

# **TOWN OF KILLINGLY, CONNECTICUT**



## **Basic Financial Statements**

**For The Year Ended  
June 30, 2009**



*Certified Public Accountants & Business Advisors*

**TOWN OF KILLINGLY, CONNECTICUT  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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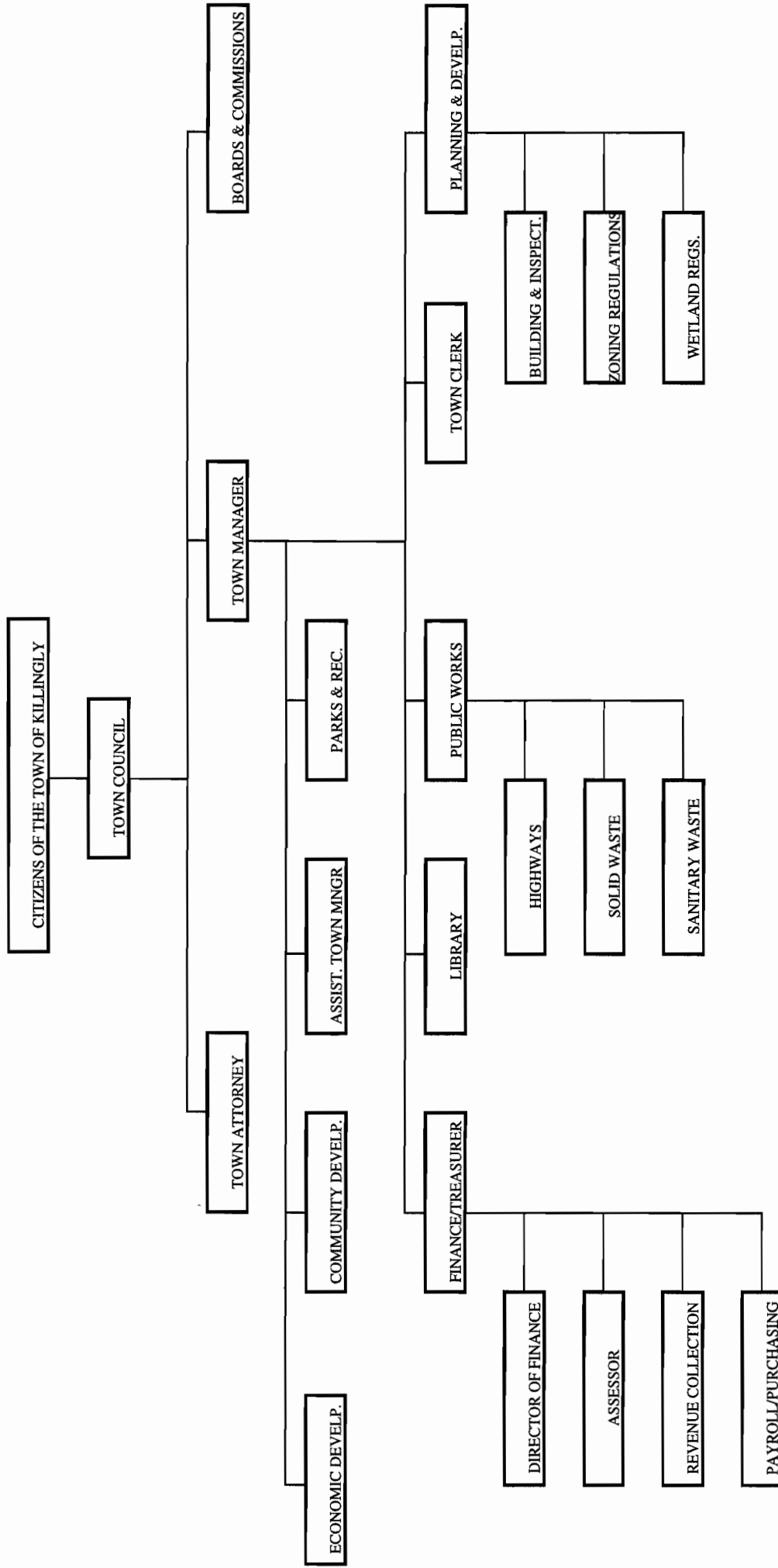
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# **INTRODUCTORY SECTION**

**TOWN OF KILLINGLY, CONNECTICUT  
ORGANIZATIONAL CHART  
JUNE 30, 2009**



**TOWN OF KILLINGLY, CONNECTICUT  
LIST OF PRINCIPAL TOWN OFFICIALS  
JUNE 30, 2009**

**TOWN COUNCIL**

Robert B. Young, Chairman  
Joyce Ricci, Vice-Chair  
Bradford C. Gauthier  
Jennifer Valys  
Mark Johnston  
John G. Sarantopoulos  
John W. LaGarde  
John Hallbergh, Jr.  
Harold Reeves

Dr. Lavius Robinson, Board of Education Liaison

**TOWN DEPARTMENTS**

Bruce E. Benway, Town Manager  
Kimberly Darigan Newman, Interim Director of Finance/Treasurer  
Melissa Bonin, Assessor  
Joseph A. Pajak, Building Official  
Mary Bromm, Community Development Administrator  
Elsie Bisset, Economic Development Coordinator  
Bruce J. Chimento, P.E., Director of Public Works/Town Engineer  
Thomas Dooley, Parks and Recreation Director  
Linda Walden, Director of Planning & Development  
David Sabourin, Highway Superintendent  
Patricia Monahan, Revenue Collector  
William M. Silver, Superintendent of Schools  
Elizabeth Wilson, Town Clerk  
Ray Allen, Fire Marshal  
Marie C. Chartier, Library Director

# **FINANCIAL SECTION**

# **Independent Auditors' Report**



## INDEPENDENT AUDITORS' REPORT

To the Town Council of the  
Town of Killingly, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Killingly, Connecticut (the "Town") as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Killingly, Connecticut as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Sewer Operating Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis presented on pages 3 through 13 and the schedules of funding progress presented on page 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund statements and schedules, and other supplemental information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund 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 and other supplemental information sections 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.

CCR LLP

Glastonbury, Connecticut  
January 29, 2010

# **Management's Discussion and Analysis**

# **TOWN OF KILLINGLY, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

## **FINANCIAL HIGHLIGHTS**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$92,825,282 (net assets). Of this amount, \$27,301,434 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$25,858,479 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,651,531, a decrease of \$7,521,657 in comparison with the prior year. The primary cause of this fund balance decrease is in the General Fund and the Capital Improvements Fund. The decrease in the General Fund is due to an increase in budgeted revenues of less than 1% combined with a 4% increase in budgeted expenditures when compared to the prior year. The decrease in the Capital Improvements Fund is due to the issuance of bond anticipation notes for the new high school project which will be refinanced through the issuance of general obligation bonds in future years.
- At the close of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$7,055,318 or 14.1% of total General Fund expenditures. Expressed another way, unreserved fund balance for the General Fund was sufficient to cover 1.7 months of General Fund operating expenditures.
- The Town's total long-term bonded debt increased by \$630,425 or 3.4% during the current fiscal year due to the issuance of bonds offset by current year principal repayments.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public works, public safety, recreation and leisure, community development and human services, and education. The Town has no business-type activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

### **Fund Financial Statements**

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

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

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

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

The Town maintains 72 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvements Fund, and the Sewer Operating Fund, all of which are considered to be major funds. Data from the other 69 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 - 22 of this report.

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

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 23 - 25 of this report.

# TOWN OF KILLINGLY, CONNECTICUT

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

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

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

##### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

#### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 54 of this report.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules and other supplemental information that can be found on pages 55, 56 - 100, and 101-107, respectively, of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Net Assets

Over time, net assets may serve as one measure of a government's financial position. Total net assets of the Town totaled \$92,825,282 and \$66,966,803 as of June 30, 2009 and 2008, respectively, and are summarized as follows:

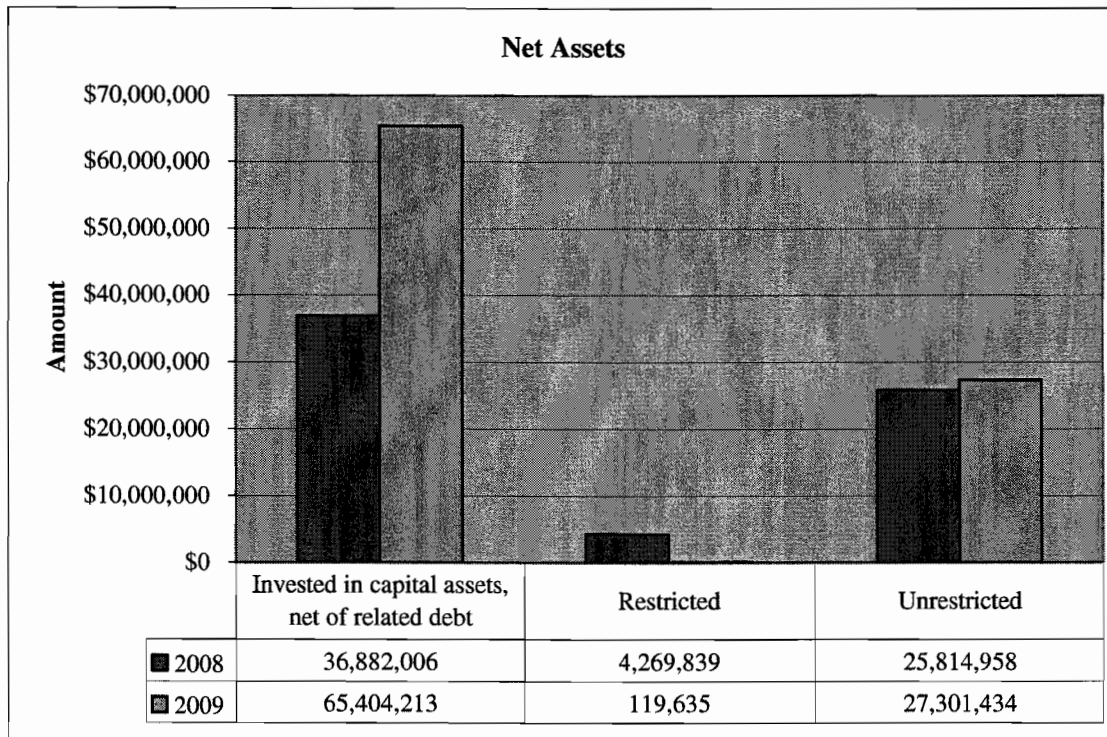
#### Town of Killingly, Connecticut Net Assets June 30, 2009 and 2008

	Total	
	2009	2008
Current and other assets	\$ 33,691,787	\$ 31,627,494
Capital assets	96,618,326	60,604,824
Total assets	<u>130,310,113</u>	<u>92,232,318</u>
Other liabilities	14,008,020	2,620,301
Long-term liabilities	23,476,811	22,645,214
Total liabilities	<u>37,484,831</u>	<u>25,265,515</u>
Net assets:		
Invested in capital assets, net of related debt	65,404,213	36,882,006
Restricted	119,635	4,269,839
Unrestricted	27,301,434	25,814,958
Total net assets	<u>\$ 92,825,282</u>	<u>\$ 66,966,803</u>

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

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

### Net Assets *(Continued)*



70.5% of the Town's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

0.1% of the Town's net assets reflect resources that are subject to external restrictions on how they may be used.

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

Overall, net assets increased by \$25,858,479 in comparison to the prior year.

# TOWN OF KILLINGLY, CONNECTICUT

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

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

#### Changes in Net Assets

Changes in net assets for the years ended June 30, 2009 and 2008 are as follows:

#### Town of Killingly, Connecticut Changes in Net Assets For The Years Ended June 30, 2009 and 2008

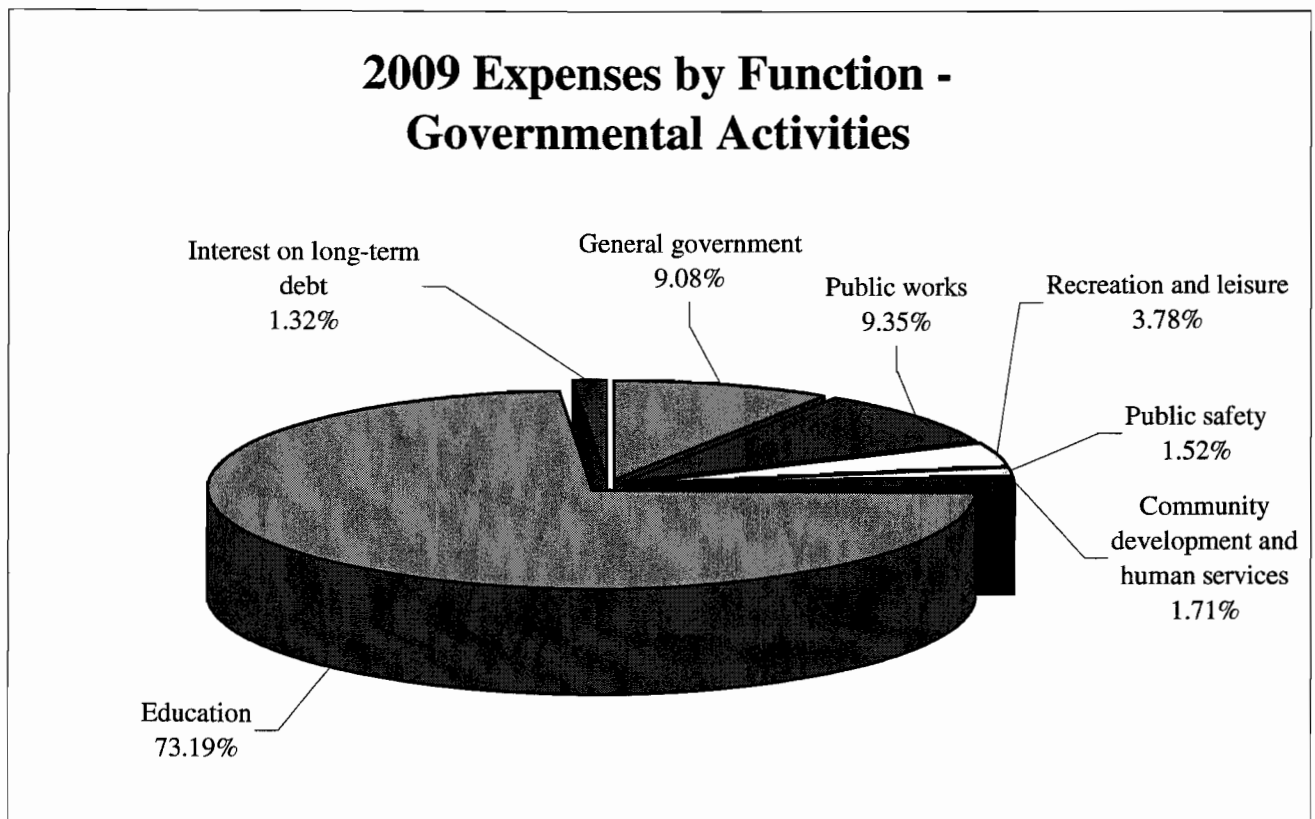
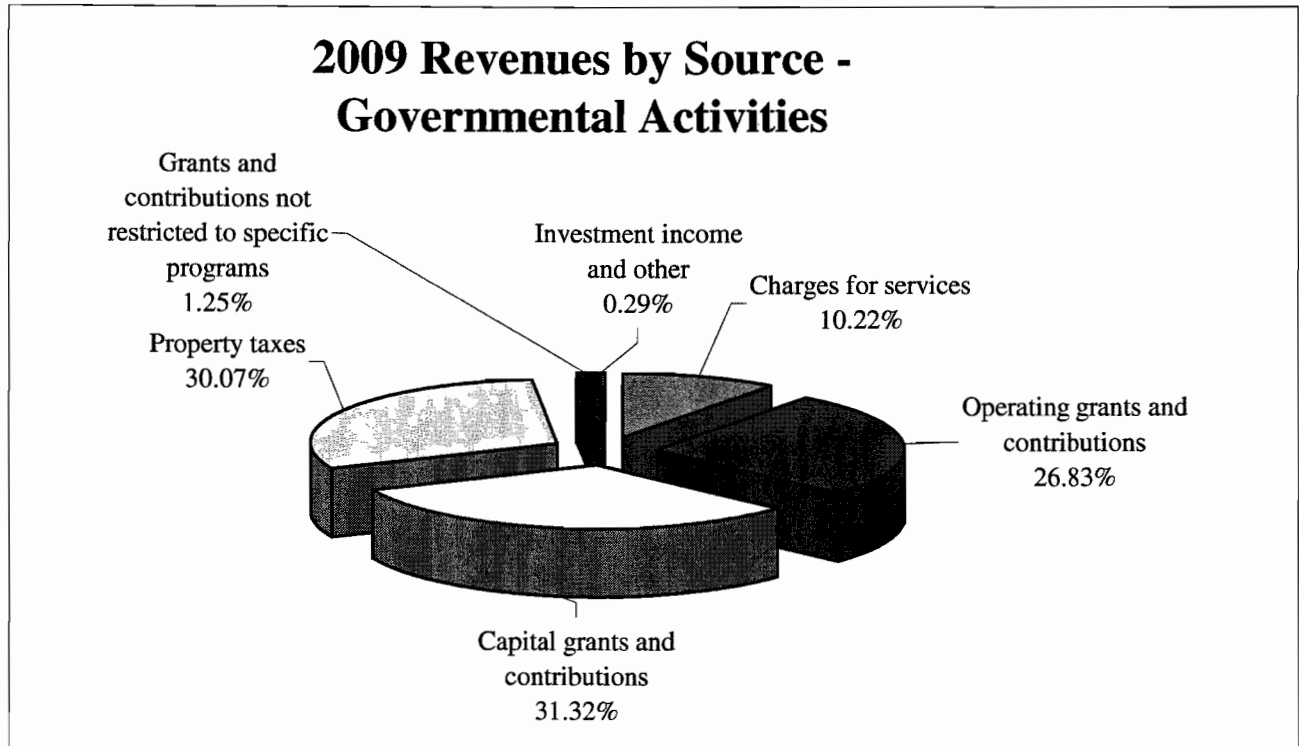
	Total	
	2009	2008
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 8,817,759	\$ 8,563,946
Operating grants and contributions	23,142,921	31,772,832
Capital grants and contributions	27,031,903	4,341,981
General revenues:		
Property taxes	25,943,148	25,577,275
Grants and contributions not restricted to specific programs	1,081,066	1,089,233
Investment income and other	250,898	654,843
Total revenues	<u>86,267,695</u>	<u>72,000,110</u>
<b>Expenses</b>		
General government	5,482,757	5,562,314
Public works	5,647,186	5,156,595
Recreation and leisure	2,284,037	2,291,172
Public safety	916,807	917,219
Community development and human services	1,030,228	1,191,829
Education	44,247,785	50,179,308
Interest on long-term debt	800,416	643,918
Total expenses	<u>60,409,216</u>	<u>65,942,355</u>
Change in net assets	25,858,479	6,057,755
Net assets, beginning	66,966,803	60,909,048
Net assets, ending	<u><u>\$ 92,825,282</u></u>	<u><u>\$ 66,966,803</u></u>



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

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

**Change in Net Assets (Continued)**



# **TOWN OF KILLINGLY, CONNECTICUT**

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

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

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

Governmental activities increased the Town's net assets by \$25,858,479. Key elements of this increase are as follows:

- Operating grants and contributions decreased by \$8,629,911 or 27.2% primarily due to an decrease in the State of Connecticut contribution rate for the defined benefit plan administered by the Connecticut State Teachers' Retirement Board. Since this on-behalf payment is recognized as revenue and expense, it has also caused a decrease in education expense.
- Capital grants and contributions increased by \$22,689,922 due to the receipt of school progress payments related to the construction of the new high school, the expenses of which have been capitalized and are included in construction in progress as part of the Town's capital assets .

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

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

#### **Governmental Funds**

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

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,651,531, a decrease of \$7,521,657 in comparison with the prior year. The primary cause of this fund balance decrease is in the General Fund and the Capital Improvements Fund. The decrease in the General Fund is due to an increase in budgeted revenues of less than 1% combined with a 4% increase in budgeted expenditures when compared to the prior year. The decrease in the Capital Improvements Fund is due to the issuance of bond anticipation notes for the new high school project which will be funded with the issuance of general obligation bonds in future years.

#### ***General Fund***

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,055,318. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 14.1% of total General Fund expenditures. Expressed another way, unreserved fund balance for the General Fund was sufficient to cover 1.7 months of general fund operating expenditures.

The fund balance of the Town's General Fund decreased by \$620,788 during the current fiscal year, which was primarily due to decreases in building permit fees and interest income. In addition, the Town and Board of Education had increased costs for winter maintenance expenses and tuition costs included in educational programs.

# **TOWN OF KILLINGLY, CONNECTICUT**

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

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

#### ***Capital Improvements Fund***

The fund balance of the Capital Improvements Fund decreased by \$8,283,533 during the current fiscal year. This decrease was related to costs for planned projects, primarily related to the new high school project. The Town issued bond anticipation notes which will later be funded with the issuance of bonds.

#### ***Sewer Operating Fund***

The fund balance of the Sewer Operating Fund increased by \$738,136 during the current fiscal year. This increase was due primarily to \$1,856,448 of excess revenues over expenditures attributable to increases in sewer use charges related to commercial growth in the Town during the year. The increased revenues were offset by transfers made to other funds.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2009, an additional appropriation totaling \$604,539 was authorized for additional Board of Education expenditures associated with tuition costs and \$90,000 for an additional transfer to the Capital Improvements funds to cover project authorizations. The final budget for 2009 planned on the utilization of fund balance of \$1,394,639. However, the actual net change in fund balance of the General Fund on a budgetary basis was a use of \$154,946 of fund balance. Expenditures were \$1,015,084 less than budgeted and total budgetary revenues were \$194,100 better than expected due primarily to increases in property tax collections and intergovernmental revenues.

### **SEWER OPERATING FUND BUDGETARY HIGHLIGHTS**

The Town adopts an annual budget for its Sewer Operating Fund. During the year ended June 30, 2009 there were no additional appropriations made to the budget. The budget for 2009 planned on an increase of fund balance of \$44,382. However, the actual net change in fund balance of the Sewer Operating Fund on a budgetary basis was an increase of \$705,532. Expenditures were \$217,296 less than budgeted and total budgetary revenues were \$443,354 better than expected due primarily to increases in sewer use fees attributable to the commercial growth in the Town.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The Town's investment in capital assets for its governmental activities as of June 30, 2009 and 2008 totaled \$96,618,326 and \$60,604,824, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total increase in the Town's investment in capital assets for the current fiscal year was \$36,013,502 or 59%. This increase consisted of capital asset additions of \$40,136,429 offset by current year depreciation expense of \$4,102,423. Major capital asset events during the current fiscal year included \$35,935,111 for construction costs for the new high school and Vo-ag program; \$1,383,665 for land improvements included in construction in progress for the bike trail and parks and \$2,584,503 for various other projects including bridges, road and sewer infrastructure public works and education equipment.

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

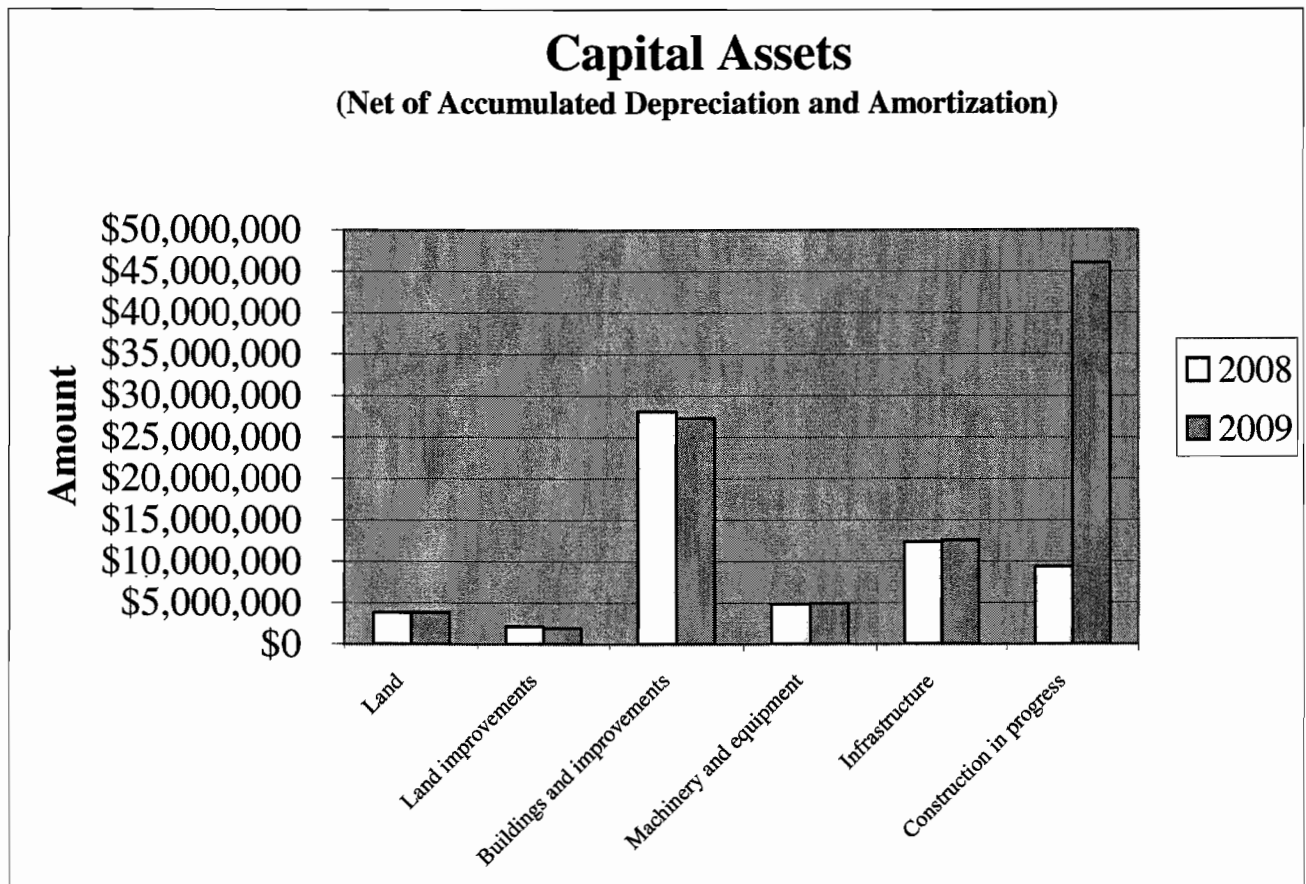
## CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

### Capital Assets (Continued)

The following table is a two year comparison of the investment in capital assets:

**Town of Killingly, Connecticut  
Capital Assets, Net  
June 30, 2009 and 2008**

	Governmental Activities	
	2009	2008
Land	\$ 3,834,461	\$ 3,834,461
Land improvements	1,947,984	2,131,481
Buildings and improvements	27,302,813	28,108,938
Machinery and equipment	4,936,046	4,834,889
Infrastructure	12,549,298	12,341,340
Construction in progress	46,047,724	9,353,715
Totals	<u>\$ 96,618,326</u>	<u>\$ 60,604,824</u>



Additional information on the Town's capital assets can be found in Note 4 on page 40 of this report.

# TOWN OF KILLINGLY, CONNECTICUT

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

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

#### Long-term Debt

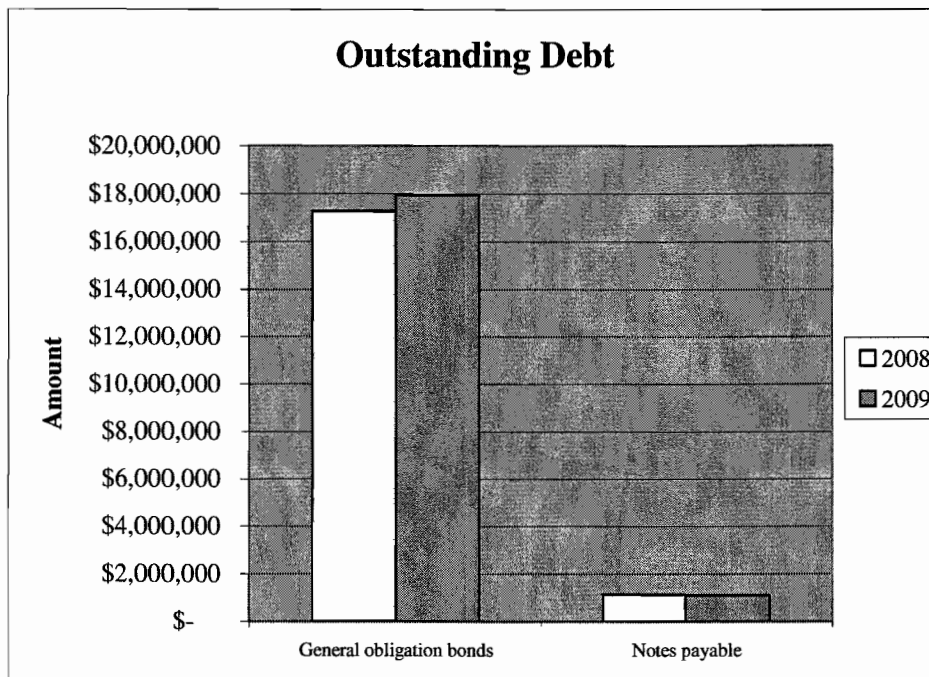
At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$19,046,400. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt increased by \$630,425 or 3.4% during the current fiscal year due to the issuance of refunding bonds and new bonds net of payments made to escrow agents and current year principal repayments. The Town maintains an A1 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$179,478,628, which is significantly in excess of the Town's outstanding general obligation debt.

The following table is a two year comparison of long-term bonded debt:

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

	Governmental Activities	
	2009	2008
General obligation bonds	\$ 17,940,000	\$ 17,275,000
Notes payable	1,106,400	1,140,975
Totals	<u>\$ 19,046,400</u>	<u>\$ 18,415,975</u>



Additional information on the Town's long-term debt can be found in Note 9 on pages 43 - 46 of this report.

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

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

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

- The unemployment rate for the Town is currently 10.2%, which is an increase from a rate of 7.8% in the prior year, as compared to the state's average unemployment rate of 8.0% and the national unemployment rate of 9.5%.
- Inflationary trends in the region are comparable to national indices.
- During the current fiscal year, unreserved fund balance of the General Fund decreased to \$7,055,318. The Town has designated \$800,000 of this amount for spending in the 2010 fiscal year, to offset the need to raise taxes.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
  - For purposes of calculating property tax revenues for fiscal year 2010, the Assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
  - Intergovernmental grants were based on estimates from the State.
  - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.

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

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Town of Killingly, P.O. Box 6000, 172 Main Street, Danielson, Connecticut 06239.

# **Basic Financial Statements**

**TOWN OF KILLINGLY, CONNECTICUT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,980,357
Investments	24,954,246
Receivables:	
Property taxes, net of allowance for uncollectibles of \$235,646	942,586
Interest, net of allowance for uncollectibles of \$90,960	230,013
Assessments and user charges receivable	1,332,864
Grants and contracts receivable	2,242,192
Other	242,626
Other assets	160,743
Restricted assets:	
Temporarily restricted cash	1
Permanently restricted cash	841
Permanently restricted investments	118,793
Deferred charges	486,525
Capital assets:	
Non-depreciable	49,882,185
Depreciable, net	46,736,141
Total assets	<u>130,310,113</u>
<b>LIABILITIES</b>	
Accounts payable	7,189,227
Accrued liabilities:	
Salaries and benefits payable	103,481
Accrued interest	62,180
Other accrued liabilities	64,482
Unearned revenue	520,233
Note payable	5,500,000
Claims payable	568,417
Noncurrent liabilities:	
Due within one year	3,093,181
Due in more than one year	20,383,630
Total liabilities	<u>37,484,831</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	65,404,213
Restricted for:	
Endowments:	
Expendable	1
Nonexpendable	119,634
Unrestricted	27,301,434
Total net assets	<u>\$ 92,825,282</u>

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



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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,482,757	\$ 971,507	\$ 415,259	\$ 389,959
Public works	5,647,186	4,360,811	251,456	390,453
Recreation and leisure	2,284,037	220,479	14,157	1,325,917
Public safety	916,807	15,401	104,495	-
Community development and human services	1,030,228	31,965	626,040	-
Education	44,247,785	3,217,596	21,731,514	24,925,574
Interest on long-term debt	800,416	-	-	-
Total governmental activities	<u>\$ 60,409,216</u>	<u>\$ 8,817,759</u>	<u>\$ 23,142,921</u>	<u>\$ 27,031,903</u>
General revenues:				
Property taxes, levied for general purposes				25,943,148
Grants and contributions not restricted to specific programs				1,081,066
Unrestricted investment earnings				250,898
Total general revenues				<u>27,275,112</u>
Change in net assets				25,858,479
Net assets - beginning				66,966,803
Net assets - ending				<u>\$ 92,825,282</u>

*The accompanying notes are an integral part of these financial statements .*  
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**TOWN OF KILLINGLY, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	<b>General Fund</b>	<b>Capital Improvements Fund</b>	<b>Sewer Operating Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,756,694	\$ -	\$ -	\$ 1,224,505	\$ 2,981,199
Investments	21,891,442	-	1,428,748	1,410,349	24,730,539
Receivables:					
Property taxes	1,178,232	-	-	-	1,178,232
Assessments and user charges	-	-	1,332,864	-	1,332,864
Grants and contracts	535,448	1,608,832	-	97,912	2,242,192
Other	148,087	-	55,650	38,889	242,626
Due from other funds	964,441	10,801,642	-	4,624,376	16,390,459
Inventories	-	-	-	49,242	49,242
Other assets	111,501	-	-	-	111,501
Total assets	<u>\$ 26,585,845</u>	<u>\$ 12,410,474</u>	<u>\$ 2,817,262</u>	<u>\$ 7,445,273</u>	<u>\$ 49,258,854</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 665,583	\$ 6,293,018	\$ 3,653	\$ 224,872	\$ 7,187,126
Accrued liabilities:					
Salaries and benefits payable	103,481	-	-	-	103,481
Other accrued liabilities	37,609	-	-	-	37,609
Due to other funds	15,993,323	109,722	36,791	934,002	17,073,838
Due to funding source	-	-	-	26,873	26,873
Unearned/deferred revenue	1,633,547	-	672,591	372,258	2,678,396
Note payable	-	5,500,000	-	-	5,500,000
Total liabilities	<u>18,433,543</u>	<u>11,902,740</u>	<u>713,035</u>	<u>1,558,005</u>	<u>32,607,323</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	181,837	-	-	-	181,837
Inventories	-	-	-	49,242	49,242
Endowments	-	-	-	119,635	119,635
Unreserved	7,055,318	507,734	2,018,308	-	9,581,360
Unreserved, designated for:					
Subsequent year's budget	800,000	-	-	-	800,000
Debt service	-	-	85,919	-	85,919
Cell towers	78,235	-	-	-	78,235
Sewer extension	36,793	-	-	-	36,793
Landfill closure	119	-	-	-	119
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	5,279,094	5,279,094
Capital project funds	-	-	-	439,297	439,297
Total fund balances	<u>8,152,302</u>	<u>507,734</u>	<u>2,104,227</u>	<u>5,887,268</u>	<u>16,651,531</u>
Total liabilities and fund balances	<u>\$ 26,585,845</u>	<u>\$ 12,410,474</u>	<u>\$ 2,817,262</u>	<u>\$ 7,445,273</u>	<u>\$ 49,258,854</u>

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

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

Total fund balances for governmental funds \$ 16,651,531

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Construction in progress	\$ 46,047,724	
Land	3,834,461	
Land improvements	3,627,280	
Buildings and improvements	51,500,653	
Machinery and equipment	13,940,380	
Infrastructure	52,899,629	
Less accumulated depreciation and amortization	<u>(75,231,801)</u>	
Total capital assets, net		96,618,326

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

486,525

Accrued interest net of related allowance for uncollectible accounts on property taxes, sewer use and sewer assessments are not susceptible to accrual and therefore are not reported in the funds.

(5,633)

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

535,448

Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds:

Property taxes	950,124	
Sewer use and assessments	<u>672,591</u>	
		1,622,715

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

Accrued interest payable	(62,180)	
Long-term debt:		
Bonds and notes payable, net of unamortized amounts	(19,610,054)	
Obligations under capital lease	(1,090,584)	
Other long-term liabilities:		
Compensated absences	(1,019,829)	
Early retirement incentive	(534,844)	
Net OPEB obligation	(561,500)	
Landfill closure and postclosure care costs	<u>(660,000)</u>	
Total long-term liabilities		(23,538,991)

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

455,361

Net assets of governmental activities \$ 92,825,282

**TOWN OF KILLINGLY, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	Capital Improvements Fund	Sewer Operating Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 25,855,982	\$ -	\$ -	\$ -	\$ 25,855,982
Intergovernmental	21,911,565	26,994,059	-	3,030,303	51,935,927
Licenses, permits and fees	228,757	-	-	-	228,757
Charges for services	1,462,965	-	3,658,999	1,365,227	6,487,191
Investment earnings	373,475	-	13,730	31,410	418,615
Miscellaneous	183,505	-	467,053	286,588	937,146
Total revenues	<u>50,016,249</u>	<u>26,994,059</u>	<u>4,139,782</u>	<u>4,713,528</u>	<u>85,863,618</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,901,651	-	-	404,619	2,306,270
Public works	2,039,101	-	2,283,334	-	4,322,435
Recreation and leisure	1,718,640	-	-	52,301	1,770,941
Public safety	827,840	-	-	3,542	831,382
Community development and human services	445,109	-	-	558,385	1,003,494
Education	38,249,181	-	-	3,387,307	41,636,488
Miscellaneous	1,507,115	-	-	-	1,507,115
Debt service:					
Principal payments	2,369,575	-	-	-	2,369,575
Interest and fiscal charges	822,123	-	-	-	822,123
Debt issuance costs	178,447	-	-	-	178,447
Lease payments	70,000	-	-	-	70,000
Capital outlays	-	39,112,030	-	1,012,331	40,124,361
Total expenditures	<u>50,128,782</u>	<u>39,112,030</u>	<u>2,283,334</u>	<u>5,418,485</u>	<u>96,942,631</u>
Excess (deficiency) of revenues over expenditures	(112,533)	(12,117,971)	1,856,448	(704,957)	(11,079,013)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds issued	3,000,000	-	-	-	3,000,000
Premium on bonds issued	230,429	-	-	-	230,429
Proceeds from capital lease	326,927	-	-	-	326,927
Transfers in	556,102	3,834,438	-	1,656,068	6,046,608
Transfers out	(4,621,713)	-	(1,118,312)	(306,583)	(6,046,608)
Total other financing sources (uses)	<u>(508,255)</u>	<u>3,834,438</u>	<u>(1,118,312)</u>	<u>1,349,485</u>	<u>3,557,356</u>
Net change in fund balances	(620,788)	(8,283,533)	738,136	644,528	(7,521,657)
Fund balances - beginning	<u>8,773,090</u>	<u>8,791,267</u>	<u>1,366,091</u>	<u>5,242,740</u>	<u>24,173,188</u>
Fund balances - ending	<u>\$ 8,152,302</u>	<u>\$ 507,734</u>	<u>\$ 2,104,227</u>	<u>\$ 5,887,268</u>	<u>\$ 16,651,531</u>

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

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

Net change in fund balances - total governmental funds \$ (7,521,657)

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

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

Expenditures for capital assets	\$ 39,903,279	
Depreciation and amortization expense	<u>(4,102,423)</u>	
Net adjustment		35,800,856

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	233,150
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The statement of activities reports losses arising from the disposal of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets.	(20,504)
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Interest on property taxes receivable, sewer user and sewer assessments are not susceptible to accrual and therefore are only reported as revenue in the funds when the cash is received by the Town. The change in interest receivable during the year, net of allowance decreased revenues recognized in the funds.	10,566
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Intergovernmental revenue on school construction grants is not susceptible to accrual and therefore is only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable	(864,535)
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*The accompanying notes are an integral part of these financial statements .*

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

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:			
Capital lease financing	\$	(326,927)	
Bonds issued		(3,000,000)	
Premium on bonds issued		(230,429)	
Bond issuance costs		178,447	
Principal repayments:			
Bonds and notes payable		2,369,575	
Obligations under capital lease		376,203	
Net adjustment			\$ (633,131)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Compensated absences	114,865	
Accrued interest	(4,334)	
Early retirement incentive	354,667	
Net OPEB obligation	(561,500)	
Landfill closure and postclosure care costs	30,000	
Amortization of bond premium	54,440	
Amortization of bond issuance costs	(50,317)	
Amortization of deferred amount on refunding	(12,491)	
		(74,670)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred revenues in governmental funds. This amount represents the change in deferred revenue. (111,751)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities. (959,845)

Change in net assets of governmental activities \$ 25,858,479

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

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 25,600,405	\$ 25,600,405	\$ 25,855,982	\$ 255,577
Intergovernmental	18,178,045	18,178,045	18,311,847	133,802
Licenses, permits and fees	245,200	245,200	228,757	(16,443)
Charges for services	1,757,253	1,757,253	1,462,965	(294,288)
Use of money and property	400,267	400,267	373,475	(26,792)
Miscellaneous	51,000	51,000	193,244	142,244
Total revenues	46,232,170	46,232,170	46,426,270	194,100
EXPENDITURES				
Current:				
General government	1,891,471	1,986,373	1,899,937	(86,436)
Public works	2,009,736	2,149,542	2,038,550	(110,992)
Recreation and leisure	1,727,536	1,759,904	1,714,099	(45,805)
Public safety	782,771	787,553	761,174	(26,379)
Community development and human services	432,960	449,973	445,109	(4,864)
Education	33,910,293	34,514,932	33,950,530	(564,402)
Miscellaneous	1,957,941	1,669,070	1,496,490	(172,580)
Debt service:				
Debt issuance costs	3,000	3,000	-	(3,000)
Principal payments	2,369,575	2,369,575	2,369,575	-
Interest and fiscal charges	822,749	822,749	822,123	(626)
Lease payments	70,000	70,000	70,000	-
Total expenditures	45,978,032	46,582,671	45,567,587	(1,015,084)
Excess (deficiency) of revenues over expenditures	-	254,138	(350,501)	858,683
			858,683	1,209,184
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	700,000	1,394,639	-	(1,394,639)
Transfers in	525,593	525,593	556,102	30,509
Transfers out	(1,479,731)	(1,569,731)	(1,569,731)	-
Total other financing sources (uses)	(254,138)	350,501	(1,013,629)	(1,364,130)
Net change in fund balances	\$ -	\$ -	(154,946)	\$ (154,946)
Fund balance - beginning			8,125,413	
Fund balance - ending			\$ 7,970,467	

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

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

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Sewer use - current	\$ 3,035,509	\$ 3,035,509	\$ 3,508,104	\$ 472,595
Use charge interest	20,000	20,000	33,091	13,091
Investment earnings	75,000	75,000	13,730	(61,270)
Miscellaneous	448,115	448,115	467,053	18,938
Total revenues	<u>3,578,624</u>	<u>3,578,624</u>	<u>4,021,978</u>	<u>443,354</u>
<b>EXPENDITURES</b>				
Contractual services	<u>2,501,930</u>	<u>2,501,930</u>	<u>2,284,134</u>	<u>(217,796)</u>
Total expenditures	<u>2,501,930</u>	<u>2,501,930</u>	<u>2,284,134</u>	<u>(217,796)</u>
Excess of revenues over expenditures	1,076,694	1,076,694	1,737,844	661,150
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
General Fund	(472,493)	(472,493)	(472,493)	-
Capital Projects Fund	(305,000)	(305,000)	(305,000)	-
Capital and Nonrecurring Fund	(254,819)	(254,819)	(254,819)	-
Total other financing sources (uses)	<u>(1,032,312)</u>	<u>(1,032,312)</u>	<u>(1,032,312)</u>	<u>-</u>
Net change in fund balances	<u>\$ 44,382</u>	<u>\$ 44,382</u>	705,532	<u>\$ 661,150</u>
Fund balance - beginning			<u>1,287,942</u>	
Fund balance - ending			<u>\$ 1,993,474</u>	

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



**TOWN OF KILLINGLY, CONNECTICUT  
STATEMENT OF NET ASSETS -  
PROPRIETARY FUND  
JUNE 30, 2009**

	<b>Governmental Activities</b>
	<b>Internal Service Fund - Health Insurance Fund</b>
<b>ASSETS</b>	
Current assets:	
Investments	\$ 342,500
Due from other funds	683,379
Total assets	<u>1,025,879</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,101
Claims payable	568,417
Total liabilities	<u>570,518</u>
<b>NET ASSETS</b>	
Unrestricted	455,361
Total net assets	<u><u>\$ 455,361</u></u>

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

**TOWN OF KILLINGLY, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS -  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Governmental Activities Internal Service Fund - Health Insurance Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 6,079,345
Total operating revenues	<u>6,079,345</u>
<b>OPERATING EXPENSES</b>	
Claims incurred	6,289,026
Administrative and other	753,332
Total operating expenses	<u>7,042,358</u>
Operating loss	(963,013)
<b>NON-OPERATING REVENUE</b>	
Interest and investment income	<u>3,168</u>
Total non-operating revenues	<u>3,168</u>
Change in net assets	(959,845)
Net assets - beginning	<u>1,415,206</u>
Net assets - ending	<u><u>\$ 455,361</u></u>

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

**TOWN OF KILLINGLY, CONNECTICUT  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Governmental Activities</b>
	<b>Internal Service Fund - Health Insurance Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from charges for services	\$ 6,800,001
Payments for claims incurred	(6,161,530)
Payments for administrative costs	(750,304)
Net cash used in operating activities	<u>(111,833)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	3,168
Sales of investments, net	108,665
Net cash provided by investing activities	<u>111,833</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	\$ (963,013)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in due from other funds	720,656
Decrease in accounts receivable	927
Increase in accounts payable	2,101
Increase in claims payable	127,496
Net cash used in operating activities	<u>\$ (111,833)</u>

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

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

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 81,473	\$ 462,954
Contribution receivable	14,654	-	-
Investments at fair value:			
Guaranteed investment contract	401,604	-	-
Equity mutual funds	3,315,812	61,477	-
U.S. treasury notes	-	129,077	-
Certificates of deposit	-	25,000	-
Common stocks	-	189,726	-
Total assets	<u>3,732,070</u>	<u>486,753</u>	<u>\$ 462,954</u>
<b>LIABILITIES</b>			
Due to student groups	-	-	162,305
Due to others	-	-	300,649
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 462,954</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ 3,732,070</u>	<u>\$ 486,753</u>	

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

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

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 73,392	\$ -
Plan members	72,151	-
Other	6,251	26,517
Total contributions	<u>151,794</u>	<u>26,517</u>
Investment income (loss):		
Interest	148,751	-
Net decrease in the fair value of investments	<u>(970,387)</u>	<u>(88,590)</u>
Total investment income (loss)	<u>(821,636)</u>	<u>(88,590)</u>
Less: investment expense	<u>(13,813)</u>	<u>-</u>
Net investment income (loss)	<u>(835,449)</u>	<u>(88,590)</u>
Total additions	<u>(683,655)</u>	<u>(62,073)</u>
<b>DEDUCTIONS</b>		
Benefit payments	274,743	-
Administrative expenses	41,524	-
Awards	-	8,733
Total deductions	<u>316,267</u>	<u>8,733</u>
Change in net assets	(999,922)	(70,806)
Net assets - beginning	<u>4,731,992</u>	<u>565,316</u>
Net assets - ending	<u>\$ 3,732,070</u>	<u>\$ 494,510</u>

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

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

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

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

**FINANCIAL REPORTING ENTITY**

The Town of Killingly, Connecticut was incorporated in 1708 and covers an area of 50 square miles. The Town operates under a Council - Manager form of government as prescribed by its charter, which was adopted November 4, 1969 and most recently revised November 30, 1995. The Town provides the following services as authorized by its charter: general government, public works, recreation, public safety, community development, health and human services and education.

The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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

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

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

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

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

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

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

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

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

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

**Fund Financial Statements**

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

The Town reports the following major governmental funds:

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

***Capital Improvements Fund*** - This fund is used to account for the revenues and expenditures related to major capital asset construction and/or purchases.

***Sewer Operating Fund*** - This fund is used to account for the revenues and expenditures related to the sanitary sewer and water improvements deemed to benefit property owners.

In addition, the Town reports the following proprietary and fiduciary fund types:

***Internal Service Fund (proprietary)*** - This fund type is used to account for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for risk management activities as permitted by GASB Statement No. 10.

***Pension Trust Fund*** - This fund type is used to account for resources held in trust for the members and beneficiaries of the Public Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees. This plan is discussed more fully in Note 12.

***Private Purpose Trust Funds*** - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Town utilizes private purpose trust funds to account for activities of various scholarship endowments.

***Agency Funds*** - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds accounts for monies generated by student activities in the Town's school system. The performance bonds fund accounts for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

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

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

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund consists of charges for services. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Governmental Fund Financial Statements**

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

**ASSETS, LIABILITIES AND FUND EQUITY**

**Cash Equivalents**

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents as of June 30, 2009 consist of money market accounts and short-term certificates of deposit which totaled \$331,860.

**Investments**

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Town presents all investments at fair value.



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

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

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

**Donor-restricted Endowments / Restricted Assets**

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net assets or unrestricted net assets, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

The Town has received endowments for the improvement and betterment of Killingly Public Schools, park and recreation activities, and library books. The amounts are reflected as net assets restricted for endowments and perpetual care. Investment income from the endowments is transferred annually to special revenue funds where disbursements are approved by the Town Council. Remaining investment income available for appropriation totaled \$1 as of June 30, 2009 and is held as temporarily restricted cash in the accompanying statement of net assets.

**Inventories**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

**Property Taxes and Other Receivables**

All trade, property tax, sewer use and sewer assessment receivables are shown net of an allowance for uncollectible accounts. Allowance percentages range from 2% to 25% of outstanding receivable balances at June 30, 2009, and are calculated based upon historical collections.

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in four installments, July 1, October 1, January 1 and April 1. Personal property if over \$100 are billed in July and are due in four installments, July 1, October 1, January 1 and April 1. Motor vehicle taxes are billed in July and are due in one installment, July 1. A supplemental motor vehicle tax is billed in one installment on January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value.

Upon completion of projects, sewer assessments are levied and assessed to the users each June. Usage charges are billed semi-annually in July and January for flat rate fees and metered fees. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

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

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

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

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$100,000 for infrastructure assets and more than \$5,000 for equipment and improvements, and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-100
Land improvements	10-50
Infrastructure:	
Roads	50-100
Sidewalks	25-50
Sewer lines	50-100
Water lines	50-100
Machinery and equipment	3 - 25

**Unearned/Deferred Revenue**

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

**Compensated Absences**

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

All Town employees are granted vacation and/or sick time based upon contractual provisions. At year end, unused vacation and sick time may be carried forward to subsequent years. In the event of termination, employees are reimbursed for all accumulated vacation days and a percentage of accumulated sick days up to the maximum limits allowed by their applicable contract.

All full time Board of Education employees (except teachers) are granted vacation and sick time based upon contractual provisions and may be carried over to subsequent years. In the event of termination employees are reimbursed for accumulated vacation and sick time as allowed by the applicable contract.

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

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

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

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Designations of fund equity are discussed more fully in Note 11.

**INTERFUND ACTIVITIES**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

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

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

**Interfund Services Provided and Used**

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

**Interfund Transfers**

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

**Interfund Reimbursements**

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

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

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

**USE OF ESTIMATES**

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

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

**BUDGETARY INFORMATION**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund and Sewer Operating Fund financial statements.

- Each department, office, board or commission of the Town (including the Board of Education) shall submit to the Town Manager a detailed estimate of expenditures and anticipated revenues for the ensuing fiscal year by March 15.
- On or before April 1, the Town Manager submits a balanced budget and budget message to the Town Council based upon requests submitted by the various Town departments.
- By April 15, the Town Council submits the proposed operating budget to one or more public hearings, at which taxpayer comments are obtained. The budget includes proposed expenditures and the means of financing them. The Town Council recommends the budget, as revised, for adoption at the annual Town meeting on the second Monday in May.
- The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is at the functional level within a department as prescribed by Town Charter. Management is not authorized to make budgetary transfers. The Town Council, in accordance with the provisions of the Charter and Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Additional appropriations up to one percent of the immediately prior year's operating budget, excluding public school education, or \$108,300 may be approved by Town Council. Those in excess of this amount must be approved at Town Meeting. Additional appropriations of \$694,639 were authorized from fund balance for the General Fund during the year. There were no additional appropriations for the Sewer Operating Fund.
- The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- Formal budgetary integration is employed as a management control device during the year. Formal budgetary integration is not employed in Capital Projects or Special Revenue Funds (with the exception of the Sewer Operating Fund) because budgetary control is alternatively achieved by constraints imposed by the project authorization or grant awards related to these funds.
- The budget is prepared on the modified accrual basis of accounting. "On behalf" payments made by the State of Connecticut into the State Teacher's Retirement System (*see Note 12*) are not recorded for budgetary purposes.

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

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

**BUDGETARY INFORMATION (Continued)**

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for the Capital Projects Funds and certain Special Revenue Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund and Sewer Operating Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2009:

	<b>General Fund</b>		
	<b>Total Revenues and other Financing Sources</b>	<b>Total Expenditures and Other Financing Uses</b>	<b>Net Change in Fund Balance</b>
Budgetary basis	\$ 46,982,372	\$ 47,137,318	\$ (154,946)
"On-behalf" payments - State Teachers Retirement Fund (see Note 12)	2,536,831	2,536,831	-
Encumbrances outstanding:			
June 30, 2008	-	647,679	(647,679)
June 30, 2009	-	(181,837)	181,837
Capital leases not recorded for budgetary purposes	326,927	326,927	-
Intergovernmental grants netted against expenditures	1,053,148	1,053,148	-
Other financing sources (uses) not recognized for budgetary purposes:			
Proceeds from bonds issued	3,000,000	-	3,000,000
Premium on bonds issued	230,429	-	230,429
Debt issuance costs	-	178,447	(178,447)
Transfer of bond proceeds to Capital Improvement Fund	-	3,051,982	(3,051,982)
GAAP basis	<u>\$ 54,129,707</u>	<u>\$ 54,750,495</u>	<u>\$ (620,788)</u>

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

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

**BUDGETARY INFORMATION (Continued)**

	<b>Sewer Operating Fund</b>		
	<b>Total</b>	<b>Total Expenditures</b>	<b>Net Change</b>
	<b>Revenues</b>	<b>and Other</b>	<b>in</b>
		<b>Financing Uses</b>	<b>Fund Balance</b>
Budgetary basis	\$ 4,021,978	\$ 3,316,446	\$ 705,532
Encumbrances outstanding:			
June 30, 2008	-	1,700	(1,700)
June 30, 2009	-	-	-
Amounts related to sewer assessments not recorded for budgetary purposes	117,804	83,500	34,304
GAAP basis	<u>\$ 4,139,782</u>	<u>\$ 3,401,646</u>	<u>\$ 738,136</u>

**DEFICIT FUND BALANCES**

The following fund has a deficit fund balances as of June 30, 2009, which does not constitute a violation of statutory provisions:

Fund	Deficit Fund Balance
School Cafeteria Fund	\$ 136,572

The cumulative deficit in this fund was created by expenditures in excess of revenues. The deficit is expected to be eliminated by future revenues or appropriations.

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

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**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

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

Government-wide statement of net assets:

Unrestricted:

Cash equivalents	\$ 16,317
Cash deposits	2,964,040
	<u>2,980,357</u>

Temporarily restricted:

Cash equivalents	1
------------------	---

Permanently restricted:

Cash equivalents	841
	<u>2,981,199</u>

Statement of fiduciary net assets:

Cash equivalents - Private Purpose Trust Funds	89,230
Less: cash equivalents considered investments for GASB Statement No. 40 disclosure	(47,679)
Add: certificates of deposit classified as investments but considered cash deposits for GASB No. 40 disclosure	25,000
Cash equivalents - Agency Funds	225,471
Cash deposits - Agency Funds	237,483
	<u>462,954</u>
	<u>\$ 3,533,383</u>

**CASH DEPOSITS – CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$5,051,118 of the Town's bank balance of \$5,653,352 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,546,006
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	505,112
	<u>\$ 5,051,118</u>

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

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

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

**INVESTMENTS**

As of June 30, 2009, the Town's investments (including restricted investments) consisted of the following:

Government-wide statement of net assets:

Unrestricted investments	\$ 24,954,246
Permanently restricted investments	118,793
	<u>25,073,039</u>

Statement of fiduciary net assets:

Investments - Private Purpose Trust Funds	405,280
Add: cash equivalents considered investments for GASB Statement No. 40 disclosure	47,679
Less: certificates of deposit classified as investments but considered cash deposits for GASB No. 40 disclosure	(25,000)
Investments - Pension Trust Fund	3,717,416
	<u>4,145,375</u>
	<u>\$ 29,218,414</u>

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

Investment type	Fair Value	Investment Maturities (In Years)	
		Less Than 1	1 to 5
<b>Debt Securities:</b>			
Cooperative Liquid Assets Security System (CLASS)	\$ 18,689,539	\$ 18,689,539	\$ -
Short-term Investment Fund	6,235,525	6,235,525	-
U.S. Treasury Notes	129,077	-	129,077
Guaranteed investment contract	401,604	401,604	-
Money market funds	195,654	195,654	-
	<u>25,651,399</u>	<u>\$ 25,522,322</u>	<u>\$ 129,077</u>
<b>Other investments:</b>			
Equity mutual funds	3,377,289		
Common stocks	189,726		
<b>Total</b>	<u>\$ 29,218,414</u>		

Because the investments in CLASS, STIF and money market funds have a weighted average maturity of less than 60, 22 and 30 days, respectively, they were presented as investments with maturities of less than one year.



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

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

**INVESTMENTS (Continued)**

**Interest Rate Risk**

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

**Credit Risk**

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

The Town's investments in debt securities, whose ratings are required to be disclosed in accordance with GASB No. 40, were rated by Standard and Poor's as follows at June 30, 2009:

Debt Securities	Fair Value	Standard & Poor's			Unrated
		AAA	AA	A	
Cooperative Liquid Asset Security System (CLASS)	\$ 18,689,539	\$ 18,689,539	\$ -	\$ -	\$ -
Short-term Investment Fund	6,235,525	6,235,525	-	-	-
Guaranteed investment contract	401,604	-	401,604	-	-
Money market funds	195,654	-	-	-	195,654
	<u>\$ 25,522,322</u>	<u>\$ 24,925,064</u>	<u>401,604</u>	<u>\$ -</u>	<u>\$ 195,654</u>

No credit risk disclosures are required under GASB Statement No. 40 relating to the Town's investments in U.S. Treasury Notes.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments are not exposed to custodial credit risk at June 30, 2009, as they are held by a trustee in the Town's name.

**Concentrations of Credit Risk**

The Town places no limit on the amount of investment in any one issuer. The Town's investments consist solely of investments in a pooled fixed income fund and equity mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

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

**NOTE 4 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 9,353,715	\$38,867,456	\$(2,173,447)	\$ 46,047,724
Land	3,834,461	-	-	3,834,461
Total capital assets, not being depreciated	<u>13,188,176</u>	<u>38,867,456</u>	<u>(2,173,447)</u>	<u>49,882,185</u>
Capital assets, being depreciated:				
Land improvements	3,627,280	-	-	3,627,280
Buildings and improvements	51,500,653	-	-	51,500,653
Machinery and equipment	13,030,263	1,035,823	(125,706)	13,940,380
Infrastructure	50,493,032	2,406,597	-	52,899,629
Total capital assets, being depreciated	<u>118,651,228</u>	<u>3,442,420</u>	<u>(125,706)</u>	<u>121,967,942</u>
Less accumulated depreciation and amortization for:				
Land improvements	1,495,799	183,497	-	1,679,296
Buildings and improvements	23,391,715	806,125	-	24,197,840
Machinery and equipment	8,195,374	914,162	(105,202)	9,004,334
Infrastructure	38,151,692	2,198,639	-	40,350,331
Total accumulated depreciation and amortization	<u>71,234,580</u>	<u>4,102,423</u>	<u>(105,202)</u>	<u>75,231,801</u>
Total capital assets, being depreciated, net	<u>47,416,648</u>	<u>(660,003)</u>	<u>(20,504)</u>	<u>46,736,141</u>
Governmental activities capital assets, net	<u>\$ 60,604,824</u>	<u>\$38,207,453</u>	<u>\$(2,193,951)</u>	<u>\$ 96,618,326</u>

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

General government	\$ 2,264,506
Public works	422,122
Recreation and leisure	137,259
Public safety	5,294
Education	<u>1,273,242</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 4,102,423</u>

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

**NOTE 5 - CAPITAL PROJECTS**

Following is a summary of project authorizations in the Capital Improvements Fund as of June 30, 2009:

<b>Description</b>	<b>Total Project Authorization</b>	<b>Current Year Expenditures</b>	<b>Cumulative Expenditures</b>	<b>Balance, June 30, 2009</b>
Road renewal and construction	\$ 6,744,987	\$ 506,995	\$ 4,859,058	\$ 1,885,929
Schools	89,449,936	36,022,356	49,571,199	39,878,737
Sewer projects	9,050,016	117,227	7,566,736	1,483,280
Bridges	3,228,043	506,695	1,694,155	1,533,888
Town buildings	2,606,896	591,766	2,473,367	133,529
Other	8,345,460	1,366,991	6,866,007	1,478,768
Total capital improvements	<u>\$ 119,425,338</u>	<u>\$ 39,112,030</u>	<u>\$ 73,030,522</u>	<u>\$ 46,394,131</u>

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

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

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
<b>Governmental Funds</b>		
General Fund	Sewer Operating Fund	\$ 36,791
	Other Governmental Funds	927,650
		<u>\$ 964,441</u>
Capital Improvements Fund	General Fund	<u>\$ 10,801,642</u>
Other Governmental Funds	General Fund	\$ 4,508,302
	Capital Improvements Fund	109,722
	Other Governmental Funds	6,352
		<u>\$ 4,624,376</u>
<b>Internal Service Fund</b>		
Health Insurance Fund	General Fund	<u>\$ 683,379</u>
Total due from/to other funds		<u>\$ 17,073,838</u>

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

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

**NOTE 7 - INTERFUND TRANSFERS**

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Sewer Operating Fund	\$ 555,993
	Other Governmental Funds	109
		<u>\$ 556,102</u>
Capital Improvements Fund	General Fund	\$ 3,277,982
	Sewer Operating Fund	305,000
	Other Governmental Funds	251,456
		<u>\$ 3,834,438</u>
Other Governmental Funds	General Fund	\$ 1,343,731
	Sewer Operating Fund	257,319
	Other Governmental Funds	55,018
		<u>\$ 1,656,068</u>
Total interfund transfers		<u>\$ 6,046,608</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 8 - SHORT-TERM LIABILITY**

During May 2009, the Town issued a \$5,500,000 general obligation bond anticipation note which matures in May 2010. The purpose of the note was to provide interim financing for various school construction projects until future reimbursements are received from the State of Connecticut and general obligations bonds are issued. The following is a summary of short-term liabilities for the year ended June 30, 2009.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Bond anticipation note payable	<u>\$ -</u>	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ 5,500,000</u>

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

**NOTE 9 - LONG-TERM LIABILITIES**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 17,275,000	\$ 3,000,000	\$ (2,335,000)	\$ 17,940,000	\$ 1,970,000
Unamortized amounts:					
Premium	437,821	230,429	(54,440)	613,810	-
Deferred amount on refunding	(62,647)	12,491	-	(50,156)	-
<b>Other liabilities:</b>					
Note payable	1,140,975	-	(34,575)	1,106,400	34,575
Capital leases	1,139,860	326,927	(376,203)	1,090,584	367,459
Landfill postclosure care costs	690,000	-	(30,000)	660,000	30,000
Early retirement incentive	889,511	-	(354,667)	534,844	136,094
Compensated absences	1,134,694	-	(114,865)	1,019,829	387,053
Net OPEB obligation	-	561,500	-	561,500	168,000
	<u>\$ 5,282,707</u>	<u>\$ 4,131,347</u>	<u>\$ (3,299,750)</u>	<u>\$ 23,476,811</u>	<u>\$ 3,093,181</u>

All long - term liabilities above typically have been liquidated by the General Fund.

**GENERAL OBLIGATION BONDS AND NOTE PAYABLE**

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

<b>Description</b>	<b>Original Amount</b>	<b>Final Maturity Dates</b>	<b>Interest Rates</b>	<b>Amount Outstanding</b>
<b>Governmental Activities</b>				
<b>Bonds Payable</b>				
2001 School refunding bonds	\$ 7,255,000	2010	3.00% - 5.00%	\$ 495,000
2007 School bonds	2,415,000	2027	4.25% - 5.00%	2,169,710
2007 Road/Bridges bonds	3,000,000	2027	4.25% - 5.00%	2,695,290
2007 School refunding bonds	685,000	2024	4.25% - 5.00%	543,722
2007 Sewer refunding bonds	3,835,000	2024	4.25% - 5.00%	3,044,051
2007 General purpose refunding bonds	1,565,000	2024	4.25% - 5.00%	1,242,227
2008 School bonds	5,000,000	2028	4.125%-4.50%	4,750,000
2009 School bonds	3,000,000	2029	2.50% - 4.125%	3,000,000
				<u>\$ 17,940,000</u>
<b>Note Payable</b>				
2001 Sewer FHA loan	\$ 1,383,000	2041	4.50%	<u>\$ 1,106,400</u>

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

**NOTE 9 - LONG-TERM LIABILITIES (Continued)**

**GENERAL OBLIGATION BONDS AND NOTE PAYABLE (Continued)**

Annual debt service requirements to maturity on general obligation bonds and the note payable are as follows as of June 30, 2009:

Year ending June 30:	Governmental Activities					
	General Obligation Bonds		Note Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,970,000	\$ 777,847	\$ 34,575	\$ 51,344	\$ 2,004,575	\$ 829,191
2011	1,465,000	699,098	34,575	49,788	1,499,575	748,886
2012	1,090,000	639,147	34,575	48,232	1,124,575	687,379
2013	1,030,000	591,985	34,575	46,676	1,064,575	638,661
2014	1,005,000	545,798	34,575	45,120	1,039,575	590,918
2015-2019	4,560,000	2,105,172	172,875	202,265	4,732,875	2,307,437
2020-2024	4,260,000	1,088,550	172,875	163,367	4,432,875	1,251,917
2025-2029	2,560,000	267,528	172,875	124,470	2,732,875	391,998
2030-2034	-	-	172,875	85,574	172,875	85,574
2035-2039	-	-	172,875	46,676	172,875	46,676
2040-2041	-	-	69,150	9,336	69,150	9,336
	<u>\$ 17,940,000</u>	<u>\$ 6,715,125</u>	<u>\$ 1,106,400</u>	<u>\$ 872,848</u>	<u>\$ 19,046,400</u>	<u>\$ 7,587,973</u>

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$179,478,628 as of June 30, 2009. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2009.

The amount of authorized, unissued bonds at June 30, 2009 totaled \$5,241,000 and \$8,518,666 for sewers and schools, respectively.

**SCHOOL BOND REIMBURSEMENTS**

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2009 was \$900,921. Additional reimbursements of principal and interest aggregating \$535,448 and \$19,606, respectively, are expected to be received through the applicable bonds' maturity dates. The Town has recorded a receivable relating to the principal portion of these payments in the accompanying statement of net assets.

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

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**NOTE 9 - LONG-TERM LIABILITIES (Continued)**

**CAPITAL LEASES**

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

	<b>Governmental Activities</b>
Building	\$ 739,988
Machinery and Equipment	1,543,526
	<u>2,283,514</u>
Less: accumulated amortization	1,192,930
	<u><u>\$ 1,090,584</u></u>

Amortization expense relative to leased property under capital leases totaled \$345,770 for the year ended June 30, 2009 and is included in depreciation and amortization expense disclosed in Note 4.

The Town is obligated under a capital lease to make annual payments for the Library facility and Board of Education technology equipment. Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 are as follows:

	<b>Governmental Activities</b>
Year Ending June 30:	
2010	\$ 429,287
2011	429,287
2012	304,069
2013	<u>61,530</u>
Total minimum lease payments	1,224,173
Less: amount representing interest	<u>133,589</u>
Present value of minimum lease payments	<u><u>\$ 1,090,584</u></u>

**LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and Federal laws and regulations require landfill closures to meet certain standards. The Town landfill is closed. Monitoring costs for 30 years at \$30,000 per year are estimated at \$900,000, with a remaining amount of \$660,000 at June 30, 2009. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

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

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**NOTE 9 - LONG-TERM LIABILITIES (Continued)**

**BOE EARLY RETIREMENT INCENTIVE**

The Board of Education provides severance payments for nineteen retired employees under an early retirement incentive plan effective July 1, 2004. To qualify for benefits the employee must have achieved age 54 with 15 years of service as of June 30, 2004. An eligible participant shall be entitled to participate in the program until he/she reaches age 65. Benefit amounts were frozen as of June 30, 2005. The Board of Education funds these payments on a pay-as-you-go basis, from the Board of Education appropriation line item. The cost of these benefits was \$177,433 for the year ended June 30, 2009. The following is a summary of annual payments owed and the present value as of June 30, 2009:

Year ending June 30:	Governmental Activities
2010	\$ 177,433
2011	177,433
2012	177,433
2013	177,433
	<u>709,732</u>
Less: discount to present value	174,888
	<u><u>\$ 534,844</u></u>

The discount to present value was calculated using a rate of 5.3%.

**NOTE 10 - UNEARNED/DEFERRED REVENUE**

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 950,124	\$ -
School construction grant receivable	535,448	-
Sewer assessments not yet due	629,867	-
Delinquent sewer use fees	42,724	-
Solid waste fees	-	42,090
Grant drawdowns prior to meeting all eligibility requirements	-	478,143
	<u><u>\$ 2,158,163</u></u>	<u><u>\$ 520,233</u></u>



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

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**NOTE 11 - DESIGNATIONS OF FUND BALANCE**

Designations of unreserved fund balance reported in the governmental funds balance sheet represent the Town's self-imposed limitations on the use of otherwise available expendable financial resources of governmental funds. The Town designated unreserved fund balance of the General Fund of \$800,000 for use in the 2010 budget, \$78,235 to preserve cell tower investment property and \$36,793 for sewer extension projects. In addition, the Town has designated \$85,919 for debt service for sewer related projects.

**NOTE 12 - PENSION PLANS**

**DEFINED BENEFIT PLAN**

**Plan Description**

All Town employees (except certified members of the Board of Education) participate in the Public Employer Retirement Systems (PERS), a single employer defined benefit pension plan established and administered by the Town Council to provide pension, disability and death benefits to plan members and their beneficiaries. The Town Charter provides the authority to establish and amend benefit provisions, subject to collective bargaining agreements. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

**Summary of Significant Accounting Policies**

The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan.

Investments are recorded at fair value. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the mean of the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Administrative costs of the Plan are funded by the Plan.

**Plan Membership**

Membership of the Plan consisted of the following as of the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	56
Terminated plan members entitled to but not yet receiving benefits	20
Employees who revoked payroll deduction and are entitled to future benefits	9
Active plan members:	
Vested	58
Nonvested	15
	<u>158</u>

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

**NOTE 12 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Contributions and Funding Policy**

The Town's contributions are actuarially determined on an annual basis using the Frozen Initial Liability Entry Age. Contributions are recognized when due pursuant to the terms of the Plan. Administrative costs are financed from investment earnings.

Employee contributions to the plan are based upon a percentage of earnings as follows:

Public Works employees	4.5%
All other employees	3.0%

**Benefit Provisions**

Under the Plan, all employees hired before age sixty-five and having twelve months of service are eligible. Employees are 100 percent vested only after ten years of service. The retirement benefit is calculated at 1% of average basic earnings during the highest consecutive five years of the last ten years of service multiplied by up to thirty years of service. For Public Works employees, the retirement benefits are 1% of final earnings multiplied by service years prior to April 1, 1987, plus 1.5% of final earnings multiplied by service years after April 1, 1987, up to a maximum of thirty years.

**Concentrations**

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

Equity Mutual Funds:

Fidelity Advisor Equity Growth Fund	\$ 284,984
Prudential Large Cap Value Fund	290,036
Prudential International Blended Capital Fund	417,852
Dryden S&P 500 Index Fund	497,854
Prudential Core Plus Fund	615,914
Prudential Private Placement Fund	746,307
Guaranteed Investment Contract	401,604

**Schedule of Funded Status**

The funded status of the plan as of the most recent actuarial date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Frozen Initial Liability (B)	(Overfunded) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2008	\$ 5,211,352	\$ 4,688,676	\$ (522,676)	111.1%	\$ 1,794,187	-29.1%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

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

**NOTE 12 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Annual Pension Cost and Net Pension Obligation**

Annual required contribution	\$ 14,654
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>14,654</u>
Contributions made	<u>14,654</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2007	\$ 71,529	\$ 71,529	100.0%
2008	58,738	58,738	100.0%
2009	14,654	14,654	100.0%

There were no annual required or actual contributions for the fiscal year ended June 30, 2006 as the Plan was frozen prior to June 30, 2006.

**Three-Year Trend Information**

Year Ended June 30	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 71,529	\$ 71,529	100.0%	\$ -
2008	58,738	58,738	100.0%	-
2009	14,654	14,654	100.0%	-

**Additional Information and Actuarial Assumptions**

Valuation date:	July 1, 2008
Actuarial cost method:	Frozen Initial Liability Entry Age Normal
Amortization method:	Level Dollar Amount
Remaining amortization period:	20 years, open
Asset valuation method:	5-Year Smoothed Market value
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases	5.00%

\* Includes inflation at 3.5%.

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

**NOTE 12 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Plan Financial Statements**

**TOWN OF KILLINGLY, CONNECTICUT**  
**STATEMENT OF PLAN NET ASSETS**  
**JUNE 30, 2009**

	<b>Pension Trust Fund</b>
<b>ASSETS</b>	
Contribution receivable	\$ 14,654
Investments, at fair value:	
Guaranteed investment contract	401,604
Equity mutual funds	3,315,812
Total assets	<u>3,732,070</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits (See schedule of funding progress on page 55)	<u>3,732,070</u>
Total net assets	<u>\$ 3,732,070</u>

**TOWN OF KILLINGLY, CONNECTICUT**  
**STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 73,392
Plan members	72,151
Other	6,251
Total contributions	<u>151,794</u>
Investment income (loss):	
Interest	148,751
Net decrease in the fair value of investments	(970,387)
Total investment income (loss)	<u>(821,636)</u>
Less: investment expense	(13,813)
Net investment income (loss)	<u>(835,449)</u>
Total additions	<u>(683,655)</u>
<b>DEDUCTIONS</b>	
Benefit payments	274,743
Administrative expenses	41,524
Total deductions	<u>316,267</u>
<b>NET DECREASE</b>	(999,922)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
Beginning of year	<u>4,731,992</u>
End of year	<u>\$ 3,732,070</u>

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

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**NOTE 12 - PENSION PLANS (*Continued*)**

**TEACHERS' RETIREMENT SYSTEM**

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

Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis. For the year ended June 30, 2009, Town teachers contributed \$1,191,153 to the plan and covered payroll for the year was \$16,430,256.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on behalf" payments of \$2,536,831 made by the State of Connecticut into the plan as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

**NOTE 13 - OTHER POST EMPLOYMENT BENEFITS**

**Board of Education Plan Description**

The Town of Killingly Board of Education provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Board of Education and the union representing Board of Education employees and are renegotiated each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Funding Policy**

Contribution requirements of the plan members and the Town are established by and may be amended through negotiations between the Board of Education and the union. Currently, Board of Education Employees who are age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 10 years of service in the Killingly School System are eligible to receive benefits. Those who choose to participate must pay the 100% of the premium cost. The Town finances the plan on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees. 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:

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

**NOTE 13 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

Annual required contribution	\$ 753,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>753,000</u>
Contributions made	<u>191,500</u>
Increase in net OPEB obligation	<u>561,500</u>
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 561,500</u></u>

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

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 753,000	25.4%	\$ 561,500

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2007 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 9,174,300	\$ 9,174,300	0.0%	\$ 17,236,600	53.2%

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

**Actuarial Methods and Assumptions**

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

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

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**NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Actuarial Methods and Assumptions(Continued)**

Valuation date:	July 1, 2007
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	30 years
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return	4.50%
Inflation rate	3.50%
Healthcare cost trend rate	11.00% initial 5.00% final

**NOTE 14 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except health coverage. During 2009, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

The Health Insurance Fund, an internal service fund, was established to account for and finance employee medical benefits claims for eligible employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan.

A third party processes the claims filed under the self-insured health plan, for which the General Fund is charged an administrative fee. The General Fund also pays for a stop-loss policy for individual claims exceeding \$100,000 for the plan.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2009. Claims liabilities are recorded in accordance with GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2008 through June 30, 2009 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2008	\$ 492,634	\$ 5,194,018	\$ 5,245,731	\$ 440,921
2009	440,921	6,416,522	6,289,026	568,417

The Town is a member of the Connecticut Interlocal Risk Management Agency ("CIRMA"), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a of Connecticut General Statutes, for workers' compensation coverage.

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

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**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

**Grants and Contracts**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**Litigation**

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially affect its financial position.

**Operating Leases**

The Board of Education of the Town leases space for its alternative learning education program which expires on January 2019. In addition, the Board of Education has entered into several operating leases for office equipment over the next five years. The combined monthly rental payments for these leases totals approximately \$11,940.

Aggregate minimum lease payments of the above leases is as follows:

Year Ending June 30:

2010	\$	94,236
2011		85,689
2012		72,587
2013		33,843
2014		16,140
2015-2019		54,000
	\$	<u>356,495</u>

Rent expense in connection with the above leases for the year ended June 30, 2009 totaled \$130,524.



# **Required Supplementary Information**

**TOWN OF KILLINGLY, CONNECTICUT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2009**

**Pension Plan**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Accrued Liability (AAL) - Frozen Initial Liability (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Percentage of Covered Payroll ((b-a)/c)
July 1,						
2003	\$ 4,005,633	\$ 3,368,511	\$ (637,122)	118.9%	\$ 2,066,958	-30.8%
2004	3,977,803	3,534,089	(443,714)	112.6%	1,844,887	-24.1%
2005	4,006,583	3,851,927	(154,656)	104.0%	1,772,903	-8.7%
2006	4,618,037	4,207,000	(411,037)	109.8%	1,808,417	-22.7%
2007	5,172,703	4,405,610	(767,093)	117.4%	1,732,580	-44.3%
2008	5,211,352	4,688,676	(522,676)	111.1%	1,794,187	-29.1%

**Board of Education OPEB Plan**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1,						
2007	\$ -	\$ 9,174,300	\$ 9,174,300	0.0%	\$ 17,236,600	53.2%

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

# ***General Fund***

**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>PROPERTY TAXES</b>				
Current taxes	\$ 24,355,311	\$ 24,355,311	\$ 24,744,759	\$ 389,448
Prior years' taxes	600,000	600,000	548,049	(51,951)
Supplemental motor vehicle	206,334	206,334	171,254	(35,080)
Tax interest	300,000	300,000	244,634	(55,366)
Lien fees	15,000	15,000	10,525	(4,475)
Airplane tax	1,760	1,760	2,720	960
Phone access - SNETCO	122,000	122,000	134,041	12,041
Total property taxation	<u>25,600,405</u>	<u>25,600,405</u>	<u>25,855,982</u>	<u>255,577</u>
<b>INTERGOVERNMENTAL</b>				
State-owned property	344,373	344,373	325,881	(18,492)
Elderly tax relief - frozen	2,962	2,962	3,571	609
Elderly tax relief	147,248	147,248	134,280	(12,968)
Disability exemption	2,332	2,332	2,278	(54)
Property tax abatement	23,385	23,385	23,385	-
Boat tax (P.A. 81-423)	1,720	1,720	1,721	1
Veterans' exemption	6,313	6,313	6,291	(22)
Manufacturing equipment	513,422	513,422	594,424	81,002
School building grants	900,924	900,924	902,921	1,997
General assistance	250	250	220	(30)
Connecticard	6,500	6,500	8,408	1,908
Library grant	2,000	2,000	2,283	283
Adult education	87,503	87,503	107,966	20,463
Mashantucket Pequot fund	271,226	271,226	280,330	9,104
Education equalization grant	15,245,633	15,245,633	15,143,792	(101,841)
School transportation	394,828	394,828	437,052	42,224
Vocational agriculture	131,435	131,435	135,172	3,737
Nonpublic school - health services	34,360	34,360	31,891	(2,469)
Transportation - nonpublic	11,631	11,631	13,260	1,629
Special education excess cost	-	-	92,613	92,613
Medicare reimbursement	50,000	50,000	64,108	14,108
Total intergovernmental revenues	<u>18,178,045</u>	<u>18,178,045</u>	<u>18,311,847</u>	<u>133,802</u>
<b>LICENSES, PERMITS AND FEES</b>				
Building permit fees	175,000	175,000	151,218	(23,782)
Planning and zoning permits	50,000	50,000	55,348	5,348
Other permits	1,200	1,200	3,250	2,050
Library fines and fees	18,000	18,000	16,535	(1,465)
Animal control fines and fees	1,000	1,000	2,406	1,406
Total licenses, permits and fees	<u>245,200</u>	<u>245,200</u>	<u>228,757</u>	<u>(16,443)</u>

*(Continued)*

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

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>CHARGES FOR SERVICES</b>				
Town clerk receipts	\$ 175,000	\$ 175,000	\$ 137,644	\$ (37,356)
Elderly housing services	20,000	20,000	19,747	(253)
Recreation department	144,000	144,000	125,193	(18,807)
Tuition	1,229,193	1,229,193	1,074,248	(154,945)
Landfill/Recycling Fees	185,000	185,000	106,133	(78,867)
Data processing services	4,060	4,060	-	(4,060)
Total charges for services	<u>1,757,253</u>	<u>1,757,253</u>	<u>1,462,965</u>	<u>(294,288)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Investment income	350,000	350,000	202,590	(147,410)
Sewer plant lease	28,767	28,767	33,941	5,174
Communications tower lease	21,500	21,500	136,944	115,444
Total use of money and property	<u>400,267</u>	<u>400,267</u>	<u>373,475</u>	<u>(26,792)</u>
<b>MISCELLANEOUS</b>				
School capital contributions	1,000	1,000	(317)	(1,317)
Miscellaneous	50,000	50,000	193,561	143,561
Total miscellaneous	<u>51,000</u>	<u>51,000</u>	<u>193,244</u>	<u>142,244</u>
Total revenues	<u>46,232,170</u>	<u>46,232,170</u>	<u>46,426,270</u>	<u>194,100</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Sewer Operating Fund	525,093	525,093	555,993	30,900
Louisa E. Day	400	400	81	(319)
Thomas J. Evans	100	100	28	(72)
Total other financing sources	<u>525,593</u>	<u>525,593</u>	<u>556,102</u>	<u>30,509</u>
Total revenues and other other financing sources	<u>\$ 46,757,763</u>	<u>\$ 46,757,763</u>	<u>\$ 46,982,372</u>	<u>\$ 224,609</u>

*(Concluded)*

**TOWN OF KILLINGLY, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
Town Council:				
Personal services	\$ 6,750	\$ 6,750	\$ 6,750	\$ -
Contractual services	41,580	41,580	41,503	(77)
Materials and supplies	2,000	2,000	1,654	(346)
Total Town Council	<u>50,330</u>	<u>50,330</u>	<u>49,907</u>	<u>(423)</u>
Town Manager:				
Personal services	244,610	271,006	270,996	(10)
Contractual services	50,640	50,640	49,107	(1,533)
Materials and supplies	3,200	3,200	3,085	(115)
Capital outlay	500	500	400	(100)
Total Town Manager	<u>298,950</u>	<u>325,346</u>	<u>323,588</u>	<u>(1,758)</u>
Legal Services:				
Contractual services	88,960	147,300	147,297	(3)
Total Legal Services	<u>88,960</u>	<u>147,300</u>	<u>147,297</u>	<u>(3)</u>
Town Clerk:				
Personal services	115,620	118,229	118,228	(1)
Contractual services	52,215	51,375	34,016	(17,359)
Materials and supplies	2,500	2,500	2,490	(10)
Capital outlay	225	225	225	-
Total Town Clerk	<u>170,560</u>	<u>172,329</u>	<u>154,959</u>	<u>(17,370)</u>
Finance:				
Personal services	162,535	153,532	147,702	(5,830)
Contractual services	67,825	67,825	65,797	(2,028)
Materials and supplies	1,500	1,500	1,485	(15)
Total Finance	<u>231,860</u>	<u>222,857</u>	<u>214,984</u>	<u>(7,873)</u>
Assessor:				
Personal services	134,640	138,665	138,664	(1)
Contractual services	21,140	20,650	16,723	(3,927)
Materials and supplies	1,970	1,970	1,203	(767)
Total Assessor	<u>157,750</u>	<u>161,285</u>	<u>156,590</u>	<u>(4,695)</u>
Revenue Collection:				
Personal services	156,690	158,743	158,232	(511)
Contractual services	45,040	45,040	35,119	(9,921)
Materials and supplies	2,150	2,150	2,126	(24)
Total Revenue Collection	<u>203,880</u>	<u>205,933</u>	<u>195,477</u>	<u>(10,456)</u>
Registration and Elections:				
Personal services	12,340	13,510	13,510	-
Contractual services	63,369	63,369	37,842	(25,527)
Materials and supplies	1,430	1,430	818	(612)
Total Registration and Elections	<u>77,139</u>	<u>78,309</u>	<u>52,170</u>	<u>(26,139)</u>
				(Continued)

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

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>GENERAL GOVERNMENT (Continued)</b>				
Town Boards and Commissions:				
Contractual services	\$ 80,217	\$ 80,217	\$ 79,218	\$ (999)
Total Town Boards and Commissions	80,217	80,217	79,218	(999)
Planning and Development:				
Personal services	174,440	180,991	180,988	(3)
Contractual services	26,350	26,350	18,219	(8,131)
Materials and supplies	3,200	3,200	2,871	(329)
Capital outlay	400	400	386	(14)
Total Planning and Development	204,390	210,941	202,464	(8,477)
Data Processing:				
Contractual services	99,900	99,900	94,065	(5,835)
Materials and supplies	1,000	1,000	1,000	-
Total Data Processing	100,900	100,900	95,065	(5,835)
Town Hall:				
Personal services	24,300	24,300	23,574	(726)
Contractual services	75,235	75,235	75,155	(80)
Materials and supplies	10,800	10,800	9,830	(970)
Total Town Hall	110,335	110,335	108,559	(1,776)
Economic Development:				
Personal services	98,250	102,355	102,355	-
Contractual services	16,950	16,936	16,327	(609)
Materials and supplies	1,000	1,000	977	(23)
Total Economic Development	116,200	120,291	119,659	(632)
Total General Government	1,891,471	1,986,373	1,899,937	(86,436)
<b>PUBLIC WORKS</b>				
Supervision:				
Personal services	174,783	178,133	178,131	(2)
Contractual services	10,400	8,980	8,943	(37)
Materials and supplies	2,050	620	584	(36)
Total Supervision	187,233	187,733	187,658	(75)
Engineering:				
Personal services	200,860	207,506	207,020	(486)
Contractual services	18,850	17,725	11,663	(6,062)
Materials and supplies	3,825	4,950	4,946	(4)
Total Engineering	223,535	230,181	223,629	(6,552)
Central Garage:				
Personal services	136,420	127,420	127,261	(159)
Contractual services	75,650	75,650	74,544	(1,106)
Materials and supplies	253,000	266,600	266,584	(16)
Total Central Garage	465,070	469,670	468,389	(1,281)
<i>(Continued)</i>				



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

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>PUBLIC WORKS (Continued)</b>				
Highways:				
Personal services	\$ 708,678	\$ 708,678	\$ 672,243	\$ (36,435)
Contractual services	60,750	52,075	44,093	(7,982)
Materials and supplies	124,500	128,575	128,572	(3)
Total Highways	893,928	889,328	844,908	(44,420)
Winter Maintenance:				
Personal services	86,770	154,430	111,760	(42,670)
Contractual services	5,200	5,200	4,976	(224)
Materials and supplies	148,000	213,000	197,230	(15,770)
Total Winter Maintenance	239,970	372,630	313,966	(58,664)
Total Public Works	2,009,736	2,149,542	2,038,550	(110,992)
<b>RECREATION AND LEISURE</b>				
Recreation:				
Personal services	342,399	349,464	348,383	(1,081)
Contractual services	142,930	142,930	138,976	(3,954)
Materials and supplies	36,300	36,300	36,282	(18)
Capital outlay	5,585	5,585	5,585	-
Total Recreation	527,214	534,279	529,226	(5,053)
Park Development and Maintenance:				
Personal services	165,326	186,115	186,114	(1)
Contractual services	77,950	74,848	66,862	(7,986)
Materials and supplies	55,100	55,100	50,023	(5,077)
Capital outlay	2,800	2,800	2,800	-
Total Park Development and Maintenance	301,176	318,863	305,799	(13,064)
Public Library:				
Personal services	392,200	409,516	409,515	(1)
Contractual services	274,730	270,030	259,202	(10,828)
Materials and supplies	14,900	14,900	11,987	(2,913)
Total Public Library	681,830	694,446	680,704	(13,742)
Special Communities Activities:				
Contractual services	19,981	19,981	18,361	(1,620)
Total Special Communities Activities	19,981	19,981	18,361	(1,620)
Community Center:				
Personal services	33,990	33,990	33,323	(667)
Contractual services	122,420	122,420	121,110	(1,310)
Materials and supplies	15,800	15,800	12,200	(3,600)
Capital outlay	5,000	-	-	-
Total Community Center	177,210	172,210	166,633	(5,577)

(Continued)

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECREATION AND LEISURE (Continued)</b>				
Other Town Buildings:				
Contractual services	19,125	19,125	12,902	(6,223)
Material and supplies	1,000	1,000	474	(526)
Total Other Town Buildings	20,125	20,125	13,376	(6,749)
Total Recreation and Leisure	1,727,536	1,759,904	1,714,099	(45,805)
<b>PUBLIC SAFETY</b>				
Building Inspector:				
Personal services	160,614	168,011	168,006	(5)
Contractual services	12,400	12,400	8,535	(3,865)
Materials and supplies	12,975	10,110	9,439	(671)
Total Building Inspector	185,989	190,521	185,980	(4,541)
Animal Control:				
Contractual services	54,982	54,982	54,982	-
Materials and supplies	600	600	355	(245)
Total Animal Control	55,582	55,582	55,337	(245)
Law Enforcement:				
Personal services	24,700	24,950	21,367	(3,583)
Contractual services	516,100	514,440	496,438	(18,002)
Materials and supplies	400	2,060	2,052	(8)
Total Law Enforcement	541,200	541,450	519,857	(21,593)
Total Public Safety	782,771	787,553	761,174	(26,379)
<b>COMMUNITY DEVELOPMENT AND HUMAN SERVICES</b>				
Community Development:				
Personal services	54,810	56,983	56,716	(267)
Contractual services	5,900	5,900	1,363	(4,537)
Materials and supplies	400	400	342	(58)
Total Community Development	61,110	63,283	58,421	(4,862)
Human Service Subsidies:				
Contractual services	371,850	386,690	386,688	(2)
Total Human Service Subsidies	371,850	386,690	386,688	(2)
Total Community Development and Human Services	432,960	449,973	445,109	(4,864)
<b>BOARD OF EDUCATION</b>	33,910,293	34,514,932	33,950,530	(564,402)
<b>MISCELLANEOUS</b>				
Employee benefits - contractual services	955,441	950,352	958,448	8,096
Insurance - contractual services	667,500	667,500	518,042	(149,458)
Contingencies	335,000	51,218	20,000	(31,218)
Total Miscellaneous	1,957,941	1,669,070	1,496,490	(172,580)

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>DEBT SERVICE</b>				
Principal	\$ 2,369,575	\$ 2,369,575	\$ 2,369,575	\$ -
Interest	822,749	822,749	822,123	(626)
Lease payments	70,000	70,000	70,000	-
Debt issuance costs	3,000	3,000	-	(3,000)
Total Debt Service	3,265,324	3,265,324	3,261,698	(3,626)
Total Expenditures	45,978,032	46,582,671	45,567,587	(1,015,084)
<b>OTHER FINANCING USES</b>				
Transfers out:				
Capital Improvement Fund	136,000	226,000	226,000	-
Capital Nonrecurring Fund	1,033,303	1,033,303	1,033,303	-
Insurance Reserve Fund	25,000	25,000	25,000	-
Open Space Fund	2,034	2,034	2,034	-
Solid Waste Fund	197,050	197,050	197,050	-
Tercentennial Fund	6,344	6,344	6,344	-
Information Technology (Capital Reserve)	80,000	80,000	80,000	-
Total Other Financing Uses	1,479,731	1,569,731	1,569,731	-
Total Expenditures and Other Financing Uses	\$ 47,457,763	\$ 48,152,402	\$ 47,137,318	\$ (1,015,084)
				(Concluded)

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

Grand List Year	Balance Uncollected June 30, 2008	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Total	Balance Uncollected June 30, 2008
			Additions	Deductions			Taxes	Interest	Lien Fees		
2007	-	\$ 22,323,431	\$ 3,437,761	\$ 210,659	\$ 438	\$ 25,550,095	\$ 24,916,013	\$ 130,419	\$ 1,854	\$ 25,048,286	\$ 634,082
2006	657,513	-	1,567	9,804	5,897	643,379	344,378	66,556	6,639	417,573	299,001
2005	194,276	-	1,994	2,797	5,841	187,632	76,199	24,982	1,460	102,641	111,433
2004	90,342	-	1,464	1,815	5,641	84,350	17,302	9,555	342	27,199	67,048
2003	42,265	-	1,335	754	2,300	40,546	6,963	4,919	168	12,050	33,583
2002	19,203	-	1,047	500	1,482	18,268	2,338	2,285	30	4,653	15,930
2001	5,635	-	637	166	446	5,660	860	888	20	1,768	4,800
2000	4,072	-	564	-	308	4,328	800	1,036	6	1,842	3,528
1999	3,438	-	338	-	31	3,745	406	504	-	910	3,339
1998	1,641	-	393	34	-	2,000	383	632	-	1,015	1,617
1997 and prior	4,242	-	19,875	354	923	22,840	18,969	2,892	6	21,867	3,871
	\$ 1,022,627	\$ 22,323,431	\$ 3,466,975	\$ 226,883	\$ 23,307	\$ 26,562,843	\$ 25,384,611	\$ 244,668	\$ 10,525	\$ 25,639,804	\$ 1,178,232

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

Total cash collections for the year ended

June 30, 2009:

Taxes

Interest and lien fees

Total

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)

Base

\$	25,384,611
	255,193
	<u>25,639,804</u>
\$	<u>25,639,804</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 57,689,559	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	115,379,118	-	-	-
3-3/4 times base	-	-	96,149,265	-	-
3-1/4 times base	-	-	-	83,329,363	-
3 times base	-	-	-	-	76,919,412
Total debt limitation	<u>57,689,559</u>	<u>115,379,118</u>	<u>96,149,265</u>	<u>83,329,363</u>	<u>76,919,412</u>
Indebtedness:					
Bonds and notes payable	3,937,517	16,458,432	4,150,451	-	-
Authorized, unissued bonds	-	8,518,666	5,241,000	-	-
	<u>3,937,517</u>	<u>24,977,098</u>	<u>9,391,451</u>	<u>-</u>	<u>-</u>
Less: amounts to be provided by the state	-	535,448	-	-	-
Total indebtedness	<u>3,937,517</u>	<u>24,441,650</u>	<u>9,391,451</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 53,752,042</u>	<u>\$ 90,937,468</u>	<u>\$ 86,757,814</u>	<u>\$ 83,329,363</u>	<u>\$ 76,919,412</u>

Total capacity of borrowing (7 times base)

Total present indebtedness

Margin for additional borrowing

\$	179,478,628
	37,770,618
	<u>141,708,010</u>

*Capital  
Improvements  
Fund*

**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND PROJECT APPROPRIATIONS**  
**CAPITAL IMPROVEMENT FUND**  
**JUNE 30, 2009**

	Project Appropriations		Project Expenditures			Remaining Balance June 30, 2009
	Balance July 1, 2008	Current Year Appropriations	Balance June 30, 2009	Balance July 1, 2008	Expenditures June 30, 2009	
Owen Bell Phase II	\$ 688,615	\$ -	\$ 688,615	\$ 687,615	\$ -	\$ 1,000
East Franklin Street	15,000	(15,000)	-	-	-	-
Road Renewal	1,731,385	-	1,731,385	1,731,385	-	-
Roof Replacement	692,500	(44,222)	648,278	648,278	-	-
High School Code Update	1,680,000	(7,992)	1,672,008	1,672,008	-	-
Dayville Water Main	552,059	-	552,059	490,982	-	61,077
David Avenue	75,126	-	75,126	5,126	-	70,000
Fuel Storage	318,504	-	318,504	259,792	-	58,712
High Street Property Acquisition	-	-	-	-	(380)	-
Guide Rail Replacement	347,500	-	347,500	316,111	-	31,389
Sidewalks	350,034	-	350,034	265,771	65,626	18,637
Alexanders Lake Sewer	2,205,000	-	2,205,000	2,173,447	-	31,553
High School Roof Replacement	932,170	-	932,170	696,670	-	235,500
Spot Drainage	165,500	10,000	175,500	157,009	3,572	14,919
Cooley Drive	12,000	(3,746)	8,254	8,254	-	-
Ross Road	65,726	(999)	64,727	64,727	-	-
Goodyear Renovation	-	-	-	-	(305)	-
Punam Road/Five Mile	1,125,000	-	1,125,000	1,034,488	-	90,512
RR/Lake Road Crossing	60,000	(60,000)	-	-	-	-
Landfill Closure	2,800,000	-	2,800,000	2,484,040	1,515	314,445
Bailey Hill Road	49,000	(33,198)	15,802	15,802	-	-
Cranberry Bog Road	86,159	(12,946)	73,213	73,213	-	-
DPW Garage Water	38,680	(503)	38,177	38,177	-	-
Killingly Industrial Park	20,848	-	20,848	15,543	-	5,305
Shepard Hill Bridge	135,000	(135,000)	-	-	-	-
Industrial Park Expansion	182,500	-	182,500	172,812	-	9,688
Cook Hill Road	680,000	-	680,000	556,000	-	124,000
KIS Athletic/Recreation Fields	190,000	-	190,000	181,472	-	8,528
Community Center Building	481,368	(3,760)	477,608	477,608	-	-
KIS Roof Ventilation	2,000,000	-	2,000,000	1,688,983	-	311,017
Davis Park	70,000	-	70,000	59,747	-	10,253
WPCA Odor Control	4,380,553	-	4,380,553	4,097,727	-	282,826
Quinebaug River Bike	1,888,925	-	1,888,925	365,581	1,275,917	247,427
Geographic Info System	550,000	-	550,000	516,985	-	33,015
DPW Bay Expansion	246,000	-	246,000	41,327	-	204,673
North Street Sidewalks	200,000	-	200,000	27,211	172,789	-
Downtown Parking	20,000	-	20,000	(70)	-	20,070
Town Hall Pedestrian Access	5,000	-	5,000	5,000	-	-
KIS Seal Parking Lots	26,000	-	26,000	3,263	-	22,737
Mechanic Street	117,000	-	117,000	92,242	429	24,329
School Space Needs	250,000	-	250,000	240,670	-	9,330

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND PROJECT APPROPRIATIONS**  
**CAPITAL IMPROVEMENT FUND (Continued)**  
**JUNE 30, 2009**

	Balance July 1, 2008	Current Year Appropriations	Balance June 30, 2009	Balance July 1, 2008	Expenditures	Balance June 30, 2009	Remaining Balance June 30, 2009
Vo-Ag Classroom Remodeling and Equipment	\$ 1,000,000	-	\$ 1,000,000	\$ 997,331	-	\$ 997,331	\$ 2,669
KMS Modular Units	600,000	-	600,000	583,032	-	583,032	16,968
Bugbee Building	101,000	-	101,000	99,357	992	100,349	651
Rock Avenue Bridge	150,000	-	150,000	150,000	-	150,000	-
Chestnut Hill Bridge	150,000	-	150,000	150,000	-	150,000	-
Anchor Glass Prop MDP	354,700	-	354,700	66,782	-	66,782	287,918
Town Prop/Nonpay Taxes	31,600	-	31,600	30,066	-	30,066	1,534
KIS Fire Protect System Replacement	1,100,000	-	1,100,000	843,144	-	843,144	256,856
WPCA - BNR Study A	237,711	-	237,711	199,211	-	199,211	38,500
WPCA - Collections System B	214,693	-	214,693	165,247	-	165,247	49,446
Burgess Street	9,799	(5,697)	4,102	4,102	-	4,102	-
Town Hall ADA Entrance	140,110	-	140,110	148,144	-	148,144	(8,034)
Quinebaug River Trail Phase IV	50,000	-	50,000	-	50,000	50,000	-
Goodyear Early Childhood Center	-	-	-	-	-	-	-
Mashentuck Road - Phase II	301,488	-	301,488	250,981	-	250,981	50,507
Water Street Redevelopment Project	153,987	-	153,987	109,163	140	109,303	44,684
Voice Annunciation Fire Alarms	55,007	-	55,007	55,007	-	55,007	-
Land Use Management System	45,000	-	45,000	9,859	-	9,859	35,141
Chimney Repairs - Community Center	75,000	(5,426)	69,574	69,574	-	69,574	-
Maryland Street Reconstruction and Drainage	100,000	-	100,000	-	-	-	100,000
KIS Insulated Window Replacement	37,000	-	37,000	283	36,822	37,105	(105)
KIS Door Replacements	15,000	-	15,000	-	-	-	15,000
Air Quality Improvements - Town Hall	50,000	-	50,000	50,000	-	50,000	-
Floor Covering - Town Hall	15,000	-	15,000	15,000	-	15,000	-
Industrial Park Sign	20,000	-	20,000	13,400	-	13,400	6,600
WPCA - Sewer Relining/Replacement	320,000	200,000	520,000	107,558	34,972	142,530	377,470
High School/Vo-Ag	81,265,000	-	81,265,000	6,277,531	35,963,600	42,241,131	39,023,869
KHS Asbestos Abatement	237,445	-	237,445	237,362	-	237,362	83
Armory Roof	33,000	-	33,000	18,446	-	18,446	14,554
Pratt/Ledge Roads	100,000	50,000	150,000	10,884	-	10,884	139,116
Lake Road Phase II	176,000	-	176,000	-	-	-	176,000
Town Clerk Permanent Record Storage	10,000	-	10,000	10,000	-	10,000	-
Fuel Oil Tank Removal/Replacement	25,000	-	25,000	11,004	-	11,004	13,996
OB Tennis Court and Truck Repairs	46,000	-	46,000	41,012	-	41,012	4,988
Property Options	5,000	-	5,000	-	-	-	5,000
KHS Driveway/Parking Lot Paving	60,000	-	60,000	60,000	-	60,000	-
KCC Theatre Lighting	29,043	-	29,043	24,867	-	24,867	4,176
Town Hall Renovations	17,500	-	17,500	11,607	5,893	17,500	-
Slater Hill Road Bridge	450,177	-	450,177	83,449	160,482	243,931	206,246
Breakneck Hill Road	1,150,268	(261,000)	889,268	8,338	-	8,338	880,930

(Continued)



**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND PROJECT APPROPRIATIONS**  
**CAPITAL IMPROVEMENT FUND (Concluded)**  
**JUNE 30, 2009**

	Balance July 1, 2008	Current Year Appropriations	Balance June 30, 2009	Balance July 1, 2008	Expenditures	Balance June 30, 2009	Remaining Balance June 30, 2009
Library - Engineering and Design HVAC	\$ 25,000	\$ -	\$ 25,000	\$ 5,970	\$ 17,504	\$ 23,474	\$ 1,526
Mechanic Street - Engineering and Design	85,000	-	85,000	-	429	429	84,571
North Street - Engineering and Design	75,000	-	75,000	-	-	-	75,000
Voting Machines	26,000	-	26,000	17	-	17	25,983
Street Tree Replacement	10,000	-	10,000	3,379	-	3,379	6,621
Parks and Open Spaces	5,000	-	5,000	-	-	-	5,000
Davis Park Improvements	10,000	-	10,000	6,476	-	6,476	3,524
Sidewalks	10,000	-	10,000	243	9,757	10,000	-
Road Renewal - LOCIP	100,000	-	100,000	97,775	2,225	100,000	-
Road Renewal - TAR	100,000	-	100,000	97,337	2,663	100,000	-
Killingly Central School	-	-	-	758	-	758	(758)
Hygeia Reservoir	135,000	-	135,000	135,000	-	135,000	-
110 Cottage Street Purchase	27,500	-	27,500	27,500	-	27,500	-
Salt Storage Facilities	50,000	-	50,000	192	-	192	49,808
River Road Bridge Rehabilitation	300,000	-	300,000	-	-	-	300,000
Rock Avenue Bridge	413,600	361,000	774,600	26,314	116,671	142,985	631,615
Rock Avenue	250,000	(100,000)	150,000	-	-	-	150,000
Chestnut Hill Road Bridge	222,000	-	222,000	-	-	-	222,000
Chestnut Hill Bridge	1,008,000	-	1,008,000	777,697	229,542	1,007,239	761
Landfill	-	-	-	2,400	-	2,400	(2,400)
Goodyear Roof (New Wing)	30,000	19,563	49,563	229	21,934	22,163	27,400
KCC Gym Floor	15,750	-	15,750	-	-	-	15,750
Library - Engineering and Design HVAC	60,000	90,000	150,000	17,953	155,367	173,320	(23,320)
Town Hall (LOCIP)	200,000	-	200,000	12,748	350,283	363,031	(163,031)
Splash Park, Skate Board Park	62,124	-	62,124	249	40,244	40,493	21,631
WPCA Capital Projects-08	300,000	-	300,000	215,336	49,002	264,338	35,662
Bugbee Bldg Ext Restoration	25,000	-	25,000	-	-	-	25,000
Ford Escape Hybrid	25,000	-	25,000	26,979	-	26,979	(1,979)
Road Renewal TAR	100,500	-	100,500	3,047	97,453	100,500	-
Aerial Bucket Unit	45,000	-	45,000	44,927	-	44,927	73
Three Wheel Mechanical Sweeper	140,000	-	140,000	139,229	-	139,229	771
Sewer- Reline and Replace	400,000	-	400,000	-	291	291	399,709
Garage Office Ventilation	-	6,000	6,000	-	4,867	4,867	1,133
Office Furn: P&Z/Bldg, Fire Marshall	-	10,000	10,000	-	10,000	10,000	-
Office Furn: Assessor & Revenue	-	10,000	10,000	-	9,985	9,985	15
Town Hall Roof Replacement	-	30,000	30,000	-	295	295	29,705
Cat Hollow Park Dev	-	15,000	15,000	-	-	-	15,000
Franklin St. Wall/Sidewalks	-	5,000	5,000	-	572	572	4,428
Franklin St.	-	42,500	42,500	-	22,483	22,483	20,017
Town Hall Boiler	-	75,000	75,000	-	6,805	6,805	68,195
WPCA Capital Projects- 09	-	105,000	105,000	-	32,962	32,962	72,038
Road Renewal	-	131,344	131,344	-	128,857	128,857	2,487
Bugbee Bldg - Roof/Gutters	-	50,000	50,000	-	29,775	29,775	20,225
Slater Hill Road Bridge	-	284,266	284,266	-	-	-	284,266
	\$ 1,18,620,154	\$ 805,184	\$ 1,19,425,338	\$ 33,918,491	\$ 39,112,030	\$ 73,030,522	\$ 46,394,131

(Concluded)

***Nonmajor  
Governmental  
Funds***

**TOWN OF KILLINGLY, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	School Cafeteria Fund	Nonmajor Special Revenue Funds						Town Aid Road Fund	Insurance Reserve Fund
		Capital and Nonrecurring Fund	Educational Grants Fund	Community Development Block Grant	Water Utility Fund	Revaluation Fund			
<b>ASSETS</b>									
Cash and cash equivalents	\$ 206,082	\$ -	\$ 498,720	\$ 70	\$ -	\$ -	\$ -	\$ -	-
Investments	-	-	-	65,627	-	-	-	-	-
Receivables:									
Grants and contracts	77,678	-	20,234	-	-	-	-	-	-
Other	27,211	-	-	-	-	-	-	-	-
Due from other funds	-	2,254,084	-	-	1,167,432	75,600	109,722	258,571	-
Inventories	49,242	-	-	-	-	-	-	-	-
Total assets	<u>\$ 360,213</u>	<u>\$ 2,254,084</u>	<u>\$ 518,954</u>	<u>\$ 65,697</u>	<u>\$ 1,167,432</u>	<u>\$ 75,600</u>	<u>\$ 109,722</u>	<u>\$ 258,571</u>	
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>									
Liabilities:									
Accounts payable	\$ -	\$ 115,652	\$ 95,350	\$ -	\$ -	\$ -	\$ -	\$ 719	-
Due to other funds	496,785	-	262,822	-	-	-	-	-	-
Due to funding source	-	-	198	-	-	-	-	-	-
Unearned/deferred revenue	-	-	160,584	68	-	-	109,722	-	-
Total liabilities	<u>496,785</u>	<u>115,652</u>	<u>518,954</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>109,722</u>	<u>719</u>	
Fund Balances (Deficit):									
Reserved for:									
Inventories	49,242	-	-	-	-	-	-	-	-
Endowments - Non-Expendable	-	-	-	-	-	-	-	-	-
Endowments - Expendable	-	-	-	-	-	-	-	-	-
Unreserved	(185,814)	2,138,432	-	65,629	1,167,432	75,600	-	257,852	-
Total fund balances (deficit)	<u>(136,572)</u>	<u>2,138,432</u>	<u>-</u>	<u>65,629</u>	<u>1,167,432</u>	<u>75,600</u>	<u>-</u>	<u>257,852</u>	
Total liabilities and fund balances (deficit)	<u>\$ 360,213</u>	<u>\$ 2,254,084</u>	<u>\$ 518,954</u>	<u>\$ 65,697</u>	<u>\$ 1,167,432</u>	<u>\$ 75,600</u>	<u>\$ 109,722</u>	<u>\$ 258,571</u>	<i>(Continued)</i>

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2009**

	Nonmajor Special Revenue Funds					Public
	Workplace Substance Abuse Grants	Community Employment Incentive	Water Mitigation Fund	Recreation Revolving	Investment Community Grant in Aid	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	-
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	5,167	7,687	75,040	7,824		5,324
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 5,167</u>	<u>\$ 7,687</u>	<u>\$ 75,040</u>	<u>\$ 7,824</u>	<u>\$ 5,324</u>	<u>5,324</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	-	-	-	-	-	-
Due to funding source	-	-	-	-	-	-
Unearned/deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balances (Deficit):						
Reserved for:						
Inventories	-	-	-	-	-	-
Endowments - Non-Expendable	-	-	-	-	-	-
Endowments - Expendable	-	-	-	-	-	-
Unreserved	5,167	7,687	75,040	7,824		5,324
Total fund balances (deficit)	<u>5,167</u>	<u>7,687</u>	<u>75,040</u>	<u>7,824</u>	<u>5,324</u>	<u>5,324</u>
Total liabilities and fund balances (deficit)	<u>\$ 5,167</u>	<u>\$ 7,687</u>	<u>\$ 75,040</u>	<u>\$ 7,824</u>	<u>\$ 5,324</u>	<u>5,324</u>

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2009**

	Nonmajor Special Revenue Funds					Demo and Relocation Fund
	Open Space Acquisition Fund	BOE Miscellaneous Special Revenue	Planning And Conservation Funds	Capital Reserve Fund	Historic Preservation Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 494,780	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Other	-	11,678	-	-	-	-
Due from other funds	39,428	6,352	50,872	416,670	16,060	4,922
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 39,428</u>	<u>\$ 512,810</u>	<u>\$ 50,872</u>	<u>\$ 416,670</u>	<u>\$ 16,060</u>	<u>\$ 4,922</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>						
Liabilities:						
Accounts payable	\$ -	\$ 3,640	\$ -	\$ 2,399	\$ -	\$ -
Due to other funds	-	174,395	-	-	-	-
Due to funding source	-	26,675	-	-	-	-
Unearned/deferred revenue	-	59,794	-	-	-	-
Total liabilities	<u>-</u>	<u>264,504</u>	<u>-</u>	<u>2,399</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):						
Reserved for:						
Inventories	-	-	-	-	-	-
Endowments - Non-Expendable	-	-	-	-	-	-
Endowments - Expendable	-	-	-	-	-	-
Unreserved	39,428	248,306	50,872	414,271	16,060	4,922
Total fund balances (deficit)	<u>39,428</u>	<u>248,306</u>	<u>50,872</u>	<u>414,271</u>	<u>16,060</u>	<u>4,922</u>
Total liabilities and fund balances (deficit)	<u>\$ 39,428</u>	<u>\$ 512,810</u>	<u>\$ 50,872</u>	<u>\$ 416,670</u>	<u>\$ 16,060</u>	<u>\$ 4,922</u>

(Continued)

**JUNE 30, 2009**

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2009**

Nonmajor Special Revenue Funds						
Killingly Public Library						
	Frederick A. Jacobs	Basset Hammond	Nathan Prince	Almond M. Paine	Ella Dorrance	Lena Tripp
<b>ASSETS</b>						
Cash and cash equivalents						
Investments	\$ 1,953					
Receivables:						
Grants and contracts						
Other						
Due from other funds						
Inventories						
Total assets	\$ 1,953	\$ 3,077	\$ 334,677	\$ 16,500	\$ 10,952	\$ 24,782
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to funding source	-	-	-	-	-	-
Unearned/deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balances (Deficit):						
Reserved for:						
Inventories	-	-	-	-	-	-
Endowments - Non-Expendable	-	-	-	-	-	-
Endowments - Expendable	-	-	-	-	-	-
Unreserved	1,953	3,077	334,677	16,500	10,952	24,782
Total fund balances (deficit)	1,953	3,077	334,677	16,500	10,952	24,782
Total liabilities and fund balances (deficit)	\$ 1,953	\$ 3,077	\$ 334,677	\$ 16,500	\$ 10,952	\$ 24,782

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
JUNE 30, 2009**

	Nonmajor Special Revenue Funds						
	Killingly Public Library		Biddy Basketball Fund		State Line Road Improvement		Pettingill Hill Road Improvement
	Adolph Goldwater	Library Operating	Library Special	Biddy Basketball Fund	State Line Road Improvement	Benefit Assessment	Public Safety
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,162	\$ 3,441	\$ -	\$ -	\$ -	\$ -	\$ -
Investments			14,627	687	8,427	16,636	8,936
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 4,162	\$ 3,441	\$ 14,627	\$ 687	\$ 8,427	\$ 16,636	\$ 8,936
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to funding source	-	-	-	-	-	-	-
Unearned/deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund Balances (Deficit):							
Reserved for:							
Inventories	-	-	-	-	-	-	-
Endowments - Non-Expendable	-	-	-	-	-	-	-
Endowments - Expendable	-	-	-	-	-	-	-
Unreserved	4,162	3,441	14,627	687	8,427	16,636	8,936
Total fund balances (deficit)	4,162	3,441	14,627	687	8,427	16,636	8,936
Total liabilities and fund balances (deficit)	\$ 4,162	\$ 3,441	\$ 14,627	\$ 687	\$ 8,427	\$ 16,636	\$ 8,936

(Continued)



**JUNE 30, 2009**

Nonmajor Special Revenue Funds							
	Economic Development	Fuel System	Community Outdoor Beautification	Kelp	Earl Chandler	Almond Paine Cemetery	Sub-total
ASSETS							
Cash and cash equivalents	\$ 219,470	\$ -	\$ -	\$ -	\$ 74	\$ 19,747	\$ 1,222,914
Investments		50,767	38,287	2,111	-	-	860,962
Receivables:							
Grants and contracts	-	-	-	-	-	-	97,912
Other	-	-	-	-	-	-	38,889
Due from other funds	39,052	-	-	-	-	-	4,616,422
Inventories	-	-	-	-	-	-	49,242
Total assets	\$ 258,522	\$ 50,767	\$ 38,287	\$ 2,111	\$ 74	\$ 19,747	\$ 6,886,341
LIABILITIES AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,872
Due to other funds	-	-	-	-	-	-	934,002
Due to funding source	-	-	-	-	-	-	26,873
Unearned/deferred revenue	-	-	-	-	-	-	372,258
Total liabilities	-	-	-	-	-	-	1,558,005
Fund Balances (Deficit):							
Reserved for:							
Inventories	-	-	-	-	-	-	49,242
Endowments - Non-Expendable	-	-	-	-	-	-	-
Endowments - Expendable	-	-	-	-	-	-	-
Unreserved	258,522	50,767	38,287	2,111	74	19,747	5,279,094
Total fund balances (deficit)	258,522	50,767	38,287	2,111	74	19,747	5,328,336
Total liabilities and fund balances (deficit)	\$ 258,522	\$ 50,767	\$ 38,287	\$ 2,111	\$ 74	\$ 19,747	\$ 6,886,341
							(Continued)

**TOWN OF KILLINGLY, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
JUNE 30, 2009**

	Capital Projects		Permanent Funds						
	Industrial Park		Thomas J. Evans	Ezra Mathewson	Shubael Hutchins	Louisa E. Day	Civil War Monument	Arthur Wilkes	Hutchins Burial Lot
<b>ASSETS</b>									
Cash and cash equivalents	\$ 749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	430,594	3,000	400	5,000	8,545	202	500	200	
Receivables:									
Grants and contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	7,954	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	\$ 439,297	\$ 3,000	\$ 400	\$ 5,000	\$ 8,545	\$ 202	\$ 500	\$ 200	
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Due to funding source	-	-	-	-	-	-	-	-	-
Unearned/deferred revenue	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Fund Balances (Deficit):									
Reserved for:									
Inventories	-	-	-	-	-	-	-	-	-
Endowments - Non-Expendable	-	3,000	400	5,000	8,544	202	500	200	
Endowments - Expendable	-	-	-	-	1	-	-	-	-
Unreserved	439,297	-	-	-	-	-	-	-	-
Total fund balances (deficit)	439,297	3,000	400	5,000	8,545	202	500	200	
Total liabilities and fund balances (deficit)	\$ 439,297	\$ 3,000	\$ 400	\$ 5,000	\$ 8,545	\$ 202	\$ 500	\$ 200	

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
JUNE 30, 2009**

	Permanent Funds						
	Mildred Stearns	Paine Matchell Matthews	Paine Cemetery - Town	Emily Danielson	Eunice Randell	Earl Chandler	
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	842
Investments	37,500	1,600	50,000	1,000	1,000	-	-
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 37,500</u>	<u>\$ 1,600</u>	<u>\$ 50,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 842</u>	
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	-	-	-	-	-	-	-
Due to funding source	-	-	-	-	-	-	-
Unearned/deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):							
Reserved for:							
Inventories	-	-	-	-	-	-	-
Endowments - Non-Expendable	37,500	1,600	50,000	1,000	1,000	842	-
Endowments - Expendable	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>37,500</u>	<u>1,600</u>	<u>50,000</u>	<u>1,000</u>	<u>1,000</u>	<u>842</u>	
Total liabilities and fund balances (deficit)	<u>\$ 37,500</u>	<u>\$ 1,600</u>	<u>\$ 50,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 842</u>	

(Continued)

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Concluded)**  
**JUNE 30, 2009**

	Permanent Funds					Total Nonmajor Governmental Funds
	Mary Dexter	Frederick A. Jacobs	Basset- Hammond	Ella Dorrance	Adolph Goldwater	Sub-total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 842
Investments	500	500	4,346	1,500	3,000	118,793
Receivables:						
Grants and contracts	-	-	-	-	-	97,912
Other	-	-	-	-	-	38,889
Due from other funds	-	-	-	-	-	4,624,376
Inventories	-	-	-	-	-	49,242
Total assets	\$ 500	\$ 500	\$ 4,346	\$ 1,500	\$ 3,000	\$ 7,445,273
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,872
Due to other funds	-	-	-	-	-	934,002
Due to funding source	-	-	-	-	-	26,873
Unearned/deferred revenue	-	-	-	-	-	372,258
Total liabilities	-	-	-	-	-	1,558,005
Fund Balances (Deficit):						
Reserved for:						
Inventories	-	-	-	-	-	49,242
Endowments - Non-Expendable	500	500	4,346	1,500	3,000	119,634
Endowments - Expendable	-	-	-	-	-	1
Unreserved	-	-	-	-	-	5,718,391
Total fund balances (deficit)	500	500	4,346	1,500	3,000	5,887,268
Total liabilities and fund balances (deficit)	\$ 500	\$ 500	\$ 4,346	\$ 1,500	\$ 3,000	\$ 7,445,273
						(Concluded)

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

	Nonmajor Special Revenue Funds							
	School Cafeteria Fund	Capital Nonrecurring Fund	Educational Grants Fund	Community Development Block Grant	Water Utility Fund	Revaluation Fund	Town Aid Road Fund	Insurance Reserve Fund
REVENUES								
Intergovernmental	\$ 517,092	\$ -	\$ 1,648,438	\$ 473,025	\$ -	\$ -	\$ 251,456	\$ -
Charges for services	434,004	-	-	-	-	-	-	-
Investment income (loss)	615	-	-	554	-	-	-	-
Miscellaneous	105,608	-	1,550	68,311	-	-	-	74,555
Total revenues	1,057,319	-	1,649,988	541,890	-	-	251,456	74,555
EXPENDITURES								
Current:								
General government	-	-	-	-	-	6,000	-	44,903
Recreation and leisure	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community development and human services	-	-	-	539,668	-	-	-	-
Education	1,078,460	-	1,649,988	-	-	-	-	-
Capital outlays	-	833,110	-	-	-	-	-	-
Total expenditures	1,078,460	833,110	1,649,988	539,668	-	6,000	-	44,903
Excess (deficiency) of revenues over expenditures	(21,141)	(833,110)	-	2,222	-	(6,000)	251,456	29,652
OTHER FINANCING SOURCES (USES)								
Transfers in	-	1,288,122	-	-	-	-	-	27,500
Transfers out	-	(54,000)	-	-	-	-	(251,456)	-
Total other financing sources (uses)	-	1,234,122	-	-	-	-	(251,456)	27,500
Net change in fund balances	(21,141)	401,012	-	2,222	-	(6,000)	-	57,152
Fund balances (deficit) - beginning	(115,431)	1,737,420	-	63,407	1,167,432	81,600	-	200,700
Fund balances (deficit) - ending	\$ (136,572)	\$ 2,138,432	\$ -	\$ 65,629	\$ 1,167,432	\$ 75,600	\$ -	\$ 257,852
								(Continued)

(Continued)

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

	Nonmajor Special Revenue Funds					Public
	Workplace Substance Abuse Grants	Community Employment Incentive	Water Mitigation Fund	Recreation Revolving	Investment Community Grant in Aid	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	
Charges for services	-	-	-	25,983	-	
Investment income (loss)	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Total revenues	-	-	-	25,983	-	
EXPENDITURES						
Current:						
General government	-	-	-	-	-	
Recreation and leisure	-	-	-	27,074	-	
Public safety	-	-	-	-	-	
Community development and human services	-	-	-	-	-	
Education	-	-	-	-	-	
Capital outlays	-	-	-	-	-	
Total expenditures	-	-	-	27,074	-	
Excess (deficiency) of revenues over expenditures	-	-	-	(1,091)	-	
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	
Transfers out	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	-	
Net change in fund balances	-	-	-	(1,091)	-	
Fund balances (deficit) - beginning	5,167	7,687	75,040	8,915	5,324	
Fund balances (deficit) - ending	\$ 5,167	\$ 7,687	\$ 75,040	\$ 7,824	\$ 5,324	

(Continued)

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

	Nonmajor Special Revenue Funds					
	Open Space Acquisition Fund	BOE Miscellaneous Special Revenue	Planning And Conservation Funds	Capital Reserve Fund	Historic Preservation Funds	Demo and Relocation Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 88,389	\$ -	\$ 44,903	\$ 7,000	\$ -
Charges for services	-	630,070	-	77,999	-	-
Investment income (loss)	-	-	-	-	-	-
Miscellaneous	14,378	-	-	-	6,560	-
Total revenues	14,378	718,459	-	122,902	13,560	-
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	8,504	486
Recreation and leisure	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development and human services	-	-	-	-	-	-
Education	-	658,859	-	-	-	-
Capital outlays	-	-	-	179,221	-	-
Total expenditures	-	658,859	-	179,221	8,504	486
Excess (deficiency) of revenues over expenditures	14,378	59,600	-	(56,319)	5,056	(486)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,034	-	-	134,000	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	2,034	-	-	134,000	-	-
Net change in fund balances	16,412	59,600	-	77,681	5,056	(486)
Fund balances (deficit) - beginning	23,016	188,706	50,872	336,590	11,004	5,408
Fund balances (deficit) - ending	\$ 39,428	\$ 248,306	\$ 50,872	\$ 414,271	\$ 16,060	\$ 4,922

(Continued)

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

	Solid Waste Fund	Nonmajor Special Revenue Funds							Killingly Public Library Emily Danielson	Mary Dexter
		Tercentennial Fund	Shubael Hutchins Fund	Armory Fund	Civil War Monument Fund	Mildred Stearns				
<b>REVENUES</b>										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Charges for services	169,580	-	-	6,000	-	-	-	-	-	-
Investment income (loss)	-	-	264	-	33	40	39	-	9	-
Miscellaneous	-	3,466	-	-	-	-	-	-	-	-
Total revenues	169,580	3,466	264	6,000	33	40	39	-	9	-
<b>EXPENDITURES</b>										
Current:										
General government	344,726	-	-	-	-	-	-	-	-	-
Recreation and leisure	-	9,313	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Community development and human services	-	-	1,000	-	-	2,200	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-
Total expenditures	344,726	9,313	1,000	-	-	2,200	-	-	-	-
Excess (deficiency) of revenues over expenditures	(175,146)	(5,847)	(736)	6,000	33	(2,160)	39	-	9	-
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	197,050	6,344	47	-	2	850	9	-	4	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	197,050	6,344	47	-	2	850	9	-	4	-
Net change in fund balances	21,904	497	(689)	6,000	35	(1,310)	48	-	13	-
Fund balances (deficit) - beginning	(2,491)	1,503	27,944	-	3,553	4,257	4,130	-	980	-
Fund balances (deficit) - ending	\$ 19,413	\$ 2,000	\$ 27,255	\$ 6,000	\$ 3,588	\$ 2,947	\$ 4,178	\$ -	\$ 993	\$ -

(Continued)



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

	Nonmajor Special Revenue Funds					
	Killingly Public Library					
	Frederick A. Jacobs	Basset Hammond	Nathan Prince	Almond M. Paine	Ella Dorrance	Lena Tripp
<b>REVENUES</b>						
Intergovernmental						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	-	-	-	-	-	-
Miscellaneous	18	41	19,411	1,034	102	231
Total revenues	<u>18</u>	<u>41</u>	<u>19,411</u>	<u>1,034</u>	<u>102</u>	<u>231</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development and human services	-	-	4,074	-	-	-
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>4,074</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	18	41	15,337	1,034	102	231
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	4	41	-	-	14	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>4</u>	<u>41</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>
Net change in fund balances	22	82	15,337	1,034	116	231
Fund balances (deficit) - beginning	1,931	2,995	319,340	15,466	10,836	24,551
Fund balances (deficit) - ending	<u>\$ 1,953</u>	<u>\$ 3,077</u>	<u>\$ 334,677</u>	<u>\$ 16,500</u>	<u>\$ 10,952</u>	<u>\$ 24,782</u>

(Continued)

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

	Nonmajor Special Revenue Funds						
	Killingly Public Library		Biddy Basketball Fund	State Line Road Improvement		Pettingill Hill Road Improvement	Public Safety
	Adolph Goldwater	Library Operating	Library Special				
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	16,861	-	-	-	-	-
Investment income (loss)	39	-	137	6	79	3	116
Miscellaneous	-	-	-	-	-	-	-
Total revenues	39	16,861	137	6	79	3	116
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Recreation and leisure	-	15,914	-	-	-	-	-
Public safety	-	-	-	-	-	-	3,542
Community development and human services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	-	15,914	-	-	-	-	3,542
Excess (deficiency) of revenues over expenditures	39	947	137	6	79	3	(3,426)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	28	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	28	-	-	-	-	-	-
Net change in fund balances	67	947	137	6	79	3	(3,426)
Fund balances (deficit) - beginning	4,095	2,494	14,490	681	8,348	320	12,362
Fund balances (deficit) - ending	\$ 4,162	\$ 3,441	\$ 14,627	\$ 687	\$ 8,427	\$ 323	\$ 8,936

(Continued)

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

	Nonmajor Special Revenue Funds					
	Economic Development	Fuel System	Community Outdoor Beautification	Kelp	Earl Chandler	Almond Paine Cemetery
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,800	-	-	-	-	2,930
Investment income (loss)	2,444	479	295	-	-	-
Miscellaneous	-	5,422	6,738	-	-	-
Total revenues	<u>4,244</u>	<u>5,901</u>	<u>7,033</u>	<u>-</u>	<u>-</u>	<u>2,930</u>
						<u>\$ 3,030,303</u>
						<u>1,365,227</u>
						<u>26,145</u>
						<u>286,588</u>
						<u>4,708,263</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development and human services	3,372	5,961	-	-	-	2,110
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>3,372</u>	<u>5,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,110</u>
						<u>1,012,331</u>
						<u>5,418,485</u>
Excess (deficiency) of revenues over expenditures	872	(60)	7,033	-	-	820
						<u>(710,222)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	19	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>
						<u>1,656,068</u>
						<u>(305,456)</u>
						<u>1,350,612</u>
Net change in fund balances	872	(60)	7,033	-	19	820
						<u>640,390</u>
Fund balances (deficit) - beginning	<u>257,650</u>	<u>50,827</u>	<u>31,254</u>	<u>2,111</u>	<u>55</u>	<u>18,927</u>
						<u>4,687,946</u>
Fund balances (deficit) - ending	<u>\$ 258,522</u>	<u>\$ 50,767</u>	<u>\$ 38,287</u>	<u>\$ 2,111</u>	<u>\$ 74</u>	<u>\$ 19,747</u>
						<u>\$ 5,328,336</u>

(Continued)

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

	Capital Projects	Permanent Funds						
	Industrial Park	Thomas J. Evans	Ezra Mathewson	Shubael Hutchins	Louisa E. Day	Civil War Monument	Arthur Wilkes	Hutchins Burial Lot
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment income (loss)	4,138	28	-	47	81	2	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>4,138</u>	<u>28</u>	<u>-</u>	<u>47</u>	<u>81</u>	<u>2</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community development and human services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4,138	28	-	47	81	2	-	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(28)	-	(47)	(81)	(2)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(28)</u>	<u>-</u>	<u>(47)</u>	<u>(81)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,138	-	-	-	-	-	-	-
Fund balances (deficit) - beginning	435,159	3,000	400	5,000	8,545	202	500	200
Fund balances (deficit) - ending	<u>\$ 439,297</u>	<u>\$ 3,000</u>	<u>\$ 400</u>	<u>\$ 5,000</u>	<u>\$ 8,545</u>	<u>\$ 202</u>	<u>\$ 500</u>	<u>\$ 200</u>

(Continued)

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

	Permanent Funds					
	Mildred Stearns	Paine Mitchell Matthews	Paine Cemetery - Town	Emily Danielson	Eunice Randall	Earl Chandler
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	-	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment income (loss)	850	-	-	9	-	19
Miscellaneous	-	-	-	-	-	-
Total revenues	850	-	-	9	-	19
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Recreation and leisure	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development and human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	850	-	-	9	-	19
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(850)	-	-	(9)	-	(19)
Total other financing sources (uses)	(850)	-	-	(9)	-	(19)
Net change in fund balances	-	-	-	-	-	-
Fund balances (deficit) - beginning	37,500	1,600	50,000	1,000	1,000	842
Fund balances (deficit) - ending	\$ 37,500	\$ 1,600	\$ 50,000	\$ 1,000	\$ 1,000	\$ 842

(Continued)

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

	Permanent Funds						Total Nonmajor Governmental Funds
	Mary Dexter	Frederick A. Jacobs	Basset Hammond	Ella Dorrance	Adolph Goldwater	Sub-total	
<b>REVENUES</b>							
Intergovernmental	-	\$ -	\$ -	\$ -	-	\$ -	\$ 3,030,303
Charges for services	-	-	-	-	-	-	1,365,227
Investment income (loss)	4	4	41	14	28	1,127	31,410
Miscellaneous	-	-	-	-	-	-	286,588
Total revenues	4	4	41	14	28	1,127	4,713,528
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	404,619
Recreation and leisure	-	-	-	-	-	-	52,301
Public safety	-	-	-	-	-	-	3,542
Community development and human services	-	-	-	-	-	-	558,385
Education	-	-	-	-	-	-	3,387,307
Capital outlays	-	-	-	-	-	-	1,012,331
Total expenditures	-	-	-	-	-	-	5,418,485
Excess (deficiency) of revenues over expenditures	4	4	41	14	28	1,127	(704,957)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	1,656,068
Transfers out	(4)	(4)	(41)	(14)	(28)	(1,127)	(306,583)
Total other financing sources (uses)	(4)	(4)	(41)	(14)	(28)	(1,127)	1,349,485
Net change in fund balances	-	-	-	-	-	-	644,528
Fund balances (deficit) - beginning	500	500	4,346	1,500	3,000	119,635	5,242,740
Fund balances (deficit) - ending	\$ 500	\$ 500	\$ 4,346	\$ 1,500	\$ 3,000	\$ 119,635	\$ 5,887,268
							(Concluded)

# ***Fiduciary Funds***

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

	Private Purpose Trust Funds				
	Olive Boulais	Robert D. Payne	Blanche Phoenix	Frances Upham Spaulding	Ruth E. Osgood
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,342	\$ 665	\$ 77	\$ 96	\$ 106
Investments	-	-	-	-	-
Total assets	<u>\$ 2,342</u>	<u>\$ 665</u>	<u>\$ 77</u>	<u>\$ 96</u>	<u>\$ 106</u>
<b>NET ASSETS</b>					
Held in trust for endowment purposes	<u>\$ 2,342</u>	<u>\$ 665</u>	<u>\$ 77</u>	<u>\$ 96</u>	<u>\$ 106</u>

(Continued)



**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -**  
**PRIVATE PURPOSE TRUST FUNDS (Continued)**  
**JUNE 30, 2009**

	Private Purpose Trust Funds			
	Michael Pappas Scholarship	Margaret Novack Scholarship	Goldwater Weisberg	Laura Pike Rowe
<b>ASSETS</b>				
Cash and cash equivalents	\$ 746	\$ 309	\$ 850	\$ 47,679
Investments	-	-	-	405,280
Total assets	<u>\$ 746</u>	<u>\$ 309</u>	<u>\$ 850</u>	<u>\$ 452,959</u>
<b>NET ASSETS</b>				
Held in trust for endowment purposes	<u>\$ 746</u>	<u>\$ 309</u>	<u>\$ 850</u>	<u>\$ 452,959</u>
				(Continued)

**TOWN OF KILLINGLY, CONNECTICUT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -  
PRIVATE PURPOSE TRUST FUNDS (Continued)  
JUNE 30, 2009**

	Private Purpose Trust Funds					
	Norman Barrette	Class of 2001	Adrian Herklots	Normington Memorial Savings	Normington Memorial CD	Jeffrey Lehman
ASSETS						
Cash and cash equivalents	\$ 234	\$ -	\$ 201	\$ 1,063	\$ 2,059	\$ 7,523
Investments	-	-	-	-	-	-
Total assets	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ 201</u>	<u>\$ 1,063</u>	<u>\$ 2,059</u>	<u>\$ 7,523</u>
NET ASSETS						
Held in trust for endowment purposes	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ 201</u>	<u>\$ 1,063</u>	<u>\$ 2,059</u>	<u>\$ 7,523</u>
						(Continued)

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -**  
**PRIVATE PURPOSE TRUST FUNDS (Concluded)**  
**JUNE 30, 2009**

	Private Purpose Trust Funds							Total
	Chris Wood	Ryan Doyle	Olive Boulais	Robert D. Payne	Frances Upham Spaulding	Ruth E. Osgood	Blanche Phoenix	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,523	\$ 3,349	\$ 2,908	\$ 2,000	\$ 1,000	\$ 7,500	\$ 1,000	\$ 81,473
Investments	-	-	-	-	-	-	-	405,280
Total assets	<u>\$ 7,523</u>	<u>\$ 3,349</u>	<u>\$ 2,908</u>	<u>\$ 2,000</u>	<u>\$ 1,000</u>	<u>\$ 7,500</u>	<u>\$ 1,000</u>	<u>\$ 486,753</u>
<b>NET ASSETS</b>								
Held in trust for endowment purposes	<u>\$ 7,523</u>	<u>\$ 3,349</u>	<u>\$ 2,908</u>	<u>\$ 2,000</u>	<u>\$ 1,000</u>	<u>\$ 7,500</u>	<u>\$ 1,000</u>	<u>\$ 486,753</u>

(Concluded)

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

	Private Purpose Trust Funds				
	Olive Boulais	Robert D. Payne	Blanche Phoenix	Frances Upham Spaulding	Ruth E. Osgood
<b>ADDITIONS</b>					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	-	-	-	-	-
Total additions	-	-	-	-	-
<b>DEDUCTIONS</b>					
Awards	75	50	50	-	77
Total deductions	75	50	50	-	77
Change in net assets before transfers	(75)	(50)	(50)	-	(77)
<b>TRANSFERS</b>					
Transfers in	109	82	23	25	133
Transfers out	-	-	-	-	-
Total transfers	109	82	23	25	133
Change in net assets	34	32	(27)	25	56
<b>NET ASSETS HELD IN TRUST FOR ENDOWMENT PURPOSES</b>					
Beginning of year	2,308	633	104	71	50
End of year	\$ 2,342	\$ 665	\$ 77	\$ 96	\$ 106

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

	Private Purpose Trust Funds			
	Michael Pappas Scholarship	Margaret Novak Scholarship	Goldwater Weisberg	Laura Pike Rowe
<b>ADDITIONS</b>				
Contributions	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	12	2	35	(91,002)
Total additions	<u>12</u>	<u>2</u>	<u>35</u>	<u>(91,002)</u>
<b>DEDUCTIONS</b>				
Awards	300	150	48	-
Total deductions	<u>300</u>	<u>150</u>	<u>48</u>	<u>-</u>
Change in net assets before transfers	(288)	(148)	(13)	(91,002)
<b>TRANSFERS</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(288)	(148)	(13)	(91,002)
<b>NET ASSETS HELD IN TRUST FOR ENDOWMENT PURPOSES</b>				
Beginning of year	1,034	457	863	543,961
End of year	<u>746</u>	<u>309</u>	<u>850</u>	<u>\$ 452,959</u>
				<i>(Continued)</i>

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

	Private Purpose Trust Funds					
	Norman Barrette	Class of 2001	Adrian Herklots	Normington Memorial Savings	Norminton Memorial CD	Jeffrey Lehmann
<b>ADDITIONS</b>						
Contributions	\$ -	\$ -	\$ -	\$ 1,063	\$ 2,059	\$ 10,023
Investment income (loss)	484	2	1,505	-	-	-
Total additions	484	2	1,505	1,063	2,059	10,023
<b>DEDUCTIONS</b>						
Awards	1,200	283	1,500	-	-	2,500
Total deductions	1,200	283	1,500	-	-	2,500
Change in net assets before transfers	(716)	(281)	5	1,063	2,059	7,523
<b>TRANSFERS</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total transfers	-	-	-	-	-	-
Change in net assets	(716)	(281)	5	1,063	2,059	7,523
<b>NET ASSETS HELD IN TRUST FOR ENDOWMENT PURPOSES</b>						
Beginning of year	950	281	196	-	-	-
End of year	\$ 234	\$ -	\$ 201	\$ 1,063	\$ 2,059	\$ 7,523

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

	Private Purpose Trust Funds						
	Chris Woods	Ryan Doyle	Olive Boulais	Robert D. Payne	Frances Upham Spaulding	Ruth E. Osgood	Blanche Phoenix
							Total
<b>ADDITIONS</b>							
Contributions	\$ 10,023	\$ 3,349	\$ -	\$ -	\$ -	\$ -	\$ 26,517
Investment income (loss)	-	-	109	82	25	133	(88,590)
Total additions	10,023	3,349	109	82	25	133	(62,073)
<b>DEDUCTIONS</b>							
Awards	2,500	-	-	-	-	-	8,733
Total deductions	2,500	-	-	-	-	-	8,733
Change in net assets before transfers	7,523	3,349	109	82	25	133	(70,806)
<b>TRANSFERS</b>							
Transfers in	-	-	-	-	-	-	372
Transfers out	-	-	(109)	(82)	(25)	(133)	(372)
Total transfers	-	-	(109)	(82)	(25)	(133)	-
Change in net assets	7,523	3,349	-	-	-	-	(70,806)
<b>NET ASSETS HELD IN TRUST FOR ENDOWMENT PURPOSES</b>							
Beginning of year	-	-	2,908	2,000	1,000	7,500	565,316
End of year	\$ 7,523	\$ 3,349	\$ 2,908	\$ 2,000	\$ 1,000	\$ 7,500	\$ 494,510
							(Concluded)

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2009**

	<u>Student Activities</u>	<u>Performance Bonds</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 162,305	\$ 300,649	\$ 462,954
Total assets	<u>\$ 162,305</u>	<u>\$ 300,649</u>	<u>\$ 462,954</u>
<b>LIABILITIES</b>			
Due to student groups	\$ 162,305	\$ -	\$ 162,305
Due to others	-	300,649	300,649
Total liabilities	<u>\$ 162,305</u>	<u>\$ 300,649</u>	<u>\$ 462,954</u>



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

	<u>Balance, July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2009</u>
<b>Student Activities</b>				
Assets				
Cash and cash equivalents:				
Killingly high school	\$ 125,042	\$ 262,336	\$ 267,377	\$ 120,001
Killingly high school concession	3,000	4,825	4,825	3,000
Redmen booster club	1,883	7	-	1,890
Killingly junior high school	26,264	69,242	91,380	4,126
Killingly central school	983	43,536	19,825	24,694
Killingly memorial school	1,991	4,803	1,612	5,182
Goodyear early childhood center	1,010	3,784	3,839	955
BASP student activity account	786	5,959	4,288	2,457
Total assets	<u>\$ 160,959</u>	<u>\$ 394,492</u>	<u>\$ 393,146</u>	<u>\$ 162,305</u>
Liabilities				
Due to student groups	\$ 160,959	\$ 394,492	\$ 393,146	\$ 162,305
Total liabilities	<u>\$ 160,959</u>	<u>\$ 394,492</u>	<u>\$ 393,146</u>	<u>\$ 162,305</u>
<b>Performance Bonds</b>				
Assets				
Cash and cash equivalents	\$ 329,058	\$ 86,060	\$ 114,469	\$ 300,649
Total assets	<u>\$ 329,058</u>	<u>\$ 86,060</u>	<u>\$ 114,469</u>	<u>\$ 300,649</u>
Liabilities				
Due to others	\$ 329,058	\$ 86,060	\$ 114,469	\$ 300,649
Total liabilities	<u>\$ 329,058</u>	<u>\$ 86,060</u>	<u>\$ 114,469</u>	<u>\$ 300,649</u>
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 490,017	\$ 480,552	\$ 507,615	\$ 462,954
Total assets	<u>\$ 490,017</u>	<u>\$ 480,552</u>	<u>\$ 507,615</u>	<u>\$ 462,954</u>
Liabilities				
Due to student groups	\$ 160,959	\$ 394,492	\$ 393,146	\$ 162,305
Due to others	329,058	86,060	114,469	300,649
Total liabilities	<u>\$ 540,106</u>	<u>\$ 480,552</u>	<u>\$ 507,615</u>	<u>\$ 462,954</u>

***Capital Assets  
Used in the  
Operation of  
Governmental  
Funds***

**TOWN OF KILLINGLY, CONNECTICUT**  
**COMPARATIVE SCHEDULE OF GOVERNMENTAL FUND**  
**CAPITAL ASSETS BY SOURCE**  
**JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 3,834,461	\$ 3,834,461
Land improvements	3,627,280	3,627,280
Buildings and improvements	51,500,653	51,500,653
Machinery and equipment	13,940,380	13,030,263
Infrastructure	52,899,629	50,493,032
Construction in progress	46,047,724	9,353,715
Total governmental funds capital assets	<u>\$ 171,850,127</u>	<u>\$ 131,839,404</u>

**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF GOVERNMENTAL FUND CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**JUNE 30, 2009**

	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction In Progress	Total
General government	\$ 2,192,382	\$ 9,400	\$ 1,719,948	\$ 566,011	\$ 49,973,150	\$ 3,392,130	\$ 57,853,021
Public works	16,000	371,912	10,780,051	6,607,136	2,926,479	271,171	20,972,749
Recreation and leisure	315,773	1,430,396	3,196,481	198,017	-	1,430,413	6,571,080
Public safety	-	36,700	32,000	168,861	-	-	237,561
Education	1,310,306	1,778,872	35,772,173	6,400,355	-	40,954,010	86,215,716
Total	<u>\$ 3,834,461</u>	<u>\$ 3,627,280</u>	<u>\$ 51,500,653</u>	<u>\$ 13,940,380</u>	<u>\$ 52,899,629</u>	<u>\$ 46,047,724</u>	<u>\$ 171,850,127</u>

**TOWN OF KILLINGLY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL FUND CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Balance</b> <b>July 1, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2009</b>
General government	\$ 56,387,084	\$ 1,465,937	\$ -	\$ 57,853,021
Public works	20,461,089	637,366	125,706	20,972,749
Recreation and leisure	5,178,229	1,392,851	-	6,571,080
Public safety	237,561	-	-	237,561
Education	49,575,441	36,640,275	-	86,215,716
Total	<u>\$ 131,839,404</u>	<u>\$ 40,136,429</u>	<u>\$ 125,706</u>	<u>\$ 171,850,127</u>

**OTHER  
SUPPLEMENTAL  
INFORMATION  
SECTION**

**TOWN OF KILLINGLY, CONNECTICUT**  
**NET ASSETS BY COMPONENT**  
**LAST SEVEN FISCAL YEARS**  
*(Accrual Basis of Accounting - Unaudited)*

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 30,002,324	\$ 31,238,496	\$ 30,301,087	\$ 30,146,737	\$ 38,554,712	\$ 36,882,006	\$ 65,404,213
Restricted for:							
Endowments - expendable	958,576	997,987	1,030,662	1	1	1	1
Endowments - nonexpendable	126,200	126,200	134,042	119,634	119,634	119,634	119,634
Other purposes	479,633	466,073	301,531	405,413	2,620,509	4,150,204	-
Unrestricted	13,541,849	12,265,857	12,824,346	13,806,958	19,614,192	25,814,958	27,301,434
Total governmental activities net assets	\$ 45,108,582	\$ 45,094,613	\$ 44,591,668	\$ 44,478,743	\$ 60,909,048	\$ 66,966,803	\$ 92,825,282

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





**TOWN OF KILLINGLY, CONNECTICUT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b>Fiscal Year Ended June 30,</b>	<b>Residential Real Property (%)</b>	<b>Commercial &amp; Industrial Property (%)</b>	<b>All Other Land (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicles (%)</b>	<b>Gross Taxable Grand List</b>	<b>Disability Farm, Veterans, and Elderly Relief</b>	<b>Manufacturing Exemption Sec. 12-81 (59) and (60)</b>	<b>Net Taxable Grand List at 70%</b>
2000	51.65	19.82	4.15	13.97	10.41	\$ 590,399,068	\$ 4,104,140	\$ 35,087,916	\$ 551,207,012
2001	50.86	19.47	3.79	14.83	11.04	617,837,121	4,127,460	48,669,632	565,040,029
2002	41.53	22.54	3.28	23.06	9.59	754,660,839	5,728,722	145,270,312	603,661,805
2003	32.72	22.17	2.40	34.90	7.81	974,626,727	5,937,417	368,185,938	600,503,372
2004	37.94	20.43	2.41	32.34	6.88	1,154,768,214	6,781,530	399,347,884	748,638,800
2005	38.12	20.07	2.45	32.59	6.77	1,178,214,233	6,611,724	404,484,172	767,118,337
2006	38.80	19.42	2.53	31.82	7.43	1,185,767,888	6,436,596	392,394,480	786,936,812
2007	39.58	19.37	2.58	30.38	8.09	1,195,484,358	6,035,070	367,076,970	822,372,318
2008	40.44	19.23	2.76	29.33	8.24	1,216,477,185	6,027,396	358,988,356	851,461,433
2009	48.44	19.57	3.62	22.13	6.04	1,665,623,346	6,541,680	402,077,649	1,257,004,017

**Notes:** Taxes are levied on all taxable, assessed property on the October 1 grand list, prior to the beginning of the fiscal year. Real property taxes are payable in four installments on July 1, October 1, January 1 and July 1. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lined each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after five years, at which time they cease to be carried as receivables. Delinquent real estate accounts are collectible for up to 15 years after the due date in accordance with State Statutes.

Table 4

**TOWN OF KILLINGLY, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS (1)**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

FISCAL YEAR ENDED JUNE 30	TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1	NET TAXABLE GRAND LIST	TOTAL ADJUSTED TAX LEVY (2)	NET CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	PERCENT OF LEVY UNCOLLECTED
2009	17.8	2007	\$ 1,257,004,017	\$ 25,550,095	\$ 24,916,013	97.52%	2.48%
2008	25.8	2006	851,461,433	25,298,692	24,641,179	97.40%	2.60%
2007	25.8	2005	822,372,318	22,687,607	22,084,125	97.34%	2.66%
2006	25.0	2004	786,936,812	21,007,294	20,536,540	97.76%	2.24%
2005	23.5	2003	767,118,337	19,005,158	18,564,651	97.68%	2.32%
2004	21.4	2002	748,638,800	16,726,791	16,302,787	97.47%	2.53%
2003	22.9	2001	600,503,372	14,455,540	13,826,724	95.65%	4.35%
2002	21.0	2000	603,661,805	12,890,054	12,419,567	96.35%	3.65%
2001	20.5	1999	565,040,029	11,681,825	11,171,329	95.63%	4.37%
2000	20.5	1998	551,207,012	11,384,398	10,891,454	95.67%	4.33%

- (1) Taxes are levied on all taxable, assessed property on the October 1 grand list, prior to the beginning of the fiscal year. Real property taxes are payable in four installments on July 1, October 1, January 1 and July 1. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after five years, at which time they cease to be carried as receivables. Delinquent real estate accounts are collectible for up to 15 years after the due date in accordance with State Statutes.
- (2) Tax levy is per \$1,000 of the assessed value of taxable property.

Table 5

**TOWN OF KILLINGLY, CONNECTICUT**  
**PRINCIPAL TAXPAYERS**  
**JUNE 30, 2009**  
*(Unaudited)*

TAXPAYER	NATURE OF BUSINESS	ASSESSMENT (1)	PERCENT OF NET TAXABLE GRAND LIST
DAYVILLE PROPERTY DEVELOPMENT	COMMERCIAL DEVELOPMENT	\$ 34,469,260	2.74%
CONNECTICUT LIGHT & POWER	UTILITY DISTRIBUTION CO.	26,232,090	2.09%
FRITO LAY	MANUFACTURER - SNACK FOODS	16,792,364	1.34%
PIC-RITE AIDE	WAREHOUSING-DISTRIBUTION	16,609,930	1.32%
UNITED NATURAL FOODS	FOOD PRODUCTS	16,042,600	1.28%
STAPLES	WAREHOUSING-DISTRIBUTION	15,456,980	1.23%
TARGET CORPORATION	RETAIL DISCOUNT STORE	11,203,260	0.89%
KILLINGLY PLAZA REALTY TRUST	COMMERCIAL DEVELOPMENT	6,655,600	0.53%
BIG Y TRUST	COMMERCIAL DEVELOPMENT	6,520,628	0.52%
ROGERS CORPORATION	PRINTED CIRCUITS/PLASTICS	5,800,372	0.46%
<b>TOTAL</b>		<b>\$ 155,783,084</b>	<b>12.39%</b>

(1) The net taxable grand list as of October 1, 2007 totaled \$1,257,004,017.

Source: Assessor's Office, Town of Killingly

Table 6

**TOWN OF KILLINGLY, CONNECTICUT**  
**RATIO OF GROSS GENERAL BONDED DEBT TO ASSESSED VALUE**  
**AND GROSS GENERAL BONDED DEBT PER CAPITA -**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

FISCAL YEAR ENDED JUNE 30	POPULATION(1)	NET TAXABLE		BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE		BONDED DEBT PER CAPITA
		GRAND LIST					
2009	17,826	\$	1,257,004,017	\$	19,046,400	1.5%	\$ 1,068
2008	17,635		851,461,433		18,415,975	2.2%	1,044
2007	17,769		822,372,318		15,600,550	1.9%	878
2006	17,386		786,936,812		12,213,895	1.6%	703
2005	17,386		767,118,337		14,172,665	1.8%	815
2004	17,264		748,638,800		16,126,435	2.2%	934
2003	16,940		600,503,372		17,860,205	3.0%	1,054
2002	16,740		603,661,805		15,304,475	2.5%	914
2001	16,357		565,040,029		17,263,745	3.1%	1,055
2000	16,488		551,207,012		17,630,440	3.2%	1,069

(1) State of Connecticut, Department of Public Health estimates.

Table 7

**TOWN OF KILLINGLY, CONNECTICUT**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
**AND NET GENERAL BONDED DEBT PER CAPITA -**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

FISCAL YEAR ENDED JUNE 30	POPULATION(1)	NET TAXABLE GRAND LIST		BONDED DEBT	AMOUNT TO BE PROVIDED BY STATE (2)		BONDED DEBT, NET	RATIO OF NET BONDED DEBT TO ASSESSED VALUE		NET BONDED DEBT PER CAPITA		
2009	17,826	\$	1,257,004,017	\$	19,046,400	\$	535,448	\$	18,510,952	1.5%	\$	1,038
2008	17,635		851,461,433		18,415,975		1,399,983		17,015,992	2.0%		965
2007	17,769		822,372,318		15,600,550		2,305,171		13,295,379	1.6%		748
2006	17,386		786,936,812		12,213,895		3,236,817		8,977,078	1.1%		516
2005	17,386		767,118,337		14,172,665		4,191,141		9,981,524	1.3%		574
2004	17,264		748,638,800		16,126,435		5,097,000		11,029,435	1.5%		639
2003	16,940		600,503,372		17,860,205		5,836,000		12,024,205	2.0%		710
2002	16,740		603,661,805		15,304,475		7,373,000		7,931,475	1.3%		474
2001	16,357		565,040,029		17,263,745		7,771,000		9,492,745	1.7%		580
2000	16,488		551,207,012		17,630,440		8,726,830		8,903,610	1.6%		540

(1) State of Connecticut, Department of Public Health estimates.

(2) Amounts to be provided for debt service by the State of Connecticut

