

TOWN OF EAST WINDSOR, CONNECTICUT

**Financial Statements
and Supplemental Schedules**

**For the Year Ended
June 30, 2011**

**Together with
Independent Auditors' Report**



Certified Public Accountants & Business Advisors

**TOWN OF EAST WINDSOR, CONNECTICUT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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**TOWN OF EAST WINDSOR, CONNECTICUT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Finance of the
Town of East Windsor, 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 East Windsor, Connecticut (the "Town"), as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Windsor, Connecticut, as of June 30, 2011, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and schedules of funding progress on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining and individual fund statements and schedules and other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The other supplementary information on pages 66 – 74 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

CCR LLP

Glastonbury, Connecticut
December 28, 2011

Management's Discussion and Analysis

TOWN OF EAST WINDSOR, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of East Windsor (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, 2011.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,189,930, an increase of \$517,963 in comparison with the prior year. Approximately 38.4% or \$2,374,787 of this total amount is considered to be unassigned fund balance as of June 30, 2011.
- At the end of the current fiscal year, unassigned fund balance for the general fund increased to \$3,372,712, or 10.2% of total general fund expenditures. Expressed another way, unassigned fund balance for the general fund was sufficient to cover 1.4 months of general fund operating expenditures. The Town's fund balance policy requires a gradual increase in fund balance to 17% or 2 months of general fund operating expenditures, as recommended by the Government Finance Officers Association ("GFOA").
- The assets of the Town's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$48,374,677 (net assets). Of this amount, \$8,520,495 is considered to be unrestricted, \$39,844,361 is considered to be invested in capital assets, net of related debt and \$9,821 is considered to be restricted under trust agreements.
- The Town's total net assets increased by \$2,503,852. This increase was primarily due to an increase in property tax revenues as a result of a 2% Charter driven default budget coupled with an increase in the amount of back taxes collected, as well as an increase in building permit fees collected. Program expenses totaled \$36,886,080 (an increase of \$381,172 from the prior year), primarily due to increases in sanitation and waste removal and education expenditures.
- The Town's total long-term bonded debt decreased by \$806,000 or 15.1% during the current fiscal year due to scheduled repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 display information about the Town's governmental activities which include general government, public safety, health and welfare, libraries, highways and transportation, and education. The Town does not have any business-type activities.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

The government-wide financial statements can be found on pages 13 - 14 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 15 - 19 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 20 - 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 - 48 of this report.

Other Information

Required supplementary information and combining and individual fund statements and schedules and other supplementary information can be found on pages 49 - 74 of this report.

TOWN OF EAST WINDSOR, CONNECTICUT

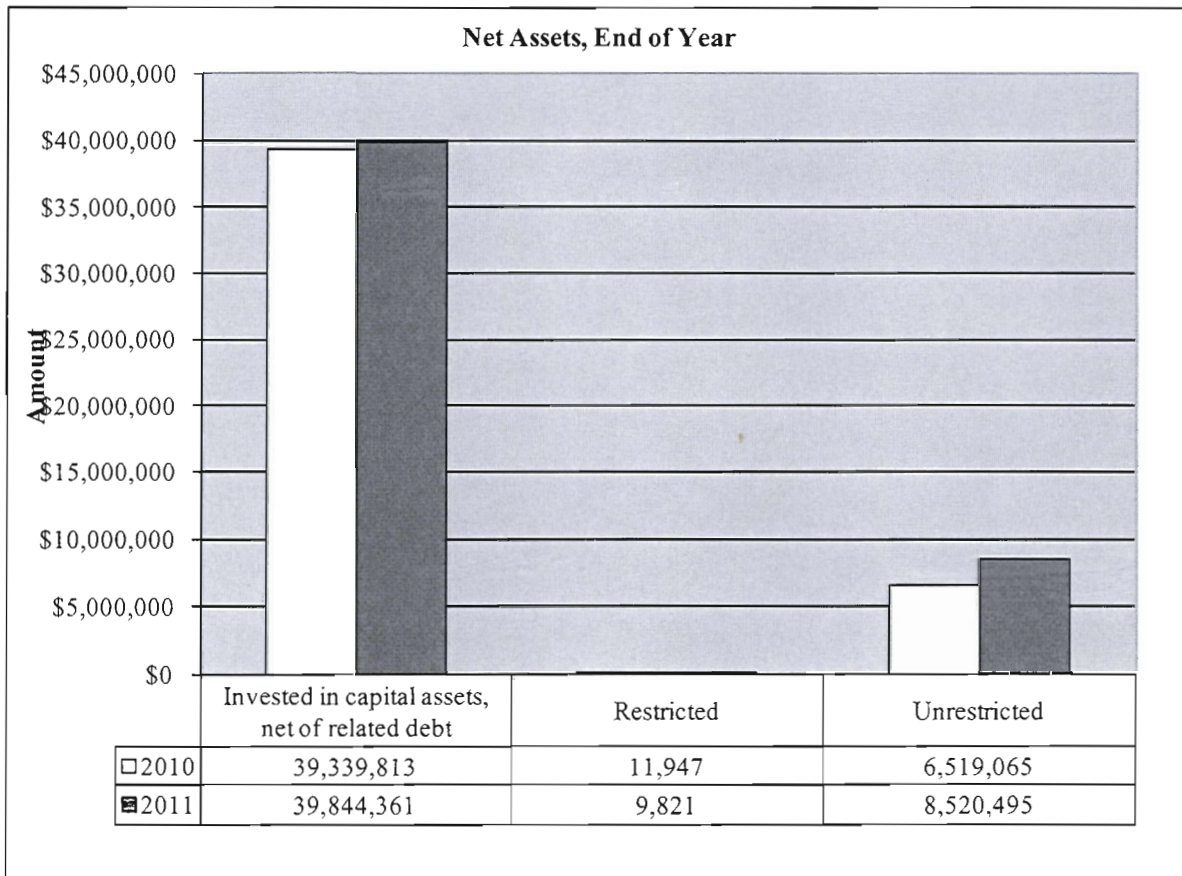
MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

Over time, net assets may serve as one measure of a government's financial position. Total net assets of the Town totaled \$48,374,677 and \$45,870,825 as of June 30, 2011 and 2010, respectively and are summarized as follows:

	Total	
	2011	2010
Current and other assets	\$ 14,357,680	\$ 11,509,675
Capital assets, net	49,547,608	48,854,897
Total assets	63,905,288	60,364,572
Other liabilities	5,185,010	2,780,424
Long-term liabilities	10,345,601	11,713,323
Total liabilities	15,530,611	14,493,747
Net assets:		
Invested in capital assets, net of related debt	39,844,361	39,339,813
Restricted	9,821	11,947
Unrestricted	8,520,495	6,519,065
Total net assets	\$ 48,374,677	\$ 45,870,825



TOWN OF EAST WINDSOR, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Assets *(Continued)*

82.4% of the Town's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Less than 1.0% of net assets are considered restricted under trust arrangements. The remainder of the Town's net assets are considered unrestricted.

Overall, net assets increased by \$2,503,852 or 5.5% in comparison to the prior year.

Changes in Net Assets

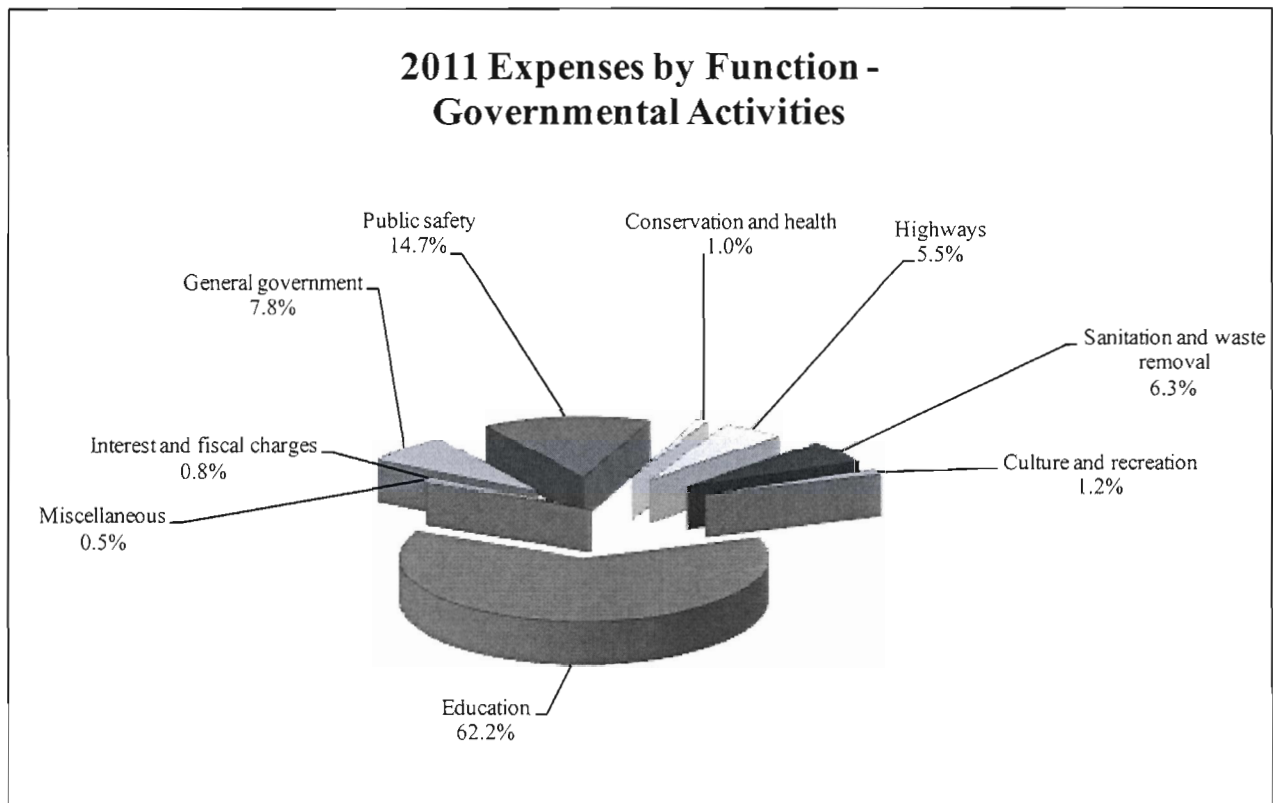
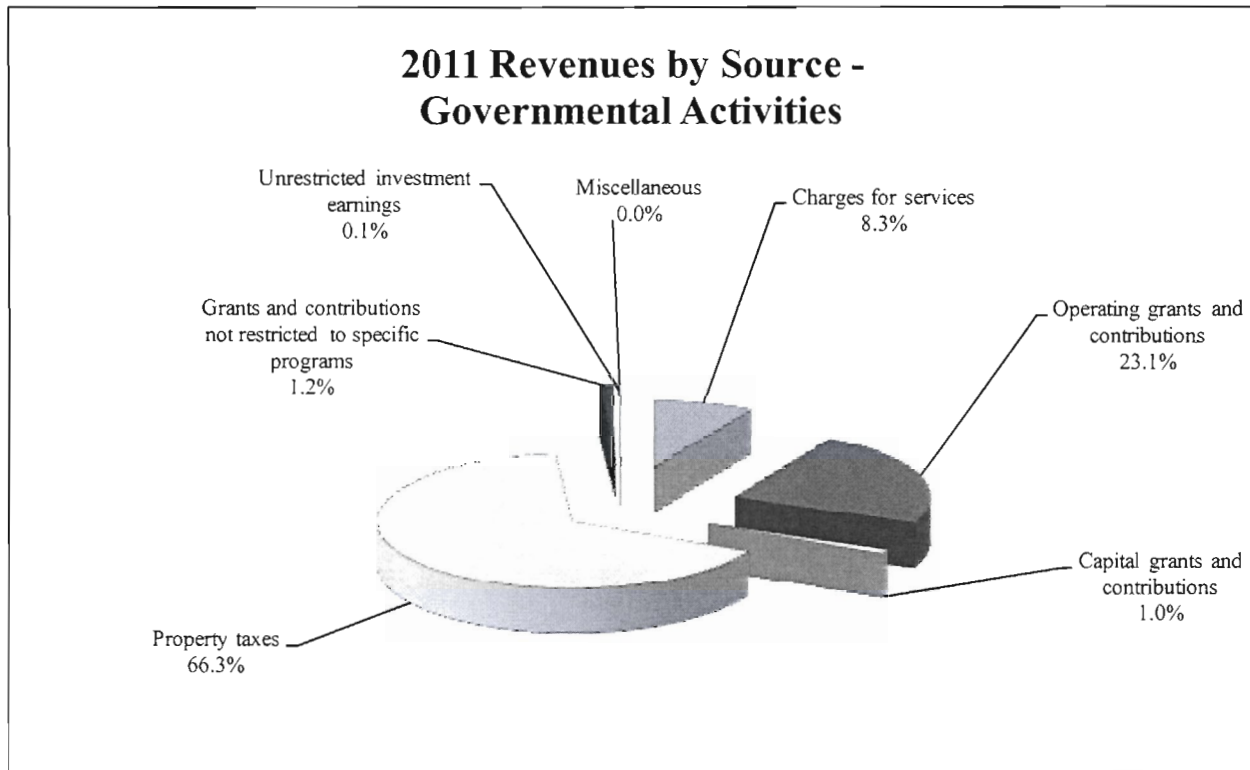
Changes in net assets for the years ended June 30, 2011 and 2010 are as follows:

	Total	
	2011	2010
Revenues		
Program revenues:		
Charges for services	\$ 3,285,840	\$ 2,166,950
Operating grants and contributions	9,083,558	9,638,012
Capital grants and contributions	395,691	105,979
General revenues:		
Property taxes	26,107,014	23,740,203
Grants and contributions not restricted to specific programs	472,506	536,305
Unrestricted investment earnings	26,008	39,122
Miscellaneous	19,315	99,756
Total revenues	<u>39,389,932</u>	<u>36,326,327</u>
Program expenses		
General government	2,876,228	3,332,224
Public safety	5,433,750	5,548,029
Conservation and health	374,947	416,222
Highways	2,013,463	2,203,257
Sanitation and waste removal	2,302,215	2,115,376
Culture and recreation	465,709	472,896
Education	22,957,727	21,951,693
Miscellaneous	178,702	156,077
Interest and fiscal charges	283,339	309,134
Total expenses	<u>36,886,080</u>	<u>36,504,908</u>
Change in net assets	<u>\$ 2,503,852</u>	<u>\$ (178,581)</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets (Continued)



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (*Continued*)

Governmental Activities

Governmental activities increased the Town's net assets by \$2,503,852. Key elements of this increase are as follows:

- An increase in education expenditures of \$1,006,034 or 4.6%, primarily due to a budget increase of approximately 2% in addition to certain revenues no longer net with education expenditures for GAAP reporting purposes.
- An increase in property tax revenue of \$2,366,811 as a result of a 2% Charter driven default budget coupled with an increase in the amount of back taxes collected, as well as an increase in building permit fees collected.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,189,930, an increase of \$517,963 in comparison with the prior year. Of this amount, \$2,374,787 constitutes unassigned fund balance. The remainder of fund balance is not available for new spending because it has already been restricted, assigned or committed to specific purposes.

General Fund

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,372,712, while total fund balance was \$3,935,859. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 10.2% of total general fund expenditures. Expressed another way, unassigned fund balance for the general fund was sufficient to cover 1.4 months of general fund operating expenditures and net other financing uses. The Town's fund balance policy requires a gradual increase in fund balance to 17% or 2 months of general fund operating expenditures, as recommended by the Government Finance Officers Association ("GFOA").

The fund balance of the Town's general fund increased \$1,049,497 during the current fiscal year. Factors contributing to this increase were land use permit fees, back tax collections and educational revenues no longer reported as an offset to expenditures. These increases were offset by an increase in total expenditures of \$1,298,179, primarily due to an increase in budgeted education expenditures.

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

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

Governmental Funds *(Continued)*

Capital and Nonrecurring Fund

The fund balance of the Capital and Nonrecurring Fund increased by \$176,924 during the current fiscal year. This increase was due primarily to transfers received from the General Fund.

Capital Projects Fund

The fund balance deficit of the Capital Projects Fund increased by \$447,573 during the current fiscal year, mainly due to capital expenditures incurred for various drainage projects and the North Road sewer extension.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, revenues exceeded budgetary estimates by \$399,966, while expenditures were less than budgetary estimates by \$644,524 and transfers out were less than budgetary estimates by \$5,007. The net result of these variances of revenues and expenditures was a \$1,049,497 addition to fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2011 totaled \$49,547,608 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The Town's investment in capital assets decreased \$692,711 or 1.4%.

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

- A net increase of \$1,158,903 in construction in progress, primarily due to the North Road sewer extension and various drainage projects.
- An increase of \$572,914 in infrastructure, due to the completion of road resurfacing and drainage projects in the Prospect Hill area.
- A decrease of \$1,536,942 due to current year depreciation expense.

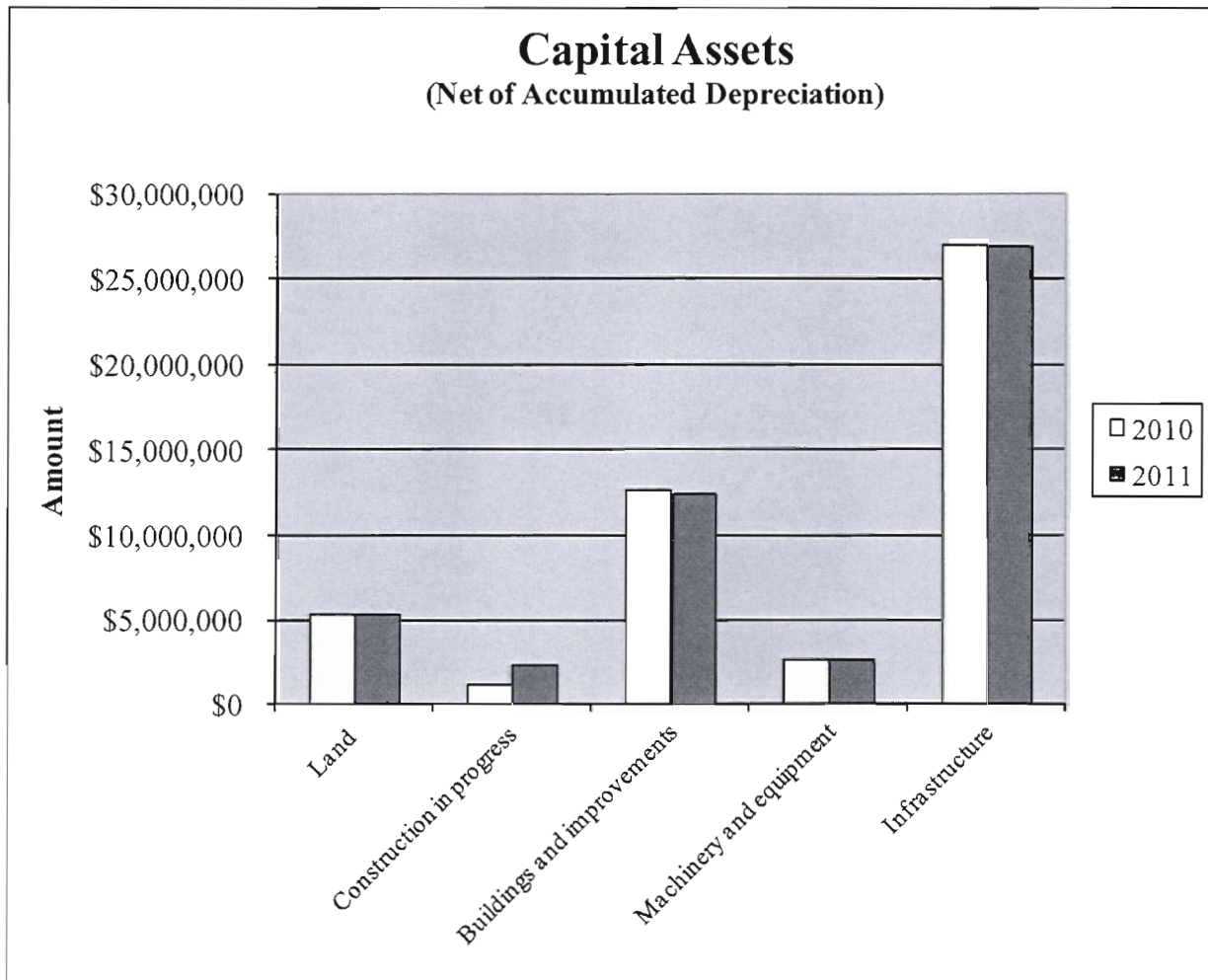
TOWN OF EAST WINDSOR, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation:

	Total	
	2011	2010
Land	\$ 5,328,962	\$ 5,328,962
Construction in progress	2,281,301	1,122,398
Buildings and improvements	12,364,129	12,685,673
Machinery and equipment	2,675,397	2,705,657
Infrastructure	26,897,819	27,012,207
Totals	\$49,547,608	\$48,854,897



Additional information on the Town's capital assets can be found in Note 4 on page 34 of this report.

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

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt

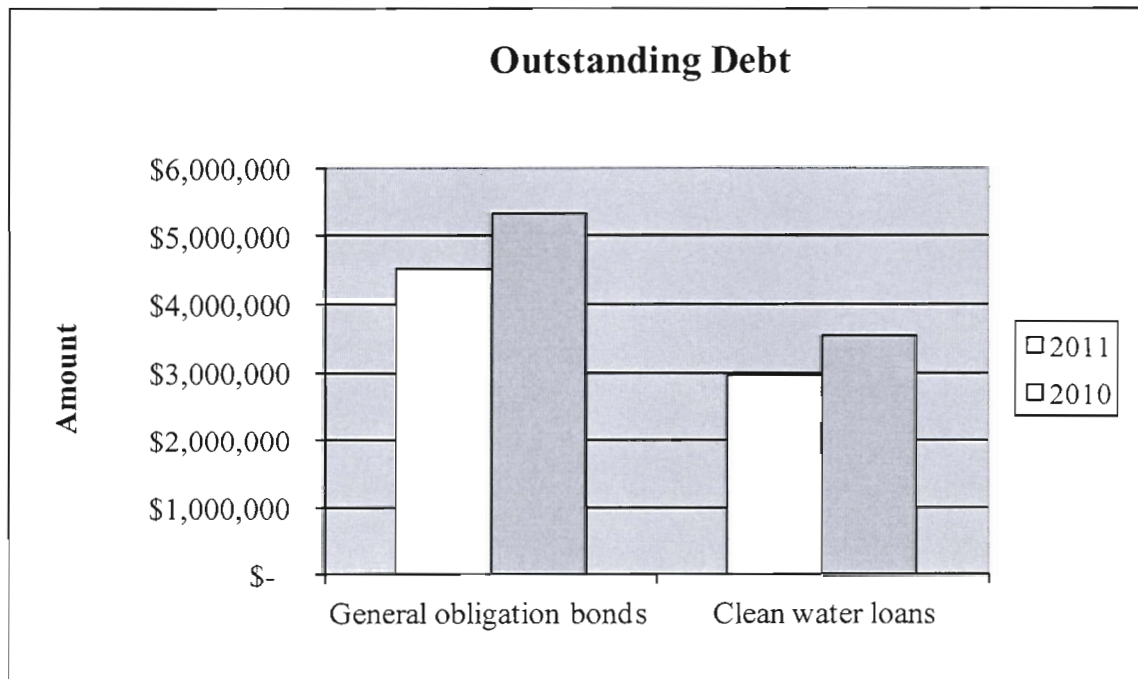
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$4,528,000, all of which is backed by the full faith and credit of the government. The Town's total bonded debt decreased by \$806,000 or 15.1% during the current fiscal year due to scheduled debt service payments.

The Town maintains an "AA2" rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$183,204,077, which is significantly in excess of the Town's outstanding general obligation debt.

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

	Totals	
	2011	2010
General obligation bonds	\$ 4,528,000	\$ 5,334,000
Clean water loans	2,944,300	3,529,334
Totals	<u>\$ 7,472,300</u>	<u>\$ 8,863,334</u>



Additional information on the Town's long-term debt can be found in Note 8 on pages 36 - 38 of this report.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Town receives intergovernmental revenues from the State of Connecticut. Due to the current State budget crisis, the Town could experience a reduction in these revenues. Connecticut's economy moves in the same general cycle as the national economy.
- The unemployment rate for the Town is currently 10%, which is an increase of .3% from the prior year, compared to the state's average unemployment rate of 9.1% and the national unemployment rate of 9.2%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for fiscal year 2012.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Treasurer, Town of East Windsor, 11 Rye Street, Broad Brook, Connecticut 06016.

Basic Financial Statements

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 10,714,113
Investments	2,123
Receivables:	
Property taxes, net of allowance of \$116,000	1,294,605
Interest, net of allowance of \$60,000	496,740
Assessments/user charges	564,733
Intergovernmental	359,317
Other	342,209
Deferred charges	3,479
Inventories	7,957
Grant and contracts receivable, long-term portion	572,404
Capital assets:	
Non-depreciable	7,610,263
Depreciable, net	41,937,345
Total assets	<u>63,905,288</u>
 LIABILITIES	
Accounts payable	1,817,566
Accrued liabilities:	
Salaries and benefits payable	380,096
Other accrued liabilities	226,428
Accrued interest	47,116
Due to funding source	160,211
Unearned revenue	313,593
Bond anticipation notes payable	2,240,000
Noncurrent liabilities:	
Due within one year	1,687,142
Due in more than one year	8,658,459
Total liabilities	<u>15,530,611</u>
 NET ASSETS	
Invested in capital assets, net of related debt	39,844,361
Restricted for:	
Endowments:	
Expendable	9,821
Unrestricted	8,520,495
Total net assets	<u>\$ 48,374,677</u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,876,228	\$ 805,316	\$ 33,517	\$ -
Public safety	5,433,750	123,417	56,432	-
Conservation and health	374,947	-	-	-
Highways	2,013,463	-	164,719	371,841
Sanitation and waste removal	2,302,215	1,755,091	13,853	-
Culture and recreation	465,709	31,784	-	-
Education	22,957,727	565,182	8,815,037	23,850
Miscellaneous	178,702	5,050	-	-
Interest and fiscal charges	283,339	-	-	-
Total governmental activities	<u>\$ 36,886,080</u>	<u>\$ 3,285,840</u>	<u>\$ 9,083,558</u>	<u>\$ 395,691</u>
General revenues:				
Property taxes, levied for general purposes				26,107,014
Grants and contributions not restricted to specific programs				472,506
Unrestricted investment earnings				26,008
Miscellaneous				19,315
Total general revenues				<u>26,624,843</u>
Change in net assets				<u>2,503,852</u>
Net assets - beginning				<u>45,870,825</u>
Net assets - ending				<u>\$ 48,374,677</u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General Fund</u>	<u>Capital and Nonrecurring Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 6,934,114	\$ 1,669,934	\$ 373,938	\$ 1,736,127	\$ 10,714,113
Investments	-	-	2,123	-	2,123
Receivables:					
Property taxes, net of allowance of \$116,000	1,294,605	-	-	-	1,294,605
Interest on property taxes, net of allowance of \$60,000	496,740	-	-	-	496,740
Assessments/user charges	-	-	-	564,733	564,733
Intergovernmental	798,389	-	-	133,332	931,721
Other	192,620	22,678	-	126,911	342,209
Due from other funds	735,705	-	1,288,769	1,196,395	3,220,869
Inventories	-	-	-	7,957	7,957
Total assets	<u>\$ 10,452,173</u>	<u>\$ 1,692,612</u>	<u>\$ 1,664,830</u>	<u>\$ 3,765,455</u>	<u>\$ 17,575,070</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
Liabilities:					
Accounts payable	\$ 1,200,228	\$ 981	\$ 422,755	\$ 193,602	\$ 1,817,566
Accrued expenses:					
Salaries and benefits	361,674	-	-	18,422	380,096
Other accrued liabilities	45,851	-	-	180,577	226,428
Bond anticipation notes payable	-	-	2,240,000	-	2,240,000
Due to other funds	2,483,414	122,497	-	614,958	3,220,869
Due to funding source	-	-	-	160,211	160,211
Unearned/deferred revenue	2,425,147	-	-	914,823	3,339,970
Total liabilities	<u>6,516,314</u>	<u>123,478</u>	<u>2,662,755</u>	<u>2,082,593</u>	<u>11,385,140</u>
Fund Balances (deficit):					
Nonspendable:					
Inventories	-	-	-	7,957	7,957
Restricted for:					
Grant program purposes	-	-	-	447,973	447,973
Special reserves - external	-	-	-	9,821	9,821
Committed to:					
Education	-	-	-	161,867	161,867
Public safety	-	-	-	131,864	131,864
Sanitation and waste removal	-	-	-	845,255	845,255
Capital projects	-	1,569,134	-	-	1,569,134
Other governmental fund purposes	-	-	-	78,125	78,125
Assigned to:					
Capital projects	563,147	-	-	-	563,147
Unassigned	3,372,712	-	(997,925)	-	2,374,787
Total fund balances (deficit)	<u>3,935,859</u>	<u>1,569,134</u>	<u>(997,925)</u>	<u>1,682,862</u>	<u>6,189,930</u>
Total liabilities and fund balances (deficit)	<u>\$ 10,452,173</u>	<u>\$ 1,692,612</u>	<u>\$ 1,664,830</u>	<u>\$ 3,765,455</u>	<u>\$ 17,575,070</u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances for governmental funds \$ 6,189,930

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

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

Land	\$ 5,328,962	
Construction in progress	2,281,301	
Buildings and improvements	25,780,734	
Machinery and equipment	6,364,021	
Infrastructure	38,807,383	
Less accumulated depreciation and amortization	<u>(29,014,793)</u>	
Total capital assets, net		49,547,608

Rehabilitation loans receivable are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds. 81,888

Some of the Town's taxes, sewer usage fees and sewer assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 2,221,689

Long-term school construction grant receivables received from the State of Connecticut are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 722,800

Bond issuance costs are recorded as expenditures in the governmental funds. However, these costs are deferred and amortized over the life of the related debt in the statement of net assets. 3,479

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

Long-term debt:		
Bonds and note payable	(7,472,300)	
Unamortized premium	(33,026)	
Deferred amount on refunding	38,600	
Accrued interest payable	(47,116)	
Other long-term liabilities:		
Net pension obligation	(1,687,680)	
Net OPEB obligation	(485,451)	
Compensated absences	<u>(705,744)</u>	
		<u>(10,392,717)</u>
Net assets of governmental activities		<u><u>\$ 48,374,677</u></u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 26,071,181	\$ -	\$ -	\$ -	\$ 26,071,181
Assessments, including interest and liens	-	-	-	467,387	467,387
Intergovernmental revenues	7,273,015	-	2,123	2,829,259	10,104,397
Licenses, fees and charges for goods and services	955,800	28,970	-	1,654,130	2,638,900
Revenues from use of money	18,383	2,646	1,636	3,343	26,008
Other revenues	3,300	-	1,750	134,495	139,545
Total revenues	<u>34,321,679</u>	<u>31,616</u>	<u>5,509</u>	<u>5,088,614</u>	<u>39,447,418</u>
EXPENDITURES					
Current:					
General government	2,658,301	-	-	124,562	2,782,863
Public safety	4,752,054	-	-	191,045	4,943,099
Conservation and health	361,438	-	-	-	361,438
Highways	1,200,901	-	-	125,364	1,326,265
Sanitation and waste removal	797,948	-	-	1,212,879	2,010,827
Insurance and surety bonds	294,488	-	-	-	294,488
Culture and recreation	437,610	-	-	-	437,610
Education	20,522,588	-	-	2,572,851	23,095,439
Miscellaneous	178,702	-	-	-	178,702
Capital outlays	351,206	87,485	603,586	796,252	1,838,529
Debt service:					
Principal payments	1,391,035	-	-	-	1,391,035
Interest and fiscal charges	256,163	-	32,312	-	288,475
Total expenditures	<u>33,202,434</u>	<u>87,485</u>	<u>635,898</u>	<u>5,022,953</u>	<u>38,948,770</u>
Excess (deficiency) of revenues over expenditures	1,119,245	(55,869)	(630,389)	65,661	498,648
OTHER FINANCING SOURCES (USES)					
Premium on bond anticipation note	-	-	19,315	-	19,315
Transfers in	350,007	239,393	163,501	29,621	782,522
Transfers out	(419,755)	(6,600)	-	(356,167)	(782,522)
Total other financing sources (uses)	<u>(69,748)</u>	<u>232,793</u>	<u>182,816</u>	<u>(326,546)</u>	<u>19,315</u>
Net change in fund balances	1,049,497	176,924	(447,573)	(260,885)	517,963
Fund balances - beginning	<u>2,886,362</u>	<u>1,392,210</u>	<u>(550,352)</u>	<u>1,943,747</u>	<u>5,671,967</u>
Fund balances - ending	<u>\$ 3,935,859</u>	<u>\$ 1,569,134</u>	<u>\$ (97,925)</u>	<u>\$ 1,682,862</u>	<u>\$ 6,189,930</u>

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

TOWN OF EAST WINDSOR, 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, 2011

Net change in fund balances - total governmental funds \$ 517,963

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

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

Expenditures for capital assets	2,259,914	
Depreciation and amortization expense	(1,536,942)	
Net adjustment		722,972

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets. (30,261)

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the governmental funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net assets. (152,640)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred revenues in governmental funds. This amount represents the change in deferred revenue. 75,840

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

Principal repayments:		
Bonds and notes payable	1,391,034	
Amortization of deferred charge on refunding	(9,650)	
Amortization of bond issuance costs	(3,480)	
Amortization of bond premiums	9,049	
		1,386,953

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

Compensated absences	(39,076)	
Accrued interest	5,736	
Net pension obligation	(1,234)	
Net OPEB obligation	17,599	
		(16,975)
Change in net assets of governmental activities		<u>\$ 2,503,852</u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 26,068,138	\$ 26,068,138	\$ 26,071,181	\$ 3,043
Intergovernmental revenues	5,615,885	5,615,885	5,503,044	(112,841)
Licenses, fees and charges for goods and services	417,718	417,718	959,099	541,381
Revenues from use of money	50,000	50,000	18,383	(31,617)
Total revenues	<u>32,151,741</u>	<u>32,151,741</u>	<u>32,551,707</u>	<u>399,966</u>
EXPENDITURES				
Current:				
General government	2,514,152	2,791,146	2,658,326	(132,820)
Public safety	4,955,411	5,013,827	4,768,915	(244,912)
Conservation and health	448,632	389,485	361,438	(28,047)
Highways	1,357,100	1,325,649	1,200,901	(124,748)
Sanitation and waste removal	726,316	841,359	797,948	(43,411)
Insurance and surety bonds	302,641	303,950	294,488	(9,462)
Culture and recreation	475,363	470,291	437,610	(32,681)
Miscellaneous	481,601	184,732	178,677	(6,055)
Education	18,828,205	18,828,205	18,828,205	-
Capital outlays	437,769	276,505	275,617	(888)
Debt service	1,969,551	1,817,773	1,796,273	(21,500)
Total expenditures	<u>32,496,741</u>	<u>32,242,922</u>	<u>31,598,398</u>	<u>(644,524)</u>
Excess (deficiency) of revenues over expenditures	(345,000)	(91,181)	953,309	1,044,490
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	350,000	350,000	-
Transfers out	(5,000)	(258,819)	(253,812)	(5,007)
Total other financing sources (uses)	<u>345,000</u>	<u>91,181</u>	<u>96,188</u>	<u>(5,007)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,049,497	<u>\$ 1,049,497</u>
Fund balance - beginning			<u>2,886,362</u>	
Fund balance - ending			<u>\$ 3,935,859</u>	

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Pension and Other Post Employment Benefits Trust Funds	Private Purpose Trust Fund - School Scholarships	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 140,527	\$ 26,538	\$ 358,955
Investments, at fair value:			
Mutual funds	14,109,987	266,714	-
Certificates of deposit	-	73,599	-
Contributions receivable	307,865	-	-
Total assets	<u>14,558,379</u>	<u>366,851</u>	<u>\$ 358,955</u>
LIABILITIES			
Accounts payable	7,659	-	-
Due to student groups	-	-	74,885
Due to others	-	-	284,070
Total liabilities	<u>7,659</u>	<u>-</u>	<u>\$ 358,955</u>
NET ASSETS			
Held in trust for pension and other benefits	<u>\$ 14,550,720</u>	<u>\$ 366,851</u>	

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Pension and Other Post Employment Benefits Trust Funds	Private Purpose Trust Fund - School Scholarships
ADDITIONS		
Contributions:		
Employer	\$ 906,977	\$ -
Plan members	240,942	-
Private donations	-	20,100
Total contributions	<u>1,147,919</u>	<u>20,100</u>
Investment earnings:		
Interest	-	17,781
Net increase in the fair value of investments	<u>2,521,762</u>	<u>-</u>
Net investment earnings	<u>2,521,762</u>	<u>17,781</u>
Total additions	<u>3,669,681</u>	<u>37,881</u>
DEDUCTIONS		
Benefit payments	644,618	-
Administrative expenses	30,669	-
Awards expense	-	29,542
Total deductions	<u>675,287</u>	<u>29,542</u>
Change in net assets	2,994,394	8,339
Net assets - beginning, as originally reported	11,556,326	-
Adjustment (Note 14)	<u>-</u>	<u>358,512</u>
Net assets - beginning, as adjusted	<u>11,556,326</u>	<u>358,512</u>
Net assets - ending	<u><u>\$ 14,550,720</u></u>	<u><u>\$ 366,851</u></u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

The Town of East Windsor, Connecticut was incorporated in 1768 and operates in accordance with the provisions of its charter, which was revised effective November 1998. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government and provides the following services: public safety, community maintenance, conservation and health, education, public improvements, planning and zoning and general government.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town is the administrator of a single-employer defined benefit pension plan (the "Plan"). The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended June 30, 2011 are accounted for in the fiduciary fund financial statements as a pension trust fund. The Plan is discussed more fully in Note 10.

The Town is the administrator of an Other Post Employment Benefits Program (the "OPEB Plan"), which is a single-employer defined benefit other post employment benefits plan. The OPEB Plan does not issue stand-alone financial statements and is a part of the Town's financial reporting entity. As such, balances of the OPEB Plan as of and for the year ended June 30, 2011 are accounted for in the fiduciary fund financial statements as an other post employment benefits trust fund. The OPEB Plan is discussed more fully in Note 11.

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for in another fund.

Capital and Nonrecurring Fund - This fund accounts for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment and capital additions.

Capital Projects Fund - This fund is used to account for appropriations related to major capital purchases and projects.

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

Pension and Other Post Employment Benefits Trust Funds - This fund type is used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plan and other post employment benefit plan. These plans are discussed more fully in Notes 10 and 11.

Private Purpose Trust Fund - This fund type is used to account for trust arrangements under which principal and income benefit individuals. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private purpose trust fund to account for activities of student scholarships.

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2011

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide and Fiduciary Fund Financial Statements

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

Governmental Fund Financial Statements

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

ASSETS, LIABILITIES AND FUND EQUITY

Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents as of June 30, 2011 consist of Cooperative Liquid Asset Security Systems Funds (CLASS), State Treasurer's Short-Term Investment Fund (STIF), and money market accounts which totaled \$1,768,489, \$1,557,211 and \$1,797,652, respectively. STIF and CLASS are invested in 2a-7 like pools registered with the Securities and Exchange Commission. The balance in the pools are reported at net asset value, which is representative of the value of the pool shares.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2011

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

ASSETS, LIABILITIES AND FUND EQUITY *(Continued)*

Investments

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

The Town allocates investment income in accordance with donor restrictions and Connecticut law, which adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Inventories

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

Property Taxes, Sewer Assessment and Usage Charges

Property taxes are assessed as of October 1. Taxes are billed in July and due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Upon completion of projects, sewer assessments are levied and assessed to the users. Usage charges are billed in advance. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 3 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 a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND FUND EQUITY (Continued)

Capital Assets (Continued)

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

Assets	Years
Buildings	40
Building improvements	25
Machinery	5
Office equipment	5
Computer equipment	3
Infrastructure	20 - 60

Unearned/Deferred Revenue

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

Compensated Absences

Vacation time earned may be accumulated by employees until termination of their employment, at which time they are paid for this accumulated time. Vacation leave is valued using current salary costs, as well as any salary-related payments that are directly or incrementally connected with leave payments to employees. Sick leave is accrued and is contingent upon absences being caused by employee future illness or retirements. The sick leave calculation is also based on current salary costs as well as salary related payments.

Eligible Town employees earn 1 to 1.5 days of sick leave per month depending on employment contract. An employee leaving the Town is entitled to be paid for all unused vacation and a maximum of 36 to 126 days of sick leave upon retirement.

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

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. 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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND FUND EQUITY (Continued)

Long-term Obligations (Continued)

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

Fund Equity

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

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

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

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

During the year ended June 30, 2011, the Town implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes criteria for classifying fund balances into specifically defined classifications for all governments that report governmental funds. The Town's governmental funds report the following fund balance categories:

Nonspendable – Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted – Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned – Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter.

Unassigned – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2011

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

ASSETS, LIABILITIES AND FUND EQUITY *(Continued)*

Fund Equity *(Continued)*

The Town does not have a formal policy over the use of fund balance. In accordance with GASB Statement No. 54, the Town will use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned. It is the Town's policy to maintain a fund balance in the General Fund between 5% and 17% of operating expenditures. A gradual increase of 1% per year is required under this policy to restore the General Fund unassigned balance should it fall below the minimum level.

INTERFUND ACTIVITIES

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

USE OF ESTIMATES

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

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

- The Board of Finance prepares the budget from information furnished by various Town departments and Board of Selectmen recommendations. The operating budgets include proposed expenditures and the means of financing them.
- The budget is presented at a public hearing before being formally voted on at the Annual Town Meeting.
- The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department, office, board or commission level.
- Additional appropriations may be made during the year based upon recommendations of the Board of Finance and subject to Town meeting approval. There were no additional appropriations made during the fiscal year ended June 30, 2011.
- Formal budgetary integration is employed as a management control device during the year.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and, if necessary, Town Meeting approval.
- The budget is prepared on the modified accrual basis of accounting. "On behalf" payments made by the State of Connecticut into the State Teacher's Retirement System (*see Note 10*) are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- Generally, all unexpended appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2011:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses) - Transfers, Net	Net Change In Fund Balance
Budgetary basis	\$ 32,551,707	\$ 31,598,398	\$ 96,188	\$ 1,049,497
"On-behalf" payments -				
State Teachers Retirement				
Fund (<i>see Note 10</i>)	1,332,023	1,332,023	-	-
Intergovernmental grants				
netted with expenses	437,949	437,949	-	-
Certain transfers recorded				
as expenditures for				
budgetary purposes	-	(165,936)	(165,936)	-
GAAP basis	<u>\$ 34,321,679</u>	<u>\$ 33,202,434</u>	<u>\$ (69,748)</u>	<u>\$ 1,049,497</u>

Budgets for special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. In some instances, such budgets cover more than one fiscal year or a fiscal period which does not coincide with the Town's fiscal year. It is not practicable to present a statement of budgetary operations for special revenue funds on a combined basis. Legal authorization for capital projects is provided by the related bond ordinances and/or intergovernmental grant agreements.

DEFICIT FUND BALANCE

The Capital Projects Fund has a deficit fund balance of \$997,925, which does not constitute a violation of statutory provisions. The deficit arose due to various expenditures funded through the issuance of short term debt.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

A reconciliation of the Town's cash and cash equivalents as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Cash equivalents	\$ 4,977,050
Cash deposits	5,737,063
	<u>10,714,113</u>

Less: Cash equivalents considered investments under

GASB Statement No. 40	3,299,952
	<u>7,414,161</u>

Statement of fiduciary net assets:

Cash equivalents - pension and other post employment trust funds	104,559
Cash deposits - pension and other post employment trust funds	35,968
Cash deposits - private purpose trust funds	10,543
Cash equivalents - private purpose fund	15,995
Cash deposits - agency funds	333,207
Cash equivalents - agency funds	25,748
	<u>526,020</u>

Less: Cash equivalents considered investments under

GASB Statement No. 40	25,748
	<u>500,272</u>
	<u>\$ 7,914,433</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. Effective December 31, 2010, extending through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balances of the account. As of June 30, 2011, \$6,534,760 of the Town's bank balance of \$9,603,163 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,881,284
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	653,476
	<u>\$ 6,534,760</u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

A reconciliation of the Town's investments as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Investments	\$ 2,123
Add: cash equivalents considered investments under GASB Statement No. 40	<u>3,299,952</u>
	<u>3,302,075</u>

Statement of fiduciary net assets:

Pension and other post employment trust funds	14,109,987
Private purpose trust funds	340,313
Add: cash equivalents considered investments under GASB Statement No. 40	<u>25,748</u>
	<u>14,476,048</u>
	<u>\$ 17,778,123</u>

As of June 30, 2011, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years)
		Less Than 1
Debt Securities:		
Short Term Investment Fund (STIF)	\$ 1,557,211	\$ 1,557,211
Cooperative Liquid Asset Security System (CLASS)	1,768,489	1,768,489
Certificates of Deposit	73,599	73,599
International bond funds	91,270	91,270
Fixed income mutual funds	<u>7,934,696</u>	<u>7,934,696</u>
	11,425,265	<u>\$ 11,425,265</u>
Other investments:		
Equity mutual funds	<u>6,352,858</u>	
	<u>\$ 17,778,123</u>	

Because the STIF, CLASS and mutual funds have weighted average maturities of less than 90 days, they are presented as investments with maturities less than one year.

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2011

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

INVESTMENTS *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Town's investment in STIF was rated AAA by Standard and Poor's and the Town's investment in CLASS was rated AAA by Standard and Poor's. The Town's investment in mutual funds and certificates of deposit were unrated.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments are not exposed to custodial credit risk at June 30, 2011, as they are held by a trustee in the Town's name.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. More than 5 percent of the Town's investments are in STIF, CLASS and mutual funds. Investments in these types of accounts are considered to be diversified by nature.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 5,328,962	\$ -	\$ -	\$ 5,328,962
Construction in progress	1,122,398	1,505,721	(346,818)	2,281,301
Total capital assets, not being depreciated	<u>6,451,360</u>	<u>1,505,721</u>	<u>(346,818)</u>	<u>7,610,263</u>
Capital assets, being depreciated:				
Buildings and improvements	25,641,348	164,986	(25,600)	25,780,734
Machinery and equipment	6,058,151	363,111	(57,241)	6,364,021
Infrastructure	38,234,469	572,914	-	38,807,383
Total capital assets, being depreciated	<u>69,933,968</u>	<u>1,101,011</u>	<u>(82,841)</u>	<u>70,952,138</u>
Less accumulated depreciation:				
Buildings and improvements	12,955,675	460,930	-	13,416,605
Machinery and equipment	3,352,494	388,710	(52,580)	3,688,624
Infrastructure	11,222,262	687,302	-	11,909,564
Total accumulated depreciation	<u>27,530,431</u>	<u>1,536,942</u>	<u>(52,580)</u>	<u>29,014,793</u>
Total capital assets, being depreciated, net	<u>42,403,537</u>	<u>(435,931)</u>	<u>(30,261)</u>	<u>41,937,345</u>
Governmental activities capital assets, net	<u>\$ 48,854,897</u>	<u>\$ 1,069,790</u>	<u>\$ (377,079)</u>	<u>\$ 49,547,608</u>

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

Governmental Activities:	
General government	\$ 6,176
Public safety	333,299
Highway	640,151
Sanitation and waste removal	270,204
Culture and recreation	21,698
Education	265,414
Total depreciation and amortization expense	<u>\$ 1,536,942</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital and Nonrecurring Fund	\$ 122,497
	Nonmajor Governmental Funds	613,208
		<u>735,705</u>
Capital Projects Fund	General Fund	1,287,019
	Nonmajor Governmental Funds	1,750
		<u>1,288,769</u>
Nonmajor Governmental Funds	General Fund	<u>1,196,395</u>
		<u><u>\$ 3,220,869</u></u>

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

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 350,007
Capital and Nonrecurring Fund	General Fund	<u>239,393</u>
Capital Projects Fund	General Fund	<u>163,501</u>
Other Governmental Funds	General Fund	16,861
	Capital and Nonrecurring Fund	6,600
	Other Governmental Funds	6,160
		<u>29,621</u>
		<u><u>\$ 782,522</u></u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 7 - SHORT-TERM DEBT

The Town issued a bond anticipation note in the amount of \$700,000 in October 2009 which matured in October 2010. At that time, the Town paid \$140,000 and issued another bond anticipation note in the amount of \$560,000, maturing in October 2011 and bearing an interest rate of 1.3%. Additionally, the Town issued a bond anticipation note in the amount of \$1,680,000 in June 2011, maturing in March 2012 and bearing an interest rate of 1.5%.

The following is a summary of changes in short-term debt for the year ended June 30, 2011:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation notes payable	\$ 700,000	\$ 1,680,000	\$ (140,000)	\$ 2,240,000

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 5,334,000	\$ -	\$ (806,000)	\$ 4,528,000	\$ 793,000
Unamortized amounts:					
Premium on bonds issued	42,075	-	(9,049)	33,026	-
Deferred amount on refunding	(48,250)	-	9,650	(38,600)	-
Other liabilities:					
Note payable	3,529,334	-	(585,034)	2,944,300	596,843
Compensated absences	666,668	39,076	-	705,744	297,299
Net pension obligation (Note 10)	1,686,446	1,234	-	1,687,680	-
Net OPEB obligation (Note 11)	503,050	-	(17,599)	485,451	-
	<u>\$ 11,713,323</u>	<u>\$ 40,310</u>	<u>\$ (1,408,032)</u>	<u>\$ 10,345,601</u>	<u>\$ 1,687,142</u>

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are secured by the full faith and credit of the Town but are substantially liquidated by the General Fund via taxes collected from the levy on all taxable properties located within the Town. The remaining liabilities above typically have been liquidated in the general and other governmental funds.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS AND NOTE PAYABLE

A summary of general obligation bonds and note payable outstanding at June 30, 2011 is as follows:

Purpose of Bonds	Date of Issue	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Governmental Activities					
Trombley Road Sewer	3/1/1984	\$ 305,000	5.00%	3/1/2012	\$ 8,000
Bond refunding	10/1/2004	1,950,000	3.00% - 3.75%	9/15/2015	1,610,000
Land acquisition	10/1/2004	3,000,000	3.00% - 4.375%	9/15/2025	2,224,950
Public works improvements	10/1/2004	600,000	3.00% - 4.375%	9/15/2025	425,050
Rescue/Pumper Fire Truck	6/1/2007	570,750	4.25%	6/1/2012	112,400
High School Heating Plant	6/1/2007	443,500	4.25%	6/1/2012	87,410
Jet Vac Truck	6/1/2007	305,750	4.25%	6/1/2012	60,190
					<u>4,528,000</u>
Note payable					
Clean Water Loan	9/30/1996	10,812,482	4.50%	3/31/2016	2,944,300
					<u>\$ 7,472,300</u>

Annual debt service requirements to maturity on general obligation bonds and the note payable are as follows as of June 30, 2011:

Year ending June 30:	Governmental Activities					
	Bonds Payable		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 793,000	\$ 160,650	\$ 596,843	\$ 53,430	\$ 1,389,843	\$ 214,080
2013	520,000	131,888	608,890	41,382	1,128,890	173,270
2014	510,000	114,583	621,180	29,092	1,131,180	143,675
2015	505,000	95,935	633,719	16,553	1,138,719	112,488
2016	500,000	77,710	483,668	4,040	983,668	81,750
2017- 2021	950,000	254,170	-	-	950,000	254,170
2022 - 2026	750,000	64,594	-	-	750,000	64,594
	<u>\$ 4,528,000</u>	<u>\$ 899,530</u>	<u>\$ 2,944,300</u>	<u>\$ 144,497</u>	<u>\$ 7,472,300</u>	<u>\$ 1,044,027</u>

STATUTORY DEBT LIMITATIONS

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$183,204,077 as of June 30, 2011. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2011.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - LONG-TERM LIABILITIES (Continued)

SCHOOL BOND REIMBURSEMENTS

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The total amount of reimbursement for the year ended June 30, 2011 was \$176,491. Additional reimbursements of principal and interest aggregating \$722,800 and \$53,824, respectively, are expected to be received through the applicable bonds' maturity dates. The Town has recorded a receivable relating to the principal portion of these payments in the accompanying statement of net assets. The long term portion of \$572,404 will be realized by the Town through fiscal year 2016.

AUTHORIZED BUT UNISSUED BONDS PAYABLE

The amount of authorized but unissued bonds is \$78,000.

NOTE 9 - UNEARNED/DEFERRED REVENUE

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

	Unavailable	Unearned
Delinquent property taxes and interest receivable	\$ 1,656,956	\$ -
Small Cities loans receivable	81,888	-
School building grant receivable	722,800	-
Sewer assessments receivable	500,121	-
Sewer usage receivable	64,612	-
Advance collections - sewer usage fees	-	52,873
Advance collections - property taxes	-	45,391
Park and recreation program fees	-	90,996
Grant drawdowns prior to meeting all eligibility requirements	-	124,333
	<u>\$ 3,026,377</u>	<u>\$ 313,593</u>

NOTE 10 - PENSION PLANS

DEFINED BENEFIT PLAN

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended June 30, 2011 are accounted for in the fiduciary fund financial statements as a pension trust fund.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Plan Description

The Plan covers all full-time employees of the Town except certified employees of the Board of Education, who are covered by a plan administered by the Connecticut State Teacher's Retirement Board. Employees become eligible to participate in the Plan on the eligibility date coinciding with, or next following, a specified date of hire and completion of 1,000 hours of service. Employees are 100% vested after five years of continuous service. Benefits and contributions are established and may be amended by the Town.

Plan Membership

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

Retirees and beneficiaries currently receiving benefits	30
Vested terminated employees	37
Active employees	152
	<hr/> 219 <hr/>

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments are recorded at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Administrative costs of the Plan are generally financed through investment earnings.

Contributions

The contribution requirements of plan members are established and may be amended by the East Windsor Pension and Retirement Board. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs of the Plan was determined using the projected unit credit method.

Required employee contribution rates under the Plan are 7.0% of covered payroll for sworn police personnel and 2.0% for Town employees. For the year ended June 30, 2011, employee contributions to the Plan represented 13.0% of covered payroll.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Benefit Provisions

The normal retirement benefit for all employees except for sworn police personnel is calculated at 1.75% (2.0% for public works employees) of the participant's average annual compensation for the highest three of the last ten calendar years, multiplied by years of credited service. Effective July 1, 2001, the normal retirement benefit for sworn police personnel is calculated at 2.25% of the participant's average annual compensation during the last two calendar years of employment, multiplied by years of credited service.

Normal retirement age for public works and WPCA employees is the later of age 60 or 15 years of service; for sworn police personnel it is the later of age 50 or 25 years of participation; for dispatchers it is the later of age 60 and 25 years of service; and for all other employees it is the later of age 65 and 5 years of service. Early retirement age is the later of age 55 and the completion of at least ten years of credited service.

Concentrations

The Plan invests in equity and bond mutual funds which are considered to be diversified by nature.

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2009 (the most recent actuarial date) is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ 11,229,183	\$ 15,558,600	\$ 4,329,417	72.2%	\$ 6,145,388	70.4%

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2011	\$ 798,737	\$ 798,918	100%
2010	1,234,919	1,154,030	93%
2009	1,154,130	937,957	81%
2008	1,212,499	1,091,486	90%
2007	1,212,499	538,595	44%
2006	970,187	507,376	52%

Additional Information and Actuarial Assumptions

Valuation date	July 1, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent - Closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothing of market gains/losses
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	4.0%

Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$ 798,737
Interest on net pension obligation	118,051
Adjustment to annual required contribution	(116,636)
Annual pension cost	800,152
Contributions made	798,918
Increase in net pension obligation	1,234
Net pension obligation, beginning of year	1,686,446
Net pension obligation, end of year	<u><u>\$ 1,687,680</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

DEFINED BENEFIT PLANS (Continued)

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 938,517	\$ 937,957	99.9%	\$ 1,866,484
2010	973,992	1,154,030	118.5%	1,686,446
2011	800,152	798,918	99.8%	1,687,680

Plan Financial Statements

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF PLAN NET ASSETS
JUNE 30, 2011

ASSETS

Cash and cash equivalents	\$ 35,968
Investments, at fair value	
Mutual funds	14,109,987
Contributions receivable	307,865
Total investments	<u>14,417,852</u>
Total assets	<u>14,453,820</u>

LIABILITIES

Accounts payable	7,659
Total liabilities	<u>7,659</u>

NET ASSETS

Held in trust for pension benefits (see schedule of funding progress on page 49)	14,446,161
Total net assets	<u>\$ 14,446,161</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Plan Financial Statements (Continued)

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

ADDITIONS

Contributions

Employer	\$	798,918
Plan members		240,942
Total contributions		<u>1,039,860</u>

Investment earnings:

Net appreciation in fair value of investments		<u>2,521,762</u>
Net investment earnings		<u>2,521,762</u>

Total additions		<u>3,561,622</u>
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DEDUCTIONS

Benefit payments		644,618
Administrative expenses		<u>27,169</u>
Total deductions		<u>671,787</u>

NET INCREASE		2,889,835
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**NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS**

Beginning of year		<u>11,556,326</u>
End of year	\$	<u><u>14,446,161</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (*Continued*)

TEACHERS' RETIREMENT SYSTEM

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

Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis. For the year ended June 30, 2011, Town teachers contributed \$607,369 to the plan and covered payroll for the year was \$8,377,503.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on behalf" payments of \$1,332,023 made by the State of Connecticut into the plan as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (the "Plan"), is accounted for as a single-employer defined benefit plan. The Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Town and the General Statutes of the State of Connecticut. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Plan Provisions

Teachers and administrators: Teachers or administrators retiring under the Connecticut State Teachers Retirement System are eligible to receive health benefits for self and spouse with 100% contribution of premiums.

Police and dispatchers: Police and dispatchers who retire with at least 20 years of service are eligible for coverage. Police and dispatchers contribute 50% of premiums with 20 to 24 years of experience and 25% of premiums with 25 years of service or over.

Town hall, public works, Board of Education non-certified and unaffiliated personnel: Eligible to receive benefits with 100% contribution of premiums.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy

Contribution requirements of the plan members and the Town are established under the provisions of various collective bargaining agreements and in accordance with the General Statutes of the State of Connecticut. For fiscal year 2011, total employee and employer contributions were \$350,000. During the year ended June 30, 2011, the Town began funding these benefits in an Other Post Employment Benefits Trust Fund.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 323,000
Interest on net OPEB obligation	40,244
Adjustment to annual required contribution	(30,843)
Annual OPEB cost	<u>332,401</u>
Contributions made	<u>350,000</u>
Decrease in net pension obligation	(17,599)
Net OPEB obligation, beginning of the year	<u>503,050</u>
Net OPEB obligation, end of the year	<u><u>\$ 485,451</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 through 2011 is as follows:

Year Ended June 30:	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 423,000	\$ 169,000	40.0%	\$ 254,000
2010	449,050	200,000	44.5%	503,050
2011	332,401	350,000	105.3%	485,451

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 3,441,000	\$ 3,441,000	0.0%	N/A	N/A

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

Actuarial Methods and Assumptions

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

Valuation date:	July 1, 2010
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level Percent
Remaining amortization period:	30 years decreasing
Asset valuation method:	N/A
Actuarial assumptions:	
Discount Rate	8.00%
Healthcare cost trend rate	6.1% initial 4.5% final

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Financial Statements

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF PLAN NET ASSETS
JUNE 30, 2011

	Other Post Employment Benefits Fund
ASSETS	
Cash and cash equivalents	\$ 104,559
Total assets	<u>104,559</u>
NET ASSETS	
Held in trust for other post employment benefits	<u>\$ 104,559</u>

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Other Post Employment Benefits Fund
ADDITIONS	
Contributions:	
Employer	\$ 108,059
Total addition	<u>108,059</u>
DEDUCTIONS	
Administrative expenses	<u>3,500</u>
Total deductions	<u>3,500</u>
NET INCREASE	104,559
NET ASSETS HELD IN TRUST FOR OTHER POST EMPLOYMENT BENEFITS	
Beginning of year	<u>-</u>
End of year	<u>\$ 104,559</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2011

NOTE 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or natural disasters. The Town purchases commercial insurance for all risks of loss. During the year ended June 30, 2011, deductibles paid by the Town were insignificant. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2011. There were no significant reductions in insurance coverage from amounts held in the prior year.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

There are several legal matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

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

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

NOTE 14 - ADJUSTMENT

Fund balance as of July 1, 2010 in the private purpose trust fund for school scholarships has been increased by \$358,512 to reflect activity previously reported in an agency fund. Such activity is more appropriately classified as a private purpose trust fund. Certain other agency funds for performance bonds were moved from nonmajor governmental funds to agency funds, with no net effect on fund balance in the nonmajor governmental funds.

NOTE 15 - SUBSEQUENT EVENT

In October 2011, the Town issued short term debt in the amount of \$420,000 by paying \$140,000 on the existing bond anticipation note payable and executing a new bond anticipation note payable.

Required Supplementary Information

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS
JUNE 30, 2011

Employee Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2006	\$ 8,313,911	\$ 12,977,635	\$ (4,663,724)	64.1%	\$ 5,152,888	90.5%
July 1, 2008	10,201,533	13,997,324	(3,795,791)	72.9%	5,347,942	71.0%
July 1, 2009	11,229,183	15,558,600	(4,329,417)	72.2%	6,145,388	70.4%

Other Post Employment Benefits Program

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2008	\$ -	\$ 5,068,000	\$ (5,068,000)	0.0%	N/A	N/A
July 1, 2010	-	3,441,000	(3,441,000)	0.0%	N/A	N/A

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Current and prior year levies	\$ 25,868,138	\$ 25,868,138	\$ 25,739,691	\$ (128,447)
Interest and lien fees	200,000	200,000	331,490	131,490
Total property taxes	26,068,138	26,068,138	26,071,181	3,043
INTERGOVERNMENTAL REVENUES				
Education equalization	4,682,976	4,682,976	4,706,303	23,327
Public school transportation	171,105	171,105	118,389	(52,716)
School building grants	176,491	176,491	176,491	-
Reimbursement in lieu of taxes	86,087	86,087	86,581	494
Pro-rata share of CT fines	2,000	2,000	5,974	3,974
Tax relief - elderly freeze	4,000	4,000	2,000	(2,000)
Tax relief - circuit breaker	45,938	45,938	80,846	34,908
Tax relief - veterans	4,800	4,800	5,869	1,069
Tax exempt property - disability	1,796	1,796	1,827	31
LOCIP	76,728	76,728	8,657	(68,071)
Telephone access grant	50,000	50,000	23,381	(26,619)
Miscellaneous State of Connecticut	1,137	1,137	7,306	6,169
New machinery and equipment	198,000	198,000	160,875	(37,125)
Mashantucket Pequot grant	40,827	40,827	42,108	1,281
Commercial trucks	74,000	74,000	76,437	2,437
Total intergovernmental revenues	5,615,885	5,615,885	5,503,044	(112,841)
LICENSES, FEES AND CHARGES FOR GOODS AND SERVICES				
Board of Education	-	-	285,587	285,587
Building department	130,000	130,000	237,352	107,352
Zoning Board of Appeals	700	700	328	(372)
Planning and zoning revenue	15,000	15,000	26,809	11,809
Recycling rebates	4,330	4,330	4,380	50
East Windsor Housing Authority	15,000	15,000	26,806	11,806
Conservation commission	3,500	3,500	30,625	27,125
Police department	5,188	5,188	7,144	1,956
Assessor's revenue	2,000	2,000	1,016	(984)
Town Clerk's revenue	179,600	179,600	163,562	(16,038)
Mini-bus donations	3,500	3,500	3,935	435
Greater Hartford transit district	2,500	2,500	6,941	4,441
Miscellaneous	5,700	5,700	130,786	125,086
Parks and recreation	41,500	41,500	26,120	(15,380)
Parking tickets	120	120	50	(70)
Land and building rental	3,700	3,700	1,711	(1,989)
Perpetual care	220	220	260	40
Aircraft miscellaneous	5,160	5,160	5,687	527
Total licenses, fees and charges for goods and services	417,718	417,718	959,099	541,381

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES FROM THE USE OF MONEY				
Interest on deposits	\$ 50,000	\$ 50,000	\$ 18,383	\$ (31,617)
Total revenues from the use of money	50,000	50,000	18,383	(31,617)
OTHER FINANCING SOURCES				
Operating transfer in:				
Sewer Assessment Fund	350,000	350,000	350,000	-
Total other financing sources	350,000	350,000	350,000	-
Total revenues and other financing sources	\$ 32,501,741	\$ 32,501,741	\$ 32,901,707	\$ 399,966

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
GENERAL GOVERNMENT				
Board of Selectmen	\$ 153,130	\$ 156,531	\$ 154,807	\$ (1,724)
Town counsel and legal	148,608	236,108	210,662	(25,446)
Professional services	3,000	3,000	-	(3,000)
Auditor	59,734	58,000	51,633	(6,367)
Treasurer	188,744	185,549	167,533	(18,016)
Town clerk	119,816	118,080	109,999	(8,081)
Assessor	178,377	181,580	181,386	(194)
Tax collector	119,510	119,510	112,675	(6,835)
Board of Tax Review	4,630	4,630	908	(3,722)
Elections - registrar	41,896	52,013	48,273	(3,740)
Probate court	4,229	4,386	2,349	(2,037)
Pension fund	800	800	-	(800)
Printing and advertising	7,000	8,000	6,439	(1,561)
Town property	243,010	343,400	328,071	(15,329)
Building committee	1,375	1,150	160	(990)
Economic development commission	2,437	2,537	2,178	(359)
Zoning board of appeals	850	850	750	(100)
Planning and zoning commission	2,950	2,950	2,415	(535)
Town planner	188,552	191,857	188,370	(3,487)
Building department	130,096	135,196	128,609	(6,587)
Elderly commission	650	500	500	-
Ethics committee	1,000	100	-	(100)
Senior center	245,224	247,534	232,412	(15,122)
Conservation commission	1,800	1,800	1,565	(235)
Board of finance	2,900	2,900	2,375	(525)
Miscellaneous	24,018	25,869	23,735	(2,134)
Employee benefits	639,816	706,316	700,522	(5,794)
Total general government	2,514,152	2,791,146	2,658,326	(132,820)
PUBLIC SAFETY				
Police department	2,571,086	2,673,178	2,620,104	(53,074)
Telecommunications system	45,000	41,000	39,797	(1,203)
Police commission	1,700	1,700	1,404	(296)
Broad Brook fire department	643,919	647,477	647,475	(2)
Fire protection (water)	259,337	306,800	286,049	(20,751)
Fire marshal	19,617	18,887	18,791	(96)
Civil preparedness	7,750	7,375	6,968	(407)
Hearing officer	60	60	-	(60)
Dog damage	10	17,052	17,042	(10)
Employee benefits	1,406,932	1,300,298	1,131,285	(169,013)
Total public safety	4,955,411	5,013,827	4,768,915	(244,912)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
CONSERVATION AND HEALTH				
General assistance	\$ 15,500	\$ 15,500	\$ 11,168	\$ (4,332)
Human services	138,344	141,554	139,919	(1,635)
Visiting Nurse Association	7,344	6,628	6,628	-
Miscellaneous health agencies	62,933	64,612	64,601	(11)
Immunizations and physicals	5,000	3,000	774	(2,226)
Ambulance Association	112,500	75,000	75,000	-
Employee benefits	107,011	83,191	63,348	(19,843)
Total conservation and health	448,632	389,485	361,438	(28,047)
HIGHWAYS				
Highways	585,907	594,907	559,977	(34,930)
General roads	169,021	128,570	128,570	-
Street lighting	150,301	150,301	122,331	(27,970)
Engineering	98,100	98,100	97,010	(1,090)
Employee benefits	353,771	353,771	293,013	(60,758)
Total highways	1,357,100	1,325,649	1,200,901	(124,748)
SANITATION AND WASTE REMOVAL				
Landfill	726,316	841,359	797,948	(43,411)
Total sanitation and waste removal	726,316	841,359	797,948	(43,411)
INSURANCE AND SURETY BONDS				
Insurance and surety bonds	289,800	291,950	291,926	(24)
Unemployment compensation	12,841	12,000	2,562	(9,438)
Total insurance and surety bonds	302,641	303,950	294,488	(9,462)
CULTURE AND RECREATION				
Broad Brook library	4,850	2,500	2,500	-
Community activities	1,000	-	-	-
WHP library	225,522	225,000	225,000	-
Parks and recreation	206,809	205,609	180,296	(25,313)
Employee benefits	37,182	37,182	29,814	(7,368)
Total culture and recreation	475,363	470,291	437,610	(32,681)
MISCELLANEOUS				
Cemeteries	18,000	18,000	18,000	-
Contingency fund	304,488	2,144	-	(2,144)
Miscellaneous	1,750	1,750	1,161	(589)
Information technology	125,107	125,432	122,815	(2,617)
Communications	32,256	37,406	36,701	(705)
Total miscellaneous	481,601	184,732	178,677	(6,055)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EDUCATION				
Salaries				
Administration	\$ 358,730	\$ 358,730	\$ 358,730	\$ -
Building administration	667,387	667,387	667,387	-
Certified personnel	7,493,091	6,710,982	6,710,982	-
Substitutes	203,460	200,446	200,446	-
Home bound	7,500	7,500	7,500	-
Tutors	285,696	285,696	285,696	-
Stipends	154,487	154,487	154,487	-
Summer school	13,624	13,624	13,624	-
Adult education/enrichment	21,889	21,889	21,889	-
Clerical	711,867	700,667	700,667	-
Teacher's Aides	668,650	662,021	662,021	-
Nurses	227,082	227,082	227,082	-
Custodial	472,981	472,981	472,981	-
Support services	132,045	132,045	132,045	-
School facility use	2,000	2,000	2,000	-
Total salaries	11,420,489	10,617,537	10,617,537	-
Employee Benefits				
Retirement and social security	777,895	630,121	630,121	-
Health insurance	2,288,555	2,288,555	2,288,555	-
Workmen's compensation and travel insurance	116,415	285,032	285,032	-
Total employee benefits	3,182,865	3,203,708	3,203,708	-
Purchased Services				
Instructional program improvements	13,500	13,500	13,500	-
Pupil services	43,983	43,983	43,983	-
Other professional services	294,648	294,648	294,648	-
Public utilities	247,747	247,747	247,747	-
Cleaning/repairing	280,533	607,533	607,533	-
Maintenance	49,250	49,250	49,250	-
Public transportation	1,168,443	1,168,443	1,168,443	-
Property insurance	50,158	50,158	50,158	-
Liability insurance	42,906	42,906	42,906	-
Communications	17,663	17,663	17,663	-
Printing/binding	39,768	39,768	39,768	-
Tuition	1,138,867	1,138,867	1,138,867	-
Travel, conferences and other transportation	8,590	8,590	8,590	-
Total purchased services	3,396,056	3,723,056	3,723,056	-

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EDUCATION (Continued)				
Supplies				
Instructional	\$ 219,731	\$ 219,731	\$ 219,731	\$ -
Custodial/maintenance	80,396	80,396	80,396	-
Heat and energy	254,413	254,413	254,413	-
Food services	1	1	1	-
Textbooks	74,025	74,025	74,025	-
Library	28,790	28,790	28,790	-
Other supplies	78,990	78,990	78,990	-
Total supplies	<u>736,346</u>	<u>736,346</u>	<u>736,346</u>	<u>-</u>
Capital equipment				
New equipment	71,200	526,309	526,309	-
Dues and fees	21,249	21,249	21,249	-
Total capital equipment	<u>92,449</u>	<u>547,558</u>	<u>547,558</u>	<u>-</u>
Total education	<u>18,828,205</u>	<u>18,828,205</u>	<u>18,828,205</u>	<u>-</u>
DEBT SERVICE	<u>1,969,551</u>	<u>1,817,773</u>	<u>1,796,273</u>	<u>(21,500)</u>
CAPITAL OUTLAYS	<u>437,769</u>	<u>276,505</u>	<u>275,617</u>	<u>(888)</u>
OTHER FINANCING USES				
Transfers out	<u>5,000</u>	<u>258,819</u>	<u>253,812</u>	<u>(5,007)</u>
Total other financing sources	<u>5,000</u>	<u>258,819</u>	<u>253,812</u>	<u>(5,007)</u>
Total expenditures and other financing sources	<u>\$ 32,501,741</u>	<u>\$ 32,501,741</u>	<u>\$ 31,852,210</u>	<u>\$ (649,531)</u>

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2011

Grand List Year	Balance Uncollected June 30, 2010	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections		Balance Uncollected June 30, 2011
			Additions	Deductions			Taxes	Interest and Lien Fees	
2009	\$ -	\$ 25,953,965	\$ 38,180	\$ 187,330	\$ -	\$ 25,804,815	\$ 25,141,490	\$ 118,596	\$ 663,325
2008	664,724	-	7,194	18,929	4,111	648,878	329,144	63,447	319,734
2007	350,714	-	881	2,892	61,539	287,164	104,777	41,939	182,387
2006	140,565	-	1,205	320	-	141,450	61,408	31,517	80,042
2005	88,633	-	-	-	-	88,633	35,479	27,725	53,154
2004	51,200	-	-	-	-	51,200	25,184	17,971	26,016
2003	30,417	-	-	-	-	30,417	9,228	8,528	21,189
2002	20,989	-	-	-	-	20,989	7,524	6,083	13,465
2001	14,334	-	-	-	-	14,334	3,797	5,630	10,537
2000	12,066	-	-	-	-	12,066	3,556	5,931	8,510
1999	11,409	-	-	-	-	11,409	3,444	6,368	7,965
1998	10,521	-	-	-	-	10,521	3,352	6,806	7,169
1997	10,278	-	-	-	-	10,278	3,270	8,655	7,008
1996	9,063	-	143	-	-	9,206	3,543	9,623	5,663
1995	18,885	-	-	-	12,070	6,815	2,374	5,966	4,441
	<u>\$ 1,433,798</u>	<u>\$ 25,953,965</u>	<u>\$ 47,603</u>	<u>\$ 209,471</u>	<u>\$ 77,720</u>	<u>\$ 27,148,175</u>	<u>25,737,570</u>	<u>364,785</u>	<u>\$ 1,410,605</u>
				Suspense collections			35,190	32,466	67,656
				Total			<u>\$ 25,772,760</u>	<u>\$ 397,251</u>	<u>\$ 26,170,011</u>

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2011

Total cash collections for the year ended
June 30, 2011:

Taxes	\$ 25,772,760
Interest and lien fees	397,251
Total	<u>26,170,011</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	2,000
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Base	<u><u>\$ 26,172,011</u></u>
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 58,887,025	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	117,774,050	-	-	-
3-3/4 times base	-	-	98,145,041	-	-
3-1/4 times base	-	-	-	85,059,036	-
3 times base	-	-	-	-	78,516,033
Total debt limitation	<u>58,887,025</u>	<u>117,774,050</u>	<u>98,145,041</u>	<u>85,059,036</u>	<u>78,516,033</u>
Indebtedness:					
Bonds payable	2,910,000	1,610,000	8,000	-	-
Note payable	-	-	2,944,300	-	-
Bond anticipation notes payable	2,240,000	-	-	-	-
Authorized but not issued	15,000	-	63,000	-	-
	<u>5,165,000</u>	<u>1,610,000</u>	<u>3,015,300</u>	<u>-</u>	<u>-</u>
Less: school building grant	<u>-</u>	<u>(722,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>5,165,000</u>	<u>887,200</u>	<u>3,015,300</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 53,722,025</u></u>	<u><u>\$ 116,886,850</u></u>	<u><u>\$ 95,129,741</u></u>	<u><u>\$ 85,059,036</u></u>	<u><u>\$ 78,516,033</u></u>
Total capacity of borrowing (7 times base)	\$ 183,204,077				
Total present indebtedness	<u>9,067,500</u>				
Margin for additional borrowing	<u><u>\$ 174,136,577</u></u>				

***Nonmajor
Governmental
Funds***

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Nonmajor Special Revenue Funds							
	Federal and State Grants Fund	Hot Lunch Program	Dog License Fund	Sewer Operating Fund	Sewer Assessment Fund	Drug Forfeiture Fund	Small Cities Fund	Town Aid Road Fund
ASSETS								
Cash and cash equivalents	\$ -	\$ 172,371	\$ -	\$ 809,239	\$ 705,668	\$ 4,929	\$ 34,099	\$ -
Receivables:								
Assessments/user charges	-	-	-	64,612	500,121	-	-	-
Intergovernmental	-	36,955	-	-	-	-	71,600	-
Other	-	-	-	-	-	-	81,888	-
Due from other funds	347,844	-	21,142	-	-	-	-	424,494
Inventories	-	7,957	-	-	-	-	-	-
Total assets	<u>\$ 347,844</u>	<u>\$ 217,283</u>	<u>\$ 21,142</u>	<u>\$ 873,851</u>	<u>\$ 1,205,789</u>	<u>\$ 4,929</u>	<u>\$ 187,587</u>	<u>\$ 424,494</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 73,956	\$ 13,720	\$ 6,499	\$ 17,745	\$ -	\$ -	\$ 71,564	\$ -
Accrued expenses:								
Salaries and benefits payable	-	-	607	17,815	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	33,739	-	80,821	500,398	-	-	-
Due to funding source	160,211	-	-	-	-	-	-	-
Unearned/deferred revenue	90,198	-	-	117,485	500,121	-	116,023	-
Total liabilities	<u>324,365</u>	<u>47,459</u>	<u>7,106</u>	<u>233,866</u>	<u>1,000,519</u>	<u>-</u>	<u>187,587</u>	<u>-</u>
Fund Balances:								
Nonspendable:								
Inventories	-	7,957	-	-	-	-	-	-
Restricted for:								
Grant program purposes	23,479	-	-	-	-	-	-	424,494
Special reserves - external	-	-	-	-	-	-	-	-
Committed to:								
Education	-	161,867	-	-	-	-	-	-
Public safety	-	-	14,036	-	-	-	-	-
Sanitation and waste removal	-	-	-	639,985	205,270	-	-	-
Other governmental fund purposes	-	-	-	-	-	4,929	-	-
Total fund balances	<u>23,479</u>	<u>169,824</u>	<u>14,036</u>	<u>639,985</u>	<u>205,270</u>	<u>4,929</u>	<u>-</u>	<u>424,494</u>
Total liabilities and fund balances	<u>\$ 347,844</u>	<u>\$ 217,283</u>	<u>\$ 21,142</u>	<u>\$ 873,851</u>	<u>\$ 1,205,789</u>	<u>\$ 4,929</u>	<u>\$ 187,587</u>	<u>\$ 424,494</u>

**TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Miscellaneous Grants Fund	Policy		Senior Center Fund	Subtotal		Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
		Private Duty Fund	Fund				Cemetery Trust Fund	Veterans Trust Fund	Subtotal	
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	-	\$ -	\$ 1,726,306	\$ 4,898	\$ 4,923	\$ 9,821	\$ 1,736,127
Receivables:										
Assessments/user charges	-	-	-	-	-	564,733	-	-	-	564,733
Intergovernmental	24,777	-	-	-	-	133,332	-	-	-	133,332
Other	3	45,020	-	-	-	126,911	-	-	-	126,911
Due from other funds	309,963	82,265	-	10,687	-	1,196,395	-	-	-	1,196,395
Inventories	-	-	-	-	-	7,957	-	-	-	7,957
Total assets	\$ 334,743	\$ 127,285	\$ -	\$ 10,687	\$ 3,755,634		\$ 4,898	\$ 4,923	\$ 9,821	\$ 3,765,455
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 713	\$ 9,405	\$ -	-	\$ 193,602		\$ -	\$ -	\$ -	\$ 193,602
Accrued expenses:										
Salaries and benefits payable	-	-	-	-	18,422		-	-	-	18,422
Other accrued liabilities	179,865	52	660	-	180,577		-	-	-	180,577
Due to other funds	-	-	-	-	614,958		-	-	-	614,958
Due to funding source	-	-	-	-	160,211		-	-	-	160,211
Unearned/deferred revenue	90,996	-	-	-	914,823		-	-	-	914,823
Total liabilities	271,574	9,457	660	-	2,082,593		-	-	-	2,082,593
Fund Balances:										
Nonspendable:										
Inventories	-	-	-	-	7,957		-	-	-	7,957
Restricted for:										
Grant program purposes	-	-	-	-	447,973		-	-	-	447,973
Special reserves - external	-	-	-	-	-		4,898	4,923	9,821	9,821
Committed to:										
Education	-	-	-	-	161,867		-	-	-	161,867
Public safety	-	117,828	-	-	131,864		-	-	-	131,864
Sanitation and waste removal	-	-	-	-	845,255		-	-	-	845,255
Other governmental fund purposes	63,169	-	-	10,027	78,125		-	-	-	78,125
Total fund balances	63,169	117,828	10,027	10,027	1,673,041		4,898	4,923	9,821	1,682,862
Total liabilities and fund balances	\$ 334,743	\$ 127,285	\$ 10,687	\$ 10,687	\$ 3,755,634		\$ 4,898	\$ 4,923	\$ 9,821	\$ 3,765,455

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Nonmajor Special Revenue Funds							
	Federal and State Grants Fund	Hot Lunch Program	Dog License Fund	Sewer Operating Fund	Sewer Assessment Fund	Drug Forfeiture Fund	Small Cities Fund	Town Aid Road Fund
REVENUES								
Assessment including interest and liens	\$ -	\$ -	\$ -	\$ -	\$ 467,387	\$ -	\$ -	\$ -
Intergovernmental revenues	2,080,830	215,340	-	13,853	-	1,198	296,252	132,410
Licenses, fees and charges for goods and services	-	279,595	10,763	1,247,696	-	-	-	-
Revenues from use of money	-	537	-	2,778	-	14	-	-
Other revenues	-	-	-	-	-	-	-	-
Total revenues	2,080,830	495,472	10,763	1,264,327	467,387	1,212	296,252	132,410
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	32,088	-	-	2,193	-	-
Highways	-	-	-	-	-	-	-	125,364
Sanitation and waste removal	-	-	-	1,212,879	-	-	-	-
Education	2,080,635	492,216	-	-	-	-	-	-
Capital outlays	-	-	-	-	500,000	-	296,252	-
Total expenditures	2,080,635	492,216	32,088	1,212,879	500,000	2,193	296,252	125,364
Excess (deficiency) of revenues over expenditures	195	3,256	(21,325)	51,448	(32,613)	(981)	-	7,046
OTHER FINANCING SOURCES								
Transfers in	-	-	16,861	6,600	-	-	-	-
Transfers out	-	-	-	-	(350,000)	-	-	-
Total other financing sources	-	-	16,861	6,600	(350,000)	-	-	-
Net change in fund balances	195	3,256	(4,464)	58,048	(382,613)	(981)	-	7,046
Fund balances - beginning	23,284	166,568	18,500	581,937	587,883	5,910	-	417,448
Fund balances - ending	\$ 23,479	\$ 169,824	\$ 14,036	\$ 639,985	\$ 205,270	\$ 4,929	\$ -	\$ 424,494

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Nonmajor Special Revenue Funds				Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Miscellaneous Grants Fund	Policy Private Duty Fund	Senior Center Fund	Subtotal	Cemetery Trust Fund	Veterans Trust Fund	Subtotal	
REVENUES								
Assessment including interest and liens	\$ -	\$ -	\$ -	\$ 467,387	\$ -	\$ -	\$ -	\$ 467,387
Intergovernmental revenues	89,376	-	-	2,829,259	-	-	-	2,829,259
Licenses, fees and charges for goods and services	-	112,654	3,422	1,654,130	-	-	-	1,654,130
Revenues from use of money	-	-	-	3,329	7	7	14	3,343
Other revenues	134,495	-	-	134,495	-	-	-	134,495
Total revenues	223,871	112,654	3,422	5,088,600	7	7	14	5,088,614
EXPENDITURES								
Current:								
General government	121,335	-	3,227	124,562	-	-	-	124,562
Public safety	45,269	111,495	-	191,045	-	-	-	191,045
Highways	-	-	-	125,364	-	-	-	125,364
Sanitation and waste removal	-	-	-	1,212,879	-	-	-	1,212,879
Education	-	-	-	2,572,851	-	-	-	2,572,851
Capital outlays	-	-	-	796,252	-	-	-	796,252
Total expenditures	166,604	111,495	3,227	5,022,953	-	-	-	5,022,953
Excess (deficiency) of revenues over expenditures	57,267	1,159	195	65,647	7	7	14	65,661
OTHER FINANCING SOURCES								
Transfers in	4,160	-	-	27,621	-	2,000	2,000	29,621
Transfers out	(2,000)	-	-	(352,000)	(7)	(4,160)	(4,167)	(356,167)
Total other financing sources	2,160	-	-	(324,379)	(7)	(2,160)	(2,167)	(326,546)
Net change in fund balances	59,427	1,159	195	(258,732)	-	(2,153)	(2,153)	(260,885)
Fund balances - beginning	3,742	116,669	9,832	1,931,773	4,898	7,076	11,974	1,943,747
Fund balances - ending	\$ 63,169	\$ 117,828	\$ 10,027	\$ 1,673,041	\$ 4,898	\$ 4,923	\$ 9,821	\$ 1,682,862

Fiduciary Funds

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER POST EMPLOYMENT
BENEFITS TRUST FUNDS
JUNE 30, 2011

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 35,968	\$ 104,559	\$ 140,527
Investments, at fair value:			
Mutual funds	14,109,987	-	14,109,987
Contributions receivable	307,865	-	307,865
Total assets	<u>14,453,820</u>	<u>104,559</u>	<u>14,558,379</u>
LIABILITIES			
Accounts payable	<u>7,659</u>	<u>-</u>	<u>7,659</u>
Total liabilities	<u>7,659</u>	<u>-</u>	<u>7,659</u>
NET ASSETS			
Held in trust for pension and other post-employment benefits	<u>\$ 14,446,161</u>	<u>\$ 104,559</u>	<u>\$ 14,550,720</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER POST EMPLOYMENT
BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 798,918	\$ 108,059	\$ 906,977
Plan members	240,942	-	240,942
Total contributions	<u>1,039,860</u>	<u>108,059</u>	<u>1,147,919</u>
Investment earnings:			
Net increase in the fair value of investments	<u>2,521,762</u>	<u>-</u>	<u>2,521,762</u>
Net investment earnings	<u>2,521,762</u>	<u>-</u>	<u>2,521,762</u>
Total additions	<u>3,561,622</u>	<u>108,059</u>	<u>3,669,681</u>
DEDUCTIONS			
Benefit payments	644,618	-	644,618
Administrative expense	27,169	-	27,169
Awards expense	<u>-</u>	<u>3,500</u>	<u>3,500</u>
Total deductions	<u>671,787</u>	<u>3,500</u>	<u>675,287</u>
Change in net assets	2,889,835	104,559	2,994,394
Net assets - beginning	<u>11,556,326</u>	<u>-</u>	<u>11,556,326</u>
Net assets - ending	<u>\$ 14,446,161</u>	<u>\$ 104,559</u>	<u>\$ 14,550,720</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	Student Activities	Contractor Bonds	Performance Bonds	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ 74,885	\$ 43,515	\$ 240,555	\$ 358,955
Total assets	<u>\$ 74,885</u>	<u>\$ 43,515</u>	<u>\$ 240,555</u>	<u>\$ 358,955</u>
LIABILITIES				
Due to student groups	\$ 74,885	\$ -	\$ -	\$ 74,885
Due to others	-	43,515	240,555	284,070
Total liabilities	<u>\$ 74,885</u>	<u>\$ 43,515</u>	<u>\$ 240,555</u>	<u>\$ 358,955</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance, July 1, 2010	Adjustments (Note 14)	Additions	Deletions	Balance, June 30, 2011
Student Awards Fund					
Assets					
Cash and cash equivalents	\$ 25,902	\$ (25,902)	\$ -	\$ -	\$ -
Investments	332,610	(332,610)	-	-	-
Total assets	<u>\$ 358,512</u>	<u>\$ (358,512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities					
Due to student groups	\$ 358,512	\$ (358,512)	\$ -	\$ -	\$ -
Total liabilities	<u>\$ 358,512</u>	<u>\$ (358,512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Student Activities Fund					
Assets					
Cash and cash equivalents	\$ 68,856	\$ -	\$ 238,401	\$ 232,372	\$ 74,885
Total assets	<u>\$ 68,856</u>	<u>\$ -</u>	<u>\$ 238,401</u>	<u>\$ 232,372</u>	<u>\$ 74,885</u>
Liabilities					
Due to student groups	\$ 68,856	\$ -	\$ 238,401	\$ 232,372	\$ 74,885
Total liabilities	<u>\$ 68,856</u>	<u>\$ -</u>	<u>\$ 238,401</u>	<u>\$ 232,372</u>	<u>\$ 74,885</u>
Contractor Bonds					
Assets					
Cash and cash equivalents	\$ 43,479	\$ -	\$ 36	\$ -	\$ 43,515
Total assets	<u>\$ 43,479</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 43,515</u>
Liabilities					
Due to others	\$ 43,479	\$ -	\$ 36	\$ -	\$ 43,515
Total liabilities	<u>\$ 43,479</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 43,515</u>
Performance Bonds					
Assets					
Cash and cash equivalents	\$ -	\$ 258,615	\$ 9,040	\$ 27,100	\$ 240,555
Total assets	<u>\$ -</u>	<u>\$ 258,615</u>	<u>\$ 9,040</u>	<u>\$ 27,100</u>	<u>\$ 240,555</u>
Liabilities					
Due to others	\$ -	\$ 258,615	\$ 9,040	\$ 27,100	\$ 240,555
Total liabilities	<u>\$ -</u>	<u>\$ 258,615</u>	<u>\$ 9,040</u>	<u>\$ 27,100</u>	<u>\$ 240,555</u>
Total All Agency Funds					
Assets					
Cash and cash equivalents	\$ 138,237	\$ 232,713	\$ 247,477	\$ 259,472	\$ 358,955
Investments	332,610	(332,610)	-	-	-
Total assets	<u>\$ 470,847</u>	<u>\$ (99,897)</u>	<u>\$ 247,477</u>	<u>\$ 259,472</u>	<u>\$ 358,955</u>
Liabilities					
Due to student groups	\$ 427,368	\$ (358,512)	\$ 238,401	\$ 232,372	\$ 74,885
Due to others	43,479	258,615	9,076	27,100	284,070
Total liabilities	<u>\$ 470,847</u>	<u>\$ (99,897)</u>	<u>\$ 247,477</u>	<u>\$ 259,472</u>	<u>\$ 358,955</u>

**OTHER
SUPPLEMENTARY
INFORMATION**

Town of East Windsor Organizational Chart

Table 1

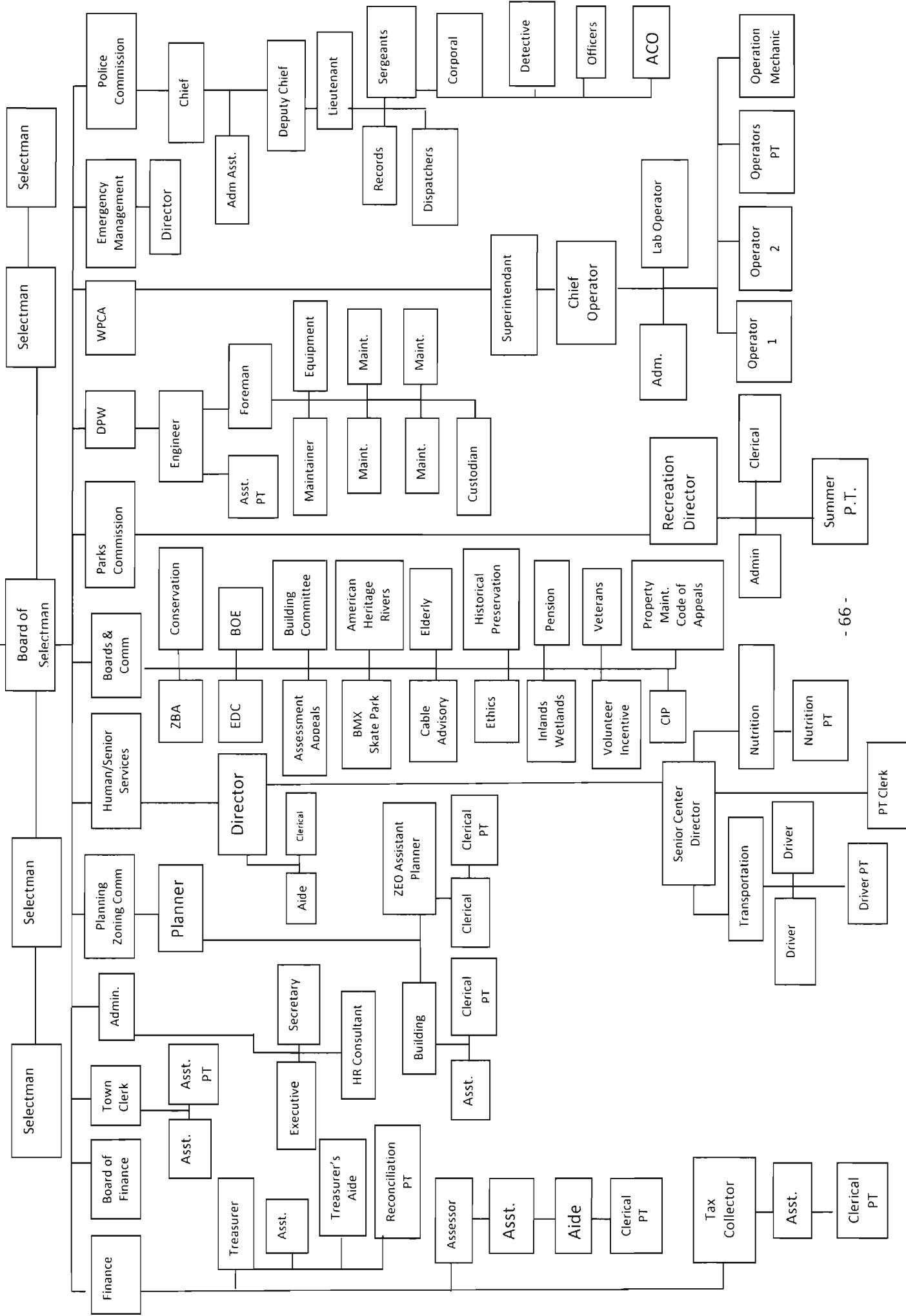


Table 2

**TOWN OF EAST WINDSOR, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS -
LAST EIGHT FISCAL YEARS**

(Unaudited)

FISCAL YEAR ENDED JUNE 30	GRAND LIST OF OCTOBER 1	(1) NET TAXABLE		TAX RATE (IN MILLS)	TOTAL ADJUSTED		% COLLECTED END OF EACH FISCAL YEAR	% UNCOLLECTED END OF EACH FISCAL YEAR	% UNCOLLECTED AS OF JUNE 30, 2011
		GRAND LIST	TAXABLE		TAX LEVY	TAX LEVY			
2011	2009	\$	1,077,999	23.9964	\$25,804,815	\$25,804,815	97.4%	2.6%	2.6%
2010	2008		1,076,876	21.7488	23,167,459	23,167,459	97.1	2.9	1.2
2009	2007		1,062,759	20.9135	22,097,869	22,097,869	96.5	3.5	0.7
2008	2006		781,972	27.9113	21,980,310	21,980,310	97.1	2.9	0.3
2007	2005		755,775	27.8123	21,336,984	21,336,984	97.1	2.9	0.2
2006	2004		727,583	26.9978	19,843,791	19,843,791	97.0	3.0	0.1
2005	2003		700,281	26.1950	18,587,458	18,587,458	97.6	2.4	0.1
2004	2002		690,079	24.7000	17,149,419	17,149,419	97.0	3.0	0.1

(1) 000s omitted

Source: Town Officials

Table 3

TOWN OF EAST WINDSOR, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY -
LAST EIGHT FISCAL YEARS
(Unaudited)

GRAND LIST DATED	RESIDENTIAL REAL PROPERTY PERCENT	COMMERCIAL AND INDUSTRIAL REAL PROPERTY PERCENT	LAND PERCENT	PERSONAL PROPERTY PERCENT	MOTOR VEHICLE PERCENT	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST (1)	PERCENT CHANGE
10/1/2009	55.2%	27.1%	2.0%	7.8%	7.9%	\$ 1,102,391,190	\$ 24,392,108	\$ 1,077,999,082	0.0%
10/1/2008	58.7	24.8	1.9	6.8	8.0	1,094,209,660	17,332,794	1,076,876,866	1.4
10/1/2007	58.0	24.0	1.8	7.8	8.4	1,082,941,546	20,182,498	1,062,759,048	35.9
10/1/2006	53.9	23.9	1.6	9.8	10.8	798,412,957	16,441,044	781,971,913	3.5
10/1/2005	53.3	24.7	1.6	9.4	11.0	771,970,875	16,195,450	755,775,425	3.9
10/1/2004	54.0	24.8	1.7	9.2	10.3	742,769,706	15,186,972	727,582,734	3.9
10/1/2003	53.5	26.0	1.8	9.2	9.5	712,814,782	12,533,915	700,280,867	1.5
10/1/2002	52.4	26.5	1.8	9.7	9.6	706,834,113	16,755,230	690,078,883	0.0

(1) The latest revaluation was effective October 1, 2009.

Source: Town Officials

Table 4

TOWN OF EAST WINDSOR, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
JUNE 30, 2011
(Unaudited)

OVERALL DEBT (1)						
FISCAL YEAR ENDED JUNE 30	PER CAPITA	TO NET TAXABLE GRAND LIST	TO ESTIMATED FULL VALUE	TO NET EQUALIZED GRAND LIST	RATIO OF DEBT PER CAPITA TO PER CAPITA INCOME	
2011	\$ 870.12	0.90%	0.63%	0.65%	2.81%	

NET DIRECT DEBT (2)						
FISCAL YEAR ENDED JUNE 30	PER CAPITA	TO NET TAXABLE GRAND LIST	TO ESTIMATED FULL VALUE	TO NET EQUALIZED GRAND LIST	RATIO OF DEBT PER CAPITA TO PER CAPITA INCOME	
2011	\$ 805.37	0.83%	0.58%	0.60%	2.60%	

(1) Overall Debt: \$9,712,300

(2) Net Direct Debt: \$8,989,500

Table 5

TOWN OF EAST WINDSOR, CONNECTICUT
RATIOS OF DIRECT GROSS GENERAL BONDED DEBT
JUNE 30, 2011
(Unaudited)

FISCAL YEAR ENDED JUNE 30	POPULATION	ASSESSED VALUE	DIRECT GROSS INDEBTEDNESS	RATIO OF GROSS INDEBTEDNESS		GROSS INDEBTEDNESS PER CAPITA
				TO ASSESSED VALUE		
2011	11,162 (2)	\$ 1,539,998,689 (1)	\$ 9,712,300	0.63%	\$	30,926

(1) Unaudited estimate.

(2) U.S. Department of Commerce, Bureau of Census

Table 6

**TOWN OF EAST WINDSOR, CONNECTICUT
COMPUTATION OF NET DIRECT DEBT**

JUNE 30, 2011

(Unaudited)

DESCRIPTION	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO TOWN	TOWN SHARE OF DEBT
Current Debt:			
General purpose	\$ 2,910,000	100%	\$ 2,910,000
Schools	1,610,000	100%	1,610,000
Sewers	2,952,300	100%	2,952,300
Total Current Indebtedness			<u>7,472,300</u>
Direct Bonded Indebtedness			7,472,300
Short-term direct indebtedness			<u>2,240,000</u>
Gross direct indebtedness			9,712,300
Exclusion: School Construction Grants Receivable			<u>(722,800)</u>
Total net direct indebtedness			<u>\$ 8,989,500</u>

Table 7

TOWN OF EAST WINDSOR, CONNECTICUT
TEN LARGEST PRINCIPAL TAXPAYERS
2009 GRAND LIST
(Unaudited)

NAME OF TAXPAYER	NATURE OF BUSINESS	GRAND LIST AMOUNT (1)	% NET TAXABLE GRAND LIST (2)
Southern Auto Sales/Tribble, Cecelia/Tribble, Lawrence/LCC Partnership/Windsor Show Stables	Various	\$ 25,963,240	2.41
Mill Pond Limited Partnership	Apartments	13,668,630	1.27
The Mansions at Canyon Ridge LLC	Apartments	13,312,990	1.24
Freemont Prospect Hill Road LLC	Commercial buildings	12,766,105	1.18
Connecticut Water Company	Utility	12,113,950	1.12
Blue Dog Properties Trust	Technical School	10,501,650	0.97
East Windsor Properties Limited Partnership	Retail Shopping Center	9,450,380	0.88
Wynwood Apartments Connecticut Ltd Ptnrs	Apartments	9,099,710	0.84
Connecticut Light & Power	Utility	8,612,730	0.80
East Windsor Limited Partnership	Real Estate	6,184,590	0.57
Totals		<u>\$ 121,673,975</u>	<u>11.28</u>

(1) Net Taxable Grant List 10/1/2009

(2) Net Taxable Grant List 10/1/2009 Amount: \$1,077,999,082

Source: Town Officials

Table 8

TOWN OF EAST WINDSOR, CONNECTICUT
DEBT SERVICE REQUIREMENTS
(Unaudited)

FISCAL YEAR ENDING	PRINCIPAL PAYMENTS	INTEREST PAYMENTS	TOTAL PAYMENTS	CUMULATIVE PERCENT RETIRED
2012	\$ 1,389,843	\$ 214,080	\$ 1,603,923	41.2%
2013	1,128,890	173,270	1,302,160	52.1
2014	1,131,180	143,675	1,274,855	63.1
2015	1,138,719	112,488	1,251,206	74.1
2016	983,668	81,750	1,065,419	83.6
2017	190,000	65,445	255,445	85.4
2018	190,000	58,320	248,320	87.2
2019	190,000	51,005	241,005	89.1
2020	190,000	43,500	233,500	90.9
2021	190,000	35,900	225,900	92.8
2022	190,000	28,181	218,181	94.6
2023	190,000	20,225	210,225	96.4
2024	185,000	12,141	197,141	98.2
2025	185,000	4,047	189,047	100.0
Total	<u>\$ 7,472,300</u>	<u>\$ 1,044,027</u>	<u>\$ 8,516,327</u>	

Table 9

TOWN OF EAST WINDSOR, CONNECTICUT
CHANGES IN GENERAL FUND FUND BALANCE
LAST SIX FISCAL YEARS

(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year					
	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-2011
Revenues						
Property taxes	\$ 19,972,600	\$ 21,760,585	\$ 21,914,851	\$ 22,039,940	\$ 23,540,079	\$ 26,071,181
Intergovernmental	6,943,296	6,984,588	12,388,137	8,607,535	7,305,528	7,273,015
Licenses, fees, and charges						
for goods and services	772,946	809,295	957,522	549,003	611,299	955,800
Revenue from use of money	286,214	452,858	313,713	86,311	27,024	18,383
Other revenues	-	-	-	-	-	3,300
Total revenues	<u>27,975,056</u>	<u>30,007,326</u>	<u>35,574,223</u>	<u>31,282,789</u>	<u>31,483,930</u>	<u>34,321,679</u>
Expenditures						
General government	2,092,876	2,209,594	2,377,962	2,703,149	2,498,192	2,658,301
Public Safety	4,057,982	4,136,973	4,419,602	4,400,954	4,832,390	4,752,054
Conservation and health	376,080	403,559	411,687	398,646	418,641	361,438
Highways	870,725	956,348	1,041,430	1,299,363	1,213,739	1,200,901
Sanitation and waste removal	669,813	681,998	693,995	731,541	722,658	797,948
Insurance and surety bonds	247,460	274,279	255,958	290,970	254,888	294,488
Culture and recreation	478,312	508,093	584,152	590,584	442,542	437,610
Education	16,372,043	17,052,072	23,401,901	20,760,869	19,351,289	20,522,588
Miscellaneous	166,987	161,967	135,197	180,163	156,077	178,702
Capital outlays	197,846	282,464	299,307	260,881	224,291	351,206
Debt service	1,793,109	2,030,217	2,080,785	2,029,137	1,789,548	1,647,198
Total expenditures	<u>27,323,233</u>	<u>28,697,564</u>	<u>35,701,976</u>	<u>33,646,257</u>	<u>31,904,255</u>	<u>33,202,434</u>
Excess of revenues over						
(under) expenditures	651,823	1,309,762	(127,753)	(2,363,468)	(420,325)	1,119,245
Other Financing Sources (Uses)						
Transfers in	464,272	440,000	576,556	452,278	518,677	350,007
Transfers out	(655,610)	(394,142)	(339,128)	(292,361)	(316,702)	(419,755)
Total other financing sources (uses)	<u>(191,338)</u>	<u>45,858</u>	<u>237,428</u>	<u>159,917</u>	<u>201,975</u>	<u>(69,748)</u>
Net change in fund balances	460,485	1,355,620	109,675	(2,203,551)	(218,350)	1,049,497
Fund balance, beginning of year	<u>3,382,483</u>	<u>3,842,968</u>	<u>5,198,588</u>	<u>5,308,263</u>	<u>3,104,712</u>	<u>2,886,362</u>
Fund balance, end of year	<u>\$ 3,842,968</u>	<u>\$ 5,198,588</u>	<u>\$ 5,308,263</u>	<u>\$ 3,104,712</u>	<u>\$ 2,886,362</u>	<u>\$ 3,935,859</u>