

# **TOWN OF ELLINGTON**

**BASIC FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL SCHEDULES**

**AS OF AND  
FOR THE YEAR ENDED  
JUNE 30, 2008**

**TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**



*Certified Public Accountants & Business Advisors*

**TOWN OF ELLINGTON**  
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**JUNE 30, 2008**

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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, 2008, 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, 2008, 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 29, 2008 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis presented on pages 3 through 16 and the schedule of funding progress on pages 53 and 54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

CCR LLP

Glastonbury, Connecticut  
December 29, 2008

# **Management's Discussion and Analysis**

# TOWN OF ELLINGTON MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2008.

## FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$62,724,826 (net assets). Of this amount, \$11,064,877 (unrestricted net assets) may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's changes in net assets for the year ended June 30, 2008 amounted to \$1,694,358 or 2.8% in comparison to the prior year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,844,894, an increase of \$761,798 in comparison with the prior year. This increase is due to greater than budgeted growth in the grand list along with greater than anticipated revenues from the State of Connecticut from closed building grants, proceeds from the CRRA class action lawsuit, Building Department permits, resident State trooper special assignments, along with an increase in the WPCA Reimbursement. Of this amount 45.3% or \$2,646,038 of 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 \$3,537,416 or 6.8% of total general fund expenditures. Designations of unreserved fund balance for future "Capital Reserves", other "Capital and Nonrecurring" and post employment benefits requirements totaled \$3,032,194 at June 30, 2008.
- The Town's total long-term bonded debt had a net decrease of \$1,969,900 or 9.0% during the current fiscal year.
- Effective January 1, 2008, Town Charter Section 1004, now requires the Board of Finance to maintain at least a minimum of 5% of the operating budget to support the working capital requirements of the Town. Amounts designated for "Capital Reserves" totaled \$2,547,684, or 6.2% of the budgetary expenditures for the year ended June 30, 2008.

# **TOWN OF ELLINGTON**

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

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

#### **Fund Financial Statements**

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

#### ***Governmental Funds***

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

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

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

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

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

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

The Town maintains 32 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 30 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 5 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, the Hockanum River Fund and the Crystal Lake Sewers Fund, all 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 30-53 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 54-84 of this report.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Assets**

Over time, net assets may serve as one measure of a government's financial position. Total net assets (governmental and business-type activities combined) of the Town totaled \$62,724,826 and \$61,030,468 for the years ended June 30, 2008 and 2007, respectively, and are summarized as follows:

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

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

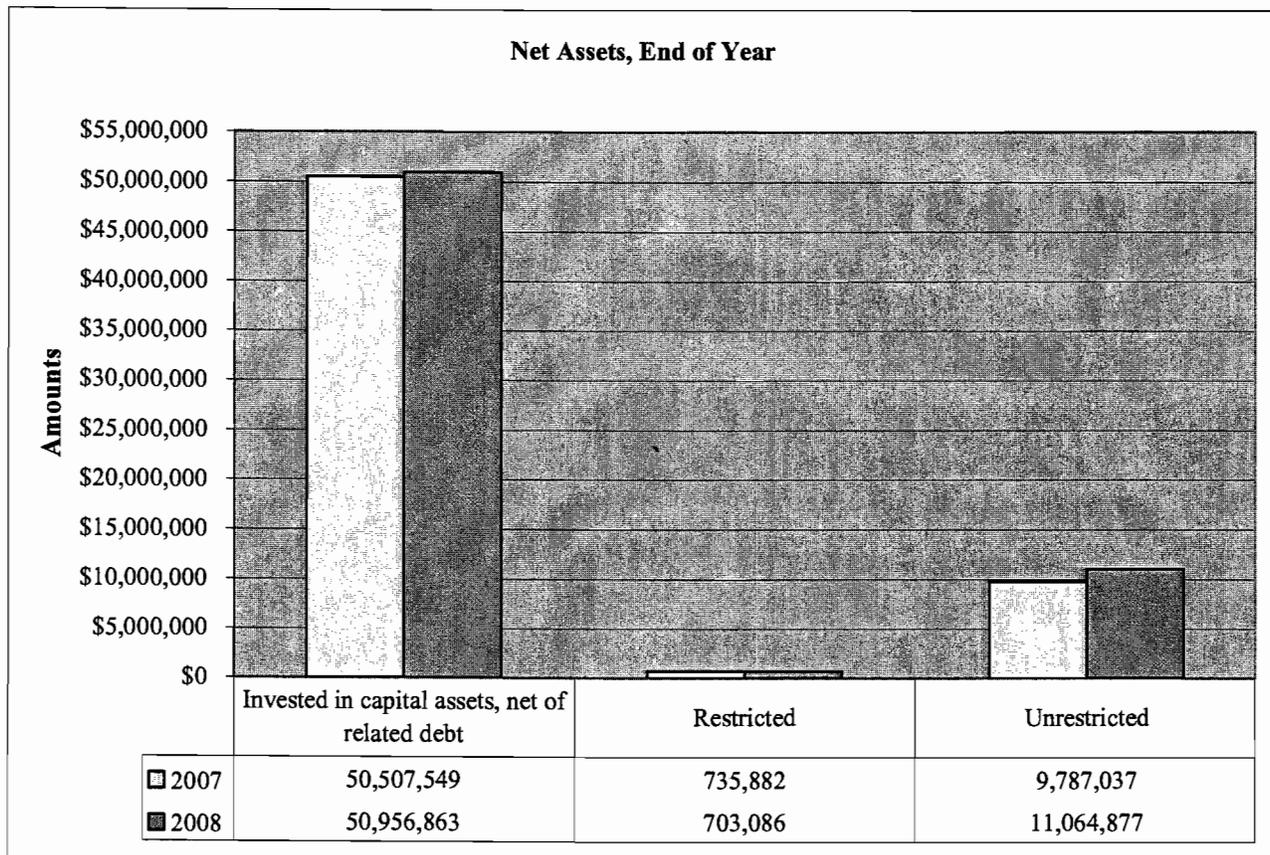
**Town of Ellington  
Net Assets  
June 30, 2007**

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 8,149,344	\$ 8,699,303	\$ 16,848,647
Capital assets	61,537,715	11,873,658	73,411,373
Total assets	<u>69,687,059</u>	<u>20,572,961</u>	<u>90,260,020</u>
Long-term debt outstanding	20,983,895	4,921,625	25,905,520
Other liabilities	1,543,445	1,780,587	3,324,032
Total liabilities	<u>22,527,340</u>	<u>6,702,212</u>	<u>29,229,552</u>
Net assets:			
Invested in capital assets, net of related debt	41,696,390	8,811,159	50,507,549
Restricted	735,882	-	735,882
Unrestricted	4,727,447	5,059,590	9,787,037
Total net assets	<u>\$ 47,159,719</u>	<u>\$ 13,870,749</u>	<u>\$ 61,030,468</u>

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

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

### Net Assets *(Continued)*



81.2% of the Town's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

1.1% 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 \$1,694,358 or 2.8% in comparison to the prior year.

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

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

**Changes in Net Assets**

Changes in net assets for the years ended June 30, 2008 and 2007 are as follows:

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

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

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

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

**Changes in Net Assets (Continued)**

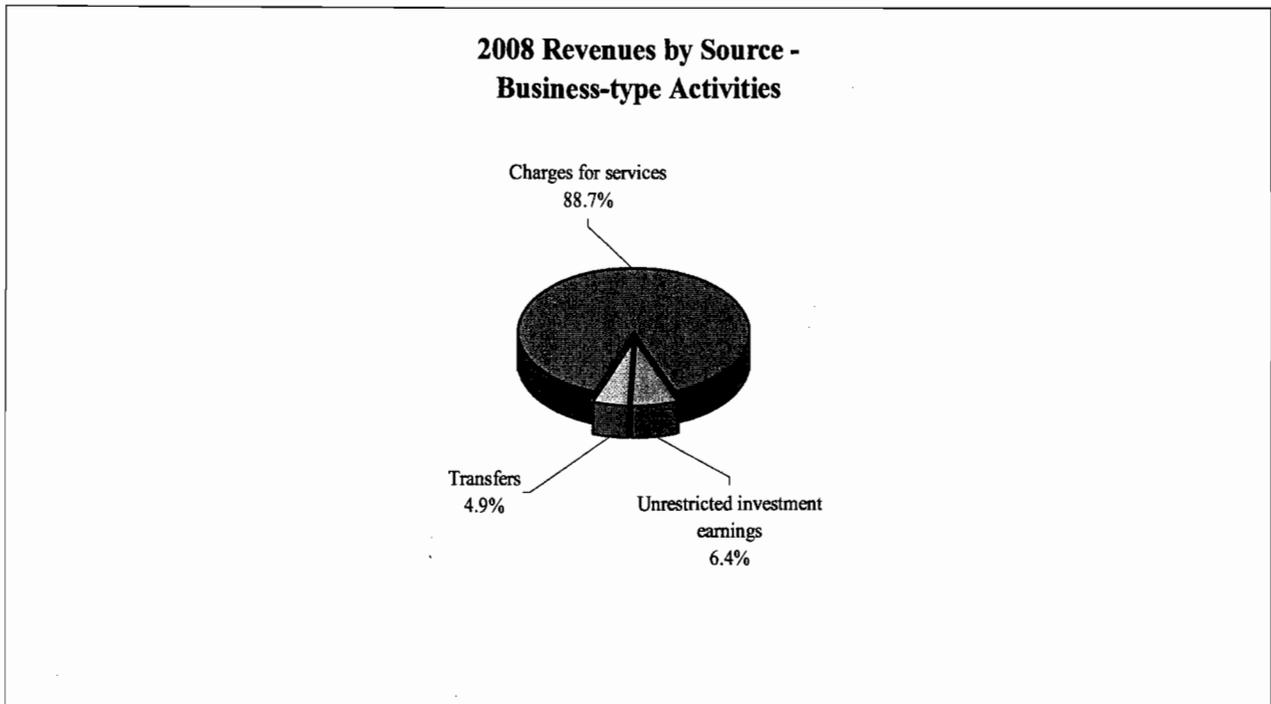
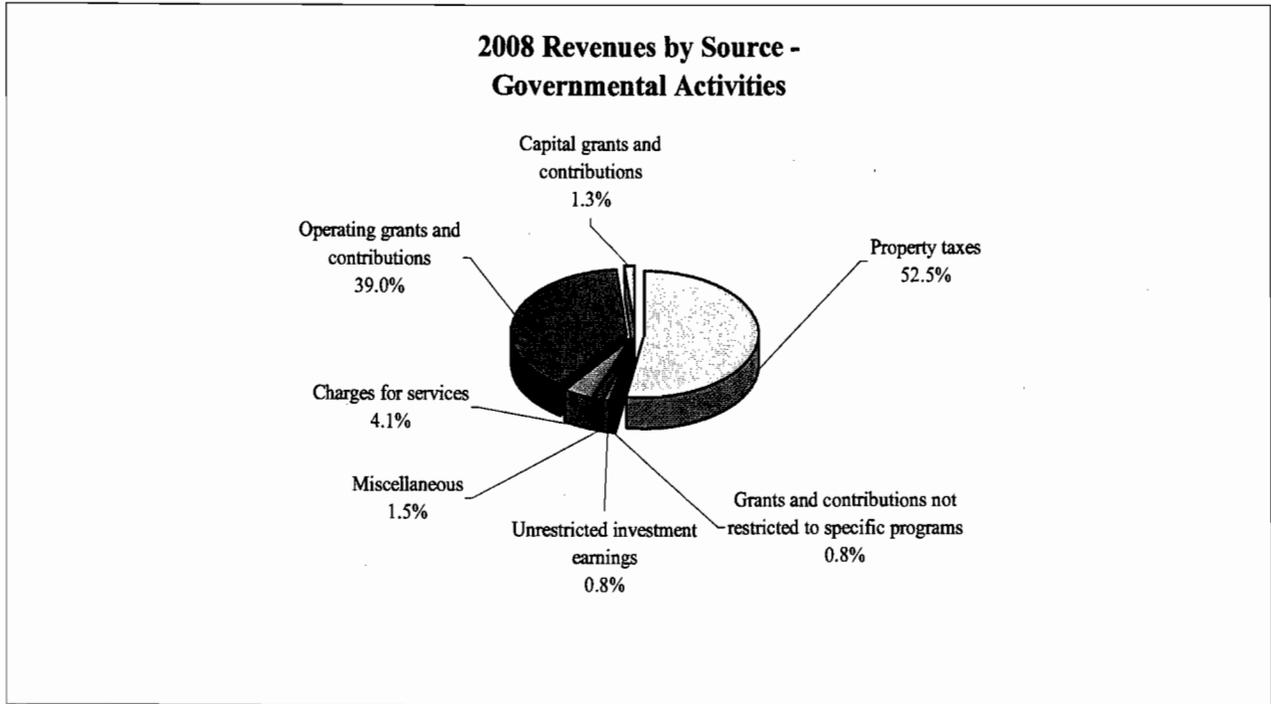
**Town of Ellington  
Changes in Net Assets  
For the Year Ended June 30, 2007**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 2,714,554	\$ 2,177,534	\$ 4,892,088
Operating grants and contributions	11,359,574	-	11,359,574
Capital grants and contributions	483,909	-	483,909
General revenues:			
Property taxes	27,814,594	-	27,814,594
Grants and contributions not restricted to specific programs	397,228	500,000	897,228
Unrestricted investment earnings	501,653	62,154	563,807
Miscellaneous	331,104	115,624	446,728
Total revenues	<u>43,602,616</u>	<u>2,855,312</u>	<u>46,457,928</u>
Program expenses			
General government	2,645,389	-	2,645,389
Boards and agencies	457,693	-	457,693
Public safety	2,366,384	-	2,366,384
Public works	4,103,128	-	4,103,128
Recreation	408,395	-	408,395
Library	774,823	-	774,823
Social services	474,303	-	474,303
Town properties	360,807	-	360,807
Education	29,979,023	-	29,979,023
Interest on long-term debt	833,004	-	833,004
Sewer	-	1,903,759	1,903,759
Total expenses	<u>42,402,949</u>	<u>1,903,759</u>	<u>44,306,708</u>
Excess before transfers	1,199,667	951,553	2,151,220
Transfers	<u>(72,750)</u>	<u>72,750</u>	<u>-</u>
Change in net assets	1,126,917	1,024,303	2,151,220
Net assets - beginning	<u>46,032,802</u>	<u>12,846,446</u>	<u>58,879,248</u>
Net assets - ending	<u>\$ 47,159,719</u>	<u>\$ 13,870,749</u>	<u>\$ 61,030,468</u>

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

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

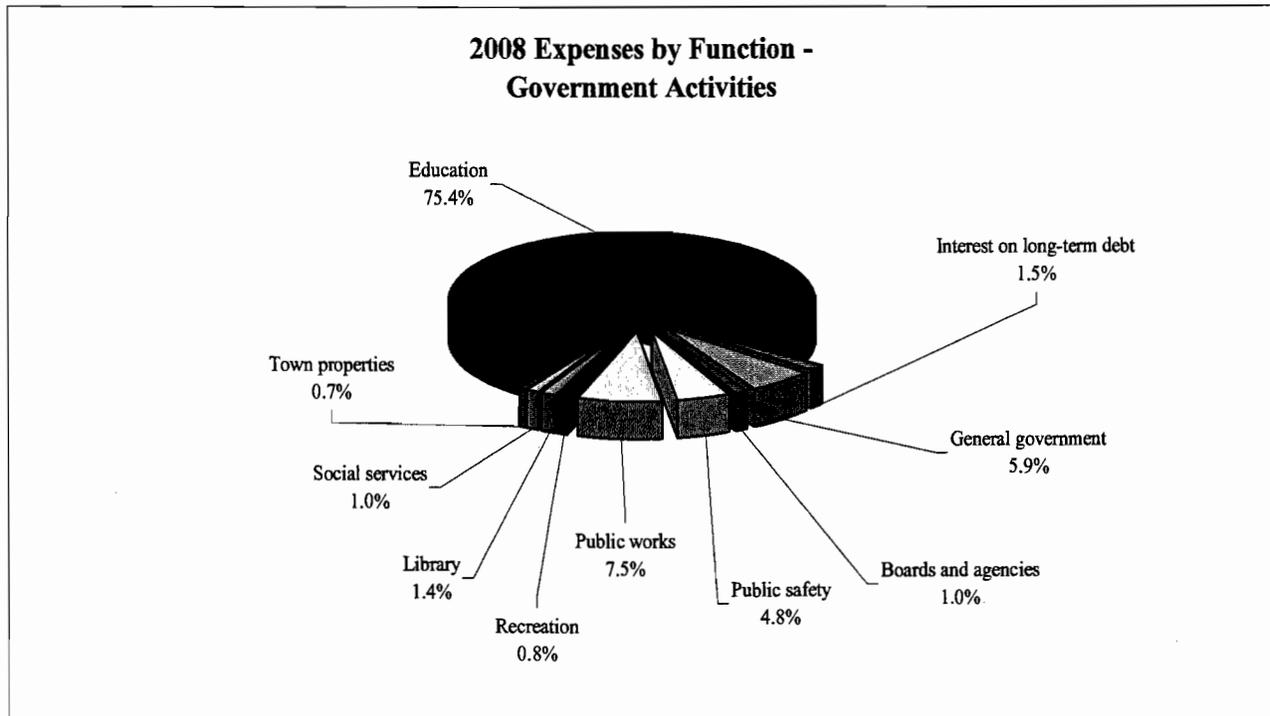
**Changes in Net Assets (Continued)**



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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Changes in Net Assets (Continued)



#### **Governmental Activities**

Governmental activities increased the Town's net assets by \$1,028,555, thereby accounting for 60.7% of the total growth of the Town's net assets. This increase is due to greater than budgeted growth in the grand list along with greater than anticipated revenues from the State of Connecticut from closed building grants, proceeds from the CRRA class action lawsuit, Building Department permits, resident State trooper special assignments, along with an increase in the WPCA Reimbursement.

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

Business-type activities increased the Town's net assets by \$665,803, thereby accounting for 39.3% of the total growth of the Town's net assets. This increase is primarily attributable to additional assessments due to new housing developments in the Hockanum River and the Crystal Lake sections of the Town that were built and occupied within the last year.

### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

#### **Governmental Funds**

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

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

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,844,984 an increase of \$761,798 in comparison with the prior year. This increase is due to greater than budgeted growth in the grand list along with greater than anticipated revenues from the State of Connecticut from closed building grants, proceeds from the CRRA class action lawsuit, Building Department permits, resident State trooper special assignments, along with an increase in the WPCA Reimbursement. Of the total governmental fund balances, \$5,678,232 constitutes unreserved fund balance, of which \$3,032,194 has been designated for specific purposes by the Town. This increase is primarily attributable to greater than budgeted growth in the grand list, and actual revenues from the State of Connecticut from closed building grants, CRRA Class Action lawsuit and various proceeds in excess of the budgeted amounts.

### **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 \$3,537,416, while total fund balance was \$6,594,585. Designations of unreserved fund balance for future "Capital Reserves", "Capital and Nonrecurring" and "Post Employment Benefits" totaled \$3,032,194. 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 12.6% of that same amount.

The fund balance of the Town's general fund increased by \$1,167,659 during the current fiscal year. Key factors in this growth are as follows:

- Greater than projected growth of prorates in the 2007–2008 budget
- Various increases in State financial assistance
- Increase in Building Department permits
- Increase in special assignments for the resident State trooper
- CRRA class action lawsuit proceeds
- Increase in WPCA reimbursement

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

The fund balance of the Town's High School/Center School Project decreased by \$337,564 due to unanticipated construction costs to complete the project.

### **Proprietary Funds**

Unrestricted net assets of the Sewer Authority, the Hockanum River and the Crystal Lake Sewers funds at the end of the year totaled \$4,793,865, \$-0- and \$882,554, respectively. The total increase in net assets for these funds was \$3,284,456, \$(2,744,555), and \$171,640, respectively. In 2008, the Hockanum River Fund was closed out and all activity was transferred to the Sewer Authority Fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original expenditures budget and the final amended expenditures budget was an increase in appropriations of \$228,869. Significant components of this increase are as follows:

- Increase in the Police account of \$25,356 primarily due to Resident State Troopers receiving grants for DWI Enhanced Patrol, and Speed Enforcement
- Increases in Public Works spending of \$96,643 primarily from general road maintenance materials, and fuel costs
- Increase in the Ellington Volunteer Ambulance account of \$40,793, primarily for architectural fees for design of ambulance building addition, and medical supplies.
- Increase in the Hall Memorial Library account of \$32,954, primarily for maintenance repairs to library, computers, and part time help
- Increase in Town Hall account of \$33,832 for computer repairs and building equipment
- Increase in Debt Redemption-Principal account for \$75,150 primarily for purchase of 17 Main Street property
- Increase in Capital Outlays of \$44,156 for various unanticipated road improvements, town hall cooling system, and the public works storage building

**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, 2008 totaled \$72,155,862 (net of accumulated depreciation). This investment in capital assets includes an art collection, land, buildings and improvements, equipment, vehicles, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$1,255,511, a 1.9% decrease for governmental activities and a 0.7% decrease for business-type activities.

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

- Outlays for purchases of various Police and Board of Education vehicles
- Purchase of the 17 Main Street property
- Outlays for various road improvement and sewer projects to the Town's infrastructure to benefit the entire Town.

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

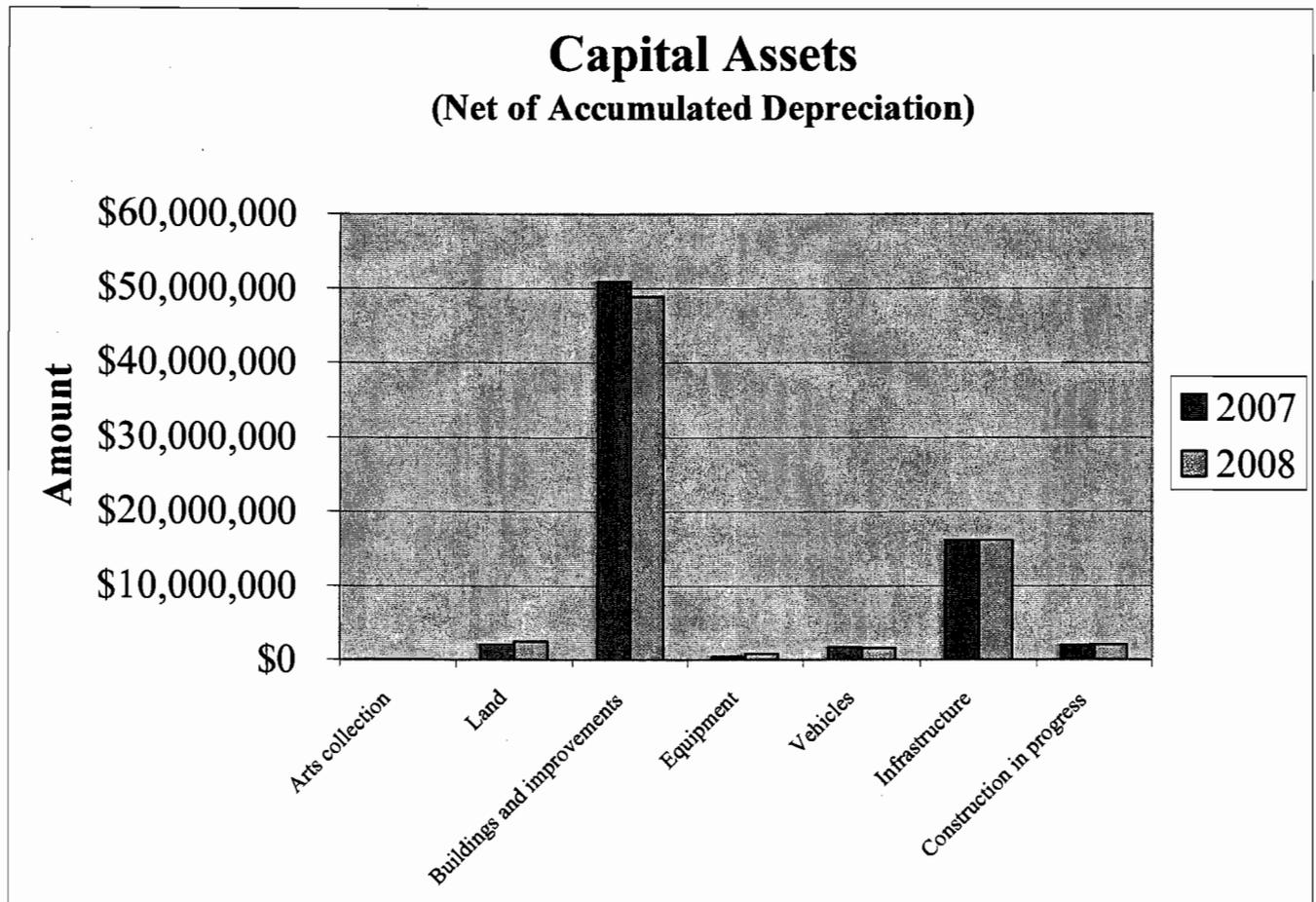
# TOWN OF ELLINGTON MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

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

### Capital Assets *(Continued)*

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Arts collection	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Land	2,507,844	2,182,844	-	-	2,507,844	2,182,844
Buildings and improvements	48,854,207	50,903,531	-	-	48,854,207	50,903,531
Equipment	755,417	461,142	92,463	12,901	847,880	474,043
Vehicles	1,617,584	1,701,383	-	-	1,617,584	1,701,383
Infrastructure	6,592,431	6,205,907	9,614,705	9,942,049	16,207,136	16,147,956
Construction in progress	-	47,310	2,085,613	1,918,708	2,085,613	1,966,018
<b>Totals</b>	<b>\$ 60,363,081</b>	<b>\$ 61,537,715</b>	<b>\$ 11,792,781</b>	<b>\$ 11,873,658</b>	<b>\$ 72,155,862</b>	<b>\$ 73,411,373</b>



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

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

### Capital Assets *(Continued)*

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

### Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$19,809,700. 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 \$1,969,900 or 9.0% during the current fiscal year.

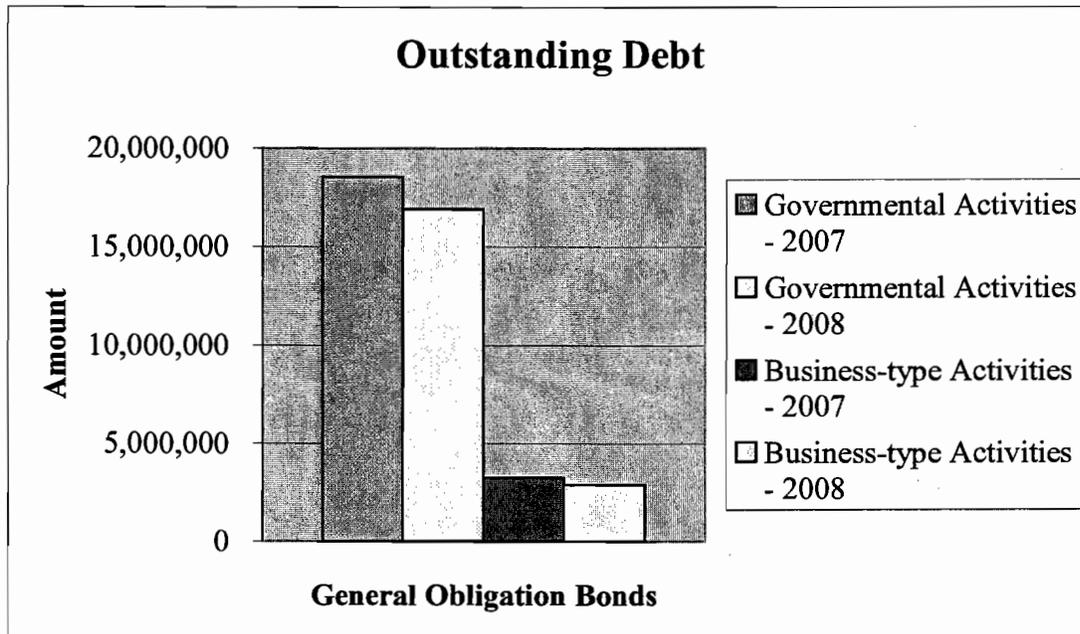
The Town maintains an A2 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to approximately seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$206,049,669, 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, 2008**

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
	General obligation bonds	<u>\$16,915,000</u>	<u>\$ 18,527,500</u>	<u>\$ 2,894,700</u>	<u>\$3,252,100</u>	<u>\$19,809,700</u>



Additional information on the Town's long-term debt can be found in Note 7 on pages 45-48 of this report.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2009 and thereafter.
- The unemployment rate for the Town is currently 4.3%, which is an increase from a rate of 3.7% in the prior year. This compares favorably to the state's average unemployment rate of 5.7% and the national unemployment rate of 5.5 %.
- Inflationary trends in the region approximate the national indices.

During the current fiscal year, unreserved and undesignated fund balance of the general fund increased to \$3,537,416. The Town has appropriated \$1,567,765 of this amount for spending in the 2009 fiscal year budget.

All of these factors were considered in preparing the Town's budget for fiscal year 2009.

**REQUESTS FOR INFORMATION**

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

**Basic  
Financial  
Statements**

**TOWN OF ELLINGTON**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,328,393	\$ 2,464	\$ 1,330,857
Investments	5,840,267	6,060,111	11,900,378
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$207,900	690,936	-	690,936
Sewer usage charges receivable, net of allowance for uncollectibles of \$19,500	-	129,394	129,394
Assessments, interest and liens receivable	-	66,959	66,959
Grants and contracts receivable, current portion	384,972	-	384,972
Interest, net of allowance for uncollectibles of \$337,000	336,185	-	336,185
Other	316,527	-	316,527
Internal balances	(59,036)	59,036	-
Inventories	5,755	-	5,755
Prepaid expenses	-	10,868	10,868
Deferred assessments	-	580,956	580,956
Grants and contracts receivable, long-term portion	470,773	-	470,773
Deferred bond issuance costs, net	75,378	-	75,378
Deferred asset - pump station	-	1,498,501	1,498,501
Capital assets:			
Non-depreciable	2,543,442	2,085,613	4,629,055
Depreciable, net	57,819,639	9,707,168	67,526,807
Total assets	<u>69,753,231</u>	<u>20,201,070</u>	<u>89,954,301</u>
<b>LIABILITIES</b>			
Accounts payable	1,797,811	237,754	2,035,565
Accrued liabilities:			
Accrued interest	38,216	3,598	41,814
Other accrued liabilities	23,230	-	23,230
Due to funding source	15,606	-	15,606
Unearned revenue	79,645	1,029,965	1,109,610
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,427,629	357,200	1,784,829
Note payable	12,976	174,476	187,452
Capital leases	198,713	-	198,713
Compensated absences	110,000	-	110,000
Due in more than one year:			
Bonds payable	15,488,392	2,537,500	18,025,892
Note payable	236,872	1,324,025	1,560,897
Capital leases	1,034,516	-	1,034,516
Compensated absences	1,101,351	-	1,101,351
Total liabilities	<u>21,564,957</u>	<u>5,664,518</u>	<u>27,229,475</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	41,963,983	8,992,880	50,956,863
Restricted for endowments:			
Expendable	650,589	-	650,589
Nonexpendable	52,497	-	52,497
Unrestricted	5,521,205	5,543,672	11,064,877
Total net assets	<u>\$ 48,188,274</u>	<u>\$ 14,536,552</u>	<u>\$ 62,724,826</u>

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

**TOWN OF ELLINGTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

Primary Government: Governmental activities:	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	
General government	\$ 3,228,927	\$ 431,948	\$ -	\$ -	\$ (2,796,979)	\$ -	\$ (2,796,979)
Boards and agencies	562,812	84,942	241,235	-	(236,635)	-	(236,635)
Public safety	2,616,709	292,876	54,941	-	(2,268,892)	-	(2,268,892)
Public works	4,128,237	576,971	-	396,842	(3,154,424)	-	(3,154,424)
Recreation	424,073	247,025	-	-	(177,048)	-	(177,048)
Library	774,549	-	-	-	(774,549)	-	(774,549)
Social services	571,785	14,239	141,507	-	(416,039)	-	(416,039)
Town properties	376,100	-	-	-	(376,100)	-	(376,100)
Education	41,263,004	623,372	21,360,478	330,716	(18,948,438)	-	(18,948,438)
Interest on long-term debt	810,840	-	-	-	(810,840)	-	(810,840)
Total governmental activities	54,757,036	2,271,373	21,798,161	727,558	(29,959,944)	-	(29,959,944)
Business-type activities:							
Sewer	2,228,471	2,566,880	-	-	-	338,409	338,409
Total business-type activities	2,228,471	2,566,880	-	-	-	338,409	338,409
Total primary government	\$ 56,985,507	\$ 4,838,253	\$ 21,798,161	\$ 727,558	(29,959,944)	338,409	(29,621,535)
General revenues:							
Property taxes, levied for general purposes					29,440,026	-	29,440,026
Grants and contributions not restricted to specific programs					429,189	-	429,189
Unrestricted investment earnings					428,680	185,862	614,542
Miscellaneous					832,136	-	832,136
Transfers					(141,532)	141,532	-
Total general revenues					30,988,499	327,394	31,315,893
Change in net assets					1,028,555	665,803	1,694,358
Net assets - beginning					47,159,719	13,870,749	61,030,468
Net assets - ending					\$ 48,188,274	\$ 14,536,552	\$ 62,724,826

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

**TOWN OF ELLINGTON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	General Fund	High School/ Center School Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,080,757	\$ -	\$ 247,636	\$ 1,328,393
Investments	4,052,855	-	1,787,412	5,840,267
Receivables:				
Property taxes receivable, net of allowance for uncollectibles of \$207,900	690,936	-	-	690,936
Grants and contracts receivable	226,018	-	59,761	285,779
Other	217,959	-	96,877	314,836
Due from other funds	3,059,334	-	63,190	3,122,524
Inventories	-	-	5,755	5,755
Total assets	<u>\$ 9,327,859</u>	<u>\$ -</u>	<u>\$ 2,260,631</u>	<u>\$ 11,588,490</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
Liabilities:				
Accounts payable	\$ 1,699,908	\$ 1,395	\$ 95,963	\$ 1,797,266
Accrued liabilities	23,230	-	-	23,230
Due to other funds	362,701	2,622,712	195,001	3,180,414
Unearned/deferred revenue	647,435	-	79,645	727,080
Due to funding source	-	-	15,606	15,606
Total liabilities	<u>2,733,274</u>	<u>2,624,107</u>	<u>386,215</u>	<u>5,743,596</u>
Fund balances (deficit):				
Reserved for:				
Inventories	-	-	5,755	5,755
Sanitation	-	-	47,622	47,622
Document preservation	-	-	22,483	22,483
Land preservation	-	-	13,330	13,330
Endowments	-	-	52,497	52,497
Encumbrances	24,975	-	-	24,975
Unreserved	3,537,416	(2,624,107)	-	913,309
Unreserved, designated for post employment benefits	283,774	-	-	283,774
Unreserved, designated for capital reserves	2,547,684	-	-	2,547,684
Unreserved, designated for capital and nonrecurring	200,736	-	-	200,736
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	909,639	909,639
Capital project funds	-	-	172,501	172,501
Permanent funds	-	-	650,589	650,589
Total fund balances (deficit)	<u>6,594,585</u>	<u>(2,624,107)</u>	<u>1,874,416</u>	<u>5,844,894</u>
Total liabilities and fund balances (deficit)	<u>\$ 9,327,859</u>	<u>\$ -</u>	<u>\$ 2,260,631</u>	<u>\$ 11,588,490</u>

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

**TOWN OF ELLINGTON**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

Total fund balances for governmental funds \$ 5,844,894

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	
Buildings and improvements	67,357,913	
Equipment	1,986,769	
Vehicles	6,253,616	
Infrastructure	8,142,377	
Less: accumulated depreciation and amortization	<u>(25,921,036)</u>	
Total capital assets, net		60,363,081

School construction grants receivable from the State of Connecticut are not susceptible to accrual and are, therefore, not reported in the funds. 569,966

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

Bond issuance costs	100,620	
Less: accumulated amortization	<u>(25,242)</u>	
Total bond issuance costs, net		75,378

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. 647,435

Accrued interest on property taxes are not susceptible to accrual and therefore are not reported in the funds. 336,185

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	(16,915,000)	
Unamortized premiums	(1,021)	
Obligations under capital lease	(1,233,229)	
Accrued interest payable	(38,216)	
Note payable	(249,848)	
Other long-term liabilities:		
Compensated absences	<u>(1,211,351)</u>	
Total long-term liabilities		<u>(19,648,665)</u>

Net assets of governmental activities \$ 48,188,274

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

**TOWN OF ELLINGTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (DEFICIT)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>High School/ Center School Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 29,168,625	\$ -	\$ -	\$ 29,168,625
Licenses, permits and fees	168,852	-	-	168,852
Intergovernmental	21,870,263	-	1,397,499	23,267,762
Charges for services	1,148,548	-	362,736	1,511,284
Food sales	-	-	566,846	566,846
Interest and dividends	389,893	-	38,787	428,680
Other income	512,813	-	255,201	768,014
Total revenues	<u>53,258,994</u>	<u>-</u>	<u>2,621,069</u>	<u>55,880,063</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,302,458	-	-	1,302,458
Boards and agencies	111,727	-	-	111,727
Public safety	1,983,998	-	-	1,983,998
Public works	3,110,276	-	-	3,110,276
Recreation	355,641	-	-	355,641
Library	527,374	-	-	527,374
Social services	433,577	-	-	433,577
Town properties	376,100	-	-	376,100
Education	37,596,600	-	-	37,596,600
Miscellaneous	2,105,469	-	8,211	2,113,680
Program expenditures	-	-	2,567,775	2,567,775
Debt service:				
Principal payments	2,035,883	-	-	2,035,883
Interest and fiscal charges	827,417	-	-	827,417
Capital outlays	1,542,332	337,564	23,127	1,903,023
Total expenditures	<u>52,308,852</u>	<u>337,564</u>	<u>2,599,113</u>	<u>55,245,529</u>
Excess (deficiency) of revenues over expenditures	950,142	(337,564)	21,956	634,534
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease	268,796	-	-	268,796
Transfers in	90,253	-	-	90,253
Transfers out	(141,532)	-	(90,253)	(231,785)
Total other financing sources (uses)	<u>217,517</u>	<u>-</u>	<u>(90,253)</u>	<u>127,264</u>
Net change in fund balances	1,167,659	(337,564)	(68,297)	761,798
Fund balances (deficit) - beginning	<u>5,426,926</u>	<u>(2,286,543)</u>	<u>1,942,713</u>	<u>5,083,096</u>
Fund balances (deficit) - ending	<u>\$ 6,594,585</u>	<u>\$ (2,624,107)</u>	<u>\$ 1,874,416</u>	<u>\$ 5,844,894</u>

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

**TOWN OF ELLINGTON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Net change in fund balances for governmental funds \$ 761,798

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

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

Expenditures for capital assets	\$ 1,593,003	
Depreciation and amortization expense	<u>(2,974,987)</u>	
Net adjustment		(1,381,984)

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. (117,650)

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. (55,490)

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	(268,796)	
Amortization of bond issuance costs	(5,031)	
Principal repayments:		
Bonds payable	1,612,500	
Capital leases	348,231	
Note payable	<u>75,152</u>	
Net adjustment		1,762,056

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

**TOWN OF ELLINGTON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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	\$	(68,782)	
Accrued interest		25,916	
Amortization of bond premium		139	
		(42,727)	\$ (42,727)

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. (4,365)

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. 106,917

Change in net assets of governmental activities \$ 1,028,555

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

**TOWN OF ELLINGTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxation	\$ 28,846,121	\$ 28,846,121	\$ 29,337,476	\$ 491,355
Intergovernmental - education	8,726,892	8,726,892	9,844,307	1,117,415
Intergovernmental - other	708,868	708,868	1,101,183	392,315
Charges for goods and services	1,095,980	1,095,980	1,148,549	52,569
Interest and dividends	410,000	410,000	389,893	(20,107)
Other revenues	572,985	572,985	879,694	306,709
Total revenues	<u>40,360,846</u>	<u>40,360,846</u>	<u>42,701,102</u>	<u>2,340,256</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,356,638	1,387,211	1,302,458	(84,753)
Boards and agencies	150,626	150,626	89,526	(61,100)
Public safety	1,875,166	2,015,679	1,983,998	(31,681)
Public works	2,962,918	3,059,561	3,025,277	(34,284)
Recreation	358,680	361,180	348,643	(12,537)
Library	494,421	527,375	527,374	(1)
Human services	447,579	455,005	433,578	(21,427)
Town properties	344,302	378,134	376,101	(2,033)
Miscellaneous	2,505,201	2,325,836	2,122,644	(203,192)
Education	26,726,496	26,726,496	26,671,829	(54,667)
Debt service	3,292,076	3,371,713	3,371,712	(1)
Capital outlays	906,186	950,342	934,602	(15,740)
Total expenditures	<u>41,420,289</u>	<u>41,709,158</u>	<u>41,187,742</u>	<u>(521,416)</u>
Excess (deficiency) of revenues over expenditures	(1,059,443)	(1,348,312)	1,513,360	2,861,672
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	976,743	1,265,612	-	(1,265,612)
Transfers in	82,700	82,700	90,253	7,553
Total other financing sources (uses)	<u>1,059,443</u>	<u>1,348,312</u>	<u>90,253</u>	<u>(1,258,059)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,603,613	<u>\$ 1,603,613</u>
Fund balance - beginning			<u>4,802,640</u>	
Fund balance - ending			<u>\$ 6,406,253</u>	

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

**TOWN OF ELLINGTON**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2008**

	Business-type Activities - Enterprise Funds				Total
	Sewer Authority	Hockanum River	Crystal Lake Sewers	Other Enterprise Funds	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,464	\$ -	\$ -	\$ -	\$ 2,464
Investments	4,862,300	-	1,197,811	-	6,060,111
Receivables:					
Solid waste charges receivable, net of allowances for uncollectibles of \$4,000	-	-	-	29,748	29,748
Sewer usage charges receivable, net of allowances for uncollectibles of \$15,500	68,257	-	31,389	-	99,646
Assessments, interest and liens receivable	27,367	-	39,592	-	66,959
Due from other funds	265,680	-	33,286	-	298,966
Deferred assessments	308,922	-	225,811	46,223	580,956
Prepaid expenses	1,488	-	9,380	-	10,868
Total current assets	<u>5,536,478</u>	<u>-</u>	<u>1,537,269</u>	<u>75,971</u>	<u>7,149,718</u>
Noncurrent assets:					
Deferred asset - pump station	1,498,501	-	-	-	1,498,501
Capital assets:					
Non-depreciable	2,085,613	-	-	-	2,085,613
Depreciable, net	5,180,460	-	4,526,708	-	9,707,168
Total noncurrent assets	<u>8,764,574</u>	<u>-</u>	<u>4,526,708</u>	<u>-</u>	<u>13,291,282</u>
Total assets	<u>14,301,052</u>	<u>-</u>	<u>6,063,977</u>	<u>75,971</u>	<u>20,441,000</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	237,754	-	-	-	237,754
Accrued interest	2,098	-	1,500	-	3,598
Unearned revenue	376,020	-	607,722	46,223	1,029,965
Due to other funds	31,942	-	45,493	162,495	239,930
Bonds payable - current	169,700	-	187,500	-	357,200
Note payable - current	174,476	-	-	-	174,476
Total current liabilities	<u>991,990</u>	<u>-</u>	<u>842,215</u>	<u>208,718</u>	<u>2,042,923</u>
Noncurrent liabilities:					
Bonds payable	1,600,000	-	937,500	-	2,537,500
Note payable	1,324,025	-	-	-	1,324,025
Total noncurrent liabilities	<u>2,924,025</u>	<u>-</u>	<u>937,500</u>	<u>-</u>	<u>3,861,525</u>
Total liabilities	<u>3,916,015</u>	<u>-</u>	<u>1,779,715</u>	<u>208,718</u>	<u>5,904,448</u>
<b>NET ASSETS (DEFICIT)</b>					
Invested in capital assets, net of related debt	5,591,172	-	3,401,708	-	8,992,880
Unrestricted (deficit)	4,793,865	-	882,554	(132,747)	5,543,672
Total net assets (deficit)	<u>\$ 10,385,037</u>	<u>\$ -</u>	<u>\$ 4,284,262</u>	<u>\$ (132,747)</u>	<u>\$ 14,536,552</u>

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

**TOWN OF ELLINGTON**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS (DEFICIT)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total</b>
	<b>Sewer Authority</b>	<b>Hockanum River</b>	<b>Crystal Lake Sewers</b>	<b>Other Enterprise Funds</b>	
<b>OPERATING REVENUES</b>					
Assessments	\$ -	\$ 542,762	\$ 226,960	\$ -	\$ 769,722
User charges, interest and lien fees	1,124,211	-	166,045	-	1,290,256
Permits and fees	16,750	-	3,900	-	20,650
Solid waste fees	-	-	-	453,716	453,716
Miscellaneous	32,536	-	-	-	32,536
Total operating revenues	<u>1,173,497</u>	<u>542,762</u>	<u>396,905</u>	<u>453,716</u>	<u>2,566,880</u>
<b>OPERATING EXPENSES</b>					
Town of Vernon	926,250	-	-	-	926,250
Town of Stafford	-	-	32,411	-	32,411
Depreciation and amortization	196,346	-	134,577	-	330,923
Utilities	26,944	-	11,503	-	38,447
General maintenance and repairs	81,925	-	23,560	-	105,485
Engineering	943	-	-	-	943
Public works and administrative expenses	86,042	-	42,994	499,379	628,415
Legal	2,277	-	-	-	2,277
Advertising	3,296	-	-	-	3,296
Other	5,958	-	5,081	75	11,114
Total operating expenses	<u>1,329,981</u>	<u>-</u>	<u>250,126</u>	<u>499,454</u>	<u>2,079,561</u>
Operating income (loss)	(156,484)	542,762	146,779	(45,738)	487,319
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and investment income	61,730	99,271	24,861	-	185,862
Debt service-interest expense	(77,594)	(7,378)	(63,938)	-	(148,910)
Total non-operating revenues (expenses)	<u>(15,864)</u>	<u>91,893</u>	<u>(39,077)</u>	<u>-</u>	<u>36,952</u>
Income before transfers in (out)	(172,348)	634,655	107,702	(45,738)	524,271
<b>TRANSFERS IN (OUT)</b>					
Change in net assets	3,284,456	(2,744,555)	171,640	(45,738)	665,803
Net assets (deficit) - beginning	<u>7,100,581</u>	<u>2,744,555</u>	<u>4,112,622</u>	<u>(87,009)</u>	<u>13,870,749</u>
Net assets (deficit) - ending	<u>\$ 10,385,037</u>	<u>\$ -</u>	<u>\$ 4,284,262</u>	<u>\$ (132,747)</u>	<u>\$ 14,536,552</u>

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

**TOWN OF ELLINGTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total</b>
	<b>Sewer Authority</b>	<b>Hockanum River</b>	<b>Crystal Lake Sewers</b>	<b>Other Enterprise Funds</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 1,091,180	\$ 586,381	\$ 401,744	\$ 448,991	\$ 2,528,296
Receipts from interfund services provided	372,486	92,469	164,440	50,463	679,858
Payments to suppliers	(1,545,592)	-	(207,132)	(499,454)	(2,252,178)
Payments to employees	(86,042)	-	(42,994)	-	(129,036)
Net cash provided by (used in) operating activities	<u>(167,968)</u>	<u>678,850</u>	<u>316,058</u>	<u>-</u>	<u>826,940</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	250,046	-	-	-	250,046
Principal paid on capital debt	-	(94,900)	(187,500)	-	(282,400)
Interest paid on capital debt	-	(7,378)	(63,938)	-	(71,316)
Transfers in	3,456,804	-	63,938	-	3,520,742
Transfers out	-	(3,379,210)	-	-	(3,379,210)
Net cash provided by (used in) capital and related financing activities	<u>3,706,850</u>	<u>(3,481,488)</u>	<u>(187,500)</u>	<u>-</u>	<u>37,862</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale of investments	-	2,703,367	-	-	2,703,367
Proceeds from sales and maturities of investments	(3,625,995)	-	(153,419)	-	(3,779,414)
Interest and dividends	61,730	99,271	24,861	-	185,862
Net cash (used in) provided by investing activities	<u>(3,564,265)</u>	<u>2,802,638</u>	<u>(128,558)</u>	<u>-</u>	<u>(890,185)</u>
Net decrease in cash and cash equivalents	(25,383)	-	-	-	(25,383)
Cash and cash equivalents, beginning of year	27,847	-	-	-	27,847
Cash and cash equivalents, end of year	<u>\$ 2,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,464</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (156,484)	\$ 542,762	\$ 146,779	\$ (45,738)	\$ 487,319
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	196,346	-	134,577	-	330,923
(Increase) decrease in assets:					
Sewer usage receivable, net	(5,364)	-	(20)	(4,725)	(10,109)
Assessment, interest and liens receivable	(27,667)	43,619	4,859	-	20,811
Due from other funds	451,650	96,671	(2,774)	14,747	560,294
Deferred assessments	(308,922)	308,922	-	-	-
Other assets	4,223	-	9,122	-	13,345
Increase (decrease) in liabilities:					
Accounts payable	(301,653)	-	-	-	(301,653)
Accrued liabilities	2,098	(4,202)	-	-	(2,104)
Unearned revenue	117,687	(308,922)	(14,378)	-	(205,613)
Due to other funds	(139,882)	-	37,893	35,716	(66,273)
Net cash provided by (used in) operating activities	<u>\$ (167,968)</u>	<u>\$ 678,850</u>	<u>\$ 316,058</u>	<u>\$ -</u>	<u>\$ 826,940</u>

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

**TOWN OF ELLINGTON**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2008**

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 74,356	\$ 310,431
Investments	853,974	584,932
Due from other funds	545	-
Total assets	<u>928,875</u>	<u>\$ 895,363</u>
<b>LIABILITIES</b>		
Due to other funds	1,691	-
Deferred revenue	203,115	-
Due to others	-	895,363
Total liabilities	<u>204,806</u>	<u>\$ 895,363</u>
<b>NET ASSETS</b>		
Held in trust for other purposes	<u>\$ 724,069</u>	

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

**TOWN OF ELLINGTON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>	
Contributions - private donations	\$ 95,392
Other income	54,773
Total contributions	150,165
Investment earnings (losses):	
Interest	21,128
Net decrease in the fair value of investments	(10,679)
Total investment earnings/(loss)	10,449
Total additions	160,614
 <b>DEDUCTIONS</b>	
Other expenditures	2,035
Program expenditures	119,845
	121,880
Change in net assets	38,734
Net assets - beginning	685,335
Net assets - ending	\$ 724,069

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

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

**FINANCIAL REPORTING ENTITY**

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

**Related Organizations**

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments. The Town did not receive any proceeds from the Housing Authority for the year ended June 30, 2008.

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 \$52,461 for the year ended June 30, 2008.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

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

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

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

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

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

**Fund Financial Statements**

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major enterprise funds:

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

**Hockanum River Fund** – This fund accounts for all assessments charged to users in the Hockanum River section of the Town. This fund was closed out in 2008 and all activity was transferred to the Sewer Authority Fund.

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

In addition, the Town reports the following fund types:

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

**Agency Funds** – These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities and for performance bonds.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

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

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

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

**Governmental Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**ASSETS, LIABILITIES AND FUND EQUITY**

**Cash Equivalents**

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

**Investments**

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Town presents all investments at fair value, except for money market investments as defined in the Statement, which the Town has elected to report at amortized cost.

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

**Donor-restricted Endowments**

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

Net appreciation of donor-restricted endowments available for expenditure by the Town totaled \$650,589 as of June 30, 2008 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 \$207,900 as of June 30, 2008.

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

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

**Sewer Usage Charges**

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

**Inventories and Prepaid Items**

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

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

**Capital Assets**

Capital assets, which include an arts collection, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend assets lives are not capitalized.

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

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

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

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

**Deferred Asset – Pump Station**

The Town has an operating agreement with a nearby town that operates a waste water treatment facility (“Facility”) which the Town pays an annual user fee in order to use. In 1992, the Facility incurred significant upgrades to improve its operations. These upgrades are to be repaid by all towns that are using the Facility on an allocated basis. The Town has a note payable with the Facility that is due in 2016. As of June 30, 2008 the Town has a noncurrent asset in the Sewer Authority Fund of \$1,498,501, 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 8.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**INTERFUND ACTIVITIES**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

**Interfund Services Provided and Used**

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

**Interfund Transfers**

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

**Interfund Reimbursements**

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

**USE OF ESTIMATES**

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**BUDGETARY INFORMATION**

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level for the Board of Education and the object level for all other departments. Because the legal level of control is more detailed than the accompanying budgetary comparison schedule presented herein, a separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$40,000 must be approved by the Board of Finance. Appropriations in excess of \$40,000 must be approved at a Town meeting. During the year, the Board of Finance and, where required, Town meetings, approved additional appropriations from fund balance of \$288,869.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and "on behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year-end.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**BUDGETARY INFORMATION (Continued)**

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows for the year ended June 30, 2008:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses) - Transfers, net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 42,701,102	\$ 41,187,742	\$ 90,253	\$ 1,603,613
"On-behalf" payments - State Teachers Retirement Fund (see Note 9)	10,435,667	10,435,667	-	-
Changes in encumbrances:				
June 30, 2007	-	121,994	-	(121,994)
June 30, 2008	-	(24,975)	-	24,975
Capital lease not recorded for budgetary purposes	-	268,796	268,796	-
Certain transfers recorded as revenues/expenditures for budgetary purposes	-	(141,532)	(141,532)	-
Changes in designations recorded as expenditures for budgetary purposes:				
Capital projects	-	(241,538)	-	241,538
Capital and nonrecurring	-	580,473	-	(580,473)
Reimbursement for special education costs recorded as a reduction to expenditures for budgetary purposes	489,105	489,105	-	-
Reimbursement from proprietary fund recorded as revenue for budgetary purposes	(366,880)	(366,880)	-	-
GAAP basis	<u>\$ 53,258,994</u>	<u>\$ 52,308,852</u>	<u>\$ 217,517</u>	<u>\$ 1,167,659</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**DEFICIT FUND EQUITY**

The following funds have deficit fund balances as of June 30, 2008, none of which constitutes a violation of statutory provisions:

Fund	Amount
High School / Center School Project	\$ 2,624,107
Watermains, Tripp and Middle Roads	126,779
Solid Waste Collection	5,968

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

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS – CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2008, \$3,864,704 of the Town's bank balance of \$4,261,005 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,483,895
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	380,809
	<u>\$ 3,864,704</u>

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

The Town's cash and cash equivalents as of June 30, 2008 consisted of cash deposits of \$1,715,644 and various certificates of deposit with original maturities in excess of 3 months totaling \$1,803,734. Since these certificates of deposit have maturities greater than 3 months, they are classified as investments in the accompanying financial statements, although they are considered to be cash deposits for purposes of disclosure under GASB No. 40.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

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

A reconciliation of the Town's cash deposits as of June 30, 2008 is as follows:

Government-wide statement of net assets:

Cash and cash equivalents	\$ 1,330,857
Add: certificates of deposits classified as investments	1,803,734
	3,134,591

Statement of fiduciary net assets:

Private purpose trust funds	74,356
Agency funds	310,431
	384,787
	\$ 3,519,378

**INVESTMENTS**

As of June 30, 2008, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities:</b>					
Short Term Investment Fund (STIF)	\$ 2,449,830	\$ 2,449,830	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security Systems Fund (CLASS)	8,264,787	8,264,787	-	-	-
U.S. Treasuries	107,710	35,167	-	72,543	-
Corporate bonds	75,484	25,268	-	50,216	-
Money market funds	80,967	80,967	-	-	-
	10,978,778	\$ 10,856,019	\$ -	\$ 122,759	\$ -
<b>Other investments:</b>					
Equity securities	556,772				
<b>Total</b>	<b>\$ 11,535,550</b>				

Because the STIF and CLASS have weighted average maturities of 22 days and 39 days, respectively, they were presented as investments with maturities of less than one year.

A reconciliation of the Town's investments as of June 30, 2008 is as follows:

Government-wide statement of net assets:

Investments	\$ 11,900,378
Less: certificates of deposits considered cash deposits under GASB Statement No. 40	(1,803,734)
	10,096,644

Statement of fiduciary net assets:

Private purpose trust funds	853,974
Agency funds	584,932
	1,438,906
	\$ 11,535,550

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**INVESTMENTS (Continued)**

**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, 2008:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Short Term Investment Fund (STIF)	\$ 2,449,830	\$ 2,449,830	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security System (CLASS)	8,264,787	-	8,264,787	-	-
Corporate bonds	75,484	50,216	-	25,268	-
Money market funds	80,967	-	-	-	80,967
	<u>\$ 10,871,068</u>	<u>\$ 2,500,046</u>	<u>\$ 8,264,787</u>	<u>\$ 25,268</u>	<u>\$ 80,967</u>

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. 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.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Arts collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Land	2,182,844	325,000	-	2,507,844
Construction in progress	47,310	-	(47,310)	-
Total capital assets, not being depreciated	<u>2,265,752</u>	<u>325,000</u>	<u>(47,310)</u>	<u>2,543,442</u>
Capital assets, being depreciated:				
Buildings and improvements	67,310,603	47,310	-	67,357,913
Equipment	1,371,769	615,000	-	1,986,769
Vehicles	7,037,203	435,907	(1,219,494)	6,253,616
Infrastructure	7,600,281	542,096	-	8,142,377
Total capital assets, being depreciated	<u>83,319,856</u>	<u>1,640,313</u>	<u>(1,219,494)</u>	<u>83,740,675</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	16,407,072	2,096,634	-	18,503,706
Equipment	910,627	320,725	-	1,231,352
Vehicles	5,335,820	402,056	(1,101,844)	4,636,032
Infrastructure	1,394,374	155,572	-	1,549,946
Total accumulated depreciation and amortization	<u>24,047,893</u>	<u>2,974,987</u>	<u>(1,101,844)</u>	<u>25,921,036</u>
Total capital assets, being depreciated, net	<u>59,271,963</u>	<u>(1,334,674)</u>	<u>(117,650)</u>	<u>57,819,639</u>
Governmental activities capital assets, net	<u>\$ 61,537,715</u>	<u>\$ (1,009,674)</u>	<u>\$ (164,960)</u>	<u>\$ 60,363,081</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Construction in progress - Sewer Authority	\$ 1,918,708	\$ 166,905	\$ -	\$ 2,085,613
Total capital assets, not being depreciated	<u>1,918,708</u>	<u>166,905</u>	<u>-</u>	<u>2,085,613</u>
Capital assets, being depreciated:				
Equipment - Sewer Authority	64,443	83,092	-	147,535
Infrastructure - Sewer Authority	9,150,474	-	-	9,150,474
Equipment - Crystal Lake	20,561	49	-	20,610
Infrastructure - Crystal Lake	6,673,516	-	-	6,673,516
Total capital assets, being depreciated	<u>15,908,994</u>	<u>83,141</u>	<u>-</u>	<u>15,992,135</u>
Less accumulated depreciation and amortization for:				
Equipment - Sewer Authority	62,019	3,283	-	65,302
Infrastructure - Sewer Authority	3,859,184	193,063	-	4,052,247
Equipment - Crystal Lake	10,084	296	-	10,380
Infrastructure - Crystal Lake	2,022,757	134,281	-	2,157,038
Total accumulated depreciation and amortization	<u>5,954,044</u>	<u>330,923</u>	<u>-</u>	<u>6,284,967</u>
Total capital assets, being depreciated, net	<u>9,954,950</u>	<u>(247,782)</u>	<u>-</u>	<u>9,707,168</u>
Business-type activities capital assets, net	<u>\$ 11,873,658</u>	<u>\$ (80,877)</u>	<u>\$ -</u>	<u>\$ 11,792,781</u>

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

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

Governmental Activities:

Education	\$ 1,993,920
Public works	404,871
Public safety	329,891
General government	158,805
Library	87,500
Total depreciation and amortization expense - governmental activities	<u><u>\$ 2,974,987</u></u>

Business-type Activities:

Sewer	<u><u>\$ 330,923</u></u>
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**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2008 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	High School/Center School Project	\$ 2,622,712
	Other Governmental Funds	195,001
	Other Enterprise Funds	162,495
	Crystal Lake Sewers	45,493
	Sewer Authority	31,942
	Private Purpose Trust Funds	1,691
		<u>3,059,334</u>
Other Governmental Funds	General Fund	<u>63,190</u>
		<u>\$ 3,122,524</u>
<b>Enterprise Funds</b>		
Sewer Authority	General Fund	265,680
Crystal Lake Sewers	General Fund	33,286
		<u>298,966</u>
<b>Fidiciary Funds</b>		
Private Purpose Trust Funds	General Fund	<u>545</u>
Total due from/to other funds		<u>\$ 3,422,035</u>

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2008 consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Crystal Lake Sewers	\$ 63,938
	Sewer Authority	77,594
		<u>141,532</u>
Other Governmental Funds	General Fund	90,253
		<u>\$ 231,785</u>

The transfers to the Crystal Lake Sewers were to assist in the operations of this fund. The transfer from the Other Governmental Funds were to reimburse the General Fund for expenditures incurred.

**NOTE 7 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2008:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 18,527,500	\$ -	\$ (1,612,500)	\$ 16,915,000	\$ 1,427,500
Unamortized amounts:					
Premium	1,160	-	(139)	1,021	129
Total bonds payable	<u>18,528,660</u>	<u>-</u>	<u>(1,612,639)</u>	<u>16,916,021</u>	<u>1,427,629</u>
Other liabilities:					
Capital leases	1,312,664	268,796	(348,231)	1,233,229	198,713
Note payable	-	325,000	(75,152)	249,848	12,976
Compensated absences	1,142,569	71,980	(3,198)	1,211,351	110,000
	<u>\$ 20,983,893</u>	<u>\$ 665,776</u>	<u>\$ (2,039,220)</u>	<u>\$ 19,610,449</u>	<u>\$ 1,749,318</u>
<b>Business-type Activities</b>					
Bonds payable:					
General obligation bonds	\$ 3,252,100	\$ -	\$ (357,400)	\$ 2,894,700	\$ 357,200
Note payable	1,669,525	-	(171,024)	1,498,501	174,476
Total bonds payable	<u>\$ 4,921,625</u>	<u>\$ -</u>	<u>\$ (528,424)</u>	<u>\$ 4,393,201</u>	<u>\$ 531,676</u>

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**GENERAL OBLIGATION BONDS**

A summary of general obligation bonds outstanding at June 30, 2008 is as follows:

Description of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding
<b>Governmental Activities</b>			
School bonds issued 1994, original amount of \$3,810,000	2014	4.85%	\$ 905,000
School bonds issued 1999, original amount of \$5,390,000	2019	4.00%	2,960,000
Public improvement bonds issued 1990, original amount of \$3,360,000	2011	6.25%	450,000
Public improvement bonds issued 1999, original amount of \$1,650,000	2019	4.00%	885,000
School bonds issued 2002, original amount of \$9,650,000	2022	3.00%	6,525,000
School bonds issued 2003, original amount of \$6,640,000	2023	3.45%	5,190,000
			<u>\$ 16,915,000</u>
<b>Business-type Activities</b>			
Sewer bonds issued 1981, original amount of \$2,642,000	2008	5.00%	\$ 94,700
Sewer bonds issued 1994, original amount of \$3,375,000	2014	4.75%	1,125,000
Sewer bonds issued 2007, original amount of \$1,750,000	2027	5.25%	1,675,000
			<u>\$ 2,894,700</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 \$206,049,669 as of June 30, 2008. 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, 2008.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**GENERAL OBLIGATION BONDS (Continued)**

Annual debt service requirements to maturity at June 30, 2008 are as follows:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2009	\$ 1,427,500	\$ 689,126	\$ 2,116,626
2010	1,417,500	633,594	2,051,094
2011	1,417,500	574,894	1,992,394
2012	1,267,500	520,436	1,787,936
2013	1,267,500	469,382	1,736,882
2014-2018	5,687,500	1,602,934	7,290,434
2019-2023	4,110,000	502,301	4,612,301
2024	320,000	7,040	327,040
	<u>\$ 16,915,000</u>	<u>\$ 4,999,707</u>	<u>\$ 21,914,707</u>

Year ending June 30:	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2009	\$ 357,200	\$ 133,234	\$ 490,434
2010	262,500	115,467	377,967
2011	262,500	102,531	365,031
2012	262,500	90,249	352,749
2013	262,500	77,969	340,469
2014-2018	587,500	245,000	832,500
2019-2023	500,000	146,750	646,750
2024-2028	400,000	42,500	442,500
	<u>\$ 2,894,700</u>	<u>\$ 953,700</u>	<u>\$ 3,848,400</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, 2008 was \$99,193. Additional reimbursements of principal aggregating \$569,966 are expected to be received through the applicable bonds' maturity dates.

**NOTES PAYABLE**

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

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

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**NOTES PAYABLE (Continued)**

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

Year ending June 30:	<b>Governmental Activities</b>		
	<b>Note Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 12,976	\$ 11,025	\$ 24,001
2010	13,572	10,429	24,001
2011	14,195	9,806	24,001
2012	14,847	9,154	24,001
2013	15,529	8,472	24,001
2014-2018	89,026	30,979	120,005
2019-2023	89,703	8,918	98,621
	<u>\$ 249,848</u>	<u>\$ 88,783</u>	<u>\$ 338,631</u>

Year ending June 30:	<b>Business-Type Activities</b>		
	<b>Note Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 174,476	\$ 28,377	\$ 202,853
2010	177,998	24,855	202,853
2011	181,591	21,262	202,853
2012	185,256	17,597	202,853
2013	188,996	13,858	202,854
2014-2016	590,184	18,374	608,558
	<u>\$ 1,498,501</u>	<u>\$ 124,323</u>	<u>\$ 1,622,824</u>

**CAPITAL LEASES**

A summary of assets acquired through capital leases is as follows as of June 30, 2008:

	<b>Governmental Activities</b>
Vehicles	\$ 1,469,855
Computers	330,000
	<u>1,799,855</u>
Less: accumulated amortization	(494,377)
	<u>\$ 1,305,478</u>

Amortization expense relative to leased property under capital leases totaled \$287,181 for the year ended June 30, 2008 and is included in depreciation and amortization expense disclosed in Note 4.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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

**CAPITAL LEASES (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008 is as follows:

Year Ending June 30:	<b>Governmental Activites</b>
2009	\$ 423,972
2010	424,124
2011	260,387
2012	260,387
Total minimum lease payments	<u>1,368,870</u>
Less: amount representing interest	<u>135,641</u>
Present value of minimum lease payments	<u>\$ 1,233,229</u>

**NOTE 8 - 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, 2008 are as follows:

Designated for capital reserves	\$ 2,547,684
Designated for capital and nonrecurring	200,736
Designated for post employment benefits	283,774
	<u>\$ 3,032,194</u>

The amount designated for Capital Reserves totaling \$2,547,684 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 \$91,538, respectively, for 2008 to this account.

**NOTE 9 - 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 \$130,575 for the year ended June 30, 2008. 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.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED CONTRIBUTION PLANS (Continued)**

**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 \$159,807 for the year ended June 30, 2008. Plan enrollment totaled 52 people at June 30, 2008. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the trust are not included in the Town's basic financial statements.

**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

**Description of the Plan**

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

**Terms of the Plan**

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

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/2% of the three-year average of earnings not in excess of the year's breakpoint, plus 2% of the average of earnings for the three highest paid years of service in excess of the year's breakpoint. The year's breakpoint for 2007 is \$46,000.

**Funding Policy**

Covered employees are required by State statute to contribute 2.25% of earnings upon which Social Security Tax is paid plus 5% of earnings on which no Social Security Tax is paid. The Town's current rate of contributions is equivalent to 3.75% of the annual active member payroll. For the year ended June 30, 2008 the Town's annual pension cost of \$329,250 was equal to the Town's required and actual contributions. The required contribution was determined as part of the July 1, 2007 actuarial valuation using the entry age normal cost method. The contribution requirement of plan members and the participating towns are established and may be amended by the State Retirement Commission through revision of State statutes.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

**NOTE 9 - PENSION PLANS (Continued)**

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

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contributions	Actual Contributions	Percentage Contributed
June 30, 2006	\$ 124,722	\$ 124,722	100%
June 30, 2007	242,486	242,486	100%
June 30, 2008	329,250	329,250	100%

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

The funded status of the MERS as of July 1, 2007, the date of the most recent actuarial data, is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) % Funded (1)/(2)	(4) Unfunded AAL (UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (4)/(5)
July 1, 2007	\$ 1,701	\$ 1,640	104%	\$ (61)	\$ 388	(16)

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

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

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

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, 2008, Town teachers contributed \$1,022,413 to the plan and covered payroll for the period was \$14,102,252.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on behalf" payments of \$10,435,667 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.

**TOWN OF ELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2008**

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

Employees covered under various union contracts are eligible to receive post-retirement benefits. Employees are only eligible to receive these benefits after having been employed with the Town for twenty-five years and after having attained a combined number of years employed by the Town and age of seventy-five years.

As of June 30, 2008, there were nine employees who had retired and were receiving benefits. There are currently four employees that are eligible for these benefits. The Town finances the plan on a pay-as-you-go basis. For the year ended June 30, 2008, the Town had expenditures of \$28,468 for these benefits. In addition, the Town has been mandated by court order to pay health insurance premiums for one employee who was injured on the job for life. The total health insurance premiums for this individual were \$17,128 for 2008.

**NOTE 11 - 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 12 - 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.

**NOTE 13 - PRONOUNCEMENT ISSUED BUT NOT YET EFFECTIVE**

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

**Required  
Supplementary  
Information**

**TOWN OF ELLINGTON  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2008**

The following disclosures pertain to the Schedule of Funding Progress (in millions of dollars):

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) % Funded (1)/(2)	(4) Unfunded AAL (UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (4)/(5)
July 1, 2002	\$ 1,403	\$ 1,319	106%	\$ (84)	\$ 322	(26)
July 1, 2003	1,418	1,379	103%	(39)	326	(12)
July 1, 2004	1,434	1,393	103%	(41)	313	(13)
July 1, 2005	1,512	1,465	103%	(47)	352	(13)
July 1, 2006	1,588	1,550	102%	(38)	366	(10)
July 1, 2007	\$ 1,701	\$ 1,640	104%	\$ (61)	\$ 388	(16)

The above schedule contains data for the MERS plan as a whole, of which the Town of Ellington is one participating employer. In order to understand the scale of the MERS compared to the Town, the Town contributed \$329,250 to the MERS for the year ended June 30, 2008 while total contributions to the MERS totaled \$56,453,605, for the same period.

**TOWN OF ELLINGTON**  
**NOTE TO SCHEDULE OF FUNDING PROGRESS**  
**JUNE 30, 2008**

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**NOTE 1 – FUNDING STATUS AND PROGRESS**

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

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

2. The actuarial accrued liability was determined as part of an actuarial valuation at July 1, 2007.
3. Significant actuarial assumptions used include:
  - a. Rate of return on the investment of present and future assets of 8.5% per year compounded annually.
  - b. Projected salary increases of 3.75% per year compounded annually, attributable to inflation.
  - c. Additional projected salary increases ranging from 0.75% to 7.50%, per year, attributable to seniority/merit.
  - d. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases of 4.0% are assumed for those who have reached age 65 and (effective January 1, 2002) increases of 2.5% are assumed for those who have not yet reached age 65. For members that retire after December 31, 2001, increases of 2.6% are assumed, regardless of age.

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

# ***General Fund***

**TOWN OF ELLINGTON**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>OVER</u>
				<u>(UNDER)</u>
<b>PROPERTY TAXATION</b>				
Revenues from Property Taxes	\$ 28,711,121	\$ 28,711,121	\$ 29,168,624	\$ 457,503
Interest and Lien Fees	135,000	135,000	168,852	33,852
Total Property Taxation	<u>28,846,121</u>	<u>28,846,121</u>	<u>29,337,476</u>	<u>491,355</u>
<b>INTERGOVERNMENTAL - EDUCATION</b>				
Education Cost Sharing Grant	8,273,396	8,273,396	9,121,394	847,998
Transportation	308,838	308,838	304,602	(4,236)
Adult Education and Vocational Agriculture	12,593	12,593	9,083	(3,510)
Blind Grant	-	-	23,022	23,022
Building Grant	132,065	132,065	386,206	254,141
Total Intergovernmental - Education	<u>8,726,892</u>	<u>8,726,892</u>	<u>9,844,307</u>	<u>1,117,415</u>
<b>INTERGOVERNMENTAL - OTHER</b>				
Additional Income Veterans	18,229	18,229	17,764	(465)
Circuit Court Fines	1,700	1,700	3,400	1,700
CRRRA Transfer Station Use Fee	12,000	12,000	9,301	(2,699)
Disability Reimbursement	1,190	1,190	1,323	133
Dog Damage	100	100	-	(100)
DOT-Speed Enforcement	14,300	14,300	38,100	23,800
DWI Grant	10,000	10,000	16,841	6,841
Elderly Circuit Breaker Reimbursement	69,928	69,928	73,100	3,172
Emergency Management	4,000	4,000	2,080	(1,920)
Erase Grant	-	-	3,105	3,105
Historical Preserve Award	-	-	7,000	7,000
In Lieu of Taxes - Boats	3,848	3,848	3,849	1
Local Capital Improvement Program	101,561	101,561	102,899	1,338
Manufacturers Machinery/Equipment Grant	124,355	124,355	171,680	47,325
Mashantucket Pequot Fund	82,922	82,922	94,581	11,659
North Central Area Agency on Aging	-	-	3,421	3,421
Pupil Tuition	80,000	80,000	56,313	(23,687)
Secretary of State Election Telephone	-	-	255	255
State Property Forest	7,028	7,028	7,689	661
Telecommunication Service Personal Property Tax	54,777	54,777	52,203	(2,574)
CRRRA Class Action	-	-	242,969	242,969
Crystal Lake Stormceptors	-	-	11,000	11,000
2007-Election Storage	-	-	2,298	2,298
CRRRA-Recyclables Rebate	-	-	12,095	12,095
Town Aid Road	122,930	122,930	167,917	44,987
Total Intergovernmental - Other	<u>708,868</u>	<u>708,868</u>	<u>1,101,183</u>	<u>392,315</u>
<b>CHARGES FOR GOODS AND SERVICES</b>				
Building Department	290,000	290,000	362,115	72,115
Planning and Zoning	85,000	85,000	59,524	(25,476)
Fire Marshal	750	750	698	(52)
Recreation Program Receipts	241,415	241,415	247,025	5,610
Recreation Interagency After School Program	12,500	12,500	-	(12,500)
Cultural Arts	1,000	1,000	-	(1,000)
Town Clerk Conveyance Tax	225,000	225,000	197,173	(27,827)
Town Clerk Recording Fees and Licenses	170,000	170,000	153,802	(16,198)
Aircraft Registration	2,790	2,790	3,460	670
Board of Education	1,000	1,000	213	(787)
Special Duty	20,000	20,000	78,051	58,051
Animal Control Officer Fees and Licenses	23,600	23,600	25,835	2,235
Animal Control Donations	200	200	340	140
Police DARE Donations	1,500	1,500	1,587	87
Youth Service Donations	1,000	1,000	-	(1,000)
Youth Service Activities	8,000	8,000	9,104	1,104
Senior Center Transportation Program	-	-	260	260
Senior Center Donations	500	500	-	(500)
Senior Center EMATS	225	225	1,194	969
Human Service Counseling Services	1,000	1,000	520	(480)
Human Services Municipal Agent	500	500	-	(500)
Human Service Donations	5,000	5,000	6,229	1,229
Human Services Food Pantry Donations	1,000	1,000	243	(757)
Human Services Rope Donations	4,000	4,000	1,176	(2,824)
Total Charges for Goods and Services	<u>1,095,980</u>	<u>1,095,980</u>	<u>1,148,549</u>	<u>52,569</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL - (Continued)**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>INTEREST AND DIVIDENDS</b>				
Interest and Dividends	\$ 410,000	\$ 410,000	\$ 389,893	\$ (20,107)
<b>OTHER REVENUES</b>				
WPCA	366,880	366,880	366,880	-
Closeout-Prior Year Capital Projects	-	-	162,514	162,514
Insurance Claims and Refunds	5,000	5,000	18,452	13,452
WPCA Reimbursement	27,905	27,905	28,900	995
WPCA Reimbursement Maintenance Budget	118,000	118,000	185,956	67,956
Building Demolition	5,000	5,000	-	(5,000)
Cingular Wireless Cell Tower Lease	24,000	24,000	30,800	6,800
Snow Removal Charge-Developers	-	-	51,052	51,052
Sundry Refunds and Receipts	4,000	4,000	5,013	1,013
Rental Income of Town Property	22,200	22,200	11,405	(10,795)
Sale of Property	-	-	18,722	18,722
Total Other Revenues	<u>572,985</u>	<u>572,985</u>	<u>879,694</u>	<u>306,709</u>
<b>TOTAL BUDGETARY REVENUES</b>	<b>\$ <u>40,360,846</u></b>	<b>\$ <u>40,360,846</u></b>	<b>\$ <u>42,701,102</u></b>	<b>\$ <u>2,340,256</u></b>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNDER)</u>
<b>GENERAL GOVERNMENT</b>				
Board of Selectmen	\$ 194,223	\$ 194,223	\$ 193,751	\$ (472)
Board of Finance	8,000	8,000	7,916	(84)
Auditors	39,500	39,500	39,500	-
Auditors - Special Project	100	100	-	(100)
Finance Officer	228,541	236,709	236,020	(689)
Tax Assessor	231,470	231,470	201,605	(29,865)
Tax Collector	133,100	133,100	122,243	(10,857)
Board of Assessments Appeals	500	500	113	(387)
Insurance Advisory Board	100	100	-	(100)
Town Clerk	194,316	194,316	173,305	(21,011)
Town Counsel	100,000	122,405	122,405	-
Probate Court	7,602	7,602	5,932	(1,670)
Town Planner	219,186	219,186	199,668	(19,518)
Total General Government	<u>1,356,638</u>	<u>1,387,211</u>	<u>1,302,458</u>	<u>(84,753)</u>
<b>BOARDS AND AGENCIES</b>				
Registrars and Electors	53,900	53,900	47,285	(6,615)
Economic Development Commission	15,400	15,400	7,928	(7,472)
Planning and Zoning	36,775	36,775	23,054	(13,721)
Design Board	1,000	1,000	-	(1,000)
Zoning Board of Appeals	7,200	7,200	5,816	(1,384)
Permanent Building Commission	1,850	1,850	178	(1,672)
Inland Wetland Agency	16,750	16,750	5,140	(11,610)
Flood & Erosion Control Board	10,000	10,000	-	(10,000)
Conservation Commission	7,750	7,750	125	(7,625)
WPCA	1	1	-	(1)
Total Boards and Agencies	<u>150,626</u>	<u>150,626</u>	<u>89,526</u>	<u>(61,100)</u>
<b>PUBLIC SAFETY</b>				
Center Fire Department	162,000	173,761	173,760	(1)
Crystal Lake Fire Department	63,857	68,397	68,396	(1)
Fire Protection Hydrants	256,830	264,651	264,650	(1)
Emergency 911	38,352	38,364	38,364	-
Police	726,307	751,663	732,629	(19,034)
Police Special Duty	20,000	59,254	59,254	-
Police Drug Abuse Resistance Education	1,500	1,588	1,587	(1)
Animal Control Officer	79,164	79,164	72,911	(6,253)
Emergency Management	17,003	17,003	14,693	(2,310)
Building Department	117,827	117,827	116,078	(1,749)
Volunteer Ambulance	207,150	247,943	247,943	-
Emergency Service Incentive Program	105,000	115,888	115,887	(1)
Public Safety Commission	100	100	-	(100)
Fire Marshal	80,076	80,076	77,846	(2,230)
Total Public Safety	<u>1,875,166</u>	<u>2,015,679</u>	<u>1,983,998</u>	<u>(31,681)</u>
<b>PUBLIC WORKS</b>				
General Town Roads	1,304,978	1,260,822	1,250,683	(10,139)
New Equipment	10,000	10,000	9,957	(43)
Equipment Maintenance	185,613	243,306	243,306	-
Town Garage	59,100	73,009	73,008	(1)
Street Signs	10,000	22,699	22,698	(1)
Grounds Maintenance - BOE/Parks	46,691	54,186	54,186	-
Town Aid Road - Winter	125,707	206,597	206,597	-
Town Aid Road - Materials	236,819	249,442	249,442	-
Sanitary Landfill	456,988	337,873	325,649	(12,224)
Sanitary Recycling	257,424	288,033	288,033	-
Household Hazardous Waste	23,000	23,000	20,295	(2,705)
WPCA Maintenance	87,000	116,534	116,534	-
Street Lighting	82,680	82,680	73,510	(9,170)
Engineer and Inspections	76,918	91,380	91,379	(1)
Total Public Works	<u>2,962,918</u>	<u>3,059,561</u>	<u>3,025,277</u>	<u>(34,284)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	(UNDER) OVER
<b>RECREATION</b>				
Administration	\$ 160,557	160,557	\$ 155,100	\$ (5,457)
Town wide Maintenance	1,500	1,500	1,459	(41)
Summer Play Grounds	24,457	24,457	37,127	12,670
Water Front	21,450	21,450	24,601	3,151
Recreation Programs	78,999	78,999	76,974	(2,025)
Mini-Programs	51,117	51,117	45,070	(6,047)
Parks Recreation Equipment	4,000	4,000	4,007	7
Teen Center Activities	4,000	4,000	-	(4,000)
Cultural Arts	100	100	-	(100)
Inter-Agency After School Program	12,500	12,500	1,805	(10,695)
Shenipstic Lake Recreation	-	-	-	-
Crystal Lake Water Monitor	-	2,500	2,500	-
Total Recreation	<u>358,680</u>	<u>361,180</u>	<u>348,643</u>	<u>(12,537)</u>
<b>LIBRARY</b>				
Hall Memorial Library	494,421	527,375	527,374	(1)
Total Library	<u>494,421</u>	<u>527,375</u>	<u>527,374</u>	<u>(1)</u>
<b>HUMAN SERVICES</b>				
Public Health Nursing	7,225	7,225	3,545	(3,680)
Potter's House	500	500	500	-
Hockanum Industries Inc.	500	500	500	-
Connecticut Legal Services	1,700	1,700	1,700	-
Women's Center Northeast Connecticut	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	21,000	21,000	21,000	-
Food Pantry	500	1,317	1,316	(1)
Rope	16,000	16,000	8,631	(7,369)
Youth Activity Programs	24,845	24,845	17,689	(7,156)
Hartford Interval House	1,500	1,500	1,500	-
Human Services	172,826	172,826	171,340	(1,486)
North Central Health District	52,461	52,461	52,461	-
Welfare	15,000	15,000	14,095	(905)
Municipal Agent	2,000	2,011	2,011	-
Senior Center	126,518	133,116	132,286	(830)
Total Human Services	<u>447,579</u>	<u>455,005</u>	<u>433,578</u>	<u>(21,427)</u>
<b>TOWN PROPERTIES</b>				
Town Hall	327,002	360,834	360,834	-
Center Cemetary	500	500	500	-
Arbor Commons	16,800	16,800	14,767	(2,033)
Total Town Properties	<u>344,302</u>	<u>378,134</u>	<u>376,101</u>	<u>(2,033)</u>
<b>DEBT SERVICE</b>				
Debt Redemption - Principal	2,318,134	2,393,284	2,393,283	(1)
Debt Redemption - Interest	973,942	978,429	978,429	-
Total Debt Service	<u>3,292,076</u>	<u>3,371,713</u>	<u>3,371,712</u>	<u>(1)</u>
<b>MISCELLANEOUS</b>				
Social Security	300,700	300,700	274,319	(26,381)
Insurance	1,672,863	1,481,863	1,481,746	(117)
Insurance Reimbursement and Claims	7,500	17,875	17,874	(1)
Insurance Prior Year	5,000	5,000	-	(5,000)
Service Insurance	56,000	56,000	56,000	-
Contingency Fund	150,000	150,000	150,000	-
Capital Reserve Fund	91,538	91,538	91,538	-
AD HOC Alcohol/Drug Council	7,000	7,584	7,584	-
CADAC-Recreation	2,400	2,400	-	(2,400)
Memorial Day Committee	1,700	1,700	1,646	(54)
Charter Revision Commission	9,000	9,000	3,756	(5,244)
Miscellaneous	2,000	2,000	1,920	(80)
Referendum	25,000	25,000	8,779	(16,221)
Building Demolition/Eviction	20,000	20,000	232	(19,768)
Salary Adjustment	100,000	100,000	-	(100,000)
Town Communications	12,200	12,876	12,876	-
Town Web Site	7,300	7,300	6,525	(775)
Grant Applications	5,000	5,000	-	(5,000)
GIS	30,000	30,000	7,849	(22,151)
Total Miscellaneous	<u>2,505,201</u>	<u>2,325,836</u>	<u>2,122,644</u>	<u>(203,192)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNDER)</u> <u>OVER</u>
<b>CAPITAL OUTLAYS</b>				
Unimproved Road Improvement	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Local Capital Improvement Program	101,561	102,899	102,899	-
Road Overlay	200,000	200,000	200,000	-
Townwide Sidewalks	30,000	30,000	30,000	-
Brookside Park Fencing	38,850	38,850	38,850	-
Recreation-Public Park Upgrade	15,000	15,000	15,000	-
Police Cruisers	32,700	32,700	31,712	(988)
Flood & Erosion Control Board Projects	25,000	25,000	25,000	-
Town Hall-Replacement Cooling System	36,225	46,452	46,451	(1)
Town Hall-Electrical System Replacement	60,000	60,000	46,153	(13,847)
DPW-Storage Building	129,600	162,191	162,190	(1)
Townwide Defibrillators	10,000	10,000	9,146	(854)
EVAC-Defibrillators	20,000	20,000	20,000	-
EVFD/CLFD-Carbon Monoxide Sensors	11,250	11,250	11,250	-
EVFD-Hose Equipment	28,000	28,000	27,951	(49)
BOE-Replacement Vans-Special Ed	18,000	18,000	18,000	-
Total Capital Outlays	<u>906,186</u>	<u>950,342</u>	<u>934,602</u>	<u>(15,740)</u>
<b>EDUCATION</b>				
<b>Salaries</b>				
Administrative	1,086,328	1,089,738	1,089,737	(1)
Faculty	13,097,697	12,819,541	12,819,541	-
Secretarial	640,930	670,647	670,647	-
Custodial	817,745	815,362	815,362	-
Health Aides	227,345	248,156	248,156	-
Instructor Aides	692,208	699,790	699,790	-
General Aides	12,042	36,638	36,637	(1)
Media Personnel	54,542	56,382	56,382	-
Severance	(60,967)	157,589	157,589	-
Secretarial Substitutes	36,120	30,913	30,912	(1)
Custodial Substitutes	34,500	38,946	38,945	(1)
Substitute Teachers	230,824	236,754	236,754	-
Coaches and Advisors	195,134	167,639	167,639	-
Custodial Overtime	87,034	69,762	69,762	-
Total Salaries	<u>17,151,482</u>	<u>17,137,857</u>	<u>17,137,853</u>	<u>(4)</u>
<b>Employee Benefits</b>				
Health Benefits	3,362,422	3,176,445	3,176,444	(1)
Social Security	402,389	401,115	401,114	(1)
Unemployment	15,000	8,225	8,224	(1)
Retirement - MERS	256,966	252,462	252,461	(1)
Course Tuition	1,000	940	939	(1)
Total Employee Benefits	<u>4,037,777</u>	<u>3,839,187</u>	<u>3,839,182</u>	<u>(5)</u>
<b>Contracted Services</b>				
Program Improvement	81,819	76,917	76,917	-
Pupil Services	77,393	63,969	63,969	-
Management Services	17,836	17,135	17,134	(1)
Professional/Tech Services	306,406	382,119	382,118	(1)
Public Utilities-Electricity	483,581	472,513	472,512	(1)
Other Property Services	166,178	171,043	171,043	-
Property Insurance	243,959	262,891	262,891	-
Rentals	120,875	119,968	119,968	-
Repairs Instrument Equipment	44,033	43,375	43,374	(1)
Propane	20,463	134,816	134,815	(1)
Water	40,073	43,522	43,522	-
Repairs/Maintenance	131,768	152,054	152,054	-
Regional Pupil Transportation	1,207,124	1,247,292	1,247,292	-
Conference/Travel/Admin.	23,650	23,336	23,336	-
Conference/Travel/Teachers	8,500	7,514	7,514	-
Special Ed Transportation	324,885	282,980	282,980	-
Athletic Transportation	11,908	9,508	9,508	-
Cheney Vo-Ag Transportation	59,338	59,416	59,416	-
Conference/Travel Support Staff	5,709	2,781	2,780	(1)
Other Transportation Service	7,000	6,943	6,942	(1)
Communications/Telephone	40,471	32,828	32,828	-
Printing /Advertising	38,118	36,808	36,808	-
Outside Tuition	751,991	738,206	738,205	(1)
Total Contracted Services	<u>4,213,078</u>	<u>4,387,934</u>	<u>4,387,926</u>	<u>(8)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE (UNDER) OVER</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>Capital Outlays</b>				
Replacement Equipment	\$ 50,916	\$ 111,800	\$ 111,800	\$ -
Total Capital Outlays	<u>50,916</u>	<u>111,800</u>	<u>111,800</u>	<u>-</u>
<b>Supplies and Materials</b>				
Administrative Supplies	56,166	55,985	55,985	-
Program Supplies	278,548	275,133	275,132	(1)
Special Education	30,131	26,950	26,949	(1)
Basic	113,807	107,836	107,835	(1)
Custodial/Maintenance Gasoline	17,259	17,866	17,865	(1)
Custodial Supplies	62,886	62,355	62,355	-
Heating Fuel and Gasoline	355,687	244,196	244,196	-
Textbooks	61,955	83,850	83,850	-
Library/Media	47,449	43,727	43,726	(1)
Total Supplies and Materials	<u>1,023,888</u>	<u>917,898</u>	<u>917,893</u>	<u>(5)</u>
<b>Miscellaneous</b>				
Dues and Memberships	33,078	32,948	32,947	(1)
Transfer Account	-	54,644	-	(54,644)
Food Service	175,777	170,289	170,289	-
Townwide Maintenance Program	40,500	73,939	73,939	-
Total Miscellaneous	<u>249,355</u>	<u>331,820</u>	<u>277,175</u>	<u>(54,645)</u>
<b>TOTAL BOARD OF EDUCATION</b>	<u>26,726,496</u>	<u>26,726,496</u>	<u>26,671,829</u>	<u>(54,667)</u>
<b>TOTAL BUDGETARY EXPENDITURES</b>	<u>\$ 41,420,289</u>	<u>\$ 41,709,158</u>	<u>\$ 41,187,742</u>	<u>\$ (521,416)</u>

**TOWN OF ELLINGTON**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2008**

GRAND LIST YEAR	BALANCE UNCOLLECTED JUNE 30, 2007	CURRENT LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	BALANCE TO BE COLLECTED	COLLECTIONS			BALANCE UNCOLLECTED JUNE 30, 2008	
			ADDITIONS	DEDUCTIONS			TAXES	INTEREST	LIEN FEES		TOTAL
2006	\$ -	\$ 29,291,517	\$ 72,345	\$ 62,219	\$ -	\$ 29,301,643	\$ 28,990,155	\$ 89,479	\$ 2,172	\$ 29,081,806	\$ 311,488
2005	302,735	-	1,928	16,954	-	287,709	125,779	18,577	1,082	145,438	161,930
2004	134,953	-	1,132	3,796	-	110,015	26,982	10,081	138	37,201	83,033
2003	79,490	-	-	966	(22,274)	78,524	15,028	6,747	168	21,943	63,496
2002	67,358	-	492	928	-	66,922	9,905	9,999	72	19,976	57,017
2001	58,255	-	-	898	-	57,357	12,676	11,512	72	24,260	44,681
2000	48,151	-	-	860	-	47,291	7,966	8,490	126	16,582	39,325
1999	39,229	-	-	1,154	-	38,075	4,394	3,262	48	7,704	33,681
1998	24,953	-	-	1,100	-	23,853	141	1,700	-	1,841	23,712
1997	19,983	-	-	1,100	-	18,883	156	-	-	156	18,727
1996	17,499	-	-	1,038	-	16,461	414	104	-	518	16,047
1995	12,943	-	-	1,038	-	11,905	1,146	951	24	2,121	10,759
1994	9,818	-	-	1,038	-	8,780	75	-	-	75	8,705
1993	10,260	-	-	1,038	-	9,222	19	-	-	19	9,203
1992	19,906	-	-	-	-	19,906	2,927	-	-	2,927	16,979
	\$ 845,533	\$ 29,291,517	\$ 75,897	\$ 94,127	\$ (22,274)	\$ 30,096,546	\$ 29,197,763	\$ 160,902	\$ 3,902	\$ 29,362,567	\$ 898,783

**TOWN OF ELLINGTON**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Total cash collections for the  
year ended June 30, 2008

Taxes	\$ 29,197,763
Interest and lien fees	164,804
Total	<u>29,362,567</u>

Reimbursed for

Tax relief for elderly (CGS 12-129d)

73,100
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Base

<u>\$ 29,435,667</u>
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Debt limitation:

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
2-1/4 times base	\$ 66,230,251	-	-	-	-
4-1/2 times base	-	132,460,502	-	-	-
3-3/4 times base	-	-	110,383,751	-	-
3-1/4 times base	-	-	-	95,665,918	-
3 times base	-	-	-	-	88,307,001
Total debt limitation	<u>66,230,251</u>	<u>132,460,502</u>	<u>110,383,751</u>	<u>95,665,918</u>	<u>88,307,001</u>

Indebtedness:

Bonds and notes payable	2,818,077	15,580,000	4,393,201	-	-
Less: sewer assessments and usage charges receivable	-	-	196,653	-	-
Less: amounts to be provided by the State	-	569,966	-	-	-
Total indebtedness	<u>2,818,077</u>	<u>15,010,034</u>	<u>4,196,548</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of

Outstanding and authorized debt	\$ 63,412,174	\$ 117,450,468	\$ 106,187,203	\$ 95,665,918	\$ 88,307,001
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Total capacity of borrowing (7 times base)

\$ 206,049,669
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Total present indebtedness

<u>22,024,659</u>
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Margin for additional borrowing

<u>\$ 184,025,010</u>
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# ***Combining Statements***

**TOWN OF ELLINGTON**  
**COMBINING BALANCE SHEET - BY FUND TYPE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 247,636	\$ -	\$ -	\$ 247,636
Investments	912,660	172,501	702,251	1,787,412
Receivables:				
Grants and contracts receivable	36,634	23,127	-	59,761
Other	96,877	-	-	96,877
Due from other funds	60,994	-	2,196	63,190
Inventories	5,755	-	-	5,755
Total assets	<u>\$ 1,360,556</u>	<u>\$ 195,628</u>	<u>\$ 704,447</u>	<u>\$ 2,260,631</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 93,665	\$ 937	\$ 1,361	\$ 95,963
Due to other funds	172,811	22,190	-	195,001
Unearned/deferred revenue	79,645	-	-	79,645
Due to funding source	15,606	-	-	15,606
Total liabilities	<u>361,727</u>	<u>23,127</u>	<u>1,361</u>	<u>386,215</u>
Fund Balances:				
Reserved for:				
Inventories	5,755	-	-	5,755
Sanitation	47,622	-	-	47,622
Document preservation	22,483	-	-	22,483
Land preservation	13,330	-	-	13,330
Endowments	-	-	52,497	52,497
Unreserved	909,639	172,501	650,589	1,732,729
Total fund balances	<u>998,829</u>	<u>172,501</u>	<u>703,086</u>	<u>1,874,416</u>
Total liabilities and fund balances	<u>\$ 1,360,556</u>	<u>\$ 195,628</u>	<u>\$ 704,447</u>	<u>\$ 2,260,631</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BY FUND TYPE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,271,473	\$ 126,026	\$ -	\$ 1,397,499
Charges for services	362,736	-	-	362,736
Food sales	566,846	-	-	566,846
Interest and dividends	32,007	5,267	1,513	38,787
Other income	204,643	30,506	20,052	255,201
Total revenues	<u>2,437,705</u>	<u>161,799</u>	<u>21,565</u>	<u>2,621,069</u>
<b>EXPENDITURES</b>				
Current:				
Miscellaneous	-	-	8,211	8,211
Program expenditures	2,418,726	102,899	46,150	2,567,775
Capital outlays	-	23,127	-	23,127
Total expenditures	<u>2,418,726</u>	<u>126,026</u>	<u>54,361</u>	<u>2,599,113</u>
Excess (deficiency) of revenues over expenditures	18,979	35,773	(32,796)	21,956
<b>OTHER FINANCING USES</b>				
Transfers out	(90,253)	-	-	(90,253)
Total other financing uses	<u>(90,253)</u>	<u>-</u>	<u>-</u>	<u>(90,253)</u>
Net change in fund balances	(71,274)	35,773	(32,796)	(68,297)
Fund balances - beginning	<u>1,070,103</u>	<u>136,728</u>	<u>735,882</u>	<u>1,942,713</u>
Fund balances - ending	<u>\$ 998,829</u>	<u>\$ 172,501</u>	<u>\$ 703,086</u>	<u>\$ 1,874,416</u>

*Special Revenue  
Funds*

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2008**

	CRRRA Sanitation Control	Dog Fund	Education Grants	School Lunch	Ambulance Fee Program	Youth Service Bureau	HUD		Historic Document Preservation
							Small Cities Housing Rehab Program		
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ 124,503	\$ 115,422	\$ 7,691	\$ -	\$ -	\$ -	\$ -
Investments	47,622	-	-	-	544,632	-	59,952	-	14,841
Receivables:									
Grants and contracts receivable	-	-	6,921	16,376	-	-	-	-	-
Other	-	-	-	-	96,877	-	-	-	-
Due from other funds	-	12,707	-	-	-	6,800	-	-	7,642
Inventories	-	-	-	5,755	-	-	-	-	-
Total assets	\$ 47,622	\$ 12,707	\$ 131,424	\$ 137,553	\$ 649,200	\$ 6,800	\$ 59,952	\$ -	\$ 22,483

**LIABILITIES AND FUND BALANCES**

Liabilities:									
Accounts payable	\$ -	\$ -	\$ 82,725	\$ 9,510	\$ 1,224	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	7,331	-	19,825	-	-
Unearned/deferred revenue	-	-	45,800	-	-	-	-	-	-
Due to funding source	-	12,707	2,899	-	-	-	-	-	-
Total liabilities	-	12,707	131,424	9,510	8,555	-	19,825	-	-

**Fund Balances:**

Reserved for:									
Inventories	-	-	-	5,755	-	-	-	-	-
Sanitation	47,622	-	-	-	-	-	-	-	-
Document preservation	-	-	-	-	-	-	-	-	22,483
Land preservation	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	122,288	640,645	6,800	40,127	-	-
Total fund balances	47,622	-	-	128,043	640,645	6,800	40,127	-	22,483
Total liabilities and fund balances	\$ 47,622	\$ 12,707	\$ 131,424	\$ 137,553	\$ 649,200	\$ 6,800	\$ 59,952	\$ -	\$ 22,483

**TOWN OF ELLINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2008**

	Small Cities Program Income	HUD Small Cities Rehab 2005	Town Land Preservation	DOT Elderly and Disabled	Mental Health and Addiction Services	Land Use Fees Fund	HUD Small Cities Rehab 2007	Total Nonmajor Special Revenue Funds
\$	-	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 247,636
Cash and cash equivalents	185,344	-	17,234	-	-	43,035	-	912,660
Investments	-	-	-	-	-	-	-	-
Receivables:								
Grants and contracts receivable	-	-	-	-	-	-	13,337	36,634
Other	-	-	-	-	-	-	-	96,877
Due from other funds	-	-	-	-	33,845	-	-	60,994
Inventories	-	-	-	-	-	-	-	5,755
Total assets	\$ 185,344	\$ 10	\$ 17,234	\$ -	\$ 33,845	\$ 43,035	\$ 13,347	\$ 1,360,556

**LIABILITIES AND FUND BALANCES**

Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206	\$ 93,665
Due to other funds	127,041	-	3,904	-	-	1,569	13,141	172,811
Unearned/deferred revenue	-	-	-	-	33,845	-	-	79,645
Due to funding source	-	-	-	-	-	-	-	15,606
Total liabilities	127,041	-	3,904	-	33,845	1,569	13,347	361,727

Fund Balances:

Reserved for:								
Inventories	-	-	-	-	-	-	-	5,755
Sanitation	-	-	-	-	-	-	-	47,622
Document preservation	-	-	-	-	-	-	-	22,483
Land preservation	-	-	13,330	-	-	-	-	13,330
Unreserved	58,303	10	-	-	-	41,466	-	909,639
Total fund balances	58,303	10	13,330	-	-	41,466	-	998,829
Total liabilities and fund balances	\$ 185,344	\$ 10	\$ 17,234	\$ -	\$ 33,845	\$ 43,035	\$ 13,347	\$ 1,360,556

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUNDS BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	CRRR Sanitation Control	Dog Fund	Education Grants	School Lunch	Ambulance Fee Program	Youth Service Bureau	HUD		Historic Document Preservation
							Small Cities Housing Rehab Program		
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ 750,091	\$ 138,640	\$ -	\$ 19,000	\$ -	\$ -	\$ -
Charges for services	-	73,395	-	-	263,923	-	-	-	-
Food sales	-	-	-	566,846	-	-	-	-	-
Interest and dividends	1,668	-	-	3,321	17,135	-	2,141	520	-
Other income	-	-	88,873	-	-	-	-	6,066	-
Total revenues	1,668	73,395	838,964	708,807	281,058	19,000	2,141	6,586	-
<b>EXPENDITURES</b>									
Current:									
Program expenditures	-	73,395	838,964	764,738	60,738	15,701	19,925	-	-
Total expenditures	-	73,395	838,964	764,738	60,738	15,701	19,925	-	-
Excess (deficiency) of revenues over expenditures	1,668	-	-	(55,931)	220,320	3,299	(17,784)	6,586	-
<b>OTHER FINANCING USES</b>									
Transfers out	-	-	-	-	(90,253)	-	-	-	-
Net change in fund balances	1,668	-	-	(55,931)	130,067	3,299	(17,784)	6,586	-
Fund balances - beginning	45,954	-	-	183,974	510,578	3,501	57,911	15,897	-
Fund balances - ending	\$ 47,622	\$ -	\$ -	\$ 128,043	\$ 640,645	\$ 6,800	\$ 40,127	\$ 22,483	\$ -

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUNDS BALANCES (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Small Cities Program Income	HUD Small Cities Rehab 2005	Town Land Preservation	DOT Elderly and Disabled	Mental Health and Addiction Services	Land Use Fees Fund	HUD Small Cities Rehab 2007	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 227,898	\$ -	\$ 21,000	\$ 101,507	\$ -	\$ 13,337	\$ 1,271,473
Charges for services	25,418	-	-	-	-	-	-	362,736
Food sales	-	-	-	-	-	-	-	566,846
Interest and dividends	6,618	-	604	-	-	-	-	32,007
Other income	-	-	87,959	-	-	21,745	-	204,643
Total revenues	32,036	227,898	88,563	21,000	101,507	21,745	13,337	2,437,705
<b>EXPENDITURES</b>								
Current:								
Program expenditures	189,925	227,898	85,804	21,000	101,507	5,794	13,337	2,418,726
Total expenditures	189,925	227,898	85,804	21,000	101,507	5,794	13,337	2,418,726
Excess (deficiency) of revenues over expenditures	(157,889)	-	2,759	-	-	15,951	-	18,979
<b>OTHER FINANCING USES</b>								
Transfers out	-	-	-	-	-	-	-	(90,253)
Net change in fund balances	(157,889)	-	2,759	-	-	15,951	-	(71,274)
Fund balances - beginning	216,192	10	10,571	-	-	25,515	-	1,070,103
Fund balances - ending	\$ 58,303	\$ 10	\$ 13,330	\$ -	\$ -	\$ 41,466	\$ -	\$ 998,829

***Capital Projects  
Funds***

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2008**

	Windsorville Road Improvement	Local Capital Improvement Program	Town Sidewalk Fund	Windermere Road Improvements	Dept. of Public Works Maintenance
<b>ASSETS</b>					
Investments	\$ 25,345	\$ -	\$ 37,331	\$ 18,092	\$ 91,733
Grants and contract receivables	-	-	-	-	-
Total assets	<u>\$ 25,345</u>	<u>\$ -</u>	<u>\$ 37,331</u>	<u>\$ 18,092</u>	<u>\$ 91,733</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Unreserved	25,345	-	37,331	18,092	91,733
Total fund balances	<u>25,345</u>	<u>-</u>	<u>37,331</u>	<u>18,092</u>	<u>91,733</u>
Total liabilities and fund balances	<u>\$ 25,345</u>	<u>\$ -</u>	<u>\$ 37,331</u>	<u>\$ 18,092</u>	<u>\$ 91,733</u>

**TOWN OF ELLINGTON  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2008**

	STEAP Pinney House	Total Nonmajor Capital Projects Funds	
<b>ASSETS</b>			
Investments	-	\$ 172,501	
Grants and contracts receivable	23,127	23,127	
Total assets	23,127	\$ 195,628	
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	937	\$ 937	
Due to other funds	22,190	22,190	
Total liabilities	23,127	23,127	
Fund Balances:			
Unreserved	-	172,501	
Total fund balances	-	172,501	
Total liabilities and fund balances	23,127	\$ 195,628	

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Windsorville Road Improvement	Local Capital Improvement Program	Town Sidewalk Fund	Windermere Road Improvements	Dept. of Public Works Maintenance
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 102,899	\$ -	\$ -	\$ -
Interest and dividends	888	-	1,307	634	2,438
Other Income	-	-	-	-	30,506
Total revenues	888	102,899	1,307	634	32,944
<b>EXPENDITURES</b>					
Current:					
Program expenditures	-	102,899	-	-	-
Capital outlays	-	-	-	-	-
Total expenditures	-	102,899	-	-	-
Excess of revenues over expenditures	888	-	1,307	634	32,944
Fund balances - beginning	24,457	-	36,024	17,458	58,789
Fund balances - ending	\$ 25,345	\$ -	\$ 37,331	\$ 18,092	\$ 91,733

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	STEAP Pinney House		Total Nonmajor Capital Projects Funds
<b>REVENUES</b>			
Intergovernmental	23,127	\$	126,026
Interest and dividends	-		5,267
Other Income	-		30,506
Total revenues	23,127		161,799
<b>EXPENDITURES</b>			
Current:			
Program expenditures	-		102,899
Capital outlays	23,127		23,127
Total expenditures	23,127		126,026
Excess of revenues over expenditures	-		35,773
Fund balances - beginning	-		136,728
Fund balances - ending	-	\$	172,501

*Permanent  
Funds*

**TOWN OF ELLINGTON  
COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS  
JUNE 30, 2008**

	Marshall E. Charter	Kimball Memorial	John T. McKnight Maintenance	Eugene K. Mosley	Arthur Hyde	Sarah H. McKinney
<b>ASSETS</b>						
Investments	\$ 395,339	\$ 74,147	\$ 14,876	\$ 155	\$ 311	\$ 777
Due from other funds	1,186	246	49	-	-	-
Total assets	<u>\$ 396,525</u>	<u>\$ 74,393</u>	<u>\$ 14,925</u>	<u>\$ 155</u>	<u>\$ 311</u>	<u>\$ 777</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 55	\$ 111	\$ 277
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>	<u>111</u>	<u>277</u>

**Fund Balances:**

Reserved for endowments	\$ 29,697	\$ 5,000	\$ 1,000	\$ 100	\$ 200	\$ 500
Unreserved	366,828	69,393	13,925	-	-	-
Total fund balances	<u>396,525</u>	<u>74,393</u>	<u>14,925</u>	<u>100</u>	<u>200</u>	<u>500</u>
Total liabilities and fund balances	<u>\$ 396,525</u>	<u>\$ 74,393</u>	<u>\$ 14,925</u>	<u>\$ 155</u>	<u>\$ 311</u>	<u>\$ 777</u>

**TOWN OF ELLINGTON**  
**COMBINING BALANCE SHEET (Continued)**  
**NONMAJOR PERMANENT FUNDS**

**JUNE 30, 2008**

	Hall			Total Nonmajor Permanent Funds
	Mary Wadsworth Gardner	Memorial Library Fund	Wiley Fund	
<b>ASSETS</b>				
Investments	\$ 59,739	\$ 155,353	\$ 1,554	\$ 702,251
Due from other funds	200	515	-	2,196
Total assets	<u>\$ 59,939</u>	<u>\$ 155,868</u>	<u>\$ 1,554</u>	<u>\$ 704,447</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:				
Accounts payable	\$ 364	\$ -	\$ 554	\$ 1,361
Due to other funds	-	-	-	-
Total liabilities	<u>364</u>	<u>-</u>	<u>554</u>	<u>1,361</u>
Fund Balances:				
Reserved for endowments	\$ 5,000	\$ 10,000	\$ 1,000	52,497
Unreserved	54,575	145,868	-	650,589
Total fund balances	<u>59,575</u>	<u>155,868</u>	<u>1,000</u>	<u>703,086</u>
Total liabilities and fund balances	<u>\$ 59,939</u>	<u>\$ 155,868</u>	<u>\$ 1,554</u>	<u>\$ 704,447</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Marshall E. Charter	Kimball Memorial	John T. McKnight Maintenance	Eugene K. Mosley	Arthur Hyde	Sarah H. McKinney
<b>REVENUES</b>						
Interest and dividends	\$ 1,323	\$ -	\$ -	\$ 5	\$ 11	\$ 27
Other income	10,849	2,238	449	-	-	-
Total revenues	12,172	2,238	449	5	11	27
<b>EXPENDITURES</b>						
Current:						
Program expenditures	23,343	4,808	964	5	11	27
Miscellaneous	4,442	917	184	-	-	-
Total expenditures	27,785	5,725	1,148	5	11	27
Deficiency of revenues over expenditures	(15,613)	(3,487)	(699)	-	-	-
Fund balances - beginning	412,138	77,880	15,624	100	200	500
Fund balances - ending	\$ 396,525	\$ 74,393	\$ 14,925	\$ 100	\$ 200	\$ 500

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (Continued)**

**NONMAJOR PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Mary Wadsworth Gardner	Hall Memorial Library Fund	Wiley Fund	Total Nonmajor Permanent Funds
<b>REVENUES</b>				
Interest and dividends	\$ 93	\$ -	\$ 54	\$ 1,513
Other income	1,827	4,689	-	20,052
Total revenues	<u>1,920</u>	<u>4,689</u>	<u>54</u>	<u>21,565</u>
<b>EXPENDITURES</b>				
Current:				
Program expenditures	6,864	10,074	54	46,150
Miscellaneous	748	1,920	-	8,211
Total expenditures	<u>7,612</u>	<u>11,994</u>	<u>54</u>	<u>54,361</u>
Deficiency of revenues over expenditures	(5,692)	(7,305)	-	(32,796)
Fund balances - beginning	65,267	163,173	1,000	735,882
Fund balances - ending	<u>\$ 59,575</u>	<u>\$ 155,868</u>	<u>\$ 1,000</u>	<u>\$ 703,086</u>

*Proprietary  
Funds*

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF NET ASSETS (DEFICIT)**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2008**

	<b>Solid Waste Collection</b>	<b>Watermains, Tripp and Middle Roads</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Solid waste charges receivable, net of allowance for uncollectibles of \$4,000	\$ 29,748	\$ -	\$ 29,748
Deferred assessments	-	46,223	46,223
Total assets	<u>29,748</u>	<u>46,223</u>	<u>75,971</u>
<b>LIABILITIES</b>			
Current liabilities:			
Deferred revenue	-	46,223	46,223
Due to other funds	35,716	126,779	162,495
Total liabilities	<u>35,716</u>	<u>173,002</u>	<u>208,718</u>
<b>NET ASSETS (DEFICIT)</b>			
Unrestricted	(5,968)	(126,779)	(132,747)
Total net assets (deficit)	<u>\$ (5,968)</u>	<u>\$ (126,779)</u>	<u>\$ (132,747)</u>

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS (DEFICIT)**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Solid Waste Collection</b>	<b>Watermains, Tripp and Middle Roads</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Solid waste fees	\$ 453,716	\$ -	\$ 453,716
Total operating revenues	<u>453,716</u>	<u>-</u>	<u>453,716</u>
<b>OPERATING EXPENSES</b>			
Public works and administrative expenses	499,379	-	499,379
Other	75	-	75
Total operating expenses	<u>499,454</u>	<u>-</u>	<u>499,454</u>
Change in net assets	(45,738)	-	(45,738)
Net assets (deficit) - beginning	<u>39,770</u>	<u>(126,779)</u>	<u>(87,009)</u>
Net assets (deficit) - ending	<u>\$ (5,968)</u>	<u>\$ (126,779)</u>	<u>\$ (132,747)</u>

**TOWN OF ELLINGTON  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Solid Waste Collection</b>	<b>Watermains, Tripp and Middle Roads</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 448,991	\$ -	\$ 448,991
Receipts from (payments for) interfund services provided	50,463	-	50,463
Payments to suppliers	(499,454)	-	(499,454)
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>			
Operating loss	\$ (45,738)	\$ -	\$ (45,738)
(Increase) decrease in assets:			
Sewer usage receivable, net	(4,725)	-	(4,725)
Due from other funds	14,747	-	14,747
Increase in liabilities:			
Due to other funds	35,716	-	35,716
Net cash (used in) provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF ELLINGTON  
SCHEDULE OF SEWER USAGE CHARGES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2008**

GRAND LIST YEAR	UNCOLLECTED USER CHARGES JUNE 30, 2007 & CURRENT LEVY		LAWFUL CORRECTIONS	USER CHARGES COLLECTIBLE	ACTUAL CASH COLLECTIONS			TOTAL	UNCOLLECTED USER CHARGES JUNE 30, 2008
		\$			USER CHARGES	INTEREST	LIEN FEES		
2007	1,192,273	\$	74,441	\$ 1,266,714	\$	6,536	\$	1,212,859	\$ 60,391
2006	54,324		-	54,324	38,317	5,461	1,002	44,780	16,007
2005	17,292		-	17,292	7,337	2,585	732	10,654	9,955
2004	9,956		-	9,956	3,831	1,949	468	6,248	6,125
2003	7,263		-	7,263	919	651	168	1,738	6,344
2002	6,643		-	6,643	1,984	2,029	153	4,166	4,659
2001	4,455		-	4,455	1,599	1,479	188	3,266	2,856
2000	4,037		-	4,037	451	533	55	1,039	3,586
1999	1,534		-	1,534	-	-	-	-	1,534
1998	1,514		-	1,514	-	-	-	-	1,514
1997	1,340		-	1,340	-	-	-	-	1,340
1996	1,071		-	1,071	156	89	-	245	915
1995	690		-	690	-	-	-	-	690
1994	688		-	688	-	-	-	-	688
1993	696		-	696	-	-	-	-	696
1992	740		-	740	-	-	-	-	740
1991	700		-	700	-	-	-	-	700
	<u>1,305,216</u>	\$	<u>74,441</u>	<u>1,379,657</u>	<u>1,260,917</u>	<u>21,312</u>	<u>2,766</u>	<u>1,284,995</u>	<u>118,740</u>

***Fiduciary  
Funds***

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

**JUNE 30, 2008**

	<b>Municipal Land Trust Fund</b>	<b>Public Health Nursing</b>	<b>John T. McKnight</b>	<b>Hall Memorial Library</b>	<b>D.A.R.E.</b>	<b>Senior Center Donation</b>	<b>Graduation Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 60,003	\$ -	\$ -	\$ 3,242
Investments	20,949	2,235	25,178	-	3,326	39,603	11,912
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>20,949</u>	<u>2,235</u>	<u>25,178</u>	<u>60,003</u>	<u>3,326</u>	<u>39,603</u>	<u>15,154</u>
<b>LIABILITIES</b>							
Due to other funds	-	-	-	-	-	-	1,691
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,691</u>
<b>NET ASSETS</b>							
Held in trust for other purposes	<u>\$ 20,949</u>	<u>\$ 2,235</u>	<u>\$ 25,178</u>	<u>\$ 60,003</u>	<u>\$ 3,326</u>	<u>\$ 39,603</u>	<u>\$ 13,463</u>

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

**JUNE 30, 2008**

	Senior Citizen Activity	Hall Memorial Endowment	Hall Memorial Myrtle Eddy	Hall Memorial Moriarty	Open Space	Total Private Purpose Trust Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 11,111	\$ -	\$ -	\$ -	\$ -	\$ 74,356
Investments	-	148,210	5,407	10,754	586,400	853,974
Due from other funds	-	491	18	36	-	545
Total assets	11,111	148,701	5,425	10,790	586,400	928,875
<b>LIABILITIES</b>						
Due to other funds	-	-	-	-	-	1,691
Deferred revenue	-	-	-	-	203,115	203,115
Total liabilities	-	-	-	-	203,115	204,806
<b>NET ASSETS</b>						
Held in trust for other purposes	\$ 11,111	\$ 148,701	\$ 5,425	\$ 10,790	\$ 383,285	\$ 724,069

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Municipal Land Trust Fund	Public Health Nursing	John T. McKnight	Hall Memorial Library	D.A.R.E.	Senior Center Donation	Graduation Fund
<b>ADDITIONS</b>							
Private donations	\$ -	\$ -	\$ -	\$ 43,246	\$ -	\$ 3,025	\$ 17,005
Other income	-	-	-	19,282	-	-	-
Total contributions	-	-	-	62,528	-	3,025	17,005
Investment earnings (losses):							
Interest	734	78	882	211	165	1,325	413
Net decrease in the fair value of investments	-	-	-	-	-	-	-
Total investment earnings (losses)	734	78	882	211	165	1,325	413
Total additions	734	78	882	62,739	165	4,350	17,418
<b>DEDUCTIONS</b>							
Other expenditures	-	-	-	-	-	-	-
Program expenditures	-	-	-	64,354	1,587	500	17,554
Total deductions	-	-	-	64,354	1,587	500	17,554
Change in net assets	734	78	882	(1,615)	(1,422)	3,850	(136)
Net Assets Held in Trust for Others:							
Beginning	20,215	2,157	24,296	61,618	4,748	35,753	13,599
Ending	\$ 20,949	\$ 2,235	\$ 25,178	\$ 60,003	\$ 3,326	\$ 39,603	\$ 13,463

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Senior Citizen Activity	Hall Memorial Endowment	Hall Memorial Myrtle Eddy	Hall Memorial Moriarty	Open Space	Total Private Purpose Trust Funds
<b>ADDITIONS</b>						
Private donations	\$ 32,116	\$ -	\$ -	\$ -	\$ -	\$ 95,392
Other income	-	4,473	56	111	30,851	54,773
Total contributions	32,116	4,473	56	111	30,851	150,165
Investment earnings (losses):						
Interest	34	-	-	-	17,286	21,128
Net decrease in the fair value of investments	-	(9,610)	(358)	(711)	-	(10,679)
Total investment earnings (losses)	34	(9,610)	(358)	(711)	17,286	10,449
Total additions	32,150	(5,137)	(302)	(600)	48,137	160,614
<b>DEDUCTIONS</b>						
Other expenditures	-	1,832	68	135	-	2,035
Program expenditures	35,850	-	-	-	-	119,845
Total deductions	35,850	1,832	68	135	-	121,880
Change in net assets	(3,700)	(6,969)	(370)	(735)	48,137	38,734
Net Assets Held in Trust for Others:						
Beginning	14,811	155,670	5,795	11,525	335,148	685,335
Ending	\$ 11,111	\$ 148,701	\$ 5,425	\$ 10,790	\$ 383,285	\$ 724,069

**TOWN OF ELLINGTON**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Balance, July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2008</u>
<b>CASH AND CASH EQUIVALENTS</b>				
Ellington Center School	\$ 4,853	\$ 14,989	\$ 18,485	\$ 1,357
Ellington High School	102,157	374,560	376,688	100,029
Ellington School Use Activity	32,968	10,699	8,686	34,981
Crystal Lake School	2,691	8,145	9,099	1,737
Windermere School	26,771	44,877	45,949	25,699
Special Education Preschool Department	35,191	47,649	50,974	31,866
Board of Education Educational Services	2,784	23,780	25,657	907
Special Education Petty Cash Reimbursement	885	14,463	14,943	405
Ellington Middle School	67,075	128,988	139,391	56,672
Special Education Account	301	56,314	2	56,613
Petty Cash - BOE	90	-	-	90
Petty Cash - All Schools	296	1,739	1,960	75
<b>INVESTMENTS</b>				
Construction Performance Bonds	556,773	40,289	12,130	584,932
Total Assets	<u>\$ 832,835</u>	<u>\$ 766,492</u>	<u>\$ 703,964</u>	<u>\$ 895,363</u>
<b>DUE TO OTHERS</b>				
Ellington Center School	\$ 4,853	\$ 14,989	\$ 18,485	\$ 1,357
Ellington High School	102,157	374,560	376,688	100,029
Ellington School Use Activity	32,968	10,699	8,686	34,981
Crystal Lake School	2,691	8,145	9,099	1,737
Windermere School	26,771	44,877	45,949	25,699
Special Education Preschool Department	35,191	47,649	50,974	31,866
Board of Education Educational Services	2,784	23,780	25,657	907
Special Education Petty Cash Reimbursement	885	14,463	14,943	405
Ellington Middle School	67,075	128,988	139,391	56,672
Special Education Account	301	56,314	2	56,613
Petty Cash - BOE	90	-	-	90
Petty Cash - All Schools	296	1,739	1,960	75
Due to Contractors	556,773	40,289	12,130	584,932
Total Liabilities	<u>\$ 832,835</u>	<u>\$ 766,492</u>	<u>\$ 703,964</u>	<u>\$ 895,363</u>