

McGladrey & Pullen
Certified Public Accountants

TOWN OF WILTON, CONNECTICUT

FINANCIAL REPORT
JUNE 30, 2005

TOWN OF WILTON, CONNECTICUT

FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Board of Finance
Town of Wilton, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wilton, Connecticut, as of and for the year ended June 30, 2005, 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 of Wilton'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 basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wilton, Connecticut, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 7, 2005 on our consideration of the Town of Wilton, Connecticut's internal control over financial reporting and 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 compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

The management discussion and analysis on pages 3 through 13 are not a required part of the basic financial statements, but are supplementary information required by the 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 budgetary detail and combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor 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.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 7, 2005

**Town of Wilton, Connecticut
Management's Discussion and Analysis
June 30, 2005**

As management of the Town of Wilton, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights -- Primary Government.

The assets of the Town of Wilton exceeded its liabilities on June 30, 2005 by \$91,176 (net assets). Of this amount, \$17,803 (unrestricted net assets) may be used to meet the government's ongoing obligations.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Wilton's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the Town include general government, education, public safety, public works, health and human services and parks and recreation activities.

The business-type activities of the Town include the Water Pollution Control Authority and the Transfer Stations. They are reported here as the Town charges fees to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 15 and 16 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town of Wilton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town of Wilton has three kinds of funds:

Governmental funds. Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a year, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a year after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements and governmental-wide financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis at the bottom of the balance sheet that reconciles the total fund balance to the amount of net assets presented in the governmental activities column on the statement of net assets. Also, there is an analysis at the bottom of the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 17-18 of this report.

Proprietary funds. Proprietary fund financial statements consist of a statement of net assets, statement of revenues, expenses, and changes in fund net assets and statement of cash flows, and are prepared on an accounting basis that is similar to the basis used to prepare the governmental-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The Town of Wilton maintains two different types of proprietary funds. Enterprise funds are used to report the same functions present as business-type activities in the government-wide financial statement. The Town of Wilton uses Enterprise funds to account for its Water Pollution Control Authority and the Transfer Station.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Transfer Station.

The propriety fund financial statements can be found on pages 21-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. The Town's fiduciary funds include a pension trust fund and student activity funds. The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the financial statements. The notes 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 26 through 57 of this report,

TOWN OF WILTON, CONNECTICUT
NET ASSETS (000's)
June 30, 2005 and 2004

	June 30, 2005			June 30, 2004		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 29,177	\$ 7,689	\$ 36,866	\$ 25,255	\$ 8,208	\$ 33,463
Capital Assets	140,677	2,231	142,908	140,775	2,436	143,211
Total assets	169,854	9,920	179,774	166,030	10,644	176,674
Long-term liabilities	69,634	44	69,678	78,133	57	78,190
Other liabilities	18,469	452	18,921	8,462	1,176	9,638
Total liabilities	88,103	496	88,599	86,595	1,233	87,828
Net Assets:						
Invested in capital assets, net of related debt	71,192	2,180	73,372	67,208	2,378	69,586
Unrestricted	10,559	7,244	17,803	12,227	7,033	19,260
Total net assets	\$ 81,751	\$ 9,424	\$ 91,175	\$ 79,435	\$ 9,411	\$ 88,846

By far the largest portion of the Town's net assets (80%) is its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are 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.

Net assets increased by \$2,329 from June 30, 2004 as shown in the following in the following table.

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF ACTIVITIES (000's)
Years Ended June 30, 2005 and 2004**

	Year Ended					
	June 30, 2005			June 30, 2004		
	Primary Government			Primary Government		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 5,648	\$ 1,707	\$ 7,355	\$ 5,192	\$ 1,612	\$ 6,804
Operating grants and contributions	3,733	-	3,733	2,003	-	2,003
Capital grants and contributions	753	-	753	1,286	-	1,286
General Revenues:						
Property taxes	78,756	-	78,756	72,519	-	72,519
Grants and contributions not restricted to specific programs	2,501	-	2,501	2,363	-	2,363
Unrestricted investment earnings	725	220	945	414	149	563
Total revenues	92,116	1,927	94,043	83,777	1,761	85,538
Expenses:						
General Government	4,735	-	4,735	5,916	-	5,916
Public Safety	10,023	-	10,023	9,383	-	9,383
Public Works	2,686	-	2,686	2,272	-	2,272
Health & Human Services	1,425	-	1,425	1,373	-	1,373
Education	58,059	-	58,059	53,188	-	53,188
Parks and Recreation	2,698	-	2,698	1,931	-	1,931
Library	6,750	-	6,750	-	-	-
Other	-	-	-	97	-	97
Interest on long-term debt	3,424	-	3,424	3,254	-	3,254
WPCA	-	847	847	-	1,307	1,307
Transfer station	-	1,067	1,067	-	990	990
Total expenses	89,800	1,914	91,714	77,414	2,297	79,711
Change in net assets	2,316	13	2,329	6,363	(536)	5,827
Net assets – beginning	79,435	9,411	88,846	73,072	9,947	83,019
Net assets - ending	\$ 81,751	\$ 9,424	\$ 91,175	\$ 79,435	\$ 9,411	\$ 88,846

Government-Wide Financial Analysis

Governmental activities. As shown in the Statement of Changes in Net Assets above, the revenues of governmental activities exceeded expenses by \$2,316. There are two classes of governmental activities revenue: program and general. As the classifications imply, program specific revenue is directly associated with and/or generated by specific programs. General revenue, such as property taxes and interest on investments, is not. Key elements of this increase are as follows:

Eighty-five percent (85%) of the governmental activities revenue was derived from property taxes, followed by nine percent (9%) from grants and contributions and six percent (6%) from program revenues. Interest and other revenue amounted to one percent.

Major revenue factors included:

- ◆ Increase in property tax revenues is due to an increase in the current year mill rate.
- ◆ Unanticipated proceeds of \$268,000 from the State of Connecticut takings of Town-owned land for the Route 7 widening.
- ◆ Interest income benefited from successive short-term rate increases.
- ◆ State grants, notably the Excess Special Education Cost grant, exceeded estimates.

Major expense factors included:

- ◆ The Town gave a capital grant of \$3,921 to the Wilton Library Association to expand the library.
- ◆ Board of Education and Board of Selectmen aggregate workers compensation expenses were \$208,000 higher than FY 2004.
- ◆ The Town's (exclusive of the Library) contribution to the Wilton Employee's Retirement Fund was \$279,000 higher than that of FY 2004. The contribution is determined by the Plan actuary.
- ◆ Increased costs of employee health benefits.
- ◆ A \$78,000 FEMA grant to reduce the costs of a January 2005 snowstorm.
- ◆ Board of Education expenditures increased by approximately 9% during the year which related to the overall increase in tax revenues.

Business-Type Activities

Business-type activities consist of the Water Pollution Control Authority (WPCA) and the Transfer Station. These activities decreased the Town's net assets by a modest \$13,000.

The WPCA operates the Town's liquid waste system, which consists of collection infrastructure but no treatment facilities. Sewage treatment is provided by the City of Norwalk under a contract with the Wilton WPCA. Capital assessments, user charges and interest comprise the WPCA's revenue. Capital assessments are levied by the WPCA on properties that benefit from sewer construction. The assessments may be paid over twenty years with interest. By general statutes, income from assessment payments may be used only for debt service on sewer-related bonds and for capital improvements to the system. Wilton has no sewer debt outstanding as of June 30,

2005. User charges are established annually to pay for operating expenses, including Norwalk's processing fee.

For fiscal 2005 the WPCA's operations resulted in a decrease of \$99,000 in net assets of business-type activities.

The Wilton Transfer Station accepts and then transfers solid waste of the Town from both commercial haulers and citizens. This includes trash and recyclables. Waste is then trucked by the Town to other facilities under a contract with the Connecticut Resources Recovery Authority. Revenues of the Transfer Station consist primarily of tip fees from commercial haulers, fees collected from residents, a rebate from CRRA based on tonnage, and a payment from CRRA for the Town to haul the waste to intermediate processing facilities. Property taxes support the recycling activities of the Transfer Station in the form of a subsidy from the general fund. Fiscal 2005 Transfer Station operations resulted in a net asset increase of \$112,000. Were it not for a \$275,000 general fund subsidy, net assets would have decreased by \$163,000. The subsidy was \$150,000 higher than budgeted in order to write down an interfund receivable to a more realistically collectable amount.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to comply 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 a government's net resources available for spending at the end of the fiscal year.

Wilton's governmental funds reported combined ending fund balances of \$12,894. For the general fund the unreserved and undesignated balance was \$8,197 or 9.7% of expenditures. This is an increase of \$3,732 from June 30, 2004. This significantly surpasses the 4.5% goal of the Board of Finance's Action Plan. The Plan was developed to address Moody's Investors Service's concerns over an apparently eroding fund balance as expressed in a June 2003 credit rating.

All other governmental funds reported ending fund balances of \$3,369, of which \$2,259 million is reserved or otherwise designated.

The following table shows the fund types comprising governmental funds and compares their fund balances for fiscal years 2005 and 2004.

**TOWN OF WILTON, CONNECTICUT
GOVERNMENTAL FUNDS - SUMMARY OF REVENUES, EXPENDITURES (000's)
AND FUND BALANCES - FY'S 2005 AND 2004**

Fund Types	General		Debt Issuance 2004		Other Governmental Fund		Totals	
	2005	2004	2005	2004	2005	2004	2005	2004
Revenues and other								
financing sources	\$ 87,847	\$ 80,383	\$ 1,680	\$ 6,000	\$ 8,719	\$ 3,735	\$ 98,246	\$ 90,118
Expenditures and other								
financing uses	84,192	78,694	4,765	1,251	7,085	5,451	96,042	85,396
Net change	3,655	1,689	(3,085)	4,749	1,634	(1,716)	2,204	4,722
Beginning fund balance	5,870	4,181	3,706	(1,043)	1,114	4,295	10,690	7,433
Ending fund balance	<u>\$ 9,525</u>	<u>\$ 5,870</u>	<u>\$ 621</u>	<u>\$ 3,706</u>	<u>\$ 2,748</u>	<u>\$ 2,579</u>	<u>\$ 12,894</u>	<u>\$ 12,155</u>
Components of fund balance								
Reserved								
Encumbrances	\$ 649	\$ 609	\$ 157	\$ 380	\$ 215	\$ 198	\$ 1,021	\$ 1,187
Prepaid expenditures	24	16	-	-	52	28	76	44
Continuing appropriations	513	502	-	-	-	-	513	502
Inventories	-	-	-	-	10	8	10	8
Donors' intentions	-	-	-	-	8	8	8	8
Designated								
Subsequent year	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	289	254	289	254
Capital improvements	-	-	464	3,326	1,064	772	1,528	4,098
Health insurance	142	278	-	-	-	-	142	278
Unreserved and undesignated	8,197	4,465	-	-	1,110	1,311	9,307	5,776
Total fund balance	<u>\$ 9,525</u>	<u>\$ 5,870</u>	<u>\$ 621</u>	<u>\$ 3,706</u>	<u>\$ 2,748</u>	<u>\$ 2,579</u>	<u>\$ 12,894</u>	<u>\$ 12,155</u>

General fund. At June 30, 2005, this fund had a General Fund balance of \$9,525, of which \$8,197 is unreserved and undesignated. This is 9.7% of expenditures and 9.3% of revenues and other financing sources. The total fund balance, which increased by \$3,655, is 11.3% of expenditures and 10.8% of revenues and other financing resources. The fiscal 2005 budget as adopted assumed a \$547,000 increase.

Debt Issuance 2004

At June 30, 2005, this fund had a fund balance of \$621,000, a decrease of \$3.1 million. The decrease is due to the issuance of bonds of \$6,000 in the prior year, which was partially spent in fiscal year 2005.

This fund is used to account for capital projects financed by \$1,680 of general obligation bonds issued in October 2004. The projects and respective bond amounts are:

Project	Bonds Authorized	Bonds Issued October, 2004	Bonds Previously Issued
Library Expansion	\$4,800	\$1,310	\$3,490
High School Roof	1,300	370	750

General Fund Budgetary Highlights (000's)

The difference between the original and adjusted budget was \$193,000 and consisted entirely of unobligated capital appropriations continued from fiscal 2003 in accordance with the Town Charter. Continued appropriations constitute a reservation of the fund balance. The following table summarizes the budget operating results:

	Fiscal 2005			Fiscal 2004		
	Adjusted Budget	Budget Basis Actual	Positive (Negative) Variance	Adjusted Budget	Budget Basis Actual	Positive (Negative) Variance
Revenues	\$83,687	\$85,192	\$ -	\$77,768	\$78,268	\$ 500
Expenditures	83,641	81,580	2,061	78,552	76,727	1,825
Subtotal	46	3,612	(2,061)	(784)	1,541	(1,325)
Equity-Transfer	-	138	(138)	-	-	-
Operating result	\$ 46	\$ 3,750	\$ (2,199)	\$ (784)	\$ 1,541	\$ (1,325)

\$513,000 in unexpended capital appropriations have been carried forward to fiscal 2006.

The detail of budget variances is shown on pages 59 through 62 of this report.

The revenue variances for the year are shown in the following table (000's):

	Fiscal 2005			Fiscal 2004		
	Budget	Actual	Variance	Budget	Actual	Variance
Property taxes, interest and lien fees	\$ 78,218	\$ 78,500	\$ 282	\$ 72,158	\$ 72,600	\$ 442
Intergovernmental	2,614	3,016	402	3,098	2,600	(498)
Fees and permits	2,075	2,280	205	1,558	2,081	523
Interest	290	572	282	270	166	(104)
Other	490	823	333	683	820	137
Operating transfer	-	138	138	-	-	-
Total	\$ 83,687	\$ 85,329	\$ 1,642	\$ 77,767	\$ 78,267	\$ 500

The property tax variance is due primarily to current tax. The variance in intergovernmental revenue is due chiefly to the Excess Special Education state reimbursement. Interest exceeded the budget for two reasons. First was a series of increases in short-term interest rates. Secondly, progress payments for a large capital project occurred later than originally expected allowing the funds to be invested longer. Fee income variances occurred in several items but the largest positive variances resulted from the Town Clerk's recording fees and conveyance taxes.

General Fund Expenditures Fiscal Years 2005 and 2004 (000's)

	Fiscal 2005			Fiscal 2004		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
General Government	\$ 3,159	\$ 3,135	\$ (24)	\$ 3,098	\$ 3,110	\$ 12
Public Safety	8,876	8,836	(40)	8,389	8,383	(6)
Public Works	2,155	2,229	74	2,099	1,966	(133)
Health & Welfare	1,199	1,161	(38)	1,142	1,124	(18)
Other	3,679	3,658	(21)	3,506	3,447	(59)
Recreation	1,078	985	(93)	1,028	1,025	(3)
Education	51,823	51,047	(776)	47,837	47,460	(377)
Capital	1,660	1,142	(518)	1,212	677	(535)
Debt service	9,395	9,386	(9)	9,545	9,535	(10)
Additional appropriations	617	-	(617)	695	-	(695)
Total	\$ 83,641	\$ 81,579	\$ (2,062)	\$ 78,551	\$ 76,727	\$ (1,824)

Additional appropriations during the year from the Board of Finance and Board of Selectmen contingencies were \$185,000 and \$21,000 respectively.

On a budgetary basis, the Board of Education showed a positive variance of \$775,000 after expenditures were reduced by applying the Excess Cost grant of \$479,000. If not for this, Board of Education expenditures would have been \$296,000 less than budget, which resulted from savings in medical insurance, property and casualty insurance and salaries due to retirements and leaves. The Board's Health Insurance fund (the internal service fund) had a positive result of operations of \$558,000 after providing \$1,415 for incurred but not reported claims and other liabilities. The closing fund balance was \$1,745.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets as of June 30, 2005, is \$142,907 (net of accumulated depreciation). This investment includes land, buildings and other improvements to land, machinery and equipment, as well as roads, highways, bridges, and other infrastructure.

Major capital asset events during the current fiscal year included improvements to athletic fields, a new roof and boys' locker room at the high school, and an Emergency Communications System.

**Town of Wilton, Connecticut
Capital Asset Balances at Year-End (000's)
(Net of Depreciation)**

	Fiscal 2005			Fiscal 2004		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 22,446	\$ 82	\$ 22,528	\$ 22,437	\$ 82	\$ 22,519
Buildings and other improvements	83,387	8	83,395	83,424	21	83,445
Machinery, equipment and infrastructure	32,044	2,140	34,184	31,738	2,332	34,070
Construction in progress	2,799	-	2,799	3,176	-	3,176
Total	\$ 140,676	\$ 2,230	\$ 142,906	\$ 140,775	\$ 2,435	\$ 143,210

Additional information on the Town's capital assets can be found on pages 41-42 of this report.

Long-term debt. At the end of the fiscal year, the Town had total bonded debt outstanding of \$73,050, all of which is backed by the full faith and credit of the government. Although all of Wilton's bonded debt is secured by the Town's full taxing power, \$440,000 will be paid from water capital assessments.

**Town of Wilton, Connecticut Outstanding Debt
General Obligation Bonds and Notes Outstanding at June 30 (000's)**

	2005	2004	2003
Governmental Activities	\$73,000	\$75,808	\$73,831
Business-type Activities	50	57	64
Total	\$73,050	\$75,865	\$73,895

Changes in Bonded Debt Fiscal Years 2005 and 2004 (000's)

	Fiscal 2005			Fiscal 2004		
	Bonds	Notes	Total	Bonds	Notes	Total
Outstanding at July 1	\$ 73,625	\$ 2,240	\$ 75,865	\$ 73,895	\$ -	\$ 73,895
Principal payments	(6,075)	-	(6,075)	(6,270)	-	(6,270)
Issued during the year	5,500	(2,240)	3,260	6,000	2,240	8,240
Outstanding at June 30	\$ 73,050	\$ -	\$ 73,050	\$ 73,625	\$ 2,240	\$ 75,865

In addition to permanently financing \$2,240 in bond anticipation notes issued to acquire open space, the bonds were issued to finance athletic field improvements, the high school roof and other school improvements, stabilization of buildings at Ambler Farm, tennis court work and the Library expansion.

The Town maintains an "AAA" rating from Moody's Investors Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. At June 30, 2005 Wilton's statutory debt limitation was \$540,932.

Additional information on the Town's long-term debt can be found on pages 43-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- ◆ According to the 2000 Census, Wilton's median family income was \$161,611 million (not in thousands).
- ◆ As of September 2005, Wilton's unemployment rate was 3.8%, comparing favorably to the State's average unemployment rate of 4.9% and the Stamford Labor Market of 4.6%. (Source: Connecticut Department of Labor).
- ◆ The Net Taxable Grand List of October 1, 2003 on which the fiscal 2005 mill rate was based was \$3,650,306,480, (not in thousands), an increase of 1.6% over the October, 2002 Grand List.
- ◆ For Fiscal Year 2006, collection of current property taxes on the modified accrual basis, net of an allowance for pending assessment appeals, was 99.6% of the adjusted tax levy. Back tax collections, on a cash basis, were 55% of the adjusted receivable outstanding on July 1, 2004.

These factors, as well as the provision of essential public services and the quality of life in Wilton, were considered in preparing the Town of Wilton's Fiscal Year 2006 general fund budget. Of equal if not greater influence was the need to achieve and maintain a general fund balance at a level consistent with a Moody's AAA credit rating. To this end the Fiscal Year 2005 budget developed by the Board of Finance was structured to increase the fund balance by \$550,000. As explained above, at the close of the fiscal year the fund balance increased by \$3,750 million. The Fiscal Year 2006 budget, developed by the Board of Finance and adopted by the Annual Town Meeting, is also structured to maintain a AAA-quality general fund balance.

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 government's finances. The reader is strongly urged to read the entire report, especially the notes which contain important explanatory information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Attn. Joseph A. Dolan, C.F.O., Town of Wilton, 238 Danbury Rd., Wilton, CT 06897.

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Basic Financial Statements

TOWN OF WILTON, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
Assets			
Cash and cash equivalents	\$ 24,639,869	\$ 7,113,105	\$ 31,752,974
Receivables, net of allowances for collection losses:			
Property taxes	1,161,042	-	1,161,042
Intergovernmental	129,150	-	129,150
Special assessments	221,221	575,998	797,219
Other	567,722	-	567,722
Inventories	9,529	-	9,529
Prepays and other	74,837	-	74,837
Net pension asset	2,243	-	2,243
Noncurrent assets:			
Intergovernmental	2,372,078	-	2,372,078
Capital assets, net of accumulated depreciation	140,676,769	2,230,737	142,907,506
Total assets	169,854,460	9,919,840	179,774,300
Liabilities			
Accounts payable and accrued liabilities	9,414,896	229,765	9,644,661
Intergovernmental payables	18,514	-	18,514
Property taxes collected in advance	1,890,377	-	1,890,377
Unearned revenues	738,585	126,968	865,553
Internal balances	(88,428)	88,428	-
Noncurrent liabilities:			
Due within one year	6,495,160	6,808	6,501,968
Due in more than one year	69,633,953	43,727	69,677,680
Total liabilities	88,103,057	495,696	88,598,753
Net Assets			
Investment in capital assets, net of related debt	71,192,192	2,180,202	73,372,394
Unrestricted	10,559,211	7,243,942	17,803,153
Total net assets	\$ 81,751,403	\$ 9,424,144	\$ 91,175,547

The notes to the financial statements are an integral part of this statement.

* After internal receivables and payables have been eliminated.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (4,735,591)	\$ 2,968,364	\$ -	\$ -	\$ (1,767,227)	\$ -	\$ (1,767,227)
Public safety	(10,022,579)	277,012	-	-	(9,745,567)	-	(9,745,567)
Public works	(2,685,645)	48,159	-	104,700	(2,532,786)	-	(2,532,786)
Public health and welfare	(1,425,366)	65,461	16,788	-	(1,343,117)	-	(1,343,117)
Education	(58,058,629)	2,204,374	2,433,133	648,693	(52,772,429)	-	(52,772,429)
Recreation and Parks Commission	(2,697,658)	83,841	1,283,212	-	(1,330,605)	-	(1,330,605)
Library and other	(6,749,844)	-	-	-	(6,749,844)	-	(6,749,844)
Interest on long-term debt	(3,424,397)	-	-	-	(3,424,397)	-	(3,424,397)
Total governmental activities	(89,799,709)	5,647,211	3,733,133	753,393	(79,665,972)	-	(79,665,972)
Business-type activities:							
WPCA	(847,575)	529,434	-	-	-	(318,141)	(318,141)
Transfer station	(1,066,624)	1,178,081	-	-	-	111,457	111,457
Total business-type activities	(1,914,199)	1,707,515	-	-	-	(206,684)	(206,684)
Total primary government	\$ (91,713,908)	\$ 7,354,726	\$ 3,733,133	\$ 753,393	\$ (79,665,972)	\$ (206,684)	\$ (79,872,656)
General revenues:							
Property taxes					\$ 78,756,065	\$ -	\$ 78,756,065
Grants and contributions not restricted to specific programs					2,501,698	-	2,501,698
Unrestricted investment earnings					725,067	219,930	944,997
Total general revenues					81,982,830	219,930	82,202,760
Change in net assets					2,316,858	13,246	2,330,104
Net assets - beginning					79,434,545	9,410,898	88,845,443
Net assets - ending					\$ 81,751,403	\$ 9,424,144	\$ 91,175,547

The notes to the financial statements are an integral part of this statement

TOWN OF WILTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2005

	General Fund	Debt Issuance 2004	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 16,024,546	\$ 2,248,956	\$ 3,480,668	\$ 21,754,170
Receivables, net of allowances for collection losses:				
Property taxes	972,695	-	-	972,695
Intergovernmental	107,150	-	22,000	129,150
Special assessments	-	-	221,221	221,221
Other	150,983	-	238,830	389,813
Due from other funds	394,650	-	27,570	422,220
Inventories	-	-	9,529	9,529
Prepays	23,125	-	51,712	74,837
Total assets	17,673,149	2,248,956	4,051,530	23,973,635
Liabilities				
Accounts payable and accruals	2,644,564	1,558,428	654,371	4,857,363
Intergovernmental payables	18,514	-	-	18,514
Property taxes collected in advance	1,890,377	-	-	1,890,377
Performance bonds	1,859,142	-	-	1,859,142
Due to other funds	301,041	60,928	246,823	608,792
Unearned revenues	1,434,542	8,850	401,949	1,845,341
Total liabilities	8,148,180	1,628,206	1,303,143	11,079,529
Fund balances				
Reserved for:				
Prepaid items	23,125	-	51,712	74,837
Encumbrances	649,365	157,040	215,220	1,021,625
Continuing appropriations	512,865	-	-	512,865
Inventory	-	-	9,529	9,529
Donor's intentions	-	-	8,554	8,554
Unreserved:				
Designated for:				
Debt service	-	-	288,972	288,972
Capital improvements	-	463,710	1,064,182	1,527,892
Medical insurance premiums	142,258	-	-	142,258
Unreserved, reported in:				
Special revenue funds	-	-	755,750	755,750
Capital projects funds	-	-	354,468	354,468
General Fund	8,197,356	-	-	8,197,356
Total fund balances	9,524,969	620,750	2,748,387	12,894,106
Total liabilities and fund balances	\$ 17,673,149	\$ 2,248,956	\$ 4,051,530	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation of \$43,714,810, purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	140,676,769
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized.	2,738,335
Net pension asset	2,243
Internal service fund is used by management to charge the costs of BOE Health Insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	1,745,235
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(76,305,285)

Net assets of governmental activities

\$ 81,751,403

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2005

	General Fund	Debt Issuance 2004	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 78,249,007	\$ -	\$ -	\$ 78,249,007
Intergovernmental	5,026,463	-	1,010,374	6,036,837
Licenses and permits	2,545,200	-	808,417	3,353,617
Investments income	572,451	-	30,791	603,242
Tuition	-	-	1,079,865	1,079,865
School lunch sales	-	-	1,126,188	1,126,188
Contributions	-	-	824,919	824,919
Other revenue	823,412	-	18,754	842,166
Total revenues	87,216,533	-	4,899,308	92,115,841
EXPENDITURES				
Current:				
General government	3,132,671	-	1,130,332	4,263,003
Education	53,004,623	-	2,887,446	55,892,069
Public safety	8,836,227	-	257,275	9,093,502
Public works	2,201,236	-	-	2,201,236
Public health and welfare	1,161,127	-	1,622	1,162,749
Library	1,535,844	3,920,962	-	5,456,806
Recreation and Parks commission	1,060,448	-	1,186,626	2,247,074
Other	2,257,760	-	-	2,257,760
Debt service:				
Principal retirements	5,981,903	-	39,047	6,020,950
Interest and other charges	3,403,695	-	20,702	3,424,397
Capital outlay	1,616,121	843,940	1,424,553	3,884,614
Total expenditures	84,191,655	4,764,902	6,947,603	95,904,160
Revenues over (under) expenditures	3,024,878	(4,764,902)	(2,048,295)	(3,788,319)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	-	1,680,000	3,820,000	5,500,000
Transfers in	137,396	-	-	137,396
Transfers (out)	-	-	(137,396)	(137,396)
Lease financing	492,730	-	-	492,730
Total other financing sources (uses)	630,126	1,680,000	3,682,604	5,992,730
Net change in fund balances	3,655,004	(3,084,902)	1,634,309	2,204,411
FUND BALANCES, beginning	5,869,965	3,705,652	1,114,078	10,689,695
FUND BALANCES, ending	\$ 9,524,969	\$ 620,750	\$ 2,748,387	\$ 12,894,106

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, 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, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ 2,204,411
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. This is the amount by which capital outlays exceeded depreciation in the current period.	(98,757)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(413,973)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	175,543
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(108,514)
The net increase of certain activities of internal service funds is reported with governmental activities.	<u>558,148</u>
Change in net assets of governmental activities	<u>\$ 2,316,858</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes, interest and lien fees	\$ 78,217,933	\$ 78,217,933	\$ 78,499,852	\$ 281,919
Intergovernmental	2,614,311	2,614,311	3,016,331	402,020
Fees, permits and other	2,075,450	2,075,450	2,280,356	204,906
Investment income	290,000	290,000	572,451	282,451
Other	489,519	489,519	823,410	333,891
Total revenues	83,687,213	83,687,213	85,192,400	1,505,187
EXPENDITURES AND ENCUMBRANCES				
General government	3,157,642	3,158,642	3,135,097	23,545
Public safety	8,861,537	8,876,520	8,836,227	40,293
Public works	2,155,260	2,155,260	2,229,373	(74,113)
Public health and welfare	1,199,108	1,199,108	1,161,127	37,981
Other	3,678,870	3,678,870	3,658,152	20,718
Recreation and Parks Commission	1,077,942	1,077,942	984,939	93,003
Education	51,822,675	51,822,675	51,047,347	775,328
Capital outlay	968,963	1,660,683	1,141,882	518,801
Debt service	9,395,097	9,395,097	9,385,598	9,499
Additional appropriations	823,171	617,171	-	617,171
Total expenditures and encumbrances	83,140,265	83,641,968	81,579,742	2,062,226
Revenues over (under) expenditures and encumbrances	546,948	45,245	3,612,658	3,567,413
OTHER FINANCING SOURCES				
Transfers in	-	-	137,396	137,396
Net increase (decrease) in unreserved budgetary fund balance	\$ 546,948	\$ 45,245	3,750,054	\$ 3,704,809
FUND BALANCE, BUDGETARY BASIS, beginning			5,638,654	
FUND BALANCE, BUDGETARY BASIS, ending			\$ 9,388,708	

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental
	Major	Nonmajor	Totals	Internal
	WPCA	Transfer Station		Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,053,571	\$ 59,534	\$ 7,113,105	\$ 2,885,699
Receivables, net of allowances for collection losses:				
Special assessments	470,895	105,103	575,998	-
Due from other funds	-	-	-	275,000
Total current assets	<u>7,524,466</u>	<u>164,637</u>	<u>7,689,103</u>	<u>3,160,699</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	2,140,981	89,756	2,230,737	-
Total noncurrent assets	<u>2,140,981</u>	<u>89,756</u>	<u>2,230,737</u>	<u>-</u>
Total assets	<u>9,665,447</u>	<u>254,393</u>	<u>9,919,840</u>	<u>3,160,699</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	112,514	117,251	229,765	1,415,464
Due to other funds	4,191	84,237	88,428	-
Deferred revenues	126,968	-	126,968	-
Bonds payable	-	6,808	6,808	-
Total current liabilities	<u>243,673</u>	<u>208,296</u>	<u>451,969</u>	<u>1,415,464</u>
Noncurrent liabilities:				
Bonds payable	-	43,727	43,727	-
Total liabilities	<u>243,673</u>	<u>252,023</u>	<u>495,696</u>	<u>1,415,464</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,140,981	39,221	2,180,202	-
Unrestricted	7,280,793	(36,851)	7,243,942	1,745,235
Total net assets (deficit)	<u>\$ 9,421,774</u>	<u>\$ 2,370</u>	<u>\$ 9,424,144</u>	<u>\$ 1,745,235</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICITS) -
PROPRIETARY FUNDS
 For the Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental
	Major	Nonmajor	Totals	Activities
	WPCA	Transfer Station		Internal Service Fund
OPERATING REVENUES				
Usage fees and assessments	\$ 529,434	\$ 1,178,081	\$ 1,707,515	\$ -
Premiums	-	-	-	6,096,240
Total operating revenues	<u>529,434</u>	<u>1,178,081</u>	<u>1,707,515</u>	<u>6,096,240</u>
OPERATING EXPENSES				
Operating costs	667,034	1,039,411	1,706,445	-
Claims paid	-	-	-	5,587,901
Depreciation	180,541	24,498	205,039	-
Total operating expenses	<u>847,575</u>	<u>1,063,909</u>	<u>1,911,484</u>	<u>5,587,901</u>
Operating income (loss)	<u>(318,141)</u>	<u>114,172</u>	<u>(203,969)</u>	<u>508,339</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	219,223	707	219,930	49,809
Interest expense	-	(2,715)	(2,715)	-
Total nonoperating revenues (expenses)	<u>219,223</u>	<u>(2,008)</u>	<u>217,215</u>	<u>49,809</u>
Change in net assets (deficits)	<u>(98,918)</u>	<u>112,164</u>	<u>13,246</u>	<u>558,148</u>
FUND NET ASSETS (DEFICITS), beginning	<u>9,520,692</u>	<u>(109,794)</u>	<u>9,410,898</u>	<u>1,187,087</u>
FUND NET ASSETS, ending	<u>\$ 9,421,774</u>	<u>\$ 2,370</u>	<u>\$ 9,424,144</u>	<u>\$ 1,745,235</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental
	Major	Nonmajor	Totals	Activities
	WPCA	Transfer Station		Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 600,871	\$ 1,180,526	\$ 1,781,397	\$ 6,096,240
Payments to suppliers and personnel	1,225,274	1,155,765	2,381,039	5,447,437
Net cash provided by (used in) operating activities	(624,403)	24,761	(599,642)	648,803
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	-	(6,808)	(6,808)	-
Interest paid on debt	-	(2,715)	(2,715)	-
Net cash used in capital and related financing activities	-	(9,523)	(9,523)	-
Cash Flows From Investing Activities				
Interest received on investments	-	707	707	49,809
Interest received on special assessments	219,223	-	219,223	-
Net cash provided by investing activities	219,223	707	219,930	49,809
Net (decrease) increase in cash and cash equivalents	(405,180)	15,945	(389,235)	698,612
Cash and Cash Equivalents				
Beginning	7,458,751	43,589	7,502,340	2,187,087
Ending	<u>\$ 7,053,571</u>	<u>\$ 59,534</u>	<u>7,113,105</u>	<u>\$ 2,885,699</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (318,141)	\$ 114,172	(203,969)	508,339
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	180,541	24,498	205,039	-
Changes in assets and liabilities:				
Decrease in accounts receivable	105,897	2,445	108,342	-
Decrease in other receivables	21,805	-	21,805	-
Increase in due from other funds	-	-	-	(275,000)
Increase (decrease) in accounts payable and accrued liabilities	(450,400)	36,830	(413,570)	415,464
Decrease in due to other funds	(107,840)	(153,184)	(261,024)	-
Decrease in deferred revenue	(56,265)	-	(56,265)	-
Net cash provided by (used in) operating activities	\$ (624,403)	\$ 24,761	\$ (599,642)	\$ 648,803

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2005

	Pension Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 418,880	\$ 479,734
Investments, at fair value		
Mutual funds	40,174,460	-
Total investments	<u>40,174,460</u>	<u>-</u>
Contribution receivable	70,343	-
Total assets	<u>40,663,683</u>	<u>479,734</u>
LIABILITIES		
Accounts payable	73,650	-
Due to student groups	-	479,734
Total liabilities	<u>73,650</u>	<u>479,734</u>
Net Assets Held in Trust for Pension Benefits and Other Purposes	<u>\$ 40,590,033</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS-EMPLOYEE PENSION PLAN
June 30, 2005

Additions

Contributions	
Employer	\$ 1,536,511
Plan members	<u>789,632</u>
Total contributions	<u>2,326,143</u>
Investment Income	
Net appreciation in fair value of investments	1,954,222
Interest and dividends	<u>1,052,256</u>
	<u>3,006,478</u>
Less investment expense	<u>(36,589)</u>
Net investment income	<u>2,969,889</u>
Total additions	<u>5,296,032</u>

Deductions

Benefits paid	<u>1,484,330</u>
Change in net assets	3,811,702

Net Assets

Beginning of year	<u>36,778,331</u>
End of year	<u><u>\$ 40,590,033</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 1. Summary of Significant Accounting Policies

Reporting entity

The Town of Wilton, Connecticut (the "Town") was incorporated as a town in 1802. The Town operates under a Board of Selectmen, Board of Finance and Town Meeting form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United State of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board Codification Section 2100 has been considered and there are no agencies or entities which should be presented with the Town.

Government-wide and Fund Financial Statements

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

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

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

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting, however, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town, or specifically identified.

The Town reports the following major governmental funds.

The *General 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.

The *Debt Issuance 2004 Fund* accounts for the proceeds of specific general obligation bonds for various projects to further develop the Town.

The Town reports the following major proprietary funds:

The *WPCA Fund* – accounts for the operations of the Town's wastewater treatment system.

The *Internal Service Fund* – is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis. The Town's internal service fund is its Board of Education Medical Self-Insurance Fund.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2005

Additionally, the Town reports the following fiduciary fund types:

The *Pension Trust Fund* accounts for the activities of the Town's benefit pension plan, which accumulates resources for pension benefit payments to qualified employees. Pension funds follow the accrual basis of accounting.

The *Agency Funds* account for monies held as a custodian for outside groups and agencies. Agency funds have no measurement focus and are reported on the accrual basis of accounting.

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

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

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

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

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

Accounting 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 of assets and liabilities and disclosure of contingent

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2005

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property taxes

Property taxes are assessed as of October 1, and are levied for on the following July 1, and billed and generally due in two installments, July 1 and the following January 1. Liens are filed on June 1 following the due date.

Cash equivalents

The Town classifies money market funds, the State of Connecticut Short-Term Investment Fund, MBIA class investments, the Tax Exempt Proceeds Fund, Fidelity Investments, U.S. treasury notes and certificates of deposit with original maturities of three months or less as cash equivalents.

Investments

Investments are carried at fair value based on quoted market prices. Guaranteed investment contracts are carried at contract value. The Town's investments are in its Pension Trust Fund.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The fair value of the position in the pool is the same as the value of the pool shares.

Inventories

Inventories are stated at lower of cost (FIFO) or market. Purchased items are recorded as expenditures when consumed.

Capital assets

Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and enterprise fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2005

historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

Assets	Years
Buildings and improvements	40-50
Infrastructure	20-75
Machinery and equipment	5-20

In the governmental fund financial statements, capital outlay (assets) is reported as an expenditure and no depreciation is recorded.

Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due. In addition, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement.

Long-term obligations

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

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2005

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, including capital leases, 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.

Encumbrances, reservations and designations of fund balance

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute either expenditures or liabilities.

The Town Charter stipulates that every appropriation shall lapse at the end of the fiscal year if such appropriation is not expended or encumbered except for continuing appropriations for capital and nonrecurring expenditures. Continuing appropriations are reflected in the accompanying financial statements as an appropriation of fund balance.

Pension accounting

Pension Trust Funds:

The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of Governmental Accounting Standards Board Statement No. 27 and is recognized in the entity-wide statements. Expenditures are recognized when they are paid or are expected to be paid with current available resources.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Funding Policy:

The Town funds the contributions to its pension plans based on the actuarial required contribution.

Fund Equity and Net Assets

In the government-wide and proprietary fund financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved Fund Balance - indicates that portion of fund equity that is not available for appropriation or which has been legally segregated for specific purposes.

Unreserved/Designated Fund Balance - indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved/Undesignated Fund Balance - indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (72,999,464)
Capital leases payable	(392,649)
Accrued expenses	(1,282,928)
Deferred taxes	1,106,756
Compensated absences	<u>(2,737,000)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (76,305,285)</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 details of this difference are as follows:

Capital outlay	\$ 3,001,263
Depreciation expense	<u>(3,100,020)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (98,757)</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (5,500,000)
Capital lease	(429,730)
Principal repayments:	
General obligation debt	6,068,192
Capital lease	<u>37,081</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 175,543</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (411,000)
Accrued interest	72,604
Other liabilities	(20,448)
Deferred revenue	<u>250,330</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (108,514)</u>

Note 3. Budgets and Budgetary Accounting

General governmental revenues and expenditures accounted for in the General Fund are controlled by formal integrated budgetary accounting systems in accordance with various legal requirements which govern the Town's operations. The Town does not adopt legal budgets for Special Revenue, Debt Service, Capital Projects, Enterprise and Trust funds.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Accordingly, the budget and actual expenditure comparisons are only presented for the General Fund. Due to the various funding requirements, expenditures of the Capital Projects Fund require appropriation through a Town Meeting.

The Board of Selectmen or the Board of Finance is authorized to transfer budgeted amounts between departments; however, any revisions that otherwise alter the total expenditures of any department must be approved by the Board of Selectmen or the Board of Finance from the budgeted charter authority. Requests in excess of 1% of the aggregate Town budget must be approved by a Town Meeting. Total appropriations as originally adopted were increased by approximately \$617,000 during the year ended June 30, 2005.

Any portion of an annual capital and nonrecurring appropriation, for any uncompleted projects, remaining unexpended and unencumbered at the close of the fiscal year is continued in force for two succeeding fiscal years. There were \$513,000 of appropriations continued in force as of June 30, 2005.

A reconciliation of General Fund revenues as presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and revenues presented on the budgetary basis is as follows:

Revenues, budgetary basis	\$ 85,192,400
Education excess cost grant revenue presented as a reduction of education expenditures for budgetary purposes	479,133
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	1,545,000
Purchases of equipment under capital lease obligations, not recognized for budgetary purposes	<u>492,730</u>
Revenues, GAAP basis	<u><u>\$ 87,709,263</u></u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

A reconciliation of expenditures of the General Fund presented in accordance with GAAP and expenditures and encumbrances presented on the budgetary basis is as follows:

Expenditures and encumbrances, budgetary basis	\$ 81,579,742
Education excess cost grant revenue presented as a reduction of education expenditures for budgetary purposes	479,133
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	1,545,000
Change in designated fund balance	135,195
Purchases of equipment under capital lease obligations not recognized for budgetary purposes	492,730
Encumbrances:	
Prior year's encumbrances, liquidated during the year ended June 30, 2005	609,220
Current year's encumbrances, outstanding as of June 30, 2005	<u>(649,365)</u>
Expenditures, GAAP basis	<u>\$ 84,191,655</u>

A reconciliation of the General Fund fund balance presented in accordance with GAAP and fund balance presented on the budgetary basis is as follows:

Fund balance, budgetary basis, end of year	\$ 9,388,708
Change in designated fund balance	(135,195)
Prior year effects including encumbrances	231,311
Encumbrances:	
Prior year's encumbrances, liquidated during the year ended June 30, 2005	(609,220)
Current year's encumbrances, outstanding as of June 30, 2005	<u>649,365</u>
Fund balance, GAAP basis, end of year	<u>\$ 9,524,969</u>

Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2005

Note 4. Cash, Cash Equivalents and Investments

Deposits: The Town does not have a policy for deposits. The Town also does not have a custodial credit risk policy. However, as a practice, the Town follows State statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The Town does not have a custodial credit risk policy for investments. The Town does not have a policy for investments and for the credit risk for investments, however, it is their practice to follow State statutes. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal funds with particular investment authority.

The Town's policy for pension investments allows the fund to invest 55% in equity investments, 45% in fixed income and cash equivalents and no more than 20% in non-us investments. The pension plan does not have a custodial credit risk policy.

Interest rate risk: The Town does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations: The Town does not have a policy that limits the amounts invested in any one issuer. However, its practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an out side party. As of June 30, 2005, \$13,075,000 of the entity's bank balance of \$17,200,000 was uninsured and uncollateralized.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2005

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the Town consist of the following at June 30, 2005:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 18,132,336
State of Connecticut Short-Term Investment Fund	13,495,766
Tax Exempt Proceeds Fund	247,464
Municipal Backed Investment Fund	357,142
Total cash and cash equivalents	<u>32,232,708</u>
Investments	
Pension Trust Funds:	
Equity Mutual Funds	22,773,895
Bond Mutual Funds	17,400,565
Cash and cash equivalents	418,880
Total pension investments	<u>40,593,340</u>
Total cash and investments	<u>\$ 72,826,048</u>

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and cash equivalents	\$ <u>31,752,974</u>
Fiduciary Funds:	
Cash and cash equivalents	898,614
Investments	40,174,460
	<u>41,073,074</u>
Total cash and investments	<u>\$ 72,826,048</u>

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the entity's debt type investments to this risk using the segmented time distribution model is as follows:

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2005

Summary of Investments	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1-5 Years	5-10 Years
Bond Mutual Funds	\$ 17,400,565	\$ -	\$ 14,786,149	\$ 2,614,416
Pooled fixed income	14,100,372	14,100,372	-	-
TOTAL	\$ 31,500,937	\$ 14,100,372	\$ 14,786,149	\$ 2,614,416

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Bond Mutual Funds	Pooled Fixed Income
AAA	\$ -	\$ 13,495,766
AAA	17,400,565	-
AA/M	-	357,142
Unrated	-	247,464
	\$ 17,400,565	\$ 14,100,372

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Note 5. Unearned Revenue Reconciliation

Governmental funds report unearned 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 unearned revenue reported in the governmental funds is as follows:

	Unavailable	Unearned	Totals
General Fund:			
Property taxes	\$ 885,535	\$ -	\$ 885,535
Advanced tax payments	-	1,890,377	1,890,377
Grant drawdowns prior to meeting all eligibility requirements	-	549,007	549,007
	<u>885,535</u>	<u>2,439,384</u>	<u>3,324,919</u>
Debt Issuance Fund	<u>-</u>	<u>8,850</u>	<u>8,850</u>
Other Nonmajor Governmental Funds	<u>221,221</u>	<u>180,728</u>	<u>401,949</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 1,106,756</u>	<u>\$ 2,628,962</u>	<u>\$ 3,735,718</u>

Note 6. Interfund Accounts

As of June 30, 2005, amounts due to and due from other funds were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 394,650	\$ 301,041
Other Governmental Funds	27,570	246,823
Debt Issuance 2004	-	60,928
WPCA	-	4,191
Transfer Station	-	84,237
Internal Service Fund	275,000	-
Totals	<u>\$ 697,220</u>	<u>\$ 697,220</u>

The balances above resulted from the time lag between the dates that payments occur between funds for various activities.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Interfund transfers during the year ended June 30, 2005 were as follows (in thousands):

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 137,396	\$ -
Non-Major Governmental Funds	-	137,396
Totals	\$ 137,396	\$ 137,396

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 22,437,467	\$ 9,414	\$ -	\$ -	\$ 22,446,881
Construction in progress	3,175,600	758,942	-	(1,135,622)	2,798,920
Total capital assets, not being depreciated	<u>25,613,067</u>	<u>768,356</u>	<u>-</u>	<u>(1,135,622)</u>	<u>25,245,801</u>
Capital assets, being depreciated:					
Buildings and improvements	113,126,476	1,562,590	-	764,045	115,453,111
Machinery and equipment	5,301,038	1,101,786	431,469	16,577	5,987,932
Infrastructure	37,349,735	-	-	355,000	37,704,735
Total capital assets being depreciated	<u>155,777,249</u>	<u>2,664,376</u>	<u>431,469</u>	<u>1,135,622</u>	<u>159,145,778</u>
Less accumulated depreciation for:					
Buildings and improvements	29,702,230	2,364,066	-	-	32,066,296
Machinery and equipment	3,345,157	378,541	151,968	-	3,571,730
Infrastructure	7,567,403	509,381	-	-	8,076,784
Total accumulated depreciation	<u>40,614,790</u>	<u>3,251,988</u>	<u>151,968</u>	<u>-</u>	<u>43,714,810</u>
Total capital assets, being depreciated, net	<u>115,162,459</u>	<u>(587,612)</u>	<u>279,501</u>	<u>1,135,622</u>	<u>115,430,968</u>
Governmental activities capital assets, net	<u>\$ 140,775,526</u>	<u>\$ 180,744</u>	<u>\$ 279,501</u>	<u>\$ -</u>	<u>\$ 140,676,769</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

	Beginning Balance	Additions	Disposal/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 82,290	\$ -	\$ -	\$ 82,290
Total capital assets, not being depreciated	<u>82,290</u>	<u>-</u>	<u>-</u>	<u>82,290</u>
Capital assets, being depreciated:				
Buildings and improvements	193,282	-	-	193,282
Machinery, equipment, distribution and collection systems, mains and extensions	7,495,783	-	-	7,495,783
Total capital assets, being depreciated	<u>7,689,065</u>	<u>-</u>	<u>-</u>	<u>7,689,065</u>
Less accumulated depreciation for:				
Buildings and improvements	171,911	13,119	-	185,030
Machinery, equipment, distribution and collection systems, mains and extensions	5,163,668	191,920	-	5,355,588
Total accumulated depreciation	<u>5,335,579</u>	<u>205,039</u>	<u>-</u>	<u>5,540,618</u>
Total capital assets, being depreciated, net	<u>2,353,486</u>	<u>(205,039)</u>	<u>-</u>	<u>2,148,447</u>
Business-type activities capital assets, net	<u>\$ 2,435,776</u>	<u>\$ (205,039)</u>	<u>\$ -</u>	<u>\$ 2,230,737</u>

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

Governmental Activities:	
General government	\$ 652,434
Education	2,083,131
Public safety	160,986
Recreation and Parks commission	181,888
Public works	170,293
Other	<u>3,256</u>
Total depreciation expense – governmental activities	<u>\$ 3,251,988</u>
Business-type activities:	
WPCA	\$ 180,541
Transfer Station	<u>24,498</u>
Total depreciation expense – business-type activities	<u>\$ 205,039</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Note 8. Long-Term Debt and Subsequent Event

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 73,567,656	\$ 5,500,000	\$ 6,068,192	\$ 72,999,464	\$ 5,913,192
Total bonds and notes payable	73,567,656	5,500,000	6,068,192	72,999,464	5,913,192
Compensated absences	2,326,000	411,000	-	2,737,000	547,400
Capital leases payable	-	429,730	37,081	392,649	34,568
Governmental activity long-term liabilities	\$ 75,893,656	\$ 6,340,730	\$ 6,105,273	\$ 76,129,113	\$ 6,495,160
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 57,343	\$ -	\$ 6,808	\$ 50,535	\$ 6,808
Total bonds payable	57,343	-	6,808	50,535	6,808
Business-type activity long-term liabilities	\$ 57,343	\$ -	\$ 6,808	\$ 50,535	\$ 6,808

General obligation bonds

As of June 30, 2005, the outstanding long-term indebtedness of the Town payable from its governmental activities, was as follows:

	<u>Outstanding Amount</u>
Governmental Activities:	
\$5,500,000 bond, issue of 10/15/04, due 10/15/24, annual principal payments range from \$235,000 to \$280,000, plus interest due semi-annually at 2.5% to 4.5%.	\$ 5,500,000
\$6,000,000 bond, issue of 7/15/03, due 7/15/22, annual principal payments range from \$330,000 to \$340,000, plus interest due semiannually at 2.5% to 4.5%	5,660,000
\$3,240,000 bond, issue of 7/15/02 due 7/15/18, annual principal payments range from \$215,000 to \$220,000, plus interest due semiannually at 3% to 4.375%	2,800,000

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

	<u>Outstanding Amount</u>
\$14,210,000 bond issue of 7/15/01 due 7/15/20, annual principal payments range from \$780,000 to \$790,000, plus interest due semiannually at 4.19% to 4.8%	11,840,000
\$9,600,000 bond issue of 7/15/00 due 7/15/19, annual principal payments range from \$505,000 to \$535,000, plus interest due semiannually at 5.0% to 5.25%	8,025,000
\$15,645,000 bond, issue of 7/15/99 due 7/15/18, annual principal payments range from \$800,000 to \$900,000, plus interest due semiannually at 4.5% to 5.0%	12,310,000
\$26,690,000 bond issue of 7/15/98 due 7/15/17, annual principal payments range from \$1,480,000 to \$1,500,000, plus interest due semiannually at 4.5% to 4.7%.	19,290,000
\$3,060,000 bond, issue of 7/15/97 due 7/15/13, annual principal payments range from \$190,000 to \$205,000, plus interest due semiannually at 4.7% to 5.1%	1,830,000
\$3,470,000 bond, issue of 08/15/95 due 08/15/12, annual principal payments range from \$200,000 to \$225,000, plus interest due semiannually at 4.2% to 6.1%	1,619,464
\$3,050,000 bond, issue of 12/15/94 due 12/15/11, annual principal payments range from \$180,000 to \$200,000, plus interest due semiannually at 5.2% to 6.375%	1,290,000
\$3,225,000 bond, issue of 10/15/93 due 10/15/10, annual principal payments range from \$190,000 to \$210,000, plus interest due semiannually at 3.6% to 4.4%	1,170,000
\$3,575,000 bond, issue of 10/01/92 due 10/01/09, annual principal payments range from \$215,000 to \$235,000, plus interest due semiannually at 3.8% to 5.7%	1,085,000
\$3,075,000 bond, issue of 9/01/91 due 9/01/06, annual principal payments range from \$200,000 to \$225,000, plus interest due semiannually at 5.1% to 6.3%	400,000

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

	<u>Outstanding Amount</u>
\$2,970,000 bond, issue of 11/15/90 due 11/15/06, annual principal payments range from \$180,000 to \$200,000, plus interest due semiannually at 5.9% to 7.9%	180,000
	<u>\$ 72,999,464</u>

The annual debt service requirements of the governmental activities bonded indebtedness described above is as follows:

	Principal	Interest	Total
2006	\$ 5,913,192	\$ 3,338,464	\$ 9,251,656
2007	5,718,192	2,976,044	8,694,236
2008	5,508,340	2,722,086	8,230,426
2009	5,478,948	2,472,203	7,951,151
2010	5,478,948	2,225,143	7,704,091
2011	5,253,948	1,982,706	7,236,654
2012	5,108,948	1,748,179	6,857,127
2013	4,928,948	1,520,097	6,449,045
2014	4,720,000	1,300,772	6,020,772
2015	4,530,000	1,088,328	5,618,328
2016	4,535,000	878,505	5,413,505
2017	4,535,000	665,818	5,200,818
2018	4,545,000	452,149	4,997,149
2019	2,830,000	271,529	3,101,529
2020	1,920,000	157,721	2,077,721
2021	605,000	80,250	685,250
2022	605,000	53,987	658,987
2023	275,000	27,519	302,519
2024	275,000	15,831	290,831
2025	235,000	4,994	239,994
Total	\$ 72,999,464	\$ 23,982,325	\$ 96,981,789

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2005

Business-Type Activities:

Allocated portion of \$3,470,000 bond issue of 8/15/95 due
 8/15/12, annual principal payments range from \$6,052 to
 \$6,808, plus interest due semiannually at 4.2% to 6.1% \$ 50,535

**Amount to be financed and paid through business-
 type activities** \$ 50,535

The annual debt service requirements of the business-type activities bonded indebtedness described above is as follows:

	Principal	Interest	Total
2006	\$ 6,808	\$ 2,662	\$ 9,470
2007	6,808	2,335	9,143
2008	6,660	2,005	8,665
2009	6,052	1,676	7,728
2010	6,052	1,351	7,403
2011	6,052	1,023	7,075
2012	6,052	693	6,745
2013	6,051	363	6,414
Total	\$ 50,535	\$ 12,108	\$ 62,643

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Lease commitments

Property and equipment carried at approximately \$430,000, with approximately \$54,000 in accumulated depreciation, in the governmental activities is being acquired under capital lease arrangements.

	<u>Capital</u>
2006	\$ 37,081
2007	37,081
2008	37,081
2009	37,081
2010	37,081
Thereafter	<u>222,487</u>
Total minimum lease payments	407,892
Less interest	<u>(15,243)</u>
Present value of minimum payments	<u><u>\$ 392,649</u></u>

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2005 was approximately \$310,200. Additional payments for principal and interest aggregating approximately \$3,032,000 are expected to be received through the bonds' maturity dates.

Debt limitation

The Town's statement of debt limitation under Connecticut General Statutes, Section 7-434(b) as of June 30, 2005, is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2005	\$ 77,220,160
Reimbursement for revenue loss:	
Tax relief for elderly	<u>55,853</u>
Base	<u><u>\$ 77,276,013</u></u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

The Connecticut General Statutes provide the total authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$540,932,091, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension Benefit
Debt limitation:					
2-1/4 times base	\$ 173,871,029	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	347,742,059	-	-	-
3-3/4 times base	-	-	289,785,049	-	-
3-1/4 times base	-	-	-	251,147,042	-
3 times base	-	-	-	-	231,828,039
Total debt limitation	173,871,029	347,742,059	289,785,049	251,147,042	231,828,039
Debt as defined by statute:					
Bonds payable ⁽¹⁾	26,736,383	45,911,912	-	-	-
Bonds authorized but unissued	3,700,000	760,000	-	-	-
Construction grants	-	(2,552,798)	-	-	-
Total indebtedness	30,436,383	44,119,114	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 143,434,646	\$ 303,622,945	\$ 289,785,049	\$ 251,147,042	\$ 231,828,039

(1) Water bonds of \$401,705 are excluded from this calculation in accordance with Connecticut General Statutes.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Compensated absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences", the Town accrues compensated absences as they are earned by employees if the leave is attributable to past service and it is probable that the employer will compensate the employees by cash payments at termination or retirement. The amount of this estimated obligation at June 30, 2005 is \$2,737,000. This liability is recorded in the government-wide financial statements.

Subsequent event

In November 2005, the Town issued \$4,130,000 in general obligation bonds. The bonds bear interest at 3.65% to 4.05% and mature in November 2023.

Note 9. Fund Deficit

As of June 30, 2005, the following funds had deficits:

Debt Issuance 1998	\$	6,975
Youth Services	\$	60
Debt Issuance 2006	\$	397,889

The Town anticipates financing these deficits through permanent financing or future revenues.

Note 10. Contingencies

Lawsuits

The Town is currently involved in a number of litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not materially affect the financial condition of the Town.

Municipal Solid Waste Service Agreement

The Town has entered into the municipal solid waste agreement, as amended (the "service agreement") with the Connecticut Resources Recovery Authority (the "Authority") pursuant to which it participates with seventeen other Connecticut municipalities (the eighteen constituting the "Contracting Municipalities"), in the Greater Bridgeport Resources Recovery System (the "System").

Under the service agreement, the Town is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 11,300 tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The aggregate minimum commitment of the eighteen Contracting Municipalities is 400,000 tons per year. The Town's service payment commitment is a "put-or-pay" commitment, in that if the

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the service payment for its proportionate share of the shortfall of the aggregate minimum commitment (even if it delivered its full portion).

Note 11. Employee Pension Plan

Employee Pension Plan

The Town of Wilton is an administrator of a single employer defined benefit pension plan (the "Plan") which covers substantially all full-time employees of the Town, other than certified teachers and other Board of Education personnel, who participate in a contributory retirement plan administered by the State Teachers' Retirement Board.

The table below provides details of the various provisions for the three categories of employees covered by the Plan.

Provisions	Police	Firefighters	Other Employees
Plan Eligibility Requirements	Every policeman of the Town upon first day of hire by the Town, who is a member of Wilton Police Union Local 1429 or who is a nonunion sworn officer.	Every firefighter of the Town who is a member of Local 2233, International Association of Firefighters, AFL-CIO, and the Fire Chief, Deputy Fire Chief, and Fire Marshal upon first day of hire.	All other Town employees upon the first day of hire, except those who fall into any of the following categories: <ul style="list-style-type: none"> • are members of the Police, Fire or Highway Department plans. • are customarily employed by the Town for less than 20 hours in any one week. • are customarily employed by the Town for less than five months in any calendar year. • are covered by any other non-governmental retirement plan to which the Town has contributed. • are covered by any retirement plan maintained wholly or partially by State funds.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Provisions	Police	Firefighters	Other Employees
Plan Eligibility Requirements, Continued			<ul style="list-style-type: none"> hold an elective office, unless they were members of the Plan immediately prior to holding elective office. Effective July 1, 2002, persons whose paid employment results from holding an elective office regardless of whether the elected official had been a member of the Plan prior to becoming an elected official shall be included in the definition of an "Employee" eligible to be a member in the Plan.
Vesting	Vested 100% upon ten (10) years of credited service.	Vested 100% upon ten (10) years of credited service.	Vested 100% upon ten (10) years of continuous service.
Retirement Benefit Calculation	<p>Calculated as 2.5% of Average Annual Salary for each year of Credited Service. Average Annual Salary is defined as the highest consecutive three (3) year average compensation within the last ten (10) years preceding retirement.</p> <p>The maximum benefit is 71.25% of Average Annual Salary or maximum 28.5 years of Credited Service.</p>	<p>Calculated as 2.0% of Average Annual Salary for each year of Credited Service through September 30, 1979 plus 2.5% of Average Annual Salary for each year of Credited Service thereafter. Average Annual Salary is defined as the highest consecutive four (4) year average Base Contributable Compensation within the last ten (10) years preceding retirement. Effective July 1, 2002, Base Contributable Compensation includes holiday pay.</p> <p>The maximum benefit is 67.5% of Average Annual Salary. Effective July 1, 2002, the maximum benefit is 71.25% of Average Annual Salary.</p>	<p>Calculated as 2.0% of Average Annual Salary for each year of Credited Service. Average Annual Salary is defined as the highest consecutive four (4) year average compensation within the last ten (10) years preceding retirement. Effective July 1, 2002, calculated as 2.25% of Average Annual Salary for each year of Credited Service for all but Board of Education Members.</p> <p>The maximum benefit is 60.0% of Average Annual Salary or maximum 30 years of Credited Service. Effective July 1, 2002 the maximum benefit is 67.5% Average Annual Salary for all but Board of Education Members.</p>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Provisions	Police	Firefighters	Other Employees
Employee Contribution Obligations	7.0% of compensation. 7.25% of compensation.	6.0% of compensation. 7.0% of compensation.	3.5% of compensation. Effective 6.0% for all but Board of Education Members.
Employer Contribution Obligations	Periodic contributions at actuarially determined rates using the "projected unit credit method".	Periodic contributions at actuarially determined rates using the "projected unit credit method".	Periodic contributions at actuarially determined rates using the "projected unit credit method".
Authority Under Which Obligations are Established	Obligations are established periodically through a collective bargaining agreement.	Obligations are established periodically through a collective bargaining agreement.	Obligations are established periodically through a collective bargaining agreement for those employees covered by such agreements. For non-union employees, obligations are established by the Plan which may be amended only by the Board of Selectmen acting as trustees of the Plan.

The Town's annual pension cost and the change in the net pension asset during the year ended June 30, 2005, is as follows:

Annual required contribution	\$ 1,536,511
Interest on net pension obligation	(182)
Adjustment to annual required contribution	186
Annual pension cost	<u>1,536,515</u>
Contributions made	<u>1,536,511</u>
Decrease in net pension asset	(4)
Net pension asset, beginning of year	<u>2,247</u>
Net pension asset, end of year	<u>\$ 2,243</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

Membership in the Plan consisted of the following at June 30, 2005, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	123
Terminated plan members entitled to, but not yet receiving benefits	55
Active plan members	<u>362</u>
Total	<u>540</u>

Three-Year Trend Information:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/03	\$ 894,631	100.0%	\$ (5,598)
6/30/04	\$ 1,267,493	99.7%	\$ (2,247)
6/30/05	\$ 1,536,515	100.0%	\$ (2,243)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Actuarially Required Contribution	Actual Contribution	Percentage Contributed
2000	\$ 735,669	\$ 804,523	109%
2001	768,775	768,775	100%
2002	740,153	740,153	100%
2003	894,620	894,620	100%
2004	1,267,482	1,264,142	100%
2005	1,536,511	1,536,511	100%

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over)/Under Funded AAL	Funded Ratio	Covered Payroll	(Over)/under Funded AAL Percentage of Covered Payroll
June 30, 2001	\$ 32,015,258	\$ 30,569,844	\$ (1,445,414)	104.7%	\$ 11,034,863	(13.1)%
June 30, 2002	34,872,476	35,194,183	321,707	99.1%	12,856,292	2.5%
June 30, 2003	35,974,737	38,006,471	2,031,734	94.7%	13,614,024	14.9%
June 30, 2004	38,008,838	42,447,145	4,438,307	89.5%	15,084,913	29.4%
June 30, 2005	40,603,549	46,891,424	6,287,875	86.6%	15,827,681	39.7%

Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2005
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar Amount
Remaining amortization period	30 year open period
Asset valuation method	5-year smoothed market
Actuarial assumptions	
Investment rate of return	8.10%
Projected salary increases	4.5%
Inflation rate	3.5%
Mortality	UP94 – projected to 2015
Retirement Age	Normal retirement age, but not earlier than one year after the valuation date. Minimum age 55 for Fire, Town and Library. Minimum age 54 for Police.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2005

years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the Plan are available from the Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06105.

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.

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 city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$1,545,000 for the year ended June 30, 2005.

Note 12. Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the last three years.

The Board of Education ("BOE") currently reports its self-insured health insurance activities in the Board of Education Internal Service Fund. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The Town has recorded \$1,300,000 and \$1,000,000 for claims run-out for the self-insurance program in the Internal Service Fund at June 30, 2005 and 2004, respectively. The BOE also purchases "stop loss" insurance to limit its losses to \$150,000 per person per year with a maximum aggregate for all claims of approximately \$9,000,000 for fiscal year 2005.

The Town and the Board of Education self-insures for worker's compensation. The Town records expenditures for its self-insurance claims in the General Fund. The Town recognizes in the General Fund a liability for worker's compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review. The Town has recorded approximately \$270,000 for claims run-out for the self-insurance program in the General Fund at June 30, 2005. The Town's stop loss limits under this Plan are \$250,000 per person, per year, and \$500,000 aggregate per incident for fiscal year 2005.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2005

Changes in the balances of claims liabilities recorded by the Town during the past two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2005	\$1,130,000	\$5,757,901	\$5,587,901	\$1,300,000
2004	\$1,140,700	\$4,047,600	\$4,058,300	\$1,130,000

Note 13. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2005 that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- ◆ GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, will be effective for the government beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.
- ◆ GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, issued April 2004, will be effective for the Town beginning with its year ended June 30, 2008. This statement establishes uniform financial reporting standards for OPEB (other postemployment benefits) and supersedes the interim guidance included in Statement No. 26, Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans.
- ◆ GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, issued in May 2004, will be effective for the Town beginning with its year ending June 30, 2006. This Statement improves the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model required by Statement No. 34 and related statements.
- ◆ GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, issued June 2004, will be effective for the Town beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2005

expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

- ◆ GASB Statement No. 46, Net Assets Restricted by Enabling Legislation, amendment of GASB Statement No. 34, issued December 2004, will be effective for the Town beginning with its year ending June 30, 2006. This Statement requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets.
- ◆ GASB Statement No. 47, Accounting for Termination Benefits, issued June 2005, will be effective for the Town beginning with its year ending June 30, 2006. This Statement requires employers to disclose a description of the termination benefit arrangement, the cost of the termination benefits, and significant methods and assumptions used to determine termination benefit liabilities.

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**Supplementary and Combining
Fund Statements and Schedules**

General Fund

TOWN OF WILTON, CONNECTICUT

**GENERAL FUND REVENUES - BUDGETARY BASIS -
BUDGET AND ACTUAL**

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
PROPERTY TAXES, INTEREST AND LIEN FEES				
Property taxes	\$ 77,947,933	\$ 77,947,933	\$ 78,249,107	\$ 301,174
Interest and lien fees	270,000	270,000	250,745	(19,255)
Total property taxes, interest and lien fees	78,217,933	78,217,933	78,499,852	281,919
INTERGOVERNMENTAL				
Education:	1,516,786	1,516,786	1,903,711	386,925
	1,516,786	1,516,786	1,903,711	386,925
Town:				
State property refund	54,628	54,628	82,038	27,410
Tax relief for elderly	45,000	45,000	55,583	10,583
Town aid road	105,840	105,840	104,700	(1,140)
Telephone line tax	300,000	300,000	238,043	(61,957)
Veterans exemption	3,500	3,500	4,494	994
Boat tax	14,387	14,387	14,387	-
Pequot pilot	43,251	43,251	16,577	(26,674)
Per capita grant	16,919	16,919	16,788	(131)
Youth Service Bureau	14,000	14,000	14,000	-
New manufacturing equipment	500,000	500,000	566,010	66,010
	1,097,525	1,097,525	1,112,620	15,095
Total intergovernmental	2,614,311	2,614,311	3,016,331	402,020
FEES, PERMITS AND OTHER				
Town clerk	1,309,800	1,309,800	1,416,000	106,200
Building	593,750	593,750	626,373	32,623
Planning and zoning	10,100	10,100	10,044	(56)
Zoning Board of Appeals	7,300	7,300	6,523	(777)
Police reports	2,500	2,500	3,843	1,343
Finance Department	13,700	13,700	35,383	21,683
Police permits	1,400	1,400	555	(845)
DPW permits	5,000	5,000	5,585	585
Parking fines	5,000	5,000	10,480	5,480

TOWN OF WILTON, CONNECTICUT

**GENERAL FUND REVENUES - BUDGETARY BASIS -
BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
FEES, PERMITS AND OTHER, Continued				
Registrar of Voters	200	200	57	(143)
Assessor	2,000	2,000	3,048	1,048
Animal Control	6,425	6,425	5,765	(660)
Fire Department	3,000	3,000	1,860	(1,140)
Environmental Affairs	24,920	24,920	39,554	14,634
Swimming Fees	22,000	22,000	34,441	12,441
Park and Recreation	-	-	1,105	1,105
Dial-A-Ride	5,000	5,000	5,538	538
Senior Net and Center	13,805	13,805	11,283	(2,522)
Environmental Health	39,550	39,550	54,178	14,628
BOE Athletic Fees	10,000	10,000	8,741	(1,259)
	<u>2,075,450</u>	<u>2,075,450</u>	<u>2,280,356</u>	<u>204,906</u>
INVESTMENT INCOME				
Interest	290,000	290,000	572,451	282,451
OTHER				
Rentals:				
Town Property	61,800	61,800	56,607	(5,193)
Town Green	70,000	70,000	69,225	(775)
Gilbert & Bennett	72,000	72,000	64,580	(7,420)
Comstock School	118,717	118,717	132,856	14,139
Marvin Tavern	5,388	5,388	5,059	(329)
Day Care Center	108,754	108,754	108,554	(200)
Radio Tower	49,860	49,860	49,861	1
Sale of Assets	3,000	3,000	335,030	332,030
Other	-	-	1,638	1,638
Total other	<u>489,519</u>	<u>489,519</u>	<u>823,410</u>	<u>333,891</u>
Total	<u>\$ 83,687,213</u>	<u>\$ 83,687,213</u>	<u>\$ 85,192,400</u>	<u>\$ 1,505,187</u>

TOWN OF WILTON, CONNECTICUT

**GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
BUDGET AND ACTUAL
For the Year Ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT				
Board of Selectmen	\$ 275,692	\$ 276,692	\$ 255,421	\$ 21,271
Finance Office	563,191	563,191	566,348	(3,157)
Town Counsel	140,000	140,000	192,516	(52,516)
Town Hall and Annex	192,879	192,879	199,197	(6,318)
Major Utilities	203,805	203,805	196,435	7,370
Other Town Properties	34,516	34,516	41,781	(7,265)
Dial-A-Ride	74,896	74,896	74,013	883
Town Clerk	266,199	266,199	243,469	22,730
Planning & Zoning	297,141	297,141	318,874	(21,733)
Board of Finance	58,700	58,700	67,628	(8,928)
Assessor	196,068	196,068	181,106	14,962
Tax Collector	136,761	136,761	132,081	4,680
Probate Court	31,000	31,000	22,096	8,904
Registrar of Voters	85,950	85,950	87,140	(1,190)
Code Enforcement - Building	188,647	188,647	185,521	3,126
Comstock Community Center	168,364	168,364	176,404	(8,040)
Information Systems	243,833	243,833	195,067	48,766
Total general government	3,157,642	3,158,642	3,135,097	23,545
PUBLIC SAFETY				
Police	4,889,521	4,892,504	4,944,929	(52,425)
Emergency Medical Service	277,965	277,965	278,675	(710)
Fire and Emergency Service	3,483,840	3,495,840	3,411,325	84,515
Georgetown Fire District	210,211	210,211	201,298	8,913
Total public safety	8,861,537	8,876,520	8,836,227	40,293
PUBLIC WORKS	2,155,260	2,155,260	2,229,373	(74,113)
PUBLIC HEALTH AND WELFARE				
Health and Sanitation	246,748	246,748	219,775	26,973
Public Health Nursing	682,633	682,633	683,831	(1,198)
Welfare and Social Services	269,727	269,727	257,521	12,206
Total public health and welfare	1,199,108	1,199,108	1,161,127	37,981

TOWN OF WILTON, CONNECTICUT

**GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
OTHER				
Employee Benefits and Unemployment Compensation	1,305,701	1,305,701	1,261,553	44,148
Insurance	743,945	743,945	763,523	(19,578)
Library Association	1,535,844	1,535,844	1,535,844	-
Route 7 Bus	5,000	5,000	5,000	-
Animal Control	88,380	88,380	92,232	(3,852)
Total other	3,678,870	3,678,870	3,658,152	20,718
RECREATION AND PARKS COMMISSION				
Parks and Recreation	833,431	833,431	761,592	71,839
Conservation and Inland-Wetlands	244,511	244,511	223,347	21,164
Total recreation and parks commission	1,077,942	1,077,942	984,939	93,003
EDUCATION				
	51,822,675	51,822,675	51,047,347	775,328
CAPITAL OUTLAY				
General Government	133,963	224,016	139,912	84,104
Public Safety	180,000	192,500	171,182	21,318
Public Works	646,000	1,037,910	797,508	240,402
Parks, Recreation and Conservation	9,000	206,257	33,280	172,977
Total capital outlay	968,963	1,660,683	1,141,882	518,801
DEBT SERVICE				
Principal Retirement	5,988,711	5,988,711	5,981,903	6,808
Interest	3,406,386	3,406,386	3,403,695	2,691
Total debt service	9,395,097	9,395,097	9,385,598	9,499
Additional appropriations	823,171	617,171	-	617,171
Total	\$ 83,140,265	\$ 83,641,968	\$ 81,579,742	\$ 2,062,226

Nonmajor Governmental Funds

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TOWN OF WILTON, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2005

	Special Revenue				
	Ambulance	Educational Entitlement Grants	School Lunch	Gift	Summer School
ASSETS					
Cash and cash equivalents	\$ 765,355	\$ 177,580	\$ 42,827	\$ 192,579	\$ 297,508
Special assessments	-	-	-	-	-
Other receivables	72,727	49,240	5,992	-	-
Inventories	-	-	9,529	-	-
Prepays	-	-	-	9,000	-
Due from other funds	1,700	2,600	-	1,530	-
Total assets	\$ 839,782	\$ 229,420	\$ 58,348	\$ 203,109	\$ 297,508
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Deferred revenues	\$ -	\$ -	\$ -	\$ 12,995	\$ -
Accounts payable	10,200	20,679	51,574	39,530	1,613
Due to other funds	20,212	198,184	-	52	-
Total liabilities	30,412	218,863	51,574	52,577	1,613
FUND BALANCES (DEFICITS)					
Reserved for encumbrances	-	-	-	-	-
Reserved for inventories	-	-	9,529	-	-
Reserved for donors' intention	-	-	-	-	-
Reserved for prepaid items	-	-	-	9,000	-
Designated for debt service	-	-	-	-	-
Designated for capital improvements	-	-	-	-	-
Unreserved, undesignated	809,370	10,557	(2,755)	141,532	295,895
Total fund balances (deficits)	809,370	10,557	6,774	150,532	295,895
Total liabilities and fund balances (deficits)	\$ 839,782	\$ 229,420	\$ 58,348	\$ 203,109	\$ 297,508

Special Revenue						Capital Projects				
Continuing Education	Forfeited Property Fund	Youth Services	Selectmen's Benevolent	Recreation	Cemetery	Debt Issuance 1995	Debt Issuance 1997	Debt Issuance 1998	Debt Issuance 1999	Debt Issuance 2000
\$ 140,589	\$ 34,684	\$ -	\$ 8,454	\$ 221,813	\$ 199	\$ -	\$ 20,692	\$ 3,928	\$ -	\$ 57,336
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	18,521	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	42,712	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,328	-	15,412
<u>\$ 140,589</u>	<u>\$ 34,684</u>	<u>\$ -</u>	<u>\$ 8,454</u>	<u>\$ 283,046</u>	<u>\$ 199</u>	<u>\$ -</u>	<u>\$ 20,692</u>	<u>\$ 10,256</u>	<u>\$ -</u>	<u>\$ 72,748</u>
\$ 2,853	\$ -	\$ -	\$ -	\$ 164,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,377	-	-	-	34,350	-	-	-	-	-	-
-	-	60	-	-	99	-	-	17,231	-	1,530
<u>7,230</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>199,230</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>17,231</u>	<u>-</u>	<u>1,530</u>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	8,454	-	100	-	-	-	-	-
-	-	-	-	42,712	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,692	-	-	71,218
133,359	34,684	(60)	-	41,104	-	-	-	(6,975)	-	-
<u>133,359</u>	<u>34,684</u>	<u>(60)</u>	<u>8,454</u>	<u>83,816</u>	<u>100</u>	<u>-</u>	<u>20,692</u>	<u>(6,975)</u>	<u>-</u>	<u>71,218</u>
<u>\$ 140,589</u>	<u>\$ 34,684</u>	<u>\$ -</u>	<u>\$ 8,454</u>	<u>\$ 283,046</u>	<u>\$ 199</u>	<u>\$ -</u>	<u>\$ 20,692</u>	<u>\$ 10,256</u>	<u>\$ -</u>	<u>\$ 72,748</u>

(Continued)

TOWN OF WILTON, CONNECTICUT

**COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2005

	Capital Projects					
	Debt	Debt	Debt	Debt	Debt	Open
	Issuance	Issuance	Issuance	Issuance	Issuance	Space
	2001	2002	2003	2005	2006	Fund
ASSETS						
Cash and cash equivalents	\$ 646,370	\$ 25,436	\$ 15,288	\$ 528,572	\$ -	\$ 2,475
Special assessments	-	-	-	-	-	-
Other receivables	1,390	-	112,960	-	-	-
Inventories	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 647,760	\$ 25,436	\$ 128,248	\$ 528,572	\$ -	\$ 2,475
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Deferred revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	3,664	84,095	394,278	-
Due to other funds	-	-	5,844	-	3,611	-
Total liabilities	-	-	9,508	84,095	397,889	-
FUND BALANCES (DEFICITS)						
Reserved for encumbrances	-	-	-	264,141	(48,921)	-
Reserved for inventories	-	-	-	-	-	-
Reserved for donors' intention	-	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Designated for debt service	-	-	-	-	-	-
Designated for capital improvements	647,760	25,436	118,740	180,336	-	-
Unreserved, undesignated	-	-	-	-	(348,968)	2,475
Total fund balances (deficits)	647,760	25,436	118,740	444,477	(397,889)	2,475
Total liabilities and fund balances (deficits)	\$ 647,760	\$ 25,436	\$ 128,248	\$ 528,572	\$ -	\$ 2,475

<u>Debt Service</u>	
<u>Debt Service Fund</u>	<u>Totals</u>
\$ 298,983	\$ 3,480,668
221,221	221,221
-	260,830
-	9,529
-	51,712
-	27,570
<u>\$ 520,204</u>	<u>\$ 4,051,530</u>

\$ 221,221	\$ 401,949
10,011	654,371
-	246,823
<u>231,232</u>	<u>1,303,143</u>

-	215,220
-	9,529
-	8,554
-	51,712
288,972	288,972
-	1,064,182
-	1,110,218
<u>288,972</u>	<u>2,748,387</u>

<u>\$ 520,204</u>	<u>\$ 4,051,530</u>
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TOWN OF WILTON, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICITS) NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2005**

	Special Revenue					
	Ambulance	Educational Entitlement Grants	School Lunch	Gift	Summer School	Continuing Education
REVENUES						
Intergovernmental	\$ -	\$ 783,370	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and other	260,273	-	-	-	-	-
Investment income	17,468	-	-	6,106	-	-
Tuition	-	-	-	-	404,807	675,058
School lunch sales	-	-	1,126,188	-	-	-
Contributions	-	-	-	824,919	-	-
Total revenues	277,741	783,370	1,126,188	831,025	404,807	675,058
EXPENDITURES						
General government	-	-	-	30,332	-	-
Education	-	765,142	1,244,069	-	247,458	630,777
Public safety	218,688	-	-	5,955	-	-
Public health & welfare	-	-	-	1,622	-	-
Recreation and parks commission	-	-	-	756,088	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	218,688	765,142	1,244,069	793,997	247,458	630,777
OTHER FINANCING SOURCES						
Bond proceeds	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenue over (under) expenditures	59,053	18,228	(117,881)	37,028	157,349	44,281
FUND BALANCES (DEFICITS), beginning	750,317	(7,671)	124,655	113,504	138,546	89,078
FUND BALANCES (DEFICITS), ending	\$ 809,370	\$ 10,557	\$ 6,774	\$150,532	\$ 295,895	\$ 133,359

Special Revenue					Capital Projects					
Forfeited Property Fund	Youth Services	Selectmen's Benevolent	Recreation	Cemetery	Debt Issuance 1995	Debt Issuance 1997	Debt Issuance 1998	Debt Issuance 1999	Debt Issuance 2000	Debt Issuance 2001
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	458,293	-	2,420	16,334	-	-	-	-
1,568	-	187	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,568	-	187	458,293	-	2,420	16,334	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
32,632	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	430,538	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	390	-	-	7,136
32,632	-	-	430,538	-	-	-	390	-	-	7,136
-	-	-	-	-	-	-	-	-	-	-
-	(308)	-	-	-	-	(6)	-	(137,082)	-	-
-	(308)	-	-	-	-	(6)	-	(137,082)	-	-
(31,064)	(308)	187	27,755	-	2,420	16,328	(390)	(137,082)	-	(7,136)
65,748	248	8,267	56,061	100	(2,420)	4,364	(6,585)	137,082	71,218	654,896
\$ 34,684	\$ (60)	\$ 8,454	\$ 83,816	\$ 100	\$ -	\$ 20,692	\$ (6,975)	\$ -	\$ 71,218	\$ 647,760

TOWN OF WILTON, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICITS) NONMAJOR GOVERNMENTAL FUNDS, Continued
For the Year Ended June 30, 2005**

	Capital Projects				
	Debt Issuance 2002	Debt Issuance 2003	Debt Issuance 2005	Debt Issuance 2006	Open Space Fund
	REVENUES				
Intergovernmental	\$ -	\$ 227,004	\$ -	\$ -	\$ -
Licenses, permits, fees and other	-	-	-	-	-
Investment income	-	-	-	-	173
Tuition	-	-	-	-	-
School lunch sales	-	-	-	-	-
Contributions	-	-	-	-	-
Total revenues	-	227,004	-	-	173
EXPENDITURES					
General government	-	-	1,100,000	-	-
Education	-	-	-	-	-
Public safety	-	-	-	-	-
Public health & welfare	-	-	-	-	-
Recreation and parks commission	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	191,463	810,522	397,889	17,153
Total expenditures	-	191,463	1,910,522	397,889	17,153
OTHER FINANCING SOURCES					
Bond proceeds	-	-	3,820,000	-	-
Transfers in (out)	-	-	-	-	-
Total other financing sources	-	-	3,820,000	-	-
Revenue over (under) expenditures	-	35,541	1,909,478	(397,889)	(16,980)
FUND BALANCES (DEFICITS), beginning	25,436	83,199	(1,465,001)	-	19,455
FUND BALANCES (DEFICITS), ending	\$ 25,436	\$ 118,740	\$ 444,477	\$ (397,889)	\$ 2,475

<u>Debt Service</u>	
<u>Debt Service Fund</u>	<u>Totals</u>
\$ -	\$ 1,010,374
89,851	827,171
5,289	30,791
-	1,079,865
-	1,126,188
-	824,919
<u>95,140</u>	<u>4,899,308</u>
-	1,130,332
-	2,887,446
-	257,275
-	1,622
-	1,186,626
-	-
39,047	39,047
20,702	20,702
-	1,424,553
<u>59,749</u>	<u>6,947,603</u>
-	3,820,000
-	(137,396)
<u>-</u>	<u>3,682,604</u>
35,391	1,634,309
<u>253,581</u>	<u>1,114,078</u>
<u>\$ 288,972</u>	<u>\$ 2,748,387</u>

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Fiduciary Funds

TOWN OF WILTON, CONECTICUT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2005

	Pension Trust Fund	Student Activities Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 418,880	\$ 479,734	\$ 898,614
Investments, at fair value			
Mutual funds	40,174,460	-	40,174,460
Total investments	40,174,460	-	40,174,460
Contributions receivable	70,343	-	70,343
Total assets	40,663,683	479,734	41,143,417
LIABILITIES			
Accounts payable	73,650	-	73,650
Due to student groups	-	479,734	479,734
Total liabilities	73,650	479,734	553,384
Net Assets Held in Trust for Pension Benefits and Other Purposes	\$ 40,590,033	\$ -	\$ 40,590,033

TOWN OF WILTON, CONNECTICUT

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
EMPLOYEE PENSION PLAN**

June 30, 2005

Additions

Contributions

Employer \$ 1,536,511

Plan members 789,632

Total contributions 2,326,143

Investment Income

Net appreciation in fair value of investments 1,954,222

Interest and dividends 1,052,256

3,006,478

Less investment expense (36,589)

Net investment income 2,969,889

Total additions 5,296,032

Deductions

Benefits paid 1,484,330

Change in net assets 3,811,702

Net Assets

Beginning of year 36,778,331

End of year \$ 40,590,033

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

TOWN OF WILTON, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE BY SOURCE**

June 30, 2005

Governmental funds capital assets:

Land	\$ 22,446,881
Buildings and improvements	115,453,111
Machinery and equipment	5,987,932
Infrastructure	37,704,735
Construction in progress	2,798,920
Total governmental funds capital assets	<u><u>\$ 184,391,579</u></u>

Investments in governmental funds capital assets by source:

Assets put into service prior to July 1, 2005	<u>\$ 184,391,579</u>
Total governmental funds capital assets	<u><u>\$ 184,391,579</u></u>

TOWN OF WILTON, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2005**

	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Technology Upgrade and Infrastructure	Total
General Government	\$ 7,551,925	\$ 463,355	\$ 5,267,988	\$ 329,941	\$ 35,774,749	\$ 49,387,958
Public Safety	167,002	1,789,895	1,353,419	2,658,801	-	5,969,117
Education	865,699	395,960	103,576,934	372,343	-	105,210,936
Public Works	-	-	793,678	2,086,915	1,674,447	4,555,040
Recreation & Parks Commssion	13,862,255	149,710	4,415,687	514,809	255,539	19,198,000
Other	-	-	45,405	25,123	-	70,528
	<u>\$ 22,446,881</u>	<u>\$ 2,798,920</u>	<u>\$ 115,453,111</u>	<u>\$ 5,987,932</u>	<u>\$ 37,704,735</u>	<u>\$ 184,391,579</u>

TOWN OF WILTON, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

For the Year Ended June 30, 2005

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2004	Additions	Deletions	June 30, 2005
General Government	\$ 49,216,953	\$ 171,005	\$ -	\$ 49,387,958
Public Safety	5,317,780	994,086	342,749	5,969,117
Education	103,483,704	1,727,232	-	105,210,936
Public Works	4,480,921	141,579	67,460	4,555,040
Parks and Recreation	18,820,430	398,830	21,260	19,198,000
Other	70,528	-	-	70,528
Total	\$181,390,316	\$ 3,432,732	\$ 431,469	\$ 184,391,579

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Other Schedules

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TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2005**

Grand List Year	Taxes Receivable July 1, 2004	Current Levy	Prior Year Overpayments To Be Refunded	Lawful Corrections		Transfers to/from Suspense	Balance to be Collected
				Additions	Deletions		
1988	\$ -	\$ -	\$ -	\$ 271	\$ -	\$ -	\$ 271
1989	5,323	-	-	458	-	(4,804)	977
1990	8,988	-	-	78	-	(2,612)	6,454
1991	7,141	-	-	160	-	(485)	6,816
1992	7,202	-	-	248	205	-	7,245
1993	9,145	-	-	127	-	(203)	9,069
1994	9,097	-	-	390	-	(120)	9,367
1995	23,063	-	-	1,785	171	(560)	24,117
1996	22,773	-	-	2,109	-	(486)	24,396
1997	27,209	-	-	2,355	410	(1,125)	28,029
1998	48,732	-	-	2,806	1,526	(1,155)	48,857
1999	45,311	-	(524)	830	945	(3,297)	41,375
2000	93,452	-	(657)	12,596	2,313	(9,713)	93,365
2001	161,457	-	(171)	15,439	7,932	(14,929)	153,864
2002	399,771	-	(392)	20,074	23,129	-	396,324
2003	-	76,402,369	(4,937)	889,580	201,202	-	77,085,810
	<u>\$ 868,664</u>	<u>\$ 76,402,369</u>	<u>\$ (6,681)</u>	<u>\$ 949,306</u>	<u>\$ 237,833</u>	<u>\$ (39,489)</u>	<u>\$ 77,936,336</u>

Collections							Balance Uncollected June 30, 2005
Overpayments							
Taxes	Refunds	To Be Refunded	Interest	Lien Fees	Total		
\$ 271	\$ -	\$ -	\$ 682	\$ -	\$ 953	\$ -	
851	-	-	2,154	-	3,005	126	
227	-	-	885	-	1,112	6,227	
418	-	-	959	-	1,377	6,398	
95	-	-	319	-	414	7,150	
497	-	-	468	-	965	8,572	
1,163	-	-	2,149	-	3,312	8,204	
4,117	-	-	1,596	-	5,713	20,000	
6,304	-	-	4,492	-	10,796	18,092	
5,568	-	-	2,780	-	8,348	22,461	
9,439	238	281	5,931	24	14,875	39,937	
6,920	48	651	4,766	24	11,011	35,154	
37,418	428	455	10,222	96	46,853	56,830	
74,725	211	384	18,438	216	92,784	79,734	
243,409	20,205	2,473	45,177	720	266,628	175,593	
76,735,405	132,422	5,390	153,989	432	76,752,014	488,217	
<u>\$ 77,126,827</u>	<u>\$ 153,552</u>	<u>\$ 9,634</u>	<u>\$ 255,007</u>	<u>\$ 1,512</u>	<u>\$ 77,220,160</u>	<u>\$ 972,695</u>	

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF SPECIAL ASSESSMENTS AND SEWER USAGE
CHARGES LEVIED, COLLECTED AND OUTSTANDING**

For the Year Ended June 30, 2005

	Balance Uncollected July 1, 2004	Delinquent Interest and Current Charges	Adjustments
Special assessment	\$ 577,418	\$ 6,100	\$ -
Sewer usage	1,631	2,795	
Total	\$ 579,049	\$ 8,895	\$ -

Balance to be Collected	Collections			Balance Uncollected June 30, 2005
	Assessments and Charges	Interest	Total	
\$ 583,518	\$ 111,940	\$ 1,109	\$ 113,049	\$ 471,578
4,426	683	1,240	1,923	3,743
<u>\$ 587,944</u>	<u>\$ 112,623</u>	<u>\$ 2,349</u>	<u>\$ 114,972</u>	475,321
		Less allowance		<u>4,426</u>
				<u>\$ 470,895</u>

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF WATER MAIN ASSESSMENTS LEVIED, COLLECTED AND
OUTSTANDING**

For the Year Ended June 30, 2005

	Balance Uncollected July 1, 2004	Delinquent Interest and Current Charges	Adjustments
Water Main Assessment	<u>\$ 107,011</u>	<u>\$ 202,825</u>	<u>\$ -</u>

Balance to be Collected	Collections			Balance Uncollected June 30, 2005
	Assessments and Charges	Interest	Total	
\$ 309,836	\$ 70,711	\$ 869	\$ 71,580	\$ 239,125

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