

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

TOWN OF WINCHESTER,
CONNECTICUT



Office of the
Director of Finance

TOWN OF WINCHESTER, CONNECTICUT

Comprehensive Annual Financial Report

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**

Department of Finance
Henry L. Centrella, Jr.
Director of Finance

INTRODUCTORY SECTION

TOWN OF WINCHESTER, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

Introductory Section	<u>Page</u>	
Table of Contents	i-ii	
Letter of Transmittal	iii-viii	
GFOA Certificate of Achievement	ix	
Organizational Chart	x	
List of Elected and Appointed Officials	xi	
Financial Section		
Independent Auditors' Report	1-2	
Management's Discussion and Analysis	3-17	
<u>Exhibit</u>		
Basic Financial Statements		
Government-Wide Financial Statements		
I	Statement of Net Assets	18
II	Statement of Activities	19
Fund Financial Statements		
III	Balance Sheet - Governmental Funds	20-21
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22-23
V	Statement of Net Assets - Proprietary Funds	24
VI	Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	25
VII	Statement of Cash Flows - Proprietary Funds	26
VIII	Statement of Fiduciary Net Assets - Fiduciary Funds	27
IX	Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	28
	Notes to the Financial Statements	29-57
Required Supplementary Information		
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund - Non-GAAP Budgetary Basis	58
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund - Non-GAAP Budgetary Basis	59-61

Exhibit**Page**

Supplemental, Combining and Individual Fund Statements and Schedules

	Nonmajor Governmental Funds	
A-1	Combining Balance Sheet - Nonmajor Governmental Funds	62-66
A-2	Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	67-71
A-3	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Dog Fund - Non-GAAP Budgetary Basis	72
	Fiduciary Funds	
B	Statement of Changes in Assets and Liabilities - Agency Funds	73
	Supplemental Schedules	
C-1	Schedule of Property Taxes Levied, Collected and Outstanding	74
C-2	Schedules of Water and Sewer Rents Levied, Collected and Outstanding	75

Statistical Section**Table**

	Financial Trends	
1	Net Assets by Component	76
2	Changes in Net Assets	77
3	Fund Balances of Governmental Funds	78
4	Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	79
	Revenue Capacity	
5	Assessed and Estimated Actual Value of Taxable Property	80
6	Principal Taxpayers	81
7	Property Tax Levies and Collections	82
	Debt Capacity	
8	Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita	83
9	Schedule of Debt Limitation	84
10	Legal Debt Margin Information	85
	Demographic and Economic Statistics	
11	Demographic and Economic Statistics	86
12	Principal Employers	87
	Operating Information	
13	Full-Time Equivalent Government Employees by Function/Program	88
14	Operating Indicators by Function/Program	89
15	Capital Asset Statistics by Function/Program	90



TOWN OF WINCHESTER - CITY OF WINSTED

Town Hall - 338 Main Street
WINSTED, CONNECTICUT 06098

November 16, 2011

To the Board of Selectmen and Citizens of the Town of Winchester:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we are pleased to issue the comprehensive annual financial report (CAFR) of the Town of Winchester for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the Town of Winchester. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Winchester has established an internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Winchester's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Winchester's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Winchester's financial statements have been audited by Blum, Shapiro & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Winchester for the fiscal year ended June 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Winchester's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that the management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Winchester's MD&A can be found immediately following the independent auditors' report.

State and federal "single audits" were also performed as required by state and federal law, respectively. The purpose of these audits is to determine whether the Town of Winchester complied with the laws and regulations and applicable compliance requirements of the major state and federal assistance programs, and whether the Town maintained controls to assure compliance.

Profile of the Government

The Town of Winchester, located in Litchfield County, is a political subdivision situated about 29 miles northwest of Hartford in the watersheds of the Farmington and Naugatuck Rivers. It is bordered on the north by the Town of Colebrook, on the south by the City of Torrington, on the east by the Town of Barkhamsted, and on the west by the Towns of Norfolk and Goshen. It covers a land area of approximately 33.8 square miles. The City of Winsted is located within the Town of Winchester but has no separate government. Winchester was first settled and incorporated as a Town in 1732. The Town sits at the crossroads of U.S. Route No. 44 and State Route No. 8. State Routes No. 20 and 183 also traverse the Town. There are 81.3 miles of Town roads, of which 72.5 miles are paved, and 23.4 miles of State roads.

The Town of Winchester is governed under a home-rule charter last revised in 2001 that provides a Manager/Selectmen/Town Meeting form of government with a seven-member Board of Selectmen that also serves as the Board of Finance. Elections are held biennially in November in every odd-numbered year. The residents also have the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The Town Manager is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board. The Board of Selectmen appoints members to various commissions and boards.

The Town's annual budget meeting is held on the first Monday in May. Prior to adjournment to budget referendum, the electors at the annual town budget meeting review the budget as presented by the Board of Selectmen and have the power to amend, but not increase, any line item of the budget. The annual budget meeting is then adjourned to a referendum for approval.

The Town provides a full range of services, including general government operations; police and fire protection; the construction and maintenance of highways, streets and other infrastructure; health and welfare services; cultural and recreational activities and education. The Town has 17 recreational areas, including a newly constructed skate park.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Winchester operates.

Economic Condition and Outlook. Winchester is primarily a residential community with single-family homes. Most residents are in the manufacturing, education, health and social services categories. Recent data from United States Department of Commerce indicates that Winchester's per capita income as of 2000 is \$22,589 as compared to the State of Connecticut's \$28,766. The Town's population decreased 7.5% over the past decade.

A recently completed revaluation led to a 27% increase in assessed property values. This growth was largely due to appreciation of residential properties located in the Town's Highland Lake area. The tax base is primarily zoned residential (84%) with an important industrial and commercial presence (16%).

Unfortunately, the Town of Winchester's bond rating was reduced in November 2010 from Aa3 to A1. The primary reason for this downgrade was due to decline in the Town's fund balance.

Major Initiatives

Economic Development

The Economic Development Commission remains committed to expanding the Town's commercial and industrial base and is looking for opportunities to create readily marketable properties in the Town's industrially zoned areas.

The Commission has recognized that it needs to aggressively market certain of the Town's most favorable attributes. To accomplish the goals of the Commission, all developmental grants and similar incentives will be aggressively pursued. This would include but not be limited to new property development, facilities improvement grants, and recreational funding.

Comprehensive Economic Development Strategy (CEDS)

During the spring of 2003, the Town, in partnership with the Litchfield Hills Council of Elected Officials, contracted with a consultant firm to prepare a regional Comprehensive Economic Development Strategy (CEDS). The plan, completed in June 2004, identifies economic development projects, which have positive impacts on the regional and local economy. The CEDS document will afford the Town access to Federal Economic Development Administration grant and loan funds which are currently not available.

In addition, the Town is working to update its Plan of Conservation and Development to reflect current and future needs. As part of this effort, the Town is developing a GIS system to better analyze and project future growth opportunities and infrastructure needs.

Regional Out-Reach

In unison with the CEDS project, the Town is in the Northwest CT Economic Development Corporation. The Corporation is a public/private development arm for the projects to be identified in the CEDS document.

Brownfields

The Town is actively working to assist with the remediation of “brownfield” sites. To date, the United States Environmental Protection Agency has awarded the Town \$550,000 in grant money to study and redevelop several potentially contaminated manufacturing sites located in the downtown and Highland Lake areas.

The primary goal of the program is to assist Winchester in overcoming environmental barriers to the redevelopment of Brownfield sites and attracts new development to the area. The program funds have been used for Phase I through Phase III environmental testing of Brownfield properties, increasing community involvement and environmental awareness, and identifying cleanup strategies.

Main Street Enhancement Project

With the completion of the \$4.8± million Phase I of the Main Street Improvement Program, the Town took a major step forward in its goal of revitalizing its central business district. The Town is now working on Phase II of the project and hopes to begin construction in 2009.

The Town is currently utilizing State funds to improve and refurbish a park area adjacent to Northwest Community College and is looking for additional opportunities to work with merchants and property owners in the Main Street area.

National Main Street

The Connecticut Main Street Program, in partnership with “Friends of Main Street,” continues to play a critical role in the ongoing efforts to revitalize our Main Street and has won several awards for those efforts.

Still River Greenway

The Still River Greenway is a proposed five mile long, ten-foot wide paved recreational trail running from the intersection of Willow and Rowley Streets in the Town of Winchester south along Torrington Road for 2.5 miles to Harris Road in the City of Torrington. The trail will be handicap accessible and will be designed for walking, jogging, bicycling, in-line skating and cross-country skiing. Funding for this \$1,875,000 project was provided by a Federal TEA-21 grant in the amount of \$1.5 million. The grant will cover 80% of the project costs. The remaining 20% will come from the Town of Winchester, the City of Torrington and the Still River Greenway Committee. The State of Connecticut Department of Transportation is currently reviewing final design plans. The construction phase began in the fall of 2007 and was completed in the summer of 2008.

Capital Improvement Project

In June of 2005, the Town of Winchester authorized five capital improvement projects totaling \$7,590,525. These projects were placed into the five categories as part of the referendum authorization process. The categories and their related dollar authorizations are Town Facilities Improvements \$1,970,085, Public Safety Projects \$810,920, Streets and Sidewalks Projects \$2,353,325, Education Projects \$1,093,445 and Sewer Projects \$1,362,750. It is anticipated that grant funds will be secured to offset the final amount the Town will be required to bond. Current estimates have the Town portion of the bonds to be \$6 million and the Sewer portion of the bonds to be \$1.2 million.

Engineers are still reviewing some of the projects and it is anticipated that all projects have been started and will be completed by the spring of 2011. Permanent financing took place in November of 2008.

Budgetary Controls. The Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the electors at referendum. Budget administration is performed by the Department of Finance. The budget is legally enacted at the department expenditure level, which serves as a management tool; budgetary control is maintained at the department level within character of expenditure. This is achieved through the use of full encumbrance system, which encumbers appropriations upon the issuance of purchase orders. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of the fund balance at June 30. Transfers within a department may be made during the fiscal year upon approval by the Board of Selectmen. Transfers between departments can only be made during the last three months of the fiscal year, once again, with approval by the Board of Selectmen. Management cannot amend the budget.

Cash Management Policies and Practices. In April 1990, the Town formally adopted an investment policy. This was done in conjunction with the close scrutiny of New England banks by federal regulators. This policy seeks to maintain the safety and liquidity of the investments and provide for the optimum yield on the investments. The policy provides for specific financial information to be obtained from the financial institution holding Town assets to ensure that their financial position falls within the legal requirements of State statutes that govern a municipality's deposits in financial institutions.

Risk Management. The Town of Winchester is a member of the Connecticut Interlocal Risk Management Agency (CIRMA). CIRMA is a nonprofit, tax-exempt association of Connecticut municipalities and local public agencies. It was formed in 1980 by the Connecticut Conference of Municipalities (CCM) to establish and administer an interlocal risk management program pursuant to the Connecticut General Statutes.

The Town of Winchester has its workers' compensation insurance and portions of its liability-automobile-property insurance with CIRMA. Other portions of its liability-automobile-property insurance are with various insurance companies. The Town's insurance agent is the Litchfield Insurance Group. The Town has a safety committee which meets monthly to review and implement any recommendations by the insurance carriers.

Fiduciary Fund Operation. Fiduciary Funds are used to account for funds that the Town holds in a trustee capacity or as an agent for individuals or organizations. The Town of Winchester Town Employees Pension Trust Fund is used to account for contributions, pension benefits and other costs that are associated with the operations of the pension plan.

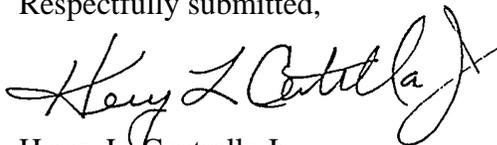
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the nineteenth year the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would have not been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. The preparation of the Comprehensive Annual Financial Report requires a major effort, and I would like to express my appreciation to those who assisted and contributed to the preparation of this report. I would also like to thank the Board of Selectmen and the Town Manager for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manger.

Respectfully submitted,



Henry L. Centrella Jr.
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Winchester
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

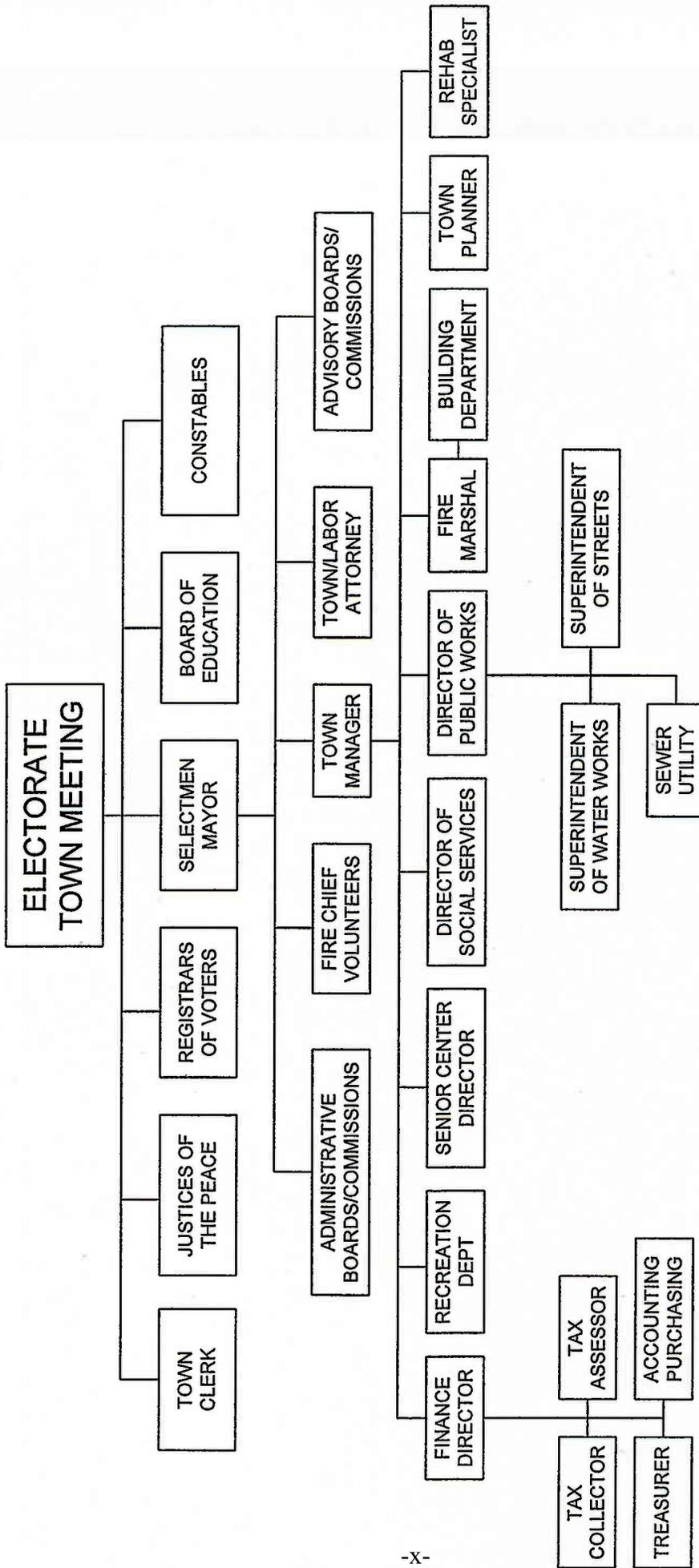
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

ORGANIZATIONAL CHART



TOWN OF WINCHESTER, CONNECTICUT
LIST OF ELECTED AND APPOINTED OFFICIALS
AS OF JUNE 30, 2010

Mayor:	Althea Perez
Board of Selectmen:	Glen Albanesius Karen Beadle George Closson Kenneth Fracasso Michael Renzullo Lisa R. Smith
Board of Tax Review:	Mark Arcelaschi, Chairman Jackie Mulvey Joyce Miles Walter St. Onge, Jr. Samuel Demonstrani
Director of Public Works:	James Rotondo
Town Manager:	Paul Vayer, Interim
Director of Finance:	Henry L. Centrella, Jr.
Treasurer:	Spencer C. Monroe
Tax Collector:	Arlene M. Boutin
Town Clerk:	Sheila S. Sedlack
Purchasing Agent:	Mark A. Douglass
Town Assessor:	Janice L. McKie
Superintendent of Schools:	Blaise A. Salerno

FINANCIAL SECTION



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Selectmen
Town of Winchester, 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 Winchester, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of Winchester, Connecticut'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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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 Winchester, Connecticut, as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, 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 November 16, 2011 on our consideration of the Town of Winchester, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

Management's discussion and analysis on pages 3 through 17 and the budgetary comparison information on pages 58 through 61 are not required parts 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 of Winchester, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Blum, Shapiro & Company, P.C.

November 16, 2011

Management's Discussion and Analysis

Introduction

This Annual Financial Report meets the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. GASB Statement 34 requires that we, as managers of the Town of Winchester, focus on our most important, or “major” funds, including the General Fund.

Fund statements measure and report the “operating results” of many funds by measuring cash on hand and other assets that can easily be converted to cash. These statements show the short-term performance of individual funds using the same measures governments use when financing current operations. On the other hand, if we charge a fee to users for services, fund information will continue to be based on accrual accounting. Showing budgetary compliance has always been an important part of governmental accountability. Our financial statements include the *original* budget as well as the final amended budget.

Our hope is to provide you, the reader, with an objective and readable analysis of our financial performance for the year. Taken together, the following statements should enable you to assess whether Winchester's financial position has improved or deteriorated as a result of the year's operations. The annual report includes government-wide financial statements prepared on the accrual basis for all of your government's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year (or shortly thereafter).

In summary, the government-wide financial statements will help you:

- Assess the finances of Winchester in its entirety, including the year's operating results;
- Determine whether our overall financial position improved or deteriorated;
- Evaluate whether our current-year revenues were sufficient to pay for current-year services;
- See the costs of providing you the services you have requested of us;
- See how we finance the programs you have asked for - through user fees and other program revenues versus general tax revenues;
- Understand the extent to which your government has invested in capital assets, including roads, bridges, sewers, water systems, schools, parks and other infrastructure assets;
- Make better comparisons between governments.

The Annual Financial Report includes the following information and financial statements as defined by GASB Statement 34:

✱ **Management’s Discussion and Analysis (MD&A)**

The MD&A offers an introduction to the basic financial statements and an analytical overview of the government’s financial activities. The MD&A provides an objective and easily readable analysis of the Town’s financial activities based on currently known facts, decisions, or conditions. The MD&A

- Includes comparisons of the current year to the prior year based on government-wide information;
- Provides an analysis of our overall financial position and the results of operations to assist you in assessing whether our financial position has improved or deteriorated as a result of the year’s activities;
- Analyzes significant changes in fund and major budget variances;
- Describes capital asset and long-term debt activity during the year;
- Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on our financial position or the results of our operations.

✱ **Basic Financial Statements**

- ***Government-Wide Financial Statements*** are designed to provide readers with a broad overview of the Town of Winchester’s finances, in a manner similar to private-sector business.
 - They include a *statement of net assets* which presents information on all of the Town of Winchester’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 government’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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the government. Both of the government-wide financial statements distinguish functions of Winchester 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 Board of Education, public works, public safety, general government, health, parks and recreation, library, waste disposal and recycling, and interest on

long-term debt. Our business-type activities include the Water and Sewer Commission. The government-wide financial statements include only the Town of Winchester itself (known as the *primary government*). There is no legally separate unit of government or governmental function (*component unit*) for which the Town is financially accountable. The Water and Sewer Commission, although legally separate, functions for all practical purposes as a department of the Town and, therefore, has been included as an integral part of the primary government;

- Fiduciary activities whose resources are not available to finance our governmental programs are excluded from these statements.

Capital assets, including infrastructure, are reported along with depreciation expense in the statement of activities. Net assets are reported as capital assets net of related debt, restricted, and unrestricted. Permanent endowments or permanent fund principal amounts are included in restricted net assets.

Expenses are presented reduced by program revenues, resulting in a measurement of “net (expense) revenue” for each of the government’s functions. Program expenses include all direct expenses. General revenues such as taxes and special and extraordinary items are reported separately, ultimately arriving at the change in net assets for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

➤ ***Fund Financial Statements*** are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Winchester, like other state and local governments, 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 fund* financial statements include financial data for the general fund, special revenue funds, capital projects, and permanent funds and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *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 a government’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 activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of the government-wide financial statements. By doing so, our readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a

reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The Town of Winchester maintains forty individual governmental funds. Three of these funds, the general fund, the sewer assessment fund, and the small cities fund are considered major funds, and thirty-seven are treated as nonmajor funds consisting of twenty-six special revenue funds, a capital project fund, and ten permanent 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, the small cities fund, and the sewer assessment fund. Data from the thirty-seven nonmajor 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. Winchester adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- *Proprietary fund* financial statements, including financial data for enterprise and internal service funds, are prepared using the economic resources measurement focus and the accrual basis of accounting. The Town of Winchester 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 two enterprise funds to account for the operations of its Water and Sewer Commission. Because water and sewer services predominantly benefit business-type functions, they have been included as a separate column in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Commission.
- *Fiduciary fund* financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Winchester's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fund financial statements are presented for primary government and proprietary funds. Governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Proprietary fund statements are comprised of a statement of net assets, a statement of revenues, expenses, and changes in net fund assets, and a statement of cash flows. A summary reconciliation of the fund and government-wide statements accompanies the fund financial statements.

Separate columns are shown for the General Fund and for other major governmental and enterprise funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Other funds that we believe are

particularly important to you are also reported as a major fund. Nonmajor funds are reported in the aggregate in a separate column.

Governmental fund balances are segregated into reserved and unreserved categories.

Proprietary fund net assets are reported in the same categories required for government-wide financial statements. Proprietary fund statements of net assets distinguish between current and noncurrent assets and liabilities.

The statements distinguish between operating and nonoperating revenues and expenses in proprietary fund statements of revenues, expenses, and changes in net fund assets. At the bottom of these statements, we reflect transfers in arriving at the all-inclusive change in fund net assets.

We present separate fiduciary fund statements used to report assets held in a trustee or agency capacity for others and which cannot be used our own programs. We must show a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Fiduciary fund statements also disclose interfund loans, interfund services provided and used, and interfund transfers.

➤ Notes to the Financial Statements

- Consist of notes that provide information essential to your understanding of the data provided in the government-wide and fund financial statements.

➤ Required Supplementary Information (RSI)

- Consists of the MD&A;
- The Town of Winchester's progress in funding its obligation to provide pension benefits to its employees.

Immediately following the required supplementary information on pensions is the detailed budgetary comparison schedules for the General Fund. These budgetary schedules are required to be included to demonstrate whether resources were obtained and used in accordance with the legally adopted budget.

As management of the Town of Winchester, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here on conjunction with additional information that we have furnished in our letter of transmittal which can be found elsewhere in this report.

Financial Highlights

- The assets of the Town of Winchester for both governmental and business-type activities exceeded liabilities at the close of the most recent year by \$69,751,630 (net assets). Our governmental activities reflect negative unrestricted net assets in the amount of (\$1,027,616) indicating there are currently no net assets that may be used to meet our ongoing obligations to citizens and creditors. Our business-type activities have negative unrestricted net assets of (\$869,187).
- The primary government's total net assets decreased by \$1,897,978 and our business-type activity net assets declined by \$1,435,966.

- As of the close of the current fiscal year, Winchester’s governmental funds reported combining ending net fund balances of \$1,038,078, a decrease of \$662,133 in comparison with the prior year. Total unreserved fund balance amounts to a net \$398,946.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$711,143, or 2.32% of total General Fund revenues of \$30,630,238.
- The Town of Winchester’s long-term debt decreased by \$425,000 for governmental activities and decreased by \$962,422 for business-type (water and sewer) activities. Both the governmental activities and water and sewer debt decrease was the result of scheduled principal payments on bonded and long-term debt. (See Note 3E. Long-Term Debt, of Notes to Financial Statements).

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of our financial position. In the case of the Town of Winchester, assets exceeded liabilities by \$69,751,630 at the close of the most recent fiscal year.

Almost all of our net assets reflect our investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. We use 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.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 8,064,736	\$ 7,909,278	\$ (456,993)	\$ 277,554	\$ 7,607,743	\$ 8,186,832
Capital assets, net	<u>44,124,723</u>	<u>44,532,087</u>	<u>39,359,019</u>	<u>41,105,746</u>	<u>83,483,742</u>	<u>85,637,833</u>
Total assets	<u>52,189,459</u>	<u>52,441,365</u>	<u>38,902,026</u>	<u>41,383,300</u>	<u>91,091,485</u>	<u>93,824,665</u>
Long-term debt outstanding	11,724,454	11,060,336	6,226,410	7,207,104	17,950,864	18,267,440
Other liabilities	<u>3,143,559</u>	<u>2,161,605</u>	<u>245,432</u>	<u>310,046</u>	<u>3,388,991</u>	<u>2,471,651</u>
Total liabilities	<u>14,868,013</u>	<u>13,221,941</u>	<u>6,471,842</u>	<u>7,517,150</u>	<u>21,339,855</u>	<u>20,739,091</u>
Net Assets:						
Invested in capital assets, net of debt	37,827,059	37,616,669	33,299,371	34,073,572	71,126,430	71,690,241
Restricted	522,003	504,466			522,003	504,466
Unrestricted	<u>(1,027,616)</u>	<u>1,098,289</u>	<u>(869,187)</u>	<u>(207,422)</u>	<u>(1,896,803)</u>	<u>890,867</u>
Total Net Assets	<u>\$ 37,321,446</u>	<u>\$ 39,219,424</u>	<u>\$ 32,430,184</u>	<u>\$ 33,866,150</u>	<u>\$ 69,751,630</u>	<u>\$ 73,085,574</u>

The negative balance of *unrestricted net assets* not comprising capital assets indicates there are no available net assets to be used to meet our ongoing obligations to citizens and creditors.

At the end of the current fiscal year, we are able to report positive balances in two of the three categories of net assets for the government as a whole. Last year, we reported positive balances in all three categories of net assets.

The Town's governmental net assets decreased by \$1,897,978 during the current fiscal year. We realized net general revenues and transfers of \$20,854,365. Net operating expenditures of \$22,752,343 and transfers out of \$218,408 exceeded by our revenues by the amount of the net assets decrease. Gross governmental expenditures of \$36,254,654 (\$1,028,478 less than last year) were offset by a combination of \$20,094,437 in property taxes, \$656,300 of unrestricted grants, operating grants in the amount of \$12,122,738, charges for services equaling \$601,031, capital grants and contributions of \$778,542, investment earnings of \$18,379, and miscellaneous grants and income of \$303,654. We transferred \$218,408 from the sewer assessment fund to the Water and Sewer Commission for debt service on its sewer bonds. Of the total gross expenditures, \$23,530,225 was accounted for by the Board of Education. Public safety expenditures of \$4,839,257, general government outlays of \$3,287,307 (\$1,111,072 less than last year), and public works operations in the amount of \$3,222,727 accounted for the largest of the expenditures in the governmental activities category.

The Town of Winchester reports a drop in net assets in connection with the business-type activities of the Water and Sewer Commission in the amount of \$1,435,966. The water operation decreased net assets by \$478,285 while the sewer operation dropped \$957,681. Water and sewer users paid a combined \$2,631,723 in service charges, fines, and penalties which did not fully cover the \$4,286,097 of operating and interest expenses. The \$218,408 transfer in earlier mentioned reduced the initial operating deficit from \$1,654,374 to the \$1,435,966 previously discussed.

The combination of governmental activities and business-type activities resulted in a drop in overall net assets of \$3,333,944.

Governmental Activities

Governmental activities decreased the Town of Winchester's net assets by \$1,897,978 and business-type activities reduced net assets by \$1,435,966 as already stated. Key elements of this decrease are as follows:

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 601,031	\$ 656,660	\$ 2,631,723	\$ 2,679,908	\$ 3,232,754	\$ 3,336,568
Operating grants and contributions	12,122,738	12,026,399			12,122,738	12,026,399
Capital grants and contributions	778,542	753,033		96,630	778,542	849,663
General revenues:						
Property taxes	20,094,437	20,168,038			20,094,437	20,168,038
Grants and contributions not restricted to specific purpose	656,303	1,008,005			656,303	1,008,005
Unrestricted investment earnings	18,379	10,581		154	18,379	10,735
Other general revenues, net	303,654	348,863			303,654	348,863
Total revenues	<u>34,575,084</u>	<u>34,971,579</u>	<u>2,631,723</u>	<u>2,776,692</u>	<u>37,206,807</u>	<u>37,748,271</u>
Program expenses:						
Board of Education	23,530,225	23,536,659			23,530,225	23,536,659
Public safety	4,839,257	4,414,454			4,839,257	4,414,454
Public works	3,222,727	3,484,852			3,222,727	3,484,852
General government	3,287,307	4,398,379			3,287,307	4,398,379
Health	287,221	313,813			287,221	313,813
Parks and recreation	263,574	268,004			263,574	268,004
Library	161,795	197,941			161,795	197,941
Waste disposal and recycling	360,824	363,464			360,824	363,464
Interest on long-term debt	301,724	305,566			301,724	305,566
Water			1,976,247	1,809,639	1,976,247	1,809,639
Sewer			2,309,850	1,751,541	2,309,850	1,751,541
Total program expenses	<u>36,254,654</u>	<u>37,283,132</u>	<u>4,286,097</u>	<u>3,561,180</u>	<u>40,540,751</u>	<u>40,844,312</u>
Deficiency Before Transfers	(1,679,570)	(2,311,553)	(1,654,374)	(784,488)	(3,333,944)	(3,096,041)
Transfers	<u>(218,408)</u>	<u>(215,838)</u>	<u>218,408</u>	<u>215,838</u>	<u>-</u>	<u>-</u>
Decrease in Net Assets	(1,897,978)	(2,527,391)	(1,435,966)	(568,650)	(3,333,944)	(3,096,041)
Net Assets - July 1, as Restated	<u>39,219,424</u>	<u>41,746,815</u>	<u>33,866,150</u>	<u>34,434,800</u>	<u>73,085,574</u>	<u>76,181,615</u>
Net Assets - June 30	<u>\$ 37,321,446</u>	<u>\$ 39,219,424</u>	<u>\$ 32,430,184</u>	<u>\$ 33,866,150</u>	<u>\$ 69,751,630</u>	<u>\$ 73,085,574</u>

Governmental Activities

Revenues

- Generally, revenues remained consistent with 2009 except for a \$351,702 decline in unrestricted grants reflecting a drop in the manufacturer's machinery and equipment grant of \$214,044 and the reimbursement for state property/colleges/hospitals of \$110,005.

Expenses

- Government activity expenses decreased by \$1,028,478 from FY 2009 primarily as a result of a \$1,111,072 drop in general government over last year arising from accounting for ARRA moneys as a reduction in expenditures rather than a revenue.

Net assets were also negatively affected by the \$662,133 decline in fund balances, depreciation charges \$407,364 in excess of new capital assets, and \$1,313,299 of pension, OPEB, pollution remediation, and claims and judgments obligations.

Chart 1 presents the costs of each of our five largest programs, as well as each program’s net cost (total cost less revenues generated by the activities). The Net Cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

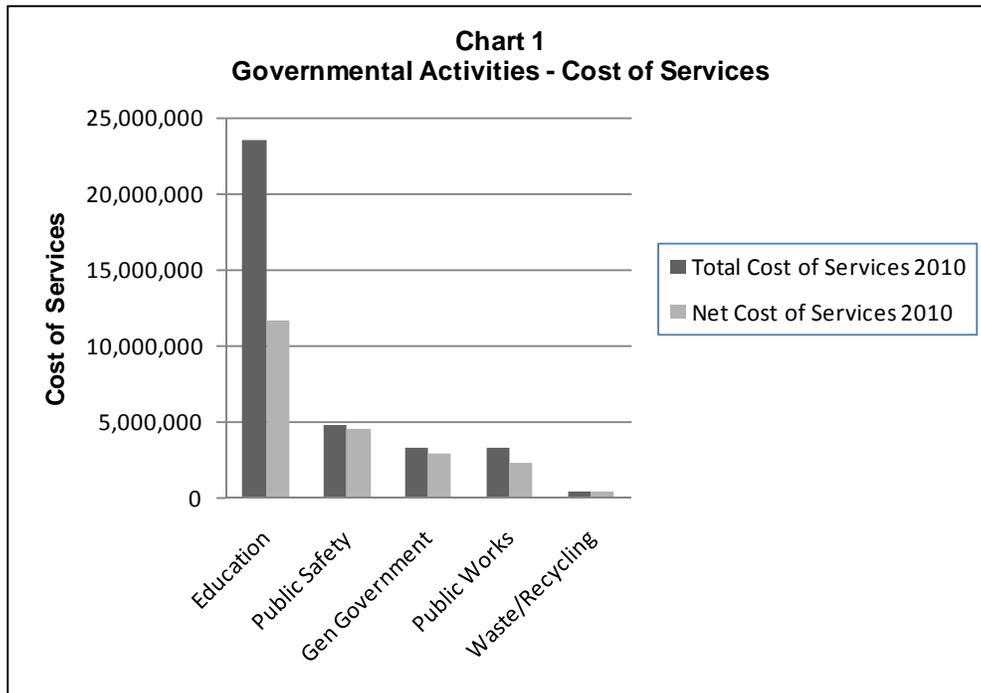
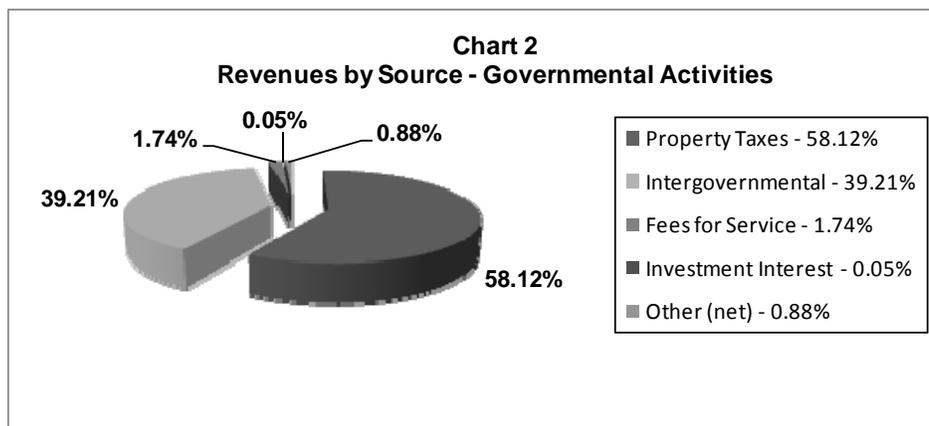


Chart 2 presents the various sources of revenue that fund our operations. The percentages indicate what part of the whole each segment represents.

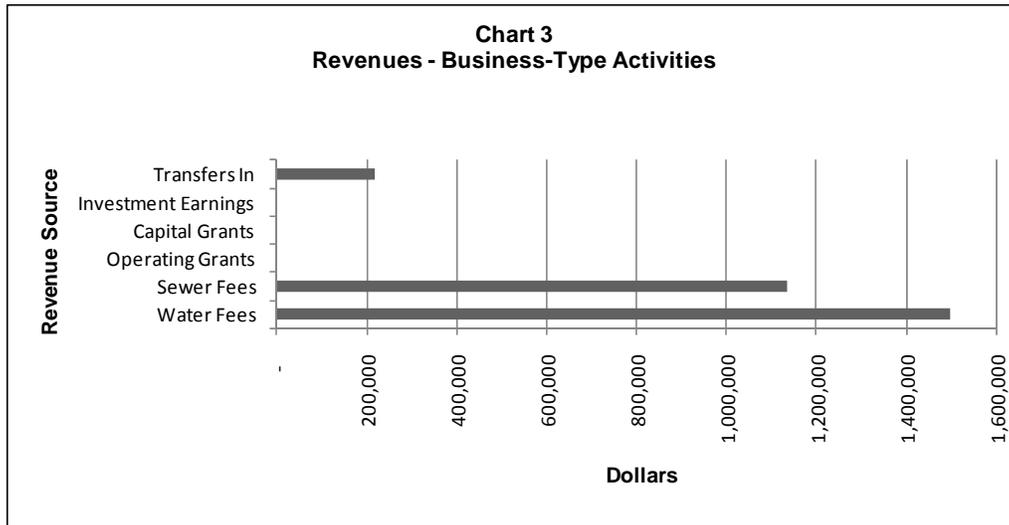


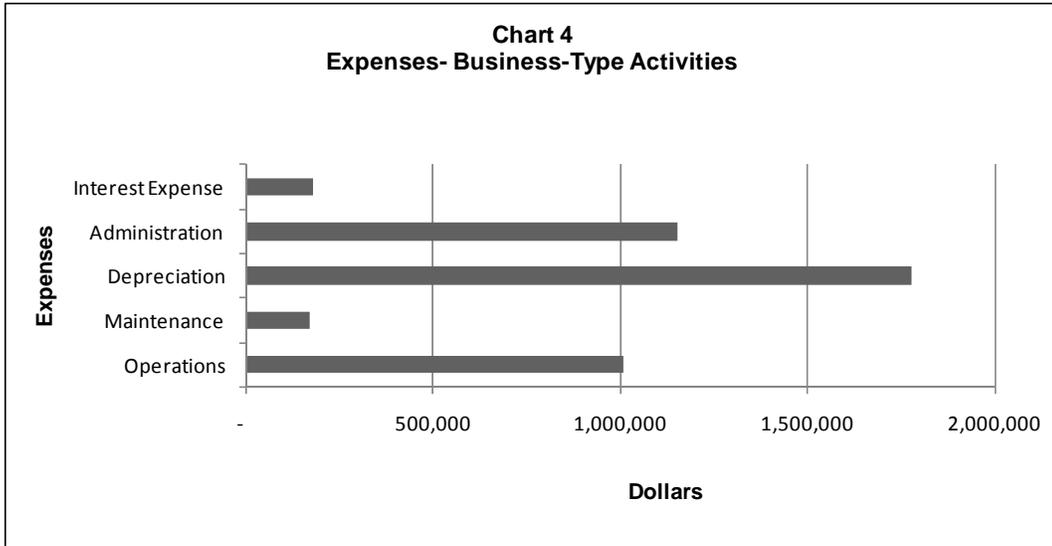
Business-Type activities

Water and sewer business-type activities lowered our business-type activity net assets by a net \$1,435,966 after a General Fund transfer in of \$218,408 for debt service. Key elements of our enterprise fund performance are as follows:

- Water and sewer charges for services, fines and penalties, grants, and other revenue sources were \$48,185 under last year's levels;
- Capital grants and contributions were down \$96,630 as our sewer improvement projects reached completion;
- Water operating expenses were up by \$166,608 as a result of operational costs that were higher by \$60,332 and depreciation charges \$161,135 over last year;
- Sewer operating expenses were also higher this year by \$558,309 because of greater costs of operations (\$105,409), maintenance (\$50,072) and depreciation (\$380,316).

The following charts reflect our water and sewer utility operations for fiscal year 2010 regarding sources of revenue and classes of expenses.





Financial Analysis of the Government's Funds

As noted earlier, the Town of Winchester uses fund accounting to ensure and demonstrate that we are in 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 Winchester's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of our net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$1,038,078, a decrease of \$662,133 in comparison with the prior fiscal year's fund balance of \$1,700,211.

All three major funds plus the combined nonmajor governmental funds posted negative operating results for the year, but only the sewer assessment fund finished the year in the negative with a minus fund balance of \$473,803. We can report positive fund balances in the general fund of \$761,699 (down \$228,805), the small cities fund \$5,869 (down \$145,098), and the combined nonmajor special revenue and permanent funds \$744,313 (down \$217,478). About thirty-eight percent of the net positive fund balance, \$398,946, constitutes *unreserved fund balance* which is available for spending at the government's discretion. The remainder of the fund balance, \$639,132, is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period in the amount of \$133,314, and 2) to fund certain permanent funds such as Winchester School Trust for \$69,971, the Winchester Sinking Fund for \$89,176, the Forest View Cemetery Fund for \$138,183, the Winchester Center Cemetery Fund for \$38,396, and the other nonmajor governmental funds for a total of \$505,818.

More detail may be found in the combining statements for the nonmajor governmental funds.

General Fund

The General Fund is the chief operating fund of the Town of Winchester. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$711,143 while total fund

balance equaled \$761,699. 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 General Fund revenues. Unreserved fund balance represents 2.32% of total General Fund revenues of \$30,630,238 while total fund balance represents 2.49% of that same amount. Winchester's General Fund balance decreased by \$228,805 during the current fiscal year. Actual expenditures exceeded actual revenues by \$273,489 due to less property taxes collected than budgeted (\$279,180) and a drop in the anticipated state education grants of \$1,189,503. The spread was ameliorated by strong expenditure budgetary constraints that generated almost \$875 thousand in less than budgeted expenditures. See "General Fund Budget Highlights" below.

Small Cities Fund

The Town considers the Small Cities Fund to be a major fund, using it to track homeowner loans to and repayments by Winchester residents. Its fund balance of \$5,869 is entirely cash on deposit. During the year, this fund took in \$331,199 in loan repayments and grants and expended \$475,305 in program and project expenditures. The excess of expenditures over revenues of \$145,098 translated directly to a fund balance decrease of the same amount.

Sewer Assessment Fund

Also considered a major fund, the sewer assessment fund accepts and tracks assessments paid for sewer usage, hook-ups, and maintenance. Its primary function is to provide funding for debt service payments on the sewer commission's outstanding sewer bonds. For FY 2010, \$210,426 was taken in as other local revenues and \$62,770 was disbursed in interest payments. An additional \$218,408 was transferred out to further assist with sewer debt service. The net change in fund balance was a drop of \$70,752, taking fund balance from a negative \$403,051 to a negative \$478,803.

Proprietary Funds.

The Town of Winchester's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Commission at the end of the year amounted to a negative \$869,187, a decline of \$661,765 from the previous year. Both water and sewer operations generated net operating losses for the year totaling \$1,435,966. A transfer in from the sewer assessment fund of \$218,408 for sewer debt service helped reduce the combined proprietary funds' shortfall. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The original revenue budget remained unchanged at \$30,068,672. The original expenditure budget of \$31,560,758 was increased by a net \$8,486. Some of the more significant variances in actual vs. the final amended budget are detailed below:

Revenues

Overall, the revenue budget fell \$1,030,218 below expectations. Some of the contributing factors are listed below:

- ❖ Property tax collections were off budget by \$279,180;

- ❖ State of Connecticut general government grants were \$1,189,503 less than anticipated due to Board of Education projects that were not started during the period of 7-1-08 to 6-30-09 even though they were budgeted and the ECS grant funds were received less than budgeted;
- ❖ The economic slowdown was reflected in lower than budgeted local revenues in Town Clerk fees (\$33,989), building department and inspection fees (\$11,931), and lower interest and dividend income (\$84,652).

Expenditures

The expenditure budget experienced a positive variance of \$874,652 driven by reduced outlays by the Board of Education for \$791,970, lower miscellaneous costs of \$108,111, and lower debt service in the amount of \$113,545.

On a budgetary basis, the final amended budget did not contemplate a drawdown of General Fund balance nor was one made at year end.

Capital Asset and Debt Administration

Capital Assets. The Town of Winchester’s investment in capital assets for its governmental and proprietary fund assets includes land, buildings and systems improvements, machinery and equipment, park facilities, roads, highways, sewer systems, water systems and bridges. The total net increase (after dispositions and reclassifications) in our investment in capital assets was \$572,145 for governmental activities and \$30,160 for water and sewer (before depreciation).

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

- We made \$200,000 of general improvements to Danbury Quarter Road;
- We purchased \$372,145 of new machinery and equipment comprised, in part, of:
 - Board of Education OCR compliance items;
 - Board of Education computers.
- Water and sewer infrastructure increased by \$124,549 with additional paving and sewer connections.

Table 3
Capital Assets at Year-End
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 25,700,445	\$ 25,700,445	\$ 92,847	\$ 92,847	\$ 25,793,292	\$ 25,793,292
Buildings	753,268	786,631	24,142,642	24,924,028	24,895,910	25,710,659
Improvements	1,997,332	1,851,647			1,997,332	1,851,647
Infrastructure	12,021,260	12,607,943	14,040,411	14,764,657	26,061,671	27,372,600
Machinery and equipment	3,652,418	3,585,421	1,083,119	1,229,827	4,735,537	4,815,248
Construction in progress				94,389	--	94,389
Totals	\$ 44,124,723	\$ 44,532,087	\$ 39,359,019	\$ 41,105,748	\$ 83,483,742	\$ 85,637,835

Additional information on the Town of Winchester’s capital assets can be found in Note 3.C., Capital Assets, of this report.

Long-Term Debt. At the end of the current fiscal year, the Town of Winchester had \$5,891,000 of general fund bonded debt and \$5,954,575 of self-supporting water and sewer bonded and long-term debt outstanding. No new bonded or long-term debt was issued during the year. All outstanding bonded and long-term obligations comprise general obligation debt backed by the full faith and credit of the government. Water and sewer debt, while fully backed by the Town, is first paid from assessments, levies and fines, and other Water and Sewer Commission resources which have been sufficient to fully pay principal of and interest on outstanding water and sewer obligations.

**Table 4
Long-Term and Short-Term Debt**

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
Bonds					
8/14/08	Public Improvements	4.02	\$ 6,316,000	\$ 5,891,000	2023
11/1/98	General Purpose (Water)	3.50-5.50	1,500,000	400,000	2014
8/15/02	Sewer	3.00-5.00	6,290,000	2,745,000	2022
1/15/04	General Purpose (Water)	2.00-3.85	3,900,000	2,265,000	2014
Other					
1/31/08	Clean water fund loans	2.00	<u>642,019</u>	<u>544,575</u>	2027
	Total		<u>\$ 18,648,019</u>	<u>\$ 11,845,575</u>	

The Town of Winchester’s General Fund debt decreased by \$425,000. We also paid down a scheduled \$962,422 of water and sewer debt principal.

The Town’s credit rating from Moody’s Investors Service, Inc., on its general obligation debt for the fiscal year ended June 30, 2010 was “A1.”

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections plus interest and lien fees. For June 30, 2010, the maximum amount of borrowing permitted under the formula is \$144,552,366. By statute, water debt of \$2,665,000 is excluded from the debt limit calculation. With net borrowings of \$9,180,575, our outstanding general obligation debt is \$135,371,791 below the maximum debt limitation (see “Schedule of Debt Limitation” in this report).

Additional information on our long-term debt can be found in Note 3E., Long-Term Debt, of this document.

Economic Factors and Next Year’s Budget

- The unemployment rate for Winchester was 10.3% at June 30, 2010 which is up from a rate of 9.1% one year prior. The current unemployment rate is above the state 8.9% average for June 2010 and above the national average of 9.6% (not seasonally adjusted).
- Inflationary trends in the region compare favorably to the national indices.
- The fiscal year 2011 budget was passed at a town-wide referendum on May 25, 2010.

The FY 2010 - 11 revenue budget of \$30,546,939 contemplates a \$478 thousand (1.59%) increase over last year reflecting higher taxes levied (\$937 thousand), more in state grants (\$648 thousand), but significantly lower local revenues (\$1.107 million) reflecting the persistently poor local economy. The FY 2011 expenditure budget of \$30,639,259 reflects a \$562 thousand increase (1.87%) over last year with significant changes noted below:

- ❖ \$230,317 was eliminated from the police department and transferred, in part, to the new public safety dispatch center cited below;
- ❖ The addition of a new department, public safety dispatch, reflects \$313,455 previously budgeted in the police department;
- ❖ \$749,085 was added to last year's capital outlay of \$905,293 to cover school projects, highway work, upgrades of computer systems, and public safety projects.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Winchester's finances for all those with an interest in our finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Winchester 338 Main Street, Winsted, CT 06098.

BASIC FINANCIAL STATEMENTS

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 1,736,465	\$ 62,182	\$ 1,798,647
Receivables, net of allowance:			
Property taxes	771,893		771,893
Sewer assessment	1,162,498		1,162,498
Other	2,215,247	805,479	3,020,726
Due from other governments	423,431		423,431
Internal balances	1,519,971	(1,519,971)	-
Other assets	235,231	195,317	430,548
Noncurrent assets:			
Capital assets, nondepreciable	25,700,445	92,847	25,793,292
Capital assets, net of accumulated depreciation	18,424,278	39,266,172	57,690,450
Total assets	<u>52,189,459</u>	<u>38,902,026</u>	<u>91,091,485</u>
Liabilities:			
Accounts payable and accrued items	1,416,722	245,432	1,662,154
Due to other governments	168,463		168,463
Unearned revenue	1,558,374		1,558,374
Noncurrent liabilities:			
Due within one year	1,166,154	853,595	2,019,749
Due in more than one year	10,558,300	5,372,815	15,931,115
Total liabilities	<u>14,868,013</u>	<u>6,471,842</u>	<u>21,339,855</u>
Net Assets:			
Invested in capital assets, net of related debt	37,827,059	33,299,371	71,126,430
Restricted for purposes of trust:			
Nonexpendable	505,818		505,818
Expendable	16,185		16,185
Unrestricted	(1,027,616)	(869,187)	(1,896,803)
Total Net Assets	<u>\$ 37,321,446</u>	<u>\$ 32,430,184</u>	<u>\$ 69,751,630</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:						
Board of Education	\$ 23,530,225	\$ 211,054	\$ 11,564,113	\$ 71,125	\$ (11,683,933)	\$ (11,683,933)
Public safety	4,839,257	230,263	40,337		(4,568,657)	(4,568,657)
Public works	3,222,727	16,928	420,433	505,956	(2,279,410)	(2,279,410)
General government	3,287,307	90,180	80,355	201,461	(2,915,311)	(2,915,311)
Health	287,221				(287,221)	(287,221)
Parks and recreation	263,574	52,606	17,500		(193,468)	(193,468)
Library	161,795				(161,795)	(161,795)
Waste disposal and recycling	360,824				(360,824)	(360,824)
Interest on long-term debt	301,724				(301,724)	(301,724)
Total governmental activities	<u>36,254,654</u>	<u>601,031</u>	<u>12,122,738</u>	<u>778,542</u>	<u>(22,752,343)</u>	<u>(22,752,343)</u>
Business-type activities:						
Waterworks	1,976,247	1,497,962			(478,285)	(478,285)
Sewer	2,309,850	1,133,761			(1,176,089)	(1,176,089)
Total business-type activities	<u>4,286,097</u>	<u>2,631,723</u>	<u>-</u>	<u>-</u>	<u>(1,654,374)</u>	<u>(1,654,374)</u>
Total	<u>\$ 40,540,751</u>	<u>\$ 3,232,754</u>	<u>\$ 12,122,738</u>	<u>\$ 778,542</u>	<u>(22,752,343)</u>	<u>(1,654,374)</u>
General revenues:						
Property taxes				20,094,437		20,094,437
Grants and contributions not restricted to specific programs				656,303		656,303
Unrestricted investment earnings				18,379		18,379
Miscellaneous				303,654		303,654
Transfers				(218,408)	218,408	-
Total general revenues and transfers				<u>20,854,365</u>	<u>218,408</u>	<u>21,072,773</u>
Change in net assets				(1,897,978)	(1,435,966)	(3,333,944)
Net assets at beginning of year, as restated				<u>39,219,424</u>	<u>33,866,150</u>	<u>73,085,574</u>
Net Assets at End of Year				<u>\$ 37,321,446</u>	<u>\$ 32,430,184</u>	<u>\$ 69,751,630</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,482,822	\$ 17,754	\$	\$ 235,889	\$ 1,736,465
Receivables, net of allowance:					
Property taxes	564,469				564,469
Sewer assessment			1,141,885		1,141,885
Other	58,178	2,157,069			2,215,247
Due from other governments	118,240	67,500		237,691	423,431
Due from other funds	2,407,730			916,963	3,324,693
Other assets	<u>232,552</u>			<u>2,679</u>	<u>235,231</u>
Total Assets	<u>\$ 4,863,991</u>	<u>\$ 2,242,323</u>	<u>\$ 1,141,885</u>	<u>\$ 1,393,222</u>	<u>\$ 9,641,421</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued items	\$ 1,231,353	\$ 79,385	\$ 4,532	\$ 12,645	\$ 1,327,915
Due to other funds	916,963		483,660	404,099	1,804,722
Due to other governments				168,463	168,463
Deferred revenue	<u>1,953,976</u>	<u>2,157,069</u>	<u>1,127,496</u>	<u>63,702</u>	<u>5,302,243</u>
Total liabilities	<u>4,102,292</u>	<u>2,236,454</u>	<u>1,615,688</u>	<u>648,909</u>	<u>8,603,343</u>
Fund balances:					
Reserved:					
Encumbrances	50,556			82,758	133,314
Purpose of trust				505,818	505,818
Unreserved:					
General fund	711,143				711,143
Special revenue funds		5,869	(473,803)	273,341	(194,593)
Capital projects fund				(133,789)	(133,789)
Permanent fund				16,185	16,185
Total fund balance	<u>761,699</u>	<u>5,869</u>	<u>(473,803)</u>	<u>744,313</u>	<u>1,038,078</u>
Total Liabilities and Fund Balance	<u>\$ 4,863,991</u>	<u>\$ 2,242,323</u>	<u>\$ 1,141,885</u>	<u>\$ 1,393,222</u>	<u>\$ 9,641,421</u>

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT

BALANCE SHEET- GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 1,038,078
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	\$ 67,598,559
Less accumulated depreciation	<u>(23,473,836)</u>
	44,124,723
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property taxes receivable greater than 60 days	459,304
Sewer assessments receivable greater than 60 days	1,127,496
Loan receivable greater than 60 days	2,157,069
Interest receivable on property taxes	207,424
Interest receivable on sewer assessments	20,613
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(5,891,000)
Pension obligation	(958,635)
OPEB obligation	(717,758)
Pollution remediation	(531,248)
Capital leases payable	(406,664)
Claims and judgments payable	(1,771,672)
Early retirement incentives	(150,000)
Interest payable on bonds	(88,807)
Compensated absences	<u>(1,297,477)</u>
Net Assets of Governmental Activities (Exhibit I)	<u>\$ 37,321,446</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes, interest and lien fees	\$ 20,170,995	\$	\$	\$	\$ 20,170,995
Intergovernmental revenues	9,853,477	331,199		3,331,521	13,516,197
Other local revenues	605,766	8	210,426	242,462	1,058,662
Total revenues	<u>30,630,238</u>	<u>331,207</u>	<u>210,426</u>	<u>3,573,983</u>	<u>34,745,854</u>
Expenditures:					
Current:					
Board of Education	20,374,906			3,031,915	23,406,821
Program and project expenditures	113,183	476,305			589,488
Public safety	3,151,500			95,333	3,246,833
Public works	1,801,624			223,538	2,025,162
Miscellaneous	327,692				327,692
General government	2,372,242			327,224	2,699,466
Health	287,221				287,221
Parks and recreation	188,532			35,620	224,152
Library	161,795				161,795
Waste disposal and recycling	360,824				360,824
Debt service:					
Principal retirement	425,000				425,000
Interest	245,361		62,770		308,131
Capital outlay	1,093,847			74,267	1,168,114
Total expenditures	<u>30,903,727</u>	<u>476,305</u>	<u>62,770</u>	<u>3,787,897</u>	<u>35,230,699</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(273,489)</u>	<u>(145,098)</u>	<u>147,656</u>	<u>(213,914)</u>	<u>(484,845)</u>
Other Financing Sources (Uses):					
Issuance of capital lease	41,120				41,120
Transfers in	82,700			79,136	161,836
Transfers out	(79,136)		(218,408)	(82,700)	(380,244)
Total other financing sources (uses)	<u>44,684</u>	<u>-</u>	<u>(218,408)</u>	<u>(3,564)</u>	<u>(177,288)</u>
Net Change in Fund Balances	(228,805)	(145,098)	(70,752)	(217,478)	(662,133)
Fund Balances at Beginning of Year	<u>990,504</u>	<u>150,967</u>	<u>(403,051)</u>	<u>961,791</u>	<u>1,700,211</u>
Fund Balances at End of Year	<u>\$ 761,699</u>	<u>\$ 5,869</u>	<u>\$ (473,803)</u>	<u>\$ 744,313</u>	<u>\$ 1,038,078</u>

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds:

Amounts reported for governmental activities in the statement of activities (Exhibit II)
are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (662,133)
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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.

Expenditures for capital assets	572,145
Less current year depreciation	(979,509)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds.

Property taxes collected accrual basis change	(62,814)
Sewer assessment revenue accrual basis change	(148,147)
Loan revenue accrual basis change	49,800
Interest income on property taxes	(13,744)
Interest income on sewer assessments	4,135

The issuance of long-term debt (e.g., bonds, leases) provides current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net assets.

Principal payments	658,874
Issuance of capital lease	(41,120)
Accrued interest	6,407

Some expenses reported in the statement of activities do not require the use of current financial
resources and, therefore, are not reported as expenditures in governmental funds.

Pension obligation	(208,186)
OPEB obligation	(318,203)
Pollution remediation	(10,320)
Claims and judgments	(776,590)
Early retirement incentives	30,000
Change in long-term compensated absences	<u>1,427</u>

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u><u>(1,897,978)</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2010

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 13,400	\$ 48,782	\$ 62,182
Rents and assessments receivable, net	125,233	78,837	204,070
Due from other funds		724,787	724,787
Accrued utility revenue	371,360	230,049	601,409
Prepaid items	10,095	3,489	13,584
Total current assets	<u>520,088</u>	<u>1,085,944</u>	<u>1,606,032</u>
Noncurrent assets:			
Nondepreciable capital assets	63,212	29,635	92,847
Capital assets, net of accumulated depreciation	17,976,067	21,290,105	39,266,172
Unamortized bond costs, net	63,437	118,296	181,733
Total noncurrent assets	<u>18,102,716</u>	<u>21,438,036</u>	<u>39,540,752</u>
Total assets	<u>18,622,804</u>	<u>22,523,980</u>	<u>41,146,784</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued items	137,730	107,702	245,432
Due to other funds	1,123,338	1,121,420	2,244,758
Current portion of long-term debt	383,819	469,776	853,595
Total current liabilities	<u>1,644,887</u>	<u>1,698,898</u>	<u>3,343,785</u>
Noncurrent liabilities:			
Compensated absences	49,869	76,276	126,145
Clean water fund loans		516,597	516,597
Bonds payable	2,332,377	2,397,696	4,730,073
Total noncurrent liabilities	<u>2,382,246</u>	<u>2,990,569</u>	<u>5,372,815</u>
Total liabilities	<u>4,027,133</u>	<u>4,689,467</u>	<u>8,716,600</u>
Net Assets:			
Invested in capital assets, net of related debt	15,341,902	17,957,469	33,299,371
Unrestricted	<u>(746,231)</u>	<u>(122,956)</u>	<u>(869,187)</u>
Total Net Assets	<u>\$ 14,595,671</u>	<u>\$ 17,834,513</u>	<u>\$ 32,430,184</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 1,453,370	\$ 982,452	\$ 2,435,822
Fines, penalties and interest	43,828	26,509	70,337
Other	764	124,800	125,564
Total operating revenues	<u>1,497,962</u>	<u>1,133,761</u>	<u>2,631,723</u>
Operating Expenses:			
Operations	444,621	561,696	1,006,317
Maintenance	48,860	119,978	168,838
Depreciation expense	743,774	1,033,114	1,776,888
Administration	633,634	520,694	1,154,328
Total operating expenses	<u>1,870,889</u>	<u>2,235,482</u>	<u>4,106,371</u>
Operating Loss	(372,927)	(1,101,721)	(1,474,648)
Nonoperating Expenses:			
Interest expense	<u>(105,358)</u>	<u>(74,368)</u>	<u>(179,726)</u>
Loss Before Transfers	(478,285)	(1,176,089)	(1,654,374)
Transfers in	<u> </u>	<u>218,408</u>	<u>218,408</u>
Change in Net Assets	(478,285)	(957,681)	(1,435,966)
Net Assets at Beginning of Year	<u>15,073,956</u>	<u>18,792,194</u>	<u>33,866,150</u>
Net Assets at End of Year	<u>\$ 14,595,671</u>	<u>\$ 17,834,513</u>	<u>\$ 32,430,184</u>

The accompanying notes are an integral part of the financial statements

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

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 1,472,013	\$ 1,113,810	\$ 2,585,823
Receipts from interfund services	189,277	330,683	519,960
Payments for interfund services		(61,271)	(61,271)
Payments to employees	(645,991)	(516,503)	(1,162,494)
Payments to suppliers	(585,855)	(667,498)	(1,253,353)
Net cash provided by operating activities	<u>429,444</u>	<u>199,221</u>	<u>628,665</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in		<u>218,408</u>	<u>218,408</u>
Cash Flows from Capital and Related Financing Activities:			
Principal payments on bonds payable	(510,000)	(425,000)	(935,000)
Principal payments on clean water fund loans		(27,422)	(27,422)
Interest paid on bonds payable and clean water fund loans	(101,479)	(70,569)	(172,048)
Purchase of capital assets	(6,500)	(23,660)	(30,160)
Net cash used in capital and related financing activities	<u>(617,979)</u>	<u>(546,651)</u>	<u>(1,164,630)</u>
Net Decrease in Cash and Cash Equivalents	(188,535)	(129,022)	(317,557)
Cash and Cash Equivalents at Beginning of Year	<u>201,935</u>	<u>177,804</u>	<u>379,739</u>
Cash and Cash Equivalents at End of Year	<u>\$ 13,400</u>	<u>\$ 48,782</u>	<u>\$ 62,182</u>
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:			
Operating loss	\$ (372,927)	\$ (1,101,721)	\$ (1,474,648)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	743,774	1,033,114	1,776,888
Change in assets and liabilities:			
(Increase) decrease in rents receivable	(26,567)	(22,866)	(49,433)
(Increase) decrease in accrued utility revenue	618	2,915	3,533
(Increase) decrease in amounts due from other funds		(61,271)	(61,271)
(Increase) decrease in prepaid items	(10,095)	(3,489)	(13,584)
Increase (decrease) in accounts payable and accrued expenses	(82,279)	17,665	(64,614)
Increase (decrease) in accrued vacation and sick leave benefits	(12,357)	4,191	(8,166)
Increase (decrease) in amounts due to other funds	189,277	330,683	519,960
Total adjustments	<u>802,371</u>	<u>1,300,942</u>	<u>2,103,313</u>
Net Cash Provided By Operating Activities	<u>\$ 429,444</u>	<u>\$ 199,221</u>	<u>\$ 628,665</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2010

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 418,979	\$ 34,883
Investments, at fair value:		
U.S. Government obligations	850,944	
Domestic corporate bonds	112,076	
Mutual funds	3,057,263	
Short-term investments	1,562,156	
Total investments	<u>5,582,439</u>	<u>-</u>
Accrued income	<u>16,233</u>	
Accounts receivable	<u>502,210</u>	<u>10,000</u>
Total assets	6,519,861	<u>\$ 44,883</u>
Liabilities:		
Fiduciary deposits		<u>\$ 44,883</u>
Net Assets:		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 6,519,861</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 251,106
Plan members	109,944
Total contributions	<u>361,050</u>
Investment income:	
Net appreciation in fair value of investments	442,920
Interest	132,925
Net investment income	<u>575,845</u>
Total additions	<u>936,895</u>
Deductions:	
Benefits	525,306
Administrative expenses	19,640
Total deductions	<u>544,946</u>
Change in net assets	391,949
Net Assets at Beginning of Year	<u>6,127,912</u>
Net Assets at End of Year	<u>\$ 6,519,861</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Winchester, Connecticut, was incorporated in 1771. The Town operates under a Selectmen-Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, health, welfare, parks, recreation, and elementary and secondary education. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

The Winchester Housing Authority (the Authority) has been determined to be a related organization of the Town of Winchester, Connecticut, as the governing body of the Authority is appointed by the Town. The Authority is not included in this report, as the Town is not obligated to finance any deficit that the Authority may incur, nor does the Town significantly subsidize the Authority; the Town obtains no financial benefit, nor can it impose its will upon the Authority.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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 both measurable and available. Revenues are considered to be available when they are collectible 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 fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Small Cities Fund* is used to account for federal grant revenues from the U.S. Department of Housing and Urban Development and subsequent loans to entities for various grant years.

The *Sewer Assessment Fund* is used to account for the sewer assessment revenues and expenditures related to the Highland Lake sewer project.

The Town reports the following major proprietary funds:

The *Waterworks Fund* is used to account for the financial operations of the Winsted Waterworks. All necessary activities to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. Also included in this fund is the water treatment plant project. The Board of Selectmen, as empowered by the Town Charter, acts as the Water Board and oversees the operation of the Winsted Waterworks.

The *Sewer Fund* is used to account for the financial operations of the Town's sewer utility. All activities necessary to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. Also included in this fund are the inflow/infiltration analysis program, the wastewater treatment plant project and the Highland Lake sewer project. Authority over the operations of the Sewer Fund is with the Water Pollution Control Authority.

Additionally, the Town reports the following fund types:

The *Pension Trust Fund* is used to account for the activities of the Town's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town as a custodian for outside student and municipal groups.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

C. Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

D. Investments

Investments are stated at fair value.

E. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

F. 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 noncurrent 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 reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

G. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings, structures and improvements	50
Equipment	7-15
Distribution reservoirs and standpipes	50
Infrastructure	7-100

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund 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 and amortized over the term of the related debt.

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 issuance are reported as other financing sources, and discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

I. Compensated Absences

A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Sick leave may be accumulated by employees in accordance with union contracts until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Reserved Fund Balance - A portion of fund balance that is not available for appropriation or is legally restricted by outside parties for use for a specific purpose.

Designated Fund Balance - Represents tentative management plans that are subject to change.

Unreserved Fund Balance - Serves as a measure of current available financial resources.

K. Property Taxes

The Town’s property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A physical revaluation of all real property is required to be completed every ten years, and a statistical revaluation is required to be completed every five years. The Town had a revaluation of its property as of October 1, 2007. The Town’s property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. A mill rate was applied to the Grand List. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are placed on delinquent accounts in June following the levy date.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts.

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 soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years’ assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

L. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General Fund, Dog Fund and Town Aid Roads Fund are authorized annually by the Board of Selectmen. Annual budgets are not adopted for Special Revenue Funds other than the Dog Fund and, accordingly, are not included in the government-wide financial statements.

Program budgets are established for funds not budgeted annually. The procedures for establishing the budgetary data reflected in the financial statements are as follows:

- 1) Prior to March 15, the Town Manager submits to the Board of Selectmen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted at locations throughout the Town to obtain taxpayer comments.
- 3) The budget is legally enacted at the annual Town budget meeting by vote of the general public.
- 4) Upon the request of the Town Manager, but only within the last three months of the fiscal year, only the Board of Selectmen may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. Management cannot amend the budget.
- 5) The control level on which expenditures may not legally exceed appropriations is the departmental level. Management can transfer amounts within a department. Unencumbered appropriations lapse at the close of the fiscal year, except for those appropriations which are made for capital improvements.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The budgets are prepared on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Encumbrance accounting is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities.

Budgeted amounts are as originally adopted, or as amended by the Board of Selectmen. Additional appropriations in the amount of \$8,486 were made for the year ended June 30, 2010.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2010, expenditures exceeded appropriations in the General Fund at the following departmental levels:

Town Clerk	\$ 5,608
Treasurer	255
Accounting Department	35,052
Insurance	24,033
Town Counsel	1,113
Assessor	1,342
Building	6,483
Vacation and sick pay accrual	7,235
School crossing guards	7,589
Unemployment compensation	6,466
Streetlighting	25,910
Department of Health	2,167
Principal retirement	114,000
Capital outlay	72,789

These overexpenditures were funded by greater than anticipated revenues and available fund balance.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Deficit Fund Equity

The following funds had deficit fund balances as of June 30, 2010:

Sewer Assessment Fund	\$ 473,803
Federal and State Education Grant Fund	698
Dog Fund	48,805
Brownsfield Pilot Program	19,994
Police Retirees Benefit Fund	11,638
Capital Improvements Fund	133,789

The Town plans to fund deficits through contributions and future revenues.

3. DETAILED NOTES ON ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,015,396 of the Town's bank balance of \$2,462,062 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,788,856
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>226,540</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 2,015,396</u>

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Cash Equivalents

At June 30, 2010, the Town's cash equivalents amounted to \$428,559. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard and Poor's	Fitch Ratings
State Tax Exempt Proceeds Fund*		
Bank of America NA Cash Management Assets*		

*Not rated

Investments

As of June 30, 2010, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Not Applicable	Investment Maturities (Years)		
				Less Than 1	1-10	More Than 10
US Treasury Bond	N/A	\$ 192,680	\$	\$	\$	192,680
US Treasury Notes	N/A	294,339			294,339	
US Agency Guaranteed	AAA	50,062			50,062	
US Asset and Mortgage Backed Domestic Corporate Bonds	AAA	313,863			313,863	
Proctor & Gamble	AA-	112,076			112,076	
Mutual Funds	N/A	4,619,419	4,619,419			
Total Investments		\$ 5,582,439	\$ 4,619,419	\$ -	\$ 770,340	\$ 192,680

N/A - not applicable

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-Investments - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), 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 Reich & Tang investments are 2a-7 like pools.

B. Receivables

Taxes receivable at year end for the General Fund were \$564,469, which is reported net of an allowance of \$45,415. Rents receivable in the Waterworks Enterprise Fund were \$125,233, which is reported net of an allowance of \$15,906 for uncollectible accounts. Rents receivable in the Sewer Enterprise Fund were \$78,837, which is reported net of an allowance of \$8,205 for uncollectible accounts.

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 459,304	\$
Prepaid taxes		1,456,961
Donations		37,711
Small Cities:		
Loan receivable	2,157,069	
Sewer Assessment:		
Delinquent assessment taxes receivable	1,127,496	
Nonmajor Governmental Funds:		
Education grants		51,241
Other grants		12,461
Total Deferred/Unearned Revenue for Governmental Funds	\$ 3,743,869	\$ 1,558,374

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 25,700,445	\$	\$	\$ 25,700,445
Construction in progress				-
Total capital assets not being depreciated	25,700,445	-	-	25,700,445
Capital assets being depreciated:				
Buildings	3,765,210			3,765,210
Improvements	2,916,793	200,000		3,116,793
Machinery and equipment	8,050,732	372,145		8,422,877
Infrastructure	26,593,234			26,593,234
Total capital assets being depreciated	41,325,969	572,145	-	41,898,114
Less accumulated depreciation for:				
Buildings	2,978,579	33,363		3,011,942
Improvements	1,065,146	54,315		1,119,461
Machinery and equipment	4,465,311	305,148		4,770,459
Infrastructure	13,985,291	586,683		14,571,974
Total accumulated depreciation	22,494,327	979,509	-	23,473,836
Total capital assets being depreciated, net	18,831,642	(407,364)	-	18,424,278
Governmental Activities Capital Assets, Net	\$ 44,532,087	\$ (407,364)	\$ -	\$ 44,124,723
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 92,847	\$	\$	\$ 92,847
Construction in progress	94,389		94,389	-
Total capital assets not being depreciated	187,236	-	94,389	92,847
Capital assets being depreciated:				
Buildings and improvements	37,270,652			37,270,652
Machinery and equipment	6,529,508			6,529,508
Infrastructure	15,521,715	124,549		15,646,264
Total capital assets being depreciated	59,321,875	124,549	-	59,446,424
Less accumulated depreciation for:				
Buildings and improvements	12,346,624	781,386		13,128,010
Machinery and equipment	5,299,681	146,708		5,446,389
Infrastructure	757,058	848,795		1,605,853
Total accumulated depreciation	18,403,363	1,776,889	-	20,180,252
Total capital assets being depreciated, net	40,918,512	(1,652,340)	-	39,266,172
Business-Type Activities Capital Assets, Net	\$ 41,105,748	\$ (1,652,340)	\$ 94,389	\$ 39,359,019

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 109,235
Public safety	83,406
Public works	722,481
Education	33,057
Parks and recreation	<u>31,330</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 979,509</u>
Business-type activities:	
Water	\$ 743,774
Sewer	<u>1,033,115</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,776,889</u>

Construction Commitments

The Town has active construction projects as of June 30, 2010. The projects include water and drainage projects, public works buildings and town hall enhancements. At year-end, the Town's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Soldiers Monument	\$ 93,789	\$ 52,636
Willow Street Retaining Wall	<u>413,878</u>	<u>30,122</u>
Total	<u>\$ 507,667</u>	<u>\$ 82,758</u>

The commitments are being financed with general obligation bonds, bond anticipation notes, and State and Federal grants.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

Interfund receivables and payables are a result of temporary loans and/or advances to various funds. The composition of interfund balances as of June 30, 2010 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Fund	\$ 1,121,420
	Waterworks Fund	882,211
	Nonmajor Governmental Funds	<u>404,099</u>
		<u>2,407,730</u>
Nonmajor Governmental Funds	General Fund	<u>916,963</u>
Sewer Fund	Waterworks Fund	241,127
	Sewer Assessment Fund	<u>483,660</u>
		<u>724,787</u>
Total		<u>\$ 4,049,480</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds and bond payments in the Sewer Fund paid from sewer assessments. Interfund transfers that occurred during the year are as follows:

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Fund</u>	
Transfers out:				
General Fund	\$	\$ 79,136	\$	\$ 79,136
Sewer Assessment Fund			218,408	218,408
Nonmajor governmental funds	<u>82,700</u>			<u>82,700</u>
Total Transfers In	<u>\$ 82,700</u>	<u>\$ 79,136</u>	<u>\$ 218,408</u>	<u>\$ 380,244</u>

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 6,316,000	\$	\$ 425,000	\$ 5,891,000	\$ 425,000
Capital leases	599,418	41,120	233,874	406,664	241,106
Compensated absences	1,298,904	144,963	146,390	1,297,477	272,620
Claims and judgments	995,082	1,031,712	255,122	1,771,672	157,428
Pollution remediation	520,928	10,320		531,248	70,000
Early retirement incentives	180,000	30,000	60,000	150,000	
Pension obligation	750,449	208,186		958,635	
OPEB obligation	399,555	318,203		717,758	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 11,060,336</u>	<u>\$ 1,784,504</u>	<u>\$ 1,120,386</u>	<u>\$ 11,724,454</u>	<u>\$ 1,166,154</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 6,345,000	\$	\$ 935,000	\$ 5,410,000	\$ 785,000
Plus deferred amounts:					
Issuance premiums on refunding	<u>115,177</u>	<u> </u>	<u>10,104</u>	<u>105,073</u>	<u> </u>
Total bonds payable	<u>6,460,177</u>	<u> </u>	<u>945,104</u>	<u>5,515,073</u>	<u>785,000</u>
Clean water fund loans	571,997		27,422	544,575	27,978
Compensated absences	<u>174,930</u>	<u>40,579</u>	<u>48,747</u>	<u>166,762</u>	<u>40,617</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 7,207,104</u>	<u>\$ 40,579</u>	<u>\$ 1,021,273</u>	<u>\$ 6,226,410</u>	<u>\$ 853,595</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have also been issued for business-type activities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2010</u>
General purposes:						
Public improvements	8/14/08	6,316,000	4.02%	8/15/23	\$ 416,000- 425,000	\$ 5,891,000
Water and Sewer:						
General refunding	8/15/02	6,290,000	2-5%	6/1/22	490,000 - 150,000	2,745,000
General refunding	1/15/04	3,900,000	2-4%	8/1/18	235,000	2,265,000
Water mains	11/1/98	1,500,000	3.5-5.5%	11/1/13	100,000	<u>400,000</u>
						<u>\$ 11,301,000</u>

All bonds are general obligation bonds secured by the general revenue raising powers of the Town, and payment will be provided by General Fund revenues, except for proprietary fund type bonds, which are expected to be paid from the receipts of the related fund, and Highland Lake Sewer Fund bonds, which are expected to be paid by revenues of the Sewer Assessment Fund.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 425,000	\$ 228,276	\$ 785,000	\$ 109,444
2012	425,000	211,191	765,000	94,744
2013	425,000	194,106	760,000	80,219
2014	420,000	177,121	580,000	64,844
2015	420,000	160,237	425,000	55,644
2016-2020	2,100,000	547,926	1,790,000	175,444
2021-2025	<u>1,676,000</u>	<u>134,509</u>	<u>305,000</u>	<u>21,419</u>
Total	\$ <u>5,891,000</u>	\$ <u>1,653,366</u>	\$ <u>5,410,000</u>	\$ <u>601,758</u>

Clean Water Fund Notes

The Town is currently participating in a capital project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” The notes were converted to permanent financing on January 31, 2008, and the balance as of June 30, 2010 was \$544,575. The notes carry an interest rate of 2%.

Project loan obligations payable to the State of Connecticut mature as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 27,978	\$ 10,636
2012	28,541	10,071
2013	29,117	9,495
2014	29,704	8,907
2015	30,304	8,308
2016-2020	160,946	32,114
2021-2025	177,858	15,202
2026-2030	<u>60,127</u>	<u>1,007</u>
Total	\$ <u>544,575</u>	\$ <u>95,740</u>

Clean water fund notes will be repaid by sewer user fees.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pollution Remediation

Pursuant to local laws, the Town has recorded a liability of \$531,248 for remediation of 32 Lake Street and 35 Willow Street. Management has estimated this liability taking into account data based on estimates from their consulting firm.

Early Retirement Incentives

During 2009 and 2010, the Board of Education offered the following options for each teacher who was eligible and who opted to participate: a) the sum of \$30,000 (less state and federal taxes and FICA contribution), payable in three equal installments, with the first payment paid to the teacher on January 4th of the following fiscal year, with annual payments in each ensuing year being due on or about January 4th; b) contribution to each teacher \$10,000 each year for three years as a subsidy towards that teacher's health insurance costs, paid by the Board beginning in August of the next fiscal year. In 2009, five teachers chose the first option and one teacher chose the second option and in 2010, one teacher chose the first option; therefore, a liability of \$150,000 has been recorded in the government-wide financial statements.

F. Leases

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of police and public works vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 2,141,454
Less accumulated depreciation	<u>883,700</u>
Total	<u>\$ 1,257,754</u>

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	Governmental Activities
Year ending June 30:	
2011	\$ 258,367
2012	88,230
2013	88,230
2014	897
	<u>435,724</u>
Less amount representing interest	<u>29,060</u>
Present Value of Minimum Lease Payments	<u>\$ 406,664</u>

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

The Town of Winchester is the administrator of a single-employer public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its municipal employees. The PERS is considered to be part of the Town of Winchester's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The plan does not issue a stand-alone financial report.

The Town of Winchester Employees' Retirement Fund covers all eligible employees of the Town. The Town provides all retirement, death and disability benefits through a single employer, contributory defined benefit plan. Under the plan, all full-time employees paid from the General Fund of the Town who elect to make employee contributions after six months of employment are eligible to join. Police officers covered by MERF B, employees covered by the State of Connecticut Teachers Retirement Plan and alternate funding source employees are not eligible to participate in this plan.

Employees are 100% vested after five years of continuous service if their contributions remain in the fund upon termination. Employees who retire at normal retirement (the later of age 65 or 5 years of service for the Board of Education, 75 for others) receive a retirement benefit for life of 2% times years of credited service (maximum of 25 for the Board of Education, 35 for others) of the highest average three consecutive years of compensation out of the last ten prior to retirement. No cost of living adjustments are included. Members' contributions are returnable on termination or on death while active, or after retirement (less any benefits paid), provided in each case that no death benefits are otherwise paid.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Plan membership consisted of the following at January 1, 2009, the date of the latest actuarial valuation:

Retirees, disabled and beneficiaries currently receiving benefits	35
Terminated employees entitled to benefits but not yet receiving them	6
Current plan members	<u>59</u>
 Total	 <u><u>100</u></u>

Summary of Significant Accounting Policies

Basis of Accounting: The Town of Winchester Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: All funds are invested and administered through Fleet Bank, sole Trustee, and are reported at fair value. Investment income is recognized as earned.

Contributions

Plan participants are required to contribute to the Plan 5% (2.5% for the Board of Education) of their earnings up to the Social Security base and 5% of earnings over the Social Security base. The Town is required by its Charter to contribute the remaining amounts necessary to fund the Plan. For the year ended June 30, 2010, the Town's required contribution was \$460,970, which represents 17% of covered payroll.

Administrative costs of the Plan are financed through investment earnings.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual Pension Cost and Net Pension Obligations

The Town's annual pension cost and net pension obligation to the Town of Winchester Employees' Retirement Fund for the year ended June 30, 2010 were as follows:

Annual required contribution (ARC)	\$	460,970
Interest on net pension obligation		60,036
Adjustment to annual required contribution		<u>(61,715)</u>
Annual pension cost		459,291
Contributions made**		<u>251,105</u>
Increase in net pension obligation		208,186
Net pension obligation, beginning of year		<u>750,449</u>
Net Pension Obligation, End of Year	\$	<u><u>958,635</u></u>

** Contribution will be made prior to June 30, 2012.

The annual required contribution for the current year was determined as part of the January 1, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) an 8% investment rate of return and (b) 4% projected salary increases. Both (a) and (b) included an inflation component of 3.5%. The assumptions did not include cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The remaining amortization period for benefit improvements as of January 1, 2009 is 30 years, open method, on a level-dollar basis.

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	\$ 331,567	\$ 251,105	75.7%	\$ 420,761
6/30/2009	329,688	-	0.0%	750,449
6/30/2010	459,291	251,105	** 54.7%	958,635

** Contribution will be made prior to June 30, 2012.

Contributions for the prior fiscal year were made during the current fiscal year.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2009, the most recent actuarial valuation date, is as follows:

<u>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage Of Covered Payroll</u>
1/1/2004	\$ 6,024,005	\$ 6,632,855	\$ 608,850	90.8%	\$ 2,726,705	22.3%
1/1/2005	6,358,434	7,283,534	925,100	87.3%	2,721,690	34.0%
1/1/2006	6,699,942	7,967,164	1,267,222	84.1%	2,712,066	46.7%
1/1/2007	7,049,614	8,362,280	1,312,666	84.3%	2,554,129	51.4%
1/1/2008	7,564,943	8,931,372	1,366,429	84.7%	2,623,653	52.1%
1/1/2009	7,013,154	9,077,763	2,064,609	77.3%	2,650,649	77.9%

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2005	\$ 276,655	87%
6/30/2006	310,650	78%
6/30/2007	352,407	71%
6/30/2008	332,328	76%
6/30/2009	330,629	0%
6/30/2010	460,970	54%

B. Teachers

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after ten years of service in this state.

All certified teachers are eligible to participate in the plan and are required to contribute 7% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service teachers were fully vested in their own contributions. After 10 years of service teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-183b (7).

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2010 was \$930,533 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. This amount is significantly lower than in the prior year due to the State of Connecticut issuing pension obligation bonds in the prior year to assist in funding the plan. For the year ended June 30, 2010, teachers of the Town contributed \$436,109 to the plan, and covered payroll for the year was \$6,015,296.

Effective July 1, 1989, 1% of the mandatory 7% contribution is placed into a fund from which retirees' health insurance premiums will be paid. This 1% contribution is no longer credited to the member's individual account and does not vest.

C. Municipal Employees' Retirement System

Plan Description

All Town employees not covered by the Town pension plan or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing, multiple employer public employee retirement system (PERS) defined benefit plan established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial report as a pension trust fund. MERS issues a financial report that may be obtained by writing to the State of Connecticut, Office of the State Comptroller, Municipal Employees' Retirement Fund, 55 Elm Street, Hartford, CT 06106.

Contributions Required and Contributions Made

Each participating municipality is required by State Statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service. This percentage varies by police and fire versus general city employees, and within those two groups, with versus without Social Security. The Statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending on the unit's date of participation and other factors.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Contributions for employees of the Town of Winchester were as follows:

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2008	\$ 113,921	100%
6/30/2009	119,875	100%
6/30/2010	218,362	100%

5. OTHER POSTEMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligations

The Town of Winchester, Connecticut's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	\$ 712,188
Interest on net OPEB obligation	17,980
Adjustment to annual required contribution	<u>(23,476)</u>
Annual OPEB cost	706,692
Contributions made	<u>388,489</u>
Increase in net OPEB obligation	318,203
Net OPEB obligation, beginning of year	<u>399,555</u>
Net OPEB Obligation, End of Year	<u><u>\$ 717,758</u></u>

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below. Data is presented beginning with fiscal year ended June 30, 2009, due to this being the year of transition.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 703,367	\$ 303,812	43.2%	\$ 399,555
6/30/2010	706,692	388,489	55.0%	717,758

As of July 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$8 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11 million, which was 75.7% of UAAL.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% per year to an ultimate rate of 5% for 2013 and later. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2010 was 29 years.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. OTHER INFORMATION

A. 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. These risks are covered by commercial insurance purchased from independent third parties, except for worker's compensation, which is handled through an interlocal risk pool. Settled claims for these risks did not exceed commercial insurance coverage during the years ended June 30, 2009 and 2010.

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2010 and 2009, is presented below:

	<u>Accrued Liability Beginning of Fiscal Year</u>		<u>Current Year Claims and Changes in Estimates</u>		<u>Accrued Liability Claim Payments</u>		<u>Accrued Liability End of Fiscal Year</u>
2008-09	\$ 1,006,103	\$	462,823	\$	473,844	\$	995,082
2009-10	995,082		1,031,712		255,122		1,771,672

Interlocal Risk Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 208 members in the Workers' Compensation Pool. The deposit contribution (premium) paid in 2008-09 by the Town was \$318,299. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$1,000,000 per occurrence. Claims over \$1,000,000 are reinsured.

Payments to the Workers' Compensation Pool are made through the General Fund.

B. Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

TOWN OF WINCHESTER, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

7. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

Governmental Activities

Pension obligation included a contribution that was not made by the Town. The effect of the restatement was a decrease in net assets and an increase in pension obligation in the amount of \$251,105.

8. SUBSEQUENT EVENTS

General Obligation Serial Note

On November 1, 2010, the Town issued a \$415,000 general obligation serial note for the purchase of a fire truck. The note bears interest at 3% and is due on November 1, 2015.

Board of Education Lawsuit

On May 2, 2011, the Board of Education filed a lawsuit against the Town of Winchester and four individual selectmen seeking an order that the Town raise the education budget by \$1,358,149 to be compliant with the Minimum Budget Requirement (MBR) pursuant to Section 1 of Public Act 11-234.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes, interest and lien fees	\$ <u>20,450,175</u>	\$ <u>20,450,175</u>	\$ <u>20,170,995</u>	\$ <u>(279,180)</u>
Intergovernmental revenues:				
State of Connecticut - General Government	919,262	919,262	1,338,415	419,153
State of Connecticut - Board of Education	<u>8,030,081</u>	<u>8,030,081</u>	<u>6,840,578</u>	<u>(1,189,503)</u>
	<u>8,949,343</u>	<u>8,949,343</u>	<u>8,178,993</u>	<u>(770,350)</u>
Other local revenues:				
Licenses, fees and permits:				
Cemeteries	19,500	19,500	12,793	(6,707)
Town Clerk	190,000	190,000	156,011	(33,989)
Charges for services:				
In lieu of taxes - Housing Authority	37,751	37,751	29,971	(7,780)
Building Department	183,500	183,500	171,569	(11,931)
Planning and Zoning	5,000	5,000	9,185	4,185
Inland Wetlands Commission	3,000	3,000	7,190	4,190
Zoning Board of Appeals	2,500	2,500	4,545	2,045
Police Department	27,000	27,000	19,167	(7,833)
Fire and ambulance	30,750	30,750	4,356	(26,394)
Sale of land and equipment	1	1		(1)
Park and Recreation Department	21,300	21,300	52,606	31,306
Probate Court	550	550	2,545	1,995
Interest and dividends	100,000	100,000	15,348	(84,652)
Other	<u>14,302</u>	<u>14,302</u>	<u>120,480</u>	<u>106,178</u>
	<u>635,154</u>	<u>635,154</u>	<u>605,766</u>	<u>(29,388)</u>
Total revenues	30,034,672	30,034,672	28,955,754	(1,078,918)
Other Financing Sources:				
Transfers in	<u>34,000</u>	<u>34,000</u>	<u>82,700</u>	<u>48,700</u>
Total	\$ <u><u>30,068,672</u></u>	\$ <u><u>30,068,672</u></u>	29,038,454	\$ <u><u>(1,030,218)</u></u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted.

930,533

Capital lease issuance is not budgeted.

41,120

The Board of Education does not budget for certain intergovernmental grants which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.

743,951

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV

\$ 30,754,058

TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Board of Selectmen	\$ 30,470	\$ 30,470	\$ 27,730	\$ 2,740
Town Clerk	172,619	172,619	178,227	(5,608)
Treasurer	5,716	5,716	5,971	(255)
Accounting Department	162,339	162,339	197,391	(35,052)
Election Expenditures	50,992	40,992	36,758	4,234
Insurance	275,224	388,424	412,457	(24,033)
Town Counsel	80,426	88,426	89,539	(1,113)
Town Manager	161,248	164,248	161,710	2,538
Building Department	193,600	191,600	184,599	7,001
Assessor	133,508	133,508	134,850	(1,342)
Board of Tax Review	3,198	3,198	3,198	-
Tax Collector	78,014	62,814	57,137	5,677
Planning and Zoning	14,456	13,456	10,169	3,287
Building	165,877	165,877	172,360	(6,483)
Inland Wetland Commission	9,227	5,227	2,184	3,043
Zoning Board of Appeals	6,564	3,064	1,315	1,749
Laurel City Commission	4,414	4,414	4,414	-
Advisory Comm for the Disabled	942	942		942
Litchfield Conservation District	1,768	1,768	1,473	295
Purchasing/Data Processing	142,669	137,669	136,948	721
Probate Court	4,413	4,413	4,200	213
Senior Citizens	160,036	160,036	151,364	8,672
Rural Transit District	1,965	1,965	1,638	327
Vacation and sick pay accrual	98,080	139,180	146,415	(7,235)
Highland Lake	11,770	11,770	11,770	-
Economic Development Commission	3,692	3,692	649	3,043
School crossing guards	50,209	50,209	57,798	(7,589)
Judgments and losses	981	981		981
Conservation Commission	294	294		294
Unemployment compensation	43,155	33,155	39,621	(6,466)
Cemeteries	55,149	50,249	41,811	8,438
Soldiers Monument Commission	5,071	5,071	4,409	662
Planning and Community Development	86,553	86,553	82,037	4,516
Redevelopment Agency	1,396	1,396	33	1,363
Civil Service Commission	9,488	9,488	7,987	1,501
Friends of Main Street	7,571	7,571	6,310	1,261
	<u>2,233,094</u>	<u>2,342,794</u>	<u>2,374,472</u>	<u>(31,678)</u>

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Library	\$ 194,141	\$ 194,141	\$ 161,795	\$ 32,346
Miscellaneous	479,803	435,803	327,692	108,111
Waste disposal and recycling	411,645	360,845	360,824	21
Public safety:				
Police Department	2,715,081	2,728,481	2,726,436	2,045
Fire Department	368,009	368,009	342,522	25,487
Civil Preparedness	14,694	9,394	8,219	1,175
Winchester Fire Department	38,435	38,435	36,792	1,643
Ambulance	76,097	76,097	36,361	39,736
	<u>3,212,316</u>	<u>3,220,416</u>	<u>3,150,330</u>	<u>70,086</u>
Public works:				
Public Works Department	1,715,114	1,704,114	1,646,839	57,275
Streetlighting	124,397	124,397	150,307	(25,910)
	<u>1,839,511</u>	<u>1,828,511</u>	<u>1,797,146</u>	<u>31,365</u>
Health:				
Department of Health	114,023	114,023	116,190	(2,167)
Youth and Family Services	31,664	31,664	26,388	5,276
Paramedic	158,347	146,347	144,643	1,704
	<u>304,034</u>	<u>292,034</u>	<u>287,221</u>	<u>4,813</u>
Parks and recreation:				
Park and Recreation Department	218,202	218,202	192,053	26,149
Education:				
Board of Education	19,492,397	19,492,397	18,700,427	791,970
Program and project expenses	145,878	145,878	113,183	32,695

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement	\$ 311,000	\$ 311,000	\$ 425,000	\$ (114,000)
Interest	245,816	245,816	245,361	455
	<u>556,816</u>	<u>556,816</u>	<u>670,361</u>	<u>(113,545)</u>
Capital outlay	896,807	905,293	978,082	(72,789)
Total expenditures	<u>29,984,644</u>	<u>29,993,130</u>	<u>29,113,586</u>	<u>879,544</u>
Other Financing Uses:				
Transfers out	(84,028)	(84,028)	(79,136)	4,892
Total	<u>\$ 30,068,672</u>	<u>\$ 30,077,158</u>	29,192,722	<u>\$ 884,436</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted.

930,533

Capital lease issuance is not budgeted.

41,120

The Board of Education does not budget for certain intergovernmental grants which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.

743,951

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.

74,537

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 30,982,863

SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Industrial Park #2 Fund - To account for revenues and expenditures for the marketing and sales of lots in the Town's second industrial park.

Cafeteria Fund - To account for the Child Nutrition Program. Revenues consist of sales of food and grant subsidies for nutrition.

Federal and State Education Grants Fund - To account for revenues and expenditures of various education grants.

Town Aid Roads Fund - To account for state grant revenues and expenditures for Town improved and unimproved roads.

Dog Fund - To account for the activities of the Town's Dog Warden, of which a portion of the fees must be paid to the State of Connecticut.

Brownfields Pilot Program - To account for a grant from the U.S. Environmental Protection Agency and related expenditures to study and redevelop several potentially contaminated manufacturing sites.

Infrastructure Assets - To account for revenues and expenditures relating to water improvements, drain improvements and lighting.

City Sidewalks Fund - To account for revenues and expenditures relating to the maintenance of sidewalks.

Elderly Enrichment Part I Fund - To account for the revenues and expenditures relating to day services for developmentally disabled individuals.

Soldiers Monument Fund - To account for the revenues and expenditures relating to general maintenance of the soldiers monument park.

Police Retirees Benefit Fund - To account for the revenues and expenditures relating to the police officers contributions to a retirement fund to pay for medical benefits.

Cemetery Association Trust Fund - To account for the revenues and expenditures relating to the maintenance of the Forest View Cemetery.

EFPTS Fund - To account for the activity for payment made by the Town of Winchester to the Federal and State for employee withholding taxes.

Soldiers Monument Restoration Fund - To account for the revenues and expenditures relating to the renovation of the monument structure at the soldiers monument park.

Skate Park Fund - To account for the revenue and expenditures for the maintenance of the skate park.

Soldiers Monument Grant Fund - To account for the grants relating to the renovation of the monument structure at the soldiers monument park.

Bullet Proof Vests Fund - To account for the revenue and expenditures for the purchase of bullet proof vests for the police department.

Highland Lake Catch Basin Fund - To account for the revenue and expenditures for the repairs to catch basins at the highland lake area.

Sidewalks and Railings Fund - To account for the revenue and expenditures for the repairs to the railings on Main Street that overlook the Mad River.

PEEP Grant Fund - To account for the revenue and expenditures for a grant to assist families with medical care for children.

Day Care Center Playground Fund - To account for the revenue and expenditures for construction of a new playground at the Batcheller School.

Division Street Fund - To account for the revenues and expenditures for repairs made to the Division Street Bridge.

Village Green Improvements Fund - To account for the revenue and expenditures for improvements and repairs made to the East End Park.

JAG Grant Fund - To account for revenues and expenditures of the Federal Justice Assistance grant.

Lake Management Fund - To account for the revenues and expenditures of Highland Lake.

EDC Donation Fund - To account for economic development commission donations and related expenditures.

Capital Projects Fund

Capital Improvements Fund - To account for various long-term capital projects.

Permanent Funds

Winchester School Trust Fund - To account for funds established to provide scholarships on an annual basis to local youth who excel in the school system.

Winchester Sinking Fund - To account for funds established for the retirement of debt. The fund balance must exceed \$75,000 before any funds can be utilized.

Forest View Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Town's Forest View Cemetery and to purchase cemetery land.

Winchester Center Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Winchester Center Cemetery and to purchase cemetery land.

Forest View Cemetery Chapel Trust Fund - This fund is used to account for the revenues and expenditures for the repairs and maintenance of the chapel located on the grounds of the Forest View Cemetery.

Crippled Children Trust Fund - This fund was established to provide funds for disabled children.

Winchester Memorial Park Fund - This fund was established to provide funds to make repairs and improvements to the Town of Winchester parks.

Jane A Nisbet Fund - This fund was established to accumulate interest with the income used for the operation and maintenance of the Forest View Cemetery.

Beverly Passbook Fund - This fund was established as a scholarship fund.

Other - To account for funds contributed to the Town, the income on which is used for decorating various grave sites and repairs and maintenance of the local parks.

TOWN OF WINCHESTER, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

Special Revenue Funds

	<u>Industrial Park #2 Fund</u>	<u>Cafeteria Fund</u>	<u>Federal and State Education Grants Fund</u>	<u>Town Aid Roads Fund</u>	<u>Dog Fund</u>	<u>Brownfields Pilot Program</u>	<u>Infrastructure Assets</u>
ASSETS							
Cash and cash equivalents	\$ 70	\$ 54,268	\$	\$	\$ 1,444	\$ 96	\$ 661
Due from other governments		49,931	187,760				
Due from other funds	340,044			5,350	6,868		
Other assets					196		
Total Assets	<u>\$ 340,114</u>	<u>\$ 104,199</u>	<u>\$ 187,760</u>	<u>\$ 5,350</u>	<u>\$ 8,508</u>	<u>\$ 96</u>	<u>\$ 661</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued items	\$	\$	\$	\$	\$ 80	\$	\$
Deferred revenue			51,241				
Due to other governments	153,130				8,133		
Due to other funds			137,217		49,100	20,090	
Total liabilities	<u>153,130</u>	<u>-</u>	<u>188,458</u>	<u>-</u>	<u>57,313</u>	<u>20,090</u>	<u>-</u>
Fund Balances:							
Reserved:							
Purpose of trust							
Encumbrances							
Unreserved and undesignated	186,984	104,199	(698)	5,350	(48,805)	(19,994)	661
Total fund balances	<u>186,984</u>	<u>104,199</u>	<u>(698)</u>	<u>5,350</u>	<u>(48,805)</u>	<u>(19,994)</u>	<u>661</u>
Total Liabilities and Fund Balances	<u>\$ 340,114</u>	<u>\$ 104,199</u>	<u>\$ 187,760</u>	<u>\$ 5,350</u>	<u>\$ 8,508</u>	<u>\$ 96</u>	<u>\$ 661</u>

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TOWN OF WINCHESTER, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

Special Revenue Funds

	<u>City Sidewalks Fund</u>	<u>Elderly Enrichment Part I Fund</u>	<u>Soldiers Monument Fund</u>	<u>Police Retirees Benefit Fund</u>	<u>Cemetery Association Trust Fund</u>	<u>EFPTS Fund</u>	<u>Soldiers Monument Restoration Fund</u>	<u>Skate Park Fund</u>
ASSETS								
Cash and cash equivalents	\$ 859	\$ 28,743	\$ 1,448	\$ 597	\$ 671	\$ -	\$ 172	\$ 7
Due from other governments								
Due from other funds		9,092					99,000	
Other assets		2,483						
Total Assets	<u>\$ 859</u>	<u>\$ 40,318</u>	<u>\$ 1,448</u>	<u>\$ 597</u>	<u>\$ 671</u>	<u>\$ -</u>	<u>\$ 99,172</u>	<u>\$ 7</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued items	\$ -	\$ 9,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue								
Due to other governments								
Due to other funds				12,235				
Total liabilities	<u>-</u>	<u>9,230</u>	<u>-</u>	<u>12,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Reserved:								
Purpose of trust								
Encumbrances								
Unreserved and undesignated	859	31,088	1,448	(11,638)	671	-	99,172	7
Total fund balances	<u>859</u>	<u>31,088</u>	<u>1,448</u>	<u>(11,638)</u>	<u>671</u>	<u>-</u>	<u>99,172</u>	<u>7</u>
Total Liabilities and Fund Balances	<u>\$ 859</u>	<u>\$ 40,318</u>	<u>\$ 1,448</u>	<u>\$ 597</u>	<u>\$ 671</u>	<u>\$ -</u>	<u>\$ 99,172</u>	<u>\$ 7</u>

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TOWN OF WINCHESTER, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

Special Revenue Funds

	Soldiers Monument Grant Fund	Bullet Proof Vests Fund	Highland Lake Catch Basin Fund	Sidewalks and Railings Fund	PEEP Grant Fund	Day Care Center Playground Fund	Division Street Fund	Village Green Improvements Fund
ASSETS								
Cash and cash equivalents	\$	\$ 1,903	\$ 4,736	\$ 1,526	\$ 4	\$ 1,291	\$	\$ 4,383
Due from other governments								
Due from other funds	12,461							
Other assets								
Total Assets	\$ 12,461	\$ 1,903	\$ 4,736	\$ 1,526	\$ 4	\$ 1,291	\$ -	\$ 4,383
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$	\$	\$
Deferred revenue	12,461							
Due to other governments				1,526		1,291		4,383
Due to other funds			3,866					
Total liabilities	12,461	-	3,866	1,526	-	1,291	-	4,383
Fund Balances:								
Reserved:								
Purpose of trust								
Encumbrances								
Unreserved and undesignated		1,903	870		4			
Total fund balances	-	1,903	870	-	4	-	-	-
Total Liabilities and Fund Balances	\$ 12,461	\$ 1,903	\$ 4,736	\$ 1,526	\$ 4	\$ 1,291	\$ -	\$ 4,383

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TOWN OF WINCHESTER, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Permanent Funds</u>		
	<u>JAG Grant Fund</u>	<u>Lake Management Fund</u>	<u>EDC Donation Fund</u>	<u>Capital Improvements Fund</u>	<u>Winchester School Trust Fund</u>	<u>Winchester Sinking Fund</u>	<u>Forest View Cemetery Fund</u>
ASSETS							
Cash and cash equivalents	\$ 3,068	\$	\$ 950	\$ 51,137	\$ 36,154	\$ 18	\$ 24,728
Due from other governments							
Due from other funds					33,817	89,158	113,455
Other assets							
Total Assets	<u>\$ 3,068</u>	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ 51,137</u>	<u>\$ 69,971</u>	<u>\$ 89,176</u>	<u>\$ 138,183</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued items	\$	\$	\$	\$ 3,335	\$	\$	\$
Deferred revenue							
Due to other governments							
Due to other funds				181,591			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,926</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Reserved:							
Purpose of trust					69,971	89,176	138,183
Encumbrances				82,758			
Unreserved and undesignated	3,068		950	(216,547)			
Total fund balances	<u>3,068</u>	<u>-</u>	<u>950</u>	<u>(133,789)</u>	<u>69,971</u>	<u>89,176</u>	<u>138,183</u>
Total Liabilities and Fund Balances	<u>\$ 3,068</u>	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ 51,137</u>	<u>\$ 69,971</u>	<u>\$ 89,176</u>	<u>\$ 138,183</u>

-5-

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TOWN OF WINCHESTER, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

Permanent Funds

	<u>Winchester Center Cemetery Fund</u>	<u>Forest View Cemetery Chapel Trust Fund</u>	<u>Crippled Children Trust Fund</u>	<u>Winchester Memorial Park Fund</u>	<u>Jane A Nisbet Fund</u>	<u>Beverly Passbook Fund</u>	<u>Other</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 9,589	\$	\$	\$ 3	\$ 2	\$ 7,327	\$ 34	\$ 235,889
Due from other governments								237,691
Due from other funds	28,807	629	445	14,058	7,782		155,997	916,963
Other assets								2,679
Total Assets	<u>\$ 38,396</u>	<u>\$ 629</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,327</u>	<u>\$ 156,031</u>	<u>\$ 1,393,222</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$	\$	\$ 12,645
Deferred revenue								63,702
Due to other governments								168,463
Due to other funds								404,099
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,909</u>
Fund Balances:								
Reserved:								
Purpose of trust	38,396			14,061			156,031	505,818
Encumbrances								82,758
Unreserved and undesignated		629	445		7,784	7,327		155,737
Total fund balances	<u>38,396</u>	<u>629</u>	<u>445</u>	<u>14,061</u>	<u>7,784</u>	<u>7,327</u>	<u>156,031</u>	<u>744,313</u>
Total Liabilities and Fund Balances	<u>\$ 38,396</u>	<u>\$ 629</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,327</u>	<u>\$ 156,031</u>	<u>\$ 1,393,222</u>

TOWN OF WINCHESTER, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Special Revenue Funds

	Industrial Park #2 Fund	Cafeteria Fund	Federal and State Education Grants Fund	Town Aid Roads Fund	Dog Fund	Brownfields Pilot Program	Infrastructure Assets	City Sidewalks Fund
Revenues:								
Intergovernmental revenues	\$	\$ 308,666	\$ 2,513,330	\$	\$	\$ 33,347	\$ 121,107	\$
Interest and dividends								1
Charges for services		211,054						
Licenses, fees and permits					14,251			
Other revenue		7,238			1,333			
Total revenues	<u>-</u>	<u>526,958</u>	<u>2,513,330</u>	<u>-</u>	<u>15,584</u>	<u>33,347</u>	<u>121,107</u>	<u>1</u>
Expenditures:								
General government						40,589		
Public safety					53,195			
Public works				136,760			86,778	
Parks and recreation							34,329	
Education		516,387	2,514,028					
Capital outlay								
Total expenditures	<u>-</u>	<u>516,387</u>	<u>2,514,028</u>	<u>136,760</u>	<u>53,195</u>	<u>40,589</u>	<u>121,107</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>10,571</u>	<u>(698)</u>	<u>(136,760)</u>	<u>(37,611)</u>	<u>(7,242)</u>	<u>-</u>	<u>1</u>
Other Financing Sources (Uses):								
Transfers in				44,136	35,000			
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,136</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>10,571</u>	<u>(698)</u>	<u>(92,624)</u>	<u>(2,611)</u>	<u>(7,242)</u>	<u>-</u>	<u>1</u>
Fund Balances at Beginning of Year	<u>186,984</u>	<u>93,628</u>	<u></u>	<u>97,974</u>	<u>(46,194)</u>	<u>(12,752)</u>	<u>661</u>	<u>858</u>
Fund Balances at End of Year	<u>\$ 186,984</u>	<u>\$ 104,199</u>	<u>\$ (698)</u>	<u>\$ 5,350</u>	<u>\$ (48,805)</u>	<u>\$ (19,994)</u>	<u>\$ 661</u>	<u>\$ 859</u>

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TOWN OF WINCHESTER, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Special Revenue Funds</u>							
	<u>Elderly Enrichment Part I Fund</u>	<u>Soldiers Monument Fund</u>	<u>Police Retirees Benefit Fund</u>	<u>Cemetery Association Trust Fund</u>	<u>EFPTS Fund</u>	<u>Soldiers Monument Restoration Fund</u>	<u>Skate Park Fund</u>	<u>Soldiers Monument Grant Fund</u>
Revenues:								
Intergovernmental revenues	\$ 201,461	\$	\$	\$	\$	\$	\$	\$
Interest and dividends		1		1				
Charges for services								
Licenses, fees and permits			1,040			440		
Other revenue								
Total revenues	<u>201,461</u>	<u>1</u>	<u>1,040</u>	<u>1</u>	<u>-</u>	<u>440</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	201,460		20,799					
Public safety								
Public works								
Parks and recreation								
Education								
Capital outlay								
Total expenditures	<u>201,460</u>	<u>-</u>	<u>20,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1</u>	<u>1</u>	<u>(19,759)</u>	<u>1</u>	<u>-</u>	<u>440</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out					(1,517)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,517)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1	1	(19,759)	1	(1,517)	440	-	-
Fund Balances at Beginning of Year	<u>31,087</u>	<u>1,447</u>	<u>8,121</u>	<u>670</u>	<u>1,517</u>	<u>98,732</u>	<u>7</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 31,088</u>	<u>\$ 1,448</u>	<u>\$ (11,638)</u>	<u>\$ 671</u>	<u>\$ -</u>	<u>\$ 99,172</u>	<u>\$ 7</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Special Revenue Funds</u>							
	<u>Bullet Proof Vests Fund</u>	<u>Highland Lake Catch Basin Fund</u>	<u>Sidewalks and Railings Fund</u>	<u>PEEP Grant Fund</u>	<u>Day Care Center Playground Fund</u>	<u>Division Street Fund</u>	<u>Village Green Improvements Fund</u>	<u>JAG Grant Fund</u>
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$	46,493	\$ 35,450	\$ 42,741
Interest and dividends								
Charges for services								
Licenses, fees and permits								
Other revenue	1,325							1,800
Total revenues	<u>1,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,493</u>	<u>35,450</u>	<u>44,541</u>
Expenditures:								
General government							35,450	
Public safety	665							41,473
Public works								
Parks and recreation					1,291			
Education								
Capital outlay						67,824		
Total expenditures	<u>665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,291</u>	<u>67,824</u>	<u>35,450</u>	<u>41,473</u>
Excess (Deficiency) of Revenues over Expenditures	<u>660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,291)</u>	<u>(21,331)</u>	<u>-</u>	<u>3,068</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out						(81,183)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,183)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	660	-	-	-	(1,291)	(102,514)	-	3,068
Fund Balances at Beginning of Year	<u>1,243</u>	<u>870</u>	<u>-</u>	<u>4</u>	<u>1,291</u>	<u>102,514</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,903</u>	<u>\$ 870</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,068</u>

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Permanent Funds</u>			
	<u>Lake Management Fund</u>	<u>EDC Donation Fund</u>	<u>Capital Improvements Fund</u>	<u>Winchester School Trust Fund</u>	<u>Winchester Sinking Fund</u>	<u>Forest View Cemetery Fund</u>	<u>Winchester Center Cemetery Fund</u>
Revenues:							
Intergovernmental revenues	\$ 28,926	\$	\$	\$	\$	\$	\$
Interest and dividends				2,817		25	10
Charges for services							
Licenses, fees and permits							
Other revenue		950					
Total revenues	<u>28,926</u>	<u>950</u>	<u>-</u>	<u>2,817</u>	<u>-</u>	<u>25</u>	<u>10</u>
Expenditures:							
General government	28,926						
Public safety							
Public works							
Parks and recreation							
Education				1,500			
Capital outlay			6,443				
Total expenditures	<u>28,926</u>	<u>-</u>	<u>6,443</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>950</u>	<u>(6,443)</u>	<u>1,317</u>	<u>-</u>	<u>25</u>	<u>10</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	950	(6,443)	1,317	-	25	10
Fund Balances at Beginning of Year			(127,346)	68,654	89,176	138,158	38,386
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ (133,789)</u>	<u>\$ 69,971</u>	<u>\$ 89,176</u>	<u>\$ 138,183</u>	<u>\$ 38,396</u>

(Continued on next page)

TOWN OF WINCHESTER, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Permanent Funds						
	Forest View Cemetery Chapel Trust Fund	Crippled Children Trust Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Beverly Passbook Fund	Other	Total
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$ 3,331,521
Interest and dividends					176		3,031
Charges for services							211,054
Licenses, fees and permits							14,251
Other revenue							14,126
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176</u>	<u>-</u>	<u>3,573,983</u>
Expenditures:							
General government							327,224
Public safety							95,333
Public works							223,538
Parks and recreation							35,620
Education							3,031,915
Capital outlay							74,267
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,787,897</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176</u>	<u>-</u>	<u>(213,914)</u>
Other Financing Sources (Uses):							
Transfers in							79,136
Transfers out							(82,700)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,564)</u>
Net Change in Fund Balances	-	-	-	-	176	-	(217,478)
Fund Balances at Beginning of Year	<u>629</u>	<u>445</u>	<u>14,061</u>	<u>7,784</u>	<u>7,151</u>	<u>156,031</u>	<u>961,791</u>
Fund Balances at End of Year	<u>\$ 629</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,327</u>	<u>\$ 156,031</u>	<u>\$ 744,313</u>

TOWN OF WINCHESTER, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - DOG FUND
NON-GAAP BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2010

	Dog Fund		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
License fees	\$ 11,000	\$ 14,251	\$ 3,251
Miscellaneous revenues	2,500	1,333	(1,167)
Total revenues	<u>13,500</u>	<u>15,584</u>	<u>2,084</u>
Expenditures:			
Supplies and expenditures	<u>53,392</u>	<u>53,195</u>	<u>197</u>
Deficiency of Revenues over Expenditures	(39,892)	(37,611)	2,281
Other Financing Sources:			
Transfers in	<u>39,892</u>	<u>35,000</u>	<u>(4,892)</u>
Deficiency of Revenues and Other Sources over Expenditures	<u>\$ -</u>	<u>(2,611)</u>	<u>\$ (2,611)</u>
Fund Balances at Beginning of Year		<u>(46,194)</u>	
Fund Balances at End of Year		<u>\$ (48,805)</u>	

FIDUCIARY FUNDS

Agency Funds:

Town Deposit Fund - To account for funds used for public schools.

Student Activities Fund - To account for the Batcheller, Hinsdale and Pearson school activity funds.

Other - To account for performance bonds held by the Town.

TOWN OF WINCHESTER, CONNECTICUT

EXHIBIT B

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
Town Deposit:				
Assets:				
Cash and cash equivalents	\$ <u>1</u>	<u>\$</u>	<u>\$</u>	\$ <u>1</u>
Liabilities:				
Fiduciary deposits	\$ <u>1</u>	<u>\$</u>	<u>\$</u>	\$ <u>1</u>
Student Activities:				
Assets:				
Cash and cash equivalents	\$ <u>17,423</u>	\$ <u>59,835</u>	\$ <u>63,195</u>	\$ <u>14,063</u>
Liabilities:				
Fiduciary deposits	\$ <u>17,423</u>	\$ <u>59,835</u>	\$ <u>63,195</u>	\$ <u>14,063</u>
Other:				
Assets:				
Cash and cash equivalents	\$ 30,807	\$ 12	\$ 10,000	\$ 20,819
Accounts receivable	<u> </u>	<u>10,000</u>	<u> </u>	<u>10,000</u>
	<u>30,807</u>	<u>10,012</u>	<u>10,000</u>	<u>30,819</u>
Liabilities:				
Fiduciary deposits	\$ <u>30,807</u>	\$ <u>10,012</u>	\$ <u>10,000</u>	\$ <u>30,819</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 48,231	\$ 59,847	\$ 73,195	\$ 34,883
Accounts receivable	<u> </u>	<u>10,000</u>	<u> </u>	<u>10,000</u>
	<u>48,231</u>	<u>69,847</u>	<u>73,195</u>	<u>44,883</u>
Liabilities:				
Fiduciary deposits	\$ <u>48,231</u>	\$ <u>69,847</u>	\$ <u>73,195</u>	\$ <u>44,883</u>

SUPPLEMENTAL SCHEDULES

TOWN OF WINCHESTER, CONNECTICUT

GENERAL FUND

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2010

Grand List of October 1,	Due Date of Tax	New Levy and Uncollected Balance July 1, 2009	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levies	Collections			Taxes Receivable June 30, 2010
			Additions	Deductions			Taxes	Interest and Liens		
								Total		
1995	7/1 and 1/1	\$ 14,764	\$	\$ (2,027)	\$	\$ 12,737	\$	\$	\$ -	\$ 12,737
1996	7/1 and 1/1	4,537				4,537			-	4,537
1997	7/1 and 1/1	6,086				6,086			-	6,086
1998	7/1 and 1/1	7,024				7,024			-	7,024
1999	7/1 and 1/1	6,741				6,741			-	6,741
2000	7/1 and 1/1	7,660				7,660			-	7,660
2001	7/1 and 1/1	8,693	484			9,177	335	191	526	8,842
2002	7/1 and 1/1	12,931	295			13,226	4,503	3,141	7,644	8,723
2003	7/1 and 1/1	16,676		(1,928)		14,748	5,694	4,991	10,685	9,054
2004	7/1 and 1/1	43,124		(3,623)		39,501	20,770	9,790	30,560	18,731
2005	7/1 and 1/1	53,033		(4,490)		48,543	29,865	16,110	45,975	18,678
2006	7/1 and 1/1	106,341		(4,615)		101,726	60,726	21,111	81,837	41,000
2007	7/1 and 1/1	390,981	5,873	(30,967)	(45,453)	320,434	250,312	54,195	304,507	70,122
2008	7/1 and 1/1	20,100,012	28,048	(134,332)	(1,535)	19,992,193	19,602,244	128,884	19,731,128	389,949
Total Grand List		\$ 20,778,603	\$ 34,700	\$ (181,982)	\$ (46,988)	\$ 20,584,333	\$ 19,974,449	\$ 238,413	\$ 20,212,862	\$ 609,884

TOWN OF WINCHESTER, CONNECTICUT

SCHEDULES OF WATER AND SEWER RENTS LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2010

Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2009	Lawful Corrections	Adjusted Levy and Uncollected Balance	Collections			Water Rents Receivable, June 30, 2010
				Rents	Interest and Liens	Total	
1995	\$ 697	\$ (697)	\$ -	\$ -	\$ -	\$ -	\$ -
1996	602	(602)	-	-	-	-	-
1997	808	(808)	-	-	-	-	-
1998	1,318	(1,318)	-	-	-	-	-
1999	631	(631)	-	-	-	-	-
2001	90		90	90	133	223	-
2002	1,606		1,606	1,606	1,673	3,279	-
2003	2,955		2,955	2,310	2,231	4,541	645
2004	5,394	(293)	5,101	2,295	1,792	4,087	2,806
2005	5,933	(294)	5,639	4,520	2,709	7,229	1,119
2006	11,295	(300)	10,995	7,284	3,336	10,620	3,711
2007	83,243	(1,676)	81,567	64,001	14,361	78,362	17,566
2008	1,532,446	(76,366)	1,456,080	1,340,788	18,579	1,359,367	115,292
	<u>\$ 1,647,018</u>	<u>\$ (82,985)</u>	<u>\$ 1,564,033</u>	<u>\$ 1,422,894</u>	<u>\$ 44,814</u>	<u>\$ 1,467,708</u>	<u>\$ 141,139</u>

Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2009	Lawful Corrections	Adjusted Levy and Uncollected Balance	Collections			Sewer Rents Receivable, June 30, 2010
				Rents	Interest and Liens	Total	
1995	\$ 360	\$ (360)	\$ -	\$ -	\$ -	\$ -	\$ -
1996	360	(360)	-	-	-	-	-
1997	4		4				4
1998	38		38				38
2001	57		57	57	92	149	-
2002	462		462	462	526	988	-
2003	1,684		1,684	1,518	1,510	3,028	166
2004	2,542	(170)	2,372	1,502	1,216	2,718	870
2005	3,127	(171)	2,956	2,787	1,753	4,540	169
2006	5,862	(318)	5,544	4,349	2,030	6,379	1,195
2007	49,680	(1,616)	48,064	38,079	10,896	48,975	9,985
2008	1,059,579	(75,070)	984,509	909,894	11,740	921,634	74,615
	<u>\$ 1,123,755</u>	<u>\$ (78,065)</u>	<u>\$ 1,045,690</u>	<u>\$ 958,648</u>	<u>\$ 29,763</u>	<u>\$ 988,411</u>	<u>\$ 87,042</u>

Source: Town of Winchester, Connecticut, Collector of Revenue.

STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF WINCHESTER, CONNECTICUT

NET ASSETS BY COMPONENT

SINCE INCEPTION OF GASB 34

(Accrual Basis of Accounting)

	FISCAL YEAR							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:								
Invested in capital assets, net of related debt	\$ 25,729,473	\$ 25,863,702	\$ 23,506,325	\$ 26,309,934	\$ 37,596,274	\$ 40,755,815	\$ 37,616,669	\$ 37,827,059
Restricted	415,260	418,871	423,589	429,610	432,864	503,576	504,466	522,003
Unrestricted	<u>3,139,372</u>	<u>3,599,311</u>	<u>5,142,363</u>	<u>1,135,393</u>	<u>4,630,810</u>	<u>1,328,438</u>	<u>1,349,394</u>	<u>(1,027,616)</u>
Total Governmental Activities Net Assets	<u>\$ 29,284,105</u>	<u>\$ 29,881,884</u>	<u>\$ 29,072,277</u>	<u>\$ 27,874,937</u>	<u>\$ 42,659,948</u>	<u>\$ 42,587,829</u>	<u>\$ 39,470,529</u>	<u>\$ 37,321,446</u>
Business-Type Activities:								
Invested in capital assets, net of related debt	\$ 25,970,626	\$ 25,895,701	\$ 26,117,487	\$ 27,630,867	\$ 31,606,447	\$ 31,481,209	\$ 34,073,572	\$ 33,299,371
Unrestricted	<u>1,553,796</u>	<u>1,363,735</u>	<u>1,419,937</u>	<u>884,603</u>	<u>882,617</u>	<u>509,720</u>	<u>(207,422)</u>	<u>(869,187)</u>
Total Business-Type Activities Net Assets	<u>\$ 27,524,422</u>	<u>\$ 27,259,436</u>	<u>\$ 27,537,424</u>	<u>\$ 28,515,470</u>	<u>\$ 32,489,064</u>	<u>\$ 31,990,929</u>	<u>\$ 33,866,150</u>	<u>\$ 32,430,184</u>
Primary Government:								
Invested in capital assets, net of related debt	\$ 51,700,099	\$ 51,759,403	\$ 49,623,812	\$ 53,940,801	\$ 69,202,721	\$ 72,237,024	\$ 71,690,241	\$ 71,126,430
Restricted	415,260	418,871	423,589	429,610	432,864	503,576	504,466	522,003
Unrestricted	<u>4,693,168</u>	<u>4,963,046</u>	<u>6,562,300</u>	<u>2,019,996</u>	<u>5,513,427</u>	<u>1,838,158</u>	<u>1,141,972</u>	<u>(1,896,803)</u>
Total Primary Government Net Assets	<u>\$ 56,808,527</u>	<u>\$ 57,141,320</u>	<u>\$ 56,609,701</u>	<u>\$ 56,390,407</u>	<u>\$ 75,149,012</u>	<u>\$ 74,578,758</u>	<u>\$ 73,336,679</u>	<u>\$ 69,751,630</u>

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

TOWN OF WINCHESTER, CONNECTICUT

CHANGES IN NET ASSETS

SINCE INCEPTION OF GASB 34
(Accrual Basis of Accounting)

	FISCAL YEAR							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:								
Governmental activities:								
Board of Education	\$ 18,541,355	\$ 18,848,278	\$ 19,134,392	\$ 20,428,332	\$ 21,551,084	\$ 26,648,882	\$ 23,531,203	\$ 23,530,225
Public safety	3,124,233	3,166,696	3,475,885	4,009,300	3,971,722	3,936,737	4,286,390	4,839,257
Public works	2,779,172	1,788,829	3,021,111	3,138,955	3,370,104	3,086,803	3,432,120	3,222,727
General government	3,721,405	2,466,584	3,044,126	3,550,359	2,571,804	3,143,876	4,343,136	3,287,307
Welfare	58,331	47,109	28,224	26,443				
Health	248,171	187,641	218,918	275,401	284,419	269,570	313,813	287,221
Parks and recreation	273,268	300,769	270,071	265,436	315,423	280,558	268,004	263,574
Library	213,597	197,054	205,882	209,543	191,025	196,756	197,941	161,795
Waste disposal and recycling	596,924	477,669	407,666	482,881	327,548	355,293	363,464	360,824
Interest on long-term debt	288,536	244,728	227,614	183,875	150,320	254,313	305,566	301,724
Total governmental activities expenses	29,844,992	27,725,357	30,033,889	32,570,525	32,733,449	38,172,788	37,041,637	36,254,654
Business-type activities:								
Water	2,049,799	1,853,696	1,491,865	1,560,548	1,777,621	2,008,912	1,809,639	1,976,247
Sewer	1,789,526	1,724,658	1,621,403	1,703,944	1,741,196	1,808,430	1,751,541	2,309,850
Total business-type activities expenses	3,839,325	3,578,354	3,113,268	3,264,492	3,518,817	3,817,342	3,561,180	4,286,097
Total Primary Government Expenses	\$ 33,684,317	\$ 31,303,711	\$ 33,147,157	\$ 35,835,017	\$ 36,252,266	\$ 41,990,130	\$ 40,602,817	\$ 40,540,751
Program Revenues:								
Governmental activities:								
Charges for services:								
Board of Education	\$	\$	231,521	473,193	202,715	217,359	224,163	211,054
Public safety				342,192	331,138	272,387	247,535	230,263
Public works				239,353	146,010	18,895	16,694	16,928
General government	939,600	391,083	311,660	233,135	234,063	214,367	160,542	90,180
Parks and recreation			21,000			55,578	7,726	52,606
Operating grants and contributions	8,507,762	8,407,231	8,563,656	9,507,076	10,203,048	14,018,112	12,036,009	12,122,738
Capital grants and contributions	1,069,819	640,055	733,878	378,290	1,330,607	1,430,470	753,033	778,542
Total governmental activities program revenues	10,517,181	9,438,369	9,861,715	11,173,239	12,447,581	16,227,168	13,445,702	13,502,311
Business-type activities:								
Water:								
Charges for services	3,329,450	1,771,612	1,865,882	1,591,516	1,561,408	1,564,815	1,542,744	1,497,962
Capital grants and contributions				1,123,379	100,727		94,396	
Sewer:								
Charges for services	1,288,645	1,300,159	1,283,045	1,300,972	1,214,181	1,259,016	1,137,164	1,133,761
Capital grants and contributions						266,251	2,234	
Total business-type activities program revenues	4,618,095	3,071,771	3,148,927	4,015,867	2,876,316	3,090,082	2,776,538	2,631,723
Total Primary Government Program Revenues	\$ 15,135,276	\$ 12,510,140	\$ 13,010,642	\$ 15,189,106	\$ 15,323,897	\$ 19,317,250	\$ 16,222,240	\$ 16,134,034
Net revenues (expenses):								
Governmental activities	\$ (19,327,811)	\$ (18,286,988)	\$ (20,172,174)	\$ (21,397,286)	\$ (20,285,868)	\$ (21,945,620)	\$ (23,595,935)	\$ (22,752,343)
Business-type activities	778,770	(506,583)	35,659	751,375	(642,501)	(727,260)	(784,642)	(1,654,374)
Total Primary Government Net Expense	\$ (18,549,041)	\$ (18,793,571)	\$ (20,136,515)	\$ (20,645,911)	\$ (20,928,369)	\$ (22,672,880)	\$ (24,380,577)	\$ (24,406,717)
General Revenues and Other								
Changes in Net Assets:								
Governmental activities:								
Property taxes	\$ 15,847,789	\$ 16,914,799	\$ 17,629,149	\$ 18,954,951	\$ 19,416,214	\$ 20,563,030	\$ 20,168,038	\$ 20,094,437
Grants and contributions not restricted to specific programs	1,202,028	814,095	1,030,388	773,402	847,448	860,523	1,008,005	656,303
Unrestricted investment earnings	77,553	65,183	74,540	333,180	396,785	116,768	10,581	18,379
Miscellaneous	463,967	1,324,515	867,740	364,529	213,563	556,727	348,863	303,654
Transfers	(212,780)	(233,825)	(233,825)	(226,116)	(218,408)	(223,547)	(215,838)	(218,408)
Total governmental activities	17,378,557	18,884,767	19,367,992	20,199,946	20,655,602	21,873,501	21,319,649	20,854,365
Business-type activities:								
Unrestricted investment earnings	15,212	7,772	8,504	555	13,447	5,578	154	
Transfers	212,780	233,825	233,825	226,116	218,408	223,547	215,838	218,408
Total business-type activities	227,992	241,597	242,329	226,671	231,855	229,125	215,992	218,408
Total Primary Government	\$ 17,606,549	\$ 19,126,364	\$ 19,610,321	\$ 20,426,617	\$ 20,887,457	\$ 22,102,626	\$ 21,535,641	\$ 21,072,773
Change in Net Assets:								
Governmental activities	\$ (1,949,254)	\$ 597,779	\$ (804,182)	\$ (1,197,340)	\$ 369,734	\$ (72,119)	\$ (2,276,286)	\$ (1,897,978)
Business-type activities	1,006,762	(264,986)	277,988	978,046	(410,646)	(498,135)	(568,650)	(1,435,966)
Total Primary Government	\$ (942,492)	\$ 332,793	\$ (526,194)	\$ (219,294)	\$ (40,912)	\$ (570,254)	\$ (2,844,936)	\$ (3,333,944)

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

TOWN OF WINCHESTER, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:										
Reserved	\$ 794,806	\$ 482,665	\$ 299,846	\$ 79,770	\$ 278,101	\$ 86,833	\$ 298,934	\$ 85,163	\$ 125,094	\$ 50,556
Unreserved	966,453	1,760,016	506,795	623,576	544,693	1,255,876	1,335,002	1,124,767	865,410	711,143
Total General Fund	<u>\$ 1,761,259</u>	<u>\$ 2,242,681</u>	<u>\$ 806,641</u>	<u>\$ 703,346</u>	<u>\$ 822,794</u>	<u>\$ 1,342,709</u>	<u>\$ 1,633,936</u>	<u>\$ 1,209,930</u>	<u>\$ 990,504</u>	<u>\$ 761,699</u>
All other governmental funds:										
Reserved	\$ 478,808	\$ 486,543	\$ 415,260	\$ 418,871	\$ 423,589	\$ 429,610	\$ 432,864	\$ 503,576	\$ 692,921	\$ 588,576
Unreserved, reported in:										
Special revenue funds	655,975	736,120	715,890	861,087	707,598	420,389	612,716	223,163	128,123	(194,593)
Capital projects funds						(1,384,871)	(4,161,383)	(6,025,566)	(127,346)	(133,789)
Permanent funds			55,424	55,424	55,424	56,654	60,017	15,861	16,009	16,185
Total All Other Governmental Funds	<u>\$ 1,134,783</u>	<u>\$ 1,222,663</u>	<u>\$ 1,186,574</u>	<u>\$ 1,335,382</u>	<u>\$ 1,186,611</u>	<u>\$ (478,218)</u>	<u>\$ (3,055,786)</u>	<u>\$ (5,282,966)</u>	<u>\$ 709,707</u>	<u>\$ 276,379</u>

TOWN OF WINCHESTER, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Property taxes, interest and lien fees	\$ 14,730,409	\$ 16,105,541	\$ 16,113,787	\$ 17,132,182	\$ 17,927,617	\$ 19,108,386	\$ 19,601,927	\$ 20,388,059	\$ 20,403,777	\$ 20,170,995
Intergovernmental revenues	11,250,241	10,400,837	11,220,411	10,106,349	10,558,291	11,131,132	12,626,070	16,537,291	14,009,909	13,516,197
Other local revenues	1,321,730	2,206,382	1,324,316	1,780,781	1,521,060	1,758,185	1,524,274	1,589,592	1,016,074	1,058,662
Total revenues	27,302,380	28,712,760	28,658,514	29,019,312	30,006,968	31,997,703	33,752,271	38,514,942	35,429,760	34,745,854
Expenditures:										
Current:										
Board of Education	15,086,605	16,499,732	18,425,151	18,575,281	18,843,705	20,176,258	21,488,430	26,571,531	23,302,950	23,406,821
Program and project expenses	2,686,456	1,777,416	328,219	166,940	271,113	383,711	234,527	389,932	780,930	589,488
Public safety	1,753,790	1,753,297	1,629,396	2,773,315	2,907,800	2,980,556	3,150,570	3,223,021	3,439,359	3,246,833
Public works	2,496,971	2,606,798	2,568,696	1,608,201	1,718,970	1,974,790	1,887,870	2,250,074	2,097,788	2,025,162
Miscellaneous	859,513	991,644	406,150	296,146	525,500	566,482	366,864	496,431	660,180	327,692
General government	1,330,117	1,459,465	2,555,415	2,408,979	2,661,931	2,921,405	2,790,524	3,033,420	3,311,289	2,699,466
Welfare	49,875	44,654	51,388	43,030	25,792					
Health	210,311	182,310	225,374	176,959	201,516	249,080	280,759	269,570	313,813	287,221
Parks and recreation	173,821	168,163	199,518	194,856	204,951	240,303	244,475	236,411	208,524	224,152
Library	174,533	196,980	193,976	185,836	189,516	189,516	191,025	196,756	197,941	161,795
Waste disposal and recycling	532,517	571,156	542,091	450,476	375,260	436,730	327,548	355,293	363,464	360,824
Debt service:										
Principal	450,000	375,000	414,031	375,000	375,000	375,000	375,000	350,000	330,000	425,000
Interest	222,054	192,843	289,627	245,818	220,390	187,145	153,591	257,365	213,230	308,131
Capital outlay	842,844	1,290,000	2,521,836	1,461,133	1,281,022	3,140,511	4,355,994	3,543,774	620,756	1,168,114
Total expenditures	26,869,407	28,109,458	30,350,868	28,961,970	29,802,466	33,821,487	35,847,177	41,173,578	35,840,224	35,230,699
Excess (Deficiency) of Revenues over Expenditures	432,973	603,302	(1,692,354)	57,342	204,502	(1,823,784)	(2,094,906)	(2,658,636)	(410,464)	(484,845)
Other Financing Sources (Uses):										
Issuance of bonds									6,316,000	
Issuance of capital lease	277,353	111,000	433,004	221,996		904,986	26,973	230,996	33,337	41,120
Transfers in	205,951	205,922	110,084	97,606	149,746	167,578	336,030	184,390	59,530	161,836
Transfers out	(524,960)	(350,922)	(322,864)	(331,431)	(383,571)	(393,694)	(554,438)	(407,937)	(275,368)	(380,244)
Total other financing sources (uses)	(41,656)	(34,000)	220,224	(11,829)	(233,825)	678,870	(191,435)	7,449	6,133,499	(177,288)
Net Change in Fund Balances	391,317	569,302	(1,472,130)	45,513	(29,323)	(1,144,914)	(2,286,341)	(2,651,187)	5,723,035	(662,133)
Fund Balance at Beginning of Year	2,504,727	2,896,044	3,465,346	1,993,216	2,038,729	2,009,406	864,492	(1,421,849)	(4,022,824)	1,700,211
Fund Balance at End of Year	\$ 2,896,044	\$ 3,465,346	\$ 1,993,216	\$ 2,038,729	\$ 2,009,406	\$ 864,492	\$ (1,421,849)	\$ (4,073,036)	\$ 1,700,211	\$ 1,038,078
Debit Service as a Percentage to Noncapital Expenditures	2.59%	2.10%	2.42%	2.26%	2.05%	1.76%	1.68%	1.63%	1.54%	2.16%

TOWN OF WINCHESTER, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2001	\$ 281,785	\$ 26,025	\$ 50,255	\$ 90,638	\$ 14,225	\$ 434,478	33.17 %	\$ 620,683	70.0 %
2002	280,337	50,970	52,791	70,945	15,525	439,518	35.84	627,883	70.0
2003	282,652	50,015	54,144	72,039	16,613	442,237	35.58	631,767	70.0
2004	377,110	62,470	56,165	77,371	13,118	559,998	30.12	799,997	70.0
2005	380,056	61,152	54,294	76,011	10,856	560,657	31.20	800,938	70.0
2006	383,948	61,571	58,667	76,673	8,773	572,086	32.98	817,265	70.0
2007	392,177	62,891	59,924	78,316	8,960	584,348	33.34	834,783	70.0
2008	394,682	63,293	60,307	78,816	9,017	588,080	24.67	840,114	70.0
2009	569,351	107,992	60,472	85,917	9,245	814,487	24.67	1,163,553	70.0
2010	570,237	108,160	60,566	86,051	9,259	815,755	24.67	1,165,364	70.0

Source: Town Assessor's office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.

The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TOWN OF WINCHESTER, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

-18-

	2010				2001		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Gross Taxable Assessed Grand List</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Gross Taxable Assessed Grand List</u>
Nineteen Twenty Three St Marks LLC	\$ 9,984,380	1	1.22 %	Howmet Turbine	\$ 6,287,090	1	1.40 %
Connecticut Light and Power Co	7,201,540	2	0.88	Ledgebrook LLC Trustee	4,894,780	2	1.09
Howmet Casting and Services	6,607,050	3	0.81	Connecticut Light and Power Co	4,447,046	3	0.99
Yankee Gas	4,606,173	4	0.56	Yankee Gas	2,659,258	4	0.59
Litchfield Gardens Apartments	3,226,860	5	0.40	Litchfield Gardens Apartments	2,197,530	5	0.49
Barden Corporation *	3,072,600	6	0.38	SKF USA	2,150,027	6	0.48
Electric Motion	2,586,760	7	0.32	Homer D Bronson Co	2,056,066	7	0.46
Stop and Shop Supermarket	2,178,930	8	0.27	Winsted Precision Ball	1,794,244	8	0.40
Litchfield Heights Apartments	2,109,170	9	0.26	Reynolds and Reynolds	1,345,081	9	0.30
Gilbert Clock Properties	2,051,000	10	0.25	Litchfield Heights Apartments	1,343,240	10	0.30
	<u>\$ 43,624,463</u>		<u>5.35 %</u>		<u>\$ 29,174,362</u>		<u>6.80 %</u>

Source: Town Assessor's office

* Formerly Winsted Precision Ball

TOWN OF WINCHESTER, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 14,580,000	\$ 14,040,540	96.30%	\$ 492,299	\$ 14,532,839	99.68%
2002	15,965,395	15,374,675	96.30%	496,399	15,871,074	99.41%
2003	15,977,098	15,353,991	96.10%	517,993	15,871,984	99.34%
2004	17,015,152	16,368,576	96.20%	532,066	16,900,642	99.33%
2005	17,648,739	17,172,223	97.30%	354,350	17,526,573	99.31%
2006	18,941,101	18,498,146	97.66%	365,650	18,863,796	99.59%
2007	19,521,627	19,016,468	97.41%	425,120	19,441,588	99.59%
2008	20,275,676	19,734,037	97.33%	376,158	20,110,195	99.18%
2009	20,193,362	19,716,097	97.64%	307,641	20,023,738	99.16%
2010	20,100,013	19,592,274	97.47%	-	19,592,274	97.47%

Source: Town Assessor's office and Finance office

TOWN OF WINCHESTER, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt		Other Governmental Activities Debt		Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Total Per Capita
	General Obligation Bonds	Notes	Capital Leases	Other	General Obligation Bonds	Notes				
2001	\$ 2,930,000		\$ 478,029		\$ 13,559,915		\$ 16,967,944	0.13 %	3.66 %	\$ 1,591
2002	2,555,000		390,686		12,686,130		15,631,816	0.14	4.02	1,403
2003	2,180,000		653,147		11,775,545		14,608,692	0.15	4.32	1,358
2004	1,805,000		672,949		11,085,000		13,562,949	0.17	5.90	1,258
2005	1,430,000		453,620		10,155,000		12,038,620	0.19	6.65	1,106
2006	1,055,000	4,515,000	1,273,302		9,185,000		16,028,302	0.14	5.10	1,476
2007	680,000	6,399,000	935,290		8,235,000		16,249,290	0.14	5.14	1,497
2008	330,000	6,151,000	844,498		7,880,000		15,205,498	0.14	5.53	1,401
2009	6,316,000		703,615		6,916,995		13,936,610	0.12	8.35	1,284
2010	5,891,000		376,359		5,954,573		12,221,932	0.12	9.54	1,126

(1) See Table 5 for taxable property value data

(2) See Table 11 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TOWN OF WINCHESTER, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2010

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 20,242,331
Reimbursement for Revenue Loss on:	
Tax relief for elderly and disabled	72,056
Private property tax exemptions	142,352
Manufacturers PILOT grant	<u>193,599</u>
Base	<u>\$ 20,650,338</u>

	<u>General Long-Term Debt</u>			
	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Enterprise</u> (3.75 x base)
Debt Limitation:				
Statutory debt limits by function	\$ <u>46,463,261</u>	\$ <u>92,926,521</u>	\$ <u>67,113,599</u>	\$ <u>77,438,768</u>
Indebtedness:				
Bonds payable	5,891,000			5,410,000
Clean water fund loans				<u>544,575</u>
Total indebtedness	<u>5,891,000</u>	<u>-</u>	<u>-</u>	<u>5,954,575</u>
Debt Limitation in Excess of Debt*	<u>\$ 40,572,261</u>	<u>\$ 92,926,521</u>	<u>\$ 67,113,599</u>	<u>\$ 71,484,193</u>

*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$144,552,366.

TOWN OF WINCHESTER, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 108,337,873	\$ 113,450,302	\$ 117,121,347	\$ 123,193,056	\$ 130,083,548	\$ 137,419,520	\$ 140,903,455	\$ 147,133,637	\$ 148,287,965	\$ 144,552,366
Total net debt applicable to limit	<u>16,489,915</u>	<u>15,241,130</u>	<u>13,955,545</u>	<u>12,890,000</u>	<u>11,585,000</u>	<u>14,755,000</u>	<u>17,236,317</u>	<u>16,159,953</u>	<u>13,936,610</u>	<u>11,845,575</u>
Legal Debt Margin	<u>\$ 91,847,958</u>	<u>\$ 98,209,172</u>	<u>\$ 103,165,802</u>	<u>\$ 110,303,056</u>	<u>\$ 118,498,548</u>	<u>\$ 122,664,520</u>	<u>\$ 123,667,138</u>	<u>\$ 130,973,684</u>	<u>\$ 134,351,355</u>	<u>\$ 132,706,791</u>
Total net debt applicable to the limit as a percentage of debt limit	15.22%	13.43%	11.92%	10.46%	8.91%	10.74%	12.23%	10.98%	9.40%	8.19%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2010 debt limit can be found on Table 9 of this report.

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate (2)</u>
2001	11,140	\$ 22,589	\$ 2,028	40	12+	1,119	3.7
2002	10,755	22,589	2,100	40	12+	1,165	5.8
2003	10,781	22,589	2,095	40	12+	1,129	8.1
2004	10,889	22,589	2,074	40	12+	1,106	6.4
2005	10,857	22,589	2,081	40	12+	1,088	5.9
2006	10,857	22,589	2,081	40	12+	1,094	4.9
2007	10,857	22,589	2,081	40	12+	1,094	4.9
2008	10,857	22,589	2,081	40	12+	1,094	4.9
2009	10,857	22,589	2,081	40	12+	1,094	8.9
2010	10,857	22,589	2,081	40	12+	1,094	8.9

Sources: Population, personal income, median age and education level provided by U.S. Department of Commerce, Bureau of Census and Department of Health Services, State of Connecticut

- (1) Town of Winchester, Board of Education.
(2) State of Connecticut, Department of Labor.

TOWN OF WINCHESTER, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND PRIOR YEAR*

	2010			2009		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Winchester	\$ 270	1	0.05 %	\$ -	n/a	0.00 %
Howmet Corporation	185	2	0.03	270	1	0.08
Electric Motion	140	3	0.02	140	2	0.04
NW CT Community College	100	4	0.02	100	10	0.03
Northwest Community Bank	85	5	0.01	85	4	0.03
Homer D Bronson Co	70	6	0.01	70	5	0.02
Foothills Visiting Nurse/Home Care	65	7	0.01	65	7	0.02
ICS	55	8	0.01	55	9	0.02
Sterling Sintered Technologies	55	9	0.01	55	n/a	0.02
SCASCO	40	10	0.01	40	n/a	0.01
SKF/MRC Plain Bearings	31	11	0.01	31	n/a	0.01
	<u>\$ 1,096</u>		<u>0.19 %</u>	<u>\$ 911</u>		<u>0.28 %</u>

Source: Town of Winchester Planning Department

* Data previous to 2005 is not available.

TOWN OF WINCHESTER, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<u>General Government</u>										
Management services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	8.0	8.0
Finance	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Planning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
<u>Public Safety</u>										
Officers	21.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	24.0	24.0
Civilians	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<u>Public Works</u>										
	15.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0	19.0	19.0
<u>Parks and Recreation</u>										
	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Water and Sewer Authority</u>										
	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<u>Human Services</u>										
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Town Properties</u>										
	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Board of Education</u>										
Certified	99.0	99.0	99.0	99.0	99.0	101.0	102.0	102.0	104.0	102.0
Noncertified	93.0	93.0	93.0	93.0	93.0	89.0	87.0	91.0	94.0	94.0
Total	<u>266.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>268.0</u>	<u>267.0</u>	<u>274.0</u>	<u>285.0</u>	<u>283.0</u>

Sources: Various Town departments

Notes: A full-time employee is scheduled to work 1,976 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 1,976.

TOWN OF WINCHESTER, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM

TABLE 14

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<u>General Government</u>										
Workers compensation claims processed	46	47	45	48	47	41	24	36	55	n/a
General liability claims processed	34	32	31	32	40	35	40	29	33	n/a
Marriage licenses recorded	78	79	80	101	60	58	75	55	67	70
Birth certificates recorded	101	121	120	119	79	100	113	128	130	148
Death certificates recorded	122	110	108	109	145	142	134	129	138	142
<u>Boards and Agencies</u>										
Registered voters	6,732	6,718	6,720	6,716	6,826	6,893	6,849	6,584	6,909	6,839
Elections and referendums	2	3	5	7	4	4	7	4	5	2
<u>Planning and Development</u>										
Building permits issued	732	768	852	848	916	977	900	736	923	652
Rental certificate of occupancy issued	142	140	138	70	163	128	100	127	104	126
Value of building permits	15,766,459	16,745,859	13,744,459	20,382,953	20,702,306	17,396,002	15,022,193	10,312,219	10,967,432	7,635,521
<u>Public Safety</u>										
Arrests	972	975	875	925	595	461	555	n/a	n/a	n/a
Parking violations	1,289	1,400	1,689	1,773	1,602	1,704	1,653	1,687	1,794	n/a
Traffic accidents	410	425	450	477	424	469	438	460	n/a	n/a
Traffic stops	2,390	2,488	2,548	2,612	2,457	2,419	2,115	n/a	n/a	n/a
Police calls	12,978	12,365	11,956	12,186	11,533	10,192	9,612	n/a	n/a	n/a
Animal control calls	499	504	480	545	275	313	222	285	n/a	n/a
Fire dispatched	298	300	290	300	283	271	249	199	n/a	n/a
Ambulance requests	1,532	1,468	1,466	1,375	559	940	1,052	1,007	n/a	n/a
<u>Public Works</u>										
Miles of roads maintained	81	81	81	81	81	81	81	81	81	81
<u>Parks and Recreation</u>										
Community event participants	3,278	3,670	3,670	3,800	3,750	3,380	1,350	1,400	1,453	1,650
Recreation program participants	2,198	2,100	2,100	2,000	2,100	2,263	2,143	750	700	1,100
Annual participants	5,476	5,770	5,770	5,800	5,850	5,643	3,493	2,150	2,153	2,750
<u>Public Libraries</u>										
Volumes in collection	77,466	77,466	77,466	77,840	77,612	86,766	77,818	80,336	77,274	75,912
Collection size	61,045	61,045	61,045	60,044	59,804	59,078	57,389	56,207	53,580	51,884
<u>Senior Citizens</u>										
Meals on wheels provided - annually	36,750	36,000	36,000	36,000	36,000	35,875	35,700	35,690	35,000	34,500
Meals at Senior Center provided - annually	9,800	10,000	10,000	10,000	10,000	9,800	9,825	9,675	9,658	9,468
Van rides provided to seniors - annually	11,000	11,000	11,000	11,000	11,000	10,600	10,500	10,400	10,375	10,200
Senior mini-bus trips - number of seniors annually	1,000	1,000	1,000	1,000	1,000	990	975	960	950	956
<u>Education</u>										
Workers compensation claims processed	14	13	13	13	14	25	14	13	17	n/a
Elementary schools	2	2	2	2	2	2	2	2	2	2
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	2	2	2	2	2	2	2
<u>Water</u>										
New connections	9	10	17	17	10	11	8	9	10	5
Water main breaks	5	6	3	3	5	6	7	8	6	10
Average daily consumption (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Peak daily consumption (millions of gallons)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
<u>Sewer</u>										
Average daily sewage treatment (millions of gallons)	3	3	3	3	3	3	3	3	3	3

Source(s): Various Town Departments

n/a - information not available

TOWN OF WINCHESTER, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Zone offices	1	1	1	1	1	1	1	1	1	1
Police vehicles	11	11	11	11	11	10	9	8	7	7
Fire vehicles	7	7	7	7	7	7	7	7	7	7
<u>Public Works</u>										
Miles of town roads	81	81	81	81	81	81	81	81	81	81
Traffic signals	13	13	13	13	13	13	13	13	13	13
Public works vehicles and equipment	54	54	54	54	54	52	52	53	50	51
<u>Parks and Recreation</u>										
Acreage	30	30	30	30	30	30	30	30	30	30
Parks and greens	4	4	4	4	4	4	4	4	4	4
Athletic fields	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Senior Citizens</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	2	2	2	2	2	2	2	2	2	2
<u>Education</u>										
Schools	5	5	5	5	5	5	5	5	5	5
<u>Water</u>										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
Fire hydrants	350	350	350	350	350	346	347	342	343	345
Storage capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<u>Sewer</u>										
Sanitary sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment capacity (millions of gallon)	3	3	3	3	3	3	3	3	3	3

Source(s): Various Town Departments

-06-