

TOWN OF ELLINGTON, CONNECTICUT

BASIC FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

FOR THE YEAR ENDED
JUNE 30, 2010

TOGETHER WITH
INDEPENDENT AUDITORS' REPORT



Certified Public Accountants & Business Advisors

TOWN OF ELLINGTON, CONNECTICUT
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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, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and on pages 3 through 16 and the schedule of funding progress on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

CCR LLP

Glastonbury, Connecticut
December 30, 2010

Management's Discussion and Analysis

TOWN OF ELLINGTON, CONNECTICUT 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, 2010.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$65,881,819 (net assets). Of this amount, \$11,918,053 (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, 2010 amounted to \$1,223,309 or 1.9% 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 \$6,158,513, an increase of \$704,959 in comparison with the prior year. This increase is due to greater than anticipated property tax revenues. Of this amount 31.4% or \$1,933,049 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 \$3,165,708 or 6.8% of total General Fund expenditures. Expressed another way, unreserved fund balance for the General Fund was sufficient to cover 0.82 months of General Fund operating expenditures. Designations of unreserved fund balance for future "Capital Reserves", other "Capital and Nonrecurring" and post employment benefits requirements totaled \$3,940,225 at June 30, 2010.
- The Town's total long-term bonded debt had a net decrease of \$1,845,000 or 10.2% 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 \$3,176,956, or 7.3% of the budgetary expenditures for the year ended June 30, 2010.

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Government Funds (Continued)

The Town maintains 41 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 39 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 schedule of funding progress for the Town's healthcare plan for other post employment benefits (OPEB) can be found on page 56 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 57-93 of this report.

**TOWN OF ELLINGTON, CONNECTICUT
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 \$65,881,819 and \$64,658,510 for the years ended June 30, 2010 and 2009, respectively, and are summarized as follows:

**Town of Ellington
Net Assets
June 30, 2010**

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 10,232,011	\$ 7,786,306	\$ 18,018,317
Capital assets	59,370,754	11,750,939	71,121,693
Total assets	<u>69,602,765</u>	<u>19,537,245</u>	<u>89,140,010</u>
Long-term debt outstanding	17,010,288	3,432,109	20,442,397
Other liabilities	2,715,130	100,664	2,815,794
Total liabilities	<u>19,725,418</u>	<u>3,532,773</u>	<u>23,258,191</u>
Net assets:			
Invested in capital assets, net of related debt	43,364,687	9,464,800	52,829,487
Restricted	624,279	-	624,279
Unrestricted	5,888,381	6,539,672	12,428,053
Total net assets	<u>\$ 49,877,347</u>	<u>\$ 16,004,472</u>	<u>\$ 65,881,819</u>

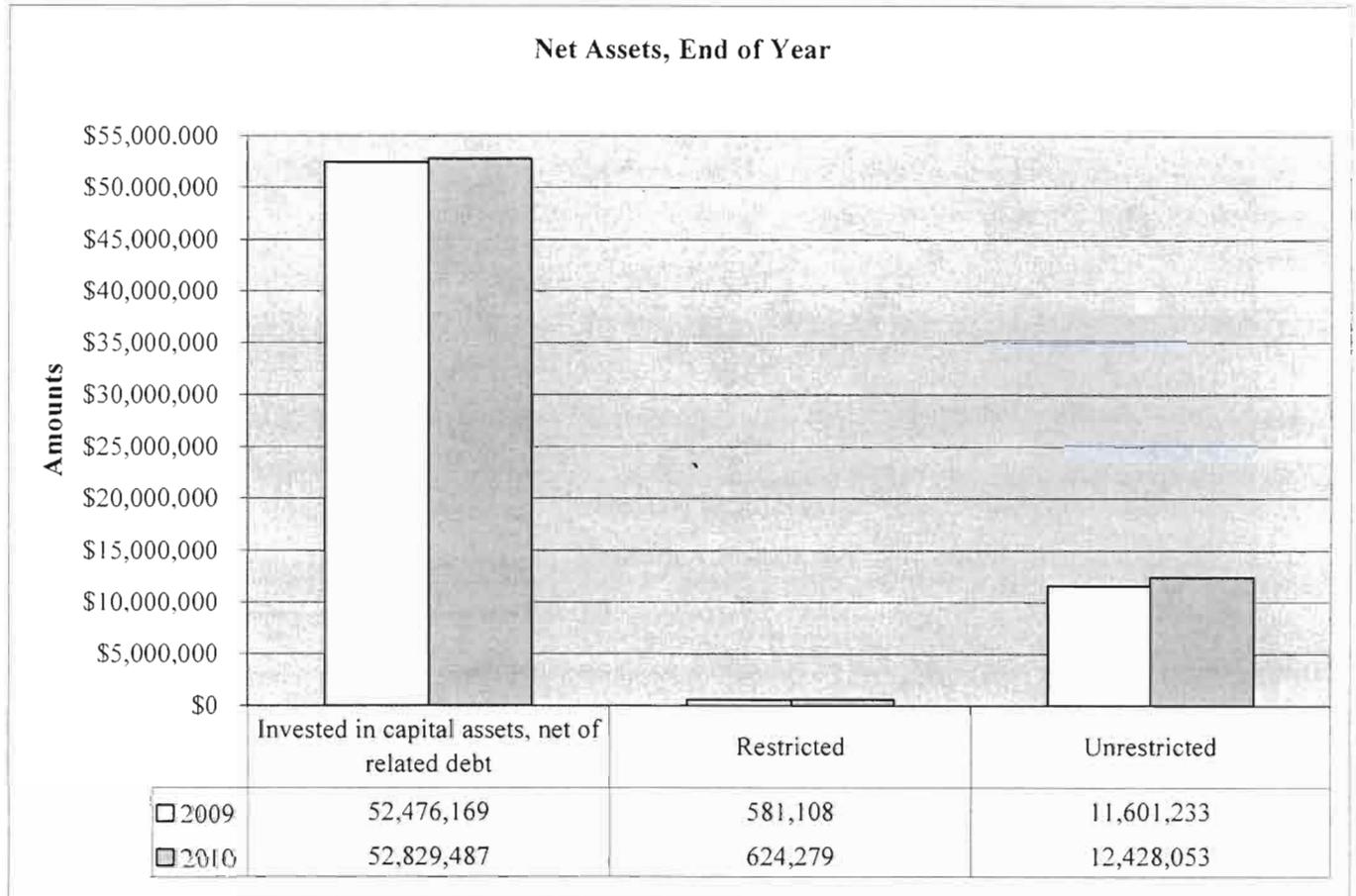
**Town of Ellington
Net Assets
June 30, 2009**

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Assets (Continued)



80.2% 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 \$1,223,309 or 1.9% in comparison to the prior year.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets

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

**Town of Ellington
Changes in Net Assets
For the Year Ended June 30, 2010**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 2,519,380	\$ 2,425,216	\$ 4,944,596
Operating grants and contributions	14,296,891	-	14,296,891
Capital grants and contributions	786,751	-	786,751
General revenues:			
Property taxes	31,448,444	-	31,448,444
Grants and contributions not restricted to specific programs	415,507	-	415,507
Unrestricted investment earnings	31,291	16,711	48,002
Miscellaneous	297,243	-	297,243
Total revenues	<u>49,795,507</u>	<u>2,441,927</u>	<u>52,237,434</u>
Program expenses			
General government	3,013,347	-	3,013,347
Boards and agencies	487,718	-	487,718
Public safety	2,572,838	-	2,572,838
Public works	4,895,427	-	4,895,427
Recreation	514,902	-	514,902
Library	881,053	-	881,053
Human services	563,625	-	563,625
Town properties	468,553	-	468,553
Education	34,552,602	-	34,552,602
Interest on long-term debt	648,934	-	648,934
Sewer	-	2,415,126	2,415,126
Total expenses	<u>48,598,999</u>	<u>2,415,126</u>	<u>51,014,125</u>
Excess before transfers	1,196,508	26,801	1,223,309
Transfers	<u>(122,236)</u>	<u>122,236</u>	<u>-</u>
Change in net assets	1,074,272	149,037	1,223,309
Net assets - beginning	<u>48,803,075</u>	<u>15,855,435</u>	<u>64,658,510</u>
Net assets - ending	<u>\$ 49,877,347</u>	<u>\$ 16,004,472</u>	<u>\$ 65,881,819</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

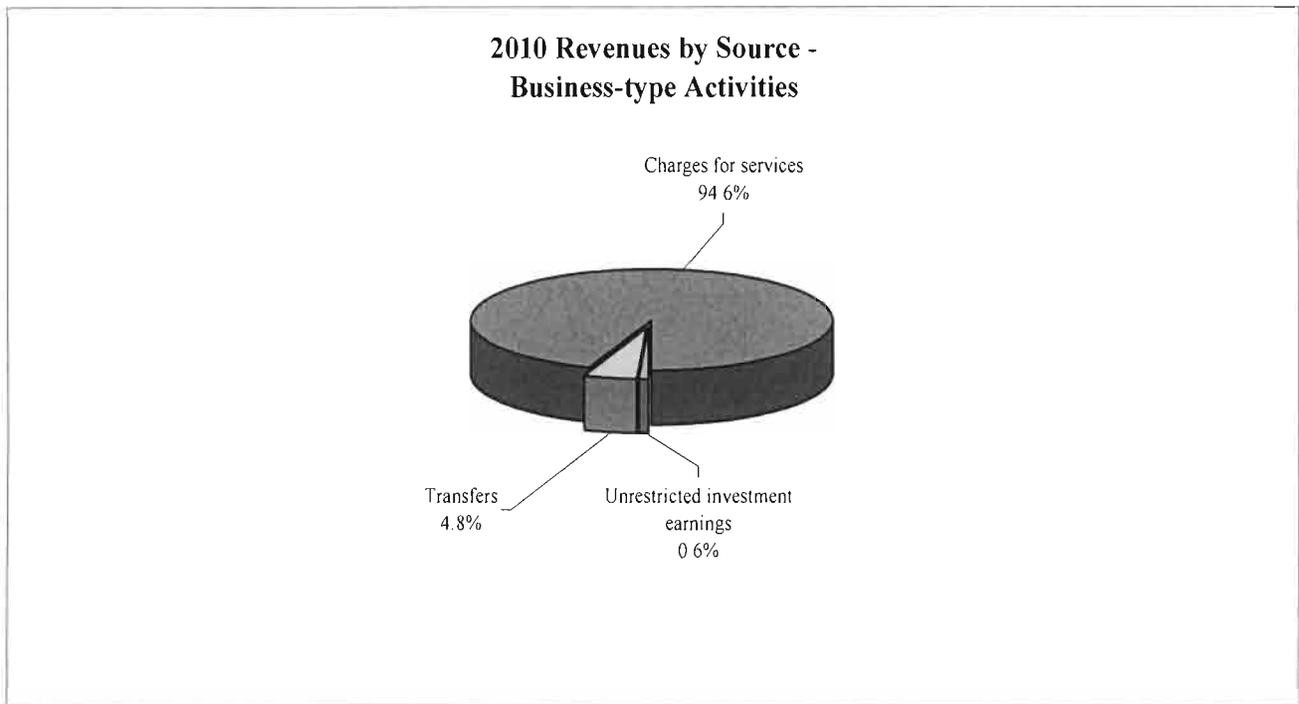
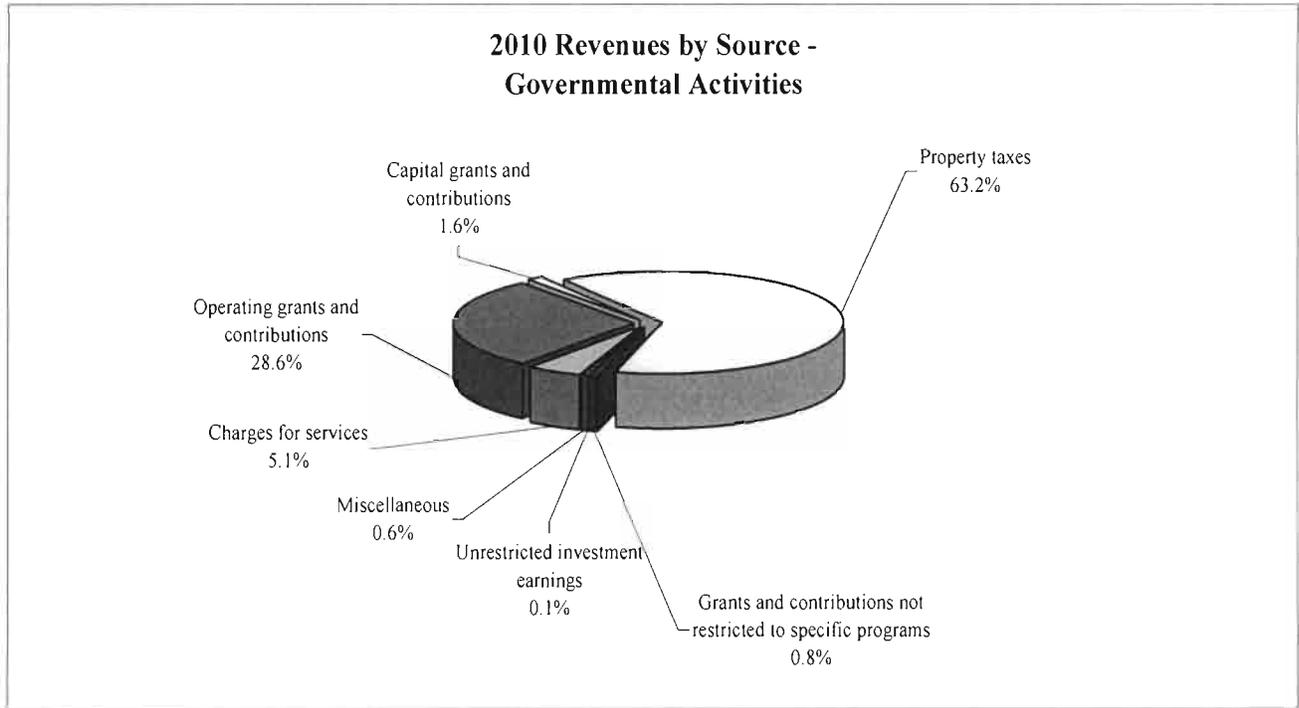
Changes in Net Assets (Continued)

Town of Ellington Changes in Net Assets For the Year Ended June 30, 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	48,000,411	2,878,195	50,878,606
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	47,640,394	2,337,368	49,977,762
Excess before transfers	360,017	540,827	900,844
Transfers	(128,500)	128,500	-
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	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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

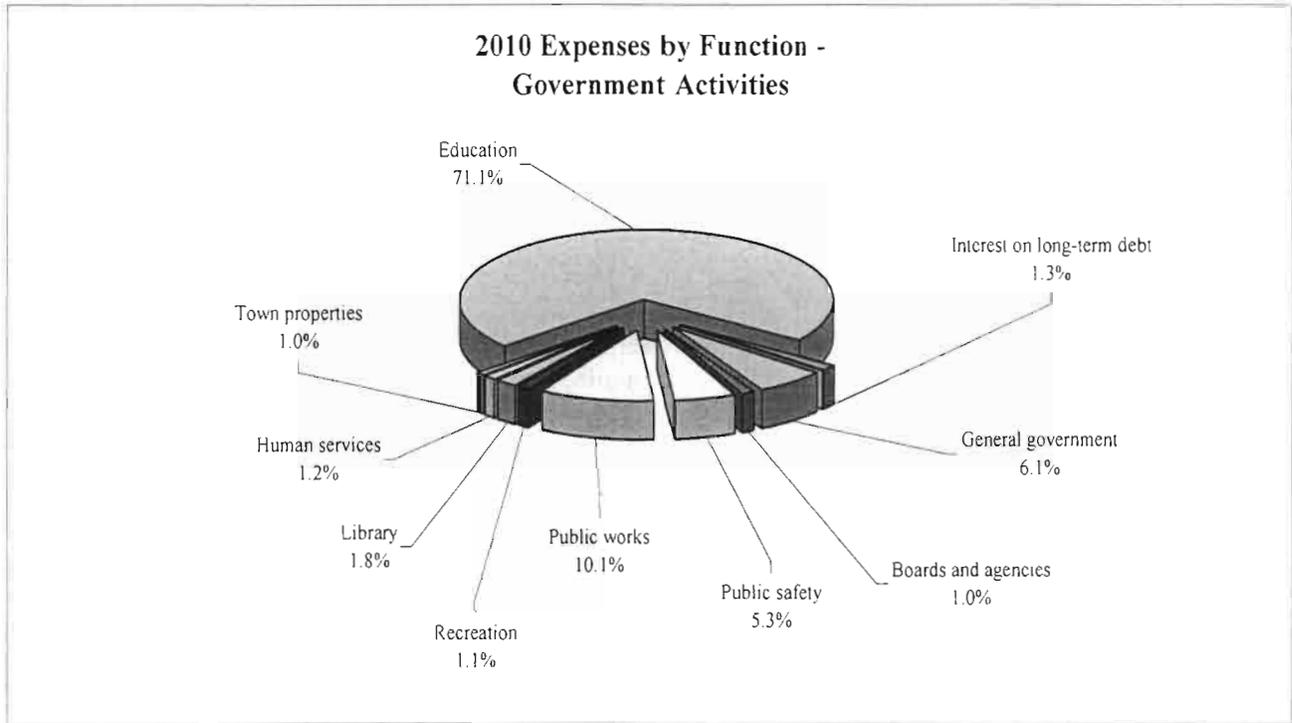
Changes in Net Assets (Continued)



**TOWN OF ELLINGTON, CONNECTICUT
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 \$1,074,272, thereby accounting for 87.8% of the total growth of the Town's net assets. This increase is primarily due to greater than anticipated property tax revenues.

Business-type Activities

Business-type activities increased the Town's net assets by \$149,037, thereby accounting for 12.2% of the total growth of the Town's net assets.

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, CONNECTICUT
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 \$6,158,513 an increase of \$704,959 in comparison with the prior year. This increase is due to greater than anticipated property tax revenues. Of the total governmental fund balances, \$5,873,274 constitutes unreserved fund balance, of which \$3,940,225 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 \$3,165,708, while total fund balance was \$7,237,868. Designations of unreserved fund balance for future "Capital Reserves", "Capital and Nonrecurring" and "Post Employment Benefits" totaled \$3,940,225. 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 6.8% of total general fund expenditures, while total fund balance represents 15.6% of that same amount. Expressed another way, unreserved fund balance for the General Fund was sufficient to cover 0.82 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$1,270,246 during the current fiscal year. This increase is primarily due to greater than anticipated property tax revenues.

High School/Center School Project Fund

The fund balance of the Town's High School/Center School Project decreased by \$13,361 due to unanticipated construction costs to complete the project. The Town is planning to close out this fund once the State of Connecticut completes their final close out of this project. This deficit is expected to be recovered through future reimbursements from the State of Connecticut once the final close out has occurred. Any remaining deficit balance after funding has been received from the State will be recovered through general obligation bond proceeds.

Proprietary Funds

Unrestricted net assets of the Sewer Authority and the Crystal Lake Sewers funds at the end of the year totaled \$5,564,945 and \$1,026,024, respectively. The total increase (decrease) in net assets for these funds was \$143,938 and (\$7,770), respectively.

**TOWN OF ELLINGTON, CONNECTICUT
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 \$372,438. Significant components of this increase are as follows:

- Increases in Public Safety spending of \$124,349 for various equipment for the Volunteer Ambulance, along with police special duty assignments for road construction projects
- Increases in Public Works spending of \$168,014 due to higher than anticipated costs for road materials along with engineering and inspections costs for construction administration of structural reviews

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, 2010 totaled \$71,121,693 (net of accumulated depreciation). This investment in capital assets includes an art collection, land, property development rights, 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 \$485,524, which was comprised of a \$263,069 decrease or a 0.4% decrease for governmental activities and a \$222,455 or a 0.2% decrease 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
- Acquisition of a new fire engine truck for the Crystal Lake Fire Department
- Construction at the Old Crystal Lake School House

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

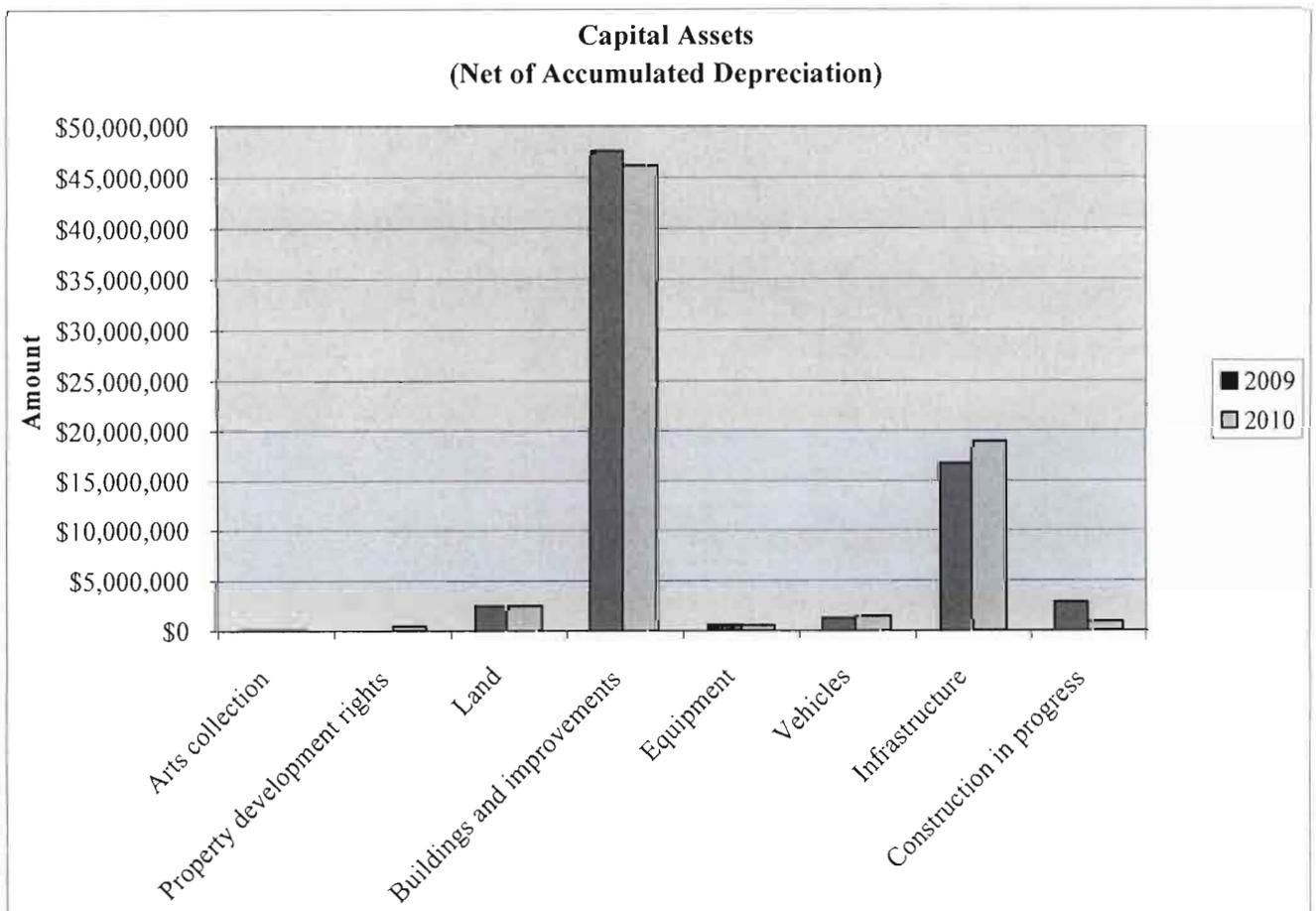
**TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

**Town of Ellington
Capital Assets
June 30, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Arts collection	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Property development rights	489,361	-	-	-	489,361	-
Land	2,507,844	2,507,844	-	-	2,507,844	2,507,844
Buildings and improvements	46,191,225	47,586,606	-	-	46,191,225	47,586,606
Equipment	496,073	525,643	61,421	76,942	557,494	602,585
Vehicles	1,468,931	1,303,266	-	-	1,468,931	1,303,266
Infrastructure	7,780,895	7,287,628	11,154,546	9,434,833	18,935,441	16,722,461
Construction in progress	400,827	387,238	534,972	2,461,619	935,799	2,848,857
Totals	\$ 59,370,754	\$ 59,633,823	\$ 11,750,939	\$ 11,973,394	\$ 71,121,693	\$ 71,607,217



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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Additional information on the Town's capital assets can be found in Note 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 \$16,180,000. 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 \$1,845,000 or 10.2%. During the current fiscal year, the Town refunded \$4,485,000 on general obligation bonds by issuing \$4,320,000 in general obligation refunding bonds which resulted in an economic gain of \$332,381 and cash flow savings of \$392,620. This transaction resulted in a decrease of \$165,000 further offset by \$1,680,000 of scheduled principal payments.

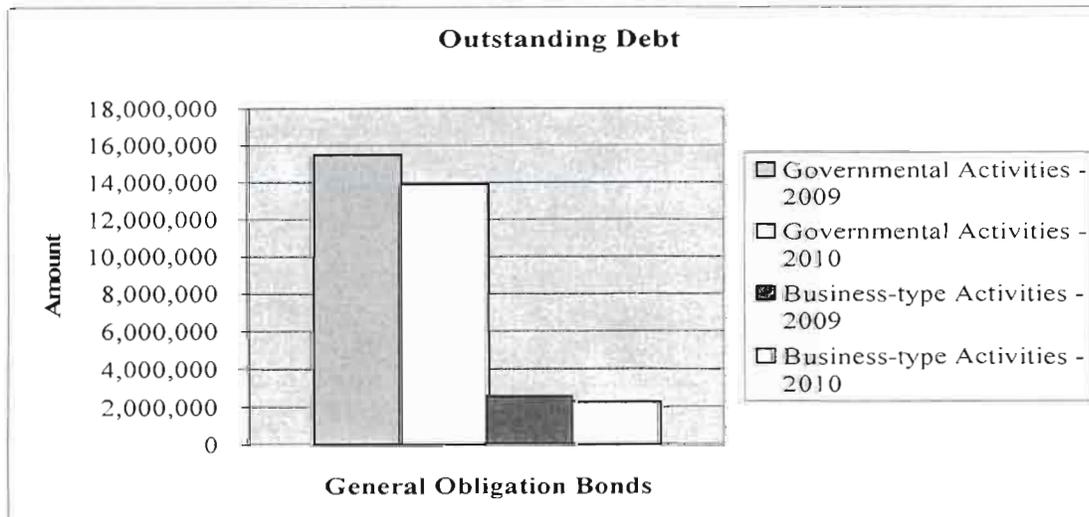
The Town received notice that Moody's Investor Service has recalibrated its U.S. public finance credit ratings. In connection with that recalibration, Moody's announced on May 3, 2010 that its rating for the Town's outstanding general obligation bonds has been revised to Aa3 from A2.

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 \$222,387,060, 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, 2010 and 2009**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$13,915,000	\$15,487,500	\$2,265,000	\$2,537,500	\$16,180,000	\$18,025,000



Additional information on the Town's long-term debt can be found in Note 8 on pages 49-50 of this report.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The 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 2011 and thereafter.
- The unemployment rate for the Town is currently 7.0%, which is an increase from a rate of 6.6% in the prior year. This compares favorably to the state's average unemployment rate of 8.8% 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 2011.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Officer, Town of Ellington, 55 Main Street, Ellington, CT 06029.

Basic Financial Statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,542,549	\$ 2,025	\$ 1,544,574
Investments	5,796,045	5,109,437	10,905,482
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$155,000	710,118	-	710,118
Sewer usage charges receivable, net of allowance for uncollectibles of \$14,300	-	109,760	109,760
Solid waste charges receivable, net of allowance for uncollectibles of \$4,300	-	29,851	29,851
Assessments, interest and liens receivable	-	108,930	108,930
Grants and contracts receivable, current portion	502,125	-	502,125
Interest, net of allowance for uncollectibles of \$206,000	239,825	-	239,825
Other	316,854	-	316,854
Internal balances	79,400	(79,400)	-
Inventories	8,071	-	8,071
Prepaid expenses	-	6,256	6,256
Grants and contracts receivable, long-term portion	271,250	-	271,250
Deferred bond issuance costs, net	141,495	-	141,495
Deferred asset - waste water treatment facility	-	1,146,027	1,146,027
Long-term assessment receivable	-	1,353,420	1,353,420
Endowment investments	624,279	-	624,279
Capital assets:			
Non-depreciable	3,433,630	534,972	3,968,602
Depreciable, net	55,937,124	11,215,967	67,153,091
Total assets	<u>69,602,765</u>	<u>19,537,245</u>	<u>89,140,010</u>
LIABILITIES			
Accounts payable	1,683,769	48,749	1,732,518
Accrued liabilities:			
Accrued interest	-	1,500	1,500
Other accrued liabilities	81,073	-	81,073
Due to funding source	14,735	-	14,735
Unearned revenue	425,553	50,415	475,968
Bond anticipation note payable	510,000	-	510,000
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,395,000	265,000	1,660,000
Note payable	14,195	181,591	195,786
Capital leases	382,136	-	382,136
Compensated absences	110,000	-	110,000
Due in more than one year:			
Bonds payable	12,751,951	2,021,082	14,773,033
Note payable	209,106	964,436	1,173,542
Capital leases	743,679	-	743,679
Compensated absences	1,152,614	-	1,152,614
Other post employment benefits	251,607	-	251,607
Total liabilities	<u>19,725,418</u>	<u>3,532,773</u>	<u>23,258,191</u>
NET ASSETS			
Invested in capital assets, net of related debt	43,364,687	9,464,800	52,829,487
Restricted for endowments:			
Expendable	571,782	-	571,782
Nonexpendable	52,497	-	52,497
Unrestricted	5,888,381	6,539,672	12,428,053
Total net assets	<u>\$ 49,877,347</u>	<u>\$ 16,004,472</u>	<u>\$ 65,881,819</u>

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

**TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 3,013,347	\$ 336,041	\$ -	\$ -	\$ (2,677,306)	\$ -	\$ (2,677,306)
Boards and agencies	487,718	45,762	288,063	-	(153,893)	-	(153,893)
Public safety	2,572,838	625,392	12,372	-	(1,935,074)	-	(1,935,074)
Public works	4,895,427	562,637	-	772,864	(3,559,926)	-	(3,559,926)
Recreation	514,902	296,789	-	-	(218,113)	-	(218,113)
Library	881,053	-	-	-	(881,053)	-	(881,053)
Human services	563,625	13,635	143,092	-	(406,898)	-	(406,898)
Town properties	468,553	-	-	-	(468,553)	-	(468,553)
Education	34,552,602	639,124	13,853,364	13,887	(20,046,227)	-	(20,046,227)
Interest on long-term debt	648,934	-	-	-	(648,934)	-	(648,934)
Total governmental activities	48,598,999	2,519,380	14,296,891	786,751	(30,995,977)	-	(30,995,977)
Business-type activities:							
Sewer	2,415,126	2,425,216	-	-	-	10,090	10,090
Total business-type activities	2,415,126	2,425,216	-	-	-	10,090	10,090
Total primary government	\$ 51,014,125	\$ 4,944,596	\$ 14,296,891	\$ 786,751	(30,995,977)	10,090	(30,985,887)
General revenues:							
Property taxes, levied for general purposes					31,448,444	-	31,448,444
Grants and contributions not restricted to specific programs					415,507	-	415,507
Unrestricted investment earnings					31,291	16,711	48,002
Miscellaneous					297,243	-	297,243
Transfers					(122,236)	122,236	-
Total general revenues					32,070,249	138,947	32,209,196
Change in net assets					1,074,272	149,037	1,223,309
Net assets - beginning					48,803,075	15,855,435	64,658,510
Net assets - ending					\$ 49,877,347	\$ 16,004,472	\$ 65,881,819

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

**TOWN OF ELLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	General Fund	High School/ Center School Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,175,658	\$ -	\$ 366,891	\$ 1,542,549
Investments	4,324,667	-	2,095,657	6,420,324
Receivables:				
Property taxes receivable, net of allowance for uncollectibles of \$155,000	710,118	-	-	710,118
Grants and contracts receivable	3,172	-	404,880	408,052
Other	231,099	-	84,654	315,753
Due from other funds	3,302,267	-	73,484	3,375,751
Inventories	-	-	8,071	8,071
Total assets	<u>\$ 9,746,981</u>	<u>\$ -</u>	<u>\$ 3,033,637</u>	<u>\$ 12,780,618</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts payable	\$ 1,558,866	\$ -	\$ 121,572	\$ 1,680,438
Accrued liabilities	81,073	-	-	81,073
Due to other funds	257,449	2,689,675	351,457	3,298,581
Unearned/deferred revenue	611,725	-	425,553	1,037,278
Due to funding source	-	-	14,735	14,735
Bond anticipation note payable	-	-	510,000	510,000
Total liabilities	<u>2,509,113</u>	<u>2,689,675</u>	<u>1,423,317</u>	<u>6,622,105</u>
Fund balances (deficit):				
Reserved for:				
Inventories	-	-	8,071	8,071
Sanitation	-	-	48,200	48,200
Document preservation	-	-	33,965	33,965
Land preservation	-	-	10,571	10,571
Endowments	-	-	52,497	52,497
Encumbrances	131,935	-	-	131,935
Unreserved	3,165,708	(2,689,675)	-	476,033
Unreserved, designated for post employment benefits	483,774	-	-	483,774
Unreserved, designated for capital reserves	3,176,956	-	-	3,176,956
Unreserved, designated for capital and nonrecurring	279,495	-	-	279,495
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	925,399	925,399
Capital project funds	-	-	(40,165)	(40,165)
Permanent funds	-	-	571,782	571,782
Total fund balances (deficit)	<u>7,237,868</u>	<u>(2,689,675)</u>	<u>1,610,320</u>	<u>6,158,513</u>
Total liabilities and fund balances (deficit)	<u>\$ 9,746,981</u>	<u>\$ -</u>	<u>\$ 3,033,637</u>	<u>\$ 12,780,618</u>

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

TOWN OF ELLINGTON, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances for governmental funds \$ 6,158,513

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	
Property development rights		489,361	
Construction in progress		400,827	
Buildings and improvements		68,400,238	
Equipment		2,336,082	
Vehicles		5,919,728	
Infrastructure		9,659,155	
Less: accumulated depreciation and amortization		<u>(30,378,079)</u>	
Total capital assets, net			59,370,754

School construction grants receivable from the State of Connecticut are not susceptible to accrual and are, therefore, not reported in the funds. 365,323

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		176,799	
Less: accumulated amortization		<u>(35,304)</u>	
Total bond issuance costs, net			141,495

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. 611,725

Accrued interest on property taxes net of related allowance for uncollectibles are not susceptible to accrual and therefore are not reported in the funds. 239,825

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		(13,915,000)	
Unamortized premiums		(223,020)	
Deferred amount on refundings		(8,931)	
Obligations under capital lease		(1,125,815)	
Note payable		(223,301)	
Other long-term liabilities:			
Compensated absences		(1,262,614)	
Net OPEB obligation		<u>(251,607)</u>	
Total long-term liabilities			<u>(17,010,288)</u>

Net assets of governmental activities \$ 49,877,347

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

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

	General Fund	High School/ Center School Project	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 31,414,992	\$ -	\$ -	\$ 31,414,992
Licenses, permits and fees	304,125	-	-	304,125
Intergovernmental	13,520,745	-	2,353,619	15,874,364
Charges for services	1,024,249	-	324,739	1,348,988
Food sales	-	-	584,993	584,993
Interest and dividends	15,654	-	8,546	24,200
Net increase in the fair value of investments	-	-	10,595	10,595
Other income	421,867	-	187,504	609,371
Total revenues	<u>46,701,632</u>	<u>-</u>	<u>3,469,996</u>	<u>50,171,628</u>
EXPENDITURES				
Current:				
General government	1,282,264	-	-	1,282,264
Boards and agencies	89,984	-	-	89,984
Public safety	2,113,422	-	-	2,113,422
Public works	3,305,384	-	-	3,305,384
Recreation	414,874	-	-	414,874
Library	573,492	-	-	573,492
Human services	495,315	-	-	495,315
Town properties	468,553	-	-	468,553
Education	31,017,970	-	-	31,017,970
Miscellaneous	2,425,792	-	6,680	2,432,472
Program expenditures	-	-	2,784,448	2,784,448
Debt service:				
Principal payments	1,813,541	-	-	1,813,541
Interest and fiscal charges	677,756	-	-	677,756
Debt issuance costs	76,179	-	-	76,179
Capital outlays	1,628,087	13,361	873,510	2,514,958
Total expenditures	<u>46,382,613</u>	<u>13,361</u>	<u>3,664,638</u>	<u>50,060,612</u>
Excess (deficiency) of revenues over expenditures	319,019	(13,361)	(194,642)	111,016
OTHER FINANCING SOURCES (USES)				
Capital leases	640,000	-	-	640,000
Proceeds from refundng bonds issued	3,580,000	-	-	3,580,000
Premium on refunding bonds issued	222,248	-	-	222,248
Payment to refunded bonds escrow agent	(3,726,069)	-	-	(3,726,069)
Transfers in	357,284	-	-	357,284
Transfers out	(122,236)	-	(357,284)	(479,520)
Total other financing sources (uses)	<u>951,227</u>	<u>-</u>	<u>(357,284)</u>	<u>593,943</u>
Net change in fund balances	1,270,246	(13,361)	(551,926)	704,959
Fund balances (deficit) - beginning of year	<u>5,967,622</u>	<u>(2,676,314)</u>	<u>2,162,246</u>	<u>5,453,554</u>
Fund balances (deficit) - ending of year	<u>\$ 7,237,868</u>	<u>\$ (2,689,675)</u>	<u>\$ 1,610,320</u>	<u>\$ 6,158,513</u>

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

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

Net change in fund balances for governmental funds \$ 704,959

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	\$	2,493,218	
Depreciation and amortization expense		(2,725,936)	
Net adjustment			(232,718)

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. (30,351)

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. (105,449)

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:			
Capital leases		(640,000)	
Deferred amount on refunding		(8,931)	
Premium on bonds issued		(222,248)	
Refunding bonds payable		(3,580,000)	
Bond issuance costs		76,179	
Amortization of bond issuance costs		(5,031)	
Amortization of bond premium		120	
Principal repayments:			
Payment to refunded bonds escrow agent		3,735,000	
Bonds payable		1,417,500	
Capital leases		382,468	
Note payable		13,571	
Net adjustment			1,168,628

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

**TOWN OF ELLINGTON, CONNECTICUT
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, 2010**

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	\$	(78,128)	
Accrued interest		33,733	
Net OPEB obligation		<u>(115,730)</u>	
	\$		(160,125)

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.	(234,032)
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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>(36,640)</u>
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Change in net assets of governmental activities	<u><u>\$ 1,074,272</u></u>
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The accompanying notes are an integral part of these financial statements.

**TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxation	\$ 30,771,770	\$ 30,771,770	\$ 31,719,116	\$ 947,346
Intergovernmental - education	10,024,987	10,024,987	10,072,334	47,347
Intergovernmental - other	684,371	684,371	731,743	47,372
Charges for goods and services	771,069	771,069	1,024,250	253,181
Interest and dividends	100,000	100,000	15,654	(84,346)
Other revenues	863,770	863,770	1,041,649	177,879
Total revenues	<u>43,215,967</u>	<u>43,215,967</u>	<u>44,604,746</u>	<u>1,388,779</u>
EXPENDITURES				
Current:				
General government	1,403,255	1,409,255	1,301,263	(107,992)
Boards and agencies	126,471	126,471	89,985	(36,486)
Public safety	2,062,159	2,186,508	2,114,767	(71,741)
Public works	3,364,920	3,532,934	3,378,676	(154,258)
Recreation	427,753	427,753	414,873	(12,880)
Library	559,448	573,492	573,492	-
Human services	521,403	527,235	495,315	(31,920)
Town properties	414,050	478,950	468,553	(10,397)
Miscellaneous	2,658,565	2,642,249	2,535,791	(106,458)
Education	28,416,595	28,416,595	28,301,300	(115,295)
Debt service	2,976,190	2,976,190	2,876,033	(100,157)
Capital outlays	1,222,375	1,227,990	1,217,150	(10,840)
Total expenditures	<u>44,153,184</u>	<u>44,525,622</u>	<u>43,767,198</u>	<u>(758,424)</u>
Excess (deficiency) of revenues over expenditures	(937,217)	(1,309,655)	837,548	2,147,203
OTHER FINANCING SOURCES				
Appropriation of fund balance	937,217	1,309,655	-	(1,309,655)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	837,548	<u>\$ 837,548</u>
Fund balance - beginning of year			<u>5,196,973</u>	
Fund balance - ending of year			<u>\$ 6,034,521</u>	

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

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

	Business-type Activities - Enterprise Funds			Total
	Sewer Authority	Crystal Lake Sewers	Other Enterprise Funds	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,025	\$ -	\$ -	\$ 2,025
Investments	4,289,896	819,541	-	5,109,437
Receivables:				
Solid waste charges receivable, net of allowances for uncollectibles of \$4,300	-	-	29,851	29,851
Sewer usage charges receivable, net of allowances for uncollectibles of \$14,300	73,650	36,110	-	109,760
Assessments, interest and liens receivable	105,009	3,921	-	108,930
Due from other funds	137,624	43,110	-	180,734
Prepaid expenses	-	6,256	-	6,256
Total current assets	<u>4,608,204</u>	<u>908,938</u>	<u>29,851</u>	<u>5,546,993</u>
Noncurrent assets:				
Deferred asset - waste water treatment facility	1,146,027	-	-	1,146,027
Long-term assessments receivable	1,154,333	160,120	38,967	1,353,420
Capital assets:				
Non-depreciable	530,472	4,500	-	534,972
Depreciable, net	6,958,414	4,257,553	-	11,215,967
Total noncurrent assets	<u>9,789,246</u>	<u>4,422,173</u>	<u>38,967</u>	<u>14,250,386</u>
Total assets	<u>14,397,450</u>	<u>5,331,111</u>	<u>68,818</u>	<u>19,797,379</u>
LIABILITIES				
Current liabilities:				
Accounts payable	48,749	-	-	48,749
Accrued interest	-	1,500	-	1,500
Unearned revenue	48,011	2,404	-	50,415
Due to other funds	100,832	39,187	120,115	260,134
Bonds payable - current	75,000	190,000	-	265,000
Note payable - current	181,591	-	-	181,591
Total current liabilities	<u>454,183</u>	<u>233,091</u>	<u>120,115</u>	<u>807,389</u>
Noncurrent liabilities:				
Bonds payable	1,450,000	571,082	-	2,021,082
Note payable	964,436	-	-	964,436
Total noncurrent liabilities	<u>2,414,436</u>	<u>571,082</u>	<u>-</u>	<u>2,985,518</u>
Total liabilities	<u>2,868,619</u>	<u>804,173</u>	<u>120,115</u>	<u>3,792,907</u>
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	5,963,886	3,500,914	-	9,464,800
Unrestricted (deficit)	5,564,945	1,026,024	(51,297)	6,539,672
Total net assets (deficit)	<u>\$ 11,528,831</u>	<u>\$ 4,526,938</u>	<u>\$ (51,297)</u>	<u>\$ 16,004,472</u>

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

**TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds			Total
	Sewer Authority	Crystal Lake Sewers	Other Enterprise Funds	
OPERATING REVENUES				
Assessments	\$ 398,475	\$ 102,388	\$ 8,186	\$ 509,049
User charges, interest and lien fees	1,179,934	183,375	-	1,363,309
Permits and fees	2,700	2,700	-	5,400
Solid waste fees	-	-	468,547	468,547
Other	78,911	-	-	78,911
Total operating revenues	<u>1,660,020</u>	<u>288,463</u>	<u>476,733</u>	<u>2,425,216</u>
OPERATING EXPENSES				
Salaries and benefits	78,830	-	-	78,830
Services and supplies	20,544	-	-	20,544
Town of Vernon	1,049,685	-	-	1,049,685
Town of Stafford	-	26,948	-	26,948
Depreciation and amortization	252,060	134,577	-	386,637
Utilities	33,723	14,819	-	48,542
General maintenance and repairs	48,301	104,505	-	152,806
Engineering	14,977	-	-	14,977
Public works and administrative expenses	28,899	4,123	463,864	496,886
Legal	980	-	-	980
Advertising	1,306	110	-	1,416
Other	10,571	289	-	10,860
Total operating expenses	<u>1,539,876</u>	<u>285,371</u>	<u>463,864</u>	<u>2,289,111</u>
Operating income	120,144	3,092	12,869	136,105
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment income	14,931	1,780	-	16,711
Debt service-interest expense	(67,433)	(45,938)	-	(113,371)
Debt issuance costs	-	(12,644)	-	(12,644)
Total non-operating revenues (expenses)	<u>(52,502)</u>	<u>(56,802)</u>	<u>-</u>	<u>(109,304)</u>
Income (loss) before transfers in (out)	67,642	(53,710)	12,869	26,801
OTHER FINANCING SOURCES				
Transfers in	<u>76,296</u>	<u>45,940</u>	<u>-</u>	<u>122,236</u>
Change in net assets	143,938	(7,770)	12,869	149,037
Net assets (deficit) - beginning	<u>11,384,893</u>	<u>4,534,708</u>	<u>(64,166)</u>	<u>15,855,435</u>
Net assets (deficit) - ending	<u>\$ 11,528,831</u>	<u>\$ 4,526,938</u>	<u>\$ (51,297)</u>	<u>\$ 16,004,472</u>

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

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

	Business-type Activities - Enterprise Funds			Total
	Sewer Authority	Crystal Lake Sewers	Other Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,594,163	\$ 340,855	\$ 477,917	\$ 2,412,935
Receipts from interfund services provided	-	51,115	-	51,115
Payments to suppliers	(1,492,926)	-	(463,864)	(1,956,790)
Payments for interfund services	(57,828)	(162,960)	(14,053)	(234,841)
Payments to employees	(28,899)	(4,123)	-	(33,022)
Net cash provided by operating activities	<u>14,510</u>	<u>224,887</u>	<u>-</u>	<u>239,397</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(159,682)	(4,500)	-	(164,182)
Principal paid on capital debt	(252,998)	(187,500)	-	(440,498)
Interest paid on capital debt	(67,433)	(45,938)	-	(113,371)
Transfers in	76,296	45,940	-	122,236
Net cash used in capital and related financing activities	<u>(403,817)</u>	<u>(191,998)</u>	<u>-</u>	<u>(595,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from (purchases of) investments, net	375,937	(34,669)	-	341,268
Interest and dividends	14,931	1,780	-	16,711
Net cash provided by (used in) investing activities	<u>390,868</u>	<u>(32,889)</u>	<u>-</u>	<u>357,979</u>
Net increase in cash and cash equivalents	1,561	-	-	1,561
Cash and cash equivalents, beginning of year	464	-	-	464
Cash and cash equivalents, end of year	<u>\$ 2,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,025</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 120,144	\$ 3,092	\$ 12,869	\$ 136,105
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	252,060	134,577	-	386,637
(Increase) decrease in assets:				
Sewer usage receivable, net	(2,919)	(2,579)	-	(5,498)
Solid waste usage receivable, net	-	-	2,114	2,114
Assessment, interest and liens receivable	(62,938)	27,870	-	(35,068)
Due from other funds	247,734	36,378	-	284,112
Long-term assessments receivable	-	27,101	7,256	34,357
Other assets	-	1,562	-	1,562
Increase (decrease) in liabilities:				
Accounts payable	(234,009)	-	-	(234,009)
Accrued interest	(2,098)	(1)	-	(2,099)
Unearned revenue	(1,694)	(42,300)	-	(43,994)
Due to other funds	(301,770)	39,187	(22,239)	(284,822)
Net cash provided by (used in) operating activities	<u>\$ 14,510</u>	<u>\$ 224,887</u>	<u>\$ -</u>	<u>\$ 239,397</u>

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

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

	Private- Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 84,285	\$ 403,617
Investments	266,342	109,055
Due from other funds	331	3,000
Total assets	350,958	\$ 515,672
 LIABILITIES		
Due to other funds	1,101	\$ -
Due to others	-	515,672
Total liabilities	1,101	\$ 515,672
 NET ASSETS		
Held in trust for other purposes	\$ 349,857	

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

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions - private donations	\$ 97,741
Other income	30,419
Total contributions	<u>128,160</u>
Investment earnings:	
Interest	474
Total additions	<u>128,634</u>
 DEDUCTIONS	
Other expenditures	1,696
Program expenditures	109,358
	<u>111,054</u>
Change in net assets	17,580
Net assets - beginning	<u>332,277</u>
Net assets - ending	<u><u>\$ 349,857</u></u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

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, 2010.

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 \$57,271 for the year ended June 30, 2010.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements 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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements (Continued)

The statement of 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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

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

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 and consist of a money market account totaling \$85,769.

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 \$571,782 as of June 30, 2010 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 \$155,000 as of June 30, 2010.

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

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, property development rights, 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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND FUND EQUITY (Continued)

Deferred Asset – Waste Water Treatment Facility

The Town has an operating agreement with a nearby town that owns and 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 for the Town’s portion of the facility upgrades that is due in 2016. As of June 30, 2010 the Town has a noncurrent asset in the Sewer Authority Fund of \$1,146,027, 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 10.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTERFUND ACTIVITIES

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". 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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

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 \$372,438.
- 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.

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, 2010:

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

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

BUDGETARY INFORMATION (Continued)

	<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	\$ 44,604,746	\$ 43,767,198	\$ -	\$ 837,548
"On-behalf" payments - State Teachers Retirement Fund (see Note 11)	2,329,530	2,329,530	-	-
Changes in encumbrances:				
June 30, 2009	-	28,300	-	(28,300)
June 30, 2010	-	(131,935)	-	131,935
Certain transfers recorded as revenues/expenditures for budgetary purposes	(357,284)	(122,236)	235,048	-
Changes in designations recorded as expenditures for budgetary purposes:				
Capital projects	-	(305,577)	-	305,577
Capital and nonrecurring	-	76,514	-	(76,514)
Post employment benefits	-	(100,000)	-	100,000
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	387,140	387,140	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(262,500)	(262,500)	-	-
Capital lease not recorded for budgetary purposes	-	640,000	640,000	-

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

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

BUDGETARY INFORMATION (Continued)

	Total Revenues	Total Expenditures	Other Financing Sources (Uses) - Transfers, net	Net Change in Fund Balance
Noncash financing sources (uses) not recognized for budgetary purposes:				
Proceeds from refunding bonds issued	-	-	3,580,000	3,580,000
Premium on refunding bonds issued	-	-	222,248	222,248
Payment to refunded bonds escrow agent including certain bond issuance costs of \$76,179 recorded as an expenditure and other financing use not recorded for budgetary purposes	-	76,179	(3,726,069)	(3,802,248)
GAAP basis	\$ 46,701,632	\$ 46,382,613	\$ 951,227	\$ 1,270,246

DEFICIT FUND EQUITY

The following funds have deficit fund balances as of June 30, 2010, none of which constitutes a violation of statutory provisions:

Fund	Amount
High School / Center School Project	\$ 2,689,675
Dojo Association	504,962
Watermains, Tripp and Middle Roads	72,370

The deficits in the High School / Center School Project Fund and the Dojo Association Fund will be funded through the future issuance of bonds. The deficit in the Watermains, Tripp and Middle Roads Fund will be funded through future 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, 2010, \$3,588,794 of the Town's bank balance of \$4,838,794 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,229,915
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	358,879
	\$ 3,588,794

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

CASH DEPOSITS – CUSTODIAL CREDIT RISK (Continued)

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, 2010 consisted of cash deposits of \$2,032,476 and various certificates of deposit with original maturities in excess of 3 months totaling \$1,924,785. 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.

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

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 1,544,574
Add: certificates of deposits classified as investments	1,924,785
	3,469,359
Statement of fiduciary net assets:	
Private purpose trust funds	84,285
Agency funds	403,617
	487,902
	\$ 3,957,261

INVESTMENTS

As of June 30, 2010, 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
Debt Securities:					
Short Term Investment Fund (STIF)	\$ 1,919,949	\$ 1,919,949	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security Systems Fund (CLASS)	7,321,841	7,321,841	-	-	-
U.S. Treasuries	77,530	-	77,530	-	-
Corporate bonds	173,039	-	173,039	-	-
Money market funds	62,684	62,684	-	-	-
	9,555,043	\$ 9,304,474	\$ 250,569	\$ -	\$ -
Other investments:					
Equity securities	425,330				
Total	\$ 9,980,373				

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

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

Government-wide statement of net assets:

Investments and endowment investments	\$ 11,529,761
Less: certificates of deposits considered cash deposits under GASB Statement No. 40	(1,924,785)
	<u>9,604,976</u>

Statement of fiduciary net assets:

Private purpose trust funds	266,342
Agency funds	109,055
	<u>375,397</u>
	<u>\$ 9,980,373</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, 2010:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Short Term Investment Fund (STIF)	\$ 1,919,949	\$ 1,919,949	\$ -	\$ -
Cooperative Liquid Asset Security System (CLASS)	7,321,841	7,321,841	-	-
Corporate bonds	173,039	118,570	54,469	-
Money market funds	62,684	-	-	62,684
	<u>\$ 9,477,513</u>	<u>\$ 9,360,360</u>	<u>\$ 54,469</u>	<u>\$ 62,684</u>

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

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, 2010 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Property development rights	-	489,361	-	489,361
Land	2,507,844	-	-	2,507,844
Construction in progress	387,238	364,885	(351,296)	400,827
Total capital assets, not being depreciated	<u>2,930,680</u>	<u>854,246</u>	<u>(351,296)</u>	<u>3,433,630</u>
Capital assets, being depreciated:				
Buildings and improvements	67,917,327	482,911	-	68,400,238
Equipment	2,073,082	263,000	-	2,336,082
Vehicles	6,294,384	586,982	(961,638)	5,919,728
Infrastructure	9,001,780	657,375	-	9,659,155
Total capital assets, being depreciated	<u>85,286,573</u>	<u>1,990,268</u>	<u>(961,638)</u>	<u>86,315,203</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	20,330,721	1,878,292	-	22,209,013
Equipment	1,547,439	292,570	-	1,840,009
Vehicles	4,991,118	390,966	(931,287)	4,450,797
Infrastructure	1,714,152	164,108	-	1,878,260
Total accumulated depreciation and amortization	<u>28,583,430</u>	<u>2,725,936</u>	<u>(931,287)</u>	<u>30,378,079</u>
Total capital assets, being depreciated, net	<u>56,703,143</u>	<u>(735,668)</u>	<u>(30,351)</u>	<u>55,937,124</u>
Governmental activities capital assets, net	<u>\$ 59,633,823</u>	<u>\$ 118,578</u>	<u>\$ (381,647)</u>	<u>\$ 59,370,754</u>

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

NOTE 4 - CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ 2,461,619	\$ 159,682	\$ (2,090,829)	\$ 530,472
Construction in progress - Crystal Lake	-	4,500	-	4,500
Total capital assets, not being depreciated	<u>2,461,619</u>	<u>164,182</u>	<u>(2,090,829)</u>	<u>534,972</u>
Capital assets, being depreciated:				
Equipment - Sewer Authority	147,527	-	-	147,527
Infrastructure - Sewer Authority	9,299,902	2,090,829	-	11,390,731
Equipment - Crystal Lake	20,553	-	-	20,553
Infrastructure - Crystal Lake	6,673,516	-	-	6,673,516
Total capital assets, being depreciated	<u>16,141,498</u>	<u>2,090,829</u>	<u>-</u>	<u>18,232,327</u>
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	79,708	14,414	-	94,122
Infrastructure - Sewer Authority	4,248,076	237,646	-	4,485,722
Equipment - Crystal Lake	11,430	1,107	-	12,537
Infrastructure - Crystal Lake	2,290,509	133,470	-	2,423,979
Total accumulated depreciation and amortization	<u>6,629,723</u>	<u>386,637</u>	<u>-</u>	<u>7,016,360</u>
Total capital assets, being depreciated, net	<u>9,511,775</u>	<u>1,704,192</u>	<u>-</u>	<u>11,215,967</u>
Business-type activities capital assets, net	<u>\$ 11,973,394</u>	<u>\$ 1,868,374</u>	<u>\$ (2,090,829)</u>	<u>\$ 11,750,939</u>

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

Governmental Activities:

Education	\$ 1,674,237
Public works	442,742
Public safety	335,519
General government	185,938
Library	87,500
Total depreciation and amortization expense - governmental activities	<u>\$ 2,725,936</u>

Business-type Activities:

Sewer	<u>\$ 386,637</u>
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TOWN OF ELLINGTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	High School/Center School Project	\$ 2,689,675
	Other Governmental Funds	351,457
	Other Enterprise Funds	120,115
	Sewer Authority Fund	100,732
	Crystal Lake Sewers Fund	39,187
	Private Purpose Trust Funds	1,101
		<u>3,302,267</u>
Other Governmental Funds	General Fund	<u>73,484</u>
		<u>\$ 3,375,751</u>
Enterprise Funds		
Sewer Authority Fund	General Fund	137,624
Crystal Lake Sewers Fund	General Fund	43,010
	Sewer Authority Fund	100
		<u>43,110</u>
		<u>180,734</u>
Fidiciary Funds		
Private Purpose Trust Funds	General Fund	331
Agency Funds	General Fund	3,000
		<u>3,331</u>
Total due from/to other funds		<u>\$ 3,559,816</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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2010 consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
Governmental Funds		
General Fund	Crystal Lake Sewers Fund	\$ 45,940
	Sewer Authority Fund	76,296
		<u>122,236</u>
Other Governmental Funds	General Fund	<u>357,284</u>
		<u>\$ 479,520</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 from the Other Governmental Funds was to reimburse the General Fund for expenditures incurred.

NOTE 7 - SHORT-TERM LIABILITIES

During April 2010, the Town issued a \$510,000 bond anticipation note which is payable in April 2011. The purpose of the note is to provide interim financing until general obligation bonds are issued. The note bears a coupon rate of 2.0% and matures in April 2011. The following is a summary of short-term liabilities for the year ended June 30, 2010.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation note payable	\$ -	\$ 510,000	\$ -	\$ 510,000

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

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 15,487,500	\$ 3,580,000	\$ (5,152,500)	\$ 13,915,000	\$ 1,395,000
Unamortized amounts:					
Unamortized premiums	892	222,248	(120)	223,020	-
Deferred amount on refunding	-	8,931	-	8,931	-
Total bonds payable	<u>15,488,392</u>	<u>3,811,179</u>	<u>(5,152,620)</u>	<u>14,146,951</u>	<u>1,395,000</u>
Other liabilities:					
Capital leases	868,283	640,000	(382,468)	1,125,815	382,136
Note payable	236,872	-	(13,571)	223,301	14,195
Compensated absences	1,184,486	85,972	(7,844)	1,262,614	110,000
Net OPEB obligation (see Note 12)	135,877	115,730	-	251,607	-
	<u>\$ 17,913,910</u>	<u>\$ 4,652,881</u>	<u>\$ (5,556,503)</u>	<u>\$ 17,010,288</u>	<u>\$ 1,901,331</u>
Business-type Activities					
Bonds payable:					
General obligation bonds	\$ 2,537,500	\$ 740,000	\$ (1,012,500)	\$ 2,265,000	\$ 265,000
Unamortized amounts:					
Unamortized premiums	-	44,556	-	44,556	-
Deferred amount on refunding	-	(23,474)	-	(23,474)	-
	<u>2,537,500</u>	<u>761,082</u>	<u>(1,012,500)</u>	<u>2,286,082</u>	<u>265,000</u>
Other liabilities:					
Note payable	1,324,025	-	(177,998)	1,146,027	181,591
	<u>\$ 3,861,525</u>	<u>\$ 761,082</u>	<u>\$ (1,190,498)</u>	<u>\$ 3,432,109</u>	<u>\$ 446,591</u>

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

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

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS

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

Description of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities			
Public improvement bonds issued 1990, original amount of \$3,360,000	2011	6.0% - 7.7%	\$ 150,000
School bonds issued 2002, original amount of \$9,650,000	2022	3.0% - 4.6%	5,645,000
School bonds issued 2003, original amount of \$6,640,000	2023	3.4% - 4.4%	4,540,000
General obligation refunding bonds issued 2010, original amount of \$3,580,000	2018	2.0% - 5.0%	3,580,000
			<u>\$ 13,915,000</u>
Business-type Activities			
Sewer bonds issued 2007, original amount of \$1,750,000	2027	4.0% - 5.5%	\$ 1,525,000
General obligation refunding bonds issued 2010, original amount of \$740,000	2013	2.0% - 5.0%	740,000
			<u>\$ 2,265,000</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 \$222,387,060 as of June 30, 2010. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2010.

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

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS (Continued)

Annual debt service requirements to maturity at June 30, 2010 are as follows:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2011	\$ 1,395,000	\$ 553,214	\$ 1,948,214
2012	1,255,000	483,978	1,738,978
2013	1,250,000	443,823	1,693,823
2014	1,245,000	390,636	1,635,636
2015	1,100,000	345,278	1,445,278
2016-2020	5,090,000	1,071,265	6,161,265
2021-2023	2,580,000	200,095	2,780,095
	<u>\$ 13,915,000</u>	<u>\$ 3,488,289</u>	<u>\$ 17,403,289</u>

Year ending June 30:	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2011	\$ 265,000	\$ 92,363	\$ 357,363
2012	265,000	79,938	344,938
2013	260,000	70,294	330,294
2014	250,000	60,000	310,000
2015	75,000	52,750	127,750
2016-2020	450,000	206,750	656,750
2021-2025	500,000	105,500	605,500
2026-2027	200,000	12,750	212,750
	<u>\$ 2,265,000</u>	<u>\$ 680,345</u>	<u>\$ 2,945,345</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, 2010 was \$105,449. Additional reimbursements of principal aggregating \$365,323 are expected to be received through the applicable bonds' maturity dates.

Debt Refunding

During the year ended June 30, 2010, the Town issued \$4,320,000 of general obligation bonds with an average interest rate of 3.59% to advance refund \$4,485,000 of general obligation bonds with an average interest rate of 4.68%. The Town advance refunded these bonds to reduce its total debt service payments over the next 15 years by \$392,620 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$332,381. The reacquisition price exceeded the carrying amount of the old debt by \$14,543. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

The proceeds of the refunding bonds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide for all future payments on the refunded bonds. Thus, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets.

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

NOTE 8 - LONG-TERM LIABILITIES (Continued)

NOTES PAYABLE

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.

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.

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

Year ending June 30:	Governmental Activities		
	Note Payable		
	Principal	Interest	Total
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	16,988	7,013	24,001
2016-2020	97,391	22,614	120,005
2021-2023	48,108	2,514	50,622
	<u>\$ 223,301</u>	<u>\$ 67,331</u>	<u>\$ 290,632</u>

Year ending June 30:	Business-Type Activities		
	Note Payable		
	Principal	Interest	Total
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	196,702	6,150	202,852
2016	200,672	2,179	405,704
	<u>\$ 1,146,027</u>	<u>\$ 71,084</u>	<u>\$ 1,419,964</u>

CAPITAL LEASES

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

	Governmental Activites
Vehicles	\$ 1,390,251
Computers	263,000
	1,653,251
Less: accumulated amortization	(675,939)
	<u>\$ 977,312</u>

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

NOTE 8 - LONG-TERM LIABILITIES (Continued)

CAPITAL LEASES (Continued)

Amortization expense relative to leased property under capital leases totaled \$109,540 for the year ended June 30, 2010 and is included in depreciation and amortization expense disclosed in Note 4.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 are as follows:

Year Ending June 30:	<u>Governmental</u> <u>Activites</u>
2011	\$ 415,658
2012	415,658
2013	155,271
2014	155,271
2015	84,832
Total minimum lease payments	1,226,690
Less: amount representing interest	100,875
Present value of minimum lease payments	\$ 1,125,815

NOTE 9 - 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	\$ 611,725	\$ -
Grant drawdowns prior to meeting all eligibility requirements	-	425,553
	\$ 611,725	\$ 425,553

NOTE 10 - 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, 2010 are as follows:

Designated for capital reserves	\$ 3,176,956
Designated for capital and nonrecurring	279,495
Designated for post employment benefits	483,774
	\$ 3,940,225

The amount designated for Capital Reserves totaling \$3,176,956 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 2010 to this account.

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

NOTE 11 - 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 \$150,386 for the year ended June 30, 2010. 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 \$157,908 for the year ended June 30, 2010. Plan enrollment totaled 39 people at June 30, 2010. 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

Plan Description and Benefit Provisions

All full-time employees for the Town, except for certified board of education personnel, who are age 55 or younger at the date of hire participate in the Connecticut Municipal Employees' Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost of living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members which have reached age 65. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF 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. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

Contributions

Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the MERF for the years ended June 30, 2010, 2009 and 2008 were \$351,795, \$342,229, and \$329,250, respectively, and were equal to the required contributions for each year.

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

NOTE 11 - PENSION PLANS (Continued)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

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

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. 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, 2010, Town teachers contributed \$1,091,732 to the plan and covered payroll for the period was \$15,058,372.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on-behalf" payments of \$2,329,530 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 12 - 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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 12 - 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	\$ 275,782
Interest on net OPEB obligation	5,435
Adjustment to annual required contribution	(5,694)
Annual OPEB cost (expense)	<u>275,523</u>
Contributions made	<u>159,793</u>
Increase in net OPEB obligation	115,730
Net OPEB obligation, beginning of year	135,877
Net OPEB obligation, end of year	<u><u>\$ 251,607</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and 2009 (the only two available years) are as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 263,983	48.5%	\$ 135,877
2010	275,523	58.0%	251,607

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

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

NOTE 12 - 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 13 - 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 14 - 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, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2010

NOTE 15 - PRONOUNCEMENT ISSUED BUT NOT YET EFECTIVE

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

**Required
Supplementary
Information**

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2010**

OPEB Plan

Town of Ellington Retirement Healthcare 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%

Combining and Individual Fund Statements and Schedules

General Fund

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>OVER</u>
				<u>(UNDER)</u>
PROPERTY TAXATION				
Revenues from Property Taxes	\$ 30,651,770	\$ 30,651,770	\$ 31,414,991	\$ 763,221
Interest and Lien Fees	120,000	120,000	304,125	184,125
Total Property Taxation	<u>30,771,770</u>	<u>30,771,770</u>	<u>31,719,116</u>	<u>947,346</u>
INTERGOVERNMENTAL - EDUCATION				
Education Cost Sharing Grants	9,504,917	9,504,917	8,119,578	(1,385,339)
ARRA State Fiscal Stabilization Funds	-	-	1,356,019	1,356,019
Transportation	344,703	344,703	351,712	7,009
Adult Education and Vocational Agricultural	15,477	15,477	16,219	742
Pupil Tuition	40,579	40,579	52,000	11,421
Building Grants	119,311	119,311	119,336	25
BOE-Crystal Lake School Wells	-	-	57,470	57,470
Total Intergovernmental - Education	<u>10,024,987</u>	<u>10,024,987</u>	<u>10,072,334</u>	<u>47,347</u>
INTERGOVERNMENTAL - OTHER				
Town Road Aid	151,125	151,125	165,026	13,901
Elderly Circuit Breaker Reimb	72,431	72,431	71,266	(1,165)
Manufacturers' Machinery/Equipment	199,473	199,473	233,492	34,019
Disability Reimbursement	1,366	1,366	1,575	209
State Property Forest	6,428	6,428	6,439	11
Pequot/Mohegan Funds	48,088	48,088	48,412	324
Circuit Court Fines	3,259	3,259	3,120	(139)
Reimbursement Boat Tax	-	-	1,972	1,972
Dog Damage	100	100	-	(100)
Telecomm Serv Pers Prop Tax	49,258	49,258	32,232	(17,026)
Additional Income Veterans	20,586	20,586	20,119	(467)
Local Capital Imp Program	106,065	106,065	99,977	(6,088)
DWI Grant	7,332	7,332	5,491	(1,841)

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
INTERGOVERNMENTAL - OTHER (Continued)				
Erase Grant	\$ -	\$ -	\$ 3,105	\$ 3,105
CRRA Transfer Station Use Fee	8,681	8,681	-	(8,681)
Emergency Management	4,000	4,000	3,270	(730)
North Central Area Agency on Aging	-	-	5,269	5,269
DOT-Speed Enforcement	6,179	6,179	6,881	702
Municipal Video Competition Trust Acct Grant	-	-	37	37
CRRA-Pilot	-	-	24,060	24,060
Total Intergovernmental - Other	684,371	684,371	731,743	47,372
CHARGES FOR GOODS AND SERVICES				
Building Department	150,000	150,000	229,637	79,637
Planning and Zoning	30,000	30,000	35,762	5,762
Fire Marshal	750	750	277	(473)
Recreation Program Receipts	260,339	260,339	296,789	36,450
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Town Clerk Conveyance Tax	140,000	140,000	167,871	27,871
Town Clerk Recording Fees and Licenses	104,130	104,130	138,142	34,012
Aircraft Registration	3,100	3,100	4,120	1,020
Animal Control Officer Fees and Licenses	24,050	24,050	22,209	(1,841)
Animal Control Donations	200	200	270	70
Cultural Arts Commission	1,000	1,000	-	(1,000)
Board Of Education	1,000	1,000	2,131	1,131
Police - Special Duty	20,000	20,000	103,306	83,306
Police DARE Donations	1,500	1,500	1,494	(6)
Youth Service Donations	1,000	1,000	-	(1,000)
Youth Service Activities	8,000	8,000	6,562	(1,438)
Human Services Municipal Agent	500	500	-	(500)
Human Service Fuel Administration	-	-	3,300	3,300
Human Services Enrichment Prgm Donations	4,000	4,000	-	(4,000)
Human Services-Food Pantry	1,000	1,000	2,748	1,748
Human Services Counseling Serv	1,000	1,000	565	(435)
Human Services Donations	5,000	5,000	7,828	2,828
Senior Center Donations	500	500	-	(500)
Senior Center EMATS	1,000	1,000	1,239	239
Senior Center Transportation Prgm	500	500	-	(500)
Total Charges for Goods and Services	771,069	771,069	1,024,250	253,181

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>OVER</u>
				<u>(UNDER)</u>
INTEREST AND DIVIDENDS				
Interest and Dividends	\$ 100,000	\$ 100,000	\$ 15,654	\$ (84,346)
OTHER REVENUES				
WPCA	262,500	262,500	262,500	-
Closeout-Prior Year Capital Projects	-	-	18,134	18,134
Ambulance Fee Program	346,500	346,500	357,284	10,784
Insurance Claims and Refunds	5,000	5,000	11,468	6,468
WPCA Reimbursement	28,900	28,900	29,710	810
WPCA-Reimb Maintenance Budget	181,000	181,000	267,290	86,290
Building Demolition/Evictions	5,000	5,000	-	(5,000)
Snow Removal Charge-Developers	15,000	15,000	22,456	7,456
Sundry Refunds and Receipts	4,000	4,000	12,332	8,332
Rental Income of Town Property	15,870	15,870	15,775	(95)
Sale of Property	-	-	44,700	44,700
Total Other Revenues	<u>863,770</u>	<u>863,770</u>	<u>1,041,649</u>	<u>177,879</u>
TOTAL BUDGETARY REVENUES	<u><u>\$ 43,215,967</u></u>	<u><u>\$ 43,215,967</u></u>	<u><u>\$ 44,604,746</u></u>	<u><u>\$ 1,388,779</u></u>

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER) OVER</u>
GENERAL GOVERNMENT				
Board of Selectmen	\$ 207,240	\$ 207,240	\$ 197,594	\$ (9,646)
Board of Finance	8,000	8,000	5,925	(2,075)
Auditors	44,500	44,500	44,500	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	228,157	228,157	226,727	(1,430)
Tax Assessor	231,484	231,484	212,694	(18,790)
Tax Collector	138,730	138,730	127,182	(11,548)
Board of Assessments Appeals	400	400	113	(287)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	203,179	203,179	164,497	(38,682)
Town Counsel	111,284	117,284	105,425	(11,859)
Probate Court	7,611	7,611	6,773	(838)
Town Planner	222,470	222,470	209,833	(12,637)
Total General Government	<u>1,403,255</u>	<u>1,409,255</u>	<u>1,301,263</u>	<u>(107,992)</u>
BOARDS AND AGENCIES				
Registrars and Electors	55,170	55,170	46,672	(8,498)
Economic Development Commission	9,500	9,500	3,125	(6,375)
Planning and Zoning	30,950	30,950	26,525	(4,425)
Design Board	2,500	2,500	-	(2,500)
Zoning Board of Appeals	6,050	6,050	5,872	(178)
Shared Services Commission	750	750	125	(625)
Permanent Building Commission	1,850	1,850	1,349	(501)
Ethics Commission	750	750	670	(80)
Inland Wetland Agency	11,500	11,500	5,347	(6,153)
Flood & Erosion Control Board	1,000	1,000	-	(1,000)
Conservation Commission	6,450	6,450	300	(6,150)
WPCA	1	1	-	(1)
Total Boards and Agencies	<u>126,471</u>	<u>126,471</u>	<u>89,985</u>	<u>(36,486)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER)</u> <u>OVER</u>
PUBLIC SAFETY				
Center Fire Department	\$ 189,298	\$ 189,298	\$ 188,750	\$ (548)
Crystal Lake Fire Department	64,071	71,389	71,388	(1)
Fire Protection Hydrants	289,716	289,716	270,287	(19,429)
Emergency 911	42,685	42,685	42,525	(160)
Police	764,394	764,394	726,274	(38,120)
Police Special Duty	20,000	82,595	82,594	(1)
Police Drug Abuse Resistance Education	1,500	2,110	2,109	(1)
Animal Control Officer	84,185	84,185	72,657	(11,528)
Emergency Management	19,941	22,409	22,409	-
Building Department	120,112	120,112	119,567	(545)
Volunteer Ambulance	253,688	281,790	281,790	-
Emergency Service Incentive Program	113,250	136,506	136,505	(1)
Adhoc Emergency Service Committee	1,000	1,000	75	(925)
Public Safety Commission	100	100	-	(100)
Fire Marshal	98,219	98,219	97,837	(382)
Total Public Safety	<u>2,062,159</u>	<u>2,186,508</u>	<u>2,114,767</u>	<u>(71,741)</u>
PUBLIC WORKS				
General Town Roads	1,403,387	1,405,433	1,405,433	-
New Equipment	10,000	10,781	10,781	-
Equipment Maintenance	197,943	197,943	180,642	(17,301)
Town Garage Maintenance	62,748	62,748	58,159	(4,589)
Street Signs	10,000	10,000	9,179	(821)
Grounds Maintenance - BOE/Parks	60,044	65,882	65,882	-
Town Aid Road - Winter	312,125	313,351	313,351	-
Town Aid Road - Materials	277,019	316,019	315,784	(235)
Sanitary Landfill	441,912	441,912	328,750	(113,162)
Sanitary Recycling	315,222	315,222	308,470	(6,752)
Household Hazardous Waste	29,000	31,180	31,179	(1)
WPCA Maintenance	91,000	160,759	160,759	-
Street Lighting	89,520	89,520	78,123	(11,397)
Engineer and Inspections	65,000	112,184	112,184	-
Total Public Works	<u>3,364,920</u>	<u>3,532,934</u>	<u>3,378,676</u>	<u>(154,258)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER)</u> <u>OVER</u>
RECREATION				
Administration	\$ 163,956	\$ 163,956	\$ 160,070	\$ (3,886)
Town-wide Maintenance	1,500	1,500	852	(648)
Summer Play Grounds	37,760	37,760	34,891	(2,869)
Water Front	24,850	24,850	24,180	(670)
Recreation Programs	104,087	104,087	109,613	5,526
Mini-Programs	50,000	50,000	52,998	2,998
Parks Recreation Equipment	4,000	4,000	3,325	(675)
Teen Center Activities	4,000	4,000	3,945	(55)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	12,500	-	(12,500)
Crystal Lake Water Monitor	25,000	25,000	24,999	(1)
Total Recreation	<u>427,753</u>	<u>427,753</u>	<u>414,873</u>	<u>(12,880)</u>
LIBRARY				
Hall Memorial Library	559,448	573,492	573,492	-
Total Library	<u>559,448</u>	<u>573,492</u>	<u>573,492</u>	<u>-</u>
HUMAN SERVICES				
Public Health Nursing	5,000	5,000	564	(4,436)
Hockanum Industries Inc.	500	500	500	-
Nutmeg Big Brothers Big Sisters	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	25,500	25,500	24,500	(1,000)
Food Pantry	500	1,813	1,813	-
Youth Enrichment	17,100	17,100	13,899	(3,201)
Youth Activity Programs	40,170	40,170	33,604	(6,566)
Hartford Interval House	1,500	1,500	1,500	-
Human Services	184,685	189,139	189,139	-
North Central Health District	57,272	57,272	57,271	(1)
Welfare	15,000	15,065	15,064	(1)
Municipal Agent	2,000	2,000	1,743	(257)
Senior Center	164,972	164,972	148,514	(16,458)
Total Human Services	<u>521,403</u>	<u>527,235</u>	<u>495,315</u>	<u>(31,920)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
TOWN PROPERTIES				
Town Hall	\$ 384,250	\$ 449,150	\$ 449,125	\$ (25)
Center Cemetary	3,700	3,700	3,700	-
Arbor Commons	18,000	18,000	15,728	(2,272)
Pinney House	100	100	-	(100)
Old Crystal Lake School House	8,000	8,000	-	(8,000)
Total Town Properties	<u>414,050</u>	<u>478,950</u>	<u>468,553</u>	<u>(10,397)</u>
DEBT SERVICE				
Debt Redemption - Principal	2,076,043	2,076,043	2,076,041	(2)
Debt Redemption - Interest	900,147	900,147	799,992	(100,155)
Total Debt Service	<u>2,976,190</u>	<u>2,976,190</u>	<u>2,876,033</u>	<u>(100,157)</u>
MISCELLANEOUS				
Social Security	308,751	308,751	301,134	(7,617)
Insurance	1,743,391	1,645,867	1,622,359	(23,508)
Insurance Reimbursement and Claims	7,500	9,257	9,256	(1)
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	7,000	6,284	(716)
CADAC-Recreation	2,400	2,400	1,245	(1,155)
ADHOC Graduation Committee	2,500	2,500	2,500	-
Memorial Day Committee	1,700	1,700	1,679	(21)
Miscellaneous	2,000	2,000	630	(1,370)
GASB-OPEB	100,000	100,000	100,000	-
Referendum	31,250	31,250	3,941	(27,309)
Building Demolition/Eviction	10,000	88,000	80,571	(7,429)
Salary Adjustment	22,800	22,800	-	(22,800)
Employee Education Development	7,500	7,500	2,000	(5,500)
Town Communications	13,660	14,211	14,210	(1)
Town Web Site	7,300	8,200	8,200	-
Grant Applications	5,000	5,000	1,006	(3,994)
GIS	15,000	15,000	14,963	(37)
Total Miscellaneous	<u>2,658,565</u>	<u>2,642,249</u>	<u>2,535,791</u>	<u>(106,458)</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER)</u> <u>OVER</u>
CAPITAL OUTLAYS				
Unimproved Road Improvement	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Local Capital Improvement Program	106,065	106,065	106,065	-
Road Overlay	329,310	329,310	329,310	-
Townwide Sidewalks	30,000	30,000	30,000	-
Old Crystal Lake School House Renovations	80,000	80,000	80,000	-
Culvert Replacements	122,000	122,000	122,000	-
EVAC-Building Equipment	45,000	45,000	45,000	-
Revaluation	150,000	150,000	150,000	-
Hall Memorial Library Storm Windows	16,000	21,615	21,615	-
EVAC-Defibrillators/CPR Equipment	20,000	20,000	13,787	(6,213)
EVAC-Replacement Ambulance	200,000	200,000	198,991	(1,009)
BOE-Replacement Vans-Special	24,000	24,000	20,382	(3,618)
Total Capital Outlays	<u>1,222,375</u>	<u>1,227,990</u>	<u>1,217,150</u>	<u>(10,840)</u>
EDUCATION				
Salaries				
Administrative	1,238,521	1,223,859	1,223,859	-
Faculty	13,465,902	12,079,664	12,079,664	-
Secretarial	698,448	684,990	684,990	-
Custodial	849,616	835,839	835,839	-
Nurses	297,422	304,376	304,376	-
Instructor Aides	734,187	706,479	706,479	-
General Aides	227,645	231,460	231,460	-
Media Personnel	58,681	57,028	57,028	-
Severance	1,404	71,216	71,216	-
Secretarial Substitutes	33,253	23,844	23,844	-
Custodial Substitutes	36,743	39,131	39,131	-
Substitute Teachers	236,595	235,311	235,311	-
Coaches and Advisors	202,179	182,652	182,652	-
Custodial Overtime	78,450	73,944	73,944	-
ARRA State Fiscal Stabilization	-	1,356,019	1,356,019	-
Total Salaries	<u>18,159,046</u>	<u>18,105,812</u>	<u>18,105,812</u>	<u>-</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	(UNDER) OVER
Employee Benefits				
Health Benefits	\$ 3,885,298	\$ 3,873,087	\$ 3,873,087	\$ -
Social Security	448,009	430,521	430,521	-
Unemployment	22,166	45,909	45,909	-
Retirement - MERS	299,415	272,011	272,011	-
Course Tuition	1,000	3,598	3,598	-
Total Employee Benefits	<u>4,655,888</u>	<u>4,625,126</u>	<u>4,625,126</u>	<u>-</u>
Contracted Services				
Program Improvement	117,906	121,331	121,331	-
Pupil Services	59,039	72,802	72,802	-
Management Services	17,836	16,169	16,169	-
Professional/Tech Services	380,208	402,755	402,755	-
Public Utilities-Electricity	505,427	502,842	502,842	-
Other Property Services	177,810	223,971	223,971	-
Property Insurance	264,562	269,443	269,443	-
Rentals	70,740	63,409	63,409	-
Repairs Instrument Equipment	38,235	29,709	29,709	-
Propane	26,134	190,136	190,136	-
Water	47,873	37,760	37,760	-
Repairs/Maintenance	137,930	193,553	193,553	-
Regional Pupil Transportation	1,275,824	1,236,621	1,236,621	-
Conference/Travel/Admin.	17,150	15,502	15,502	-
Conference/Travel/Teachers	8,500	7,742	7,742	-
Special Ed Transportation	337,025	309,681	309,681	-
Athletic Transportation	13,410	43,017	43,017	-
Cheney Vo-Ag Transportation	61,321	60,818	60,818	-
Conference/Travel Support Staff	5,709	4,373	4,373	-
Other Transportation Service	8,000	8,354	8,354	-
Communications/Telephone	31,303	32,851	32,851	-
Printing /Advertising	39,810	22,003	22,003	-
Outside Tuition	913,683	729,129	729,129	-
Total Contracted Services	<u>4,555,435</u>	<u>4,593,971</u>	<u>4,593,971</u>	<u>-</u>
Capital Outlays				
Replacement Equipment	31,257	103,452	103,452	-
Total Capital Outlays	<u>31,257</u>	<u>103,452</u>	<u>103,452</u>	<u>-</u>

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE (UNDER) OVER
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Supplies and Materials				
Administrative Supplies	\$ 53,735	\$ 48,985	\$ 48,985	\$ -
Program Supplies	252,107	258,762	258,762	-
Special Education	31,091	30,566	30,566	-
Basic	106,648	99,248	99,248	-
Custodial/Maintenance Gasoline	17,776	16,839	16,839	-
Custodial Supplies	64,773	85,186	85,186	-
Heating Fuel and Gasoline	293,283	60,161	60,161	-
Textbooks	79,051	113,718	113,718	-
Library/Media	48,902	56,097	56,097	-
Total Supplies and Materials	<u>947,366</u>	<u>769,562</u>	<u>769,562</u>	<u>-</u>
Miscellaneous				
Dues and Memberships	27,103	29,392	29,392	-
Transfer Account	-	115,295	-	(115,295)
Townwide Maintenance Program	40,500	73,985	73,985	-
Total Miscellaneous	<u>67,603</u>	<u>218,672</u>	<u>103,377</u>	<u>(115,295)</u>
TOTAL BOARD OF EDUCATION	<u>28,416,595</u>	<u>28,416,595</u>	<u>28,301,300</u>	<u>(115,295)</u>
TOTAL BUDGETARY EXPENDITURES	<u>\$ 44,153,184</u>	<u>\$ 44,525,622</u>	<u>\$ 43,767,198</u>	<u>\$ (758,424)</u>

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

GRAND LIST YEAR	BALANCE UNCOLLECTED JUNE 30, 2009		CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE		BALANCE TO BE COLLECTED		COLLECTIONS			BALANCE UNCOLLECTED JUNE 30, 2010	
	\$			\$	ADDITIONS	DEDUCTIONS	\$		\$	TAXES	INTEREST	LIEN FEES	TOTAL	\$
2008	-		\$ 31,269,744	\$ 84,037	\$ 83,072	\$ -		\$ 31,270,709	\$ 30,905,543	\$ 88,464	\$ 2,395	\$ 30,996,402	\$	365,166
2007	488,798		-	3,943	14,206	-	478,535	478,535	309,227	63,680	3,413	376,320		169,308
2006	168,693		-	537	8,196	(17,053)	143,981	143,981	55,996	21,380	672	78,048		87,985
2005	103,204		-	-	8,071	-	95,133	95,133	33,897	25,278	312	59,487		61,236
2004	61,528		-	-	4,566	-	56,962	56,962	26,104	16,837	192	43,133		30,858
2003	50,795		-	-	4,444	-	46,351	46,351	19,959	19,853	96	39,908		26,392
2002	45,986		-	-	4,267	-	41,719	41,719	21,010	15,855	144	37,009		20,709
2001	31,868		-	-	3,685	-	28,183	28,183	9,743	11,791	96	21,630		18,440
2000	29,424		-	-	3,499	-	25,925	25,925	6,965	10,775	48	17,788		18,960
1999	25,391		-	-	3,500	-	21,891	21,891	6,004	8,587	48	14,639		15,887
1998	17,636		-	-	2,533	-	15,103	15,103	-	-	-	-		15,103
1997	16,130		-	-	2,533	-	13,597	13,597	674	5,976	-	6,650		12,923
1996	12,445		-	-	2,156	-	10,289	10,289	3,914	2,138	48	6,100		6,375
1995	7,147		-	-	2,153	-	4,994	4,994	-	-	-	-		4,994
1994	6,032		-	-	1,038	-	4,994	4,994	-	-	-	-		4,994
1993	6,605		-	-	803	-	5,802	5,802	-	1,200	-	1,200		5,802
	\$ 1,071,682		\$ 31,269,744	\$ 88,517	\$ 148,722	\$ (17,053)	\$ 32,264,168	\$ 31,399,036	\$ 291,814	\$ 7,464	\$ 31,698,314	\$	865,132	

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

Total cash collections for the
year ended June 30, 2010

Taxes	\$ 31,399,036
Interest and lien fees	<u>299,278</u>
Total	<u>31,698,314</u>

Reimbursed for

Tax relief for elderly (CGS 12-129d)	<u>71,266</u>
Total	<u>71,266</u>

Base	<u><u>\$ 31,769,580</u></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	\$ 71,481,555	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	142,963,110	-	-	-
3-3/4 times base	-	-	119,135,925	-	-
3-1/4 times base	-	-	-	103,251,135	-
3 times base	-	-	-	-	95,308,740
Total debt limitation	<u>71,481,555</u>	<u>142,963,110</u>	<u>119,135,925</u>	<u>103,251,135</u>	<u>95,308,740</u>
Indebtedness:					
Bonds and notes payable	1,063,301	13,075,000	3,411,027	-	-
Less: sewer assessments	-	-	108,930	-	-
Less: amounts to be provided by the State	-	365,323	-	-	-
Total indebtedness	<u>1,063,301</u>	<u>12,709,677</u>	<u>3,302,097</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of Outstanding and authorized debt	<u><u>\$ 70,418,254</u></u>	<u><u>\$ 130,253,433</u></u>	<u><u>\$ 115,833,828</u></u>	<u><u>\$ 103,251,135</u></u>	<u><u>\$ 95,308,740</u></u>
Total capacity of borrowing (7 times base)	\$222,387,060				
Total present indebtedness	<u>17,075,075</u>				
Margin for additional borrowing	<u><u>\$205,311,985</u></u>				

Combining Statements

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

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 366,891	\$ -	\$ -	\$ 366,891
Investments	1,028,577	443,336	623,744	2,095,657
Receivables:				
Grants and contracts receivable	260,553	144,327	-	404,880
Other	84,654	-	-	84,654
Due from other funds	72,297	-	1,187	73,484
Inventories	8,071	-	-	8,071
Total assets	<u>\$ 1,821,043</u>	<u>\$ 587,663</u>	<u>\$ 624,931</u>	<u>\$ 3,033,637</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts payable	\$ 89,573	\$ 31,993	\$ 6	\$ 121,572
Due to other funds	264,976	85,835	646	351,457
Unearned/deferred revenue	425,553	-	-	425,553
Due to funding source	14,735	-	-	14,735
Bond anticipation note payable	-	510,000	-	510,000
Total liabilities	<u>794,837</u>	<u>627,828</u>	<u>652</u>	<u>1,423,317</u>
Fund Balances (Deficit):				
Reserved for:				
Inventories	8,071	-	-	8,071
Sanitation	48,200	-	-	48,200
Document preservation	33,965	-	-	33,965
Land preservation	10,571	-	-	10,571
Endowments	-	-	52,497	52,497
Unreserved (deficit)	925,399	(40,165)	571,782	1,457,016
Total fund balances (deficit)	<u>1,026,206</u>	<u>(40,165)</u>	<u>624,279</u>	<u>1,610,320</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,821,043</u>	<u>\$ 587,663</u>	<u>\$ 624,931</u>	<u>\$ 3,033,637</u>

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BY FUND TYPE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,845,758	\$ 507,861	\$ -	\$ 2,353,619
Charges for services	324,739	-	-	324,739
Food sales	584,993	-	-	584,993
Interest and dividends	3,760	4,674	112	8,546
Net increase in the fair value of investments	-	-	10,595	10,595
Other income	131,621	15,160	40,723	187,504
Total revenues	<u>2,890,871</u>	<u>527,695</u>	<u>51,430</u>	<u>3,469,996</u>
EXPENDITURES				
Current:				
Program expenditures	2,681,142	101,727	1,579	2,784,448
Miscellaneous	-	-	6,680	6,680
Capital outlays	-	873,510	-	873,510
Total expenditures	<u>2,681,142</u>	<u>975,237</u>	<u>8,259</u>	<u>3,664,638</u>
Excess (deficiency) of revenues over expenditures	209,729	(447,542)	43,171	(194,642)
OTHER FINANCING USES				
Transfers out	<u>(357,284)</u>	<u>-</u>	<u>-</u>	<u>(357,284)</u>
Net change in fund balances	(147,555)	(447,542)	43,171	(551,926)
Fund balances - beginning	<u>1,173,761</u>	<u>407,377</u>	<u>581,108</u>	<u>2,162,246</u>
Fund balances (deficit) - ending	<u>\$ 1,026,206</u>	<u>\$ (40,165)</u>	<u>\$ 624,279</u>	<u>\$ 1,610,320</u>

*Special Revenue
Funds*

**TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010**

	CRRRA Sanitation Control	Dog Fund	Education Grants	School Lunch	Ambulance Fee Program	Youth Service Bureau	HUD Small Cities Housing Rehab Program	Historic Document Preservation
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 252,006	\$ 108,437	\$ 6,418	\$ -	\$ -	\$ -
Investments	48,200	-	-	55,224	112,575	-	49,774	28,045
Receivables:								
Grants and contracts receivable	-	-	2,739	19,994	-	-	-	-
Other	-	-	-	-	84,654	-	-	-
Due from other funds	-	11,939	-	-	-	10,754	1,579	5,920
Inventories	-	-	-	8,071	-	-	-	-
Total assets	\$ 48,200	\$ 11,939	\$ 254,745	\$ 191,726	\$ 203,647	\$ 10,754	\$ 51,353	\$ 33,965

LIABILITIES AND FUND BALANCES

LIABILITIES:								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 74,132	\$ 2,949	\$ 400	\$ -	\$ 7,692	\$ -
Due to other funds	-	-	-	-	15,538	-	-	-
Unearned/deferred revenue	-	-	177,817	5,579	-	-	-	-
Due to funding source	-	11,939	2,796	-	-	-	-	-
Total liabilities	-	11,939	254,745	8,528	15,938	-	7,692	-

Fund Balances:

Reserved for:								
Inventories	-	-	-	8,071	-	-	-	-
Sanitation	48,200	-	-	-	-	-	-	-
Document preservation	-	-	-	-	-	-	-	33,965
Land preservation	-	-	-	-	-	-	-	-
Unreserved (deficit)	-	-	-	175,127	187,709	10,754	43,661	-
Total fund balances	48,200	-	-	183,198	187,709	10,754	43,661	33,965
Total liabilities and fund balances	\$ 48,200	\$ 11,939	\$ 254,745	\$ 191,726	\$ 203,647	\$ 10,754	\$ 51,353	\$ 33,965

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

	Small Cities Program Income	HUD Small Cities Rehab 2005	Town Land Preservation	DOT Elderly and Disabled	Mental Health and Addiction Services	Land Use Fees	HUD Small Cities Rehab 2007	HUD Small Cities Rehab 2008
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 10
Investments	56,903	-	17,443	-	-	64,072	-	-
Receivables:								
Grants and contracts receivable	-	-	-	-	-	-	-	47,106
Other	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	39,042	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	\$ 56,903	\$ -	\$ 17,443	\$ -	\$ 39,042	\$ 64,072	\$ 10	\$ 47,116

LIABILITIES AND FUND BALANCES

Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,400
Due to other funds	1,377	-	14,590	-	-	21	10	42,716
Unearned/deferred revenue	-	-	-	-	39,042	-	-	-
Due to funding source	-	-	-	-	-	-	-	-
Total liabilities	1,377	-	14,590	-	39,042	21	10	47,116

Fund Balances:

Reserved for:								
Inventories	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Document preservation	-	-	-	-	-	-	-	-
Land preservation	-	-	10,571	-	-	-	-	-
Unreserved (deficit)	55,526	-	(7,718)	-	-	64,051	-	-
Total fund balances	55,526	-	2,853	-	-	64,051	-	-
Total liabilities and fund balances	\$ 56,903	\$ -	\$ 17,443	\$ -	\$ 39,042	\$ 64,072	\$ 10	\$ 47,116

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

	Open Space	HUD Small Cities Rehab 2009	Airport Improvement Grant	Incentive Housing Overlay Zone Improvements	ARRA Local JAG	Partnership Success Initiative	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 366,891
Investments	596,341	-	-	-	-	-	1,028,577
Receivables:							
Grants and contracts receivable	-	36,826	127,840	6,131	-	19,917	260,553
Other	-	-	-	-	-	-	84,654
Due from other funds	3,063	-	-	-	-	-	72,297
Inventories	-	-	-	-	-	-	8,071
Total assets	\$ 599,404	\$ 36,836	\$ 127,840	\$ 6,131	\$ -	\$ 19,917	\$ 1,821,043

LIABILITIES AND FUND BALANCES

Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,573
Due to other funds	-	36,836	127,840	6,131	-	19,917	264,976
Unearned/deferred revenue	203,115	-	-	-	-	-	425,553
Due to funding source	-	-	-	-	-	-	14,735
Total liabilities	203,115	36,836	127,840	6,131	-	19,917	794,837

Fund Balances:

Reserved for:							
Inventories	-	-	-	-	-	-	8,071
Sanitation	-	-	-	-	-	-	48,200
Document preservation	-	-	-	-	-	-	33,965
Land preservation	-	-	-	-	-	-	10,571
Unreserved (deficit)	396,289	-	-	-	-	-	925,399
Total fund balances	396,289	-	-	-	-	-	1,026,206
Total liabilities and fund balances	\$ 599,404	\$ 36,836	\$ 127,840	\$ 6,131	\$ -	\$ 19,917	\$ 1,821,043

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	CRRRA	Dog Fund	Education Grants	School Lunch	Ambulance Fee Program	Youth Service Bureau	Small Cities Housing Rehab Program	Historic Document Preservation
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 1,074,350	\$ 163,346	\$ -	\$ 19,000	\$ -	\$ -
Charges for services	-	72,657	-	-	242,082	-	10,000	-
Food sales	-	-	-	584,993	-	-	-	-
Interest and dividends	117	-	-	1,315	468	-	118	69
Other income	-	-	-	-	-	-	-	5,608
Total revenues	117	72,657	1,074,350	749,654	242,550	19,000	10,118	5,677
EXPENDITURES								
Current:								
Program expenditures	-	72,657	1,074,350	707,917	51,780	16,530	7,692	-
Total expenditures	-	72,657	1,074,350	707,917	51,780	16,530	7,692	-
Excess (deficiency) of revenues over expenditures	117	-	-	41,737	190,770	2,470	2,426	5,677
OTHER FINANCING USES								
Transfers out	-	-	-	-	(357,284)	-	-	-
Net change in fund balances	117	-	-	41,737	(166,514)	2,470	2,426	5,677
Fund balances - beginning	48,083	-	-	141,461	354,223	8,284	41,235	28,288
Fund balances - ending	\$ 48,200	\$ -	\$ -	\$ 183,198	\$ 187,709	\$ 10,754	\$ 43,661	\$ 33,965

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

	Small Cities Program Income	HUD Small Cities Rehab 2005	Town Land Preservation	DOT Elderly and Disabled	Mental Health and Addiction Services	Land Use Fees	HUD Small Cities Rehab 2007	HUD Small Cities Rehab 2008
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ 23,500	\$ 100,592	\$ -	\$ 57,799	\$ 193,438
Charges for services	-	-	-	-	-	-	-	-
Food sales	-	-	-	-	-	-	-	-
Interest and dividends	136	-	42	-	-	-	-	-
Other income	-	-	97,418	-	-	4,601	-	-
Total revenues	136	-	97,460	23,500	100,592	4,601	57,799	193,438
EXPENDITURES								
Current:								
Program expenditures	1,377	10	111,780	23,500	100,592	487	57,799	193,438
Total expenditures	1,377	10	111,780	23,500	100,592	487	57,799	193,438
Excess (deficiency) of revenues over expenditures	(1,241)	(10)	(14,320)	-	-	4,114	-	-
OTHER FINANCING USES								
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	(1,241)	(10)	(14,320)	-	-	4,114	-	-
Fund balances - beginning	56,767	10	17,173	-	-	59,937	-	-
Fund balances - ending	\$ 55,526	\$ -	\$ 2,853	\$ -	\$ -	\$ 64,051	\$ -	\$ -

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

	Open Space	HUD Small Cities Rehab 2009	Airport Improvement Grant	Incentive Housing Overlay Zone Improvements	ARRA Local JAG	Partnership Success Initiative	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	\$ -	\$ 36,826	\$ 127,840	\$ 20,086	\$ 9,064	\$ 19,917	\$ 1,845,758
Charges for services	-	-	-	-	-	-	324,739
Food sales	-	-	-	-	-	-	584,993
Interest and dividends	1,495	-	-	-	-	-	3,760
Other income	23,994	-	-	-	-	-	131,621
Total revenues	25,489	36,826	127,840	20,086	9,064	19,917	2,890,871
EXPENDITURES							
Current:							
Program expenditures	47,500	36,826	127,840	20,086	9,064	19,917	2,681,142
Total expenditures	47,500	36,826	127,840	20,086	9,064	19,917	2,681,142
Excess (deficiency) of revenues over expenditures	(22,011)	-	-	-	-	-	209,729
OTHER FINANCING USES							
Transfers out	-	-	-	-	-	-	(357,284)
Net change in fund balances	(22,011)	-	-	-	-	-	(147,555)
Fund balances - beginning	418,300	-	-	-	-	-	1,173,761
Fund balances - ending	\$ 396,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,026,206

*Capital Projects
Funds*

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

	Windsorville Road Improvement	Local Capital Improvement Program	Town Sidewalk	Windermere Road Improvements	Department of Public Works Maintenance
ASSETS					
Investments	\$ 25,653	\$ -	\$ 132,209	\$ 18,312	\$ 245,624
Grants and contract receivables	-	-	-	-	-
Total assets	\$ 25,653	\$ -	\$ 132,209	\$ 18,312	\$ 245,624
LIABILITIES AND FUND BALANCES (DEFICIT)					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Bond anticipation note payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund Balances (deficit):					
Unreserved (deficit)	25,653	-	132,209	18,312	245,624
Total fund balances (deficit)	25,653	-	132,209	18,312	245,624
Total liabilities and fund balances (deficit)	\$ 25,653	\$ -	\$ 132,209	\$ 18,312	\$ 245,624

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2010**

	STEAP Pinney House	Ellington Volunteer Ambulance Corp. Ambulance Building	Dojo Association	Total Nonmajor Capital Projects Funds
\$	-	\$ -	\$ 21,538	\$ 443,336
	144,327	-	-	144,327
\$	144,327	\$ -	\$ 21,538	\$ 587,663

ASSETS

Investments
 Grants and contracts receivable
 Total assets

LIABILITIES AND FUND BALANCES (DEFICIT)

Liabilities:

Accounts payable
 Due to other funds
 Bond anticipation note payable
 Total liabilities

\$	31,993	\$ -	\$ -	\$ 31,993
	69,335	-	16,500	85,835
	-	-	510,000	510,000
	101,328	-	526,500	627,828

Fund Balances (deficit):

Unreserved (deficit)
 Total fund balances (deficit)
 Total liabilities and fund balances (deficit)

	42,999	-	(504,962)	(40,165)
	42,999	-	(504,962)	(40,165)
\$	144,327	\$ -	\$ 21,538	\$ 587,663

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

	Windsorville Road Improvement	Local Capital Improvement Program	Town Sidewalk	Windermere Road Improvements	Department of Public Works Maintenance
REVENUES					
Intergovernmental	\$ -	\$ 99,977	-	\$ -	\$ -
Interest and dividends	62	-	322	45	582
Other income	-	-	-	-	13,410
Total revenues	62	99,977	322	45	13,992
EXPENDITURES					
Current:					
Program expenditures	-	99,977	-	-	-
Capital outlays	-	-	-	-	-
Total expenditures	-	99,977	-	-	-
Excess (deficiency) of revenues over expenditures	62	-	322	45	13,992
Fund balances - beginning	25,591	-	131,887	18,267	231,632
Fund balances (deficit) - ending	\$ 25,653	\$ -	\$ 132,209	\$ 18,312	\$ 245,624

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

	STEAP Pinney House	Ellington Volunteer Ambulance Corp. Ambulance Building	Dojo Association	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	\$ 407,884	\$ -	-	\$ 507,861
Interest and dividends	-	-	3,663	4,674
Other income	-	1,750	-	15,160
Total revenues	<u>407,884</u>	<u>1,750</u>	<u>3,663</u>	<u>527,695</u>
EXPENDITURES				
Current:				
Program expenditures	-	1,750	-	101,727
Capital outlays	364,885	-	508,625	873,510
Total expenditures	<u>364,885</u>	<u>1,750</u>	<u>508,625</u>	<u>975,237</u>
Excess (deficiency) of revenues over expenditures	42,999	-	(504,962)	(447,542)
Fund balances - beginning	-	-	-	407,377
Fund balances (deficit) - ending	<u>\$ 42,999</u>	<u>\$ -</u>	<u>\$ (504,962)</u>	<u>\$ (40,165)</u>

*Permanent
Funds*

**TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
JUNE 30, 2010**

	Marshall E. Charter	Kimball Memorial	John T. McKnight Maintenance	Eugene K. Mosley	Arthur Hyde
Investments	\$ 345,112	\$ 68,076	\$ 13,657	\$ 100	\$ 201
Due from other funds	693	150	30	-	-
Total assets	\$ 345,805	\$ 68,226	\$ 13,687	\$ 100	\$ 201

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ -
Due to other funds	-
Total liabilities	-

Fund Balances:	
Reserved for endowments	29,697
Unreserved	316,108
Total fund balances	345,805
Total liabilities and fund balances	\$ 345,805

	5,000	1,000	100	200
	63,226	12,687	-	-
	68,226	13,687	100	200
	\$ 68,226	\$ 13,687	\$ 100	\$ 201

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR PERMANENT FUNDS
 JUNE 30, 2010**

	Sarah H. McKinney	Mary Wadsworth Gardner	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
Investments	\$ 502	\$ 52,462	\$ 142,631	\$ 1,003	\$ 623,744
Due from other funds	-	-	314	-	1,187
Total assets	<u>\$ 502</u>	<u>\$ 52,462</u>	<u>\$ 142,945</u>	<u>\$ 1,003</u>	<u>\$ 624,931</u>

LIABILITIES AND FUND BALANCES

Liabilities:					
Accounts payable	\$ 2	\$ -	\$ -	\$ 3	\$ 6
Due to other funds	-	646	-	-	646
Total liabilities	<u>2</u>	<u>646</u>	<u>-</u>	<u>3</u>	<u>652</u>

Fund Balances:					
Reserved for endowments	500	5,000	10,000	1,000	52,497
Unreserved	-	46,816	132,945	-	571,782
Total fund balances	<u>500</u>	<u>51,816</u>	<u>142,945</u>	<u>1,000</u>	<u>624,279</u>
Total liabilities and fund balances	<u>\$ 502</u>	<u>\$ 52,462</u>	<u>\$ 142,945</u>	<u>\$ 1,003</u>	<u>\$ 624,931</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Marshall E. Charter	Kimball Memorial	John T. McKnight Maintenance	Eugene K. Mosley	Arthur Hyde
REVENUES					
Interest and dividends	\$ 109	\$ -	\$ -	\$ -	\$ -
Net increase in the fair value of investments	6,343	1,043	209	-	-
Other income	21,745	4,647	932	-	-
Total revenues	<u>28,197</u>	<u>5,690</u>	<u>1,141</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Program expenditures	-	-	-	-	-
Miscellaneous	3,555	766	153	-	-
Total expenditures	<u>3,555</u>	<u>766</u>	<u>153</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	24,642	4,924	988	-	-
Fund balances - beginning	321,163	63,302	12,699	100	200
Fund balances - ending	<u>\$ 345,805</u>	<u>\$ 68,226</u>	<u>\$ 13,687</u>	<u>\$ 100</u>	<u>\$ 200</u>

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Sarah H. McKinney	Mary Wadsworth Gardner	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds	
REVENUES						
Interest and dividends	\$ 1	\$ -	\$ -	\$ 2	\$ 112	
Net increase in the fair value of investments	-	815	2,185	-	10,595	
Other income	-	3,661	9,738	-	40,723	
Total revenues	<u>1</u>	<u>4,476</u>	<u>11,923</u>	<u>2</u>	<u>51,430</u>	
EXPENDITURES						
Current:						
Program expenditures	1	1,576	-	2	1,579	
Miscellaneous	-	599	1,607	-	6,680	
Total expenditures	<u>1</u>	<u>2,175</u>	<u>1,607</u>	<u>2</u>	<u>8,259</u>	
Excess of revenues over expenditure	-	2,301	10,316	-	43,171	
Fund balances - beginning	500	49,515	132,629	1,000	581,108	
Fund balances - ending	<u>\$ 500</u>	<u>\$ 51,816</u>	<u>\$ 142,945</u>	<u>\$ 1,000</u>	<u>\$ 624,279</u>	

*Proprietary
Funds*

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2010

	Solid Waste Collection	Watermains, Tripp and Middle Roads	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$4,300	\$ 29,851	\$ -	\$ 29,851
Noncurrent assets:			
Long-term assessments receivable	-	38,967	38,967
Total assets	29,851	38,967	68,818
LIABILITIES			
Current liabilities:			
Due to other funds	8,778	111,337	120,115
Total liabilities	8,778	111,337	120,115
NET ASSETS (DEFICIT)			
Unrestricted	21,073	(72,370)	(51,297)
Total net assets (deficit)	\$ 21,073	\$ (72,370)	\$ (51,297)

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS (DEFICIT)
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Solid Waste Collection	Watermains, Tripp and Middle Roads	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Solid waste fees	\$ 468,547	\$ -	\$ 468,547
Assessments	-	8,186	8,186
Total operating revenues	468,547	8,186	476,733
 OPERATING EXPENSES			
Public works and administrative expenses	463,864	-	463,864
Total operating expenses	463,864	-	463,864
 Operating income and change in net assets	4,683	8,186	12,869
 Net assets (deficit) - beginning	16,390	(80,556)	(64,166)
 Net assets (deficit) - ending	\$ 21,073	\$ (72,370)	\$ (51,297)

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Solid Waste Collection	Watermains, Tripp and Middle Roads	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 470,661	\$ 7,256	\$ 477,917
Payments for interfund services provided	(6,797)	(7,256)	(14,053)
Payments to suppliers	(463,864)	-	(463,864)
Net cash provided by (used in) operating activities	-	-	-
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 4,683	\$ 8,186	\$ 12,869
Decrease in assets:			
Solid waste charges receivable, net	2,114	-	2,114
Long-term assessments receivable	-	7,256	7,256
Decrease in liabilities:			
Due to other funds	(6,797)	(15,442)	(22,239)
Net cash provided by operating activities	\$ -	\$ -	\$ -

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF SEWER USAGE CHARGES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2010**

BILLING YEAR	UNCOLLECTED USER CHARGES		LAWFUL CORRECTIONS	USER CHARGES COLLECTIBLE	ACTUAL CASH COLLECTIONS			TOTAL	UNCOLLECTED USER CHARGES JUNE 30, 2010
	JUNE 30, 2009 AND CURRENT LEVY	JUNE 30, 2009			USER CHARGES	INTEREST	LIEN FEES		
2009	\$ 1,239,931		\$ 108,983	\$ 1,348,914	\$ 1,278,058	\$ 7,460	\$ -	\$ 1,285,518	\$ 70,856
2008	61,374		-	61,374	40,575	5,045	600	46,220	20,799
2007	20,438		-	20,438	9,616	3,300	1,080	13,996	10,822
2006	8,186	(780)		7,406	2,848	1,306	384	4,538	4,558
2005	6,326	(760)		5,566	2,196	1,475	240	3,911	3,370
2004	4,832	(740)		4,092	1,564	1,335	192	3,091	2,528
2003	5,534	(716)		4,818	1,345	1,198	144	2,687	3,473
2002	3,839	(716)		3,123	1,115	1,325	120	2,560	2,008
2001	1,735	(716)		1,019	150	-	-	150	869
2000	3,034	(716)		2,318	-	-	-	-	2,318
1999	1,534	(716)		818	-	-	-	-	818
1998	1,514	(716)		798	-	-	-	-	798
1997	1,340	(716)		624	-	-	-	-	624
1996	915	(702)		213	-	-	-	-	213
1995	690	(690)		-	-	-	-	-	-
1994	688	(688)		-	-	-	-	-	-
1993	696	(696)		-	-	-	-	-	-
	<u>\$ 1,362,606</u>		<u>\$ 98,915</u>	<u>\$ 1,461,521</u>	<u>\$ 1,337,467</u>	<u>\$ 22,444</u>	<u>\$ 2,760</u>	<u>\$ 1,362,671</u>	<u>\$ 124,054</u>

*Fiduciary
Funds*

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2010**

	Municipal Land Trust Fund	Public Health Nursing	John T. McKnight	Hall Memorial Library	D.A.R.E.	Senior Center Donation
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 67,004	\$ -	\$ -
Investments	21,203	2,262	25,484	-	-	48,607
Due from other funds	-	-	-	-	-	-
Total assets	<u>21,203</u>	<u>2,262</u>	<u>25,484</u>	<u>67,004</u>	<u>-</u>	<u>48,607</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS						
Held in trust for other purposes	<u>\$ 21,203</u>	<u>\$ 2,262</u>	<u>\$ 25,484</u>	<u>\$ 67,004</u>	<u>\$ -</u>	<u>\$ 48,607</u>

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2010**

	Graduation Fund	Senior Citizen Activity	Hall Memorial Endowment	Hall Memorial Myrtle Eddy	Hall Memorial Moriarty	Total Private Purpose Trust Funds
ASSETS						
Cash and cash equivalents	\$ 6,192	\$ 11,089	\$ -	\$ -	\$ -	\$ 84,285
Investments	18,447	-	136,073	4,773	9,493	266,342
Due from other funds	-	-	299	11	21	331
Total assets	<u>24,639</u>	<u>11,089</u>	<u>136,372</u>	<u>4,784</u>	<u>9,514</u>	<u>350,958</u>
LIABILITIES						
Due to other funds	1,101	-	-	-	-	1,101
Total liabilities	<u>1,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,101</u>
NET ASSETS						
Held in trust for other purposes	\$ 23,538	\$ 11,089	\$ 136,372	\$ 4,784	\$ 9,514	\$ 349,857

**TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Municipal Land Trust Fund	Public Health Nursing	John T. McKnight	Hall Memorial Library	D.A.R.E.	Senior Center Donation
ADDITIONS						
Contributions - private donations	\$ -	\$ -	\$ -	\$ 37,962	\$ -	\$ 5,827
Other income	-	-	-	18,049	-	-
Total contributions	-	-	-	56,011	-	5,827
Investment earnings:						
Interest	51	5	62	163	3	114
Total additions	51	5	62	56,174	3	5,941
DEDUCTIONS						
Other expenditures	-	-	-	-	-	-
Program expenditures	-	-	-	55,590	1,494	1,100
Total deductions	-	-	-	55,590	1,494	1,100
Change in net assets	51	5	62	584	(1,491)	4,841
Net Assets Held in Trust for Others:						
Beginning	21,152	2,257	25,422	66,420	1,491	43,766
Ending	\$ 21,203	\$ 2,262	\$ 25,484	\$ 67,004	\$ -	\$ 48,607

**TOWN OF ELLINGTON, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	Graduation Fund	Senior Citizen Activity	Hall Memorial Endowment	Hall Memorial Myrtle Eddy	Hall Memorial Moriarty	Total Private Purpose Trust Funds
ADDITIONS						
Contributions - private donations	\$ 20,878	\$ 33,074	\$ -	\$ -	\$ -	\$ 97,741
Other income	-	-	11,374	333	663	30,419
Total contributions	20,878	33,074	11,374	333	663	128,160
Investment earnings:						
Interest	45	31	-	-	-	474
Total additions	20,923	33,105	11,374	333	663	128,634
DEDUCTIONS						
Other expenditures	-	-	1,534	54	108	1,696
Program expenditures	16,444	34,730	-	-	-	109,358
Total deductions	16,444	34,730	1,534	54	108	111,054
Change in net assets	4,479	(1,625)	9,840	279	555	17,580
Net Assets Held in Trust for Others:						
Beginning	19,059	12,714	126,532	4,505	8,959	332,277
Ending	\$ 23,538	\$ 11,089	\$ 136,372	\$ 4,784	\$ 9,514	\$ 349,857

**TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Balance, July 1, 2009	Additions	Deletions	Balance, June 30, 2010
CASH AND CASH EQUIVALENTS				
Ellington Center School	\$ 1,511	\$ 15,422	\$ 13,603	\$ 3,330
Ellington High School	94,621	357,207	333,653	118,175
Ellington School Use Activity	28,781	7,962	15,710	21,033
Crystal Lake School	2,138	11,944	10,740	3,342
Windermere School	24,533	42,748	42,343	24,938
Special Education Preschool Department	17,833	48,724	40,954	25,603
Board of Education Educational Services	1,942	32,607	15,200	19,349
Special Education Petty Cash Reimbursement	1,016	15,065	15,762	319
Ellington Middle School	61,677	152,889	134,660	79,906
Special Education Account	47,505	107,686	49,065	106,126
Petty Cash - BOE	131	1,320	1,351	100
Petty Cash - All Schools	1,077	319	-	1,396
INVESTMENTS				
Construction Performance Bonds	460,540	29,571	381,056	109,055
DUE FROM OTHER FUNDS				
Contractor activities	-	3,000	-	3,000
Total Assets	<u>\$ 743,305</u>	<u>\$ 826,464</u>	<u>\$ 1,054,097</u>	<u>\$ 515,672</u>
DUE TO OTHERS				
Ellington Center School	\$ 1,511	\$ 15,422	\$ 13,603	\$ 3,330
Ellington High School	94,621	357,207	333,653	118,175
Ellington School Use Activity	28,781	7,962	15,710	21,033
Crystal Lake School	2,138	11,944	10,740	3,342
Windermere School	24,533	42,748	42,343	24,938
Special Education Preschool Department	17,833	48,724	40,954	25,603
Board of Education Educational Services	1,942	32,607	15,200	19,349
Special Education Petty Cash Reimbursement	1,016	15,065	15,762	319
Ellington Middle School	61,677	152,889	134,660	79,906
Special Education Account	47,505	107,686	49,065	106,126
Petty Cash - BOE	131	1,320	1,351	100
Petty Cash - All Schools	1,077	319	-	1,396
Due to Contractors	460,540	32,571	381,056	112,055
Total Liabilities	<u>\$ 743,305</u>	<u>\$ 826,464</u>	<u>\$ 1,054,097</u>	<u>\$ 515,672</u>

