revenues	-	-	-	-	-	48,507	19,066	22,559	20,427
Total primary government program revenues	\$ 5,940,814	\$ 5,321,840	\$ 5,232,474	\$ 5,609,443	\$ 5,180,229	\$ 8,240,772	\$ 5,541,355	\$ 5,899,051	\$ 6,264,765

Table 2 (Concluded)

**TOWN OF WILLINGTON, CONNECTICUT**  
**CHANGES IN NET ASSETS (Concluded)**

**LAST NINE FISCAL YEARS**

(Accrual Basis of Accounting - Unaudited)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>									
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)	\$ (10,909,891)
Business-type activities	-	-	-	-	-	32,526	(1,431)	3,072	(42,012)
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>	<u>\$ (10,951,903)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
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	\$ 11,052,558
Unrestricted grants and contributions	100,020	87,957	76,535	86,439	586,846	981,488	158,623	74,902	84,338
(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	14,168
Special Item	(100,984)					24,000	-	-	(1,403,928)
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>	<u>9,747,136</u>
Business-type activities:									
Investment earnings	-	-	-	-	-	438	160	40	24
Transfers	-	-	-	-	-	(24,000)	-	-	1,403,928
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,562)</u>	<u>160</u>	<u>40</u>	<u>1,403,952</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>	<u>\$ 11,151,088</u>
<b>Change in Net Assets</b>									
Governmental activities	\$ 1,277,854	\$ 1,403,861	\$ 1,163,110	\$ 1,257,679	\$ 99,403	\$ 1,348,837	\$ (507,691)	\$ (53,195)	\$ (1,162,755)
Business-type activities	-	-	-	-	-	8,964	(1,271)	3,112	1,361,940
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>	<u>\$ 199,185</u>

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

Table 3

**TOWN OF WILLINGTON, CONNECTICUT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST NINE 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
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>
General Fund								
Committed	\$ 570,100							
Assigned	473,892							
Unassigned	1,450,023							
Total general fund	<u>\$ 2,494,015</u>							
All Other Governmental Funds								
Nonspendable	\$ 2,387							
Committed	1,039,433							
Unassigned	(66,046)							
Total all other governmental funds	<u>\$ 975,774</u>							

Note: The Town adjusted fund balance presentation in accordance with GASB No. 54, implemented in fiscal year 2011.

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 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	\$ 10,996,151
Licenses, fees and permits	459,558	363,896	392,262	407,032	452,485	461,208	523,005	547,271	578,172	498,499
Intergovernmental	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	5,702,429
Investment earnings	91,349	58,051	39,696	96,290	269,125	292,822	223,853	71,297	23,176	14,168
Other revenues	374,422	226,571	270,112	292,759	344,926	214,119	361,231	73,967	176,862	133,748
Total revenues	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	17,344,995
<b>Expenditures</b>										
General government	701,966	837,510	788,080	778,854	862,829	906,976	959,921	938,359	1,028,705	1,483,502
Public Safety	462,744	507,747	530,994	542,444	561,250	598,219	634,380	692,661	703,816	734,964
Miscellaneous	276,646	273,264	285,510	314,706	303,653	310,952	331,335	334,617	396,744	-
Public works	850,751	857,496	847,113	934,781	1,015,115	1,024,759	1,204,816	1,107,169	1,139,121	1,157,346
Culture and recreation	207,661	206,950	300,802	246,317	246,360	393,024	339,296	375,970	328,953	660,698
Education	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	12,640,106
Capital outlay	351,461	1,899,408	1,061,018	856,604	2,765,321	2,190,527	1,108,876	267,143	170,680	1,425,000
Debt service:										
Debt issuance costs					12,224					
Interest	114,199	113,540	101,952	83,043	64,026	116,397	163,612	142,278	86,757	105,856
Principal	300,000	353,909	347,898	350,136	247,479	274,075	422,323	427,606	466,507	325,376
Total expenditures	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	18,532,848
Excess of revenues over under) expenditures	616,694	(405,822)	261,617	154,371	(1,430,756)	(1,159,147)	242,289	305,058	107,463	(1,187,853)



Table 4 (Concluded)

**TOWN OF WILLINGTON, CONNECTICUT**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (Concluded)**

**LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Other Financing Sources (Uses)</b>										
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	-	-	-	-	-	-	-	615,000
Transfers in	479,793	453,926	845,923	622,612	698,260	961,542	660,239	689,875	493,846	429,819
Transfers out	(479,793)	(453,926)	(845,923)	(622,612)	(698,260)	(961,542)	(636,239)	(689,875)	(493,846)	(429,819)
Total other financing sources (uses)	-	474,016	-	250,000	3,019,860	(112,604)	24,000	-	-	615,000
Net change in fund balances	\$ 616,694	\$ 68,194	\$ 261,617	\$ 404,371	\$ 1,589,104	\$ (1,271,751)	\$ 266,289	\$ 305,058	\$ 107,463	\$ (572,853)
Debt service as a percentage of noncapital expenditures	3.4%	3.7%	3.4%	3.1%	2.2%	2.6%	3.2%	3.6%	3.3%	2.5%

Table 5

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

(Unaudited)

<b>Fiscal Year Ended June 30,</b>	<b>Residential Property</b>	<b>Commercial &amp; Industrial Property</b>	<b>All Other Land</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>(1) Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
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%
2011	327,140,360	78,528,290	16,749,020	13,627,035	37,577,401	1,882,904	471,739,202	23.40	676,603,009	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 and October 1, 2003 grand list.

**Source:** Town of Willington, Office of the Assessor

Table 6

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

(Unaudited)

<u><b>Taxpayer</b></u>	<b>FISCAL YEAR</b>					
	<b>2011</b>			<b>2002</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Town Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Town Taxable Assessed Value</b>
Services Development Corp.	21,988,540	1	4.66%	13,653,160	1	4.88%
GLK Realty Ltd Partnership	10,481,840	2	2.22%	5,893,960	3	2.11%
ING US Students No 7 LLC	6,459,600	3	1.37%	3,228,230	5	1.15%
Storrs Polo Run Limited Partnership	4,955,440	4	1.05%	2,174,000	7	0.78%
Royce Properties LLC	4,891,510	5	1.04%	7,484,510	2	2.68%
Connecticut Light & Power Co.	3,987,890	6	0.85%	2,433,800	6	0.87%
Lawrence Becker	2,645,860	7	0.56%	1,571,650	8	0.56%
FedEx Ground Package Systems Inc	2,548,470	8	0.54%	5,707,310	4	2.04%
ING US Students No 3 LLC	2,422,350	9	0.51%	1,374,690	9	0.49%
C & S Willington Ltd Partnership	2,052,860	10	0.44%			0.00%
Total	<u>\$ 62,434,360</u>		<u>13.23%</u>	<u>\$ 43,521,310</u>		<u>15.57%</u>

**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
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%	87,109	10,998,368	99.95%
2011	11,101,296	10,919,642	98.36%		10,919,642	98.36%

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

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

Table 8

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

*(Unaudited)*

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total Governmental Activities</b>	<b>(1) of Personal Income</b>	<b>(1) Per Capita</b>
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
2011	2,400,000	765,976	3,165,976	1.83%	524

( 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

Table 9

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

(Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Legal Debt Margin Calculation:</b>										
Total cash collections for the fiscal year:										
Taxes	\$ 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	\$ 10,960,912
Interest and lien fees	31,837	32,514	99,644	41,956	41,596	45,044	51,714	65,595	57,246	60,520
	<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>	<u>11,021,432</u>
Reimbursements for revenue loss:										
Tax relief for elderly (CGS 12-129d)	2,970	3,001	-	-	663	698	18,916	17,210	17,165	17,717
Base	<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>	<u>\$ 11,039,149</u>
Indebtedness:										
General Purposes:										
Bonds payable	\$ 635,000	\$ 490,000	\$ 345,000	\$ 200,000	\$ 160,000	\$ 3,120,000	\$ 2,930,000	\$ 2,740,000	\$ 2,550,000	\$ 2,400,000
Authorized, unissued bonds	-	20,000	3,020,000	3,000,000	3,000,000	-	-	-	-	-
Subtotal general purposes	<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>	<u>2,400,000</u>
Schools:										
Bonds payable	\$ 1,240,000	\$ 1,085,000	\$ 930,000	\$ 775,000	\$ 620,000	\$ 465,000	\$ 310,000	\$ 155,000	\$ -	\$ -
Regional School District 19	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	3,293,184
Authorized, unissued bonds	-	376,000	376,000	376,000	-	-	-	-	-	-
Authorized, unissued bonds, Regional School District 19	-	381,440	-	-	-	-	-	-	-	-
Subtotal schools	<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>	<u>3,293,184</u>
Less: amounts to be provided by State	667,832	584,353	500,874	333,916	250,437	250,437	166,958	83,479	-	-
Total indebtedness	<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>	<u>\$ 5,693,184</u>
Total capacity of borrowing (7 times base)	\$ 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	\$ 77,274,043
Total present indebtedness	3,063,714	3,563,015	5,964,391	5,740,569	5,080,606	4,635,278	4,276,654	3,903,111	3,568,288	5,693,184
Margin for additional borrowing	<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>	<u>\$ 71,580,859</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	<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>	<u>7%</u>

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

Table 10

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

*(Unaudited)*

<b>Year</b>	<b>( 1 ) Population</b>	<b>Personal Income</b> <i>(in thousands)</i>	<b>( 2 ) Per Capita Personal Income</b>	<b>( 3 ) Median Age</b>	<b>( 4 ) School Enrollment</b>	<b>( 5 ) Unemployment Rate</b>
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%
2011	6,041	173,159	28,664	34.0	792	7.1%

( 1 ) 2010 Census Interactive Population Search

( 2 ) U.S. Census Bureau, American FactFinder

( 3 ) Connecticut Economic Resource Center, Inc Town Profile 2011

(4) Town of Willington, Board of Education and Regional District 19

(5) Connecticut Department of Labor, Office of Research

Table 11

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

<u>Employer</u>	<u>2011</u>			<u>2006</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	700	1	19.02%	600	1	16.26%
Travel Centers of America	170	2	4.62%	170	2	4.61%
Town of Willington	137	3	3.72%	144	3	3.90%
Willington Pizza	74	4	2.01%	120	4	3.25%
St of Ct - Depart of Transportation	21	5	0.57%	25	5	0.68%
Becker Construction	19	6	0.52%	23	7	0.62%
Cable Technology, Inc	19	7	0.52%	25	6	0.68%
Lyon Manor	13	8	0.35%	14	8	0.38%
First Niagara Bank (NewAlliance Bank)	6	9	0.16%	7	10	0.19%
Rodeway Inn	4	10	0.11%	10	9	0.27%
Total	<u>1,163</u>		<u>31.59%</u>	<u>1,128</u>		<u>30.58%</u>

Source: Telephone call to employers.

The Town began reporting Principal Employers in 2006 when GASB 44 was implemented.



Table 12

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

<u><b>Function/Program</b></u>	<b>Full-time Equivalent Employees as of June 30</b>									
	<u><b>2002</b></u>	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2008</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>
General government										
Management services	6.3	6.3	6.3	6.3	6.3	6.3	6.2	7.0	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	0.3	0.3	0.3
Other	5.8	5.8	4.8	4.8	4.8	4.8	4.8	4.6	4.6	4.6
Fire										
Volunteer Firefighters	76.0	76.0	76.0	76.0	76.0	59.0	60.0	60.0	49.0	58.0
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	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.4
Total	<u>103.8</u>	<u>103.8</u>	<u>102.8</u>	<u>102.8</u>	<u>102.8</u>	<u>85.8</u>	<u>86.8</u>	<u>87.3</u>	<u>76.3</u>	<u>85.6</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><b>Function/Program</b></u>	<b>Fiscal Year</b>									
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Fire										
Emergency responses	480	484	474	497	508	523	525	917	1,058	1,693
Non-Emergency responses	318	352	363	399	399	400	405	351		(1)
Inspections	576	528	490	515	515	465	455	455	489	591
Refuse collection										
Refuse collected (tons per year)	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	1,933.2
Recyclables collected (tons per year)	671.0	669.4	785.7	841.6	780.2	743.9	712.5	669.5	770.3	710.1
Other public works										
Street resurfacing (miles)	11.4	13.7	11.8	10.4	11.6	12.2	11.9	9.5	8.0	8.0
Library										
Volumes in collection	17,700	17,700	17,700	17,700	20,387	20,206	28,103	33,464	37,470	37,470

Source: Various Town departments.

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

Table 14

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

*(Unaudited)*

<b><u>Function/Program</u></b>	<b>Fiscal Year</b>									
	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	71.1	71.1	71.1	71.1	72.7	72.7	72.7	72.7	73.9	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	3
Baseball/softball diamonds	5	5	5	5	5	6	6	6	6	6
Soccer/football fields	2	2	2	2	2	3	3	3	3	3