

McGladrey & Pullen

Certified Public Accountants

TOWN OF WILTON, CONNECTICUT

FINANCIAL REPORT

JUNE 30, 2008

TOWN OF WILTON, CONNECTICUT

FINANCIAL REPORT

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McGladrey & Pullen

Certified Public Accountants

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 (the "Town"), as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town 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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 January 28, 2009 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 on 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 is not a required part of the basic financial statements, but is 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, capital asset schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other 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
January 28, 2009

**Town of Wilton, Connecticut
Management's Discussion and Analysis
June 30, 2008**

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, 2008. 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, 2008 by \$114,896 (net assets). Of this amount, \$34,798 (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 Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, public health and welfare, and parks and recreation activities.

The business-type activities of the Town include the Water Pollution Control Authority and the Transfer Station. They are reported here because the Town charges fees to customers to 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 changes in fund balances. They 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. 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. In addition, 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. These are prepared on an accounting basis that is similar to the basis used to prepare the government-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 presented 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 the Pension Trust Fund, Student Activity Funds and the Other Post-Employment Trust Fund. 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 61 of this report.

TOWN OF WILTON, CONNECTICUT

NET ASSETS (000's)

June 30, 2008 and 2007

	June 30, 2008			June 30, 2007		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 43,259	\$ 9,370	\$ 52,629	\$ 41,731	\$ 7,700	\$ 49,431
Capital Assets	141,980	2,799	144,779	141,071	2,818	143,889
Total assets	<u>185,239</u>	<u>12,169</u>	<u>197,408</u>	<u>182,802</u>	<u>10,518</u>	<u>193,320</u>
Long-term liabilities	63,595	24	63,619	65,648	45	65,693
Other liabilities	18,603	291	18,894	19,793	645	20,438
Total liabilities	<u>82,198</u>	<u>315</u>	<u>82,513</u>	<u>85,441</u>	<u>690</u>	<u>86,131</u>
Net Assets:						
Invested in capital assets, net of related debt	77,343	2,755	80,098	71,287	2,739	74,026
Unrestricted	25,698	9,099	34,797	26,074	7,089	33,163
Total net assets	<u>\$ 103,041</u>	<u>\$ 11,854</u>	<u>\$ 114,895</u>	<u>\$ 97,361</u>	<u>\$ 9,828</u>	<u>\$ 107,189</u>

By far the largest portion of the Town's net assets (70%) is its investment in capital assets (e.g., land, buildings, machinery, and equipment); net of any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Net assets increased by \$7,706 from June 30, 2007 as shown in the following in the following table.

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF ACTIVITIES (000's)
Years Ended June 30, 2008 and 2007**

	Year Ended					
	June 30, 2008			June 30, 2007		
	Primary Government			Primary Government		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 5,571	\$ 3,386	\$ 8,957	\$ 5,412	\$ 1,684	\$ 7,096
Operating grants and contributions	8,587	-	8,587	8,023	-	8,023
Capital grants and contributions	359	-	359	489	-	489
General Revenues:						
Property taxes	92,760	-	92,760	88,341	-	88,341
Grants and contributions not restricted to specific programs	795	-	795	684	-	684
Unrestricted investment earnings	1,621	416	2,037	2,247	518	2,765
Miscellaneous	440	-	440	-	-	-
Transfers in (out)	-	-	-	(135)	135	-
Total revenues	110,133	3,802	113,935	105,061	2,337	107,398
Expenses:						
General Government	4,492	-	4,492	6,493	-	6,493
Public Safety	11,974	-	11,974	11,583	-	11,583
Public Works	4,092	-	4,092	4,196	-	4,196
Public Health and Welfare	1,559	-	1,559	1,384	-	1,384
Education	74,177	-	74,177	68,355	-	68,355
Parks and Recreation	2,218	-	2,218	2,001	-	2,001
Library and other	2,929	-	2,929	2,530	-	2,530
Interest on long-term debt	3,012	-	3,012	2,778	-	2,778
WPCA	-	736	736	-	861	861
Transfer station	-	1,040	1,040	-	1,108	1,108
Total expenses	104,453	1,776	106,229	99,320	1,969	101,289
Extraordinary Item:						
State teachers' on-behalf payments	(18,172)	-	(18,172)	-	-	-
State teachers' on-behalf revenue	18,172	-	18,172	-	-	-
Total extraordinary item	-	-	-	-	-	-
Change in net assets	5,680	2,026	7,706	5,741	368	6,109
Net assets – beginning	97,361	9,828	107,189	91,620	9,460	101,080
Net assets - ending	\$ 103,041	\$ 11,854	\$ 114,895	\$ 97,361	\$ 9,828	\$ 107,189

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 \$5,680. 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-four percent (84%) of the governmental activities revenue was derived from property taxes, followed by nine percent (9%) from grants and contributions. Fees accounted for five percent (5%) and interest and other, two percent (2%).

Major revenue factors included:

- ◆ An increase in property tax revenues due to an increase in the current year mill rate.
- ◆ Education grants exceeded the budget by \$1,155.
- ◆ Building permits and revenues derived from real estate transactions were less than budgeted.

Major expense factors included:

- ◆ The Board of Education under-expended its budget by \$858 as explained in the General Fund Budgetary Highlights section hereof.
- ◆ The Board of Selectmen's operating budget was under-expended by \$1,195. The capital budget was under-expended by \$1,068. However, under the Town Charter, \$1,014 of this has been carried forward to Fiscal 2009 where it constitutes a reservation of the general fund balance.

Business-Type Activities

Business-type activities consist of the Water Pollution Control Authority (WPCA) and the Transfer Station. These activities increased the Town's net assets by \$2,026 resulting primarily from WPCA capital assessments, user charges and interest income.

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, 2008. However, \$130 of assessment revenue was used to pay the debt service component of the fiscal 2008 Norwalk processing fee. User charges are established annually to pay for operating expenses, including the non-debt service component of the Norwalk fee.

For fiscal 2008, the WPCA's operations resulted in an increase of \$1,823 in net assets of business-type activities. \$1,753 of this was from sewer assessments in the current year.

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 CRRRA based on tonnage, and a payment from CRRRA 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. In fiscal 2008, Transfer Station operations resulted in a net asset increase of \$202. Were it not for a \$297 general fund subsidy, net assets would have decreased by \$95.

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 \$25,659. For the general fund, the unreserved and undesignated balance was \$13,632 or 12.9% of revenues and other financing sources. This is a decrease of \$236 from June 30, 2007.

All other governmental funds reported ending fund balances of \$4,581 of which \$2,258 is reserved or otherwise designated.

The following table shows the fund types comprising governmental funds and compares their fund balances for fiscal years 2008 and 2007.

TOWN OF WILTON, CONNECTICUT

GOVERNMENTAL FUNDS - SUMMARY OF REVENUES, EXPENDITURES (000's)

AND FUND BALANCES - FY'S 2008 AND 2007

Fund Types	General		Other Governmental Fund		Totals	
	2008	2007	2008	2007	2008	2007
Revenues and other financing sources	\$ 105,845	\$ 100,630	\$ 8,488	\$ 8,587	\$ 114,333	\$ 109,217
Expenditures and other financing uses	103,937	96,941	8,219	10,625	112,156	107,566
Net change	1,908	3,689	269	(2,038)	2,177	1,651
Beginning fund balance	19,170	15,481	4,312	6,350	23,482	21,831
Ending fund balance	<u>\$ 21,078</u>	<u>\$ 19,170</u>	<u>\$ 4,581</u>	<u>\$ 4,312</u>	<u>\$ 25,659</u>	<u>\$ 23,482</u>
Components of fund balance						
Reserved						
Encumbrances	\$ 754	\$ 742	\$ -	\$ -	\$ 754	\$ 742
Prepaid expenditures	6	6	26	16	32	22
Continuing appropriations	1,014	493	-	-	1,014	493
Long-term advances	-	142	-	-	-	142
Inventories	-	-	17	13	17	13
Donors' intentions	-	-	10	9	10	9
Designated						
Debt service	-	-	326	328	326	328
Capital improvements	-	-	1,945	1,805	1,945	1,805
Future years	5,672	3,919	-	-	5,672	3,919
Unreserved and undesignated	<u>13,632</u>	<u>13,868</u>	<u>2,257</u>	<u>2,141</u>	<u>15,889</u>	<u>16,009</u>
Total fund balance	<u>\$ 21,078</u>	<u>\$ 19,170</u>	<u>\$ 4,581</u>	<u>\$ 4,312</u>	<u>\$ 25,659</u>	<u>\$ 23,482</u>

General fund. At June 30, 2008 the total general fund balance was \$21,078, of which \$13,632 was unreserved and undesignated. This is 13.1% of expenditures and other financing uses and 12.9% of revenues and other financing sources. The total fund balance increased by \$1,908. This increase resulted primarily from positive revenue variances from estimates in the following categories: property taxes and state grants for education.

Expenditures were less than estimated. Specific revenue and expenditure variances are detailed in the following section.

General Fund Budgetary Highlights (000's)

The difference between the original and adjusted budget was \$509 and consisted entirely of unobligated capital appropriations continued from fiscal 2007 in accordance with the Town Charter. Continued appropriations constitute a reservation of the fund balance. The following table summarizes the budget operating results:

	Fiscal 2008			Fiscal 2007		
	Adjusted	Budget	Positive	Adjusted	Budget	Positive
	Budget	Actual	(Negative) Variance	Budget	Actual	(Negative) Variance
Revenues	\$ 98,159	\$ 100,416	\$ 2,257	\$ 93,622	\$ 96,039	\$ 2,417
Expenditures	102,571	98,520	4,051	95,539	92,572	2,967
Subtotal	\$ (4,412)	\$ 1,896	\$ 6,308	\$ (1,917)	\$ 3,467	\$ 5,384

\$1,014 in unexpended capital appropriations have been carried forward to fiscal 2009.

The detail of budget variances is shown on pages 63 through 66 of this report. The revenue variances for the year are shown in the following table (000's):

	Fiscal 2008			Fiscal 2007		
	Adjusted	Budget	Positive	Adjusted	Budget	Positive
	Budget	Actual	(Negative) Variance	Budget	Actual	(Negative) Variance
Property taxes, interest and lien fees	\$ 91,794	\$ 92,617	\$ 823	\$ 87,733	\$ 88,068	\$ 335
Intergovernmental	2,464	3,872	1,408	2,324	3,277	953
Licenses, fees and permits	1,968	1,907	(61)	2,242	1,981	(261)
Interest	1,645	1,560	(85)	930	2,004	1,074
Other	288	460	172	392	709	317
Total	\$ 98,159	\$ 100,416	\$ 2,257	\$ 93,621	\$ 96,039	\$ 2,418

Of the property tax variance, \$65 is due to current tax revenue. Back taxes varied positively by \$70 and interest and lien fees by \$103. In intergovernmental revenue, the State Education Cost Sharing and Excess Cost Special Education grants exceeded the budget by \$519 and \$637 respectively. The investment income variance occurred because of successive decreases in short-term rates. Licenses, permits and fees varied negatively because of lower Real Estate Transfer Taxes (\$65). The positive variance in Other

Revenue was largely due to additional rental income from the Comstock Community Center (\$61) and the sale of miscellaneous Town-owned vehicles and equipment (\$74).

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

General Fund Expenditures Fiscal Years 2008 and 2007 (000's)

	Fiscal 2008			Fiscal 2007		
	Final Budget	Actual	Positive (Negative) Variance	Final Budget	Actual	Positive (Negative) Variance
General Government	\$ 4,120	\$ 3,747	\$ 373	\$ 3,761	\$ 3,449	\$ 312
Public Safety	10,871	10,596	275	10,337	10,153	184
Public Works	2,514	2,554	(40)	2,405	2,220	185
Health & Welfare	1,400	1,378	22	1,361	1,343	18
Other	5,564	5,049	515	4,620	4,674	(54)
Recreation	1,243	1,193	50	1,117	1,068	49
Education	64,593	63,735	858	59,965	58,955	1,010
Capital	2,318	1,250	1,068	2,144	1,631	513
Debt service	9,019	9,018	1	9,073	9,079	(6)
Additional appropriations	929	-	929	756	-	756
Total	\$ 102,571	\$ 98,520	\$ 4,051	\$ 95,539	\$ 92,572	\$ 2,967

Additional appropriations during the year from the Board of Finance and Board of Selectmen contingencies were \$35 and \$47 respectively.

The Wilton Board of Education ended fiscal 2008 with a final positive variance to budget of \$858 after expenditures were reduced by applying \$782 of the Excess Cost Grant. The total grant was \$1,718. State statute requires that the grant first be used to offset the amount by which the Board of Education's special education expenditures exceed the amount budgeted for them even if the total Board of Education budget will not be exceeded.

The Board of Education's Health Insurance Internal Service Fund ended the year with a positive result of \$320 and a resulting fund balance of \$3,353.

**Capital Asset and Debt Administration
(000's omitted throughout unless otherwise obvious from context)**

Capital assets. The Town's investment in capital assets as of June 30, 2008, is \$145 (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 sewer mains, athletic fields, vehicles, rolling stock and fire apparatus, and school improvements.

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

	Fiscal 2008			Fiscal 2007		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 22,417	\$ 82	\$ 22,499	\$ 22,417	\$ 82	\$ 22,499
Buildings and other improvements	79,657	-	79,657	81,430	-	81,430
Machinery, equipment and infrastructure	33,311	2,717	36,028	32,567	1,905	34,472
Construction in progress	6,595	-	6,595	4,657	830	5,487
Total	\$ 141,980	\$ 2,799	\$ 144,779	\$ 141,071	\$ 2,817	\$ 143,888

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 \$67, 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, \$283 will be paid from water capital assessments.

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

	2008	2007	2006	2005	2004
Governmental Activities	\$ 67,000	\$ 69,293	\$ 71,216	\$ 73,000	\$ 75,808
Business-Type Activities	30	37	44	50	57
Total	\$ 67,030	\$ 69,330	\$ 71,260	\$ 73,050	\$ 75,865

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, 2008, Wilton's statutory debt limitation was \$647,551.

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

Pension and Other Post Employment Benefits

The Town maintains a defined benefit, contributory pension plan for eligible employees of the Town, the Board of Education and the Wilton Library Association. According to an actuarial valuation dated July 1, 2008, the plan's funded ratio is 88.2% versus 82.7% as of July 1, 2007. In developing the fiscal 2008 budget, the Board of Finance adopted the following policy of making additional contributions, depending upon the Plan's funded ratio.

Funded Ratio	Employer's Contribution
Less than 85%	120% of actuary's recommendation
85% to 89.9%	115% of actuary's recommendation
90% to 99.9%	110% of actuary's recommendation
>99%	100% of actuary's recommendation

The actuary's recommended contribution for fiscal 2008 was \$2,811. In accordance with the policy above, the actual contribution was \$3,374.

In order to comply with GASB Statement No. 43, the Town created an Other Post-Employment Benefits Trust on July 1, 2007. The purpose of the trust is to account for the financing on post-employment health insurance for eligible employees of the Town and the Board of Education. Based on a July 1, 2008 actuarial valuation, the present value of projected benefits was \$7,843 and of the benefits earned to date, \$5,002. The Annual Required Contribution (ARC) for Fiscal 2008, using a 5% discount rate, was \$555 which the Town made in July 2007.

The summarized operating results of the OPEB Trust's first year are:

	Board of Education	Town	Total
Revenues			
Employer's Contribution	\$ 290	\$ 265	\$ 555
Employee Contributions	437	58	495
State Reimbursement for BOE	78	-	78
Interest	21	-	21
Total Revenues	826	323	1,149
Expenses			
Insurance Premiums & Benefits	664	116	780
Administration	2	-	2
Total Expenses	666	116	782
Change in Net Assets	160	207	367
Beginning Net Assets	-	-	-
Ending Net Assets	\$ 160	\$ 207	\$ 367

Economic Factors and Next Year's Budgets and Rates

- ◆ According to the 2000 Census, Wilton's median family income was \$162.
- ◆ As of December 2008, Wilton's unemployment rate was 4.7%, comparing favorably to the State's average unemployment rate of 6.6% and the Stamford Labor Market of 6.0%. (Source: Connecticut Department of Labor).
- ◆ The Net Taxable Grand List of October 1, 2006 on which the fiscal 2008 mill rate was based was \$3,805,948, an increase of .97% over the October, 2005 Grand List.
- ◆ For Fiscal 2008, the collection rate (for revenue recognition purposes) of current property taxes was 99.4% of the adjusted taxes to be collected. For back taxes, 36% of the adjusted receivable outstanding at July 1, 2007 was collected.

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 2009 general fund budget. Equally important was the need to maintain a general fund balance at a level consistent with a Moody's AAA credit rating. The fiscal 2009 budget as recommended by the Board of Finance and adopted by the Annual Town Meeting calls for revenues of \$101,911 and appropriations of \$107,583. The budget was balanced by the use of \$5,672 of the June 30, 2008 ending fund balance. The mill rate is 19.31.

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. The email address is joe.dolan@wiltonct.org

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Basic Financial Statements

TOWN OF WILTON, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2008

	Governmental Activities	Business-Type Activities	Total*
Assets			
Cash and cash equivalents	\$ 16,654,041	\$ 7,524,847	\$ 24,178,888
Investments	21,613,287	-	21,613,287
Receivables, net of allowances for collection losses:			
Property taxes	1,733,116	-	1,733,116
Intergovernmental	1,677,606	-	1,677,606
Special assessments	206,017	1,844,974	2,050,991
Other	762,244	-	762,244
Inventories	16,607	-	16,607
Prepays and other	31,967	-	31,967
Net pension asset	564,527	-	564,527
Capital assets, net of accumulated depreciation	141,979,746	2,799,142	144,778,888
Total assets	185,239,158	12,168,963	197,408,121
Liabilities			
Accounts payable and accrued liabilities	8,170,614	165,656	8,336,270
Intergovernmental payables	19,284	-	19,284
Property taxes collected in advance	2,641,902	-	2,641,902
Unearned revenues	715,292	43,365	758,657
Internal balances	(61,700)	61,700	-
Noncurrent liabilities:			
Due within one year	7,117,329	20,001	7,137,330
Due in more than one year	63,594,911	24,207	63,619,118
Total liabilities	82,197,632	314,929	82,512,561
Net Assets			
Investment in capital assets, net of related debt	77,342,966	2,754,934	80,097,900
Unrestricted	25,698,560	9,099,100	34,797,660
Total net assets	\$ 103,041,526	\$ 11,854,034	\$ 114,895,560

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, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ (4,492,477)	\$ 1,698,099	\$ -	\$ -	\$ (2,794,378)	\$ -	\$ (2,794,378)
Public safety	(11,974,326)	393,572	5,541	-	(11,575,213)	-	(11,575,213)
Public works	(4,092,329)	54,285	-	270,134	(3,767,910)	-	(3,767,910)
Public health and welfare	(1,559,421)	70,763	21,530	-	(1,467,128)	-	(1,467,128)
Education	(74,176,651)	2,602,682	8,559,693	89,075	(62,925,201)	-	(62,925,201)
Recreation and Parks Commission	(2,217,751)	751,847	-	-	(1,465,904)	-	(1,465,904)
Library and other	(2,929,258)	-	-	-	(2,929,258)	-	(2,929,258)
Interest on long-term debt	(3,011,513)	-	-	-	(3,011,513)	-	(3,011,513)
Total governmental activities	(104,453,726)	5,571,248	8,586,764	359,209	(89,936,505)	-	(89,936,505)
Business-type activities:							
WPCA	(736,011)	2,145,911	-	-	-	1,409,900	1,409,900
Transfer station	(1,039,997)	1,239,976	-	-	-	199,979	199,979
Total business-type activities	(1,776,008)	3,385,887	-	-	-	1,609,879	1,609,879
Total government	\$ (106,229,734)	\$ 8,957,135	\$ 8,586,764	\$ 359,209	\$ (89,936,505)	\$ 1,609,879	\$ (88,326,626)
General revenues:							
Property taxes					\$ 92,760,472	\$ -	\$ 92,760,472
Grants and contributions not restricted to specific programs					795,394	-	795,394
Unrestricted investment earnings					1,620,804	415,831	2,036,635
Miscellaneous					440,474	-	440,474
Total general revenues					95,617,144	415,831	96,032,975
Extraordinary Item							
State teachers on-behalf payments (Note 13)					(18,172,000)	-	(18,172,000)
State teachers on-behalf revenue (Note 13)					18,172,000	-	18,172,000
					-	-	-
Change in net assets					5,680,639	2,025,710	7,706,349
Net assets - beginning					97,360,887	9,828,324	107,189,211
Net assets - ending					\$ 103,041,526	\$ 11,854,034	\$ 114,895,560

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

TOWN OF WILTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 6,516,425	\$ 5,991,124	\$ 12,507,549
Investments	21,613,287	-	21,613,287
Receivables, net of allowances for collection losses:			
Property taxes	1,733,116	-	1,733,116
Intergovernmental	1,650,367	27,239	1,677,606
Special assessments	-	206,017	206,017
Other	281,866	243,679	525,545
Due from other funds	712,512	58,298	770,810
Inventories	-	16,607	16,607
Prepays	5,773	26,194	31,967
Total assets	\$ 32,513,346	\$ 6,569,158	\$ 39,082,504
Liabilities			
Accounts payable and accruals	\$ 2,006,954	\$ 803,214	\$ 2,810,168
Intergovernmental payables	19,284	-	19,284
Property taxes collected in advance	2,641,902	-	2,641,902
Performance bonds	3,201,481	-	3,201,481
Due to other funds	40,343	668,767	709,110
Unearned revenues	405,116	310,176	715,292
Deferred revenue	3,120,332	206,017	3,326,349
Total liabilities	11,435,412	1,988,174	13,423,586
Fund balances			
Reserved for:			
Prepaid items	5,773	26,194	31,967
Encumbrances	754,298	-	754,298
Continuing appropriations	1,013,600	-	1,013,600
Inventory	-	16,607	16,607
Donor's intentions	-	9,674	9,674
Unreserved:			
Designated for:			
Debt service	-	325,816	325,816
Capital improvements	-	1,945,091	1,945,091
Future years	5,672,255	-	5,672,255
Unreserved, reported in:			
Special revenue funds	-	2,172,554	2,172,554
Capital projects funds	-	85,048	85,048
General Fund	13,632,008	-	13,632,008
Total fund balances	21,077,934	4,580,984	25,658,918
Total liabilities and fund balances	\$ 32,513,346	\$ 6,569,158	

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

Capital assets, net of accumulated depreciation of \$54,739,935, 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.	141,979,746
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized.	121,103
Deferred Revenue	3,326,349
Net pension asset	564,527
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.	3,352,699
Accrued interest payable	(1,249,576)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(70,712,240)

Net assets of governmental activities	\$ 103,041,526
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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 -
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2008

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 92,617,107	\$ -	\$ 92,617,107
Intergovernmental	8,967,861	774,572	9,742,433
Licenses and permits	1,913,057	1,092,663	3,005,720
Investments income	1,559,604	61,200	1,620,804
Tuition	-	1,314,268	1,314,268
School lunch sales	-	1,276,803	1,276,803
Contributions	-	228,194	228,194
Other revenue	448,783	-	448,783
Total revenues	105,506,412	4,747,700	110,254,112
EXPENDITURES			
Current:			
General government	3,599,335	240,266	3,839,601
Education	69,063,730	3,271,979	72,335,709
Public safety	10,706,978	356,594	11,063,572
Public works	2,553,158	-	2,553,158
Public health and welfare	1,512,703	6,066	1,518,769
Recreation and Parks commission	1,297,856	681,756	1,979,612
Other	4,825,554	-	4,825,554
Debt service:			
Principal retirements	5,958,903	27,047	5,985,950
Interest and other charges	3,058,728	15,913	3,074,641
Capital outlay	1,359,899	3,426,809	4,786,708
Total expenditures	103,936,844	8,026,430	111,963,274
Revenues over (under) expenditures	1,569,568	(3,278,730)	(1,709,162)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	3,740,000	3,740,000
Capital leases issued	146,406	-	146,406
Transfers in	192,622	-	192,622
Transfers out	-	(192,622)	(192,622)
Total other financing sources	339,028	3,547,378	3,886,406
EXTRAORDINARY ITEMS (Note 13)			
State teachers on-behalf payments	18,172,000	-	18,172,000
State teachers on-behalf revenue	(18,172,000)	-	(18,172,000)
Total extraordinary itmes	-	-	-
Net change in fund balances	1,908,596	268,648	2,177,244
FUND BALANCES, beginning	19,169,338	4,312,336	23,481,674
FUND BALANCES, ending	\$ 21,077,934	\$ 4,580,984	\$ 25,658,918

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, 2008**

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

Net change in fund balances – total governmental funds \$ 2,177,244

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 outlay exceeded depreciation in the current period. 909,175

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (119,747)

Change in net pension asset 562,293

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. 2,456,455

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. (625,191)

The net increase of certain activities of internal service funds is reported with governmental activities. 320,410

Change in net assets of governmental activities \$ 5,680,639

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 - CHANGE IN FUND BALANCE - GENERAL FUND
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes, interest and lien fees	\$ 91,794,365	\$ 91,794,365	\$ 92,617,107	\$ 822,742
Intergovernmental	2,463,777	2,463,777	3,872,397	1,408,620
Fees, permits and other	1,967,654	1,967,654	1,907,001	(60,653)
Investment income	1,645,000	1,645,000	1,559,604	(85,396)
Other	288,698	288,698	460,394	171,696
Total revenues	98,159,494	98,159,494	100,416,503	2,257,009
EXPENDITURES AND ENCUMBRANCES				
General government	4,054,922	4,120,137	3,747,208	372,929
Public safety	10,870,754	10,870,754	10,595,626	275,128
Public works	2,513,940	2,513,940	2,553,158	(39,218)
Public health and welfare	1,399,552	1,399,552	1,378,435	21,117
Other	5,588,773	5,563,716	5,049,271	514,445
Recreation and Parks Commission	1,217,824	1,242,881	1,193,047	49,834
Education	64,592,872	64,592,872	63,735,423	857,449
Capital outlay	1,809,175	2,318,198	1,250,135	1,068,063
Debt Service	9,019,690	9,019,690	9,017,631	2,059
Additional appropriations	1,010,674	928,959	-	928,959
Total expenditures and encumbrances	102,078,176	102,570,699	98,519,934	4,050,765
Revenues over (under) expenditures and encumbrances	(3,918,682)	(4,411,205)	1,896,569	6,307,774
Net increase (decrease) in unreserved budgetary fund balance	\$ (3,918,682)	\$ (4,411,205)	1,896,569	\$ 6,307,774
FUND BALANCE, BUDGETARY BASIS, beginning			19,082,431	
FUND BALANCE, BUDGETARY BASIS, ending			\$ 20,979,000	

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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Major	Nonmajor	Totals	Activities
	WPCA	Transfer Station		Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,342,391	\$ 182,456	\$ 7,524,847	\$ 4,146,492
Receivables, net of allowances for collection losses:				
Usage receivable	5,222	53,376	58,598	-
Due from other funds	-	-	-	115,596
Total current assets	<u>7,347,613</u>	<u>235,832</u>	<u>7,583,445</u>	<u>4,262,088</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	2,564,326	234,816	2,799,142	-
Special assessments	1,786,376	-	1,786,376	-
Total noncurrent assets	<u>4,350,702</u>	<u>234,816</u>	<u>4,585,518</u>	<u>-</u>
Total assets	<u>11,698,315</u>	<u>470,648</u>	<u>12,168,963</u>	<u>4,262,088</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	23,914	141,742	165,656	909,389
Due to other funds	11,237	50,463	61,700	-
Unearned revenues	43,365	-	43,365	-
Capital lease	-	13,949	13,949	-
Bonds payable	-	6,052	6,052	-
Total current liabilities	<u>78,516</u>	<u>212,206</u>	<u>290,722</u>	<u>909,389</u>
Noncurrent liabilities:				
Bonds payable	-	24,207	24,207	-
Total liabilities	<u>78,516</u>	<u>236,413</u>	<u>314,929</u>	<u>909,389</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,564,326	190,608	2,754,934	-
Unrestricted	9,055,473	43,627	9,099,100	3,352,699
Total net assets	<u>\$ 11,619,799</u>	<u>\$ 234,235</u>	<u>\$ 11,854,034</u>	<u>\$ 3,352,699</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 -
 PROPRIETARY FUNDS

For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Major	Nonmajor	Totals	Activities
	WPCA	Transfer Station		Internal Service Fund
OPERATING REVENUES				
Usage fees	\$ 393,096	\$ 1,239,976	\$ 1,633,072	\$ -
Premiums	-	-	-	8,675,541
Total operating revenues	<u>393,096</u>	<u>1,239,976</u>	<u>1,633,072</u>	<u>8,675,541</u>
OPERATING EXPENSES				
Operating costs	546,475	1,017,811	1,564,286	46
Claims	-	-	-	8,484,081
Depreciation	189,536	22,186	211,722	-
Total operating expenses	<u>736,011</u>	<u>1,039,997</u>	<u>1,776,008</u>	<u>8,484,127</u>
Operating income (loss)	<u>(342,915)</u>	<u>199,979</u>	<u>(142,936)</u>	<u>191,414</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	413,336	5,277	418,613	128,996
Interest expense	-	(2,782)	(2,782)	-
Total nonoperating revenues (expenses)	<u>413,336</u>	<u>2,495</u>	<u>415,831</u>	<u>128,996</u>
Net income (loss) before contributions	<u>70,421</u>	<u>202,474</u>	<u>272,895</u>	<u>320,410</u>
Capital Contributions				
Special assessments	1,752,815	-	1,752,815	-
	<u>1,752,815</u>	<u>-</u>	<u>1,752,815</u>	<u>-</u>
Change in net assets	<u>1,823,236</u>	<u>202,474</u>	<u>2,025,710</u>	<u>320,410</u>
FUND NET ASSETS, beginning	<u>9,796,563</u>	<u>31,761</u>	<u>9,828,324</u>	<u>3,032,289</u>
FUND NET ASSETS, ending	<u>\$ 11,619,799</u>	<u>\$ 234,235</u>	<u>\$ 11,854,034</u>	<u>\$ 3,352,699</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, 2008

	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	\$ 365,846	\$ 1,258,584	\$ 1,624,430	\$ 8,061,835
Payments to suppliers and personnel	(740,999)	(1,139,545)	(1,880,544)	(7,951,628)
Net cash (used in) provided by operating activities	(375,153)	119,039	(256,114)	110,207
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	-	(35,003)	(35,003)	-
Capital assets purchased	(125,909)	(66,642)	(192,551)	-
Interest paid on debt	-	(2,782)	(2,782)	-
Special assessment proceeds	227,049	-	227,049	-
Net cash provided by (used in) capital and related financing activities	101,140	(104,427)	(3,287)	-
Cash Flows From Investing Activities				
Interest received	413,336	5,277	418,613	128,996
Net cash provided by investing activities	413,336	5,277	418,613	128,996
Net increase in cash and cash equivalents	139,323	19,889	159,212	239,203
Cash and Cash Equivalents				
Beginning	7,203,068	162,567	7,365,635	3,907,289
Ending	<u>\$ 7,342,391</u>	<u>\$ 182,456</u>	<u>\$ 7,524,847</u>	<u>\$ 4,146,492</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities				
Operating income (loss)	\$ (342,915)	\$ 199,979	\$ (142,936)	\$ 191,414
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation	189,536	22,186	211,722	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(3,427)	18,608	15,181	-
Increase in due from other funds	-	-	-	(613,706)
(Decrease) increase in accounts payable and accrued liabilities	(192,661)	16,196	(176,465)	34,389
(Decrease) increase in due to other funds	(1,863)	(137,930)	(139,793)	498,110
Decrease in deferred revenue	(23,823)	-	(23,823)	-
Net cash (used in) provided by operating activities	(375,153)	119,039	(256,114)	110,207

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, 2008

	Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 515,580	\$ 489,506
Investments, at fair value		
Mutual funds	52,214,645	-
Total investments	52,214,645	-
Contribution receivable	156,424	-
Prepays	194,295	-
Total assets	53,080,944	489,506
LIABILITIES		
Accounts payable	171,345	-
Due to other funds	115,596	-
Due to student groups	-	489,506
Total liabilities	286,941	489,506
Net Assets Held in Trust for Pension Benefits and Other Purposes	\$ 52,794,003	\$ -

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

TOWN OF WILTON, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS-FIDUCIARY FUNDS

For the Year Ended June 30, 2008

	<u>Trust Funds</u>
Additions	
Contributions	
Employer	\$ 3,928,682
Plan members	1,672,043
Total contributions	<u>5,600,725</u>
Investment Income	
Net depreciation in fair value of investments	(4,961,971)
Interest and dividends	1,645,301
	<u>(3,316,670)</u>
Less investment expense	(85,193)
Net investment loss	<u>(3,401,863)</u>
Total additions	<u>2,198,862</u>
Deductions	
Benefits paid	3,119,184
Other	2,000
	<u>3,121,184</u>
Change in net assets	(922,322)
Net Assets	
Beginning of year	<u>53,716,325</u>
End of year	<u>\$ 52,794,003</u>

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

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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.

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

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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, charges for services, 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 only when cash is received by the Town.

The Town reports the following major governmental fund.

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 Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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.

The *Trust Funds* account for the activities of the Town's benefit pension plans and other post-employment benefit trust, which accumulates resources for pension and other post-employment benefit payments to qualified employees and retirees. The Trust 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.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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. The principal operating revenues of the Town's internal service funds are charges to other Town funds for medical insurance premiums. Operating expenses for internal service funds include the cost of claims and administrative expenses. 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 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, U.S. treasury notes and certificates of deposit with original maturities of three months or less, when purchased as cash equivalents.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Investments

Investments are carried at fair value based on quoted market prices. 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 value of the position in the pool is the same as the value of the pool shares and are recorded at amortized cost.

Inventories

Inventories are stated at lower of cost 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 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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40-50
Infrastructure	20-75
Machinery and equipment	5-20

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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 fund 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 general fund 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 interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Risks and uncertainties

The Town invests in various securities, including commercial paper and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

Encumbrances

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.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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 reserved 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 paid. 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.

Funding Policy:

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

OPEB accounting

OPEB Trust:

Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide the contributions.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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, 2008

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	\$ 66,999,740
Capital leases payable	327,181
Compensated absences	3,116,000
Claims and judgments	<u>269,319</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 70,712,240</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	\$ 4,574,159
Depreciation expense	(3,614,697)
Loss on disposal	<u>(50,287)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 909,175</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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	\$ (3,740,000)
Capital lease	(146,406)
Principal repayments:	
General obligation debt	6,033,340
Capital lease	<u>309,521</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,456,455</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	\$ (419,000)
Accrued interest	63,128
Claims and judgments	<u>(269,319)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (625,191)</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 3. Budgets and Budgetary Accounting

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.

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 \$493,000 during the year ended June 30, 2008.

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 \$1,014,000 of appropriations continued in force as of June 30, 2008.

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 and other financing sources, budgetary basis	\$ 100,416,503
Education excess cost grant revenue presented as a reduction of education expenditures for budgetary purposes	781,531
Capital lease proceeds	146,406
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	<u>4,501,000</u>
Revenues and other financing sources, GAAP basis	<u><u>\$ 105,845,440</u></u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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, encumbrances and other financing uses, budgetary basis	\$ 98,519,934
Education excess cost grant revenue presented as a reduction of education expenditures for budgetary purposes	781,531
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	4,501,000
Purchased equipment under capital leases	146,406
Encumbrances:	
Prior year's encumbrances, liquidated during the year ended June 30, 2008	742,271
Current year's encumbrances, outstanding as of June 30, 2008	<u>(754,298)</u>
Expenditures and other financing uses, GAAP basis, end of year	<u>\$ 103,936,844</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	\$ 20,979,000
Prior year effects including encumbrances	86,907
Encumbrances:	
Prior year's encumbrances, liquidated during the year ended June 30, 2008	(742,271)
Current year's encumbrances, outstanding as of June 30, 2008	<u>754,298</u>
Fund balance, GAAP basis, end of year	<u>\$ 21,077,934</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, 2008

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 and Pension Trust Fund do not have a custodial credit risk policy 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 in a target range of 45%-65% in equity investments, 35%-55% in fixed income and cash equivalents and no more than 20% in non-U.S. investments.

Interest rate risk: The Town and pension plan do 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 or pension payments, 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 and pension plan do 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, 2008, \$7,183,000 of the Town's bank balance of \$8,281,000 was uninsured and uncollateralized.

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. The Town has no investments subject to this risk.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

The Town and Pension Trust have no investment subject to custodial credit risk, as their investments are in mutual funds.

Cash and investments of the Town consist of the following at June 30, 2008:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 8,895,616
State of Connecticut Short-Term Investment Fund	15,542,560
Tax Exempt Proceeds Fund	235,227
Municipal Backed Investment Fund	510,571
Total cash and cash equivalents	<u>25,183,974</u>
Investments	
General Fund:	
Money Market Mutual Funds	<u>21,613,287</u>
Pension Trust Funds:	
Equity Mutual Funds	30,122,125
Money Market Mutual Funds	163,839
Bond Mutual Funds	21,928,681
Total pension investments	<u>52,214,645</u>
Total investments	<u>73,827,932</u>
Total cash and investments	<u>\$ 99,011,906</u>

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

Statement of Net Assets	
Cash and cash equivalents	\$ 24,178,888
Investments	<u>21,613,287</u>
	<u>45,792,175</u>
Fiduciary Funds:	
Cash and cash equivalents	1,005,086
Investments	<u>52,214,645</u>
	<u>53,219,731</u>
Total cash and investments	<u>\$ 99,011,906</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2008

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 Town's debt type investments to this risk using the segmented time distribution model is as follows:

Summary of Investments	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1-5 Years	6-10 Years
Bond Mutual Funds	\$ 21,928,681	\$ -	\$ 21,364,683	\$ 563,998
Money Market Mutual Funds	21,777,126	21,777,126	-	-
Pooled fixed income	16,288,358	16,288,358	-	-
TOTAL	\$ 59,994,165	\$ 38,065,484	\$ 21,364,683	\$ 563,998

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	Money Market Mutual Funds	Pooled Fixed Income
AAA	\$ -	\$ -	\$ 510,571
AA	21,928,681	-	-
AAA/M	-	-	15,542,560
Unrated	-	21,777,126	235,227
	\$ 21,928,681	\$ 21,777,126	\$ 16,288,358

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 5. Unearned Revenue/Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities report unearned revenues 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 and deferred revenue reported in the governmental funds and governmental activities are as follows:

	Unearned Revenue	Deferred Revenue
General Fund:		
Property taxes	\$ -	\$ 1,467,729
School construction	-	1,652,603
Grant drawdowns prior to meeting all eligibility requirements	405,116	-
	<u>405,116</u>	<u>3,120,332</u>
Nonmajor Governmental Funds	<u>310,176</u>	<u>206,017</u>
Total	<u>\$ 715,292</u>	<u>\$ 3,326,349</u>

Note 6. Interfund Receivables and Payables

As of June 30, 2008, amounts due to and due from other funds were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 712,512	\$ 40,343
Nonmajor Governmental Funds	58,298	668,767
WPCA	-	11,237
Transfer Station	-	50,463
Internal Service Fund	115,596	-
OPEB Trust Fund	-	115,596
Total	<u>\$ 886,406</u>	<u>\$ 886,406</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, 2008

Interfund transfers during the year ended June 30, 2008 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 192,622	\$ -
Nonmajor Governmental Funds	-	192,622
Total	\$ 192,622	\$ 192,622

Transfers are used to account for financing by the General Fund of programs accounted for in other funds in accordance with budgetary authorizations.

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 22,416,543	\$ -	\$ -	\$ 22,416,543
Construction in progress	4,656,890	1,937,753	-	6,594,643
Total capital assets, not being depreciated	27,073,433	1,937,753	-	29,011,186
Capital assets, being depreciated:				
Buildings and improvements	118,409,575	804,748	-	119,214,323
Machinery and equipment	9,000,690	1,831,658	551,329	10,281,019
Infrastructure	37,813,153	-	-	37,813,153
Total capital assets being depreciated	165,223,418	2,636,406	551,329	167,308,495
Less accumulated depreciation for:				
Buildings and improvements	36,979,145	2,578,451	-	39,557,596
Machinery and equipment	5,149,179	525,419	501,042	5,173,556
Infrastructure	9,097,956	510,827	-	9,608,783
Total accumulated depreciation	51,226,280	3,614,697	501,042	54,339,935
Total capital assets, being depreciated, net	113,997,138	(978,291)	50,287	112,968,560
Governmental activities capital assets, net	\$ 141,070,571	\$ 959,462	\$ 50,287	\$ 141,979,746

TOWN OF WILTON, CONNECTICUT

**NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008**

	Beginning Balance	Additions	Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 82,290	\$ -	\$ -	\$ 82,290
Construction in progress	830,369	-	830,369	-
Total capital assets, not being depreciated	<u>912,659</u>	<u>-</u>	<u>830,369</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	7,528,793	1,022,920	-	8,551,713
Total capital assets, being depreciated	<u>7,722,075</u>	<u>1,022,920</u>	<u>-</u>	<u>8,744,995</u>
Less accumulated depreciation for:				
Buildings and improvements	192,980	-	-	192,980
Machinery, equipment, distribution and collection systems, mains and extensions	5,623,441	211,722	-	5,835,163
Total accumulated depreciation	<u>5,816,421</u>	<u>211,722</u>	<u>-</u>	<u>6,028,143</u>
Total capital assets, being depreciated, net	<u>1,905,654</u>	<u>811,198</u>	<u>-</u>	<u>2,716,852</u>
Business-type activities capital assets, net	<u>\$ 2,818,313</u>	<u>\$ 811,198</u>	<u>\$ 830,369</u>	<u>\$ 2,799,142</u>

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

Governmental Activities:	
General government	\$ 657,356
Education	2,161,352
Public safety	421,020
Recreation and Parks commission	163,213
Public works	208,127
Other	3,629
Total depreciation expense - governmental activities	<u>\$ 3,614,697</u>
Business-Type Activities:	
WPCA	\$ 189,536
Transfer Station	22,186
Total depreciation expense - business-type activities	<u>\$ 211,722</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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	\$ 69,293,080	\$ 3,740,000	\$ (6,033,340)	\$ 66,999,740	\$ 6,248,948
Total bonds and notes payable	69,293,080	3,740,000	(6,033,340)	66,999,740	6,248,948
Compensated absences	2,697,000	577,165	(158,165)	3,116,000	623,200
Capital leases payable	490,296	146,406	(309,521)	327,181	245,181
Claims and judgments	-	269,319	-	269,319	-
Governmental activity long-term liabilities	\$ 72,480,376	\$ 4,732,890	\$ (6,501,026)	\$ 70,712,240	\$ 7,117,329
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 36,920	\$ -	\$ (6,661)	\$ 30,259	\$ 6,052
Capital lease payable	42,291	-	(28,342)	13,949	13,949
Total bonds and capital leases payable	79,211	-	(35,003)	44,208	20,001
Business-type activity long-term liabilities	\$ 79,211	\$ -	\$ (35,003)	\$ 44,208	\$ 20,001

General obligation bonds

As of June 30, 2008, the outstanding long-term indebtedness of the Town payable from its governmental activities, was as follows:

	Outstanding Amount
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%.	\$ 4,660,000

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

	<u>Outstanding Amount</u>
\$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%	4,640,000
\$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%	2,150,000
\$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%	9,470,000
\$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%	6,420,000
\$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%	9,765,000
\$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%.	14,850,000
\$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%	1,215,000
\$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%	969,740

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

	<u>Outstanding Amount</u>
\$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%	720,000
\$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%	570,000
\$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%	430,000
\$4,130,000 bond, issue of 11/22/05 due 11/22/23, annual principal payments range from \$200,000 to \$260,000, plus interest due semiannually at 3.65% to 4.05%	3,610,000
\$4,055,000 bond, issue of 11/15/06 due 11/15/24, annual principal payments range from \$200,000 to \$265,000, plus interest due semiannually at 3.625% to 4.0%	3,790,000
\$3,740,000 bond, issue to 11/15/07 due 11/15/22, annual principal payments range from \$245,000 to \$250,000, plus interest due semiannually at 3.3% to 4.0%.	3,740,000
	<u>\$ 66,999,740</u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2008

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

	Principal		Interest		Total
2009	\$ 6,248,948	\$	2,965,177	\$	9,214,125
2010	6,228,948		2,614,648		8,843,596
2011	6,003,948		2,342,836		8,346,784
2012	5,858,948		2,078,935		7,937,883
2013	5,658,948		1,821,865		7,480,813
2014	5,450,000		1,573,940		7,023,940
2015	5,260,000		1,333,015		6,593,015
2016	5,245,000		1,095,470		6,340,470
2017	5,245,000		855,640		6,100,640
2018	5,215,000		615,879		5,830,879
2019	3,480,000		410,447		3,890,447
2020	2,570,000		271,671		2,841,671
2021	1,255,000		168,750		1,423,750
2022	1,250,000		116,787		1,366,787
2023	920,000		64,519		984,519
2024	675,000		31,881		706,881
2025	435,000		8,994		443,994
Total	<u>\$ 66,999,740</u>	<u>\$</u>	<u>18,370,454</u>	<u>\$</u>	<u>85,370,194</u>

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%

\$ 30,259

**Amount to be financed and paid through business-type
 activities**

\$ 30,259

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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

	Principal	Interest	Total
2008	\$ 6,052	\$ 1,676	\$ 7,728
2009	6,052	1,351	7,403
2010	6,052	1,023	7,075
2011	6,052	693	6,745
2012	6,051	363	6,414
Total	<u>\$ 30,259</u>	<u>\$ 5,106</u>	<u>\$ 35,365</u>

Lease commitments

Property and equipment carried at approximately \$752,123, with approximately \$530,000 in accumulated depreciation, in the governmental and business-type activities is being acquired under capital lease arrangements.

	Capital
2009	\$ 259,130
2010	82,000
Total minimum lease payments	<u>341,130</u>
Less interest	<u>(6,959)</u>
Present value of minimum payments	<u>\$ 334,171</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, 2008 was approximately \$315,000. Additional payments for principal and interest aggregating approximately \$1,998,000 are expected to be received through the bonds' maturity dates.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2008

Debt limitation

The Town's statement of debt limitation under Connecticut General Statutes, Section 7-434(b) as of June 30, 2008, is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2008	\$ 92,463,081
Reimbursement for revenue loss:	
Tax relief for elderly	44,171
Base	<u>\$ 92,507,252</u>

The Connecticut General Statutes provide the total authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$647,550,764 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	\$ 208,141,317	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	416,282,634	-	-	-
3-3/4 times base	-	-	346,902,195	-	-
3-1/4 times base	-	-	-	300,648,569	-
3 times base	-	-	-	-	277,521,756
Total debt limitation	<u>208,141,317</u>	<u>416,282,634</u>	<u>346,902,195</u>	<u>300,648,569</u>	<u>277,521,756</u>
Debt as defined by statute:					
Bonds payable ⁽¹⁾	37,419,187	29,297,526	-	-	-
Bonds authorized but unissued	-	950,000	-	-	-
Construction grants	-	(1,652,603)	-	-	-
Total indebtedness	<u>37,419,187</u>	<u>28,594,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 170,722,130</u>	<u>\$ 387,687,711</u>	<u>\$ 346,902,195</u>	<u>\$ 300,648,569</u>	<u>\$ 277,521,756</u>

(1) Water bonds of \$283,030 are excluded from this calculation in accordance with Connecticut General Statutes.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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, 2008 is \$3,116,000. This liability is recorded in the government-wide financial statements.

Note 9. Fund Deficits

As of June 30, 2008, the following funds had deficits:

Educational Entitlement Grants	\$	40,887
School Lunch	\$	35,791
Youth Services	\$	60
Debt Issuance 1998	\$	6,975
Debt Issuance 2005	\$	39,958
Debt Issuance 2009	\$	533,735

The Town anticipates financing these deficits through permanent financing and/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 have a material adverse effect 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 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).

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2008

Note 11. Employee Defined Benefit 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. • AFSCME Local 1303-160 Non-Union Employees hired after June 30, 2007.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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, and, for the period on and after January 1, 2006, unless they were persons whose paid employment results from holding an elective office other than First Selectman (regardless of whether the elected official had been a Member of Part III of the Plan prior to becoming an elected official.)
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 custodians, who are calculated as 2.0% of Average Annual Salary.</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% for all but Board of Education custodians, whose maximum benefit is 60.0%.</p>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Provisions	Police	Firefighters	Other Employees
Employee Contribution Obligations	7.75% of compensation.	7.5% of compensation.	6.0% of compensation for all but Board of Education custodians, who are at 3.5% of compensation.
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" for all but Board of Education custodians.
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 for all but Board of Education custodians.

The Town's annual pension cost and the change in the net pension asset during the year ended June 30, 2008, is as follows:

Annual required contribution	\$ 2,811,382
Interest on net pension obligation	(174)
Adjustment to annual required contribution	181
Annual pension cost	<u>2,811,389</u>
Contributions made	<u>3,373,682</u>
Increase in net pension asset	562,293
Net pension asset, beginning of year	2,234
Net pension asset, end of year	<u><u>\$ 564,527</u></u>

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Membership in the Plan consisted of the following at June 30, 2008, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	133
Terminated plan members entitled to, but not yet receiving benefits	61
Active plan members	<u>374</u>
Total	<u>568</u>

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/06	\$ 1,907,437	100.0%	\$ (2,239)
6/30/07	\$ 2,168,036	100.0%	\$ (2,234)
6/30/08	\$ 2,811,389	120.0%	\$ (564,527)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Actuarially Required Contribution	Actual Contribution	Percentage Contributed
2003	\$ 894,620	\$ 894,620	100%
2004	1,267,482	1,264,142	100%
2005	1,536,511	1,536,511	100%
2006	1,907,433	1,907,433	100%
2007	2,168,031	2,168,031	100%
2008	2,811,382	3,373,682	120%

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under Funded AAL (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	(Over)/Under Funded AAL Percentage of Covered Payroll ((b-a)/c)
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%
June 30, 2006	44,576,272	54,532,889	9,956,617	81.7%	16,745,475	59.5%
June 30, 2007	50,467,055	61,011,744	10,544,689	82.7%	17,677,903	59.6%
June 30, 2008	56,408,328	63,924,453	7,516,125	88.2%	17,785,135	42.3%

Significant actuarial assumptions are as follows:

Valuation date	June 30, 2008
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	7.8%
Projected salary increases	4.5%
Inflation rate	3.5%
Cost of living adjustment	2.5%
Mortality	UP94 – projected to 2017
Retirement Age	Normal retirement age, but not earlier than one year after the valuation date. Minimum age 55 for Fire, Town, Library and Board of Education (except for custodians). Minimum age 54 for Police.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2008

SCHEDULE OF PLAN NET ASSETS
 June 30, 2008

	Trust Funds		
	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 515,580	\$ 515,580
Investments, at fair value			
Mutual funds	52,214,645	-	52,214,645
Total investments	52,214,645	-	52,214,645
Contribution receivable	156,424	-	156,424
Prepays	176,365	17,930	194,295
Due from other funds	-	-	-
Total assets	52,547,434	533,510	53,080,944
LIABILITIES			
Accounts payable	120,734	50,611	171,345
Due to other funds	-	115,596	115,596
Total liabilities	120,734	166,207	286,941
Net Assets Held for Trust for Pension and OPEB Benefits	\$ 52,426,700	\$ 367,303	\$ 52,794,003

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2008

SCHEDULE OF CHANGES IN PLAN NET ASSETS
 Year Ended June 30, 2008

	Trust Funds		
	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Employer contributions	\$ 3,373,682	\$ 555,000	\$ 3,928,682
Employee contributions	1,098,917	573,126	1,672,043
Total additions	4,472,599	1,128,126	5,600,725
Investment Income:			
Net depreciation in fair value of investments	(4,961,971)	-	(4,961,971)
Interest and dividends	1,624,185	21,116	1,645,301
	(3,337,786)	21,116	(3,316,670)
Less investment expenses:			
Investment management fee	(85,193)	-	(85,193)
Net investment income (loss)	(3,422,979)	21,116	(3,401,863)
Total additions	1,049,620	1,149,242	2,198,862
Deductions:			
Benefits	2,339,245	779,939	3,119,184
Administration	-	2,000	2,000
Total deductions	2,339,245	781,939	3,121,184
Change in net assets	(1,289,625)	367,303	(922,322)
Net Assets, beginning of year	53,716,325	-	53,716,325
Net Assets, end of year	\$ 52,426,700	\$ 367,303	\$ 52,794,003

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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 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 State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

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 \$22,673,000 for the year ended June 30, 2008, of which \$18,172,000 was reported as an extraordinary item (see Note 13).

Defined Contribution Pension Plan

Beginning in 2008, the Town provides pension benefits for all full-time Town employees hired after July 1, 2007, except members of the Police Department and Fire Department, through a single employer, contributory, defined contribution pension plan. In a defined contribution pension plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate in the Plan upon employment. Any participant who has attained his normal retirement date and required years of credited service is eligible for a normal retirement benefit. The normal retirement date for participating employees is attained at age 65.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

The Plan requires the Town to contribute an amount equal to 9% of the employee's annual salary. Employees are required to contribute 5% of their annual salary. The Town contributions for each employee (and interest allocated to the employee's account) are vested as follows:

The Town elects to pick up the required participant.

<u>Years of Credited Service</u>	<u>Vesting Percentage</u>
Under 5	0%
5	100%

Loans are not permitted under the Plan.

The Town's total current year-end covered payroll for the 2008 fiscal year was approximately \$107,000. Town contributions amounted to \$9,972. Employees contributed \$5,115 to the Plan. Contributions made by the Town and its employees represent 9% and 5%, respectively, of covered payroll for the year.

The assets for the plan are held by ICMA Retirement Corporation. The balance of the plan amounted to approximately \$14,000 at June 30, 2008 and is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

Note 12. Risk Management

The Town is exposed to various risks of loss related to employee health; 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 employee health insurance activities in the Board of Education Internal Service Fund. Claim expense 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 BOE also purchases "stop loss" insurance to limit its losses to \$175,000 per person per year with a maximum aggregate for all claims of approximately \$8,300,000 for fiscal year 2008.

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's stop loss limits under this Plan are \$250,000 per occurrence, per year, and \$650,000 aggregate per incident for fiscal year 2008.

The Town records expenditures for Heart & Hypertension claims in the governmental statement of activities.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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

Fiscal Year Ended	IBNR			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
	2007	\$ 1,300,000	\$ 6,965,317	\$ 7,390,317
2008	\$ 875,000	\$ 8,518,470	\$ 8,484,081	\$ 909,389

Fiscal Year Ended	Heart & Hypertension			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
	2007	\$ -	\$ -	\$ -
2008	\$ -	\$ 269,319	\$ -	\$ 269,319

Note 13. Extraordinary item

The State of Connecticut issued approximately \$2.3 billion in taxable general obligation bonds to be used for deposit into the State of Connecticut Teachers' Retirement Fund. As contributions to the fund represent on-behalf payment to the Town, an amount of \$18,172,000 has been recorded as an extraordinary item in the Town's financial statements.

Note 14. Subsequent Events

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the Town of Wilton, Connecticut's investments have likely incurred a significant decline in fair value since June 30, 2008.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 15. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2008 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 of the Town:

- ◆ 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 expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.
- ◆ GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," issued December 31, 2006, will be effective for the Town beginning with its fiscal year June 30, 2009, but the liability should be measured at July 1, 2008 so that beginning net assets can be restated. This Statement identifies the circumstances under which a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted, if the pollution poses an imminent danger to the public or the environment, if the government has violated a pollution prevention permit or license, if the government has been named as a responsible party for cleaning up the pollution, if the government began to clean up the pollution, and if the government is named in a lawsuit. In addition, it provides disclosure information about their pollution obligations associated with clean-up efforts.
- ◆ GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," issued June, 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Intangible assets, and more specifically easements, are referred to in the description of capital assets in Statement No. 34, "Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments." This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

TOWN OF WILTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

- ◆ GASB Statement No. 52, “Land and Other Real Estate Held as Investment by Endowments”. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2008.
- ◆ GASB Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

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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, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
PROPERTY TAXES, INTEREST AND LIEN FEES				
Property taxes	\$ 91,579,365	\$ 91,579,365	\$ 92,299,130	\$ 719,765
Interest and lien fees	215,000	215,000	317,977	102,977
Total property taxes, interest and lien fees	91,794,365	91,794,365	92,617,107	822,742
INTERGOVERNMENTAL				
Education	1,657,463	1,657,463	2,813,159	1,155,696
	1,657,463	1,657,463	2,813,159	1,155,696
Town:				
State property refund	83,335	83,335	91,172	7,837
Tax relief for elderly	46,000	46,000	44,413	(1,587)
Town aid road	115,158	115,158	156,871	41,713
Telephone line tax	168,000	168,000	160,373	(7,627)
Veterans exemption	4,500	4,500	4,649	149
Boat tax	14,387	14,387	14,387	-
Pequot pilot	23,757	23,757	22,101	(1,656)
Per capita grant	17,142	17,142	21,530	4,388
Youth Service Bureau	14,000	14,000	14,000	-
Local capital improvement	113,035	113,035	112,569	(466)
New manufacturing equipment	140,000	207,000	224,550	17,550
Manufacturing Equipment	67,000	-	-	-
Capital Project Funds	-	-	192,623	192,623
	806,314	806,314	1,059,238	252,924
Total intergovernmental	2,463,777	2,463,777	3,872,397	1,408,620
FEES, PERMITS AND OTHER				
Town clerk	895,200	895,200	809,926	(85,274)
Building	814,528	814,528	824,882	10,354
Planning and zoning	12,000	12,000	7,691	(4,309)
Zoning Board of Appeals	2,000	2,000	4,172	2,172
Police reports	4,600	4,600	3,377	(1,223)
Finance Department	68,000	68,000	66,232	(1,768)
Police permits	1,000	1,000	1,225	225
DPW permits	5,000	5,000	4,325	(675)
Parking fines	6,500	6,500	6,250	(250)
Other police revenue	-	-	7,035	7,035

TOWN OF WILTON, CONNECTICUT

GENERAL FUND REVENUES - BUDGETARY BASIS -

BUDGET AND ACTUAL, Continued

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
FEES, PERMITS AND OTHER, Continued				
Registrar of Voters	100	100	205	105
Assessor	2,600	2,600	2,375	(225)
Animal Control	6,230	6,230	5,666	(564)
Fire Department	14,400	14,400	21,320	6,920
Environmental Affairs	30,345	30,345	31,261	916
Swimming Fees	27,500	27,500	24,400	(3,100)
Park and Recreation	-	-	200	200
Dial-A-Ride	5,500	5,500	6,163	663
Senior Net and Center	17,076	17,076	13,838	(3,238)
Environmental Health	45,075	45,075	56,925	11,850
BOE Athletic Fees	10,000	10,000	9,533	(467)
Total fees, permits and other	1,967,654	1,967,654	1,907,001	(60,653)
INVESTMENT INCOME				
Interest	1,645,000	1,645,000	1,559,604	(85,396)
OTHER				
Rentals:				
Town Property	70,432	70,432	60,615	(9,817)
Town Green	82,000	82,000	83,884	1,884
Gilbert & Bennett	-	-	8,400	8,400
Comstock School	69,914	69,914	131,212	61,298
Marvin Tavern	4,491	4,491	4,146	(345)
Radio Tower	49,861	49,861	64,039	14,178
Sale of Assets	7,000	7,000	80,920	73,920
Other	5,000	5,000	27,178	22,178
Total other	288,698	288,698	460,394	171,696
Total Revenues	\$ 98,159,494	\$ 98,159,494	\$ 100,416,503	\$ 2,257,009

TOWN OF WILTON, CONNECTICUT

GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
BUDGET AND ACTUAL

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT				
Board of Selectmen	\$ 286,566	\$ 286,566	\$ 281,798	\$ 4,768
Finance Office	644,063	644,063	643,256	807
Town Counsel	200,550	265,765	248,007	17,758
Town Hall and Annex	277,390	277,390	272,132	5,258
Major Utilities	234,603	234,603	215,165	19,438
Other Town Properties	148,666	148,666	64,137	84,529
Dial-A-Ride	86,225	86,225	84,952	1,273
Town Clerk	276,455	276,455	264,411	12,044
Planning & Zoning	449,231	449,231	447,769	1,462
Board of Finance	84,000	84,000	53,824	30,176
Assessor	213,663	213,663	202,834	10,829
Tax Collector	149,825	149,825	145,666	4,159
Probate Court	33,000	33,000	953	32,047
Registrar of Voters	99,154	99,154	107,786	(8,632)
Code Enforcement - Building	194,832	194,832	189,519	5,313
Comstock Community Center	226,175	226,175	203,847	22,328
Information Systems	450,524	450,524	321,152	129,372
Total general government	4,054,922	4,120,137	3,747,208	372,929
PUBLIC SAFETY				
Police	6,003,367	6,003,367	5,741,744	261,623
CERT	6,000	6,000	5,133	867
Emergency Medical Service	249,450	249,450	255,652	(6,202)
Fire and Emergency Service	4,084,397	4,084,397	4,089,521	(5,124)
Central Dispatch	312,768	312,768	287,246	25,522
Georgetown Fire District	214,772	214,772	216,330	(1,558)
Total public safety	10,870,754	10,870,754	10,595,626	275,128
PUBLIC WORKS	2,513,940	2,513,940	2,553,158	(39,218)
PUBLIC HEALTH AND WELFARE				
Health and Sanitation	259,688	259,688	268,319	(8,631)
Public Health Nursing	820,191	820,191	813,898	6,293
Welfare and Social Services	319,673	319,673	296,218	23,455
Total public health and welfare	1,399,552	1,399,552	1,378,435	21,117

TOWN OF WILTON, CONNECTICUT

GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
 BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
OTHER				
Employee Benefits and Unemployment Compensation	2,384,462	2,359,405	2,170,887	188,518
Insurance	747,900	747,900	428,995	318,905
Library Association	2,220,672	2,220,672	2,220,672	-
Route 7 Bus	5,000	5,000	5,000	-
Teen Center	134,268	134,268	134,268	-
Animal Control	96,471	96,471	89,449	7,022
Total other	5,588,773	5,563,716	5,049,271	514,445
RECREATION AND PARKS COMMISSION				
Parks and Recreation	937,186	962,243	938,211	24,032
Conservation and Inland-Wetlands	280,638	280,638	254,836	25,802
Total recreation and parks commission	1,217,824	1,242,881	1,193,047	49,834
EDUCATION	64,592,872	64,592,872	63,735,423	857,449
CAPITAL OUTLAY				
General Government	416,874	665,910	482,363	183,547
Public Safety	214,235	366,718	63,058	303,660
Public Works	991,000	1,090,747	532,788	557,959
Parks, Recreation and Conservation	187,066	194,823	171,926	22,897
Total capital outlay	1,809,175	2,318,198	1,250,135	1,068,063
DEBT SERVICE				
Principal Retirement	5,965,712	5,965,712	5,958,903	6,809
Interest	3,053,978	3,053,978	3,058,728	(4,750)
Total debt service	9,019,690	9,019,690	9,017,631	2,059
Additional appropriations	1,010,674	928,959	-	928,959
Total Expenditures and Encumbrances	\$ 102,078,176	\$ 102,570,699	\$ 98,519,934	\$ 4,050,765

Nonmajor Governmental Funds

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TOWN OF WILTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue					
	Ambulance	Educational Entitlement Grants	School Lunch	Summer School	Continuing Education	Forfeited Property Fund
ASSETS						
Cash and cash equivalents	\$ 1,093,016	\$ 262,618	\$ 120,879	263,137	\$ 592,090	\$ 30,342
Special assessments	-	-	-	-	-	-
Intergovernmental receivables	-	27,239	-	-	-	-
Other receivables	116,300	-	20,275	-	-	-
Inventories	-	-	16,607	-	-	-
Prepays	-	-	-	-	-	-
Due from other funds	11,902	1,549	-	-	-	-
Total assets	\$ 1,221,218	\$ 291,406	\$ 157,761	\$ 263,137	\$ 592,090	\$ 30,342
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Unearned revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-	-	-
Accounts payable	35,739	5,476	193,552	240	6,690	-
Due to other funds	56,363	326,817	-	-	-	8,946
Total liabilities	92,102	332,293	193,552	240	6,690	8,946
FUND BALANCES (DEFICITS)						
Reserved for inventories	-	-	16,607	-	-	-
Reserved for donors' intention	-	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Designated for debt service	-	-	-	-	-	-
Designated for capital improvements	-	-	-	-	-	-
Unreserved and undesignated	1,129,116	(40,887)	(52,398)	262,897	585,400	21,396
Total fund balances (deficits)	1,129,116	(40,887)	(35,791)	262,897	585,400	21,396
Total liabilities and fund balances (deficits)	\$ 1,221,218	\$ 291,406	\$ 157,761	\$ 263,137	\$ 592,090	\$ 30,342

Special Revenue							Capital Projects		
Youth Services	Selectmen's Benevolent	Recreation	Gift	Debt Service Fund	Cemetery	Debt Issuance 2004	Debt Issuance 1997	Debt Issuance 1998	
\$ -	\$ 9,574	\$ 324,739	\$ 219,009	\$ 342,855	\$ 200	\$ 132,029	\$ 20,692	\$ 4,020	
-	-	-	-	206,017	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	89,097	16,617	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	26,194	-	-	-	-	-	-	
-	-	-	3,346	-	-	-	-	6,328	
<u>\$ -</u>	<u>\$ 9,574</u>	<u>\$ 440,030</u>	<u>\$ 238,972</u>	<u>\$ 548,872</u>	<u>\$ 200</u>	<u>\$ 132,029</u>	<u>\$ 20,692</u>	<u>\$ 10,348</u>	
\$ -	\$ -	\$ 299,696	\$ 10,480	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	206,017	-	-	-	-	
-	-	38,079	32,531	-	-	56,636	-	-	
60	-	3,085	1,847	17,039	100	-	-	17,323	
<u>60</u>	<u>-</u>	<u>340,860</u>	<u>44,858</u>	<u>223,056</u>	<u>100</u>	<u>56,636</u>	<u>-</u>	<u>17,323</u>	
-	-	-	-	-	-	-	-	-	
-	9,574	-	-	-	100	-	-	-	
-	-	26,194	-	-	-	-	-	-	
-	-	-	-	325,816	-	-	-	-	
-	-	-	-	-	-	75,393	-	-	
(60)	-	72,976	194,114	-	-	-	20,692	(6,975)	
<u>(60)</u>	<u>9,574</u>	<u>99,170</u>	<u>194,114</u>	<u>325,816</u>	<u>100</u>	<u>75,393</u>	<u>20,692</u>	<u>(6,975)</u>	
\$ -	\$ 9,574	\$ 440,030	\$ 238,972	\$ 548,872	\$ 200	\$ 132,029	\$ 20,692	\$ 10,348	

TOWN OF WILTON, CONNECTICUT

COMBINING BALANCE SHEET, Continued
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Capital Projects					
	Debt	Debt	Debt	Debt	Debt	Debt
	Issuance	Issuance	Issuance	Issuance	Issuance	Issuance
	2000	2001	2002	2003	2005	2006
ASSETS						
Cash and cash equivalents	\$ 57,336	\$ 638,765	\$ 25,436	\$ 74,238	\$ 1,314	\$ 126,385
Special assessments	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Other receivables	-	1,390	-	-	-	-
Inventories	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Due from other funds	15,412	-	-	-	13,452	6,201
Total assets	\$ 72,748	\$ 640,155	\$ 25,436	\$ 74,238	\$ 14,766	\$ 132,586
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Unearned revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Accounts payable	-	1,328	-	17	-	19,596
Due to other funds	1,530	-	-	-	54,724	-
Total liabilities	1,530	1,328	-	17	54,724	19,596
FUND BALANCES (DEFICITS)						
Reserved for inventories	-	-	-	-	-	-
Reserved for donors' intention	-	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Designated for debt service	-	-	-	-	-	-
Designated for capital improvements	-	638,827	25,436	74,221	(39,958)	112,990
Unreserved and undesignated	71,218	-	-	-	-	-
Total fund balances (deficits)	71,218	638,827	25,436	74,221	(39,958)	112,990
Total liabilities and fund balances (deficits)	\$ 72,748	\$ 640,155	\$ 25,436	\$ 74,238	\$ 14,766	\$ 132,586

Capital Projects

Debt Issuance 2007	Debt Issuance 2008	Debt Issuance 2009	Open Space Fund	Totals
\$ 312,218	\$ 1,337,654	\$ -	\$ 2,578	\$ 5,991,124
-	-	-	-	206,017
-	-	-	-	27,239
-	-	-	-	243,679
-	-	-	-	16,607
-	-	-	-	26,194
-	-	-	108	58,298
<u>\$ 312,218</u>	<u>\$ 1,337,654</u>	<u>\$ -</u>	<u>\$ 2,686</u>	<u>\$ 6,569,158</u>
\$ -	\$ -	\$ -	\$ -	\$ 310,176
-	-	-	-	206,017
19,646	22,172	368,939	2,573	803,214
-	16,137	164,796	-	668,767
<u>19,646</u>	<u>38,309</u>	<u>533,735</u>	<u>2,573</u>	<u>1,988,174</u>
-	-	-	-	16,607
-	-	-	-	9,674
-	-	-	-	26,194
-	-	-	-	325,816
292,572	1,299,345	(533,735)	-	1,945,091
-	-	-	113	2,257,602
<u>292,572</u>	<u>1,299,345</u>	<u>(533,735)</u>	<u>113</u>	<u>4,580,984</u>
<u>\$ 312,218</u>	<u>\$ 1,337,654</u>	<u>\$ -</u>	<u>\$ 2,686</u>	<u>\$ 6,569,158</u>

TOWN OF WILTON, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICITS) NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007**

	Special Revenue					
	Ambulance	Educational Entitlement Grants	School Lunch	Summer School	Continuing Education	Forfeited Property Fund
REVENUES						
Intergovernmental	\$ -	\$ 769,031	\$ -	\$ -	\$ -	\$ 5,541
Licenses, permits, fees and other	359,920	-	-	-	-	-
Investment income	39,943	-	-	-	-	1,338
Tuition	-	-	-	393,578	920,690	-
School lunch sales	-	-	1,276,803	-	-	-
Contributions	-	-	-	-	-	-
Total revenues	399,863	769,031	1,276,803	393,578	920,690	6,879
EXPENDITURES						
General government	-	-	-	-	-	-
Education	-	784,275	1,292,524	427,022	768,158	-
Public safety	339,253	-	-	-	-	6,197
Public health & welfare	-	-	-	-	-	-
Recreation and parks commission	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	339,253	784,275	1,292,524	427,022	768,158	6,197
OTHER FINANCING SOURCES						
Issuance of debt	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenue over (under) expenditures	60,610	(15,244)	(15,721)	(33,444)	152,532	682
FUND BALANCES (DEFICITS), beginning	1,068,506	(25,643)	(20,070)	296,341	432,868	20,714
FUND BALANCES (DEFICITS), ending	\$ 1,129,116	\$ (40,887)	\$ (35,791)	\$ 262,897	\$ 585,400	\$ 21,396

Special Revenue						Capital Projects		
Youth Services	Selectmen's Benevolent	Recreation	Gift	Debt Service	Cemetery	Debt Issuance 2004	Debt Issuance 1997	Debt Issuance 1998
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	686,453	-	29,366	-	-	-	-
-	330	-	8,630	10,959	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	228,194	-	-	-	-	-
-	330	686,453	236,824	40,325	-	-	-	-
-	-	-	240,266	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	11,144	-	-	-	-	-
-	-	-	6,066	-	-	-	-	-
-	-	646,613	35,143	-	-	-	-	-
-	-	-	-	27,047	-	-	-	-
-	-	-	-	15,913	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	646,613	292,619	42,960	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(58,853)	-	-
-	-	-	-	-	-	(58,853)	-	-
-	330	39,840	(55,795)	(2,635)	-	(58,853)	-	-
(60)	9,244	59,330	249,909	328,451	100	134,246	20,692	(6,975)
\$ (60)	\$ 9,574	\$ 99,170	\$ 194,114	\$ 325,816	\$ 100	\$ 75,393	\$ 20,692	\$ (6,975)

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, 2007

	Capital Projects					
	Debt Issuance 2000	Debt Issuance 2001	Debt Issuance 2002	Debt Issuance 2003	Debt Issuance 2005	Debt Issuance 2006
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and other	-	-	-	-	16,924	-
Investment income	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
School lunch sales	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Total revenues	-	-	-	-	16,924	-
EXPENDITURES						
General government	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-
Recreation and parks commission	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	1,328	-	-	-	255,965
Total expenditures	-	1,328	-	-	-	255,965
OTHER FINANCING SOURCES						
Issuance of debt	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(20,584)
Total other financing sources	-	-	-	-	-	(20,584)
Revenue over (under) expenditures	-	(1,328)	-	-	16,924	(276,549)
FUND BALANCES (DEFICITS), beginning	71,218	640,155	25,436	74,221	(56,882)	389,539
FUND BALANCES (DEFICITS), ending	\$ 71,218	\$ 638,827	\$ 25,436	\$ 74,221	\$ (39,958)	\$ 112,990

Capital Projects				
Debt Issuance 2007	Debt Issuance 2008	Debt Issuance 2009	Open Space Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ 774,572
-	-	-	-	1,092,663
-	-	-	-	61,200
-	-	-	-	1,314,268
-	-	-	-	1,276,803
-	-	-	-	228,194
-	-	-	-	4,747,700
-	-	-	-	240,266
-	-	-	-	3,271,979
-	-	-	-	356,594
-	-	-	-	6,066
-	-	-	-	681,756
-	-	-	-	27,047
-	-	-	-	15,913
1,131,686	1,501,486	533,735	2,609	3,426,809
1,131,686	1,501,486	533,735	2,609	8,026,430
-	3,740,000	-	-	3,740,000
(97,436)	(15,749)	-	-	(192,622)
(97,436)	3,724,251	-	-	3,547,378
(1,229,122)	2,222,765	(533,735)	(2,609)	268,648
1,521,694	(923,420)	-	2,722	4,312,336
\$ 292,572	\$ 1,299,345	\$ (533,735)	\$ 113	\$ 4,580,984

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Agency Fund

TOWN OF WILTON, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended June 30, 2008

	Balance			Balance
	July 1, 2007	Additions	Deletions	June 30, 2008
STUDENT ACTIVITY FUND				
Assets	\$ 477,902	\$ 1,107,067	\$ 1,095,463	\$ 489,506
Liabilities	\$ 477,902	\$ 1,107,067	\$ 1,095,463	\$ 489,506

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**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, 2008

Governmental funds capital assets:

Land	\$ 22,416,543
Buildings and improvements	119,214,323
Machinery and equipment	10,281,019
Infrastructure	37,813,153
Construction in progress	6,594,643
Total governmental funds capital assets	<u>\$ 196,319,681</u>

TOWN OF WILTON, CONNECTICUT

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

June 30, 2008

	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Technology Upgrade and Infrastructure	Total
General Government	\$ 7,583,125	\$ 1,586,748	\$ 5,354,163	\$ 383,266	\$ 35,774,750	\$ 50,682,052
Public Safety	167,002	-	1,449,540	5,311,893	-	6,928,435
Education	865,699	364,400	107,131,692	1,245,162	-	109,606,953
Public Works	-	-	793,678	2,633,712	1,782,866	5,210,256
Recreation & Parks Commssion	13,800,717	4,643,495	4,439,846	678,875	255,537	23,818,470
Other	-	-	45,404	28,111	-	73,515
	<u>\$ 22,416,543</u>	<u>\$ 6,594,643</u>	<u>\$ 119,214,323</u>	<u>\$ 10,281,019</u>	<u>\$ 37,813,153</u>	<u>\$ 196,319,681</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, 2008**

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2007	Additions	Deletions	June 30, 2008
General Government	\$ 50,057,607	\$ 624,445	\$ -	\$ 50,682,052
Public Safety	6,142,432	1,280,947	494,944	6,928,435
Education	108,341,006	1,265,947	-	109,606,953
Public Works	4,910,195	356,446	56,385	5,210,256
Parks and Recreation	22,772,096	1,046,374	-	23,818,470
Other	73,515	-	-	73,515
Total	\$ 192,296,851	\$ 4,574,159	\$ 551,329	\$ 196,319,681

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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, 2008

Grand List Year	Taxes Receivable July 1, 2007	Current Levy	Prior Year Overpayments To Be Refunded	Lawful Corrections		Transfers to/from Suspense	Balance to be Collected
				Additions	Deletions		
1992	\$ 5,907	\$ -	\$ -	\$ 868	\$ 340	\$ (5,304)	\$ 1,131
1993	8,903	-	-	1,543	1,635	(2,273)	6,538
1994	6,787	-	-	498	441	(1,861)	4,983
1995	16,888	-	-	1,839	1,211	(2,443)	15,073
1996	16,903	-	-	1,697	572	(1,556)	16,472
1997	23,547	-	-	4,873	6,453	(616)	21,351
1998	20,220	-	-	1,612	708	(2,401)	18,723
1999	27,766	-	(201)	1,561	725	(5,662)	22,739
2000	34,568	-	(366)	2,420	2,493	(15,904)	18,225
2001	47,671	-	(646)	1,071	144	(9,442)	38,510
2002	72,451	-	(5,605)	6,253	5,515	(8,192)	59,392
2003	122,609	-	(5,506)	331	3,193	(6,057)	108,184
2004	226,159	-	(12,286)	1,221	8,947	(6,361)	199,786
2005	578,702	-	(18,407)	4,398	31,702	(1,496)	531,495
2006	-	92,420,610	-	291,392	202,158	(252)	92,509,592
	<u>\$ 1,209,081</u>	<u>\$ 92,420,610</u>	<u>\$ (43,017)</u>	<u>\$ 321,577</u>	<u>\$ 266,237</u>	<u>\$ (69,820)</u>	<u>\$ 93,572,194</u>

								Collections					
								Overpayments					
								To Be	Lien	Balance			
Taxes	Refunds	Refunded	Interest	Fees	Total	Uncollected							
								June 30, 2008					
\$	1,059	\$	-	\$	-	\$	2,176	\$	-	\$	3,235	\$	72
	1,748		-		-		4,143		-		5,891		4,790
	506		-		-		1,081		-		1,587		4,477
	1,602		-		-		2,489		-		4,091		13,471
	1,352		-		-		2,048		-		3,400		15,120
	4,717		-		-		3,174		-		7,891		16,634
	1,167		-		-		1,197		-		2,364		17,556
	1,601		-		201		2,021		-		3,421		21,339
	1,610		-		366		729		-		1,973		16,981
	2,196		45		646		1,719		-		3,224		37,005
	7,878		5,125		541		3,114		-		5,326		57,180
	16,605		7,295		482		7,746		24		16,598		99,356
	60,378		12,325		2,046		23,079		264		69,350		153,779
	324,475		18,731		1,563		64,255		1,008		369,444		227,314
	91,942,595		154,194		3,979		180,216		648		91,965,286		725,170
\$	92,369,489	\$	197,715	\$	9,824	\$	299,187	\$	1,944	\$	92,463,081	\$	1,410,244

TOWN OF WILTON, CONNECTICUT

SCHEDULE OF SPECIAL ASSESSMENTS AND SEWER USAGE

CHARGES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2008

	Balance Uncollected July 1, 2007	Delinquent Interest and Current Charges	Balance to be Collected	Collections			Balance Uncollected June 30, 2008
				Assessments and Charges	Interest	Total	
Special assessment	\$ 260,610	\$ 1,752,815	\$ 2,013,425	\$ 227,049	\$ -	\$ 227,049	\$ 1,786,376
Sewer usage	1,795	393,096	394,891	389,669		389,669	5,222
Total	\$ 262,405	\$ 2,145,911	\$ 2,408,316	\$ 616,718	\$ -	\$ 616,718	1,791,598

TOWN OF WILTON, CONNECTICUT

SCHEDULE OF WATER MAIN ASSESSMENTS LEVIED, COLLECTED AND
OUTSTANDING

For the Year Ended June 30, 2008

	Balance Uncollected July 1, 2007	Delinquent Interest and Current Charges	Balance to be Collected	Collections			Balance Uncollected June 30, 2008
				Assessments and Charges	Interest	Total	
Water Main Assessment	\$ 239,547	\$ 4,994	\$ 244,541	\$ 27,699	\$ 13,060	\$ 40,759	\$ 216,842

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McGladrey & Pullen

Certified Public Accountants

TOWN OF WILTON, CONNECTICUT

**FEDERAL AND STATE
FINANCIAL AND COMPLIANCE REPORTS
FISCAL YEAR ENDED JUNE 30, 2008**

TOWN OF WILTON, CONNECTICUT

FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORT

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CIRCULAR A-133**

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McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Compliance: We have audited the compliance of the Town of Wilton, Connecticut with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 "Compliance Supplement" that are applicable to its major federal program for the year ended June 30, 2008. The Town of Wilton, Connecticut's major federal program is identified in the summary of independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Town of Wilton, Connecticut's management. Our responsibility is to express an opinion on the Town of Wilton, Connecticut's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Wilton, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Wilton, Connecticut's compliance with those requirements.

In our opinion, the Town of Wilton, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance: The management of the Town of Wilton, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Wilton, Connecticut's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Wilton, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Wilton, Connecticut's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by an entity's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards: We have audited the 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, 2008, and have issued our report thereon dated January 28, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wilton's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 "Audits of States Local Governments and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Finance and the management of the Town of Wilton, Connecticut, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2009

TOWN OF WILTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Connecticut			
Department of Education			
Food Distribution - Commodities	10.550	N/A	\$ 42,059
National School Lunch Program	10.555	12060-SDE64370-20560	55,662
			<u>97,721</u>
U.S. DEPARTMENT OF EDUCATION/			
Passed Through the State of Connecticut			
Department of Education:			
Title VI - IDEA	84.027	12060-SDE64370-20977	669,819
Preschool Incentive Grant	84.173	12060-SDE64370-20983	35,033
Total Special Education Cluster			<u>704,852</u>
Carl D. Perkins Vocational and Technology Education Act	84.048	12060-SDE64370-20742	24,006
Title II, Part A, Teacher & Principal Training	84.367	12060-SDE64370-20858	64,395
Title IV - Safe and Drug Free Schools Act	84.186	12060-SDE64370-20873	681
Title I - Improving Basic Programs	84.010	12060-SDE64370-20679	6,083
Title V - Innovative Education Strategies	84.298	12060-SDE64370-20909	1,834
Title II, Part D, Technology	84.318	12060-SDE64370-20826	15
Total U.S. Department of Education			<u>801,866</u>

N/A = Not Available

(Continued)

See Notes to Schedule.

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2008**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Connecticut Department of Transportation			
Alcohol Traffic Safety Grants	20.601	12062-DOT57533-22086	18,402
Occupant Protection	20.602	12062-DOT57513-22087	1,651
Highway Planning and Construction	20.205	12062-DOT57123-22108	128
Total U.S. Department of Transportation			<u>20,181</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Connecticut Department of Emergency Management and Homeland Security			
Homeland Security	97.004	12060-EHS99530-21877	5,445
Emergency Management Performance Grant	97.042	12060-EHS99660-21881	9,954
Citizen Corps.	97.053	12060-EHS99530-21880	1,067
Law Enforcement & Terrorism Prevention Grant	97.074	12060-EHS99530-21879	4,000
FEMA Public Assistance	97.036	12060-EHS99690-21891	141,354
Total U.S. Department of Homeland Security			<u>161,820</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through the Department of Public Health			
Bioterrorism	93.283	12060-DPH48557-21096	33,514
Skin Cancer Prevention/Excess Dietary Fats	93.991	12060-DPH48558-21530	2,370
Total U.S. Department of Health and Human Services			<u>35,884</u>
U.S. DEPARTMENT OF FEDERAL ELECTION ASSISTANCE COMMISSION			
Passed Through the State Secretary Department			
Help America Vote Act	90.401	12060-SOS12500-21465	3,983
Total Expenditures of Federal Awards			<u>\$ 1,121,455</u>

See Notes to Schedule.

TOWN OF WILTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2008

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Wilton, Connecticut and is presented on the modified accrual/accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Contributions

U.S.D.A. Contributions:

The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$42,059 represents the market value of such commodities used during the period. Donated commodities are included in the Department's Food Distribution Program (CFDA #10.550).

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? Yes X No
- ◆ Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- ◆ Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- ◆ Material weakness(es) identified? Yes X No
- ◆ Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: unqualified

- ◆ Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes X No

Identification of Major Programs

CFDA Numbers	Program Name or Cluster
84.027/84.173	Special Education Cluster
Dollar threshold used to distinguish between type A and type B programs	<u> \$300,000 </u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2008**

II. FINANCIAL STATEMENT FINDINGS

A. Deficiencies in Internal Control

None reported.

B. Compliance Findings

None reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Deficiencies in Internal Control

None reported.

B. Compliance Findings

None reported.

**TOWN OF WILTON, CONNECTICUT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2008**

There were no findings relative to Federal awards in the prior year's Federal Single Audit.

McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the 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, 2008, which collectively comprise the Town of Wilton, Connecticut's basic financial statements, and have issued our report thereon dated January 28, 2009. 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.

Internal Control Over Financial Reporting: In planning and performing our audit, we considered the Town of Wilton, Connecticut's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wilton, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Wilton, Connecticut's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent and detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Wilton, Connecticut's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Wilton, Connecticut's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Wilton, Connecticut's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters: As part of obtaining reasonable assurance about whether the Town of Wilton, Connecticut's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards."

We noted certain matters that we reported to management of the Town of Wilton, Connecticut in a separate letter dated January 28, 2009.

This report is intended solely for the information and use of the Board of Finance and the management of the Town of Wilton, Connecticut, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2009

McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

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

Compliance: We have audited the compliance of Town of Wilton, Connecticut with the types of compliance requirements described in the "Office of Policy and Management Compliance Supplement" that are applicable to each of its major state programs for the year ended June 30, 2008. The major state programs are identified in the summary of independent auditor's results section of the accompanying schedule of state single audit compliance findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town of Wilton, Connecticut's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Wilton, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Wilton, Connecticut's compliance with those requirements.

In our opinion, the Town of Wilton, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2008.

Internal Control Over Compliance: The management of the Town of Wilton, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Wilton, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the Town of Wilton, Connecticut's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Town of Wilton, Connecticut's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Town of Wilton, Connecticut's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Financial Assistance: We have audited the 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, 2008, and have issued our report thereon dated January 28, 2009. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Finance and the management of the Town of Wilton, Connecticut, the Office of Policy and Management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 28, 2009

TOWN OF WILTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2008

State Grantor/Pass-Through Grantor/Program Title	State Core-CT Number	Expenditures
State Department of Education:		
Adult Education - Cooperative	11000-SDE64370-17030	\$ 542
Non-Public Health Services	11000-SDE64370-17034	3,277
Youth Services Bureau	11000-SDE64370-17052	14,000
Youth Services Bureau Enhancement	11000-SDE64370-16201	6,250
Child Nutrition State Match	11000-SDE64370-16072	8,395
		<u>32,464</u>
Education and Services for the Blind:		
Education of Handicapped Blind Children	11000-ESB65020-12060	<u>8,633</u>
State Department of Public Health:		
Per Capita Grant	11000-DPH48558-17009	21,530
Excess Dietary Fats/Nutrition	11000-SPH48500-10020	335
		<u>21,865</u>
State Office of Policy and Management		
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	224,550
Property Tax Relief for Elderly Homeowners	11000-OPM20600-17018	44,171
Property Tax Relief for Veterans	11000-OPM20600-17024	4,649
Mashantucket Pequot Fund	12009-OSC15910-17005	22,101
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OSC15910-17004	91,172
LOCIP	12050-OPM20600-40254	113,035
Property Tax Relief - Disability Exemption	11000-OPM20600-17011	242
Contingency Needs Grant	11000-OPM20100-12336	12,500
		<u>512,420</u>
State Department of Public Safety:		
Telecommunications Fund	12060-DPS32740-35190	1,796
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	1,918
		<u>3,714</u>
State Comptroller:		
Boat Grant	12027-OSC15910-40211	<u>14,387</u>

See Notes to Schedule.

TOWN OF WILTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued
 For the Year Ended June 30, 2008

State Grantor/Pass-Through Grantor/Program Title	State Core-CT Number	Expenditures
State Department of Transportation:		
Town Aid Road	12001-DOT57131-17036	156,871
State Library:		
Historic Documents Preservation	12060-CSL66094-35150	7,000
State Department of Emergency and Homeland Security		
School Security Competitive Grant	12060-EHS99530-90516	21,572
Fire Prevention & Control:		
Firefighter Training I	11000-FPC36510-12442	1,655
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		780,581
EXEMPT PROGRAMS		
Education Cost Sharing	11000-SDE64370-17041	1,553,533
Transportation of School Children	11000-SDE64370-17027	693
School Construction Projects-Principal	13010-SDE64370-40901	229,261
School Construction Projects-Interest	13009-SDE64370-40896	85,411
Excess Cost - Student Based	11000-SDE64370-17047	1,718,310
TOTAL EXEMPT PROGRAMS		3,587,208
TOTAL STATE FINANCIAL ASSISTANCE		\$ 4,367,789

See Notes to Schedule.

TOWN OF WILTON, CONNECTICUT

**NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2008**

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Wilton, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. The financial assistance programs fund several programs including education, public works, property tax relief and public safety.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Wilton, Connecticut conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting

The financial statements for the governmental fund types contained in the Town of Wilton, Connecticut's basic financial statements are prepared on the modified accrual basis of accounting. The financial statements for the business-type activities are prepared on the full accrual basis of accounting.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is also prepared on the modified accrual basis of accounting while amounts related to the business-type activities are reported on the full accrual basis of accounting and on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

As a result, certain classifications of revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for the Schedule of Expenditures of State Financial Assistance.

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND
QUESTIONED COSTS
For the Year Ended June 30, 2008**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: unqualified.

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes X No

The following schedule reflects the major programs included in the State Compliance Audit:

State Grantor and Program	State Core-CT Number	Expenditures
OPM-Property Tax Relief for the Manufacturing and Machinery and Equipment	11000-OPM20600-17031	\$ 224,550
OPM-Local Capital Improvement Program	12050-OPM20600-40254	113,035
DOT-Town Aid Road	12001-DOT57131-17036	156,871

TOWN OF WILTON, CONNECTICUT

**SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND
QUESTIONED COSTS, Continued
For the Year Ended June 30, 2008**

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated January 28, 2009 on internal control over financial reporting and compliance and other matters based on an audit of the financial statements performed in accordance with the standards applicable to financial audits contained in "Government Auditing Standards."
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting disclosed no matters that we considered to be significant deficiencies.

III. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE

A. Deficiencies in Internal Controls

None reported.

B. Compliance Findings

None reported.