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Town of Chaplin, Connecticut
Financial Statements
For the Year Ended June 30, 2007

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CERTIFIED PUBLIC ACCOUNTANTS + ADVISORS

**Town of Chaplin, Connecticut
For the Year Ended June 30, 2007**

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INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Chaplin, Connecticut
Chaplin, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Chaplin, Connecticut as of and for the year ended June 30, 2007, 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 Chaplin, Connecticut's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Chaplin, Connecticut as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis immediately following this report and budgetary comparison information included in Required Supplementary Information (RSI) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2007 on our consideration of the Town of Chaplin, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other 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.

Marion + Company

December 9, 2007

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

Our discussion and analysis of Town of Chaplin, Connecticut's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Town's financial statements, which begin with Exhibit 1.

FINANCIAL HIGHLIGHTS

- The Town's net assets increased by \$144,552 as a result of this year's operations.
- The Town's fund balance decreased. The decrease for all funds totaled \$81,431. This decrease is much less than was anticipated.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Exhibits 1 and 2) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start with Exhibit 3 and continue through Exhibit 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins with Exhibit 1. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net assets* and changes in them. You can think of the Town's net assets—the difference between assets and liabilities—as one way to measure the Town's financial health, or *financial position*. Over time, *increases or decreases* in the Town's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the *overall health* of the Town.

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

In the Statement of Net Assets and the Statement of Activities, the Town only reports governmental activities. These are the Town's basic services, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues such as fees and licenses finance most of these activities.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins in the section titled "The Town's Funds". The fund financial statements begin with Exhibit 3 and provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Finance establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The *governmental funds* focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified* accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

The Town as Trustee

The Town is the trustee, or *fiduciary*, for the activity funds at the school. These funds do not belong to the Town. The Town's fiduciary activities are reported in separate Statements of Fiduciary Net Assets in Exhibit 5. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWN AS A WHOLE

The Town's net assets increased \$144,552 during this year. They increased from \$6,082,123 to \$6,226,675. Last year the net assets increased by \$782,849. This was primarily due to a capital grant for the firehouse building. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town.

Net assets invested in capital assets, net of related debt increased by \$386,683. During the year the Town added \$248,524 in capital assets. This primarily consisted of \$157,000 spent on a new roof for the elementary school. In addition, this figure also contemplates the debt related to the capital assets. The debt related to the capital assets decreased by \$279,273.

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

Part of the increase in the amounts invested in capital assets, net of related debt, was paid for with the current year "profits" of \$144,552. The rest was paid with unrestricted net assets.

**Table 1
Net Assets (on Exhibit 1)**

	2007	Change During Year		2006
		Dollars	Percent	
Current and other assets	\$ 2,211,597	\$ (290,721)	-11.62%	\$ 2,502,318
Capital assets	5,824,295	107,409	1.88%	5,716,886
Total assets	8,035,892	(183,312)	-2.23%	8,219,204
Long-term debt outstanding	1,471,570	(266,674)	-15.34%	1,738,244
Other liabilities	337,647	(61,189)	-15.34%	398,836
Total liabilities	1,809,217	(327,863)	-15.34%	2,137,080
Net assets:				
Invested in capital assets, net of related debt	4,536,305	386,683	9.32%	4,149,622
Restricted	5,925	-	0.00%	5,925
Unrestricted	1,684,445	(242,131)	-12.57%	1,926,576
Total net assets	\$ 6,226,675	\$ 144,552	2.38%	\$ 6,082,123

Table 2 shows the components of the change in net assets this year compared to last year:

**Table 2
Change in Net Assets**

	2007	Change		2006
		Amount	Percent	
Revenues				
Program revenues:				
Charges for services	\$ 209,273	\$ (8,357)	-3.84%	\$ 217,630
Operating grants and contributions	2,365,984	103,736	4.59%	2,262,248
Capital grants and contributions	65,736	(663,560)	-90.99%	729,296
General revenues:				
Property taxes	4,430,165	221,346	5.26%	4,208,819
Grants and contributions	128,069	(321)	-0.25%	128,390
Interest and investment earnings	80,930	37,766	87.49%	43,164
Gain on disposal of assets	3,223	3,223	100.00%	-
Other general revenues	11,077	(5,775)	-34.27%	16,852
Total revenues	7,294,457	(311,942)	-4.10%	7,606,399
Program expenses				
General government	637,736	(54,956)	-7.93%	692,692
Public safety	197,979	6,362	3.32%	191,617
Public works	452,418	(16,676)	-3.55%	469,094
Education	5,772,285	409,597	7.64%	5,362,688
Interest on long-term debt	89,487	(17,973)	-16.73%	107,460
Total expenses	7,149,905	326,354	4.78%	6,823,551
Increase (decrease) in net assets	\$ 144,552	\$ (638,296)	-81.54%	\$ 782,848

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

Property taxes comprise 61% of the total government-wide revenues. As a percentage of total revenue, this is down from 56% last year. The big change is due primarily to the capital grant for the firehouse that was included in revenue in 2006. The firehouse was completed and this was not repeated in 2007. This also accounted for the decrease in the capital grants and contributions.

The Town's total tax revenue increased 5.26% (\$221,346) this year over last year. Most of this was due to an increase in the grand list of \$5,755,137 (4.74%). The mill rate increased modestly from 33.1 to 33.8 mills (2.11%).

Total expenses increased by a net amount of \$326,354 or 4.78%. The education spending increased by \$409,597 or 7.64%. Of the total increase in education spending, \$250,590 was the increase in the Town's allocation for the regional high school. This allocation increased primarily due to an increase in the Town's prorated share of students attending the school.

Table 3 presents the cost of each of the Town's governmental programs as well as each governmental program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Table 3

	Total Cost of Services			Incr. Decr.	Net Cost of Services			Incr. Decr.
	2007	2006			2007	2006		
Governmental Activities								
General government	\$ 637,736	\$ 692,692	-7.93%	\$ 453,360	\$ 552,642	-17.96%		
Public safety	197,979	191,617	3.32%	196,084	(439,097)	-144.66%		
Public works	452,418	469,094	-3.55%	330,949	372,013	-11.04%		
Education	5,772,285	5,362,688	7.64%	3,439,032	3,021,359	13.82%		
Interest on debt	89,487	107,460	-16.73%	89,487	107,460	-16.73%		
Totals	<u>\$ 7,149,905</u>	<u>\$ 6,823,551</u>	<u>4.78%</u>	<u>\$ 4,508,912</u>	<u>\$ 3,614,377</u>	<u>24.75%</u>		

The capital grant for the firehouse caused a large difference from the 2006 to 2007 in the net cost of public safety. The total cost of public works decreased from last year due to a decrease in sanitation costs. The net cost of public works decreased even more due to an increase in the Town Aid Road grant revenue.

THE TOWN'S FUNDS

The year showed an increase in net assets of \$144,552 in the government-wide statements (Exhibit 1 and 2) on a full accrual basis measuring long-term health. The Town showed a decrease in fund balance in the governmental funds of \$81,431 as presented in Exhibits 3 and 4. These statements are on the modified accrual basis and are more a measure of short-term

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

health. In the fund balance principal payments on long-term debt are a reduction in fund balance when the payments on the debt are made. Debt payments are never a direct reduction in net assets on the government-wide statements. Likewise, purchases of capital assets are a reduction in fund balance when the purchase is made. Capital asset purchases are never a direct reduction in net assets on the government-wide statements.

In addition, these other changes in fund balances should be noted:

- The General Fund's fund balance decreased by \$22,713 as part of a planned reduction in equity in order to offset taxes.
- The Capital Improvement Program continued to be used for capital and nonrecurring projects. A summary of the year's transactions, by project, can be found in Schedule 2 in the back of the financial statements.

General Fund Budgetary Highlights

Over the course of the year, the Board of Finance can revise the Town budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. The Board of Finance is allowed by State Statute to make one additional appropriation up to \$20,000 per line item or department. A second additional appropriation or an appropriation over \$20,000 requires a Town Meeting. Transfers do not increase the total budget, but instead pulls appropriations from one department that might have excess funding, to another department that needs additional funding. State Statutes allow these transfers to be made by the Board of Finance without a Town Meeting.

In the original budget, the Town expected to decrease the fund balance by \$222,982 so that the tax rate would stay down. During the year, the Town made \$4,695 in additional appropriations. Had the actual transactions equaled the budget, the Town would have reduced the Fund Balance by \$227,677. Instead, the revenues were \$162,037 higher than budgeted and the expenditures were \$61,280 lower than budget. In total the actual transaction were \$249,144 better than budget. Instead of reducing the Fund Balance by \$227,677, the transactions during the year increased the Fund Balance by \$22,713.

Below is a summarized view of the final budget and actual results for the General Fund:

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

**Table 4
General Fund - Budget Summary**

	Final Budget	Actual	Variance
Revenues			
Property Taxes	\$ 4,261,210	\$ 4,302,633	\$ 41,423
Reimbursements in Lieu of Taxes	262,774	259,399	(3,375)
Intergovernmental - Operations	117,605	135,653	18,048
Intergovernmental - Education	2,039,033	2,047,253	8,220
Receipts for Town Services	44,415	62,447	18,032
Other Funds	75,758	137,094	61,336
	<u>6,800,795</u>	<u>6,944,479</u>	<u>143,684</u>
Expenditures			
General Government	1,268,873	1,218,788	50,085
Education	5,192,938	5,181,744	11,194
Debt Service	373,416	373,415	1
Transfer to Capital Improvement Program	193,245	193,245	-
	<u>7,028,472</u>	<u>6,967,192</u>	<u>61,280</u>
Excess (Deficiencies) of Revenues Over Expenditures	<u>\$ (227,677)</u>	<u>\$ (22,713)</u>	<u>\$ 204,964</u>

Significant variances are summarized as follows:

- Tax Collections in the fund financial statements do not include monies collected from the State of Connecticut for the State's tax incentive programs. Instead they are included as intergovernmental revenues where they are budgeted. These State payments are included in total property taxes in the Government-wide statements because they are directly related to the assessments of taxes on the property.

Tax Collections are generally analyzed by percentages. The most common is the percentage of taxes collected in the current year compared to the current year levy. This would indicate what percentage of the taxpayers paid their taxes in the year in which they were due. The Town collected 97.27% of the current year taxes during the year. This is slightly higher than the budgeted collection rate of 97.93% (the average collection rate over the last four years) and resulted in \$40,686 lower collections than budgeted. Strong back tax collections of \$66,938 over budget and interest and lien fees of \$15,171 over budget contributed to the total property taxes being \$41,423 over budget.

- Other revenue was \$79,689 over budget. Contributing to this was the investment interest is higher than budgeted. Although the interest rate remains in the mid-single digits, it has nearly doubled since last year.

**Town of Chaplin, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2007**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the Town had \$5,824,295 invested in capital assets (net of accumulated depreciation). This amount represents a net increase (including additions and deductions) of \$107,412 over last year. In total there was \$248,524 in additional assets. The firehouse was moved out of construction in progress and into buildings and improvements. The new construction in progress is for the community center. This was offset by \$184,435 of annual depreciation. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Debt

At year end, the Town had \$1,287,990 in bonds outstanding. This is a decrease of \$279,273 from last year. The Town does not have a current bond rating since it has not been required to issue debt in a number of years. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2008 budget and tax rates. In recent years the real estate market has been very strong, but interest rates have started to move up slowly. This may slow the market and therefore slow tax collections as people must be current on their taxes to sell or refinance. This would also reduce the increased income from conveyance taxes, refinancing and recording fees. The State provides most of the intergovernmental revenues. The State was not expected to increase grants more than slightly.

These indicators were taken into account when adopting the General Fund budget for 2008. The Board of Finance elected to keep the increase in the mill rate to a minimum (1.7 mills) and use \$212,511 of accumulated fund balance to offset a larger tax increase. After the budget was passed, the State passed their budget with additional revenues to the Town. In addition, the regional school district passed their final budget and made their final allocations to the Town. It is estimated that, with these adjustments, only \$163,942 of fund balance will be needed to offset a larger tax increase. This is the equivalent of approximately 1.3 mills.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Finance at Town of Chaplin, Connecticut, P.O. Box 286, Chaplin, CT 06235.

Town of Chaplin, Connecticut
Statement of Net Assets
June 30, 2007

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,175,944
Receivables, net of allowance for collection losses	1,027,063
Due from related parties	7,290
Inventory	1,300
Capital assets, net of accumulated depreciation	<u>5,824,295</u>
Total assets	<u>8,035,892</u>
LIABILITIES	
Accounts payable	119,318
Accrued wages and benefits	158,611
Accrued interest	22,960
Deferred revenue	36,758
Noncurrent liabilities:	
Due within one year	298,327
Due in more than one year	<u>1,173,243</u>
Total liabilities	<u>1,809,217</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,536,305
Restricted net assets:	
Nonexpendable	5,925
Unrestricted net assets	<u>1,684,445</u>
Total net assets	<u>\$ 6,226,675</u>

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

Town of Chaplin, Connecticut
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Program Specific Revenues				Net (Expense)	
	Expenses	Charges for Services	Grants and Contributions		Revenue	Total
			Operating	Capital		
Governmental activities:						
General government	\$ (637,736)	\$ 93,256	\$ 91,120	\$ -	\$	(453,360)
Public safety	(197,979)	1,857	38	-		(196,084)
Public works	(452,418)	15,572	105,897	-		(330,949)
Education	(5,772,285)	98,588	2,168,929	65,736		(3,439,032)
Interest on long-term debt	(89,487)	-	-	-		(89,487)
Total primary government	\$ (7,149,905)	\$ 209,273	\$ 2,365,984	\$ 65,736		(4,508,912)
General revenues:						
Property taxes, payments in lieu of taxes, interest and liens						4,430,165
Grants and contributions						128,069
Interest and investment earnings						80,930
Gain (loss) on disposal of equipment						3,223
Miscellaneous						11,077
Total general revenues						4,653,464
Changes in net assets						144,552
Net assets, beginning of the year						6,082,123
Net assets, end of the year					\$	6,226,675

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

Town of Chaplin, Connecticut
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	Capital Improvement Program	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,062,263	\$ 52,591	\$ 61,090	\$ 1,175,944
Receivables	962,462	60,755	3,846	1,027,063
Inventory	-	-	1,300	1,300
Due from other governmental funds	54,331	34,269	48,839	137,439
Due from related parties	-	-	12,425	12,425
Total assets	\$ 2,079,056	\$ 147,615	\$ 127,500	\$ 2,354,171
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 111,965	\$ -	\$ 7,353	\$ 119,318
Accrued expenses	144,306	-	14,305	158,611
Deferred revenue	908,610	60,755	36,758	1,006,123
Due to other governmental funds	83,108	-	54,331	137,439
Due to related parties	2,888	-	2,247	5,135
Total liabilities	1,250,877	60,755	114,994	1,426,626
Fund balance				
Reserved	169,189	-	7,225	176,414
Unreserved, reported in:				
General Fund	658,990	-	-	658,990
Special Revenue Fund	-	-	6,735	6,735
Capital Projects Fund	-	86,860	-	86,860
Permanent Funds	-	-	(1,454)	(1,454)
Total fund balance	828,179	86,860	12,506	927,545
Total liabilities and fund balance	\$ 2,079,056	\$ 147,615	\$ 127,500	

Reconciliation of net assets to fund balances - total governmental funds:

Less: Long-term liabilities not due and payable in current period:	
Bonds, notes, capital leases payable and unamortized premiums on bond costs	(1,287,990)
Compensated absences and special termination benefits	(183,580)
Accrued interest payable	(22,960)
Plus:	
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	5,824,295
Other long-term assets not available to pay for current period expenditures, recorded as deferred revenue in the funds	969,365
Net assets reported on the government-wide financial statements (Exhibit 1)	\$ 6,226,675

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

Town of Chaplin, Connecticut
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	General Fund	Capital Improvement Program	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes, interest and lien fees	\$ 4,302,633	\$ -	\$ -	\$ 4,302,633
Intergovernmental revenues	2,627,308	-	204,139	2,831,447
Local revenues	199,541	2,231	125,585	327,357
	<u>7,129,482</u>	<u>2,231</u>	<u>329,724</u>	<u>7,461,437</u>
Expenditures				
Current expenditures:				
General government	611,896	-	56,875	668,771
Public Safety	180,343	-	-	180,343
Public Works	426,549	-	-	426,549
Education	5,366,747	-	287,945	5,654,692
Capital outlay	-	239,098	-	239,098
Debt service	373,415	-	-	373,415
	<u>6,958,950</u>	<u>239,098</u>	<u>344,820</u>	<u>7,542,868</u>
Excess (deficiency) of revenues over expenditures	<u>170,532</u>	<u>(236,867)</u>	<u>(15,096)</u>	<u>(81,431)</u>
Other financing sources (uses)				
Operating transfers in	-	193,245	-	193,245
Operating transfers out	(193,245)	-	-	(193,245)
	<u>(193,245)</u>	<u>193,245</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(22,713)</u>	<u>(43,622)</u>	<u>(15,096)</u>	<u>(81,431)</u>
Fund balance, beginning of the year	<u>850,892</u>	<u>130,482</u>	<u>27,602</u>	<u>1,008,976</u>
Fund balance, end of the year	<u>\$ 828,179</u>	<u>\$ 86,860</u>	<u>\$ 12,506</u>	<u>\$ 927,545</u>

Reconciliation of the statement of revenues, expenditures and changes in fund balance (above) to the statement of activities (Exhibit 2)

Net change in fund balances - total governmental funds (above)	\$ (81,431)
Transactions involving the treatment of capital outlays:	
Plus: Capital outlays treated as expenditures here, but capitalized on Exhibit 2	288,621
Less: Depreciation expense recorded in Exhibit 2, but not considered in the fund statements	(184,435)
Net effects of various transactions involving fixed assets:	
Plus: Gain or (Loss) on disposal of fixed assets not reported in this statement	3,223
Transactions involving the treatment of long-term debt:	
Plus: Principal repayments:	
General obligation bonds	279,273
Changes in other items not requiring the use of current financial resources:	
Compensated absences and special termination benefits	(12,599)
Accrued interest payable	4,655
Revenue in the Statement of Activities (Exhibit 2) that is deferred in this statement	
State reimbursement of bond principal	(209,712)
Taxes, interest and lien fees	(3,798)
Other	60,755
Changes in net assets of governmental activities (Exhibit 2)	<u>\$ 144,552</u>

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

**Town of Chaplin, Connecticut
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007**

	Agency Funds
Assets	
Cash and cash equivalents	\$ 7,068
Liabilities	
Due to students	7,068
Net assets	\$ -

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

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The Town of Chaplin, Connecticut (Town) is a municipal corporation governed by a selectmen-town meeting form of government. Under this form of government the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member board of selectmen. The selectmen oversee most of the activities not assigned specifically to another body. An elected board of education oversees the public school system. An elected board of finance is the budget making authority and supervises the town financial matters.

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 criterion, provided by the Government Accounting Standards Board, has been considered and there are no agencies or entities which should be presented with this government.

B. Government-wide and fund financial statements

The *government-wide financial statements* (Exhibits 1 and 2) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Fiduciary funds are excluded from the government-wide financial statements.

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. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Town's policy is to use its restricted resources first. *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 and fiduciary funds (Exhibits 3, 4 and 5). *Governmental activities*, activities which normally are supported by taxes and intergovernmental revenues, are reported in the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. *Fiduciary funds* are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the governments own programs.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

The Town reports the following major governmental funds:

The *General Fund* is the 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 *Capital Improvement Program* accounts for the accumulation of assets for expenditures against the five year capital improvement plan.

Additionally, the Town reports the following fiduciary fund types:

Agency Funds account for monies held as a custodian for outside groups and agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

D. Assets, liabilities, and net assets

1) Deposits and investments

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

Custodial Credit Risk - The Town's policy is to invest in obligations allowable under the Connecticut General Statutes. In general, this includes deposits in allowable banks, obligations of the United States of America and obligations of any State or political subdivision, which is tax exempt.

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Concentration of Credit Risk - The Town places no limit on the amount they may invest in any one issuer.

2) Receivables

Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statute, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance is calculated using a two tier formula based on prior experience and current knowledge.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

3) Activity between funds

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

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

4) Inventories and prepaid items

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

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

5) Capital assets

Capital assets, which include property, plant, 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. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type 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 market value at the date of donation.

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

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

Land is considered inexhaustible and, therefore, not depreciated. Property, plant, and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

**Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007**

Assets	Years	Capitalization Threshold
Land	N/A	\$ 5,000
Buildings and Improvements	50	\$ 5,000
Equipment	10	\$ 5,000
Board of Education Equipment	10	\$ 300
Vehicles	10	\$ 5,000
Infrastructure	40	\$ 10,000

6) *Compensated absences*

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for unpaid accumulated sick leave since the Town has a policy to pay any amounts when employees separate from service with the Town. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7) *Long-term obligations*

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

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

8) *Fund equity*

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

A residual equity transfer was made to close the \$571 deficit in the Firehouse Project Fund's Fund Balance into General Fund's Fund Balance.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

NOTE 2 - BUDGETING

A. Budget Basis

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: (1) the Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf; (2) the general government budgets for payroll on a cash basis; and (3) funding received under the State's Excess Cost Grant is netted with education expenditures.

Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

On the statements prepared under Generally Accepted Accounting Principles, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities.

B. Budget Calendar

The Boards of Selectmen and Education submit requests for appropriations to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

C. Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one time additional appropriation up to \$20,000 to any appropriations. A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation. During the year \$4,695 in additional appropriations were made.

NOTE 3 - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at year end:

Deposits	\$ 137,646
Pooled Investment Funds	1,045,366
Total Cash and Cash Equivalents	<u>\$ 1,183,012</u>
 Governmental Funds	 \$ 1,175,944
Agency Funds	7,068
Total Cash and Cash Equivalents	<u>\$ 1,183,012</u>

The carrying amount of the Town's deposits with financial institutions was \$137,646 and the bank balance was \$223,892. Of the bank balance, \$149,515 was covered by federal depository insurance or by collateral held by the Town's agent in the Town's name. Of the remaining balance \$7,438 was collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. In total \$66,939 was uninsured and uncollateralized.

The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The pool, Short-Term Investment Fund (STIF), is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

NOTE 4 - RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Improvement Program	Other Governmental Funds
Taxes	\$ 135,928	\$ -	\$ -
Interest and fees on back receivables	30,326	-	-
Intergovernmental:			
Principal reimbursement on bonds *	811,252	-	-
Other intergovernmental	-	60,755	3,846
Other receivables	8,790	-	-
Gross receivables	986,296	60,755	3,846
Less: allowance for uncollectibles	(23,834)	-	-
	<u>\$ 962,462</u>	<u>\$ 60,755</u>	<u>\$ 3,846</u>

* Long-term accounts receivable

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

	Unavailable	Unearned
Delinquent net property taxes, interest and liens receivable	\$ 97,358	\$ -
Reimbursements on school bond payments	811,252	-
Grants not received in 60 days	60,755	-
Grant drawdowns prior to meeting all eligibility requirements	-	36,758
Total deferred/unearned revenue for governmental funds	<u>\$ 969,365</u>	<u>\$ 36,758</u>

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning	Increases	Decreases	Ending
Capital assets not being depreciated:				
Land	\$ 342,762	\$ -	\$ -	\$ 342,762
Construction in progress	990,722	35,562	(990,722)	35,562
	<u>1,333,484</u>	<u>35,562</u>	<u>(990,722)</u>	<u>378,324</u>
Capital assets being depreciated:				
Buildings and improvements	5,918,375	1,147,722	-	7,066,097
Vehicles	392,000	-	(9,000)	383,000
Equipment	359,495	53,534	(36,097)	376,932
Infrastructure	145,327	47,525	-	192,852
	<u>6,815,197</u>	<u>1,248,781</u>	<u>(45,097)</u>	<u>8,018,881</u>
Less: Accumulated depreciation:	<u>(2,431,798)</u>	<u>(184,435)</u>	<u>43,323</u>	<u>(2,572,910)</u>
Total capital assets, net	<u>\$ 5,716,883</u>	<u>\$ 1,099,908</u>	<u>\$ (992,496)</u>	<u>\$ 5,824,295</u>

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

General government	\$ 11,889
Public safety	17,975
Public works	20,931
Education	133,640
Total depreciation expense - governmental activities	<u>\$ 184,435</u>

NOTE 6 - INTERFUND ACTIVITIES

A. Interfund transfers:

Interfund transfers are primarily used to move revenue earned in the General Fund to other funds. During this fiscal year, \$193,245 was transferred from the General Fund to the Capital Improvement Program.

B. Advance to/from other funds

There are no long-term loan agreements on the interfund balances.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

C. Due to/from other funds

The following are temporary borrowings between funds. These are either expected to be paid off within one year or have no agreed payment terms:

Receivable Fund	Payable Fund	Amount
General Fund	Child Nutrition Fund	\$ 3,973
General Fund	Preschool Program	50,358
Capital Improvement Program	General Fund	34,269
Cemetery Fund	General Fund	3,458
Church and Copley Cemetery	General Fund	1,013
Library Restoration Fund	General Fund	3,244
Special Educational Grants	General Fund	41,124
		<u>\$ 137,439</u>

NOTE 7 - LONG-TERM DEBT

A. Changes in long-term liabilities

Long-term liability activity for the year June 30, 2007 was as follows:

	Opening Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
Elementary School	\$ 1,290,000	\$ -	\$ (265,000)	\$ 1,025,000	\$ 265,000
Town	277,263	-	(14,273)	262,990	14,969
Total Bonds Payable	1,567,263	-	(279,273)	1,287,990	279,969
Compensated Absences	170,981	12,599	-	183,580	18,358
	<u>\$ 1,738,244</u>	<u>\$ 12,599</u>	<u>\$ (279,273)</u>	<u>\$ 1,471,570</u>	<u>\$ 298,327</u>

B. General obligation bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as 20 year serial bonds with equal amounts of principal maturing each year. Payments on these bonds have been made out of the General Fund and are all charged to expenditures.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

General obligation bonds currently outstanding are as follows:

Purpose	Original Amount	Matures in Year Ending	Interest Rates	Amount
Elementary School Renovations	\$ 5,000,000	2020	6.25%	\$ 1,025,000
Library	\$ 350,000	2011	4.88%	262,990
				<u>\$ 1,287,990</u>

Annual debt service requirements to maturity for general obligation bonds are as shown in the following schedule.

Year Ending	Principal	Interest	Year Ending	Principal	Interest
2008	\$ 279,969	\$ 76,884	2015	20,888	6,902
2009	280,699	59,591	2016	21,907	5,883
2010	281,464	42,263	2017	22,975	4,815
2011	247,627	24,898	2018	24,095	3,695
2012	18,109	9,681	2019	25,269	2,521
2013	18,992	8,798	2020	26,079	1,351
2014	19,917	7,873	Total	<u>\$ 1,287,990</u>	<u>\$ 255,155</u>

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

C. Debt Limitations under Connecticut State Statutes

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town. The limitations for the Town of Chaplin, Connecticut are as follows:

Total tax collections (including interest and lien fees) for the year	\$ 4,264,049
Reimbursements for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	15,517
Debt limitation base	<u>\$ 4,279,566</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 9,629,024	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	19,258,047	-	-	-
3 3/4 times base	-	-	16,048,373	-	-
3 1/4 times base	-	-	-	13,908,590	-
3 times base	-	-	-	-	12,838,698
Total debt limitation	<u>9,629,024</u>	<u>19,258,047</u>	<u>16,048,373</u>	<u>13,908,590</u>	<u>12,838,698</u>

Indebtedness:					
Bonds and notes payable	262,617	1,025,000	-	-	-
Amount to be provided by CT	-	(811,252)	-	-	-
Total indebtedness	<u>262,617</u>	<u>213,748</u>	<u>-</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of debt outstanding and authorized	<u>\$ 9,366,407</u>	<u>\$ 19,044,299</u>	<u>\$ 16,048,373</u>	<u>\$ 13,908,590</u>	<u>\$ 12,838,698</u>
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In no case shall total indebtedness exceed seven times annual receipts from taxation	<u>\$ 29,956,962</u>
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**Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007**

NOTE 8 - FUND BALANCES

A. Reserved Fund Balances

Fund Balances are reported in the Fund Financial Statements. Reserved Fund Balances represent those portions of the fund equity not available for appropriation for expenditures or legally segregated for a specific future use. At June 30, 2007 this consisted of:

	General Fund	Other Governmental Funds
To balance next year's budget	\$ 163,942	\$ -
Discovery Day	5,247	-
Principal balance of trust funds	-	5,925
Inventory	-	1,300
	<u>\$ 169,189</u>	<u>\$ 7,225</u>

B. Deficit Fund Balances

The Preschool Program Fund had a deficit fund balance of \$54,506 at year end.

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Teachers' Retirement System

Teachers and certain other certified personnel in the Town are eligible to participate in the State of Connecticut Teachers' Retirement System, a multiple employer public employees retirement system described in the Connecticut General Statutes, Chapter 167a. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut. The financial report may be obtained through the State Teacher's Retirement Board.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary, or be less than \$3,600. Benefits are fully vested after ten years of service.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

The funding of the system is provided by required member contributions (7 percent of their annual salary) and by amounts appropriated by the State of Connecticut General Assembly. For the year ended June 30, 2007, the State contributed \$182,149 into the pension plan on behalf of the Town of Chaplin, Connecticut. This was recorded on the GAAP statements as revenue and expenditures in the General Fund. The Town's total payroll for all employees for the fiscal year ending June 30, 2007 was \$2,338,243 of which \$1,449,117 was covered under this pension plan.

B. Deferred Compensation Plan

The Town has established a deferred compensation plan under Section 457 of the Internal Revenue Service Code for employees of the general government. Employees may elect to defer a portion of their gross pay up to the maximum allowed in the Code. The Town is not the trustee of this plan.

NOTE 10 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-479a et. seq. for some of its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial. The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

NOTE 12 - JOINT VENTURE

Regional School District #11-Central Office Committee (Central Office Committee) was established as a joint venture by a compact to provide supervisory services between the Boards of Education of Chaplin, Hampton, Scotland, and Regional School District #11-Parish Hill High School. Balances due to or from the Central Office Committee are referred to as due to or due from a related party. These balances result from the Central Office Committee using one bank account to handle monies for the four related Boards of Education. There is no policy or mechanism in place to pay these balances off periodically.

The Central Office Committee is governed by representatives of the Boards of Education of Chaplin, Hampton, Scotland, and Regional School District #11 - Parish Hill High School. The Central Office Committee selects its staff, established a budget, provides facilities and equipment and develops procedures and negotiated objectives. The government has no direct control over the operation of the Central Office Committee. The government controls 22 percent of the vote of the four Boards. The government provides 20 percent of the Central Office Committee's funding. The Towns of Chaplin, Hampton and Regional School District #11 provide the remaining 80 percent.

Although the Town has no responsibility for funding deficits and has no privileges to surpluses, the Town is working to withdraw from the compact as of June 30, 2007. An agreement must be worked out with the other parties involved in the compact. This agreement may call for funding of a certain portion of the Central Office Committee's deficit. The latest financial statements can be obtained by contacting the Superintendent of Schools at Regional School District #11, Parish Hill High School in Chaplin, Connecticut.

NOTE 13 - GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB #43 and 45 - *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* – These will be effective for the year ending June 30, 2009. These statements require actuarial calculations for other post employment benefits (OPEB), such as health insurance.
- GASB #48 - *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* – This will be effective for the year ending June 30, 2008. The requirements in this Statement improve financial reporting by establishing consistent measurement, recognition, and disclosure requirements that apply to both governmental and business-type activities.

Town of Chaplin, Connecticut
Notes to the Financial Statements
For the Year Ended June 30, 2007

- GASB #49 - *Accounting and Financial Reporting for Pollution Remediation Obligations* – This will be effective for the year ending June 30, 2009. This Statement will enhance comparability of financial statements among governments by requiring all governments to account for pollution remediation obligations in the same manner, including required reporting of pollution remediation obligations that previously may not have been reported. This Statement also will enhance users' ability to assess governments' obligations by requiring more timely and complete reporting of obligations as their components become reasonably estimable.
- GASB #50 - *Pension Disclosures* – This will be effective for the year ending June 30, 2008. This Statement more closely aligns the financial reporting requirements for pensions with those for other post employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.
- GASB #51 - *Accounting and Financial Reporting for Intangible Assets* – This will be effective for the year ending June 30, 2010. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets (including easements, water rights, timber rights, patents, trademarks, and computer software) to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

Town of Chaplin, Connecticut
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2007

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual Budgetary Basis	Variance
REVENUES					
Property Taxes:					
Property Taxes	\$ 4,198,210	\$ -	\$ 4,198,210	\$ 4,157,524	\$ (40,686)
Interest, Liens and Fees	24,000	-	24,000	39,171	15,171
Prior Year Taxes	32,000	-	32,000	98,938	66,938
Payment in Lieu of Taxes	7,000	-	7,000	7,000	-
	<u>4,261,210</u>	<u>-</u>	<u>4,261,210</u>	<u>4,302,633</u>	<u>41,423</u>
Reimbursements in Lieu of Taxes:					
Boat Tax Reimbursement	581	-	581	581	-
Disability Exemption	250	-	250	237	(13)
Elderly Tax Reimbursement	15,700	-	15,700	15,517	(183)
Machinery Equipment Reimbursement	880	-	880	720	(160)
Casino Grant	132,074	-	132,074	128,069	(4,005)
State Property	83,010	-	83,010	83,949	939
Veterans Exemption	1,100	-	1,100	1,147	47
Tax Relief Grant	29,179	-	29,179	29,179	-
	<u>262,774</u>	<u>-</u>	<u>262,774</u>	<u>259,399</u>	<u>(3,375)</u>
State and Federal Funding for Operations:					
Circuit Court	1,100	-	1,100	3,598	2,498
Historic Document Preservation	7,000	-	7,000	7,000	-
Library Grant	1,336	-	1,336	1,838	502
Miscellaneous Grants	6,000	-	6,000	6,994	994
Town Aid Road	89,474	-	89,474	97,877	8,403
Utility Lease	12,695	-	12,695	10,288	(2,407)
FEMA	-	-	-	8,020	8,020
Trooper Grant	-	-	-	38	38
	<u>117,605</u>	<u>-</u>	<u>117,605</u>	<u>135,653</u>	<u>18,048</u>
State Educational Funding:					
Adult Education/Student Improvement	2,647	-	2,647	2,577	(70)
Education Cost Sharing	1,692,996	-	1,692,996	1,689,105	(3,891)
Elementary School Construction Grant	275,448	-	275,448	275,448	-
Special Education	-	-	-	18,353	18,353
Transportation	67,942	-	67,942	61,770	(6,172)
	<u>2,039,033</u>	<u>-</u>	<u>2,039,033</u>	<u>2,047,253</u>	<u>8,220</u>
Receipts for Town Services:					
Building Permits	8,000	-	8,000	13,226	5,226
Conveyance Tax and Recording	6,500	-	6,500	15,350	8,850
DEP Town Clerk Fees	2,700	-	2,700	-	(2,700)
Dog Fund	200	-	200	-	(200)
Historic Commission	650	-	650	100	(550)
Inland Wetland	815	-	815	2,255	1,440
Pistol Permits	100	-	100	77	(23)
Planning and Zoning	5,200	-	5,200	9,147	3,947
Recording Fees	10,000	-	10,000	13,224	3,224
Transfer Station Fees	10,000	-	10,000	8,228	(1,772)
Zoning Board of Appeals	250	-	250	840	590
	<u>44,415</u>	<u>-</u>	<u>44,415</u>	<u>62,447</u>	<u>18,032</u>
Other Funds:					
Cell Tower Lease	25,958	-	25,958	27,084	1,126
Cemetery Fund Interest	300	-	300	-	(300)
Elementary School Refunds/ Reimb	-	-	-	7,982	7,982

See Accountants' Report

Town of Chaplin, Connecticut
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2007

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual Budgetary Basis	Variance
Investment Interest	35,000	-	35,000	76,932	41,932
Miscellaneous Receipts	5,000	-	5,000	11,077	6,077
Recycling	7,000	-	7,000	7,344	344
Rentals	-	-	-	4,692	4,692
Vital Statistics and Copies	1,000	-	1,000	1,892	892
Vital Statistics/Surcharges	1,500	-	1,500	-	(1,500)
Miscellaneous:					
Bond Interest Elementary School	-	-	-	91	91
	75,758	-	75,758	137,094	61,336
TOTAL REVENUES	6,800,795	-	6,800,795	6,944,479	143,684

EXPENDITURES

General Government:

Board of Finance	29,605	-	29,605	27,997	1,608
Board of Selectmen	66,384	-	66,384	66,274	110
Town Clerk	38,263	3,904	42,167	40,466	1,701
Tax Collector	39,637	-	39,637	38,758	879
Accountant	28,262	-	28,262	27,420	842
Town Treasurer	10,449	-	10,449	6,933	3,516
Assessor	34,014	-	34,014	31,768	2,246
Building Inspector	16,568	693	17,261	17,336	(75) *
Registrars and Elections	10,900	899	11,799	11,799	-
Inland Wetland Commission	10,129	-	10,129	9,175	954
Planning and Zoning Commission	17,105	-	17,105	14,573	2,532
Recreation Committee	6,075	1,582	7,657	7,657	- *
Burning Official	1,347	-	1,347	1,202	145
Municipal Agent Elderly	1,237	-	1,237	1,237	-
Tree Warden	1,000	-	1,000	1,000	-
Zoning Board of Appeals	610	640	1,250	1,250	-
Conservation Commission	500	-	500	456	44
Historic District Commission	350	-	350	311	39
Board of Assessment Appeals	125	-	125	123	2
Employee Benefits	90,000	(18,119)	71,881	68,617	3,264
Annuity Match	18,500	-	18,500	16,312	2,188
Social Security	33,500	-	33,500	31,687	1,813
Unemployment Compensation	2,500	-	2,500	243	2,257
Insurance	56,500	-	56,500	52,441	4,059
Chaplin Library	54,910	2,580	57,490	57,475	15
Senior Center	53,543	-	53,543	51,093	2,450
Town Memberships	9,000	2,195	11,195	11,195	-
Legal Fees	7,000	-	7,000	7,015	(15) *
Town Counsel	5,000	-	5,000	4,820	180
Postage	900	-	900	900	-
Probate	2,000	-	2,000	2,000	-
Chaplin Special Needs	500	-	500	-	500
Vital Statistics	456	-	456	363	93

Public Works:

Public Works	194,825	-	194,825	185,988	8,837
Sanitation	175,000	-	175,000	171,995	3,005
Building, Grounds Maintenance	61,090	7,527	68,617	68,566	51

See Accountants' Report

Town of Chaplin, Connecticut
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2007

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual Budgetary Basis	Variance
Public Safety:					-
Police Protection	93,500	-	93,500	92,570	930
Fire Protection	42,000	294	42,294	42,369	(75) *
Ambulance Assessment	10,000	-	10,000	10,000	-
Eastern Health District	10,000	-	10,000	9,865	135
Fire Marshal	8,776	-	8,776	8,516	260
Animal Control Officer	8,324	-	8,324	6,757	1,567
Paramedics	7,500	-	7,500	2,418	5,082
911 Dispatch Fees	4,694	-	4,694	4,694	-
Emergency Preparedness	1,000	2,500	3,500	2,760	740
Drug and Alcohol Testing	600	-	600	394	206
Community Conversation	-	-	-	2,000	(2,000) *
	<u>1,264,178</u>	<u>4,695</u>	<u>1,268,873</u>	<u>1,218,788</u>	<u>50,085</u>
Capital Improvement:					
CIP: Capital Improvement Plan	193,245	-	193,245	193,245	-
	<u>193,245</u>	<u>-</u>	<u>193,245</u>	<u>193,245</u>	<u>-</u>
Debt Service:					
Debt Service: Elementary School	345,626	-	345,626	345,625	1
Debt Service: USDA Library	27,790	-	27,790	27,790	-
	<u>373,416</u>	<u>-</u>	<u>373,416</u>	<u>373,415</u>	<u>1</u>
Total Town Government	<u>1,830,839</u>	<u>4,695</u>	<u>1,835,534</u>	<u>1,785,448</u>	<u>50,086</u>
Education Expenditures:					
Elementary School	2,835,673	-	2,835,673	2,822,095	13,578
Regional School	2,357,265	-	2,357,265	2,359,649	(2,384) *
Total Education	<u>5,192,938</u>	<u>-</u>	<u>5,192,938</u>	<u>5,181,744</u>	<u>11,194</u>
TOTAL EXPENDITURES	<u>7,023,777</u>	<u>4,695</u>	<u>7,028,472</u>	<u>6,967,192</u>	<u>61,280</u>
Excess (Deficiency) of Revenues Over Expenditures, Budgetary Basis	<u>\$ (222,982)</u>	<u>\$ (4,695)</u>	<u>\$ (227,677)</u>	<u>\$ (22,713)</u>	<u>\$ 204,964</u>
Adjustments to Generally Accepted Accounting Principles (GAAP):					
On Behalf Revenues from Teachers' Retirement Netted in Budget				(182,149)	
On Behalf Expenditures from Teachers' Retirement Netted in Budget				182,149	
Revenues from Excess Cost Grant Netted in Budget				(2,854)	
Expenditures from Excess Cost Grant Netted in Budget				<u>2,854</u>	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - GAAP Basis				<u>\$ (22,713)</u>	

Notes to Required Supplementary Information: A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: (1) the Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf; (2) the General Government budgets for payroll on a cash basis; and (3) the Town offsets educational expenses with the Special Education Excess Cost Grant from the State.

* These accounts were over budget by the amount indicated.

See Accountants' Report

Town of Chaplin, Connecticut Fund Descriptions

Special Revenue Funds:

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Project Funds:

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Permanent Funds:

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Town of Chaplin, Connecticut
Combining Balance Sheet
Other Governmental Funds
June 30, 2007

	Special Revenue Funds										Total Other Governmental Funds
	General Government			Education			Permanent Funds				
	Library Restoration Fund	Chaplin Library Fund	Senior Center Fund	Recreation Commission	Special Education Grants	Child Nutrition	Pre-School Program	Cemetery Fund	Church and Copley Cemetery		
Assets											
Cash and cash equivalents	\$ -	\$ 9,041	\$ 13,913	\$ 15,824	\$ -	\$ 22,312	\$ -	\$ -	\$ -	\$ -	\$ 61,090
Receivables	-	-	-	-	-	3,846	-	-	-	-	3,846
Inventory	-	-	-	-	-	1,300	-	-	-	-	1,300
Due from other governmental funds	3,244	-	-	-	41,124	-	-	3,458	1,013	-	48,839
Due from related parties	-	-	-	-	12,425	-	-	-	-	-	12,425
Total Assets	\$ 3,244	\$ 9,041	\$ 13,913	\$ 15,824	\$ 53,549	\$ 27,458	\$ -	\$ 3,458	\$ 1,013	\$ -	\$ 127,500
Liabilities and Fund Balance											
Liabilities											
Accounts payable	\$ -	\$ -	\$ 574	\$ -	\$ 4,862	\$ 51	\$ 1,866	\$ -	\$ -	\$ -	\$ 7,353
Accrued expenses	-	-	-	-	10,233	4,037	35	-	-	-	14,305
Deferred revenue	-	-	-	-	36,758	-	-	-	-	-	36,758
Due to other governmental funds	-	-	-	-	-	3,973	50,358	-	-	-	54,331
Due to related party	-	-	-	-	-	-	2,247	-	-	-	2,247
Total Liabilities	-	-	574	-	51,853	8,061	54,506	-	-	-	114,994
Fund Balance											
Reserved	-	-	-	-	-	1,300	-	5,000	925	-	7,225
Unreserved, undesignated	3,244	9,041	13,339	15,824	1,696	18,097	(54,506)	(1,542)	88	-	5,281
Total Fund Balance	3,244	9,041	13,339	15,824	1,696	19,397	(54,506)	3,458	1,013	-	12,506
Total Liabilities and Fund Balance	\$ 3,244	\$ 9,041	\$ 13,913	\$ 15,824	\$ 53,549	\$ 27,458	\$ -	\$ 3,458	\$ 1,013	\$ -	\$ 127,500

Town of Chaplin, Connecticut
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue Funds					Permanent Funds			Total Other Governmental Funds
	General Government	Senior Center Fund	Recreation Commission	Special Education Grants	Education	Child Nutrition	Pre-School Program	Cemetery Fund	Church and Copley Cemetery
Revenues									
Intergovernmental Revenues									
Local Revenues									
	\$ -	\$ -	\$ -	\$ 179,748	\$ 24,391	\$ -	\$ -	\$ -	\$ -
	300	3,547	18,509	11,874	37,879	49,915	322	322	204,139
Total Revenues	300	3,547	18,509	191,622	62,270	49,915	322	322	125,585
									329,724
Expenditures									
Current Expenditures:									
General Government									
Education	244	3,218	18,588	4,595	-	-	-	30,230	56,875
	-	-	-	-	189,926	70,494	27,525	-	287,945
Total Expenditures	244	3,218	18,588	4,595	189,926	70,494	27,525	30,230	344,820
Excess (Deficiency) of Revenues Over Expenditures	56	329	(79)	(1,356)	1,696	(8,224)	22,390	(29,908)	(15,096)
Fund Balance, Beginning of the Year	3,188	8,712	13,418	17,180	-	27,621	(76,896)	33,366	27,602
Fund Balance, End of the Year	\$ 3,244	\$ 9,041	\$ 13,339	\$ 15,824	\$ 1,696	\$ 19,397	\$ (54,506)	\$ 3,458	\$ 12,506

Town of Chaplin, Connecticut
Statement of Changes in Assets and Liabilities
Agency Funds
Student Activity Funds
For the Year Ended June 30, 2007

	Balance Beginning		Additions		Deductions		Balance Ending
Assets							
Cash	\$ 7,062	\$	50,949	\$	(50,943)	\$	7,068
Liabilities							
Due to students	\$ 7,062	\$	50,949	\$	(50,943)	\$	7,068

Town of Chaplin, Connecticut
Report of the Property Tax Collector
For the Year Ended June 30, 2007

Grand List	Beginning Receivable Balance	Current Year Levy	Lawful Corrections		Net Taxes Collectible	Collections During The Year			Transfer To Suspend	Ending Receivable Balance
			Additions	Deductions		Taxes	Interest	Liens		
2005	\$ -	\$ 4,281,321	\$ 9,020	\$ 27,414	\$ 4,262,927	\$ 4,164,405	\$ 24,539	\$ 286	\$ 4,189,230	\$ 98,374
2004	76,510	-	1,167	1,361	76,316	52,052	10,226	610	62,888	23,985
2003	14,814	-	1,088	452	15,450	7,357	2,151	82	9,590	6,540
2002	7,830	-	-	-	7,830	1,320	760	40	2,120	4,537
2001	2,433	-	-	-	2,433	64	54	6	124	962
2000	713	-	49	-	762	49	48	-	97	713
1999	671	-	-	-	671	-	-	-	-	671
1998	91	-	-	-	91	-	-	-	-	91
1997	65	-	-	-	65	-	-	-	-	65
1996	(211)	-	-	-	(211)	-	-	-	-	(211)
1995	66	-	-	-	66	-	-	-	-	66
1994	141	-	-	-	141	-	-	-	-	141
1993	(4)	-	-	-	(4)	-	-	-	-	(4)
1992	(2)	-	-	-	(2)	-	-	-	-	(2)
	\$ 103,117	\$ 4,281,321	\$ 11,324	\$ 29,227	\$ 4,366,535	\$ 4,225,247	\$ 37,778	\$ 1,024	\$ 4,264,049	\$ 5,360
										\$ 135,928

Town of Chaplin, Connecticut
Statement of Changes in Fund Balance
Capital Improvement Program
For the Year Ended June 30, 2007

	Beginning Fund Balance	Approved Budget Original	Additional	Intrafund Transfers	Revenues	Total Available	Current Year Expenditures	Ending Fund Balance
DESIGNATED FUND BALANCE:								
General Government:								
Comprehensive Plan of Development	\$ 10,399	\$ -	\$ -	\$ -	\$ -	\$ 10,399	\$ -	\$ 10,399
Assessor - Phase II	9,129	-	-	-	-	9,129	-	9,129
Town Hall Roof	8,176	-	-	(8,176)	-	-	-	-
Grange Renovations	574	-	-	-	-	574	-	574
Town Clerk Copier	5	-	-	(5)	-	-	-	-
Town Hall Planned Development	1,580	-	-	-	-	1,580	-	1,580
Indexing	-	-	-	10,000	-	10,000	(9,648)	352
Volunteer Fire Department:								
Fire Escape/Fire House	4,270	-	-	(4,270)	-	-	-	-
Chaplin Elementary School:								
Old Gym at Senior Center	20,120	-	-	4,803	-	24,923	(24,923)	-
Cafeteria Tables	1,825	-	-	(1,825)	-	-	-	-
Office Communications Center	1,548	-	-	(1,548)	-	-	-	-
Storage Building - Rec Dept	545	-	-	(545)	-	-	-	-
Roof	-	164,000	-	-	-	164,000	(157,000)	7,000
Public Works/Highway:								
Marcy/Morey Rd Bridges	6,739	-	-	(6,739)	-	-	-	-
Bear Hill	(8,145)	-	-	8,145	-	-	-	-
Wood Chipper	6,000	-	-	(6,000)	-	-	-	-
Resurfacing Road *	-	29,245	-	-	-	29,245	(47,525)	(18,280)
Total Designated Fund Balance	62,765	193,245	-	(6,160)	-	249,850	(239,096)	10,754
UNDESIGNATED FUND BALANCE								
Undesignated Fund Balance	67,717	-	-	6,160	2,231	76,108	(2)	76,106
TOTAL FUND BALANCE	\$ 130,482	\$ 193,245	\$ -	\$ -	\$ 2,231	\$ 325,958	\$ (239,098)	\$ 86,860

* Revenue of \$60,755 has been deferred and is not included in this schedule.

See Accountants' Report

Town of Chaplin, Connecticut
Detailed Schedule of Board of Education Expenditures
Budget vs. Actual (Budgetary Basis)
For the Year Ended June 30, 2007

Account Name	Original Budget	Expenditures	Variance
Regular Instruction	\$ 1,566,067	\$ 1,544,427	\$ 21,640
Pre-School	16,760	2,104	14,656
Spec Ed / Handicapped	195,495	199,552	(4,057)
Spec Ed / Talented and Gifted	54,559	48,749	5,810
Adult Education	2,200	3,200	(1,000)
Summer School Instruction	53,391	54,679	(1,288)
Health Office	39,681	35,397	4,284
PPT Services	143,972	109,407	34,565
School Library	50,044	55,243	(5,199)
Board of Education	1,822	1,715	107
Superintendent's Office	44,124	33,093	11,031
General Administration	36,000	33,026	2,974
School Office	175,685	174,987	698
Business Office	35,640	71,161	(35,521)
Buildings and Grounds	206,222	251,694	(45,472)
Pupil Transportation	176,753	174,302	2,451
Professional Development	2,500	2,694	(194)
Central Office Computer Support	31,528	23,646	7,882
Activities	3,230	3,019	211
	<u>\$ 2,835,673</u>	<u>\$ 2,822,095</u>	<u>\$ 13,578</u>