

# **TOWN OF ELLINGTON**

## **BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES**

**AS OF AND  
FOR THE YEAR ENDED  
JUNE 30, 2009**

**TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**



**TOWN OF ELLINGTON**  
**TABLE OF CONTENTS**  
**JUNE 30, 2009**

---

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Assets	17
Statement of Activities	18
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	20
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	24
Proprietary Fund Financial Statements	
Statement of Net Assets	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets (Deficit)	26
Statement of Cash Flows	27
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets	28
Statement of Changes in Fiduciary Net Assets	29
Notes to the Financial Statements	30
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedules of Funding Progress	56
Note to Schedules of Funding Progress	57

**TOWN OF ELLINGTON**  
**TABLE OF CONTENTS (Continued)**  
**JUNE 30, 2009**

---

Page

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Governmental Funds

General Fund

Schedule of Revenues - Budget and Actual	58
Schedule of Expenditures - Budget and Actual	61
Schedule of Property Taxes Levied, Collected and Outstanding	68
Schedule of Debt Limitation	69

Combining Statements

Combining Balance Sheet by Fund Type - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances By Fund Type - Nonmajor Governmental Funds	71

Special Revenue Funds

Combining Balance Sheet - Nonmajor Special Revenue Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	74

Capital Projects Funds

Combining Balance Sheet - Nonmajor Capital Projects Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	78

Permanent Funds

Combining Balance Sheet - Nonmajor Permanent Funds	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Permanent Funds	82

Proprietary Funds

Enterprise Funds

Combining Statement of Net Assets - Nonmajor Enterprise Funds	84
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit) - Nonmajor Enterprise Funds	85
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	86
Schedule of Sewer Usage Charges Levied, Collected and Outstanding	87

Fiduciary Funds

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Assets	88
Combining Statement of Changes in Fiduciary Net Assets	90

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities	92
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**Independent  
Auditors'  
Report**

## INDEPENDENT AUDITORS' REPORT

To the Board of Finance of the  
Town of Ellington, 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 Ellington, Connecticut (the "Town"), as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of June 30, 2009, 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 28, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis presented on pages 3 through 16 and the schedules of funding progress on pages 56 and 57 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

CCR LLP

Glastonbury, Connecticut  
January 28, 2010

# **Management's Discussion and Analysis**

# TOWN OF ELLINGTON MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2009.

## FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$64,658,510 (net assets). Of this amount, \$11,601,233 (unrestricted net assets) may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's change in net assets for the year ended June 30, 2009 amounted to \$900,844 or 1.4% in comparison to the prior year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,453,554, a decrease of \$774,625 in comparison with the prior year. This decrease is due to unanticipated expenditures for the Town Council, along with the public safety and the public works departments. In addition the investment earnings for the fiscal year were less than budgeted due to poor market conditions. Of this amount 22.8% or \$1,245,781 of the governmental ending fund balances are available for spending at the Town's discretion (unreserved and undesignated fund balance).
- At the end of the close of the current fiscal year, unreserved fund balance for the General Fund was \$2,328,160 or 5.1% of total General Fund expenditures. Designations of unreserved fund balance for future "Capital Reserves", other "Capital and Nonrecurring" and post employment benefits requirements totaled \$3,611,162 at June 30, 2009.
- The Town's total long-term bonded debt had a net decrease of \$1,784,700 or 9.0% during the current fiscal year.
- Effective January 1, 2008, Town Charter Section 1004, now requires the Board of Finance to maintain at least a minimum of 5% of the operating budget to support the working capital requirements of the Town. Amounts designated for "Capital Reserves" totaled \$2,871,379, or 6.5% of the budgetary expenditures for the year ended June 30, 2009.

# TOWN OF ELLINGTON

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

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### **Government-wide Financial Statements**

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

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

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, boards and agencies, public safety, public works, recreation, library, human services, town properties and education. The business-type activities of the Town include sewer activities.

The government-wide financial statements can be found on pages 17 and 18 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.

# **TOWN OF ELLINGTON**

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

### **OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

#### **Fund Financial Statements *(Continued)***

##### ***Government Funds (Continued)***

The Town maintains 35 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 and the High School/Center School Project Fund, both of which are considered to be major funds. Data from the other 33 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 19-24 of this report.

##### ***Proprietary Funds***

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

The Town maintains 4 individual enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Authority Fund and the Crystal Lake Sewers Fund, both of which are considered to be major funds. Data from the other 2 enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

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

##### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the 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 28 and 29 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 30-55 of this report.

#### **Required Supplementary Information**

The schedules of funding progress and note for the Connecticut Municipal Employee's Retirement System and the Town's healthcare plan for other post employment benefits (OPEB) can be found on pages 56 and 57 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains combining and individual fund statements and schedules that can be found on pages 58-92 of this report.

**TOWN OF ELLINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Assets**

Over time, net assets may serve as one measure of a government's financial position. Total net assets (governmental and business-type activities combined) of the Town totaled \$64,658,510 and \$62,724,826 for the years ended June 30, 2009 and 2008, respectively, and are summarized as follows:

**Town of Ellington**  
**Net Assets**  
**June 30, 2009**

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 9,130,773	\$ 8,124,332	\$ 17,255,105
Capital assets	59,633,823	11,973,394	71,607,217
Total assets	<u>68,764,596</u>	<u>20,097,726</u>	<u>88,862,322</u>
Long-term debt outstanding	17,913,910	3,861,525	21,775,435
Other liabilities	2,047,611	380,766	2,428,377
Total liabilities	<u>19,961,521</u>	<u>4,242,291</u>	<u>24,203,812</u>
Net assets:			
Invested in capital assets, net of related debt	43,040,275	9,435,894	52,476,169
Restricted	581,108	-	581,108
Unrestricted	5,181,692	6,419,541	11,601,233
Total net assets	<u>\$ 48,803,075</u>	<u>\$ 15,855,435</u>	<u>\$ 64,658,510</u>

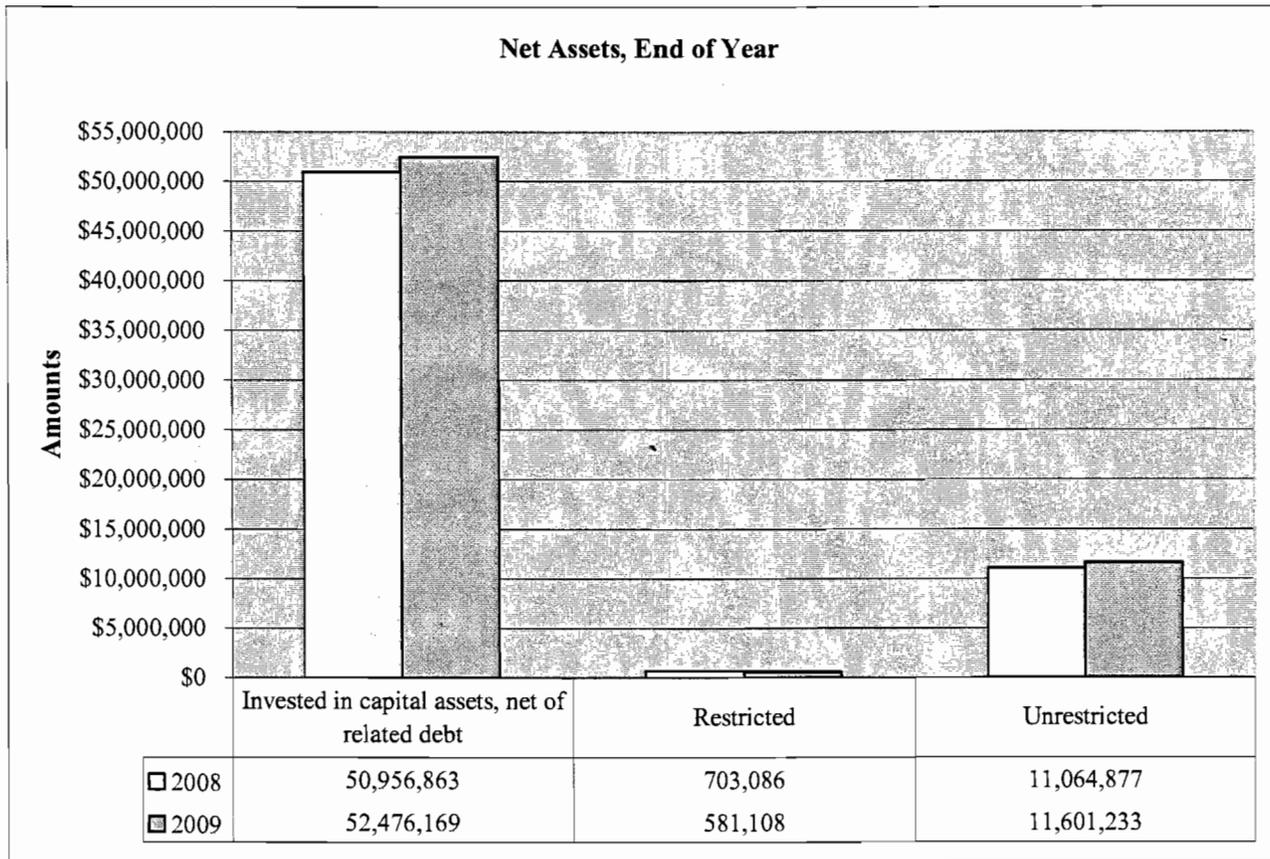
**Town of Ellington**  
**Net Assets**  
**June 30, 2008**

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 9,390,150	\$ 8,408,289	\$ 17,798,439
Capital assets	60,363,081	11,792,781	72,155,862
Total assets	<u>69,753,231</u>	<u>20,201,070</u>	<u>89,954,301</u>
Long-term debt outstanding	19,610,449	4,393,201	24,003,650
Other liabilities	1,954,508	1,271,317	3,225,825
Total liabilities	<u>21,564,957</u>	<u>5,664,518</u>	<u>27,229,475</u>
Net assets:			
Invested in capital assets, net of related debt	41,963,983	8,992,880	50,956,863
Restricted	703,086	-	703,086
Unrestricted	5,521,205	5,543,672	11,064,877
Total net assets	<u>\$ 48,188,274</u>	<u>\$ 14,536,552</u>	<u>\$ 62,724,826</u>

**TOWN OF ELLINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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

**Net Assets (Continued)**



81.2% 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.

0.9% of the Town's net assets are subject to external restrictions on how they may be used and are therefore presented as restricted net assets.

The remainder of the Town's net assets are considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net assets increased by \$900,844 or 1.4% in comparison to the prior year.

**TOWN OF ELLINGTON  
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, 2009 and 2008 are as follows:

**Town of Ellington  
Changes in Net Assets  
For the Year Ended June 30, 2009**

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 2,570,012	\$ 2,814,867	\$ 5,384,879
Operating grants and contributions	13,821,808	-	13,821,808
Capital grants and contributions	458,067	-	458,067
General revenues:			
Property taxes	30,322,073	-	30,322,073
Grants and contributions not restricted to specific programs	465,667	-	465,667
Unrestricted investment earnings	111,686	63,328	175,014
Miscellaneous	251,098	-	251,098
Total revenues	<u>48,000,411</u>	<u>2,878,195</u>	<u>50,878,606</u>
Program expenses			
General government	3,243,617	-	3,243,617
Boards and agencies	398,432	-	398,432
Public safety	2,390,246	-	2,390,246
Public works	4,505,253	-	4,505,253
Recreation	432,728	-	432,728
Library	858,695	-	858,695
Human services	615,972	-	615,972
Town properties	466,744	-	466,744
Education	33,974,142	-	33,974,142
Interest on long-term debt	754,565	-	754,565
Sewer	-	2,337,368	2,337,368
Total expenses	<u>47,640,394</u>	<u>2,337,368</u>	<u>49,977,762</u>
Excess before transfers	360,017	540,827	900,844
Transfers	<u>(128,500)</u>	<u>128,500</u>	<u>-</u>
Change in net assets	231,517	669,327	900,844
Net assets - beginning, as originally reported	48,188,274	14,536,552	62,724,826
Adjustment	<u>383,284</u>	<u>649,556</u>	<u>1,032,840</u>
Net assets - beginning, as adjusted	<u>48,571,558</u>	<u>15,186,108</u>	<u>63,757,666</u>
Net assets - ending	<u>\$ 48,803,075</u>	<u>\$ 15,855,435</u>	<u>\$ 64,658,510</u>

**TOWN OF ELLINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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

**Changes in Net Assets (Continued)**

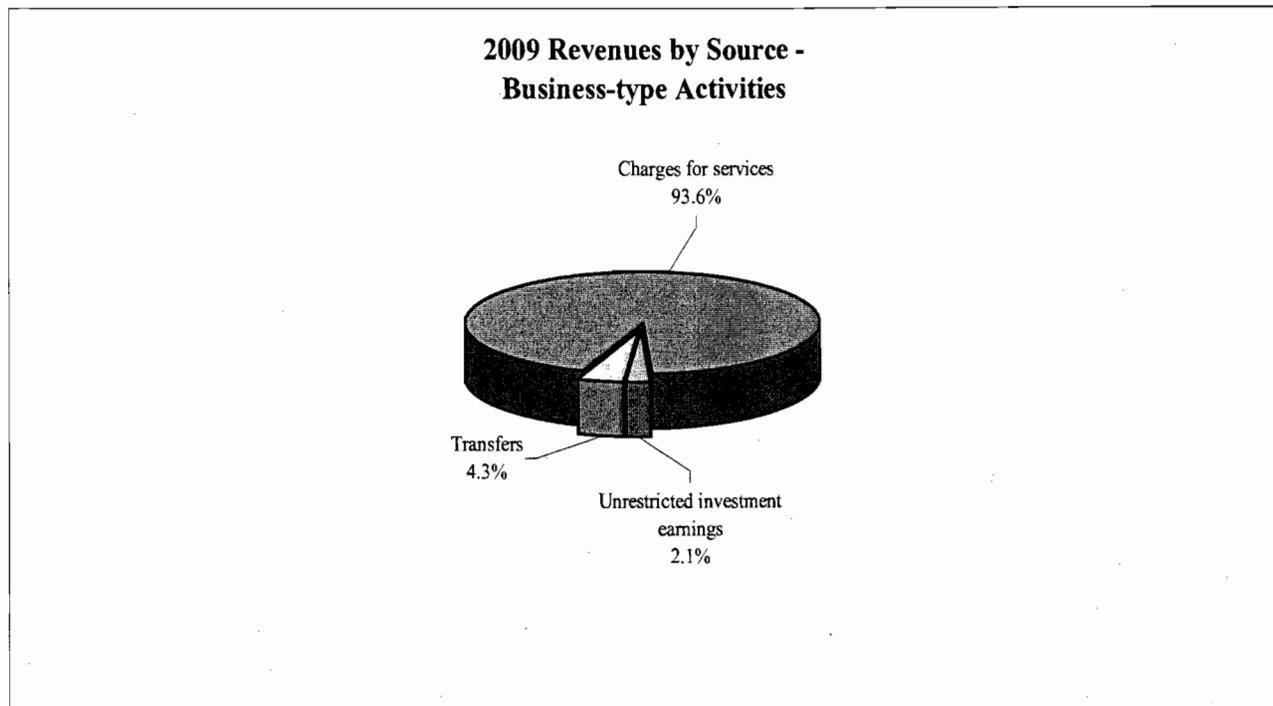
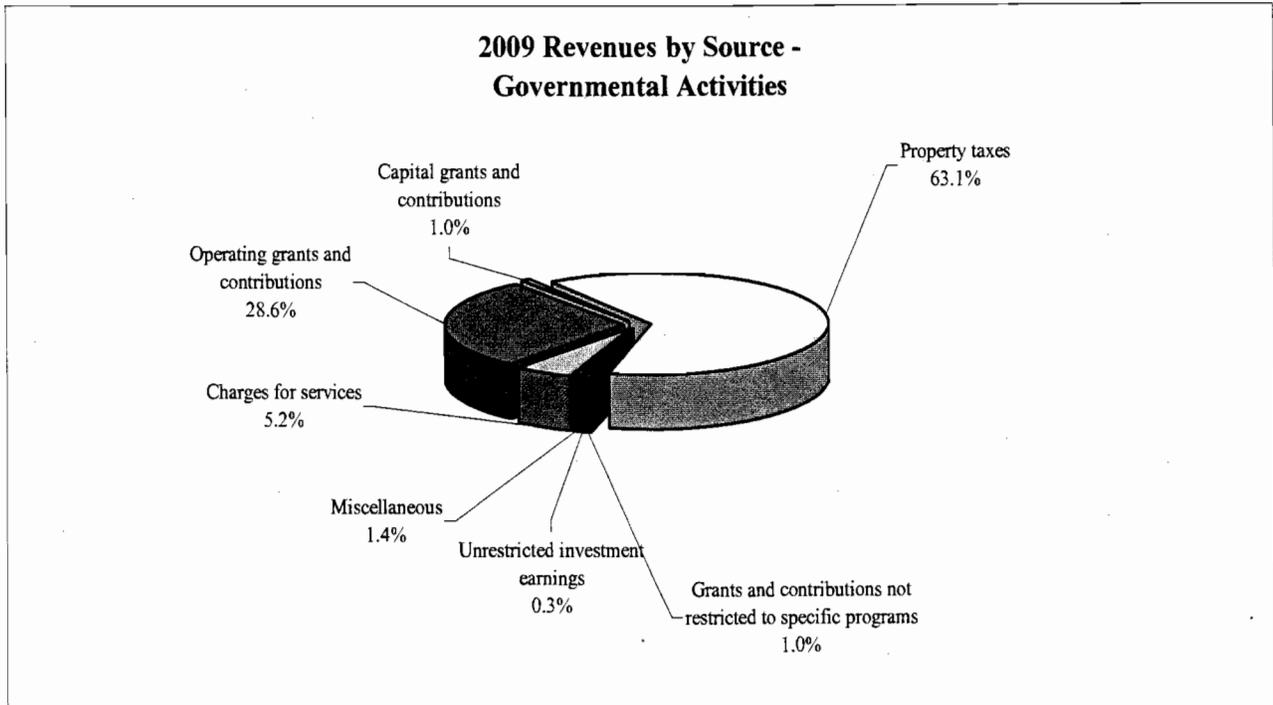
**Town of Ellington  
Changes in Net Assets  
For the Year Ended June 30, 2008**

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 2,271,373	\$ 2,566,880	\$ 4,838,253
Operating grants and contributions	21,798,161	-	21,798,161
Capital grants and contributions	727,558	-	727,558
General revenues:			
Property taxes	29,440,026	-	29,440,026
Grants and contributions not restricted to specific programs	429,189	-	429,189
Unrestricted investment earnings	428,680	185,862	614,542
Miscellaneous	832,136	-	832,136
Total revenues	<u>55,927,123</u>	<u>2,752,742</u>	<u>58,679,865</u>
Program expenses			
General government	3,228,927	-	3,228,927
Boards and agencies	562,812	-	562,812
Public safety	2,616,709	-	2,616,709
Public works	4,128,237	-	4,128,237
Recreation	424,073	-	424,073
Library	774,549	-	774,549
Human services	571,785	-	571,785
Town properties	376,100	-	376,100
Education	41,263,004	-	41,263,004
Interest on long-term debt	810,840	-	810,840
Sewer	-	2,228,471	2,228,471
Total expenses	<u>54,757,036</u>	<u>2,228,471</u>	<u>56,985,507</u>
Excess before transfers	1,170,087	524,271	1,694,358
Transfers	<u>(141,532)</u>	<u>141,532</u>	<u>-</u>
Change in net assets	1,028,555	665,803	1,694,358
Net assets - beginning	<u>47,159,719</u>	<u>13,870,749</u>	<u>61,030,468</u>
Net assets - ending	<u>\$ 48,188,274</u>	<u>\$ 14,536,552</u>	<u>\$ 62,724,826</u>

**TOWN OF ELLINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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

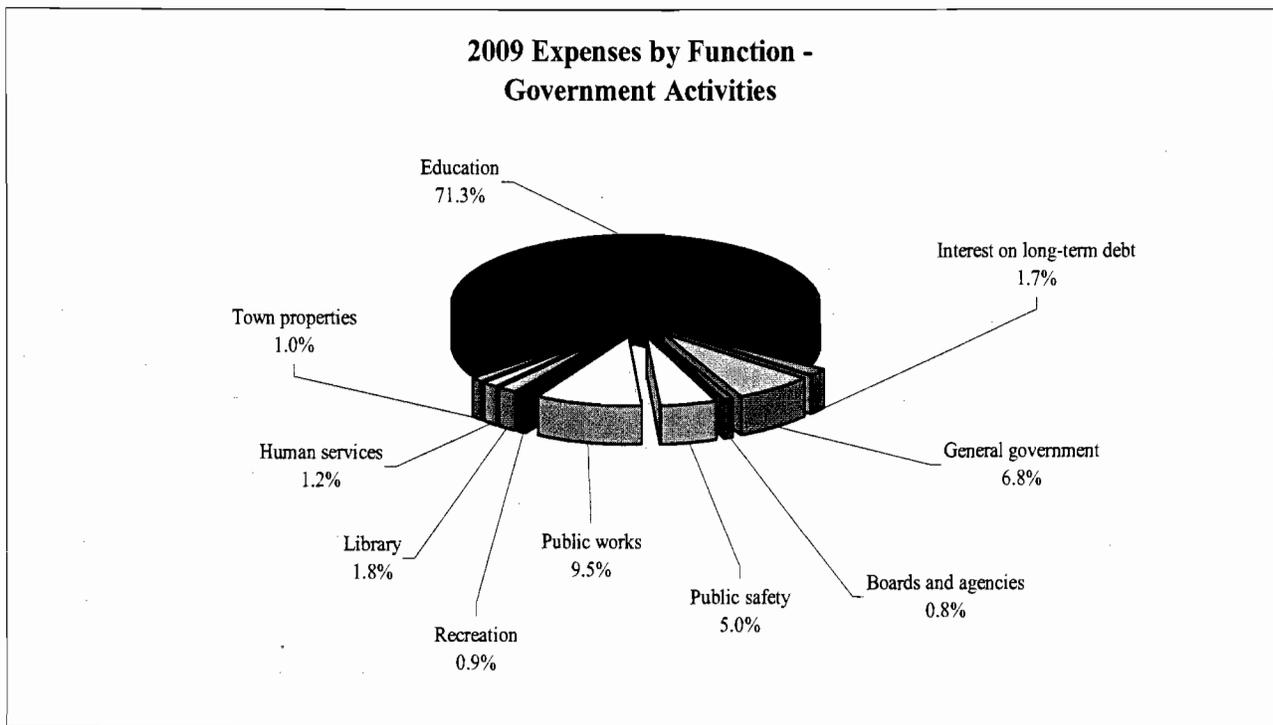
**Changes in Net Assets (Continued)**



# TOWN OF ELLINGTON MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Changes in Net Assets (Continued)



#### ***Governmental Activities***

Governmental activities increased the Town's net assets by \$231,517, thereby accounting for 25.7% of the total growth of the Town's net assets.

#### ***Business-type Activities***

Business-type activities increased the Town's net assets by \$669,327, thereby accounting for 74.3% of the total growth of the Town's net assets. This increase is primarily attributable to the levy of sewer assessments on properties that were recently connected to the Town's sewer facilities.

### **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.

# TOWN OF ELLINGTON MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

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

### **Governmental Funds *(Continued)***

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,453,554 a decrease of \$774,625 in comparison with the prior year. This decrease is due to unanticipated expenditures for the Town Council, along with the public safety and the public works departments. In addition the investment earnings for the fiscal year were less than budgeted due to poor market conditions. Of the total governmental fund balances, \$4,856,943 constitutes unreserved fund balance, of which \$3,611,162 has been designated for specific purposes by the Town. This increase is primarily attributable to contributions made to the Town's capital reserves and the capital and non-recurring projects.

### **General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$2,328,160, while total fund balance was \$5,967,622. Designations of unreserved fund balance for future "Capital Reserves", "Capital and Nonrecurring" and "Post Employment Benefits" totaled \$3,611,162. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.1% of total general fund expenditures, while total fund balance represents 13.0% of that same amount.

The fund balance of the Town's general fund decreased by \$626,963 during the current fiscal year. Key factors in this growth are as follows:

- Increases in police special duty expenditures for protection on road construction projects
- Increases in the Public Works Department due to price increases for diesel fuel and road salt
- Settlement of a pending legal matter
- Various facility upgrades and improvements necessary to the operation of the Town

### **High School/Center School Project Fund**

The fund balance of the Town's High School/Center School Project decreased by \$52,207 due to unanticipated construction costs to complete the project.

### **Proprietary Funds**

Unrestricted net assets of the Sewer Authority and the Crystal Lake Sewers funds at the end of the year totaled \$5,403,629 and \$1,080,078, respectively. The total increase in net assets for these funds was \$581,340 and \$65,629, respectively.

**TOWN OF ELLINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original expenditures budget and the final amended expenditures budget was an increase in appropriations of \$743,750. Significant components of this increase are as follows:

- Increase in the Town Council account by \$50,000 for the settlement of a lawsuit
- Increases in Public Safety spending of \$115,877 for various equipment for the Fire Department and Volunteer Ambulance, along with police special duty assignments for road construction projects
- Increases in Public Works spending of \$137,993 due to higher than anticipated costs for diesel fuel and road salt
- Increases in Engineers and Inspections spending of \$103,460 for project reviews of ARRA stimulus shovel ready projects along with construction administration and structural reviews
- Increase in Library spending of \$41,613 primarily for replacement of the heating system
- Increases in Town Hall facility costs of \$64,257 for file server upgrades along with other various necessary facility repairs

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2009 totaled \$71,607,217 (net of accumulated depreciation). This investment in capital assets includes an art collection, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$548,645, which was comprised of a \$729,258 decrease or a 1.2% decrease for governmental activities and a \$180,613 or a 1.5% increase for business-type activities.

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

- Outlays for various road improvement and sewer projects to the Town's infrastructure to benefit the entire Town

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

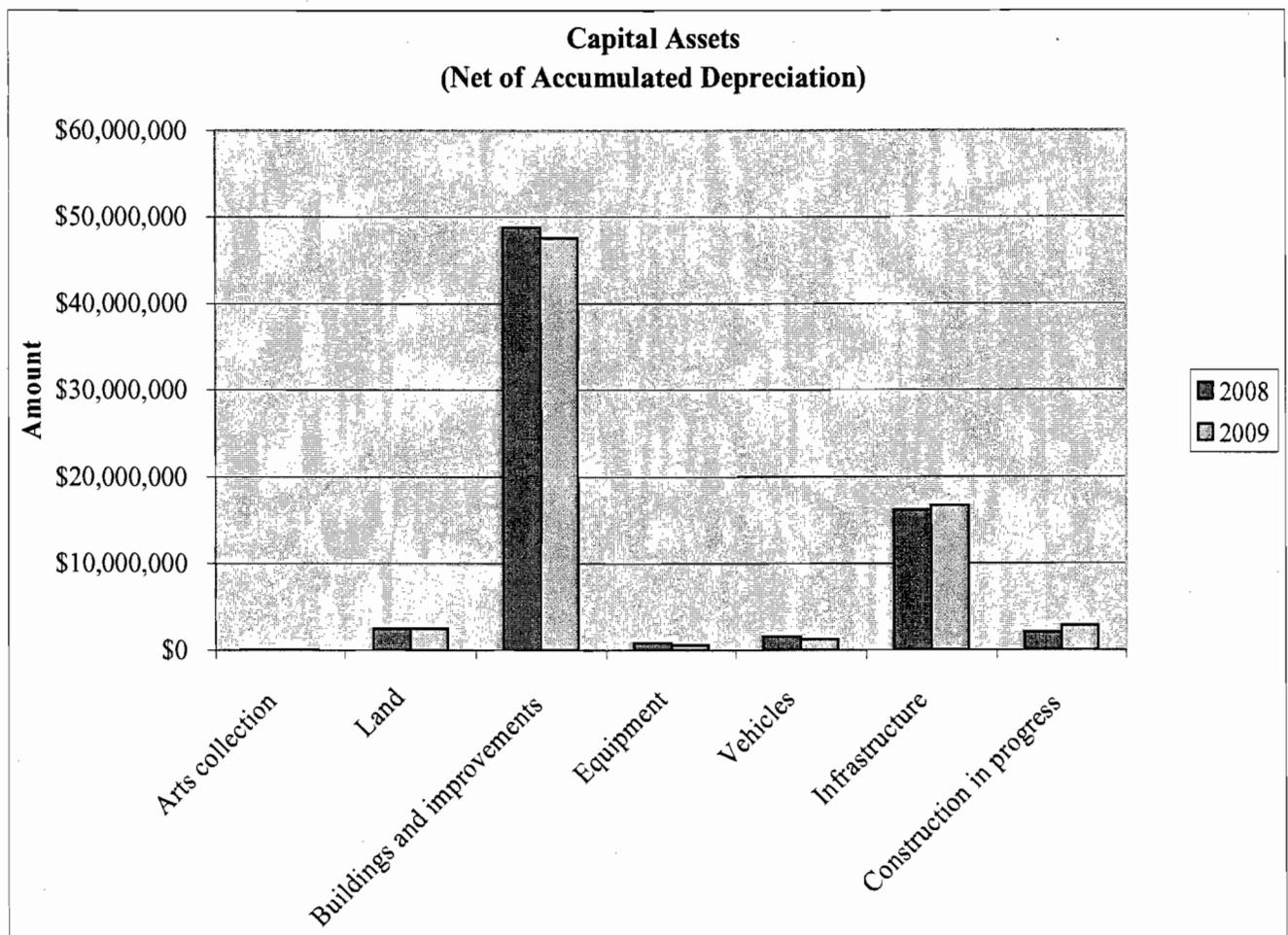
**TOWN OF ELLINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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

**Capital Assets (Continued)**

**Town of Ellington  
Capital Assets  
June 30, 2009 and 2008**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Arts collection	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Land	2,507,844	2,507,844	-	-	2,507,844	2,507,844
Buildings and improvements	47,586,606	48,854,207	-	-	47,586,606	48,854,207
Equipment	525,643	755,417	76,942	92,463	602,585	847,880
Vehicles	1,303,266	1,617,584	-	-	1,303,266	1,617,584
Infrastructure	7,287,628	6,592,431	9,434,833	9,614,705	16,722,461	16,207,136
Construction in progress	387,238	-	2,461,619	2,085,613	2,848,857	2,085,613
<b>Totals</b>	<b>\$ 59,633,823</b>	<b>\$ 60,363,081</b>	<b>\$ 11,973,394</b>	<b>\$ 11,792,781</b>	<b>\$ 71,607,217</b>	<b>\$ 72,155,862</b>



# TOWN OF ELLINGTON MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

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

### Capital Assets *(Continued)*

Additional information on the Town's capital assets can be found in Note 4 on pages 42 and 43 of this report.

### Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$18,025,000. 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 \$1,784,700 or 9.0% during the current fiscal year.

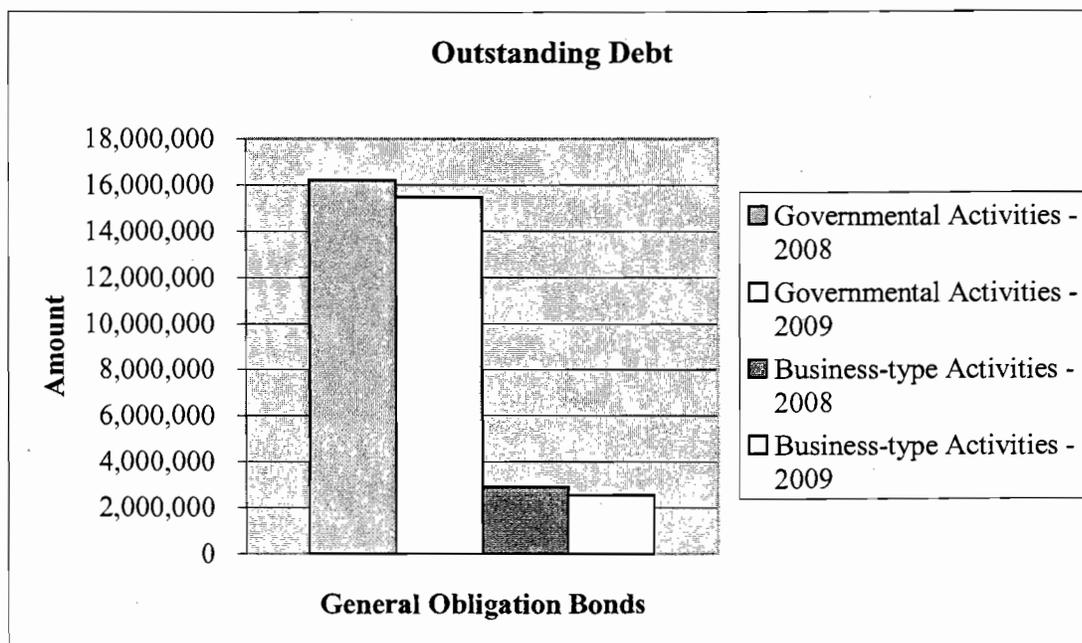
The Town maintains an A2 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to approximately seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$211,825,481, which is significantly in excess of the Town's outstanding general obligation debt.

The following table is a two year comparison of long-term debt presented for both governmental and business-type activities:

**Town of Ellington  
Long-term Debt  
June 30, 2009 and 2008**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$15,487,500	\$ 16,195,000	\$ 2,537,500	\$2,894,700	\$18,025,000	\$19,089,700



Additional information on the Town's long-term debt can be found in Note 7 on pages 45-49 of this report.

**TOWN OF ELLINGTON**  
**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 Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2010 and thereafter.
- The unemployment rate for the Town is currently 6.6%, which is an increase from a rate of 4.3% in the prior year. This compares favorably to the state's average unemployment rate of 8.0% and the national unemployment rate of 9.5 %.
- Inflationary trends in the region approximate the national indices.

All of these factors were considered in preparing the Town's budget for fiscal year 2010.

**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 Office of the Finance Officer, Town of Ellington, 55 Main Street, Ellington, CT 06029.

# **Basic Financial Statements**

**TOWN OF ELLINGTON**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 364,472	\$ 464	\$ 364,936
Investments	5,457,744	5,274,269	10,732,013
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$206,900	879,341	-	879,341
Sewer usage charges receivable, net of allowance for uncollectibles of \$19,200	-	136,227	136,227
Assessments, interest and liens receivable	-	73,862	73,862
Grants and contracts receivable, current portion	610,797	-	610,797
Interest, net of allowance for uncollectibles of \$246,000	276,465	-	276,465
Other	425,088	-	425,088
Internal balances	80,110	(80,110)	-
Inventories	10,572	-	10,572
Prepaid expenses	-	7,818	7,818
Grants and contracts receivable, long-term portion	374,729	-	374,729
Deferred bond issuance costs, net	70,347	-	70,347
Deferred asset - pump station	-	1,324,025	1,324,025
Long-term assessment receivable	-	1,387,777	1,387,777
Endowment assets	581,108	-	581,108
Capital assets:			
Non-depreciable	2,930,680	2,461,619	5,392,299
Depreciable, net	56,703,143	9,511,775	66,214,918
Total assets	<u>68,764,596</u>	<u>20,097,726</u>	<u>88,862,322</u>
<b>LIABILITIES</b>			
Accounts payable	1,651,903	282,758	1,934,661
Accrued liabilities:			
Accrued interest	33,733	3,599	37,332
Other accrued liabilities	30,036	-	30,036
Due to funding source	15,580	-	15,580
Unearned revenue	316,359	94,409	410,768
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,417,620	262,500	1,680,120
Note payable	13,572	177,998	191,570
Capital leases	382,470	-	382,470
Compensated absences	110,000	-	110,000
Due in more than one year:			
Bonds payable	14,070,772	2,275,000	16,345,772
Note payable	223,300	1,146,027	1,369,327
Capital leases	485,813	-	485,813
Compensated absences	1,074,486	-	1,074,486
Other post employment benefits	135,877	-	135,877
Total liabilities	<u>19,961,521</u>	<u>4,242,291</u>	<u>24,203,812</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	43,040,275	9,435,894	52,476,169
Restricted for endowments:			
Expendable	528,611	-	528,611
Nonexpendable	52,497	-	52,497
Unrestricted	5,181,692	6,419,541	11,601,233
Total net assets	<u>\$ 48,803,075</u>	<u>\$ 15,855,435</u>	<u>\$ 64,658,510</u>

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

**TOWN OF ELLINGTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 3,243,617	\$ 372,798	\$ -	\$ -	\$ (2,870,819)	\$ -	\$ (2,870,819)
Boards and agencies	398,432	78,960	256,032	-	(63,440)	-	(63,440)
Public safety	2,390,246	429,375	42,731	-	(1,918,140)	-	(1,918,140)
Public works	4,505,253	783,891	-	429,947	(3,291,415)	-	(3,291,415)
Recreation	432,728	250,206	-	-	(182,522)	-	(182,522)
Library	858,695	-	-	-	(858,695)	-	(858,695)
Human services	615,972	9,931	69,263	-	(536,778)	-	(536,778)
Town properties	466,744	-	-	-	(466,744)	-	(466,744)
Education	33,974,142	644,851	13,453,782	28,120	(19,847,389)	-	(19,847,389)
Interest on long-term debt	754,565	-	-	-	(754,565)	-	(754,565)
Total governmental activities	47,640,394	2,570,012	13,821,808	458,067	(30,790,507)	-	(30,790,507)
<b>Business-type activities:</b>							
Sewer	2,337,368	2,814,867	-	-	-	477,499	477,499
Total business-type activities	2,337,368	2,814,867	-	-	-	477,499	477,499
Total primary government	\$ 49,977,762	\$ 5,384,879	\$ 13,821,808	\$ 458,067	(30,790,507)	477,499	(30,313,008)
<b>General revenues:</b>							
Property taxes, levied for general purposes					30,322,073	-	30,322,073
Grants and contributions not restricted to specific programs					465,667	-	465,667
Unrestricted investment earnings					111,686	63,328	175,014
Miscellaneous					251,098	-	251,098
Transfers					(128,500)	128,500	-
Total general revenues					31,022,024	191,828	31,213,852
Change in net assets					231,517	669,327	900,844
Net assets - beginning, as originally reported					48,188,274	14,536,552	62,724,826
Adjustments (see Note 13)					383,284	649,556	1,032,840
Net assets - beginning, as adjusted					48,571,558	15,186,108	63,757,666
Net assets - ending					\$ 48,803,075	\$ 15,855,435	\$ 64,658,510

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

**TOWN OF ELLINGTON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>General Fund</u>	<u>High School/ Center School Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 206,627	\$ -	\$ 157,845	\$ 364,472
Investments	3,912,143	-	2,126,709	6,038,852
Receivables:				
Property taxes receivable, net of allowance for uncollectibles of \$206,900	879,341	-	-	879,341
Grants and contracts receivable	235,222	-	279,531	514,753
Other	232,474	-	192,614	425,088
Due from other funds	3,507,161	-	72,937	3,580,098
Inventories	-	-	10,572	10,572
Total assets	<u>\$ 8,972,968</u>	<u>\$ -</u>	<u>\$ 2,840,208</u>	<u>\$ 11,813,176</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
Liabilities:				
Accounts payable	\$ 1,609,295	\$ -	\$ 42,239	\$ 1,651,534
Accrued liabilities	30,036	-	-	30,036
Due to other funds	520,258	2,676,314	303,784	3,500,356
Unearned/deferred revenue	845,757	-	316,359	1,162,116
Due to funding source	-	-	15,580	15,580
Total liabilities	<u>3,005,346</u>	<u>2,676,314</u>	<u>677,962</u>	<u>6,359,622</u>
Fund balances (deficit):				
Reserved for:				
Inventories	-	-	10,572	10,572
Sanitation	-	-	48,083	48,083
Document preservation	-	-	28,288	28,288
Land preservation	-	-	428,871	428,871
Endowments	-	-	52,497	52,497
Encumbrances	28,300	-	-	28,300
Unreserved	2,328,160	(2,676,314)	-	(348,154)
Unreserved, designated for post employment benefits	383,774	-	-	383,774
Unreserved, designated for capital reserves	2,871,379	-	-	2,871,379
Unreserved, designated for capital and nonrecurring	356,009	-	-	356,009
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	657,947	657,947
Capital project funds	-	-	407,377	407,377
Permanent funds	-	-	528,611	528,611
Total fund balances (deficit)	<u>5,967,622</u>	<u>(2,676,314)</u>	<u>2,162,246</u>	<u>5,453,554</u>
Total liabilities and fund balances (deficit)	<u>\$ 8,972,968</u>	<u>\$ -</u>	<u>\$ 2,840,208</u>	<u>\$ 11,813,176</u>

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

**TOWN OF ELLINGTON**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

Total fund balances for governmental funds \$ 5,453,554

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	\$	2,507,844	
Arts collection		35,598	
Construction in progress		387,238	
Buildings and improvements		67,917,327	
Equipment		2,073,082	
Vehicles		6,294,384	
Infrastructure		9,001,780	
Less: accumulated depreciation and amortization		<u>(28,583,430)</u>	
Total capital assets, net			59,633,823

School construction grants receivable from the State of Connecticut are not susceptible to accrual and are, therefore, not reported in the funds. 470,772

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

Bond issuance costs		100,620	
Less: accumulated amortization		<u>(30,273)</u>	
Total bond issuance costs, net			70,347

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 funds. 845,757

Accrued interest on property taxes are not susceptible to accrual and therefore are not reported in the funds. 276,465

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

Long-term debt:			
Bonds payable		(15,487,500)	
Unamortized premiums		(892)	
Obligations under capital lease		(868,283)	
Accrued interest payable		(33,733)	
Note payable		(236,872)	
Other long-term liabilities:			
Compensated absences		(1,184,486)	
Net OPEB obligation		<u>(135,877)</u>	
Total long-term liabilities			<u>(17,947,643)</u>

Net assets of governmental activities \$ 48,803,075

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

**TOWN OF ELLINGTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (DEFICIT)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	High School/ Center School Project	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 29,966,770	\$ -	\$ -	\$ 29,966,770
Licenses, permits and fees	216,701	-	-	216,701
Intergovernmental	13,582,654	-	1,427,430	15,010,084
Charges for services	947,100	-	367,297	1,314,397
Food sales	-	-	590,880	590,880
Interest and dividends	92,921	-	18,765	111,686
Net decrease in the fair value of investments	-	-	(114,445)	(114,445)
Other income	457,917	-	390,571	848,488
Total revenues	<u>45,264,063</u>	<u>-</u>	<u>2,680,498</u>	<u>47,944,561</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,411,037	-	-	1,411,037
Boards and agencies	104,997	-	-	104,997
Public safety	2,148,188	-	-	2,148,188
Public works	3,453,848	-	-	3,453,848
Recreation	361,365	-	-	361,365
Library	604,682	-	-	604,682
Human services	477,079	-	-	477,079
Town properties	466,744	-	-	466,744
Education	30,967,610	-	-	30,967,610
Miscellaneous	2,255,764	-	6,549	2,262,313
Program expenditures	-	-	2,669,733	2,669,733
Debt service:				
Principal payments	1,805,423	-	-	1,805,423
Interest and fiscal charges	763,911	-	-	763,911
Capital outlays	966,649	52,207	74,900	1,093,756
Total expenditures	<u>45,787,297</u>	<u>52,207</u>	<u>2,751,182</u>	<u>48,590,686</u>
Deficiency of revenues over expenditures	(523,234)	(52,207)	(70,684)	(646,125)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	144,771	-	458,338	603,109
Transfers out	(248,500)	-	(483,109)	(731,609)
Total other financing sources (uses)	<u>(103,729)</u>	<u>-</u>	<u>(24,771)</u>	<u>(128,500)</u>
Net change in fund balances	(626,963)	(52,207)	(95,455)	(774,625)
Fund balances (deficit) - beginning of year	<u>6,594,585</u>	<u>(2,624,107)</u>	<u>2,257,701</u>	<u>6,228,179</u>
Fund balances (deficit) - ending of year	<u>\$ 5,967,622</u>	<u>\$ (2,676,314)</u>	<u>\$ 2,162,246</u>	<u>\$ 5,453,554</u>

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

**TOWN OF ELLINGTON**  
**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, 2009**

Net change in fund balances for governmental funds \$ (774,625)

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 expense. The amount by which depreciation and amortization exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$	1,967,960	
Depreciation and amortization expense		(2,690,394)	
Net adjustment		(722,434)	(722,434)

The net effect of various miscellaneous transactions involving capital assets is as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		21,176	
The statement of activities reports losses from the sale of existing capital assets. Conversely, governmental funds do not report any gain or loss on the sale of capital assets.		(28,000)	
Net adjustment		(6,824)	(6,824)

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net assets. (99,193)

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. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Debt issued or incurred:			
Amortization of bond issuance costs		(5,031)	
Amortization of bond premium		129	
Principal repayments:			
Bonds payable		1,427,500	
Capital leases		364,946	
Note payable		12,976	
Net adjustment		1,800,520	1,800,520

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

**TOWN OF ELLINGTON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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. In the statement of activities, however, 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	\$	26,865	
Accrued interest		4,483	
Net OPEB obligation		<u>(135,877)</u>	
	\$		(104,529)
Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred revenues in governmental funds. This amount represents the change in deferred revenue.			198,322
Interest on property taxes receivable are not susceptible to accrual and therefore are only reported as revenue in the funds when the cash is received by the Town. The change in interest receivable during the year reduced revenues recognized in the funds.			<u>(59,720)</u>
Change in net assets of governmental activities	\$		<u>231,517</u>

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

**TOWN OF ELLINGTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxation	\$ 29,748,863	\$ 29,748,863	\$ 30,183,471	\$ 434,608
Intergovernmental - education	9,875,938	9,875,938	9,951,565	75,627
Intergovernmental - other	1,138,641	1,138,641	990,416	(148,225)
Charges for goods and services	984,535	984,535	947,100	(37,435)
Interest and dividends	220,000	220,000	92,921	(127,079)
Other revenues	678,623	678,623	815,116	136,493
Total revenues	<u>42,646,600</u>	<u>42,646,600</u>	<u>42,980,589</u>	<u>333,989</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,377,699	1,460,428	1,411,037	(49,391)
Boards and agencies	140,496	141,828	97,197	(44,631)
Public safety	2,043,067	2,163,819	2,148,188	(15,631)
Public works	3,357,808	3,599,948	3,453,848	(146,100)
Recreation	380,731	380,731	361,365	(19,366)
Library	563,069	604,682	604,682	-
Human services	477,992	493,404	477,078	(16,326)
Town properties	401,878	466,845	466,744	(101)
Miscellaneous	2,801,930	2,690,792	2,366,891	(323,901)
Education	28,475,931	28,475,931	28,326,935	(148,996)
Debt service	3,055,039	3,055,039	3,055,034	(5)
Capital outlays	1,160,875	1,446,818	1,445,617	(1,201)
Total expenditures	<u>44,236,515</u>	<u>44,980,265</u>	<u>44,214,616</u>	<u>(765,649)</u>
Excess (deficiency) of revenues over expenditures	(1,589,915)	(2,333,665)	(1,234,027)	1,099,638
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	1,567,765	2,311,515	-	(2,311,515)
Transfers in	142,150	142,150	144,771	2,621
Transfers out	(120,000)	(120,000)	(120,000)	-
Total other financing sources (uses)	<u>1,589,915</u>	<u>2,333,665</u>	<u>24,771</u>	<u>(2,308,894)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(1,209,256)	<u>\$ (1,209,256)</u>
Fund balance - beginning of year			<u>6,406,253</u>	
Fund balance - ending of year			<u>\$ 5,196,997</u>	

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

**TOWN OF ELLINGTON**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Sewer Authority</b>	<b>Crystal Lake Sewers</b>	<b>Other Enterprise Funds</b>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 464	\$ -	\$ -	\$ 464
Investments	4,487,835	786,434	-	5,274,269
Receivables:				
Solid waste charges receivable, net of allowances for uncollectibles of \$4,300	-	-	31,965	31,965
Sewer usage charges receivable, net of allowances for uncollectibles of \$19,200	70,731	33,531	-	104,262
Assessments, interest and liens receivable	42,071	31,791	-	73,862
Due from other funds	385,358	79,488	-	464,846
Prepaid expenses	-	7,818	-	7,818
Total current assets	<u>4,986,459</u>	<u>939,062</u>	<u>31,965</u>	<u>5,957,486</u>
Noncurrent assets:				
Deferred asset - pump station	1,324,025	-	-	1,324,025
Long-term assessments receivable	1,154,333	187,221	46,223	1,387,777
Capital assets:				
Non-depreciable	2,461,619	-	-	2,461,619
Depreciable, net	5,119,645	4,392,130	-	9,511,775
Total noncurrent assets	<u>10,059,622</u>	<u>4,579,351</u>	<u>46,223</u>	<u>14,685,196</u>
Total assets	<u>15,046,081</u>	<u>5,518,413</u>	<u>78,188</u>	<u>20,642,682</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	282,758	-	-	282,758
Accrued interest	2,098	1,501	-	3,599
Unearned revenue	49,705	44,704	-	94,409
Due to other funds	402,602	-	142,354	544,956
Bonds payable - current	75,000	187,500	-	262,500
Note payable - current	177,998	-	-	177,998
Total current liabilities	<u>990,161</u>	<u>233,705</u>	<u>142,354</u>	<u>1,366,220</u>
Noncurrent liabilities:				
Bonds payable	1,525,000	750,000	-	2,275,000
Note payable	1,146,027	-	-	1,146,027
Total noncurrent liabilities	<u>2,671,027</u>	<u>750,000</u>	<u>-</u>	<u>3,421,027</u>
Total liabilities	<u>3,661,188</u>	<u>983,705</u>	<u>142,354</u>	<u>4,787,247</u>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets, net of related debt	5,981,264	3,454,630	-	9,435,894
Unrestricted (deficit)	5,403,629	1,080,078	(64,166)	6,419,541
Total net assets (deficit)	<u>\$ 11,384,893</u>	<u>\$ 4,534,708</u>	<u>\$ (64,166)</u>	<u>\$ 15,855,435</u>

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

**TOWN OF ELLINGTON**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS (DEFICIT)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Sewer Authority</b>	<b>Crystal Lake Sewers</b>	<b>Other Enterprise Funds</b>	
<b>OPERATING REVENUES</b>				
Assessments	\$ 925,906	\$ 100,661	\$ -	\$ 1,026,567
User charges, interest and lien fees	1,138,289	175,921	-	1,314,210
Permits and fees	6,900	2,400	-	9,300
Solid waste fees	-	-	464,790	464,790
Total operating revenues	<u>2,071,095</u>	<u>278,982</u>	<u>464,790</u>	<u>2,814,867</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	133,943	-	-	133,943
Services and supplies	13,759	-	-	13,759
Town of Vernon	1,006,321	-	-	1,006,321
Town of Stafford	-	31,814	-	31,814
Depreciation and amortization	210,243	134,577	-	344,820
Utilities	28,005	14,963	-	42,968
General maintenance and repairs	114,266	15,975	-	130,241
Public works and administrative expenses	19,731	19,544	442,173	481,448
Legal	1,650	2,813	-	4,463
Advertising	3,438	26	-	3,464
Other	9,071	-	259	9,330
Total operating expenses	<u>1,540,427</u>	<u>219,712</u>	<u>442,432</u>	<u>2,202,571</u>
Operating income	530,668	59,270	22,358	612,296
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment income	55,407	7,921	-	63,328
Debt service-interest expense	<u>(78,204)</u>	<u>(56,593)</u>	<u>-</u>	<u>(134,797)</u>
Total non-operating revenues (expenses)	<u>(22,797)</u>	<u>(48,672)</u>	<u>-</u>	<u>(71,469)</u>
Income before transfers in (out)	507,871	10,598	22,358	540,827
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>73,469</u>	<u>55,031</u>	<u>-</u>	<u>128,500</u>
Change in net assets	581,340	65,629	22,358	669,327
Net assets (deficit) - beginning, as originally reported	10,385,037	4,284,262	(132,747)	14,536,552
Adjustment (See Note 14)	<u>418,516</u>	<u>184,817</u>	<u>46,223</u>	<u>649,556</u>
Net assets (deficit) - beginning, as adjusted	<u>10,803,553</u>	<u>4,469,079</u>	<u>(86,524)</u>	<u>15,186,108</u>
Net assets (deficit) - ending	<u>\$ 11,384,893</u>	<u>\$ 4,534,708</u>	<u>\$ (64,166)</u>	<u>\$ 15,855,435</u>

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

**TOWN OF ELLINGTON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Sewer Authority</b>	<b>Crystal Lake Sewers</b>	<b>Other Enterprise Funds</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 977,826	\$ 282,241	\$ 462,573	\$ 1,722,640
Receipts from interfund services provided	465,757	-	-	465,757
Payments to suppliers	(1,131,506)	(65,591)	(442,432)	(1,639,529)
Payments for interfund services	-	(321,175)	(20,141)	(341,316)
Payments to employees	(153,674)	(19,544)	-	(173,218)
Net cash provided by (used in) operating activities	<u>158,403</u>	<u>(124,069)</u>	<u>-</u>	<u>34,334</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(525,434)	-	-	(525,434)
Principal paid on capital debt	(344,176)	(187,500)	-	(531,676)
Interest paid on capital debt	(78,204)	(56,593)	-	(134,797)
Transfers in	73,469	55,031	-	128,500
Net cash used in capital and related financing activities	<u>(874,345)</u>	<u>(189,062)</u>	<u>-</u>	<u>(1,063,407)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments, net	658,535	305,210	-	963,745
Interest and dividends	55,407	7,921	-	63,328
Net cash provided by investing activities	<u>713,942</u>	<u>313,131</u>	<u>-</u>	<u>1,027,073</u>
Net decrease in cash and cash equivalents	(2,000)	-	-	(2,000)
Cash and cash equivalents, beginning of year	<u>2,464</u>	<u>-</u>	<u>-</u>	<u>2,464</u>
Cash and cash equivalents, end of year	<u>\$ 464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>				
Operating income	\$ 530,668	\$ 59,270	\$ 22,358	\$ 612,296
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	210,243	134,577	-	344,820
(Increase) decrease in assets:				
Sewer usage receivable, net	(2,474)	(2,142)	(2,217)	(6,833)
Assessment, interest and liens receivable	(14,704)	7,801	-	(6,903)
Due from other funds	(119,678)	(46,202)	-	(165,880)
Long-term assessments receivable	(845,411)	(38,590)	-	(884,001)
Other assets	1,488	1,562	-	3,050
Increase (decrease) in liabilities:				
Accounts payable	45,004	-	-	45,004
Accrued interest	-	1	-	1
Unearned revenue	(17,393)	(337,207)	-	(354,600)
Due to other funds	370,660	96,861	(20,141)	447,380
Net cash provided by (used in) operating activities	<u>\$ 158,403</u>	<u>\$ (124,069)</u>	<u>\$ -</u>	<u>\$ 34,334</u>

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

**TOWN OF ELLINGTON**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2009**

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 79,538	\$ 282,765
Investments	252,371	460,540
Due from other funds	368	-
Total assets	332,277	\$ 743,305
 <b>LIABILITIES</b>		
Due to others	-	\$ 743,305
Total liabilities	-	\$ 743,305
 <b>NET ASSETS</b>		
Held in trust for other purposes	\$ 332,277	

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

**TOWN OF ELLINGTON  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>	
Contributions - private donations	\$ 125,748
Other income	24,842
Total contributions	150,590
Investment earnings (losses):	
Interest	1,263
Net decrease in the fair value of investments	(28,653)
Total investment earnings/(loss)	(27,390)
Total additions	123,200
<b>DEDUCTIONS</b>	
Other expenditures	1,643
Program expenditures	130,064
	131,707
Change in net assets	(8,507)
Net assets - beginning	340,784
Net assets - ending	\$ 332,277

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Ellington (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**

The Town is governed by an elected, seven-member Board of Selectmen. The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

**Related Organizations**

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments. The Town did not receive any proceeds from the Housing Authority for the year ended June 30, 2009.

The Board of Selectmen is also responsible for appointing a Board member to the Town's regional group for public health. Amounts paid to the health district amounted to \$55,181 for the year ended June 30, 2009.

**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 distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the reporting entity'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 reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

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

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

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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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 or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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 and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor 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.

**High School/Center School Project Fund** – This fund accounts for all activity pertaining to the renovations taking place at Ellington High School and Center School.

The Town reports the following major enterprise funds:

**Sewer Authority Fund** – This fund accounts for all sewer use activities and assessments in the Hockanum River section of the Town.

**Crystal Lake Sewers Fund** – This fund accounts for all sewer use activities and assessments in the Crystal Lake section of the Town.

In addition, the Town reports the following fund types:

**Private Purpose Trust Funds** – These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

**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 and for performance bonds.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

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

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

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

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Town may also apply FASB pronouncements issued after November 30, 1989 to business-type activities and enterprise funds, unless these pronouncements conflict with or contradict GASB pronouncements. The Town has elected not to follow subsequent private-sector pronouncements.

**Governmental Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

**ASSETS, LIABILITIES AND FUND EQUITY**

**Cash Equivalents**

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**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, except for money market investments as defined in the Statement, which the Town has elected to report at amortized cost.

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. The fair value of the Town's position in the pool is the same as the value of the pool shares. In addition, the Town invests in the Cooperative Liquid Assets Security Fund (CLASS), which is an investment pool managed by MBIA Municipal Investors Service Corp. The fair value of the Town's position in the pool is the same as the value of the pool shares.

**Donor-restricted Endowments**

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Net appreciation of donor-restricted endowments available for expenditure by the Town totaled \$528,611 as of June 30, 2009 and is included in restricted net assets. Town policy requires all investment income to be recorded in the respective fund earned and is to be used to offset future donor restricted program expenditures.

**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. Liens are filed on delinquent real estate taxes within one year. Based on historical collection experience and other factors, the Town has established an allowance for doubtful accounts of \$206,900 as of June 30, 2009.

Property tax revenues are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected within 60 days of the end of the current period. Property taxes receivable that are not expected to be collected during the available period are reflected as deferred revenue.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

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

**Sewer Usage Charges**

Upon completion of sewer projects, sewer assessments are levied and assessed to the users. Usage charges are billed in April and October. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

**Inventories and Prepaid Items**

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of U.S. Department of Agriculture (USDA) food products of the School Lunch Fund (a Nonmajor Special Revenue Fund) are valued at amounts assigned by the USDA.

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

**Capital Assets**

Capital assets, which include an arts collection, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000. Such assets are recorded at 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 an asset or materially extend assets lives are not capitalized.

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

Property, equipment and infrastructure of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Public domain infrastructure	50
Buildings and improvements	40
Vehicles	5 - 10
Equipment	3 - 7

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

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

**Deferred Asset – Pump Station**

The Town has an operating agreement with a nearby town that operates a waste water treatment facility (“Facility”) which the Town pays an annual user fee in order to use. In 1992, the Facility incurred significant upgrades to improve its operations. These upgrades are to be repaid by all towns that are using the Facility on an allocated basis. The Town has a note payable with the Facility that is due in 2016. As of June 30, 2009 the Town has a noncurrent asset in the Sewer Authority Fund of \$1,324,025, which represents the amount still owed by the Town to the Facility. This amount will be amortized over the life of the note payable between the Town and the Facility.

**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**

Town employees are not entitled to accumulate vacation and sick leave. Board of Education employees accumulate vacation and sick leave for subsequent use or for payment upon termination or retirement. Compensated absences are accrued when incurred in the government-wide financial statements. Vacation and sick leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year, or the 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 fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Reservations and designations of fund equity are discussed more fully in Note 9.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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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". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reservation in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Interfund Services Provided and Used**

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

**Interfund Transfers**

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

**Interfund Reimbursements**

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

**USE OF ESTIMATES**

The preparation of the 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 ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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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 included in the General Fund financial statements.

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level for the Board of Education and the object level for all other departments. Because the legal level of control is more detailed than the accompanying budgetary comparison schedule presented herein, a separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$40,000 must be approved by the Board of Finance. Appropriations in excess of \$40,000 must be approved at a Town meeting. During the year, the Board of Finance and, where required, Town meetings, approved additional appropriations from fund balance of \$743,750.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and "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.
- All unexpended appropriations lapse at year-end.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**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. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows for the year ended June 30, 2009:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses) - Transfers, net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 42,980,589	\$ 44,214,616	\$ 24,771	\$ (1,209,256)
"On-behalf" payments - State Teachers Retirement Fund (see Note 9) <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">10</span>	2,262,768	2,262,768	-	-
Changes in encumbrances:				
June 30, 2008	-	24,975	-	(24,975)
June 30, 2009	-	(28,300)	-	28,300
Certain transfers recorded as revenues/expenditures for budgetary purposes	-	(128,500)	(128,500)	-
Changes in designations recorded as expenditures for budgetary purposes:				
Capital projects	-	(323,695)	-	323,695
Capital and nonrecurring	-	(155,273)	-	155,273
Post employment benefits	-	(100,000)	-	100,000
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	377,906	377,906	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(357,200)	(357,200)	-	-
GAAP basis	<u>\$ 45,264,063</u>	<u>\$ 45,787,297</u>	<u>\$ (103,729)</u>	<u>\$ (626,963)</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

**DEFICIT FUND EQUITY**

The following funds have deficit fund balances as of June 30, 2009, none of which constitutes a violation of statutory provisions:

Fund	Amount
High School / Center School Project	\$ 2,676,314
Watermains, Tripp and Middle Roads	80,556

The deficit in the High School / Center School Project Fund will be funded through the issuance of bonds. The deficit in the Watermains, Tripp and Middle Roads Fund will be funded through operations and transfers from the General Fund.

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS – CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$2,840,931 of the Town's bank balance of \$3,840,955 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,561,588
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	279,343
	<u>\$ 2,840,931</u>

All of the Town's deposits were 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.

The Town's cash and cash equivalents as of June 30, 2009 consisted of cash deposits of \$727,239 and various certificates of deposit with original maturities in excess of 3 months totaling \$1,905,775. These certificates of deposit are classified as investments in the accompanying financial statements, although they are considered to be cash deposits for purposes of disclosure under GASB No. 40.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

**CASH DEPOSITS – CUSTODIAL CREDIT RISK (Continued)**

A reconciliation of the Town's cash deposits as of June 30, 2009 is as follows:

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 364,936
Add: certificates of deposits classified as investments	1,905,775
	<u>2,270,711</u>
Statement of fiduciary net assets:	
Private purpose trust funds	79,538
Agency funds	282,765
	<u>362,303</u>
	<u>\$ 2,633,014</u>

**INVESTMENTS**

As of June 30, 2009, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities:</b>					
Short Term Investment Fund (STIF)	\$ 1,905,446	\$ 1,905,446	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security Systems Fund (CLASS)	7,524,583	7,524,583	-	-	-
U.S. Treasuries	74,930	-	-	74,930	-
Corporate bonds	52,088	-	52,088	-	-
Money market funds	142,876	142,876	-	-	-
	<u>9,699,923</u>	<u>\$ 9,572,905</u>	<u>\$ 52,088</u>	<u>\$ 74,930</u>	<u>\$ -</u>
<b>Other investments:</b>					
Equity securities	420,334				
<b>Total</b>	<u>\$ 10,120,257</u>				

Because the STIF and CLASS have weighted average maturities of less than 90 days, they were presented as investments with maturities of less than one year.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

**INVESTMENTS (Continued)**

A reconciliation of the Town's investments as of June 30, 2009 is as follows:

Government-wide statement of net assets:

Investments and endowment investments	\$ 11,313,121
Less: certificates of deposits considered cash deposits under GASB Statement No. 40	<u>(1,905,775)</u>
	<u>9,407,346</u>

Statement of fiduciary net assets:

Private purpose trust funds	252,371
Agency funds	<u>460,540</u>
	<u>712,911</u>
	<u>\$ 10,120,257</u>

**Interest Rate Risk**

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

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The pension trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

The Town's investments in debt securities were rated by Standard & Poor's as follows at June 30, 2009:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Short Term Investment Fund (STIF)	\$ 1,905,446	\$ 1,905,446	\$ -	\$ -
Cooperative Liquid Asset Security Sytem (CLASS)	7,524,583	-	7,524,583	-
Corporate bonds	52,088	52,088	-	-
Money market funds	142,876	-	-	142,876
	<u>\$ 9,624,993</u>	<u>\$ 1,957,534</u>	<u>\$ 7,524,583</u>	<u>\$ 142,876</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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

**INVESTMENTS (Continued)**

**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. In accordance with GASB No. 40, the Town's investments in debt securities do not require custodial credit risk disclosures 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. No other issuer other than the CLASS and STIF accounts constitute an investment in excess of 5% of the Town's total investments.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Land	2,507,844	-	-	2,507,844
Construction in progress	-	387,238	-	387,238
Total capital assets, not being depreciated	<u>2,543,442</u>	<u>387,238</u>	<u>-</u>	<u>2,930,680</u>
Capital assets, being depreciated:				
Buildings and improvements	67,357,913	559,414	-	67,917,327
Equipment	1,986,769	86,313	-	2,073,082
Vehicles	6,253,616	96,768	(56,000)	6,294,384
Infrastructure	8,142,377	859,403	-	9,001,780
Total capital assets, being depreciated	<u>83,740,675</u>	<u>1,601,898</u>	<u>(56,000)</u>	<u>85,286,573</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	18,503,706	1,827,015	-	20,330,721
Equipment	1,231,352	316,087	-	1,547,439
Vehicles	4,636,032	383,086	(28,000)	4,991,118
Infrastructure	1,549,946	164,206	-	1,714,152
Total accumulated depreciation and amortization	<u>25,921,036</u>	<u>2,690,394</u>	<u>(28,000)</u>	<u>28,583,430</u>
Total capital assets, being depreciated, net	<u>57,819,639</u>	<u>(1,088,496)</u>	<u>(28,000)</u>	<u>56,703,143</u>
Governmental activities capital assets, net	<u>\$ 60,363,081</u>	<u>\$ (701,258)</u>	<u>\$ (28,000)</u>	<u>\$ 59,633,823</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 4 - CAPITAL ASSETS (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ 2,085,613	\$ 376,006	\$ -	\$ 2,461,619
Total capital assets, not being depreciated	<u>2,085,613</u>	<u>376,006</u>	<u>-</u>	<u>2,461,619</u>
Capital assets, being depreciated:				
Equipment - Sewer Authority	147,535	149,428	(8)	147,527
Infrastructure - Sewer Authority	9,150,474	-	-	9,299,902
Equipment - Crystal Lake	20,610	-	(57)	20,553
Infrastructure - Crystal Lake	6,673,516	-	-	6,673,516
Total capital assets, being depreciated	<u>15,992,135</u>	<u>149,428</u>	<u>(65)</u>	<u>16,141,498</u>
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	65,302	14,414	(8)	79,708
Infrastructure - Sewer Authority	4,052,247	195,829	-	4,248,076
Equipment - Crystal Lake	10,380	1,107	(57)	11,430
Infrastructure - Crystal Lake	2,157,038	133,471	-	2,290,509
Total accumulated depreciation and amortization	<u>6,284,967</u>	<u>344,821</u>	<u>(65)</u>	<u>6,629,723</u>
Total capital assets, being depreciated, net	<u>9,707,168</u>	<u>(195,393)</u>	<u>-</u>	<u>9,511,775</u>
Business-type activities capital assets, net	<u>\$ 11,792,781</u>	<u>\$ 180,613</u>	<u>\$ -</u>	<u>\$ 11,973,394</u>

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

<b>Governmental Activities:</b>	
Education	\$ 1,680,829
Public works	416,780
Public safety	329,435
General government	175,850
Library	87,500
Total depreciation and amortization expense - governmental activities	<u>\$ 2,690,394</u>
 <b>Business-type Activities:</b>	
Sewer	<u>\$ 344,821</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2009 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	High School/Center School Project	\$ 2,676,314
	Other Governmental Funds	285,991
	Other Enterprise Funds	142,354
	Sewer Authority Fund	402,502
		<u>3,507,161</u>
Other Governmental Funds	General Fund	55,144
	Other Governmental Funds	17,793
		<u>72,937</u>
		<u>\$ 3,580,098</u>
<b>Enterprise Funds</b>		
Sewer Authority Fund	General Fund	385,358
Crystal Lake Sewers Fund	General Fund	79,388
	Sewer Authority Fund	100
		<u>79,488</u>
		<u>464,846</u>
<b>Fidiciary Funds</b>		
Private Purpose Trust Funds	General Fund	<u>368</u>
Total due from/to other funds		<u>\$ 4,045,312</u>

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2009 consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Crystal Lake Sewers Fund	\$ 55,031
	Sewer Authority Fund	73,469
	Other Governmental Funds	120,000
		<u>248,500</u>
Other Governmental Funds	General Fund	144,771
	Other Governmental Funds	338,338
		<u>483,109</u>
		<u>\$ 731,609</u>

The transfers to the Crystal Lake Sewers Fund and the Sewer Authority Fund were to assist in the operations of this fund. The transfer to the Other Governmental Funds was an advance to fund future capital projects. The transfer from the Other Governmental Funds was to reimburse the General Fund for expenditures incurred.

**NOTE 7 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009:

	<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 payable:					
General obligation bonds	\$ 16,915,000	\$ -	\$ (1,427,500)	\$ 15,487,500	\$ 1,417,500
Unamortized premium	1,021	-	(129)	892	-
Total bonds payable	<u>16,916,021</u>	<u>-</u>	<u>(1,427,629)</u>	<u>15,488,392</u>	<u>1,417,500</u>
Other liabilities:					
Capital leases	1,233,229	-	(364,946)	868,283	382,470
Note payable	249,848	-	(12,976)	236,872	13,572
Compensated absences	1,211,351	69,957	(96,822)	1,184,486	110,000
Net OPEB obligation (see Note 11)	-	135,877	-	135,877	-
	<u>\$ 19,610,449</u>	<u>\$ 205,834</u>	<u>\$ (1,902,373)</u>	<u>\$ 17,913,910</u>	<u>\$ 1,923,542</u>
<b>Business-type Activities</b>					
Bonds payable:					
General obligation bonds	\$ 2,894,700	\$ -	\$ (357,200)	\$ 2,537,500	\$ 262,500
Note payable	1,498,501	-	(174,476)	1,324,025	177,998
	<u>\$ 4,393,201</u>	<u>\$ -</u>	<u>\$ (531,676)</u>	<u>\$ 3,861,525</u>	<u>\$ 440,498</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

Bonds payable and other liabilities of Governmental Activities have typically been liquidated by the General Fund.

**GENERAL OBLIGATION BONDS**

A summary of general obligation bonds outstanding at June 30, 2009 is as follows:

Description of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding
<b>Governmental Activities</b>			
School bonds issued 1994, original amount of \$3,810,000	2014	4.90%	\$ 747,500
School bonds issued 1999, original amount of \$5,390,000	2019	4.20%	2,690,000
Public improvement bonds issued 1990, original amount of \$3,360,000	2011	6.25%	300,000
Public improvement bonds issued 1999, original amount of \$1,650,000	2019	4.20%	800,000
School bonds issued 2002, original amount of \$9,650,000	2022	3.25%	6,085,000
School bonds issued 2003, original amount of \$6,640,000	2023	3.45%	4,865,000
			<u>\$ 15,487,500</u>
<b>Business-type Activities</b>			
Sewer bonds issued 1994, original amount of \$3,375,000	2014	4.90%	\$ 937,500
Sewer bonds issued 2007, original amount of \$1,750,000	2027	5.00%	1,600,000
			<u>\$ 2,537,500</u>

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 \$211,825,481 as of June 30, 2009. 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, 2009.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**GENERAL OBLIGATION BONDS (Continued)**

Annual debt service requirements to maturity at June 30, 2009 are as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>		
	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 1,417,500	\$ 633,594	\$ 2,051,094
2011	1,417,500	574,894	1,992,394
2012	1,267,500	520,436	1,787,936
2013	1,267,500	469,382	1,736,882
2014	1,252,500	417,348	1,669,848
2015-2019	5,530,000	1,364,443	6,894,443
2020-2024	3,335,000	330,483	3,665,483
	<u>\$ 15,487,500</u>	<u>\$ 4,310,580</u>	<u>\$ 19,798,080</u>

<b>Year ending June 30:</b>	<b>Business-Type Activities</b>		
	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 262,500	\$ 115,467	\$ 377,967
2011	262,500	102,531	365,031
2012	262,500	90,249	352,749
2013	262,500	77,969	340,469
2014	262,500	65,688	328,188
2015-2019	425,000	226,000	651,000
2020-2024	500,000	126,250	626,250
2025-2027	300,000	25,500	325,500
	<u>\$ 2,537,500</u>	<u>\$ 829,654</u>	<u>\$ 3,367,154</u>

**SCHOOL BOND REIMBURSEMENTS**

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2009 was \$99,193. Additional reimbursements of principal aggregating \$470,773 are expected to be received through the applicable bonds' maturity dates.

**NOTES PAYABLE**

The Town has a note payable to a local municipal water pollution control authority to pay for the Town's portion of capital costs incurred for various pump station upgrades. This note has an interest rate of 1.5% and has semi-annual payments including interest of \$101,426 through January, 2016.

The Town has a note payable to pay for property purchased in 2008. This note has an interest rate of 4.4% and has annual payments including interest of \$24,001 through June 2023.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**NOTES PAYABLE (Continued)**

Aggregate principal maturities on the note payables in subsequent years are as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>		
	<b>Note Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 13,572	\$ 10,429	\$ 24,001
2011	14,195	9,806	24,001
2012	14,847	9,154	24,001
2013	15,529	8,472	24,001
2014	16,243	7,758	24,001
2015-2019	93,115	26,890	120,005
2020-2023	69,371	5,249	74,620
	<u>\$ 236,872</u>	<u>\$ 77,758</u>	<u>\$ 314,630</u>

<b>Year ending June 30:</b>	<b>Business-Type Activities</b>		
	<b>Note Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 177,998	\$ 24,854	\$ 202,852
2011	181,591	21,261	202,852
2012	185,256	17,596	202,852
2013	188,996	13,856	202,852
2014	192,810	10,042	202,852
2015-2017	397,374	8,330	405,704
	<u>\$ 1,324,025</u>	<u>\$ 95,939</u>	<u>\$ 1,419,964</u>

**CAPITAL LEASES**

A summary of assets acquired through capital leases is as follows as of June 30, 2009:

	<b>Governmental Activites</b>
Vehicles	\$ 1,469,855
Computers	330,000
	<u>1,799,855</u>
Less: accumulated amortization	(798,308)
	<u>\$ 1,001,547</u>

Amortization expense relative to leased property under capital leases totaled \$303,931 for the year ended June 30, 2009 and is included in depreciation and amortization expense disclosed in Note 4.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**CAPITAL LEASES (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 are as follows:

Year Ending June 30:	<u>Governmental Activities</u>
2010	\$ 424,124
2011	260,387
2012	<u>260,387</u>
Total minimum lease payments	944,898
Less: amount representing interest	<u>76,615</u>
Present value of minimum lease payments	<u><u>\$ 868,283</u></u>

**NOTE 8 - 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. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 845,757	\$ -
Grant drawdowns prior to meeting all eligibility requirements	-	316,359
	<u>\$ 845,757</u>	<u>\$ 316,359</u>

**NOTE 9 - FUND BALANCE DESIGNATIONS**

Designations of unreserved fund balance reported in the governmental funds balance sheet represent the Town's self-imposed limitations on the use of otherwise available expendable financial resources of governmental funds. Descriptions of significant unreserved fund balance designations reported in the governmental fund balance sheet as of June 30, 2009 are as follows:

Designated for capital reserves	\$ 2,871,379
Designated for capital and nonrecurring	356,009
Designated for post employment benefits	<u>383,774</u>
	<u>\$ 3,611,162</u>

The amount designated for Capital Reserves totaling \$2,871,379 was created by the Board of Finance, as mandated by the Town Charter, to maintain a reserve of at least 5% of the operating budget to support the working capital requirements of the Town. Each year, the Board of Finance transfers the unallocated contingency fund and the capital reserve fund totaling \$150,000 and \$148,633, respectively, for 2009 to this account.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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**NOTE 10 - PENSION PLANS**

**DEFINED CONTRIBUTION PLANS**

**Money Purchase Plan**

The Town provides retirement benefits for all full-time and part-time employees of the Town through a non-contributory money purchase plan. Employees are eligible to participate from the date of employment. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The Town is required to contribute 7.1% of the payroll of the active employees.

The Town's contribution amounted to \$142,034 for the year ended June 30, 2009. All monies contributed are used to purchase insurance contracts on behalf of the participants, therefore the assets of the plan are not included in the Town's basic financial statements.

**Deferred Compensation Plan**

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. Employee deferrals amounted to \$161,547 for the year ended June 30, 2009. Plan enrollment totaled 38 people at June 30, 2009. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the trust are not included in the Town's basic financial statements.

**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

**Description of the Plan**

The Town participates in the Connecticut Municipal Employee's Retirement System (MERS), which is a cost-sharing multiple employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS covers all full time employees of the Town, except for Board of Education employees who participate in the Connecticut State Teacher's Retirement System. MERS is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. There are no separate financial statements available for MERS.

**Terms of the Plan**

Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases of between 3% and 5% are paid to disabled members and non-disabled retired members who have reached age 65. Effective January 1, 2002, all other retired members receive a 2.5% annual adjustment until age 65, at which point they will receive the same COLA as those currently age 65. For those retiring after December 31, 2001, annual cost of living increases will be between 2.5% and 6%. All benefits vest after 5 years of continuous service or 15 years of active aggregated service. Members who retire after age 55 with 10 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit payable for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/2% of the three-year average of earnings not in excess of the year's breakpoint, plus 2% of the average of earnings for the three highest paid years of service in excess of the year's breakpoint. The year's breakpoint for 2008 is \$48,800.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 10 - PENSION PLANS (Continued)**

**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**Funding Policy**

Covered employees are required by State statute to contribute 2.25% of earnings upon which Social Security Tax is paid plus 5% of earnings on which no Social Security Tax is paid. The Town's current rate of contributions is equivalent to 3.75% of the annual active member payroll. For the year ended June 30, 2009 the Town's annual pension cost of \$342,229 was equal to the Town's required and actual contributions. The required contribution was determined as part of the July 1, 2008 actuarial valuation using the entry age normal cost method. The contribution requirement of plan members and the participating towns are established and may be amended by the State Retirement Commission through revision of State statutes.

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contributions	Actual Contributions	Percentage Contributed
June 30, 2004	\$ 156,722	\$ 156,722	100%
June 30, 2005	196,647	196,647	100%
June 30, 2006	276,938	276,938	100%
June 30, 2007	302,626	302,626	100%
June 30, 2008	329,250	329,250	100%
June 30, 2009	342,229	342,229	100%

**Schedule of Funding Progress (in millions of dollars)**

The funded status of the MERS as of July 1, 2008, the date of the most recent actuarial data, is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) % Funded (1)/(2)	(4) Unfunded AAL (UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (4)/(5)
July 1, 2008	\$ 1,779	\$ 1,722	103%	\$ (57)	\$ 412	(14)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**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.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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**NOTE 10 - PENSION PLANS (Continued)**

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (Continued)**

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. Prior to completing five years of service, teachers are fully vested in their contributions up to 5% of their earnings. After five 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 actuarial information for the plan as a whole which does not provide actuarial information on an individual town basis. For the year ended June 30, 2009, Town teachers contributed \$1,062,504 to the plan and covered payroll for the period was \$14,655,231.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on behalf" payments of \$2,262,768 made by the State of Connecticut into the Teachers' Retirement System as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The Town of Ellington administers the Town of Ellington Retirement Healthcare Plan (the "Plan"), which is a single-employer defined benefit healthcare plan. The Plan provides lifetime healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Town and the union representing Town employees and are renegotiated each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Funding Policy**

Contribution requirements of the plan members and the Town are established in the Plan document and may be amended through negotiations between the Town and the respective labor union. Currently, Board of Education employees age 55 with 5 or more consecutive years of service or any age with 25 years of service in the Ellington School System are eligible to receive benefits. Also, Town employees with 25 or more years of service and age plus service must be greater than or equal to 75 years are eligible to receive benefits. Retirees contribute 100% towards dental and medical premiums. For Non-Union employees, the Town contributes 100% of the premium cost for retiree's health and dental insurance coverage. For Supervisor and White Collar employees, the Town contributes 90% towards pre age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after December 4, 2008 are not eligible for any post employment town contributions. For Public Works Department employees, the Town contributes 88% towards pre age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after March 25, 2008 are not eligible for any post employment town contributions.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined 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 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	\$ 263,983
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>263,983</u>
Contributions made	<u>(128,106)</u>
Increase in net OPEB obligation	135,877
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 135,877</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 are as follows:

Year Ended	Annual	Percentage of	Net OPEB
June 30	OPEB Cost	Annual OPEB	Obligation
		Cost Contributed	
2009	\$ 263,983	48.5%	\$ 135,877

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2008 (the date of the most recent actuarial valuation) was as follows:

Actuarial	Actuarial	Actuarial	(Overfunded)			UAAL as a
Valuation	Value of	Accrued	Unfunded	Funded	Covered	Percentage of
Date	Assets	Liability (AAL) -	AAL	Ratio	Payroll	Covered
	(A)	Entry Age Normal	(UAAL)	Ratio	(C)	Payroll
		Cost Method (B)	(B-A)	(A/B)		((B-A)/C)
July 1, 2008	\$ -	\$ 3,311,285	\$ 3,311,285	0.0%	\$ 20,550,656	16.1%

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Funded Status and Funding Progress (Continued)**

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

**Actuarial Methods and Assumptions**

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

Valuation date:	July 1, 2008
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	29 years, closed
Asset valuation method:	N/A
Actuarial assumptions:	
Interest rate	4.00%
Inflation rate	2.50%
Healthcare cost trend rate	10.00% initial 5.00% final

**NOTE 12 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town has commercial insurance for all risks of loss including workers' compensation, employee health and accident and property and casualty insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**NOTE 13 - CONTINGENT LIABILITIES**

There are several other 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.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2009**

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**NOTE 14 - ADJUSTMENTS TO NET ASSETS**

As of July 1, 2008, the Town reclassified the Open Space Fund from a private purpose trust fund in the fiduciary funds to a special revenue fund in the non-major governmental funds. As a result of this transfer, the opening net assets in the government-wide statement of activities were increased by \$383,284.

During the current fiscal year, the Town has changed their accounting policy regarding the recognition of sewer assessments in the business-type activities - proprietary funds. In prior years, the Town recorded a noncurrent receivable and deferred revenue for the assessment portion that has been billed but not yet collected. The Town has now recognized the deferred revenue portion. The net effect of this adjustment was an increase to the opening net assets of the business-type activities of \$649,556.

The effect of these adjustments on the excess of revenues over expenditures for prior years is not readily determinable.

**Required  
Supplementary  
Information**

**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULES OF FUNDING PROGRESS  
JUNE 30, 2009**

**MERS Plan**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2003	\$ 1,418	\$ 1,379	103%	\$ (39)	\$ 326	(12)
July 1, 2004	1,434	1,393	103%	(41)	313	(13)
July 1, 2005	1,512	1,465	103%	(47)	352	(13)
July 1, 2006	1,588	1,550	102%	(38)	366	(10)
July 1, 2007	1,701	1,640	104%	(61)	388	(16)
July 1, 2008	1,779	1,722	103%	(57)	412	(14)

The above disclosure pertains to the Schedule of Funding Progress (in millions of dollars).

The above schedule contains data for the MERS plan as a whole, of which the Town of Ellington is one participating employer. In order to understand the scale of the MERS compared to the Town, the Town contributed \$342,229 to the MERS for the year ended June 30, 2009 while total contributions to the MERS totaled \$50,730,967, for the same period.

**OPEB Plan**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2008	\$ -	\$ 3,311,285	\$ 3,311,285	0.0%	\$ 20,550,656	16.1%

**TOWN OF ELLINGTON**  
**NOTE TO SCHEDULES OF FUNDING PROGRESS**  
**JUNE 30, 2009**

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**NOTE 1 – FUNDING STATUS AND PROGRESS – MERS PLAN**

1. The actuarial accrued liability is a measure that uses the benefit provisions and is intended to i) help users assess the plan's funding status on a going-concern basis, and ii) assess progress being made in accumulating sufficient assets to pay benefits when due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the entry age actuarial cost method. Entry age was established by subtracting credited service from current age on the valuation date. Assumptions, including projected pay increases, were the same as those used to determine the annual required contribution between entry age and assumed exit age.

The actuarial value of assets is based on a market-related method that recognizes i) 20% of any difference between actual and expected investment income (gain/loss) in the valuation year and ii) 20% of any previous years' unrecognized investment gains/losses. Such smoothed actuarial asset value shall not be less than 80% or greater than 120% of the market value of assets.

2. The actuarial accrued liability was determined as part of an actuarial valuation at July 1, 2008.
3. Significant actuarial assumptions used include:
  - a. Rate of return on the investment of present and future assets of 8.25% per year compounded annually.
  - b. Projected salary increases of 3.75% per year compounded annually, attributable to inflation.
  - c. Additional projected salary increases ranging from 0.75% to 7.50%, per year, attributable to seniority/merit.
  - d. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases of 3.5% are assumed for those who have reached age 65 and (effective January 1, 2002) increases of 2.5% are assumed for those who have not yet reached age 65. For members that retire after December 31, 2001, increases of 2.6% are assumed, regardless of age.

# **Combining and Individual Fund Statements and Schedules**

# *General Fund*

**TOWN OF ELLINGTON**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>OVER</u> <u>(UNDER)</u>
<b>PROPERTY TAXATION</b>				
Revenues from Property Taxes	\$ 29,618,863	\$ 29,618,863	\$ 29,966,770	\$ 347,907
Interest and Lien Fees	130,000	130,000	216,701	86,701
Total Property Taxation	<u>29,748,863</u>	<u>29,748,863</u>	<u>30,183,471</u>	<u>434,608</u>
<b>INTERGOVERNMENTAL - EDUCATION</b>				
Education Cost Sharing Grant	9,504,917	9,504,917	9,487,035	(17,882)
Special Education-Excess Cost	-	-	81,842	81,842
Transportation	316,818	316,818	316,501	(317)
Adult Education and Vocational Agriculture	13,624	13,624	14,797	1,173
Blind Grant	-	-	4,195	4,195
Building Grant	40,579	40,579	47,195	6,616
Total Intergovernmental - Education	<u>9,875,938</u>	<u>9,875,938</u>	<u>9,951,565</u>	<u>75,627</u>
<b>INTERGOVERNMENTAL - OTHER</b>				
Building Grants	127,313	127,313	127,313	-
Town Road Aid	167,917	167,917	168,837	920
Elderly Circuit Breaker Reimbursement	73,099	73,099	72,431	(668)
Manufacturers' Machine/Equipment	171,680	171,680	199,473	27,793
Disability Reimbursement	1,190	1,190	1,366	176
State Property Forest	7,713	7,713	7,739	26
Pequot/Mohegan Funds	101,807	101,807	103,965	2,158
Circuit Court Fines	3,545	3,545	3,494	(51)
Reimbursement Boat Tax	3,848	3,848	3,849	1
Dog Damage	100	100	-	(100)
Telecommunication Service Personal Property Tax	52,202	52,202	49,258	(2,944)
Additional Income Veterans	17,764	17,764	20,586	2,822
Local Capital Imp Program	102,899	102,899	106,105	3,206
DWI Grant	10,000	10,000	19,371	9,371

**TOWN OF ELLINGTON**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>OVER (UNDER)</b>
<b>INTERGOVERNMENTAL - OTHER (Continued)</b>				
Erase Grant	\$ -	\$ -	\$ 3,105	\$ 3,105
CRRA Transfer Station Use Fee	9,738	9,738	9,078	(660)
Historical Preserve Award	-	-	7,000	7,000
Emergency Management	4,000	4,000	2,452	(1,548)
North Central Area Agency on Aging	-	-	3,459	3,459
DOT-Speed Enforcement	21,407	21,407	23,360	1,953
CRRA Class Action	242,969	242,969	865	(242,104)
Crystal Lake Stormceptors	11,000	11,000	-	(11,000)
Department Social Serv Aging	8,450	8,450	8,450	-
CRRA-Recyclables Rebate	-	-	6,203	6,203
CRRA-Pilot	-	-	42,657	42,657
Total Intergovernmental - Other	1,138,641	1,138,641	990,416	(148,225)
<b>CHARGES FOR GOODS AND SERVICES</b>				
Building Department	250,000	250,000	309,524	59,524
Planning and Zoning	53,000	53,000	43,796	(9,204)
Fire Marshal	750	750	390	(360)
Recreation Program Receipts	254,200	254,200	250,206	(3,994)
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Cultural Arts	1,000	1,000	-	(1,000)
Town Clerk Conveyance Tax	190,000	190,000	130,719	(59,281)
Town Clerk Recording Fees and Licenses	150,000	150,000	118,392	(31,608)
Aircraft Registration	3,460	3,460	3,100	(360)
Board of Education	1,000	1,000	6,776	5,776
Animal Control Officer Fees and Licenses	24,425	24,425	25,425	1,000
Animal Control Donations	200	200	550	350
Police - Special Duty	20,000	20,000	40,789	20,789
Police DARE Donations	1,500	1,500	1,917	417
Youth Service Donations	1,000	1,000	-	(1,000)
Youth Service Activities	8,000	8,000	4,796	(3,204)
Senior Center Transportation Program	500	500	1,122	622
Senior Center Donations	500	500	76	(424)
Senior Center EMATS	1,000	1,000	478	(522)
Human Service Fuel Administration	-	-	680	680
Human Service Counseling Services	1,000	1,000	1,070	70
Human Services Municipal Agent	500	500	-	(500)
Human Service Donations	5,000	5,000	5,138	138
Human Services Food Pantry Donations	1,000	1,000	2,156	1,156
Human Services Rope Donations	4,000	4,000	-	(4,000)
Total Charges for Goods and Services	984,535	984,535	947,100	(37,435)

**TOWN OF ELLINGTON**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>OVER (UNDER)</u>
<b>INTEREST AND DIVIDENDS</b>				
Interest and Dividends	\$ 220,000	\$ 220,000	\$ 92,921	\$ (127,079)
<b>OTHER REVENUES</b>				
WPCA	361,935	361,935	361,935	-
Marshall E. Charter Fund	23,000	23,000	23,000	-
Insurance Claims and Refunds	5,000	5,000	13,170	8,170
WPCA Reimbursement	28,495	28,495	29,325	830
WPCA Reimbursement Maintenance Budget	183,693	183,693	306,560	122,867
Building Demolition	5,000	5,000	-	(5,000)
Snow Removal Charge-Developers	25,000	25,000	23,727	(1,273)
Girls Softball	26,000	26,000	26,000	-
Sundry Refunds and Receipts	4,000	4,000	4,585	585
Rental Income of Town Property	16,500	16,500	9,646	(6,854)
Lease Refund	-	-	17,168	17,168
Total Other Revenues	<u>678,623</u>	<u>678,623</u>	<u>815,116</u>	<u>136,493</u>
<b>TOTAL BUDGETARY REVENUES</b>	<u><u>\$ 42,646,600</u></u>	<u><u>\$ 42,646,600</u></u>	<u><u>\$ 42,980,589</u></u>	<u><u>\$ 333,989</u></u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>(UNDER) OVER</b>
<b>GENERAL GOVERNMENT</b>				
Board of Selectmen	\$ 205,288	\$ 205,288	\$ 202,357	\$ (2,931)
Board of Finance	8,000	8,000	7,951	(49)
Auditors	43,500	43,500	43,500	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	236,838	241,186	241,185	(1)
Tax Assessor	226,832	226,832	216,117	(10,715)
Tax Collector	133,100	133,100	129,147	(3,953)
Board of Assessments Appeals	400	400	55	(345)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	194,736	194,736	171,904	(22,832)
Town Counsel	102,000	180,381	180,380	(1)
Probate Court	8,500	8,500	6,596	(1,904)
Town Planner	218,305	218,305	211,845	(6,460)
Total General Government	<u>1,377,699</u>	<u>1,460,428</u>	<u>1,411,037</u>	<u>(49,391)</u>
<b>BOARDS AND AGENCIES</b>				
Registrars and Electors	56,170	56,170	48,163	(8,007)
Economic Development Commission	10,400	10,400	4,922	(5,478)
Planning and Zoning	34,175	34,175	27,466	(6,709)
Design Board	3,000	3,000	-	(3,000)
Zoning Board of Appeals	7,400	7,400	5,709	(1,691)
Shared Services Commission	1,000	1,000	837	(163)
Permanent Building Commission	1,850	1,850	756	(1,094)
Ethics Commission	1,000	2,332	2,332	-
Inland Wetland Agency	16,750	16,750	5,420	(11,330)
Flood & Erosion Control Board	1,000	1,000	-	(1,000)
Conservation Commission	7,750	7,750	1,592	(6,158)
WPCA	1	1	-	(1)
Total Boards and Agencies	<u>140,496</u>	<u>141,828</u>	<u>97,197</u>	<u>(44,631)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>(UNDER)</b> <b>OVER</b>
<b>PUBLIC SAFETY</b>				
Center Fire Department	\$ 193,050	\$ 211,772	\$ 211,422	\$ (350)
Crystal Lake Fire Department	66,420	77,307	77,306	(1)
Fire Protection Hydrants	287,944	298,950	298,949	(1)
Emergency 911	42,685	42,685	42,664	(21)
Police	759,495	759,495	756,859	(2,636)
Police Special Duty	20,000	64,340	64,339	(1)
Police Drug Abuse Resistance Education	1,500	1,917	1,917	-
Animal Control Officer	80,077	80,077	75,496	(4,581)
Emergency Management	17,921	17,921	16,522	(1,399)
Building Department	118,061	120,595	120,594	(1)
Volunteer Ambulance	248,192	278,114	278,114	-
Emergency Service Incentive Program	110,000	112,924	112,924	-
Adhoc Emergency Service Committee	1,000	1,000	154	(846)
Public Safety Commission	100	100	-	(100)
Fire Marshal	96,622	96,622	90,928	(5,694)
Total Public Safety	<u>2,043,067</u>	<u>2,163,819</u>	<u>2,148,188</u>	<u>(15,631)</u>
<b>PUBLIC WORKS</b>				
General Town Roads	1,395,348	1,395,348	1,351,751	(43,597)
New Equipment	10,000	10,000	8,335	(1,665)
Equipment Maintenance	222,079	273,047	273,046	(1)
Town Garage Maintenance	66,051	67,923	67,923	-
Street Signs	10,000	14,197	14,196	(1)
Grounds Maintenance - BOE/Parks	60,044	65,918	65,918	-
Town Aid Road - Winter	228,075	315,370	315,370	-
Town Aid Road - Materials	260,927	271,461	271,460	(1)
Sanitary Landfill	468,912	412,483	330,648	(81,835)
Sanitary Recycling	293,159	322,074	322,074	-
Household Hazardous Waste	23,000	28,454	28,454	-
WPCA Maintenance	153,693	153,693	142,005	(11,688)
Street Lighting	86,520	86,520	79,209	(7,311)
Engineer and Inspections	80,000	183,460	183,459	(1)
Total Public Works	<u>3,357,808</u>	<u>3,599,948</u>	<u>3,453,848</u>	<u>(146,100)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>(UNDER) OVER</b>
<b>RECREATION</b>				
Administration	\$ 165,081	\$ 165,081	\$ 158,551	\$ (6,530)
Town wide Maintenance	1,500	1,500	1,873	373
Summer Play Grounds	37,400	37,400	36,431	(969)
Water Front	24,150	24,150	25,841	1,691
Recreation Programs	77,000	77,000	79,376	2,376
Mini-Programs	50,000	50,000	50,282	282
Parks Recreation Equipment	4,000	4,000	2,946	(1,054)
Teen Center Activities	4,000	4,000	1,700	(2,300)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	12,500	-	(12,500)
Crystal Lake Water Monitor	5,000	5,000	4,365	(635)
Total Recreation	<u>380,731</u>	<u>380,731</u>	<u>361,365</u>	<u>(19,366)</u>
<b>LIBRARY</b>				
Hall Memorial Library	563,069	604,682	604,682	-
Total Library	<u>563,069</u>	<u>604,682</u>	<u>604,682</u>	-
<b>HUMAN SERVICES</b>				
Public Health Nursing	7,407	7,407	2,308	(5,099)
Hockanum Industries Inc.	500	500	500	-
Connecticut Legal Services	1,700	1,700	1,700	-
YWCA/SACS	1,100	1,100	1,100	-
Regional Mental Health Board	904	904	904	-
Kidsafe CT	3,000	3,000	3,000	-
Hockanum Valley Community Council	23,500	28,500	28,500	-
Food Pantry	500	1,076	1,075	(1)
Rope	16,500	16,500	13,549	(2,951)
Youth Activity Programs	24,970	24,970	18,263	(6,707)
Hartford Interval House	1,500	1,500	1,500	-
Human Services	174,572	184,408	184,407	(1)
North Central Health District	55,181	55,181	55,181	-
Welfare	15,000	15,000	14,935	(65)
Municipal Agent	2,000	2,000	1,884	(116)
Senior Center	149,658	149,658	148,272	(1,386)
Total Human Services	<u>477,992</u>	<u>493,404</u>	<u>477,078</u>	<u>(16,326)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER)</u> <u>OVER</u>
<b>TOWN PROPERTIES</b>				
Town Hall	\$ 383,278	\$ 447,535	\$ 447,535	\$ -
Center Cemetary	500	500	500	-
Arbor Commons	18,000	18,710	18,709	(1)
Pinney House	100	100	-	(100)
Total Town Properties	<u>401,878</u>	<u>466,845</u>	<u>466,744</u>	<u>(101)</u>
<b>DEBT SERVICE</b>				
Debt Redemption - Principal	2,162,623	2,162,623	2,162,623	-
Debt Redemption - Interest	892,416	892,416	892,411	(5)
Total Debt Service	<u>3,055,039</u>	<u>3,055,039</u>	<u>3,055,034</u>	<u>(5)</u>
<b>MISCELLANEOUS</b>				
Social Security	300,307	300,342	300,342	-
Insurance	1,809,900	1,686,093	1,515,913	(170,180)
Insurance Reimbursement and Claims	7,500	19,140	19,140	-
Insurance Prior Year	5,000	5,000	-	(5,000)
Service Insurance	67,180	67,180	67,180	-
Contingency Fund	150,000	150,000	150,000	-
Capital Reserve Fund	148,633	148,633	148,633	-
AD HOC Alcohol/Drug Council	7,000	7,209	7,208	(1)
CADAC-Recreation	2,400	2,400	-	(2,400)
Memorial Day Committee	1,700	1,700	1,674	(26)
Miscellaneous	2,000	2,000	203	(1,797)
GASB-OPEB	100,000	100,000	100,000	-
Referendum	25,000	25,000	9,077	(15,923)
Building Demolition/Eviction	20,000	20,000	2,093	(17,907)
Salary Adjustment	100,000	100,000	-	(100,000)
Town Communications	13,010	13,795	13,794	(1)
Town Web Site	7,300	7,300	1,200	(6,100)
Grant Applications	5,000	5,000	434	(4,566)
GIS	30,000	30,000	30,000	-
Total Miscellaneous	<u>2,801,930</u>	<u>2,690,792</u>	<u>2,366,891</u>	<u>(323,901)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>(UNDER) OVER</b>
<b>CAPITAL OUTLAYS</b>				
Unimproved Road Improvement	\$ 140,000	\$ 140,000	\$ 140,000	\$ -
Local Capital Improvement Program	102,899	106,105	106,105	-
Road Overlay	371,176	400,318	400,318	-
Old Crystal Lake School House Renovations	-	96,514	96,514	-
Crystal Lake Stormceptors	43,100	61,607	61,606	(1)
Culvert Replacements	87,000	91,374	91,374	-
Town Hall Exterior Painting	23,000	23,000	23,000	-
DPW-New Toro Mower	77,500	77,500	77,500	-
Girls Softball	26,000	26,000	26,000	-
Emergency Service Intersection Preempt	55,800	55,800	55,800	-
Town Hall Generator	-	25,000	25,000	-
Town Hall Energy Replacement Windows	-	26,000	26,000	-
Town Hall Front Door Replacement	-	15,000	15,000	-
Crystal Lake Milfoil Removal	-	67,000	67,000	-
EVAC-Defibrillators/CPR Equipment	20,000	20,000	20,000	-
BOE-Windermere Boiler Dual	132,500	132,500	131,300	(1,200)
BOE-EMS Replacement Boiler Dual	81,900	83,100	83,100	-
Total Capital Outlays	<u>1,160,875</u>	<u>1,446,818</u>	<u>1,445,617</u>	<u>(1,201)</u>
<b>EDUCATION</b>				
<b>Salaries</b>				
Administrative	1,179,588	1,203,709	1,203,709	-
Faculty	13,699,713	13,357,177	13,357,177	-
Secretarial	698,149	694,484	694,483	(1)
Custodial	878,238	855,723	855,722	(1)
Nurses	261,959	261,605	261,605	-
Instructor Aides	770,928	720,838	720,837	(1)
General Aides	18,576	18,576	18,576	-
Media Personnel	58,681	58,235	58,234	(1)
Severance	30,667	96,933	96,932	(1)
Secretarial Substitutes	40,045	32,612	32,611	(1)
Custodial Substitutes	35,535	37,716	37,715	(1)
Substitute Teachers	236,595	273,051	273,050	(1)
Coaches and Advisors	215,497	204,658	204,658	-
Custodial Overtime	77,411	74,991	74,990	(1)
Total Salaries	<u>18,201,582</u>	<u>17,890,308</u>	<u>17,890,299</u>	<u>(9)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>(UNDER) OVER</b>
<b>Employee Benefits</b>				
Health Benefits	\$ 3,507,898	\$ 3,416,924	\$ 3,416,924	\$ -
Social Security	425,508	435,114	435,113	(1)
Unemployment	15,000	336	335	(1)
Retirement - MERS	269,295	265,673	265,673	-
Course Tuition	1,000	1,485	1,485	-
Total Employee Benefits	<u>4,218,701</u>	<u>4,119,532</u>	<u>4,119,530</u>	<u>(2)</u>
<b>Contracted Services</b>				
Program Improvement	109,932	106,642	106,641	(1)
Pupil Services	80,329	79,444	79,443	(1)
Management Services	17,836	17,766	17,766	-
Professional/Tech Services	388,066	540,067	540,066	(1)
Public Utilities-Electricity	515,742	472,364	472,364	-
Other Property Services	177,811	191,826	191,825	(1)
Property Insurance	260,814	257,726	257,725	(1)
Rentals	120,880	77,773	77,772	(1)
Repairs Instrument Equipment	45,346	51,878	51,877	(1)
Propane	24,556	199,323	199,323	-
Water	42,111	37,240	37,240	-
Repairs/Maintenance	139,929	234,652	234,651	(1)
Regional Pupil Transportation	1,340,708	1,342,629	1,342,628	(1)
Conference/Travel/Admin.	23,650	21,703	21,702	(1)
Conference/Travel/Teachers	8,500	8,309	8,309	-
Special Ed Transportation	312,460	305,543	305,543	-
Athletic Transportation	32,275	26,391	26,391	-
Cheney Vo-Ag Transportation	61,321	61,495	61,495	-
Conference/Travel Support Staff	5,709	2,274	2,273	(1)
Other Transportation Service	8,000	6,675	6,674	(1)
Communications/Telephone	39,534	23,670	23,669	(1)
Printing /Advertising	41,322	25,532	25,532	-
Outside Tuition	764,553	841,306	841,305	(1)
Total Contracted Services	<u>4,561,384</u>	<u>4,932,228</u>	<u>4,932,214</u>	<u>(14)</u>
<b>Capital Outlays</b>				
Replacement Equipment	57,268	128,446	128,445	(1)
Total Capital Outlays	<u>57,268</u>	<u>128,446</u>	<u>128,445</u>	<u>(1)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER)</u> <u>OVER</u>
<b>Supplies and Materials</b>				
Administrative Supplies	\$ 59,575	\$ 55,888	\$ 55,887	\$ (1)
Program Supplies	281,922	258,775	258,775	-
Special Education	30,200	26,925	26,925	-
Basic	116,381	121,478	121,477	(1)
Custodial/Maintenance Gasoline	17,777	19,149	19,149	-
Custodial Supplies	64,773	72,312	72,311	(1)
Heating Fuel and Gasoline	439,899	178,762	178,762	-
Textbooks	102,217	124,921	124,920	(1)
Library/Media	50,421	46,738	46,738	-
Total Supplies and Materials	<u>1,163,165</u>	<u>904,948</u>	<u>904,944</u>	<u>(4)</u>
<b>Miscellaneous</b>				
Dues and Memberships	35,138	57,029	57,028	(1)
Transfer Account	-	169,359	20,396	(148,963)
Food Service	198,193	211,697	211,696	(1)
Townwide Maintenance Program	40,500	62,384	62,383	(1)
Total Miscellaneous	<u>273,831</u>	<u>500,469</u>	<u>351,503</u>	<u>(148,966)</u>
<b>TOTAL BOARD OF EDUCATION</b>	<u>28,475,931</u>	<u>28,475,931</u>	<u>28,326,935</u>	<u>(148,996)</u>
<b>TOTAL BUDGETARY EXPENDITURES</b>	<u>\$ 44,236,515</u>	<u>\$ 44,980,265</u>	<u>\$ 44,214,616</u>	<u>\$ (765,649)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2009**

GRAND LIST YEAR	BALANCE UNCOLLECTED JUNE 30, 2008		CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE		BALANCE TO BE COLLECTED		COLLECTIONS				REFUNDS AND ADJUSTMENTS		BALANCE UNCOLLECTED JUNE 30, 2009	
	\$			\$	ADDITIONS	DEDUCTIONS	\$		\$	COLLECTED	TAXES	INTEREST	LIEN FEES	TOTAL	\$		\$
2007	-		\$30,175,597	\$ 75,668	\$ 79,707	-	\$ 30,171,558	\$ 29,729,596	\$ 88,236	\$ 1,945	\$ 29,819,777	46,836	\$ 488,798				
2006	311,488		-	4,628	9,022	-	307,094	141,648	35,365	1,740	178,753	3,247	168,693				
2005	161,930		-	402	4,406	(17,743)	140,183	37,005	15,376	516	52,897	26	103,204				
2004	83,033		-	102	3,310	-	79,825	18,340	10,485	240	29,065	43	61,528				
2003	63,496		-	-	3,107	-	60,389	9,620	5,819	168	15,607	26	50,795				
2002	57,017		-	-	2,958	-	54,059	8,073	9,705	144	17,922	-	45,986				
2001	44,681		-	-	2,864	-	41,817	9,949	9,289	168	19,406	-	31,868				
2000	39,325		-	1,001	4,743	-	35,583	6,159	8,481	120	14,760	-	29,424				
1999	33,681		-	-	2,415	-	31,266	5,875	7,168	96	13,139	-	25,391				
1998	23,712		-	-	2,302	-	21,410	3,774	3,970	72	7,816	-	17,636				
1997	18,727		-	-	2,302	-	16,425	295	567	24	886	-	16,130				
1996	16,047		-	-	2,319	-	13,728	1,283	9,885	24	11,192	-	12,445				
1995	10,759		-	-	2,319	-	8,440	1,293	1,802	72	3,167	-	7,147				
1994	8,705		-	-	2,394	-	6,311	279	686	24	989	-	6,032				
1993	9,203		-	-	2,319	-	6,884	279	736	24	1,039	-	6,605				
1992	16,979		-	-	2,208	-	14,771	265	1,648	24	1,937	-	14,506				
	<b>\$ 898,783</b>		<b>\$30,175,597</b>	<b>\$ 81,801</b>	<b>\$ 128,695</b>	<b>\$ (17,743)</b>	<b>\$ 31,009,743</b>	<b>\$29,973,733</b>	<b>\$ 209,218</b>	<b>\$ 5,401</b>	<b>\$30,188,352</b>	<b>\$ 50,178</b>	<b>\$ 1,086,188</b>				

**TOWN OF ELLINGTON**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Total cash collections for the  
year ended June 30, 2009

Taxes	\$ 29,973,733
Interest and lien fees	<u>214,619</u>
Total	<u>30,188,352</u>

Reimbursed for

Tax relief for elderly (CGS 12-129d)	<u>72,431</u>
Total	<u>72,431</u>

Base	<u>\$ 30,260,783</u>
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	<u>GENERAL PURPOSE</u>	<u>SCHOOLS</u>	<u>SEWERS</u>	<u>URBAN RENEWAL</u>	<u>PENSION DEFICIT</u>
Debt limitation:					
2-1/4 times base	\$ 68,086,762	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	136,173,524	-	-	-
3-3/4 times base	-	-	113,477,936	-	-
3-1/4 times base	-	-	-	98,347,545	-
3 times base	-	-	-	-	90,782,349
Total debt limitation	<u>68,086,762</u>	<u>136,173,524</u>	<u>113,477,936</u>	<u>98,347,545</u>	<u>90,782,349</u>
Indebtedness:					
Bonds and notes payable	2,281,872	13,442,500	3,861,525	-	-
Less: sewer assessments and usage charges receivable	-	-	178,124	-	-
Less: amounts to be provided by the State	-	470,773	-	-	-
Total indebtedness	<u>2,281,872</u>	<u>12,971,727</u>	<u>3,683,401</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of Outstanding and authorized debt	<u>\$ 65,804,890</u>	<u>\$123,201,797</u>	<u>\$109,794,535</u>	<u>\$ 98,347,545</u>	<u>\$ 90,782,349</u>
Total capacity of borrowing (7 times base)	\$211,825,481				
Total present indebtedness	<u>18,937,000</u>				
Margin for additional borrowing	<u>\$192,888,481</u>				

# *Combining Statements*

**TOWN OF ELLINGTON**  
**COMBINING BALANCE SHEET - BY FUND TYPE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 157,845	\$ -	\$ -	\$ 157,845
Investments	1,116,685	407,377	602,647	2,126,709
Receivables:				
Grants and contracts receivable	101,399	178,132	-	279,531
Other	192,614	-	-	192,614
Due from other funds	54,465	17,793	679	72,937
Inventories	10,572	-	-	10,572
Total assets	<u>\$ 1,633,580</u>	<u>\$ 603,302</u>	<u>\$ 603,326</u>	<u>\$ 2,840,208</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 24,445	\$ 17,793	\$ 1	\$ 42,239
Due to other funds	103,435	178,132	22,217	303,784
Unearned/deferred revenue	316,359	-	-	316,359
Due to funding source	15,580	-	-	15,580
Total liabilities	<u>459,819</u>	<u>195,925</u>	<u>22,218</u>	<u>677,962</u>
Fund Balances:				
Reserved for:				
Inventories	10,572	-	-	10,572
Sanitation	48,083	-	-	48,083
Document preservation	28,288	-	-	28,288
Land preservation	428,871	-	-	428,871
Endowments	-	-	52,497	52,497
Unreserved	657,947	407,377	528,611	1,593,935
Total fund balances	<u>1,173,761</u>	<u>407,377</u>	<u>581,108</u>	<u>2,162,246</u>
Total liabilities and fund balances	<u>\$ 1,633,580</u>	<u>\$ 603,302</u>	<u>\$ 603,326</u>	<u>\$ 2,840,208</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BY FUND TYPE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ 1,272,425	\$ 155,005	\$ -	\$ 1,427,430
Charges for services	367,297	-	-	367,297
Food sales	590,880	-	-	590,880
Interest and dividends	15,925	2,394	446	18,765
Net decrease in the fair value of investments	-	-	(114,445)	(114,445)
Other income	229,316	138,482	22,773	390,571
Total revenues	<u>2,475,843</u>	<u>295,881</u>	<u>(91,226)</u>	<u>2,680,498</u>
<b>EXPENDITURES</b>				
Current:				
Program expenditures	2,201,087	444,443	24,203	2,669,733
Miscellaneous	-	-	6,549	6,549
Capital outlays	-	74,900	-	74,900
Total expenditures	<u>2,201,087</u>	<u>519,343</u>	<u>30,752</u>	<u>2,751,182</u>
Excess (deficiency) of revenues over expenditures	274,756	(223,462)	(121,978)	(70,684)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	458,338	-	458,338
Transfers out	(483,109)	-	-	(483,109)
Total other financing uses	<u>(483,109)</u>	<u>458,338</u>	<u>-</u>	<u>(24,771)</u>
Net change in fund balances	(208,353)	234,876	(121,978)	(95,455)
Fund balances - beginning	<u>1,382,114</u>	<u>172,501</u>	<u>703,086</u>	<u>2,257,701</u>
Fund balances - ending	<u>\$ 1,173,761</u>	<u>\$ 407,377</u>	<u>\$ 581,108</u>	<u>\$ 2,162,246</u>

*Special Revenue  
Funds*

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	CRRRA Sanitation Control	Dog Fund	Education Grants	School Lunch	Ambulance Fee Program	Youth Service Bureau	HUD Small Cities Housing Rehab Program	Historic Document Preservation	Small Cities Program Income
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ 90,307	\$ 57,535	\$ 9,983	\$ -	\$ -	\$ -	\$ -
Investments	48,083	-	-	54,570	183,508	-	49,656	27,976	56,767
Receivables:									
Grants and contracts receivable	-	-	2,739	29,281	-	-	-	-	-
Other	-	-	-	-	192,614	-	-	-	-
Due from other funds	-	12,784	-	-	-	8,284	-	312	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	\$ 48,083	\$ 12,784	\$ 93,046	\$ 151,958	\$ 386,105	\$ 8,284	\$ 49,656	\$ 28,288	\$ 56,767
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 2,197	\$ 10,497	\$ -	\$ -	\$ 8,421	\$ -	\$ -
Due to other funds	-	-	5,266	-	31,882	-	-	-	-
Unearned/deferred revenue	-	-	82,787	-	-	-	-	-	-
Due to funding source	-	12,784	2,796	-	-	-	-	-	-
Total liabilities	-	12,784	93,046	10,497	31,882	-	8,421	-	-
Fund Balances:									
Reserved for:									
Inventories	-	-	-	10,572	-	-	-	-	-
Sanitation	48,083	-	-	-	-	-	-	-	-
Document preservation	-	-	-	-	-	-	-	28,288	-
Land preservation	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	130,889	354,223	8,284	41,235	-	56,767
Total fund balances	48,083	-	-	141,461	354,223	8,284	41,235	28,288	56,767
Total liabilities and fund balances	\$ 48,083	\$ 12,784	\$ 93,046	\$ 151,958	\$ 386,105	\$ 8,284	\$ 49,656	\$ 28,288	\$ 56,767

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
JUNE 30, 2009**

	Open Space	HUD Small Cities Rehab 2005	Town Land Preservation	DOT Elderly and Disabled	Mental Health and Addiction Services	Land Use Fees Fund	HUD Small Cities Rehab 2007	HUD Small Cities Rehab 2008	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 10	\$ 157,845
Investments	620,602	-	17,401	-	-	58,122	-	-	1,116,685
Receivables:									
Grants and contracts receivable	-	10	-	-	-	-	42,201	27,168	101,399
Other	-	-	-	-	-	-	-	-	192,614
Due from other funds	813	-	-	-	30,457	1,815	-	-	54,465
Inventories	-	-	-	-	-	-	-	-	10,572
Total assets	\$ 621,415	\$ 10	\$ 17,401	\$ -	\$ 30,457	\$ 59,937	\$ 42,211	\$ 27,178	\$ 1,633,580
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,330	\$ -	\$ 24,445
Due to other funds	-	-	228	-	-	-	38,881	27,178	103,435
Unearned/deferred revenue	203,115	-	-	-	30,457	-	-	-	316,359
Due to funding source	-	-	-	-	-	-	-	-	15,580
Total liabilities	203,115	-	228	-	30,457	-	42,211	27,178	459,819
Fund Balances:									
Reserved for:									
Inventories	-	-	-	-	-	-	-	-	10,572
Sanitation	-	-	-	-	-	-	-	-	48,083
Document preservation	-	-	-	-	-	-	-	-	28,288
Land preservation	418,300	-	10,571	-	-	-	-	-	428,871
Unreserved	-	10	6,602	-	-	59,937	-	-	657,947
Total fund balances	418,300	10	17,173	-	-	59,937	-	-	1,173,761
Total liabilities and fund balances	\$ 621,415	\$ 10	\$ 17,401	\$ -	\$ 30,457	\$ 59,937	\$ 42,211	\$ 27,178	\$ 1,633,580

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUNDS BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	CRRS	Dog	Education	School	Ambulance	Youth	HUD	Historic	Small
	Sanitation	Fund	Grants	Lunch	Fee	Service	Small	Document	Cities
	Control				Program	Bureau	Cities	Preservation	Program
							Housing		Income
							Rehab		
							Program		
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ 728,698	\$ 155,818	\$ -	\$ 19,000	\$ -	\$ -	\$ -
Charges for services	-	75,496	-	-	256,637	-	9,017	-	26,147
Food sales	-	-	-	590,880	-	-	-	-	-
Interest and dividends	461	-	-	2,512	5,083	-	512	147	1,299
Other income	-	-	74,478	-	-	-	-	5,658	-
Total revenues	461	75,496	803,176	749,210	261,720	19,000	9,529	5,805	27,446
<b>EXPENDITURES</b>									
Current:									
Program expenditures	-	75,496	803,176	735,792	65,033	17,516	8,421	-	28,982
Total expenditures	-	75,496	803,176	735,792	65,033	17,516	8,421	-	28,982
Excess (deficiency) of revenues over expenditures	461	-	-	13,418	196,687	1,484	1,108	5,805	(1,536)
<b>OTHER FINANCING USES</b>									
Transfers out	-	-	-	-	(483,109)	-	-	-	-
Net change in fund balances	461	-	-	13,418	(286,422)	1,484	1,108	5,805	(1,536)
Fund balances - beginning	47,622	-	-	128,043	640,645	6,800	40,127	22,483	58,303
Fund balances - ending	\$ 48,083	\$ -	\$ -	\$ 141,461	\$ 354,223	\$ 8,284	\$ 41,235	\$ 28,288	\$ 56,767

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUNDS BALANCES (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Open Space	HUD Small Cities Rehab 2005	Town Land Preservation	DOT Elderly and Disabled	Mental Health and Addiction Services	Land Use Fees Fund	HUD Small Cities Rehab 2007	HUD Small Cities Rehab 2008	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ 24,489	\$ 88,388	\$ -	\$ 228,864	\$ 27,168	\$ 1,272,425
Charges for services	-	-	-	-	-	-	-	-	367,297
Food sales	-	-	-	-	-	-	-	-	590,880
Interest and dividends	5,744	-	167	-	-	-	-	-	15,925
Other income	37,771	-	82,244	-	-	29,165	-	-	229,316
Total revenues	43,515	-	82,411	24,489	88,388	29,165	228,864	27,168	2,475,843
<b>EXPENDITURES</b>									
Current:									
Program expenditures	8,500	-	78,568	24,489	88,388	10,694	228,864	27,168	2,201,087
Total expenditures	8,500	-	78,568	24,489	88,388	10,694	228,864	27,168	2,201,087
Excess (deficiency) of revenues over expenditures	35,015	-	3,843	-	-	18,471	-	-	274,756
<b>OTHER FINANCING USES</b>									
Transfers out	-	-	-	-	-	-	-	-	(483,109)
Net change in fund balances	35,015	-	3,843	-	-	18,471	-	-	(208,353)
Fund balances - beginning	383,285	10	13,330	-	-	41,466	-	-	1,382,114
Fund balances - ending	\$ 418,300	\$ 10	\$ 17,173	\$ -	\$ -	\$ 59,937	\$ -	\$ -	\$ 1,173,761

***Capital Projects  
Funds***

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2009**

	Windsorville Road Improvement	Local Capital Improvement Program	Town Sidewalk Fund	Windermere Road Improvements
<b>ASSETS</b>				
Investments	\$ 25,591	\$ -	\$ 131,887	\$ 18,267
Grants and contract receivables	-	106,105	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 25,591</u>	<u>\$ 106,105</u>	<u>\$ 131,887</u>	<u>\$ 18,267</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	106,105	-	-
Total liabilities	<u>-</u>	<u>106,105</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Unreserved	25,591	-	131,887	18,267
Total fund balances	<u>25,591</u>	<u>-</u>	<u>131,887</u>	<u>18,267</u>
Total liabilities and fund balances	<u>\$ 25,591</u>	<u>\$ 106,105</u>	<u>\$ 131,887</u>	<u>\$ 18,267</u>

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2009**

	Department of Public Works Maintenance	STEAP Pinney House	Ellington Volunteer Ambulance Corp. Ambulance Building	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Investments	\$ 231,632	-	-	\$ 407,377
Grants and contracts receivable		72,027		178,132
Due from other funds	-	-	17,793	17,793
Total assets	<u>\$ 231,632</u>	<u>72,027</u>	<u>\$ 17,793</u>	<u>\$ 603,302</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	-	17,793	\$ 17,793
Due to other funds	-	72,027	-	178,132
Total liabilities	<u>-</u>	<u>72,027</u>	<u>17,793</u>	<u>195,925</u>
Fund Balances:				
Unreserved	231,632	-	-	407,377
Total fund balances	<u>231,632</u>	<u>-</u>	<u>-</u>	<u>407,377</u>
Total liabilities and fund balances	<u>\$ 231,632</u>	<u>72,027</u>	<u>\$ 17,793</u>	<u>\$ 603,302</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Windsorville Road Improvement	Local Capital Improvement Program	Town Sidewalk Fund	Windermere Road Improvements
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 106,105	\$ -	\$ -
Interest and dividends	246	-	556	175
Other income	-	-	-	-
Total revenues	246	106,105	556	175
<b>EXPENDITURES</b>				
Current:				
Program expenditures	-	106,105	-	-
Capital outlays	-	-	26,000	-
Total expenditures	-	106,105	26,000	-
Excess (deficiency) of revenues over expenditures	246	-	(25,444)	175
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	120,000	-
Net change in fund balances	246	-	94,556	175
Fund balances - beginning	25,345	-	37,331	18,092
Fund balances - ending	\$ 25,591	\$ -	\$ 131,887	\$ 18,267

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Department of Public Works Maintenance	STEAP		Ellington Volunteer		Total Nonmajor Capital Projects Funds
		Pinney House		Ambulance Corp. Ambulance Building		
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 48,900	\$ -	\$ -	\$ -	\$ 155,005
Interest and dividends	1,417	-	-	-	-	2,394
Other income	138,482	-	-	-	-	138,482
Total revenues	139,899	48,900	-	-	-	295,881
<b>EXPENDITURES</b>						
Current:						
Program expenditures	-	-	-	338,338	-	444,443
Capital outlays	-	48,900	-	-	-	74,900
Total expenditures	-	48,900	-	338,338	-	519,343
Excess (deficiency) of revenues over expenditures	139,899	-	-	(338,338)	-	(223,462)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	338,338	-	458,338
Net change in fund balances	139,899	-	-	-	-	234,876
Fund balances - beginning	91,733	-	-	-	-	172,501
Fund balances - ending	\$ 231,632	\$ -	\$ -	\$ -	\$ -	\$ 407,377

*Permanent  
Funds*

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS  
JUNE 30, 2009**

	<b>Marshall E. Charter</b>	<b>Kimball Memorial</b>	<b>John T. McKnight Maintenance</b>	<b>Eugene K. Mosley</b>	<b>Arthur Hyde</b>
Investments	\$ 343,380	\$ 63,136	\$ 12,666	\$ 100	\$ 200
Due from other funds	-	166	33	-	-
Total assets	<u>\$ 343,380</u>	<u>\$ 63,302</u>	<u>\$ 12,699</u>	<u>\$ 100</u>	<u>\$ 200</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	22,217	-	-	-	-
Total liabilities	<u>22,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for endowments	29,697	5,000	1,000	100	200
Unreserved	291,466	58,302	11,699	-	-
Total fund balances	<u>321,163</u>	<u>63,302</u>	<u>12,699</u>	<u>100</u>	<u>200</u>
Total liabilities and fund balances	<u>\$ 343,380</u>	<u>\$ 63,302</u>	<u>\$ 12,699</u>	<u>\$ 100</u>	<u>\$ 200</u>

**TOWN OF ELLINGTON**  
**COMBINING BALANCE SHEET (Continued)**  
**NONMAJOR PERMANENT FUNDS**  
**JUNE 30, 2009**

	Sarah H. McKinney	Mary Wadsworth Gardner	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
Investments	\$ 500	\$ 49,383	\$ 132,281	\$ 1,001	\$ 602,647
Due from other funds	-	132	348	-	679
Total assets	<u>\$ 500</u>	<u>\$ 49,515</u>	<u>\$ 132,629</u>	<u>\$ 1,001</u>	<u>\$ 603,326</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1	\$ 1
Due to other funds	-	-	-	-	22,217
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>22,218</u>

**Fund Balances:**

Reserved for endowments	500	5,000	10,000	1,000	52,497
Unreserved	-	44,515	122,629	-	528,611
Total fund balances	<u>500</u>	<u>49,515</u>	<u>132,629</u>	<u>1,000</u>	<u>581,108</u>
Total liabilities and fund balances	<u>\$ 500</u>	<u>\$ 49,515</u>	<u>\$ 132,629</u>	<u>\$ 1,001</u>	<u>\$ 603,326</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Marshall E. Charter	Kimball Memorial	John T. McKnight Maintenance	Eugene K. Mosley	Arthur Hyde
<b>REVENUES</b>					
Interest and dividends	\$ 417	\$ -	\$ -	\$ 1	\$ 3
Net decrease in the fair value of investments	(61,493)	(12,925)	(2,593)	-	-
Other income	12,228	2,575	516	-	-
Total revenues	<u>(48,848)</u>	<u>(10,350)</u>	<u>(2,077)</u>	<u>1</u>	<u>3</u>
<b>EXPENDITURES</b>					
Current:					
Program expenditures	23,000	-	-	1	3
Miscellaneous	3,514	741	149	-	-
Total expenditures	<u>26,514</u>	<u>741</u>	<u>149</u>	<u>1</u>	<u>3</u>
Deficiency of revenues over expenditures	(75,362)	(11,091)	(2,226)	-	-
Fund balances - beginning	396,525	74,393	14,925	100	200
Fund balances - ending	<u>\$ 321,163</u>	<u>\$ 63,302</u>	<u>\$ 12,699</u>	<u>\$ 100</u>	<u>\$ 200</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**NONMAJOR PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Sarah H. McKinney	Mary Wadsworth Gardner	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
<b>REVENUES</b>					
Interest and dividends	\$ 7	\$ 3	\$ -	\$ 15	\$ 446
Net decrease in the fair value of investments	-	(10,353)	(27,081)	-	(114,445)
Other income	-	2,059	5,395	-	22,773
Total revenues	<u>7</u>	<u>(8,291)</u>	<u>(21,686)</u>	<u>15</u>	<u>(91,226)</u>
<b>EXPENDITURES</b>					
Current:					
Program expenditures	7	1,177	-	15	24,203
Miscellaneous	-	592	1,553	-	6,549
Total expenditures	<u>7</u>	<u>1,769</u>	<u>1,553</u>	<u>15</u>	<u>30,752</u>
Deficiency of revenues over expenditure	-	(10,060)	(23,239)	-	(121,978)
Fund balances - beginning	500	59,575	155,868	1,000	703,086
Fund balances - ending	<u>\$ 500</u>	<u>\$ 49,515</u>	<u>\$ 132,629</u>	<u>\$ 1,000</u>	<u>\$ 581,108</u>

***Proprietary  
Funds***

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF NET ASSETS (DEFICIT)**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2009**

	<b>Solid Waste Collection</b>	<b>Watermains, Tripp and Middle Roads</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$4,300	\$ 31,965	\$ -	\$ 31,965
Noncurrent assets:			
Long-term assessments receivable	-	46,223	46,223
Total assets	31,965	46,223	78,188
<b>LIABILITIES</b>			
Current liabilities:			
Due to other funds	15,575	126,779	142,354
Total liabilities	15,575	126,779	142,354
<b>NET ASSETS (DEFICIT)</b>			
Unrestricted	16,390	(80,556)	(64,166)
Total net assets (deficit)	\$ 16,390	\$ (80,556)	\$ (64,166)

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS (DEFICIT)**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Solid Waste Collection</b>	<b>Watermains, Tripp and Middle Roads</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Solid waste fees	\$ 464,790	\$ -	\$ 464,790
Total operating revenues	<u>464,790</u>	<u>-</u>	<u>464,790</u>
<b>OPERATING EXPENSES</b>			
Public works and administrative expenses	442,173	-	442,173
Other	259	-	259
Total operating expenses	<u>442,432</u>	<u>-</u>	<u>442,432</u>
Change in net assets	22,358	-	22,358
Net assets (deficit) - beginning, as originally reported	(5,968)	(126,779)	(132,747)
Adjustment	<u>-</u>	<u>46,223</u>	<u>46,223</u>
Net assets (deficit) - beginning, as adjusted	<u>(5,968)</u>	<u>(80,556)</u>	<u>(86,524)</u>
Net assets (deficit) - ending	<u>\$ 16,390</u>	<u>\$ (80,556)</u>	<u>\$ (64,166)</u>

**TOWN OF ELLINGTON  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Solid Waste Collection</b>	<b>Watermains, Tripp and Middle Roads</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 462,573	\$ -	\$ 462,573
Receipts from (payments for) interfund services provided	(20,141)	-	(20,141)
Payments to suppliers	(442,432)	-	(442,432)
Net cash used in operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>			
Operating gain	\$ 22,358	\$ -	\$ 22,358
(Increase) decrease in assets:			
Sewer usage receivable, net	(2,217)	-	(2,217)
Decrease in liabilities:			
Due to other funds	(20,141)	-	(20,141)
Net cash (used in) provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF SEWER USAGE CHARGES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2009**

GRAND LIST YEAR	UNCOLLECTED USER CHARGES		LAWFUL CORRECTIONS	USER CHARGES COLLECTIBLE	ACTUAL CASH COLLECTIONS			TOTAL	UNCOLLECTED USER CHARGES JUNE 30, 2009
	AND CURRENT LEVY	JUNE 30, 2008			USER CHARGES	INTEREST	LIEN FEES		
2008	\$ 1,182,534		\$ 107,442	\$ 1,289,976	\$ 1,228,602	\$ 6,134	\$ -	\$ 1,234,736	\$ 61,374
2007	60,391		-	60,391	39,953	5,788	1,104	46,845	20,438
2006	16,007		-	16,007	7,821	2,862	960	11,643	8,186
2005	9,955		-	9,955	3,629	1,953	408	5,990	6,326
2004	6,125		-	6,125	1,293	972	144	2,409	4,832
2003	6,344		-	6,344	810	894	96	1,800	5,534
2002	4,659		-	4,659	820	1,105	110	2,035	3,839
2001	2,856		-	2,856	1,121	949	130	2,200	1,735
2000	3,586		-	3,586	552	761	95	1,408	3,034
1999	1,534		-	1,534	-	-	-	-	1,534
1998	1,514		-	1,514	-	-	-	-	1,514
1997	1,340		-	1,340	-	-	-	-	1,340
1996	915		-	915	-	-	-	-	915
1995	690		-	690	-	-	-	-	690
1994	688		-	688	-	-	-	-	688
1993	696		-	696	-	-	-	-	696
1992	740		-	740	-	-	-	-	740
	<u>\$ 1,300,574</u>		<u>\$ 107,442</u>	<u>\$ 1,408,016</u>	<u>\$ 1,284,601</u>	<u>\$ 21,418</u>	<u>\$ 3,047</u>	<u>\$ 1,309,066</u>	<u>\$ 123,415</u>

***Fiduciary  
Funds***

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**JUNE 30, 2009**

	<b>Municipal Land Trust Fund</b>	<b>Public Health Nursing</b>	<b>John T. McKnight</b>	<b>Hall Memorial Library</b>	<b>D.A.R.E.</b>	<b>Senior Center Donation</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 66,420	\$ -	\$ -
Investments	21,152	2,257	25,422	-	1,491	43,766
Due from other funds	-	-	-	-	-	-
Total assets	<u>21,152</u>	<u>2,257</u>	<u>25,422</u>	<u>66,420</u>	<u>1,491</u>	<u>43,766</u>
<b>LIABILITIES</b>						
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
<b>NET ASSETS</b>						
Held in trust for other purposes	<u>\$ 21,152</u>	<u>\$ 2,257</u>	<u>\$ 25,422</u>	<u>\$ 66,420</u>	<u>\$ 1,491</u>	<u>\$ 43,766</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**PRIVATE PURPOSE TRUST FUNDS**

**JUNE 30, 2009**

	Graduation Fund	Senior Citizen Activity	Hall Memorial Endowment	Hall Memorial Myrtle Eddy	Hall Memorial Moriarty	Total Private Purpose Trust Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 404	\$ 12,714	\$ -	\$ -	\$ -	\$ 79,538
Investments	18,655	-	126,200	4,493	8,935	252,371
Due from other funds	-	-	332	12	24	368
Total assets	<u>19,059</u>	<u>12,714</u>	<u>126,532</u>	<u>4,505</u>	<u>8,959</u>	<u>332,277</u>
<b>LIABILITIES</b>						
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>						
Held in trust for other purposes	<u>\$ 19,059</u>	<u>\$ 12,714</u>	<u>\$ 126,532</u>	<u>\$ 4,505</u>	<u>\$ 8,959</u>	<u>\$ 332,277</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Municipal Land Trust Fund	Public Health Nursing	John T. McKnight	Hall Memorial Library	D.A.R.E.	Senior Center Donation
<b>ADDITIONS</b>						
Private donations	\$ -	\$ -	\$ -	\$ 42,082	\$ 50	\$ 4,271
Other income	-	-	-	19,466	-	-
Total contributions	-	-	-	61,548	50	4,271
Investment earnings (losses):						
Interest	203	22	244	220	32	392
Net decrease in the fair value of investments	-	-	-	-	-	-
Total investment earnings (losses)	203	22	244	220	32	392
Total additions	203	22	244	61,768	82	4,663
<b>DEDUCTIONS</b>						
Other expenditures	-	-	-	-	-	-
Program expenditures	-	-	-	55,351	1,917	500
Total deductions	-	-	-	55,351	1,917	500
Change in net assets	203	22	244	6,417	(1,835)	4,163
Net Assets Held in Trust for Others:						
Beginning	20,949	2,235	25,178	60,003	3,326	39,603
Ending	\$ 21,152	\$ 2,257	\$ 25,422	\$ 66,420	\$ 1,491	\$ 43,766

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Graduation Fund	Senior Citizen Activity	Hall Memorial Endowment	Hall Memorial Myrtle Eddy	Hall Memorial Moriarty	Total Private Purpose Trust Funds
<b>ADDITIONS</b>						
Private donations	\$ 29,599	\$ 49,746	\$ -	\$ -	\$ -	\$ 125,748
Other income	-	-	5,148	76	152	24,842
Total contributions	29,599	49,746	5,148	76	152	150,590
Investment earnings (losses):						
Interest	120	30	-	-	-	1,263
Net decrease in the fair value of investments	-	-	(25,836)	(942)	(1,875)	(28,653)
Total investment earnings (losses)	120	30	(25,836)	(942)	(1,875)	(27,390)
Total additions	29,719	49,776	(20,688)	(866)	(1,723)	123,200
<b>DEDUCTIONS</b>						
Other expenditures	-	-	1,481	54	108	1,643
Program expenditures	24,123	48,173	-	-	-	130,064
Total deductions	24,123	48,173	1,481	54	108	131,707
Change in net assets	5,596	1,603	(22,169)	(920)	(1,831)	(8,507)
Net Assets Held in Trust for Others:						
Beginning	13,463	11,111	148,701	5,425	10,790	340,784
Ending	\$ 19,059	\$ 12,714	\$ 126,532	\$ 4,505	\$ 8,959	\$ 332,277

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Balance,</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2009</u>
<b>CASH AND CASH EQUIVALENTS</b>				
Ellington Center School	\$ 1,357	\$ 15,625	\$ 15,471	\$ 1,511
Ellington High School	100,029	325,900	331,308	94,621
Ellington School Use Activity	34,981	18,656	24,856	28,781
Crystal Lake School	1,737	6,598	6,197	2,138
Windermere School	25,699	45,769	46,935	24,533
Special Education Preschool Department	31,866	48,572	62,605	17,833
Board of Education Educational Services	907	23,536	22,501	1,942
Special Education Petty Cash Reimbursement	405	11,509	10,898	1,016
Ellington Middle School	56,672	121,031	116,026	61,677
Special Education Account	56,613	47,205	56,313	47,505
Petty Cash - BOE	90	1,620	1,579	131
Petty Cash - All Schools	75	1,002	-	1,077
<b>INVESTMENTS</b>				
Construction Performance Bonds	584,932	42,588	166,980	460,540
Total Assets	<u>\$ 895,363</u>	<u>\$ 709,611</u>	<u>\$ 861,669</u>	<u>\$ 743,305</u>
<b>DUE TO OTHERS</b>				
Ellington Center School	\$ 1,357	\$ 15,625	\$ 15,471	\$ 1,511
Ellington High School	100,029	325,900	331,308	94,621
Ellington School Use Activity	34,981	18,656	24,856	28,781
Crystal Lake School	1,737	6,598	6,197	2,138
Windermere School	25,699	45,769	46,935	24,533
Special Education Preschool Department	31,866	48,572	62,605	17,833
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Special Education Petty Cash Reimbursement	405	11,509	10,898	1,016
Ellington Middle School	56,672	121,031	116,026	61,677
Special Education Account	56,613	47,205	56,313	47,505
Petty Cash - BOE	90	1,620	1,579	131
Petty Cash - All Schools	75	1,002	-	1,077
Due to Contractors	584,932	42,588	166,980	460,540
Total Liabilities	<u>\$ 895,363</u>	<u>\$ 709,611</u>	<u>\$ 861,669</u>	<u>\$ 743,305</u>

