

Town of East Windsor, Connecticut

**Basic Financial Statements,
Supplementary Information,
and Independent Auditor's Report**

June 30, 2013

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Independent Auditor's Report

Independent Auditor's Report

To the Board of Finance,
Town of East Windsor, Connecticut

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the schedule 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.

Other Information

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

The combining and individual fund financial statements and schedules on pages 50 through 65 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information on pages 66 through 74 have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Glastonbury, Connecticut
December 13, 2013

Management's Discussion and Analysis

**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
JUNE 30, 2013**

The management of the Town of East Windsor, Connecticut (the "Town"), offers readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The assets of the Town's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$54,805,472 (net position). Of this amount, \$9,279,185 is considered to be unrestricted, \$45,436,678 is considered to be invested in capital assets, net of related debt and \$89,609 is considered to be restricted.
- The Town's total net position increased by \$1,794,412.
- The Town's total long-term debt decreased by \$1,159,497 during the current fiscal year due to scheduled debt service payments.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,753,786, an increase of \$989,524 in comparison with the prior year. Approximately 60.0% or \$5,853,623 of this total amount is considered to be unassigned fund balance as of June 30, 2013.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,853,623 while total fund balance was \$6,272,482. 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 16.5% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.98 months of General Fund operating expenditures. It is the Town's policy to maintain a fund balance in the General Fund between 5% and 17% of operating expenditures.

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 position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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.

Both of the government-wide financial statements display information about the Town's governmental activities which include general government, public safety, conservation and health, highways, sanitation and waste removal, culture and recreation, and education. The Town does not have any business-type activities.

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.

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 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 (Unaudited) (Continued)
JUNE 30, 2013**

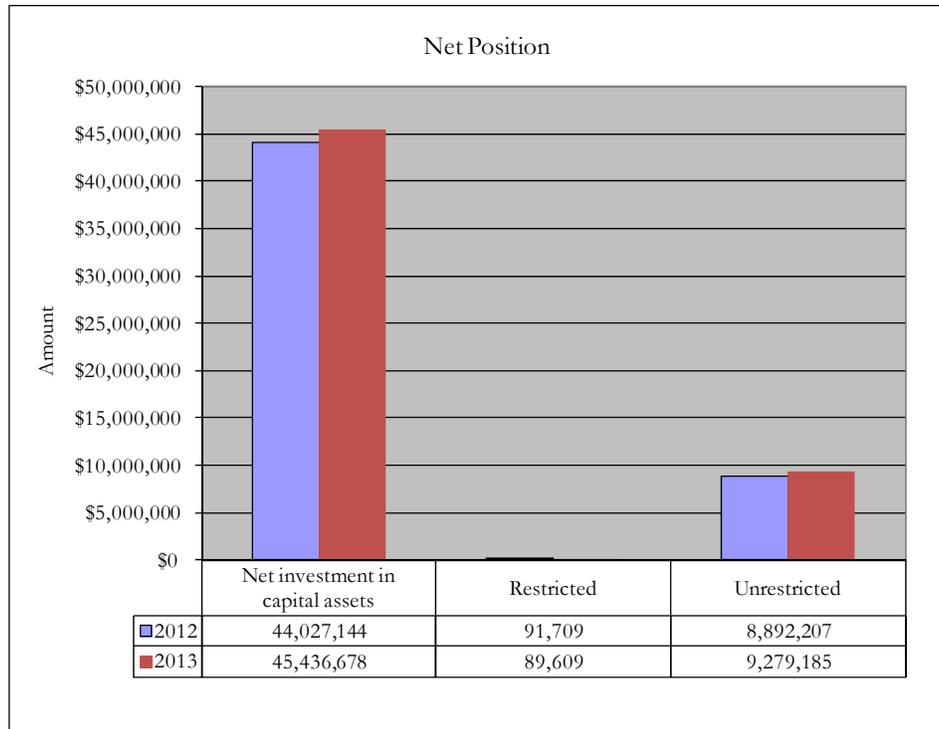
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$54,805,472 and \$53,011,060 (as restated) as of June 30, 2013 and 2012, respectively and are summarized as follows:

**Town of East Windsor, Connecticut
Net Position
June 30, 2013**

	2013	2012
Current and other assets	\$ 15,784,967	\$ 14,568,155
Capital assets	52,551,550	52,706,028
Total assets	68,336,517	67,274,183
Other liabilities	3,523,545	3,105,921
Long-term liabilities	10,007,500	11,157,202
Total liabilities	13,531,045	14,263,123
Net position		
Net investment in capital assets	45,436,678	44,027,144
Restricted	89,609	91,709
Unrestricted	9,279,185	8,892,207
Total net position	\$ 54,805,472	\$ 53,011,060



**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

As of June 30, 2013, 82.9% of the Town's net position reflects 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% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted.

Overall, net position increased by \$1,794,412 in comparison to the prior year.

Changes in Net Position

Changes in net position for the years ended June 30, 2013 and 2012 are as follows:

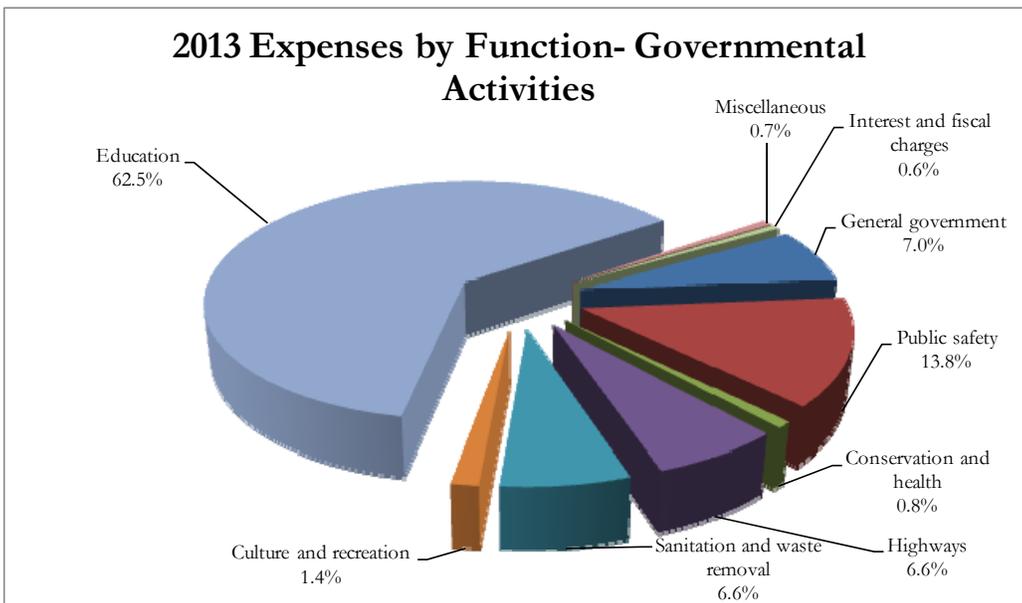
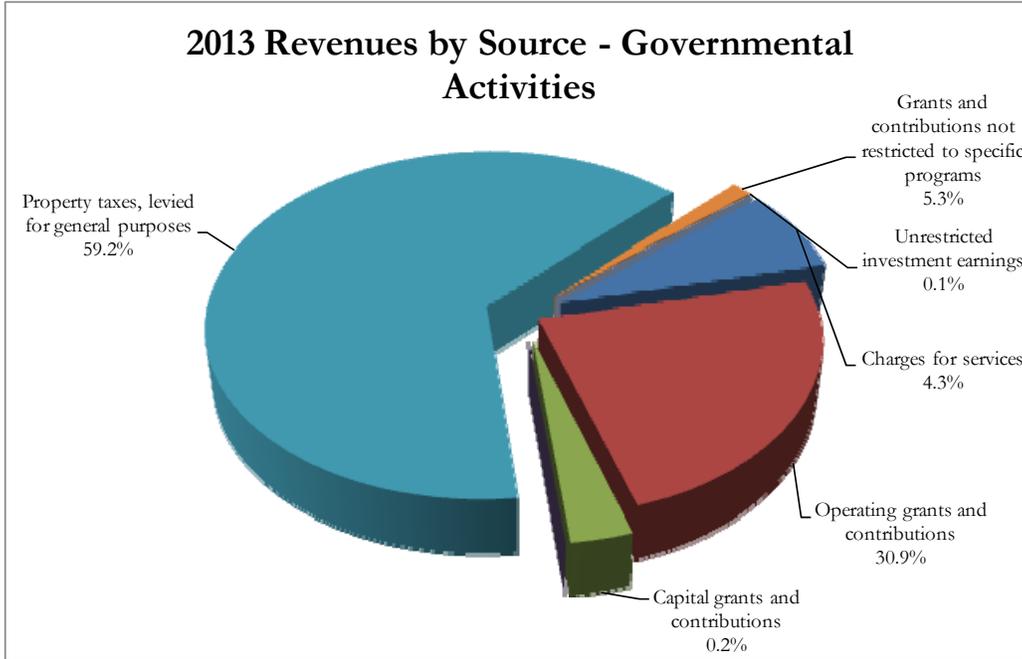
**Changes in Net Position
For The Years Ended June 30, 2013 and 2012**

	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 3,191,163	\$ 3,868,336
Operating grants and contributions	10,063,786	9,733,726
Capital grants and contributions	1,351,763	2,412,665
General revenues:		
Property taxes, levied for general purposes	27,390,229	26,863,493
Grants and contributions not restricted to specific programs	567,794	436,125
Income from investments	17,160	55,681
Total revenues	42,581,895	43,370,026
Expenses		
General government	2,852,178	3,023,100
Public safety	5,594,590	5,411,067
Conservation and health	333,908	337,002
Highways	2,706,823	2,142,273
Sanitation and waste removal	2,688,792	2,556,219
Culture and recreation	579,857	473,187
Education	25,488,485	24,220,978
Miscellaneous	298,099	193,223
Interest and fiscal charges	244,751	238,031
Total expenses	40,787,483	38,595,080
Change in net position	\$ 1,794,412	\$ 4,774,946

**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the Town's net position by \$1,794,412 for the year ended June 30, 2013 compared to an increase in net position of \$4,774,946 in the prior year. Key elements of the decrease from prior year is as follows:

- Capital grants and contributions decreased by \$1,060,902 over the prior year. Capital grants and contributions reflect federal grant reimbursements and fluctuate year over year depending on the status of Town projects. In the prior year, the Town recorded grant reimbursements of \$1,027,116 in connection with the North Road Sewer project. The project was completed in the current year and the Town recorded the final grant reimbursements of \$681,214. In addition, the Town recorded grant reimbursements of \$1,385,549 in the prior year in connection with road and drainage improvements compared to grant reimbursements of only \$670,549 in the current year.
- Charges for services decreased by \$677,173 over the prior year primarily related to a decrease in revenues generated by the Building Department. Significant permit fees were received in the prior year relating to the construction of some new business enterprises.
- Property tax revenues increased by \$526,736 or 1.96% over the prior year primarily due to an increase in the mill rate of 1.41% from 24.38 mills to 24.72 mills.
- Highway expenses increased by \$564,550 over the prior year primarily due to an increase in road maintenance and repairs.
- Education expenses increased by 5.2% over the prior year primarily due to increases in contractual salaries and benefits. Education expenses were partially offset by additional grants from the State Department of Education.

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 \$9,753,786, an increase of \$989,524 in comparison with the prior year. Of this amount, \$5,853,623 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 \$5,853,623, while total fund balance was \$6,272,482. 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 16.5% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.98 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. The fund balance of the Town's General Fund increased \$755,926 during the current fiscal year.

**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Governmental Funds (Continued)

Capital and Nonrecurring Fund

The fund balance of the Capital and Nonrecurring Fund decreased by \$197,855 during the current fiscal year due to current year capital purchases, offset by an operating transfer in from the General Fund.

Capital Projects Fund

The fund balance deficit of the Capital Projects Fund was eliminated in the current year primarily due to an operating transfer in from the General Fund and the repayment of the \$420,000 bond anticipation note.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget contemplated the use of fund balance of \$253,545 to reduce short-term debt. The actual increase in fund balance totaled \$664,207, resulting in a favorable variance of \$917,752. Revenues exceeded budgetary estimates by \$476,192, while expenditures were less than budgetary estimates by \$441,560.

Grant proceeds from the State of Connecticut municipal revenue share was received in the amount of \$342,897. The municipal revenue share was an unbudgeted amount which greatly increased compared to the prior year. Property tax revenues were higher than budgeted primarily due to increased collections on back taxes. In addition, the Town has had the benefit of cost savings due to consolidation of employee health insurance, which helped balance the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for its governmental activities as of June 30, 2013 totaled \$52,551,550 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The carrying value of the Town's capital assets decreased by \$154,478.

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

- An increase of approximately \$481,000 in connection with the completion of the North Road sewer project.
- An increase of approximately \$147,000 in information technology improvements.
- An increase of approximately \$595,000 in road construction and related improvements.
- A decrease of approximately \$1,700,000 due to current year depreciation expense.

**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013**

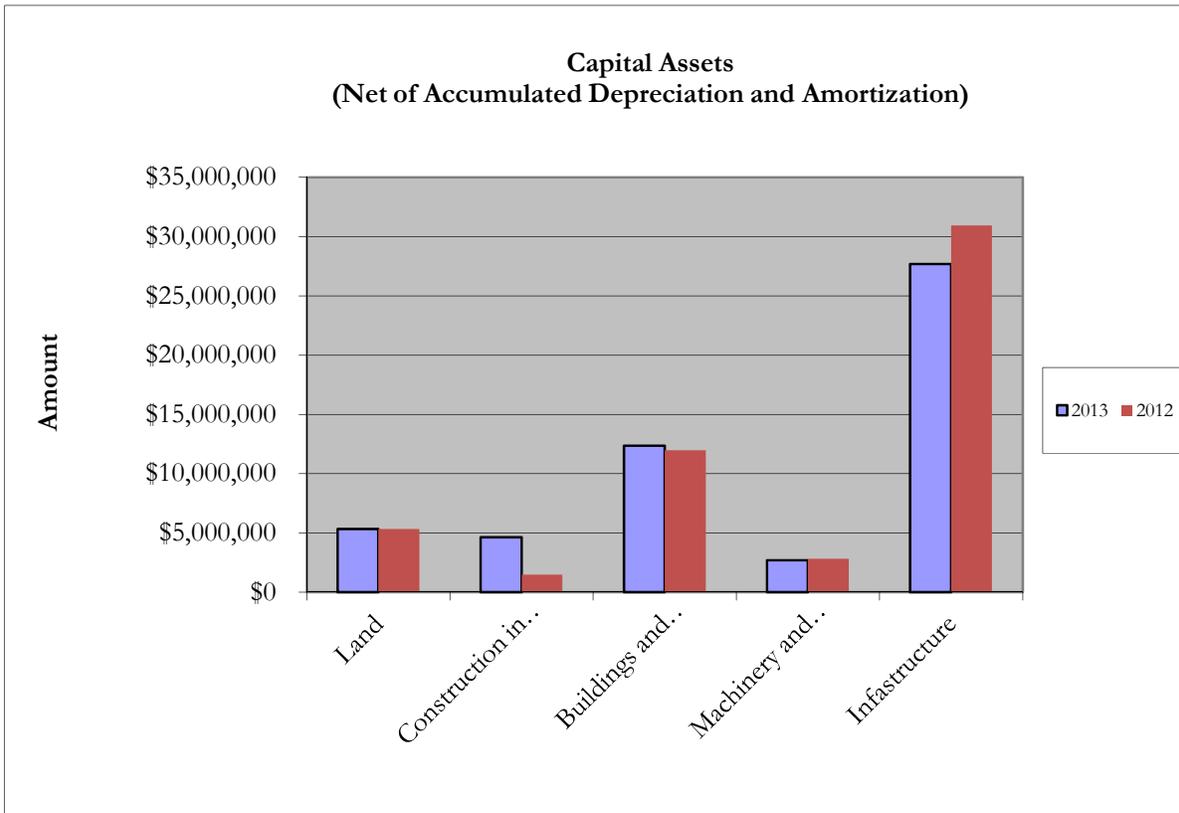
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

**Town of East Windsor, Connecticut
Capital Assets, Net
June 30, 2013 and 2012**

	2013	2012
Land	\$ 5,328,962	\$ 5,328,962
Construction in progress	1,479,376	4,637,669
Buildings and improvements	11,975,208	12,361,274
Machinery and equipment	2,829,837	2,688,605
Infrastructure	30,938,167	27,689,518
Totals	<u>\$ 52,551,550</u>	<u>\$ 52,706,028</u>



Additional information on the Town's capital assets can be found in Note 4 to the basic financial statements.

**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013**

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 \$3,215,000 and notes payable of \$3,887,960, all of which is backed by the full faith and credit of the government. The Town's total long-term debt decreased by \$1,159,497 during the current fiscal year due to scheduled debt service payments.

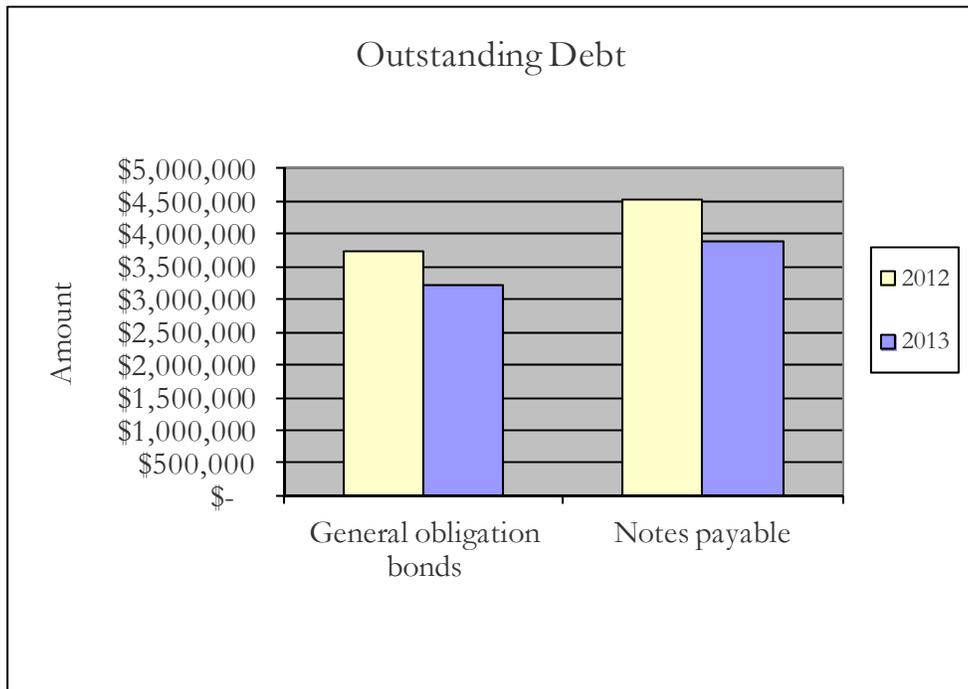
The Town maintains an "AA2" rating from Moody's Investor Service for general obligation debt.

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 significantly in excess of the Town's outstanding general obligation debt.

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

**Town of East Windsor, Connecticut
Long-term Debt
June 30, 2013 and 2012**

	2013	2012
General obligation bonds	\$ 3,215,000	\$ 3,735,000
Notes payable	3,887,960	4,527,457
Totals	\$ 7,102,960	\$ 8,262,457



Additional information on the Town's long-term debt can be found in Note 8 to the basic financial statements.

**TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2013**

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. There is uncertainty in the allocation of funds for the next budget year. Connecticut's economy moves in the same general cycle as the national economy.
- The unemployment rate for the Town is currently 7.5%, which is a decrease of 1.3% from the prior year, compared to the state's average unemployment rate of 8.0% and the national unemployment rate of 7.6%, a good sign for our economy.
- 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 2014.

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 POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 12,380,266
Receivables:	
Property taxes, net of allowance of \$87,396	1,300,419
Interest on property taxes, net of allowance of \$59,000	544,500
Assessments and user charges	430,159
Intergovernmental	540,746
Other	286,513
Other assets	21,775
Grant and contracts receivable, long-term portion	280,589
Capital assets:	
Non-depreciable	6,808,338
Depreciable, net	45,743,212
Total assets	68,336,517
LIABILITIES	
Accounts payable	2,426,368
Accrued liabilities:	
Salaries and benefits payable	342,718
Accrued interest	33,419
Unearned revenue	721,040
Noncurrent liabilities:	
Due within one year	1,362,706
Due in more than one year	8,644,794
Total liabilities	13,531,045
NET POSITION	
Net investment in capital assets	45,436,678
Restricted for:	
Endowments - expendable	7,721
Housing Rehabilitation	81,888
Unrestricted	9,279,185
Total net position	\$ 54,805,472

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, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,852,178	\$ 470,386	\$ 20,978	\$ -	\$ (2,360,814)
Public safety	5,594,590	168,860	56,041	-	(5,369,689)
Conservation and health	333,908	15,646	-	-	(318,262)
Highways	2,706,823	59,672	293,547	670,549	(1,683,055)
Sanitation and waste removal	2,688,792	1,537,112	-	681,214	(470,466)
Culture and recreation	579,857	102,310	-	-	(477,547)
Education	25,488,485	837,177	9,693,220	-	(14,958,088)
Miscellaneous	298,099	-	-	-	(298,099)
Interest and fiscal charges	244,751	-	-	-	(244,751)
Total governmental activities	<u>\$ 40,787,483</u>	<u>\$ 3,191,163</u>	<u>\$ 10,063,786</u>	<u>\$ 1,351,763</u>	<u>\$ (26,180,771)</u>

General revenues:

Property taxes, levied for general purposes	27,390,229
Grants and contributions not restricted to specific programs	567,794
Unrestricted investment earnings	17,160
Total general revenues	<u>27,975,183</u>
Change in net position	1,794,412
Net position - beginning of year, as originally reported	53,149,623
Adjustment (see Note 11)	(138,563)
Net position - beginning of year, as adjusted	<u>53,011,060</u>
Net position - ending of year	<u>\$ 54,805,472</u>

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

TOWN OF EAST WINDSOR, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<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	\$ 7,126,313	\$ 1,773,236	\$ 1,785,968	\$ 1,694,749	\$ 12,380,266
Receivables:					
Property taxes, net of allowance of \$87,396	1,300,419	-	-	-	1,300,419
Interest on property taxes, net of allowance of \$59,000	544,500	-	-	-	544,500
Assessments and user charges	-	-	-	430,159	430,159
Intergovernmental	499,252	-	-	322,083	821,335
Other	66,385	22,235	-	197,893	286,513
Due from other funds	2,018,693	-	160,000	1,559,284	3,737,977
Inventories	-	-	-	7,853	7,853
Total assets	<u>\$ 11,555,562</u>	<u>\$ 1,795,471</u>	<u>\$ 1,945,968</u>	<u>\$ 4,212,021</u>	<u>\$ 19,509,022</u>
LIABILITIES					
Accounts payable	\$ 699,867	\$ 100,280	\$ 165,038	\$ 860,468	\$ 1,825,653
Salaries and benefits	296,380	-	-	46,338	342,718
Due to other funds	2,153,588	423,887	1,265,989	495,228	4,338,692
Unearned revenue	-	-	-	721,040	721,040
Total liabilities	<u>3,149,835</u>	<u>524,167</u>	<u>1,431,027</u>	<u>2,123,074</u>	<u>7,228,103</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>2,133,245</u>	<u>-</u>	<u>-</u>	<u>393,888</u>	<u>2,527,133</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	7,853	7,853
Loans receivable	-	-	-	81,888	81,888
Restricted	-	-	-	7,721	7,721
Committed	6,160	1,271,304	514,941	1,597,597	3,390,002
Assigned to education	412,699	-	-	-	412,699
Unassigned	5,853,623	-	-	-	5,853,623
Total fund balances	<u>6,272,482</u>	<u>1,271,304</u>	<u>514,941</u>	<u>1,695,059</u>	<u>9,753,786</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,555,562</u>	<u>\$ 1,795,471</u>	<u>\$ 1,945,968</u>	<u>\$ 4,212,021</u>	<u>\$ 19,509,022</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 POSITION
JUNE 30, 2013

Total fund balances for governmental funds \$ 9,753,786

Total net position reported for governmental activities in the statement of net position 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		1,479,376	
Buildings and improvements		26,320,984	
Machinery and equipment		7,185,328	
Infrastructure		44,281,703	
Less accumulated depreciation and amortization		(32,044,803)	
Total capital assets, net			52,551,550

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 inflows of resources in the funds. 2,527,133

Deferred amounts on refunding are not susceptible to accrual and, therefore, are not reported in the governmental funds. 13,922

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 position.

Long-term debt:			
Bonds and note payable		(7,102,960)	
Unamortized premium		(11,912)	
Accrued interest payable		(33,419)	
Other long-term liabilities:			
Net pension obligation		(1,676,307)	
Net OPEB obligation		(464,623)	
Compensated absences		(751,698)	
			(10,040,919)
Net position of governmental activities	\$		54,805,472

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, 2013

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 27,489,393	\$ -	\$ -	\$ -	\$ 27,489,393
Assessments, including interest and liens	-	-	-	165,201	165,201
Intergovernmental revenues	8,842,174	-	681,214	2,608,106	12,131,494
Licenses, fees and charges for goods and services	487,094	9,439	-	2,140,924	2,637,457
Interest income	14,550	894	1,628	88	17,160
Other revenues	-	-	-	339,022	339,022
Total revenues	<u>36,833,211</u>	<u>10,333</u>	<u>682,842</u>	<u>5,253,341</u>	<u>42,779,727</u>
EXPENDITURES					
Current:					
General government	2,622,366	-	-	124,939	2,747,305
Public safety	4,870,222	-	-	211,587	5,081,809
Conservation and health	322,968	-	-	-	322,968
Highways	1,410,949	-	-	297,323	1,708,272
Sanitation and waste removal	812,211	-	-	1,526,313	2,338,524
Insurance and surety bonds	431,107	-	-	-	431,107
Culture and recreation	465,146	-	-	63,431	528,577
Education	22,517,698	-	-	2,641,364	25,159,062
Miscellaneous	298,099	-	-	-	298,099
Capital outlays	319,441	397,921	481,569	579,291	1,778,222
Debt service:					
Principal payments	1,159,497	-	-	-	1,159,497
Interest and fiscal charges	236,761	-	-	-	236,761
Total expenditures	<u>35,466,465</u>	<u>397,921</u>	<u>481,569</u>	<u>5,444,248</u>	<u>41,790,203</u>
Excess (deficiency) of revenues over expenditures	1,366,746	(387,588)	201,273	(190,907)	989,524
OTHER FINANCING SOURCES (USES)					
Transfers in	-	189,733	1,097,500	219,106	1,506,339
Transfers out	(610,820)	-	-	(895,519)	(1,506,339)
Total other financing sources (uses)	<u>(610,820)</u>	<u>189,733</u>	<u>1,097,500</u>	<u>(676,413)</u>	<u>-</u>
Net change in fund balances	755,926	(197,855)	1,298,773	(867,320)	989,524
Fund balances - beginning of year, as originally reported	5,516,556	1,469,159	(783,832)	2,547,454	8,749,337
Adjustment (see Note 11)	-	-	-	14,925	14,925
Fund balances - beginning of year, as adjusted	<u>5,516,556</u>	<u>1,469,159</u>	<u>(783,832)</u>	<u>2,562,379</u>	<u>8,764,262</u>
Fund balances - ending	<u>\$ 6,272,482</u>	<u>\$ 1,271,304</u>	<u>\$ 514,941</u>	<u>\$ 1,695,059</u>	<u>\$ 9,753,786</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, 2013**

Net change in fund balances - total governmental funds \$ 989,524

Total change in net position 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 depreciation expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$	1,581,153	
Depreciation and amortization expense		<u>(1,704,774)</u>	
Net adjustment			(123,621)

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. (30,857)

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 position. (148,151)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. (49,681)

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 position. Also, governmental funds report the effect of 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:

Bonds and notes payable		1,159,497	
Amortization of deferred charge on refunding		(10,823)	
Amortization of bond premiums		<u>9,260</u>	
			1,157,934

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		(13,810)	
Accrued interest		(6,427)	
Net pension obligation		8,223	
Net OPEB obligation		<u>11,278</u>	
			(736)

Change in net position of governmental activities			<u>\$ 1,794,412</u>
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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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 27,199,019	\$ 27,199,019	\$ 27,489,393	\$ 290,374
Intergovernmental revenues	6,239,470	6,239,470	6,389,079	149,609
Licenses, fees and charges for goods and services	445,435	445,435	487,094	41,659
Revenues from use of money	20,000	20,000	14,550	(5,450)
Total revenues	<u>33,903,924</u>	<u>33,903,924</u>	<u>34,380,116</u>	<u>476,192</u>
EXPENDITURES				
Current:				
General government	2,774,845	2,743,288	2,622,366	(120,922)
Public safety	5,029,665	5,008,989	4,894,309	(114,680)
Conservation and health	320,517	335,644	322,968	(12,676)
Highways	1,434,809	1,451,640	1,410,949	(40,691)
Sanitation and waste removal	830,442	828,942	812,211	(16,731)
Insurance and surety bonds	518,328	518,328	431,107	(87,221)
Culture and recreation	461,948	474,723	465,146	(9,577)
Miscellaneous	316,928	311,373	298,099	(13,274)
Education	20,173,350	20,173,350	20,156,322	(17,028)
Capital outlays	471,620	486,175	486,174	(1)
Debt service	1,825,017	1,825,017	1,816,258	(8,759)
Total expenditures	<u>34,157,469</u>	<u>34,157,469</u>	<u>33,715,909</u>	<u>(441,560)</u>
Excess (deficiency) of revenues over expenditures	(253,545)	(253,545)	664,207	917,752
OTHER FINANCING SOURCES				
Appropriation of fund balance	253,545	253,545	-	253,545
Total other financing sources	<u>253,545</u>	<u>253,545</u>	<u>-</u>	<u>253,545</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	664,207	<u>\$ 664,207</u>
Fund balance - beginning			<u>5,195,576</u>	
Fund balance - ending			<u>\$ 5,859,783</u>	

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Pension and Other Post Employment Benefits Trust Funds	Private Purpose Trust Fund - School Scholarships	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 905,461	\$ 108,023	\$ 121,278
Investments, at fair value:			
Corporate bonds	2,013,095	-	-
Mutual funds	14,516,035	277,025	-
Certificate of deposit	-	74,271	-
Contributions receivable	9,198	-	-
Due from other funds	-	-	600,715
Total assets	<u>17,443,789</u>	<u>459,319</u>	<u>\$ 721,993</u>
 LIABILITIES			
Accounts payable	35,646	-	-
Due to student groups	-	-	95,521
Due to others	-	-	626,472
Total liabilities	<u>35,646</u>	<u>-</u>	<u>\$ 721,993</u>
 NET POSITION			
Held in trust for pension and other benefits	<u>\$ 17,408,143</u>	<u>\$ 459,319</u>	

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Pension and Other Post Employment Benefits Trust Funds	Private Purpose Trust Fund - School Scholarships
	<hr/>	<hr/>
ADDITIONS		
Contributions:		
Employer	\$ 1,269,687	\$ -
Plan members	72,298	-
Private donations	-	24,100
Total contributions	<hr/> 1,341,985	<hr/> 24,100
Investment earnings:		
Interest	336,703	11,704
Net change in the fair value of investments	<hr/> 1,386,935	<hr/> (5,635)
Net investment earnings	<hr/> 1,723,638	<hr/> 6,069
Total additions	<hr/> 3,065,623	<hr/> 30,169
DEDUCTIONS		
Benefit payments	1,102,661	10,000
Awards expense	-	10,300
Total deductions	<hr/> 1,102,661	<hr/> 20,300
Change in net position	1,962,962	9,869
Net position - beginning	<hr/> 15,445,181	<hr/> 449,450
Net position - ending	<hr/> \$ 17,408,143	<hr/> \$ 459,319

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 are accounted for in the fiduciary fund financial statements as a pension trust fund.

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, 2013 are accounted for in the fiduciary fund financial statements as an other post employment benefits trust fund.

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The statement of net position 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, 2013

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 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.

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, 2013

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension and other post-employment benefits trust funds and private purpose trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus, but utilizes, the accrual basis of accounting for reporting assets and liabilities.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND EQUITY

Cash Equivalents

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2013

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

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND
NET POSITION/FUND EQUITY *(Continued)***

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except as described below.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office, and the Cooperative Liquid Asset Security Systems Fund (CLASS), which is an investment pool managed by Cutwater Asset Management. STIF and CLASS operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF and CLASS qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though they are calculated using the amortized cost method. STIF and CLASS are subject to regulatory oversight even though they are not registered by the SEC.

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.

Loans Receivable

The Town administers a Rehabilitation Loan Program. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND EQUITY (Continued)

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$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.

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 and equipment	5
Computer equipment	3
Infrastructure	20 - 60

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

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 number of days of sick leave (as defined by contract) upon retirement.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND
NET POSITION/FUND EQUITY (Continued)**

Compensated Absences (Continued)

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 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 expensed when incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

Net Position and Fund Balance

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

Net investment in capital assets - 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 - This category of net position consists of amounts 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 - This category consists of net position which does not meet the definition of the two preceding categories.

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2013

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

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND
NET POSITION/FUND EQUITY *(Continued)***

Net Position and Fund Balance *(Continued)*

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.

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, the Town uses 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 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, 2013

NOTE 2 - BUDGETARY INFORMATION

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. No additional appropriations were authorized during the year ended June 30, 2013.
- 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 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, 2013

NOTE 2 - BUDGETARY INFORMATION (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, 2013:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 34,380,116	\$ 33,715,909	\$ -	\$ 664,207
"On-behalf" payments - State Teachers Retirement Fund	1,968,701	1,968,701	-	-
Intergovernmental grants netted with expenses	484,394	484,394	-	-
Certain transfers recorded as revenues and expenditures for budgetary purposes	-	(610,820)	(610,820)	-
Encumbrances outstanding:				
June 30, 2012	-	320,980	-	(320,980)
June 30, 2013	-	(412,699)	-	412,699
GAAP basis	<u>\$ 36,833,211</u>	<u>\$ 35,466,465</u>	<u>\$ (610,820)</u>	<u>\$ 755,926</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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

The carrying value of the Town's cash deposits as of June 30, 2013 totaled \$9,893,852. A reconciliation of the Town's cash deposits as of June 30, 2013 is as follows:

Government-wide statement of net assets:	
Cash and cash equivalents	\$ 12,380,266
Less: cash equivalents considered investments for disclosure purposes	(3,101,703)
	9,278,563
Statement of fiduciary net assets:	
Cash and cash equivalents	1,134,762
Add: investment considered cash deposit for disclosure purposes	74,271
Less: cash equivalents considered investments for disclosure purposes	(593,744)
	615,289
	\$ 9,893,852

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$9,560,221 of the Town's bank balance of \$10,991,713 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,604,199
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	956,022
	\$ 9,560,221

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, 2013

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

A reconciliation of the Town's investments as of June 30, 2013 is as follows:

Government-wide statement of net assets:	
Investments	\$ -
Add: cash equivalents considered investments for disclosure purposes	3,101,703
	3,101,703
Statement of fiduciary net assets:	
Investments	16,880,426
Less: investments considered cash equivalents for disclosure purposes	(74,271)
Add: cash equivalents considered investments for disclosure purposes	593,744
	17,399,899
	\$ 20,501,602

As of June 30, 2013, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:					
Short Term Investment Fund (STIF)	\$ 1,359,883	\$ 1,359,883	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security System (CLASS)	1,767,579	1,767,579	-	-	-
Money market mutual funds	567,985	567,985	-	-	-
Corporate bonds	2,013,095	-	759,938	806,825	446,332
	5,708,542	\$ 3,695,447	\$ 759,938	\$ 806,825	\$ 446,332
Other investments:					
Mutual funds	14,793,060				
	\$ 20,501,602				

Because the STIF, CLASS and money market mutual funds have weighted average maturities of less than 90 days, they have been 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, 2013

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 debt securities were rated by Standard & Poor's as follows at June 30, 2013:

Investment type	Fair Value	AAA	AA	A	BBB	Unrated
Debt Securities:						
Short Term Investment Fund (STIF)	\$ 1,359,883	\$ 1,359,883	\$ -	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security System (CLASS)	1,767,579	-	-	-	1,767,579	-
Money market mutual funds	567,985	-	-	-	-	567,985
Corporate bonds	2,013,095	-	247,690	551,692	1,213,712	-

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, 2013, 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 certain mutual funds. Investments in these types of accounts are not subject to concentration of credit risk as they are considered to be diversified by nature.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 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	4,637,669	1,077,168	(4,235,461)	1,479,376
Total capital assets, not being depreciated	<u>9,966,631</u>	<u>1,077,168</u>	<u>(4,235,461)</u>	<u>6,808,338</u>
Capital assets, being depreciated:				
Buildings and improvements	26,244,240	98,432	(21,688)	26,320,984
Machinery and equipment	6,717,999	657,771	(190,442)	7,185,328
Infrastructure	40,298,460	3,983,243	-	44,281,703
Total capital assets, being depreciated	<u>73,260,699</u>	<u>4,739,446</u>	<u>(212,130)</u>	<u>77,788,015</u>
Less accumulated depreciation:				
Buildings and improvements	13,882,966	482,330	(19,520)	14,345,776
Machinery and equipment	4,029,394	487,850	(161,753)	4,355,491
Infrastructure	12,608,942	734,594	-	13,343,536
Total accumulated depreciation	<u>30,521,302</u>	<u>1,704,774</u>	<u>(181,273)</u>	<u>32,044,803</u>
Total capital assets, being depreciated, net	<u>42,739,397</u>	<u>3,034,672</u>	<u>(30,857)</u>	<u>45,743,212</u>
Governmental activities capital assets, net	<u>\$ 52,706,028</u>	<u>\$ 4,111,840</u>	<u>\$ (4,266,318)</u>	<u>\$ 52,551,550</u>

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

Governmental Activities:	
General government	\$ 31,317
Public safety	340,649
Highway	698,952
Sanitation and waste removal	271,057
Culture and recreation	33,376
Education	329,423
Total depreciation and amortization expense	<u>\$ 1,704,774</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2013 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Projects Fund	\$ 1,265,989
	Capital and Nonrecurring Fund	423,887
	Nonmajor Governmental Funds	<u>328,817</u>
		2,018,693
Capital Projects Fund	Nonmajor Governmental Funds	<u>160,000</u>
Nonmajor Governmental Funds	General Fund	1,552,873
	Nonmajor Governmental Funds	<u>6,411</u>
		<u>1,559,284</u>
		<u><u>\$ 3,737,977</u></u>
Fiduciary Fund		
Other Fiduciary Funds	General Fund	<u><u>\$ 600,715</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, 2013 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital and Nonrecurring Fund	General Fund	\$ 166,733
	Other Governmental Funds	<u>23,000</u>
		189,733
Capital Projects Fund	General Fund	420,000
	Other Governmental Funds	<u>677,500</u>
		1,097,500
Other Governmental Funds	Other Governmental Funds	195,019
	General Fund	<u>24,087</u>
		<u>219,106</u>
		<u><u>\$ 1,506,339</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, 2013

NOTE 7 - SHORT-TERM DEBT

The following is a summary of changes in short-term debt for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation notes payable	\$ 420,000	\$ -	\$ (420,000)	\$ -

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	<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	\$ 3,735,000	\$ -	\$ (520,000)	\$ 3,215,000	\$ 510,000
Unamortized amounts:					
Premium on bonds issued	21,172	-	(9,260)	11,912	-
Total bonds payable	3,756,172	-	(529,260)	3,226,912	510,000
Other liabilities:					
Note payable	4,527,457	-	(639,497)	3,887,960	652,631
Compensated absences	737,888	20,845	(7,035)	751,698	200,075
Net pension obligation	1,678,530	-	(8,223)	1,670,307	-
Net OPEB obligation	475,901	-	(11,278)	464,623	-
	<u>\$ 11,175,948</u>	<u>\$ 20,845</u>	<u>\$ (1,195,293)</u>	<u>\$ 10,001,500</u>	<u>\$ 1,362,706</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, 2013

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, 2013 is as follows:

<u>Purpose of Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Governmental Activities					
Bond refunding	10/2004	\$ 1,950,000	3.00% - 3.75%	9/15/2015	\$ 945,000
Land acquisition	10/2004	3,000,000	3.00% - 4.375%	9/15/2025	1,905,900
Public works improvements	10/2004	600,000	3.00% - 4.375%	9/15/2025	364,100
					\$ 3,215,000
Note payable					
Clean Water Loan	9/1996	10,812,482	4.50%	3/31/2016	\$ 1,738,567
Rural Development Loan	4/2012	2,180,000	2.375%	4/1/2052	2,149,393
					\$ 3,887,960

Annual debt service requirements to maturity on general obligation bonds and the note payable are as follows as of June 30, 2013:

<u>Year ending</u> <u>June 30:</u>	<u>Governmental Activities</u>					
	<u>Bonds Payable</u>		<u>Note Payable</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 510,000	\$ 114,578	\$ 652,631	\$ 88,205	\$ 1,162,631	\$ 202,783
2015	505,000	95,929	666,033	74,802	1,171,033	170,731
2016	500,000	77,710	516,872	61,395	1,016,872	139,105
2017	190,000	65,445	34,116	56,442	224,116	121,887
2018	190,000	58,320	35,055	55,503	225,055	113,823
2019 - 2023	950,000	178,811	190,275	262,515	1,140,275	441,326
2024 - 2028	370,000	16,188	217,915	234,875	587,915	251,063
2029 - 2033	-	-	249,574	203,216	249,574	203,216
2034 - 2038	-	-	285,830	166,960	285,830	166,960
2039 - 2043	-	-	327,351	125,439	327,351	125,439
2044 - 2048	-	-	374,907	77,883	374,907	77,883
2049 - 2053	-	-	337,401	23,454	337,401	23,454
	\$ 3,215,000	\$ 606,981	\$ 3,887,960	\$ 1,430,689	\$ 7,102,960	\$ 2,037,670

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. 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, 2013.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

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, 2013 was \$148,151. Additional reimbursements of principal and interest aggregating \$424,251 and \$19,413, 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 \$280,589 will be realized by the Town through fiscal year 2016.

NOTE 9 - 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, 2013 are accounted for in the fiduciary fund financial statements as a pension trust fund.

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	34
Vested terminated employees	37
Active employees	166
	237

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 9 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

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 police personnel and 2.0% for Town employees.

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 service; 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, 2011 (the most recent actuarial date) is as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 13,688,187	\$ 19,025,914	\$ 5,337,727	71.9%	\$ 6,511,580	82.0%

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, 2013

NOTE 9 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2013	\$ 909,787	\$ 909,787	100%
2012	866,500	866,500	100%
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%

Additional Information and Actuarial Assumptions

Valuation date	July 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent - Closed
Remaining amortization period	18 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	\$ 909,787
Interest on net pension obligation	117,917
Adjustment to annual required contribution	(126,140)
Annual pension cost	<u>901,564</u>
Contributions made	<u>909,787</u>
Increase in net pension obligation	(8,223)
Net pension obligation, beginning of year	<u>1,684,530</u>
Net pension obligation, end of year	<u><u>\$ 1,676,307</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 9 - 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
2013	\$ 901,564	\$ 909,787	100.9%	\$ 1,676,307
2012	863,350	866,500	100.4%	1,684,530
2011	800,152	798,918	99.8%	1,687,680

Plan Financial Statements

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF PLAN NET POSITION
JUNE 30, 2013

ASSETS

Cash and cash equivalents	\$ 567,985
Investments, at fair value:	
Corporate bonds	2,013,095
Mutual funds	14,516,035
Contributions receivable	9,198
Total assets	<u>17,106,313</u>

LIABILITIES

Accounts payable	<u>35,646</u>
Total liabilities	<u>35,646</u>

NET POSITION

Held in trust for pension benefits	<u>17,070,667</u>
Total net position	<u><u>\$ 17,070,667</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 9 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Plan Financial Statements (Continued)

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

ADDITIONS		
Contributions		
Employer	\$	909,787
Plan members		72,298
Total contributions		<u>982,085</u>
Investment earnings:		
Net appreciation in fair value of investments		1,386,935
Interest and dividends		336,148
Net investment earnings		<u>1,723,083</u>
Total additions		<u>2,705,168</u>
DEDUCTIONS		
Benefit payments		<u>859,661</u>
Total deductions		<u>859,661</u>
NET INCREASE		1,845,507
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
Beginning of year		<u>15,225,160</u>
End of year	\$	<u><u>17,070,667</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2013

NOTE 9 - 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, 2013, Town teachers contributed \$680,643 to the plan and covered payroll for the year was \$9,388,179.

The Town has reported "on-behalf" payments of \$1,968,701 made by the State of Connecticut into the plan as intergovernmental revenues and educations expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

NOTE 10 - 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 health receive benefits with 100% contribution of premiums.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 10 - 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. The Town began funding the benefits in a trust fund during the year ended June 30, 2012.

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. 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	\$	341,000
Interest on net OPEB obligation		38,072
Adjustment to annual required contribution		<u>(30,450)</u>
Annual OPEB cost		348,622
Contributions made		<u>359,900</u>
Decrease in net pension obligation		(11,278)
Net OPEB obligation, beginning of the year		<u>475,901</u>
Net OPEB obligation, end of the year	\$	<u><u>464,623</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal 2011 through 2013 is as follows:

Year Ended June 30:	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 348,622	\$ 359,900	103.2%	\$ 464,623
2012	334,450	344,000	102.9%	475,901
2011	332,401	350,000	105.3%	485,451

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 (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)
\$ 220,021	\$ 4,260,367	\$ 4,040,346	5.2%	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, 2012
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	7.00%
Healthcare cost trend rate	6.1% initial 4.5% final

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Financial Statements

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF PLAN NET POSITION
JUNE 30, 2013

	<u>Other Post Employment Benefits Fund</u>
ASSETS	
Cash and cash equivalents	\$ 337,476
Total assets	<u>337,476</u>
NET POSITION	
Held in trust for other post employment benefits	<u>\$ 337,476</u>

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Other Post Employment Benefits Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 359,900
Total contributions	<u>359,900</u>
Investment earnings:	
Interest	555
Total investment earnings	<u>555</u>
Total additions	<u>360,455</u>
DEDUCTIONS	
Benefit payments	<u>243,000</u>
Total deductions	<u>243,000</u>
Change in net position	117,455
Net position - beginning	<u>220,021</u>
Net position - ending	<u>\$ 337,476</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 11 - ADJUSTMENT

The Town has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2012. GASB Statement No. 63 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 results in the reclassification of certain financial statement line items on the statement of net position and balance sheet. In addition to reclassifications to these new categories, GASB No. 65 has also resulted in a change to the accounting treatment for certain items, including debt issuance costs.

Net position and fund balances as of July 1, 2012 has been adjusted as follows:

	Governmental Activities	Governmental Funds
Net position/fund balance - beginning, as originally reported	\$ 53,149,623	\$ 8,749,337
Adjust unamortized bond issuance costs	(71,600)	-
Adjust unearned revenue and deferred inflows of resources	(66,963)	14,925
Net position/fund balance - beginning, as adjusted	\$ 53,011,060	\$ 8,764,262

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. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2012. 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.

Assigned fund balance in the General Fund includes encumbrances of \$412,699 for unperformed educational commitments in progress as of June 30, 2013.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

Fund balance in the governmental funds has been committed for the following purposes:

Capital purposes	\$ 1,792,405
Sanitation	1,042,852
Public safety	152,167
Educational purposes	17,523
General government	11,161
Other purposes	373,894
	<u>\$ 3,390,002</u>

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS

The GASB has issued several new accounting standards that will become effective in future years. Management is currently evaluating the effect implementation of these standards, as applicable, will have on its financial statements. A summary of recently issued accounting standards that will become effective in future years is as follows:

The GASB has issued Statement No. 66, *Technical Corrections – 2012*, which amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for 1) operating lease payments that vary from a straight-line basis, 2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The provisions in GASB 66 are effective for periods beginning after December 15, 2012 and early adoption is permitted.

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25*, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. The provisions in GASB 67 are effective for financial statements for periods beginning after June 15, 2013 and early adoption is permitted.

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and early adoption is permitted.

**Required
Supplementary
Information**

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS (Unaudited)
JUNE 30, 2013

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%
July 1, 2010	12,510,494	17,335,037	(4,824,543)	72.2%	6,637,610	72.7%
July 1, 2011	13,688,187	19,025,914	(5,337,727)	71.9%	6,511,580	82.0%

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
July 1, 2012	220,021	4,260,367	(4,040,346)	5.2%	N/A	N/A

See accompanying Independent Auditor's Report.

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, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
PROPERTY TAXES				
Current and prior year levies	\$ 26,999,019	\$ 26,999,019	\$ 27,118,791	\$ 119,772
Interest and lien fees	200,000	200,000	370,602	170,602
Total property taxes	<u>27,199,019</u>	<u>27,199,019</u>	<u>27,489,393</u>	<u>290,374</u>
INTERGOVERNMENTAL REVENUES				
Education equalization	5,650,470	5,650,470	5,465,792	(184,678)
Adult education	14,433	14,433	-	(14,433)
Public school transportation	86,194	86,194	87,458	1,264
School building grants	163,243	163,243	163,243	-
Reimbursement in lieu of taxes	92,648	92,648	90,344	(2,304)
Pro-rata share of CT fines	2,000	2,000	6,813	4,813
Tax relief - circuit breaker	80,800	80,800	77,421	(3,379)
Tax relief - veterans	5,557	5,557	5,575	18
Tax exempt property - disability	1,946	1,946	1,834	(112)
Local capital improvement program	76,564	76,564	75,000	(1,564)
Telephone access grant	20,000	20,000	22,597	2,597
Miscellaneous State of Connecticut grants	1,137	1,137	6,118	4,981
Municipal revenue sharing	-	-	342,897	342,897
Mashantucket Pequot grant	44,478	44,478	43,987	(491)
Total intergovernmental revenues	<u>6,239,470</u>	<u>6,239,470</u>	<u>6,389,079</u>	<u>149,609</u>
LICENSES, FEES AND CHARGES FOR GOODS AND SERVICES				
Building Department	175,000	175,000	138,825	(36,175)
Zoning Board of Appeals	500	500	792	292
Planning and Zoning	14,000	14,000	15,401	1,401
Recycling rebates	4,330	4,330	12,830	8,500
East Windsor Housing Authority	15,000	15,000	19,168	4,168
Conservation Commission	5,000	5,000	2,213	(2,787)
Police Department	6,200	6,200	9,227	3,027
Assessor	750	750	813	63
Town Clerk	172,525	172,525	218,142	45,617
Mini-bus donations	3,500	3,500	3,182	(318)
Greater Hartford Transit District	2,500	2,500	6,891	4,391
Miscellaneous	2,000	2,000	18,797	16,797
Parks and Recreation	33,300	33,300	27,369	(5,931)
Parking tickets	120	120	70	(50)
Land and building rental	1,700	1,700	1	(1,699)
Perpetual care	210	210	290	80
Road cut permits	300	300	750	450
Aircraft miscellaneous	5,000	5,000	5,213	213
Farmland preservation	3,500	3,500	7,120	3,620
Total licenses, fees and charges for goods and services	<u>445,435</u>	<u>445,435</u>	<u>487,094</u>	<u>41,659</u>

See accompanying Independent Auditor's Report.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES FROM THE USE OF MONEY				
Interest on deposits	\$ 20,000	\$ 20,000	\$ 14,550	\$ (5,450)
Total revenues from the use of money	<u>20,000</u>	<u>20,000</u>	<u>14,550</u>	<u>(5,450)</u>
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	<u>253,545</u>	<u>253,545</u>	<u>-</u>	<u>(253,545)</u>
Total other financing sources	<u>253,545</u>	<u>253,545</u>	<u>-</u>	<u>(253,545)</u>
 Total revenues	 <u>\$ 34,157,469</u>	 <u>\$ 34,157,469</u>	 <u>\$ 34,380,116</u>	 <u>\$ 222,647</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
GENERAL GOVERNMENT				
Board of Selectmen	\$ 166,850	\$ 165,350	\$ 155,466	\$ (9,884)
Town Counsel and legal	150,000	182,000	180,992	(1,008)
Professional services	57,660	57,660	49,936	(7,724)
Treasurer	190,268	197,173	193,101	(4,072)
Town Clerk	119,950	124,851	122,914	(1,937)
Assessor	181,300	194,455	194,035	(420)
Tax Collector	124,254	124,254	118,872	(5,382)
Tax relief	8,080	8,080	-	(8,080)
Board of Tax Review	3,150	3,150	991	(2,159)
Elections - registrar	52,903	61,203	59,691	(1,512)
Probate court	4,000	4,000	1,689	(2,311)
Town property	242,097	257,597	251,580	(6,017)
Building Committee	690	690	80	(610)
Economic Development Commission	5,337	5,337	3,509	(1,828)
Zoning Board of Appeals	1,150	1,150	879	(271)
Planning and Zoning Commission	3,050	3,050	2,554	(496)
Town Planner	187,925	197,085	195,446	(1,639)
Building Department	136,825	143,302	136,460	(6,842)
Elderly Commission	650	650	264	(386)
Ethics Committee	20	20	-	(20)
Senior Center	232,998	232,998	205,604	(27,394)
Conservation Commission	1,800	1,800	1,388	(412)
Board of Finance	4,500	4,500	2,756	(1,744)
Miscellaneous	24,709	24,709	24,669	(40)
27th payroll	13,800	13,800	6,141	(7,659)
Employee benefits	860,879	734,424	713,349	(21,075)
Total general government	<u>2,774,845</u>	<u>2,743,288</u>	<u>2,622,366</u>	<u>(120,922)</u>
PUBLIC SAFETY				
Police Department	2,690,144	2,747,769	2,720,798	(26,971)
Telecommunications system	49,108	49,108	47,766	(1,342)
Police Commission	1,610	1,610	1,500	(110)
Broad Brook Fire Department	668,532	668,532	624,574	(43,958)
Fire protection (water)	300,000	305,110	305,101	(9)
Fire Marshal	19,617	19,607	17,867	(1,740)
Civil Preparedness	7,375	8,100	7,569	(531)
Hearing Officer	30	30	-	(30)
Dog damage	10	24,097	24,087	(10)
Employee benefits	1,293,239	1,185,026	1,145,047	(39,979)
Total public safety	<u>5,029,665</u>	<u>5,008,989</u>	<u>4,894,309</u>	<u>(114,680)</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
CONSERVATION AND HEALTH				
General assistance	\$ 15,500	\$ 15,500	\$ 15,257	\$ (243)
Human services	143,534	164,436	161,684	(2,752)
Visiting Nurse Association	6,763	6,763	6,763	-
Miscellaneous health agencies	70,097	70,097	70,096	(1)
Water purification	10	10	-	(10)
Immunizations and physicals	1,500	1,500	1,255	(245)
Employee benefits	83,113	77,338	67,913	(9,425)
Total conservation and health	<u>320,517</u>	<u>335,644</u>	<u>322,968</u>	<u>(12,676)</u>
HIGHWAYS				
Highways	716,868	732,623	709,080	(23,543)
General roads	260,000	260,000	259,998	(2)
Street lighting	145,000	143,000	136,549	(6,451)
Employee benefits	312,941	316,017	305,322	(10,695)
Total highways	<u>1,434,809</u>	<u>1,451,640</u>	<u>1,410,949</u>	<u>(40,691)</u>
SANITATION AND WASTE REMOVAL				
Collection and disposal	830,442	828,942	812,211	(16,731)
Total sanitation and waste removal	<u>830,442</u>	<u>828,942</u>	<u>812,211</u>	<u>(16,731)</u>
INSURANCE AND SURETY BONDS				
Insurance and surety bonds	498,328	498,328	416,176	(82,152)
Unemployment compensation	20,000	20,000	14,931	(5,069)
Total insurance and surety bonds	<u>518,328</u>	<u>518,328</u>	<u>431,107</u>	<u>(87,221)</u>
CULTURE AND RECREATION				
Broad Brook library	2,500	2,500	2,500	-
Community activities	1,000	1,000	920	(80)
WHP library	228,375	228,375	228,375	-
Parks and Recreation	201,706	212,856	203,408	(9,448)
Employee benefits	28,367	29,992	29,943	(49)
Total culture and recreation	<u>461,948</u>	<u>474,723</u>	<u>465,146</u>	<u>(9,577)</u>
MISCELLANEOUS				
Cemeteries	14,998	14,998	14,998	-
Contingency fund	98,000	83,700	83,323	(377)
Miscellaneous	4,000	4,000	3,967	(33)
Information technology	164,930	165,175	155,676	(9,499)
Communications	35,000	43,500	40,135	(3,365)
Total miscellaneous	<u>316,928</u>	<u>311,373</u>	<u>298,099</u>	<u>(13,274)</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EDUCATION				
Salaries				
Administration	\$ 388,312	\$ 388,312	\$ 372,728	\$ (15,584)
Building administration	699,036	699,036	696,307	(2,729)
Certified personnel	8,093,551	8,093,551	8,027,456	(66,095)
Substitutes	276,274	276,274	415,843	139,569
Home bound	10,000	10,000	20,050	10,050
Tutors	259,866	259,866	271,485	11,619
Stipends	172,595	172,595	161,369	(11,226)
Summer school	24,071	24,071	24,111	40
Adult education/enrichment	23,308	23,308	22,562	(746)
Clerical	854,190	854,190	880,777	26,587
Teacher's Aides	805,757	805,757	717,533	(88,224)
Nurses	202,404	202,404	212,438	10,034
Custodial	497,001	497,001	520,304	23,303
Support services	162,268	162,268	155,719	(6,549)
School facility use	2,000	2,000	-	(2,000)
Total salaries	<u>12,470,633</u>	<u>12,470,633</u>	<u>12,498,682</u>	<u>28,049</u>
Employee Benefits				
Retirement and social security	733,498	733,498	738,850	5,352
Health insurance	2,049,701	2,049,701	2,154,833	105,132
Workmen's compensation and travel insurance	195,040	195,040	131,589	(63,451)
Total employee benefits	<u>2,978,239</u>	<u>2,978,239</u>	<u>3,025,272</u>	<u>47,033</u>
Purchased Services				
Instructional program improvements	2,100	2,100	1,766	(334)
Pupil services	25,508	25,508	33,417	7,909
Other professional services	566,102	566,102	532,939	(33,163)
Public utilities	253,035	253,035	235,316	(17,719)
Cleaning/repairing	224,942	224,942	203,676	(21,266)
Maintenance	4,117	4,117	2,597	(1,520)
Public transportation	1,514,377	1,514,377	1,509,453	(4,924)
Property insurance	50,158	50,158	50,828	670
Liability insurance	97,566	97,566	97,566	-
Communications	40,063	40,063	49,900	9,837
Printing/binding	52,763	52,763	42,241	(10,522)
Tuition	1,163,211	1,163,211	1,039,197	(124,014)
Travel, conferences and other transportation	23,932	23,932	-	(23,932)
Total purchased services	<u>4,017,874</u>	<u>4,017,874</u>	<u>3,798,896</u>	<u>(218,978)</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EDUCATION (Continued)				
Supplies				
Instructional	\$ 135,680	\$ 135,680	\$ 204,300	\$ 68,620
Custodial/maintenance	68,843	68,843	49,792	(19,051)
Heat and energy	255,120	255,120	172,201	(82,919)
Textbooks	15,521	15,521	92,949	77,428
Library	27,392	27,392	26,245	(1,147)
Other supplies	100,793	100,793	86,876	(13,917)
Total supplies	<u>603,349</u>	<u>603,349</u>	<u>632,363</u>	<u>29,014</u>
Capital equipment				
New equipment	71,064	71,064	160,757	89,693
Dues and fees	32,191	32,191	40,352	8,161
Total capital equipment	<u>103,255</u>	<u>103,255</u>	<u>201,109</u>	<u>97,854</u>
Total education	<u>20,173,350</u>	<u>20,173,350</u>	<u>20,156,322</u>	<u>(17,028)</u>
DEBT SERVICE	<u>1,825,017</u>	<u>1,825,017</u>	<u>1,816,258</u>	<u>(8,759)</u>
CAPITAL OUTLAYS	<u>471,620</u>	<u>486,175</u>	<u>486,174</u>	<u>(1)</u>
Total expenditures	<u>\$ 34,157,469</u>	<u>\$ 34,157,469</u>	<u>\$ 33,715,909</u>	<u>\$ (441,560)</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2013

Grand List Year	Balance Uncollected June 30, 2012	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2013
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2011	\$ -	\$ 27,183,311	\$ 59,008	\$ 156,356	\$ 22,115	\$ 27,063,848	\$ 26,486,219	\$ 122,708	\$ 26,608,927	\$ 577,629
2010	630,263	-	24,303	7,173	9,283	638,110	370,588	82,439	453,027	267,522
2009	323,609	-	875	580	3,806	320,098	131,450	38,998	170,448	188,648
2008	213,037	-	4	402	10,378	202,261	54,820	28,665	83,485	147,441
2007	148,953	-	-	-	3,754	145,199	47,886	28,026	75,912	97,313
2006	58,107	-	-	-	2,016	56,091	23,374	18,944	42,318	32,717
2005	33,852	-	-	17	1,247	32,588	13,840	12,511	26,351	18,748
2004	23,409	-	-	-	1,125	22,284	10,662	11,920	22,582	11,622
2003	18,055	-	-	-	1,175	16,880	7,058	5,868	12,926	9,822
2002	10,483	-	-	-	1,048	9,435	1,766	2,922	4,688	7,669
2001	9,343	-	-	-	2,123	7,220	757	675	1,432	6,463
2000	7,382	-	-	-	1,810	5,572	269	738	1,007	5,303
1999	6,871	-	-	-	1,675	5,196	599	1,351	1,950	4,597
1998	6,104	-	-	-	1,524	4,580	330	805	1,135	4,250
1997 and prior	11,490	-	-	-	2,782	8,708	637	928	1,565	8,071
	<u>\$ 1,500,958</u>	<u>\$ 27,183,311</u>	<u>\$ 84,190</u>	<u>\$ 164,528</u>	<u>\$ 65,861</u>	<u>\$ 28,538,070</u>	<u>\$ 27,150,255</u>	<u>\$ 357,498</u>	<u>\$ 27,507,753</u>	<u>\$ 1,387,815</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2013

Total cash collections for the year ended	
June 30, 2013:	
Taxes	\$ 27,150,255
Interest and lien fees	357,498
Total	<u>27,507,753</u>
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	84,830
Base	<u><u>\$ 27,592,583</u></u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 62,083,312	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	124,166,624	-	-	-
3-3/4 times base	-	-	103,472,186	-	-
3-1/4 times base	-	-	-	89,675,895	-
3 times base	-	-	-	-	82,777,749
Total debt limitation	<u>62,083,312</u>	<u>124,166,624</u>	<u>103,472,186</u>	<u>89,675,895</u>	<u>82,777,749</u>
Indebtedness:					
Bonds payable	2,270,000	945,000	-	-	-
Note payable	-	-	3,887,960	-	-
	<u>2,270,000</u>	<u>945,000</u>	<u>3,950,960</u>	<u>-</u>	<u>-</u>
Less: sewer assessments receivable	-	-	(302,243)	-	-
Less: school building grant	-	(424,251)	-	-	-
Total indebtedness	<u>2,270,000</u>	<u>520,749</u>	<u>3,648,717</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 59,813,312</u></u>	<u><u>\$ 123,645,875</u></u>	<u><u>\$ 99,823,469</u></u>	<u><u>\$ 89,675,895</u></u>	<u><u>\$ 82,777,749</u></u>
Total capacity of borrowing (7 times base)	\$ 193,148,081				
Total present indebtedness	<u>6,439,466</u>				
Margin for additional borrowing	<u><u>\$ 186,708,615</u></u>				

*Nonmajor
Governmental
Funds*

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	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	\$ -	\$ 55,490	\$ -	\$ 769,797	\$ 580,237	\$ 8,903	\$ 211,642	\$ -
Receivables:								
Assessments/user charges	-	-	-	127,916	302,243	-	-	-
Intergovernmental	10,640	52,531	-	-	-	-	107,569	-
Other	-	-	-	-	-	-	81,888	-
Due from other funds	485,892	-	12,934	5,811	-	-	-	621,126
Inventories	-	7,853	-	-	-	-	-	-
Total assets	<u>\$ 496,532</u>	<u>\$ 115,874</u>	<u>\$ 12,934</u>	<u>\$ 903,524</u>	<u>\$ 882,480</u>	<u>\$ 8,903</u>	<u>\$ 401,099</u>	<u>\$ 621,126</u>
LIABILITIES								
Liabilities:								
Accounts payable	\$ 386,357	\$ -	\$ 5,861	\$ 41,325	\$ -	\$ -	\$ 285,501	\$ 51,817
Salaries and benefits payable	-	-	969	22,689	-	-	-	-
Due to other funds	-	104,796	-	98,933	186,317	-	-	-
Unearned revenue	110,175	-	-	-	-	-	33,710	569,309
Total liabilities	<u>496,532</u>	<u>104,796</u>	<u>6,830</u>	<u>162,947</u>	<u>186,317</u>	<u>-</u>	<u>319,211</u>	<u>621,126</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	-	-	91,645	302,243	-	-	-
FUND BALANCES								
Nonspendable:								
Inventories	-	7,853	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	81,888	-
Restricted - special external reserves	-	-	-	-	-	-	-	-
Committed	-	3,225	6,104	648,932	393,920	8,903	-	-
Total fund balances	<u>-</u>	<u>11,078</u>	<u>6,104</u>	<u>648,932</u>	<u>393,920</u>	<u>8,903</u>	<u>81,888</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 496,532</u>	<u>\$ 115,874</u>	<u>\$ 12,934</u>	<u>\$ 903,524</u>	<u>\$ 882,480</u>	<u>\$ 8,903</u>	<u>\$ 401,099</u>	<u>\$ 621,126</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds					Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Miscellaneous	Police	Senior	Family	Subtotal	Cemetery	Veterans	Subtotal	
	Grants Fund	Private Duty Fund	Center Fund	Resource Center Fund		Trust Fund	Trust Fund		
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 60,359	\$ 1,686,428	\$ 4,898	\$ 3,423	\$ 8,321	\$ 1,694,749
Receivables:									
Assessments/user charges	-	-	-	-	430,159	-	-	-	430,159
Intergovernmental	151,343	-	-	-	322,083	-	-	-	322,083
Other	7,210	50,027	247	58,521	197,893	-	-	-	197,893
Due from other funds	312,794	109,813	10,914	-	1,559,284	-	-	-	1,559,284
Inventories	-	-	-	-	7,853	-	-	-	7,853
Total assets	<u>\$ 471,347</u>	<u>\$ 159,840</u>	<u>\$ 11,161</u>	<u>\$ 118,880</u>	<u>\$ 4,203,700</u>	<u>\$ 4,898</u>	<u>\$ 3,423</u>	<u>\$ 8,321</u>	<u>\$ 4,212,021</u>
LIABILITIES									
Liabilities:									
Accounts payable	\$ 89,607	\$ -	\$ -	\$ -	\$ 860,468	\$ -	\$ -	\$ -	\$ 860,468
Salaries and benefits payable	-	22,680	-	-	46,338	-	-	-	46,338
Due to other funds	-	-	-	104,582	494,628	-	600	600	495,228
Unearned revenue	7,846	-	-	-	721,040	-	-	-	721,040
Total liabilities	<u>97,453</u>	<u>22,680</u>	<u>-</u>	<u>104,582</u>	<u>2,122,474</u>	<u>-</u>	<u>600</u>	<u>600</u>	<u>2,123,074</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	-	-	-	393,888	-	-	-	393,888
FUND BALANCES									
Nonspendable:									
Inventories	-	-	-	-	7,853	-	-	-	7,853
Loans receivable	-	-	-	-	81,888	-	-	-	81,888
Restricted - special external reserves	-	-	-	-	-	4,898	2,823	7,721	7,721
Committed	373,894	137,160	11,161	14,298	1,597,597	-	-	-	1,597,597
Total fund balances	<u>373,894</u>	<u>137,160</u>	<u>11,161</u>	<u>14,298</u>	<u>1,687,338</u>	<u>4,898</u>	<u>2,823</u>	<u>7,721</u>	<u>1,695,059</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 471,347</u>	<u>\$ 159,840</u>	<u>\$ 11,161</u>	<u>\$ 118,880</u>	<u>\$ 4,203,700</u>	<u>\$ 4,898</u>	<u>\$ 3,423</u>	<u>\$ 8,321</u>	<u>\$ 4,212,021</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	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	
REVENUES								
Assessment, including interest and liens	\$ -	\$ -	\$ -	\$ -	\$ 165,201	\$ -	\$ -	\$ -
Intergovernmental revenues	1,392,887	240,639	-	-	-	-	579,450	51,817
Licenses, fees and charges for goods and services	-	136,632	9,040	1,356,081	-	4,558	-	-
Interest income	-	-	-	-	-	7	-	-
Other revenues	-	-	-	-	-	-	16,099	-
Total revenues	<u>1,392,887</u>	<u>377,271</u>	<u>9,040</u>	<u>1,356,081</u>	<u>165,201</u>	<u>4,565</u>	<u>595,549</u>	<u>51,817</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	16,258	-
Public safety	-	-	38,019	-	-	-	-	-
Highways	-	-	-	-	-	-	-	51,817
Culture and recreation	-	-	-	-	-	-	-	-
Sanitation and waste removal	-	-	-	1,526,313	-	-	-	-
Education	1,419,035	483,336	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	579,291	-
Total expenditures	<u>1,419,035</u>	<u>483,336</u>	<u>38,019</u>	<u>1,526,313</u>	<u>-</u>	<u>-</u>	<u>595,549</u>	<u>51,817</u>
Excess (deficiency) of revenues over expenditures	(26,148)	(106,065)	(28,979)	(170,232)	165,201	4,565	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	24,087	192,919	-	-	-	-
Transfers out	-	-	-	(17,500)	(852,919)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24,087</u>	<u>175,419</u>	<u>(852,919)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(26,148)	(106,065)	(4,892)	5,187	(687,718)	4,565	-	-
Fund balances - beginning of year, as originally reported	26,148	117,143	10,996	643,745	1,081,638	4,338	-	354,950
Adjustment (see Note 11)	-	-	-	-	-	-	81,888	(354,950)
Fund balances - beginning of year, as adjusted	<u>26,148</u>	<u>117,143</u>	<u>10,996</u>	<u>643,745</u>	<u>1,081,638</u>	<u>4,338</u>	<u>81,888</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 11,078</u>	<u>\$ 6,104</u>	<u>\$ 648,932</u>	<u>\$ 393,920</u>	<u>\$ 8,903</u>	<u>\$ 81,888</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds					Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Miscellaneous Grants Fund	Police Private Duty Fund	Senior Center Fund	Family Resource Center Fund	Subtotal	Cemetery Trust Fund	Veterans Trust Fund	Subtotal	
REVENUES									
Assessment, including interest and liens	\$ -	\$ -	\$ -	\$ -	\$ 165,201	\$ -	\$ -	\$ -	\$ 165,201
Intergovernmental revenues	343,313	-	-	-	2,608,106	-	-	-	2,608,106
Licenses, fees and charges for goods and services	-	143,565	1,164	489,884	2,140,924	-	-	-	2,140,924
Interest income	-	-	-	81	88	-	-	-	88
Other revenues	322,923	-	-	-	339,022	-	-	-	339,022
Total revenues	<u>666,236</u>	<u>143,565</u>	<u>1,164</u>	<u>489,965</u>	<u>5,253,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,253,341</u>
EXPENDITURES									
Current:									
General government	108,229	-	452	-	124,939	-	-	-	124,939
Public safety	48,566	125,002	-	-	211,587	-	-	-	211,587
Highways	245,506	-	-	-	297,323	-	-	-	297,323
Culture and recreation	63,431	-	-	-	63,431	-	-	-	63,431
Sanitation and waste removal	-	-	-	-	1,526,313	-	-	-	1,526,313
Education	209,442	-	-	529,551	2,641,364	-	-	-	2,641,364
Capital outlays	-	-	-	-	579,291	-	-	-	579,291
Total expenditures	<u>675,174</u>	<u>125,002</u>	<u>452</u>	<u>529,551</u>	<u>5,444,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,444,248</u>
Excess (deficiency) of revenues over expenditures	(8,938)	18,563	712	(39,586)	(190,907)	-	-	-	(190,907)
OTHER FINANCING SOURCES (USES)									
Transfers in	2,100	-	-	-	219,106	-	-	-	219,106
Transfers out	-	(23,000)	-	-	(893,419)	-	(2,100)	(2,100)	(895,519)
Total other financing sources (uses)	<u>2,100</u>	<u>(23,000)</u>	<u>-</u>	<u>-</u>	<u>(674,313)</u>	<u>-</u>	<u>(2,100)</u>	<u>(2,100)</u>	<u>(676,413)</u>
Net change in fund balances	(6,838)	(4,437)	712	(39,586)	(865,220)	-	(2,100)	(2,100)	(867,320)
Fund balances - beginning of year, as originally reported	92,745	141,597	10,449	53,884	2,537,633	4,898	4,923	9,821	2,547,454
Adjustment (see Note 11)	287,987	-	-	-	14,925	-	-	-	14,925
Fund balances - beginning of year, as adjusted	<u>380,732</u>	<u>141,597</u>	<u>10,449</u>	<u>53,884</u>	<u>2,552,558</u>	<u>4,898</u>	<u>4,923</u>	<u>9,821</u>	<u>2,562,379</u>
Fund balances - ending	<u>\$ 373,894</u>	<u>\$ 137,160</u>	<u>\$ 11,161</u>	<u>\$ 14,298</u>	<u>\$ 1,687,338</u>	<u>\$ 4,898</u>	<u>\$ 2,823</u>	<u>\$ 7,721</u>	<u>\$ 1,695,059</u>

See accompanying Independent Auditor's Report.

*Fiduciary
Funds*

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POST EMPLOYMENT
BENEFITS TRUST FUNDS
JUNE 30, 2013

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 567,985	\$ 337,476	\$ 905,461
Investments, at fair value:			
Corporate bonds	2,013,095	-	2,013,095
Mutual funds	14,516,035	-	14,516,035
Contributions receivable	9,198	-	9,198
Total assets	17,106,313	337,476	17,443,789
LIABILITIES			
Accounts payable	35,646	-	35,646
Total liabilities	35,646	-	35,646
NET POSITION			
Held in trust for pension and other post-employment benefits	\$ 17,070,667	\$ 337,476	\$ 17,408,143

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POST EMPLOYMENT
BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 909,787	\$ 359,900	\$ 1,269,687
Plan members	72,298	-	72,298
Total contributions	<u>982,085</u>	<u>359,900</u>	<u>1,341,985</u>
Investment earnings:			
Interest	336,148	555	336,703
Net increase in the fair value of investments	<u>1,386,935</u>	<u>-</u>	<u>1,386,935</u>
Total investment earnings	<u>1,386,935</u>	<u>-</u>	<u>1,386,935</u>
Total additions	<u>2,705,168</u>	<u>360,455</u>	<u>3,065,623</u>
DEDUCTIONS			
Benefit payments	<u>859,661</u>	<u>243,000</u>	<u>1,102,661</u>
Total deductions	<u>859,661</u>	<u>243,000</u>	<u>1,102,661</u>
Change in net position	1,845,507	117,455	1,962,962
Net position - beginning	<u>15,225,160</u>	<u>220,021</u>	<u>15,445,181</u>
Net position - ending	<u>\$ 17,070,667</u>	<u>\$ 337,476</u>	<u>\$ 17,408,143</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	<u>Student Activities</u>	<u>Contractor Bonds</u>	<u>Performance Bonds</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents	\$ 95,521	\$ 25,757	\$ -	\$ 121,278
Due from other funds	-	17,766	582,949	600,715
Total assets	<u>\$ 95,521</u>	<u>\$ 43,523</u>	<u>\$ 582,949</u>	<u>\$ 721,993</u>
LIABILITIES				
Due to student groups	\$ 95,521	\$ -	\$ -	\$ 95,521
Due to others	-	43,523	582,949	626,472
Total liabilities	<u>\$ 95,521</u>	<u>\$ 43,523</u>	<u>\$ 582,949</u>	<u>\$ 721,993</u>

See accompanying Independent Auditor's Report.

**TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance, July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2013</u>
Student Activities Fund				
Assets				
Cash and cash equivalents	\$ 103,256	\$ 200,798	\$ 208,533	\$ 95,521
Total assets	<u>\$ 103,256</u>	<u>\$ 200,798</u>	<u>\$ 208,533</u>	<u>\$ 95,521</u>
Liabilities				
Due to student groups	\$ 103,256	\$ 200,798	\$ 208,533	\$ 95,521
Total liabilities	<u>\$ 103,256</u>	<u>\$ 200,798</u>	<u>\$ 208,533</u>	<u>\$ 95,521</u>
Contractor Bonds				
Assets				
Cash and cash equivalents	\$ 25,752	\$ 5	\$ -	\$ 25,757
Due from other funds	17,766	-	-	17,766
Total assets	<u>\$ 43,518</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 43,523</u>
Liabilities				
Due to others	\$ 43,518	\$ 5	\$ -	\$ 43,523
Total liabilities	<u>\$ 43,518</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 43,523</u>
Performance Bonds				
Assets				
Due from other funds	\$ 594,330	\$ 56,600	\$ 67,981	\$ 582,949
Total assets	<u>\$ 594,330</u>	<u>\$ 56,600</u>	<u>\$ 67,981</u>	<u>\$ 582,949</u>
Liabilities				
Due to others	\$ 594,330	\$ 56,600	\$ 67,981	\$ 582,949
Total liabilities	<u>\$ 594,330</u>	<u>\$ 56,600</u>	<u>\$ 67,981</u>	<u>\$ 582,949</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 129,008	\$ 200,803	\$ 208,533	\$ 121,278
Due from other funds	612,096	56,600	67,981	600,715
Total assets	<u>\$ 358,955</u>	<u>\$ 257,403</u>	<u>\$ 276,514</u>	<u>\$ 721,993</u>
Liabilities				
Due to student groups	\$ 103,256	\$ 200,798	\$ 208,533	\$ 95,521
Due to others	637,848	56,605	67,981	626,472
Total liabilities	<u>\$ 358,955</u>	<u>\$ 257,403</u>	<u>\$ 276,514</u>	<u>\$ 721,993</u>

See accompanying Independent Auditor's Report.

**Other
Supplementary
Information**

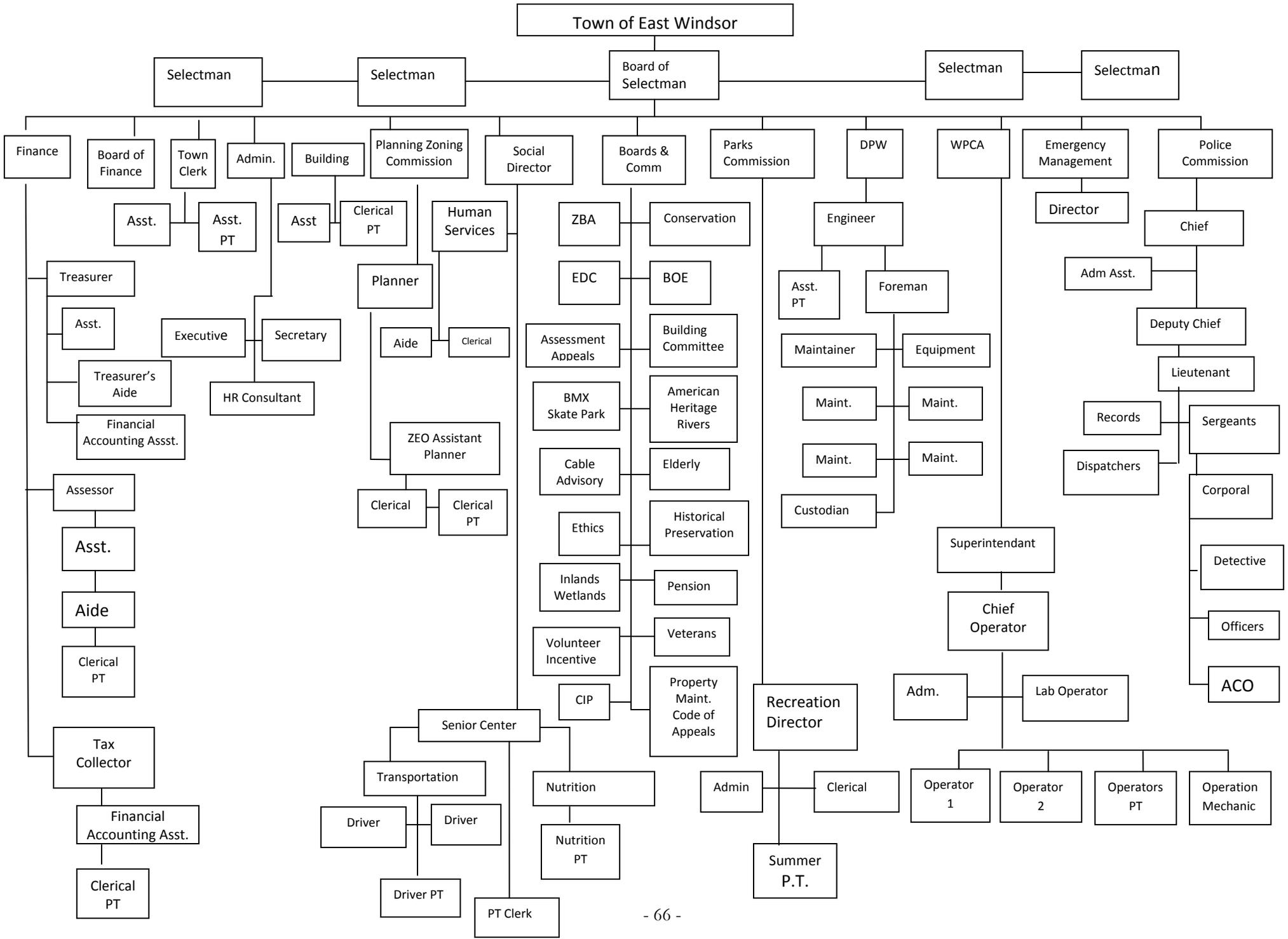


Table 2

**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 GRAND LIST	TAX RATE (IN MAILLS)	TOTAL ADJUSTED TAX LEVY	% COLLECTED END OF EACH FISCAL YEAR	% UNCOLLECTED END OF EACH FISCAL YEAR	% UNCOLLECTED AS OF JUNE 30, 2013
2013	2011	\$ 1,091,168	24.7263	\$ 27,063,848	97.90	2.10	2.10
2012	2010	1,082,305	24.3756	26,420,690	97.60	2.40	1.01
2011	2009	1,077,999	23.9964	25,804,815	97.40	2.60	0.73
2010	2008	1,076,877	21.7488	23,167,459	97.10	2.90	0.64
2009	2007	1,062,759	20.9135	22,097,869	96.50	3.50	0.44
2008	2006	781,972	27.9113	21,980,310	97.10	2.90	0.15
2007	2005	755,775	27.8123	21,336,984	97.10	2.90	0.09
2006	2004	727,583	26.9978	19,843,791	97.00	3.00	0.05

(1) OOs omitted

Source: Town Officials

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 %
10/1/2011	56.6	27.9	1.9	5.5	8.1	\$ 1,199,423,232	\$ 108,255,284	\$ 1,091,167,948	0.82
10/1/2010	55.6	26.8	2.0	7.5	8.1	1,103,360,504	21,055,637	1,082,304,867	0.40
10/1/2009	55.2	27.1	2.0	7.8	7.9	1,102,391,190	24,392,108	1,077,999,082	0.10
10/1/2008	58.7	24.8	1.8	6.8	7.9	1,094,209,660	17,332,794	1,076,876,866	1.33
10/1/2007	58.0	24.0	1.8	7.8	8.4	1,082,941,546	20,182,498	1,062,759,048	35.90
10/1/2006	53.9	23.9	1.6	9.8	10.8	798,412,957	16,441,044	781,971,913	3.47
10/1/2005	53.3	24.7	1.6	9.4	11	771,970,875	16,195,450	755,775,425	3.87
10/1/2004	54.0	24.8	1.7	9.2	10.3	742,769,706	15,186,972	727,582,734	3.90

(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, 2013
(Unaudited)

OVERALL DEBT (1)					
FISCAL YEAR ENDED JUNE 30	PER CAPITA	TO NET TAXABLE GRAND LIST	TO ESTIMAT ED FULL VALUE	TO NET EQUALIZE GRAND LIST	RATIO OF DEBT PER CAPITAL TO PER CAPITA INCOME
2013	\$ 636	65.00%	46.00%	54.00%	0.02
NET DIRECT DEBT (2)					
FISCAL YEAR ENDED JUNE 30	PER CAPITA	TO NET TAXABLE GRAND LIST	TO ESTIMAT ED FULL VALUE	TO NET EQUALIZE GRAND LIST	RATIO OF DEBT PER CAPITAL TO PER CAPITA INCOME
2013	\$ 571	61.00%	43.00%	51.00%	0.02

(1) Overall Debt: \$7,102,959
(2) Net Direct Debt: \$6,678,707

Source: Town Officials

Table 5

TOWN OF EAST WINDSOR, CONNECTICUT
RATIO OF DIRECT GROSS GENERAL BONDED DEBT
June 30, 2013
(Unaudited)

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>POPULATION</u>	<u>ASSESSED VALUE</u>	<u>DIRECT GROSS INDEBTNESS</u>	<u>RATIO OF GROSS INDEBTNESS TO ASSESSED VALUE</u>	<u>GROSS INDEBTNESS PER CAPITA</u>
2013	11,162 *	\$ 1,558,811,354	\$ 7,102,960	0.005	\$ 636

* U.S. Department of Commerce, Bureau of Census

Source: Town Officials

Table 6

TOWN OF EAST WINDSOR, CONNECTICUT
COMPUTATION OF NET DIRECT DEBT
June 30, 2013
(Unaudited)

<u>DESCRIPTION</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO TOWN</u>	<u>TOWN SHARE OF DEBT</u>
Current Debt:			
Clean Water	\$ 1,738,567	100%	\$ 1,738,567
Schools	945,000	100%	945,000
General Purpose	2,270,000	100%	2,270,000
Sewers	2,149,392	100%	2,149,393
	Total Current Indebtness		<u>7,102,960</u>
Direct Bond Indebtness			7,102,960
Short-term direct indebttness			<u>-</u>
Gross direct indebttness			7,102,960
Less: Sewer Assessment Receivable			(302,243)
Less: School Construction Grants Receivable			(424,251)
	Total net direct indebttness		<u>\$ 6,376,466</u>

Source: Town Officials

Table 7

TOWN OF EAST WINDSOR, CONNECTICUT
TEN LARGEST PRINCIPAL TAXPAYERS
2011 GRAND LIST
(Unaudited)

<u>NAME OF TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	<u>GRAND LIST AMOUNT (1)</u>	<u>% NET TAXABLE GRAND LIST (2)</u>
Southern Auto Sale, Inc. & Related Entities	Various	\$ 25,554,580	2.34
The Mansions and Canyon Ridge LLC	Apartments	20,942,080	1.92
Mill Pond Limited Partnership	Apartments	13,706,190	1.26
Blue Dog Properties Trust	Technical School	12,254,308	1.12
Balch Bridge Street Corp. & Related Entities	Various	10,533,200	0.97
East Windsor Properties Limited Partnership	Retail Shopping Center	10,395,418	0.95
Connecticut Water Company	Utility	10,037,060	0.92
Freemont Prospect Hill Road LLC	Commercial Buildings	9,269,320	0.85
Connecticut Light & Power	Utility	9,152,130	0.84
Wynwood Apartments Connecticut Ltd Partnership	Apartments	<u>9,104,480</u>	<u>0.83</u>
		<u><u>\$ 130,948,766</u></u>	<u><u>12.00</u></u>

(1) Net Taxable Grand List 10/01/11

(1) Net Taxable Grand List 10/01/11 Amount \$1,091,167,948

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
2014	\$ 1,162,631	\$ 202,783	\$ 1,365,414	14.94%
2015	1,171,033	170,731	1,341,764	14.68%
2016	1,016,872	139,105	1,155,977	12.65%
2017	224,116	121,887	346,003	3.79%
2018	225,055	113,823	338,878	3.71%
2019	226,019	105,544	331,563	3.63%
2020	227,009	97,049	324,058	3.55%
2021	228,027	88,431	316,458	3.46%
2022	229,073	79,666	308,739	3.38%
2023	230,147	70,636	300,783	3.29%
2024	226,251	61,448	287,699	3.15%
2025	227,385	52,220	279,605	3.06%
2026	43,551	47,007	90,558	0.99%
2027	44,749	45,809	90,558	0.99%
2028	45,979	44,579	90,558	0.99%
2029	47,244	43,314	90,558	0.99%
2030	48,543	42,015	90,558	0.99%
2031	49,878	40,680	90,558	0.99%
2032	51,250	39,308	90,558	0.99%
2033	52,659	37,899	90,558	0.99%
2034	54,107	36,451	90,558	0.99%
2035	55,595	34,963	90,558	0.99%
2036	57,124	33,434	90,558	0.99%
2037	58,695	31,863	90,558	0.99%
2038	60,309	30,249	90,558	0.99%
2039	61,967	28,591	90,558	0.99%
2040	63,671	26,887	90,558	0.99%
2041	65,422	25,136	90,558	0.99%
2042	67,221	23,337	90,558	0.99%
2043	69,070	21,488	90,558	0.99%
2044	70,969	19,589	90,558	0.99%
2045	72,921	17,637	90,558	0.99%
2046	74,926	15,632	90,558	0.99%
2047	76,987	13,571	90,558	0.99%
2048	79,104	11,454	90,558	0.99%
2049	81,279	9,279	90,558	0.99%
2050	83,515	7,043	90,558	0.99%
2051	85,811	4,747	90,558	0.99%
2052	86,796	2,385	89,181	0.98%
Total	<u>\$ 7,102,960</u>	<u>\$ 2,037,670</u>	<u>\$ 9,140,630</u>	

Source: Town Officials

Table 9

TOWN OF EAST WINDSOR, CONNECTICUT
CHANGES IN FUND BALANCE - GENERAL FUND
LAST SIX FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year					
	2007-08	2008-09	2009-2010	2010-2011	2011-2012	2012-2013
Revenues						
Property Taxes	\$ 21,914,851	\$ 22,039,940	\$ 23,540,079	\$ 26,071,181	\$ 26,659,418	\$ 27,489,393
Intergovernmental	12,388,137	8,607,535	7,305,528	7,273,015	8,420,974	8,842,174
Licenses, fees, and charges for goods and services	957,522	549,003	611,299	955,800	1,006,865	487,094
Revenue from use of money	313,713	86,311	27,024	18,383	16,936	14,550
Other revenues	-	-	-	3,300	15,278	-
Total revenues	<u>35,574,223</u>	<u>31,282,789</u>	<u>31,483,930</u>	<u>34,321,679</u>	<u>36,119,471</u>	<u>36,833,211</u>
Expenditures						
General government	2,377,962	2,703,149	2,498,192	2,658,301	2,592,865	2,622,366
Public safety	4,419,602	4,400,954	4,832,390	4,752,054	4,778,687	4,870,222
Conservation and health	411,687	398,646	418,641	361,438	337,007	322,968
Highways	1,041,430	1,299,363	1,213,739	1,200,901	1,199,838	1,410,949
Sanitation and waste removal	693,995	731,541	722,658	797,948	820,420	812,211
Insurance and surety bonds	255,958	290,970	254,888	294,488	266,095	431,107
Culture and recreation	584,152	590,584	442,542	437,610	452,608	465,146
Education	23,401,901	20,760,869	19,351,289	20,522,588	21,503,161	22,517,698
Miscellaneous	135,197	180,163	156,077	178,702	193,223	298,099
Capital outlays	299,307	260,881	224,291	351,206	300,088	319,441
Debt service	2,080,785	2,029,137	1,789,548	1,647,198	1,610,903	1,396,258
Total expenditures	<u>35,701,976</u>	<u>33,646,257</u>	<u>31,904,255</u>	<u>33,202,434</u>	<u>34,054,890</u>	<u>35,466,465</u>
Excess (deficiency) of revenues over expenditures	(127,753)	(2,363,468)	(420,325)	1,119,245	2,064,581	1,366,746
Other Financing Sources (Uses)						
Operating transfers in	576,556	452,278	518,677	350,007	-	-
Operating transfers out	(339,128)	(292,361)	(316,702)	(419,755)	(483,884)	(610,820)
Total other financing sources (uses)	<u>237,428</u>	<u>159,917</u>	<u>201,975</u>	<u>(69,748)</u>	<u>(483,884)</u>	<u>(610,820)</u>
Net change in fund balances	109,675	(2,203,551)	(218,350)	1,049,497	1,580,697	755,926
Fund balance, beginning of year	<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>	<u>5,516,556</u>
Fund balance, end of year	<u>\$ 5,308,263</u>	<u>\$ 3,104,712</u>	<u>\$ 2,886,362</u>	<u>\$ 3,935,859</u>	<u>\$ 5,516,556</u>	<u>\$ 6,272,482</u>