

**TOWN OF EAST WINDSOR, CONNECTICUT**

**BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2014**

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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, 2014, 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, 2014, 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 schedules on the Town's pension plan and other post-retirement benefit plan on page 46 through 48 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 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 65 through 73 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 23, 2014, 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 23, 2014

# **Management's Discussion and Analysis**

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2014**

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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, 2014.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$56,328,893 (net position). Of this amount, \$9,988,804 is considered to be unrestricted, \$46,225,787 is considered to be invested in capital assets, net of related debt and \$114,302 is considered to be restricted.
- The Town's total net position increased by \$1,523,421.
- The Town's total long-term debt decreased by \$1,221,093 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,518,514, a decrease of \$235,272 in comparison with the prior year. Of this amount, \$5,879,098 constitutes unassigned fund balance and is available for new spending.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,094,098, while the total fund balance was \$7,451,352. The overall fund balance of the Town's General Fund increased \$1,178,870 during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is 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, deferred outflows/inflows of resources and liabilities, with the residual of these elements 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, 2014**

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**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 - 45 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 46 - 72 of this report.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**JUNE 30, 2014**

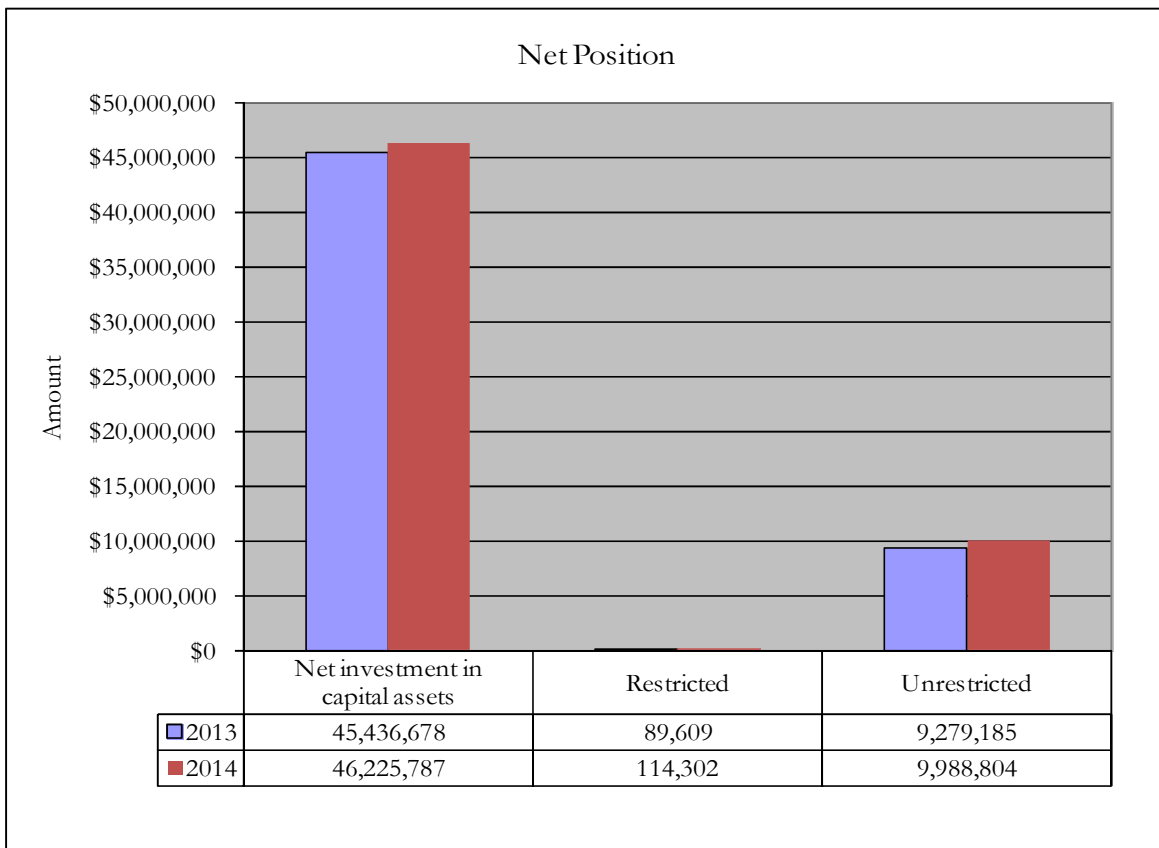
**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$56,328,893 and \$54,805,472 as of June 30, 2014 and 2013, respectively and are summarized as follows:

**Net Position**  
**June 30, 2014 and 2013**

	2014	2013
Current and other assets	\$ 19,393,713	\$ 15,784,967
Capital assets	53,415,073	52,551,550
Total assets	<u>72,808,786</u>	<u>68,336,517</u>
Deferred outflows of resources	52,515	-
Other liabilities	7,542,728	3,523,545
Long-term liabilities	8,989,680	10,007,500
Total liabilities	<u>16,532,408</u>	<u>13,531,045</u>
Net position:		
Net investment in capital assets	46,225,787	45,436,678
Restricted	114,302	89,609
Unrestricted	9,988,804	9,279,185
Total net position	<u><u>\$ 56,328,893</u></u>	<u><u>\$ 54,805,472</u></u>



**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**JUNE 30, 2014**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**

As of June 30, 2014 and 2013, 82.1% and 82.9%, respectively, 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 as of June 30, 2014 and 2013 were 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.

**Changes in Net Position**

Changes in net position for the years ended June 30, 2014 and 2013 are as follows:

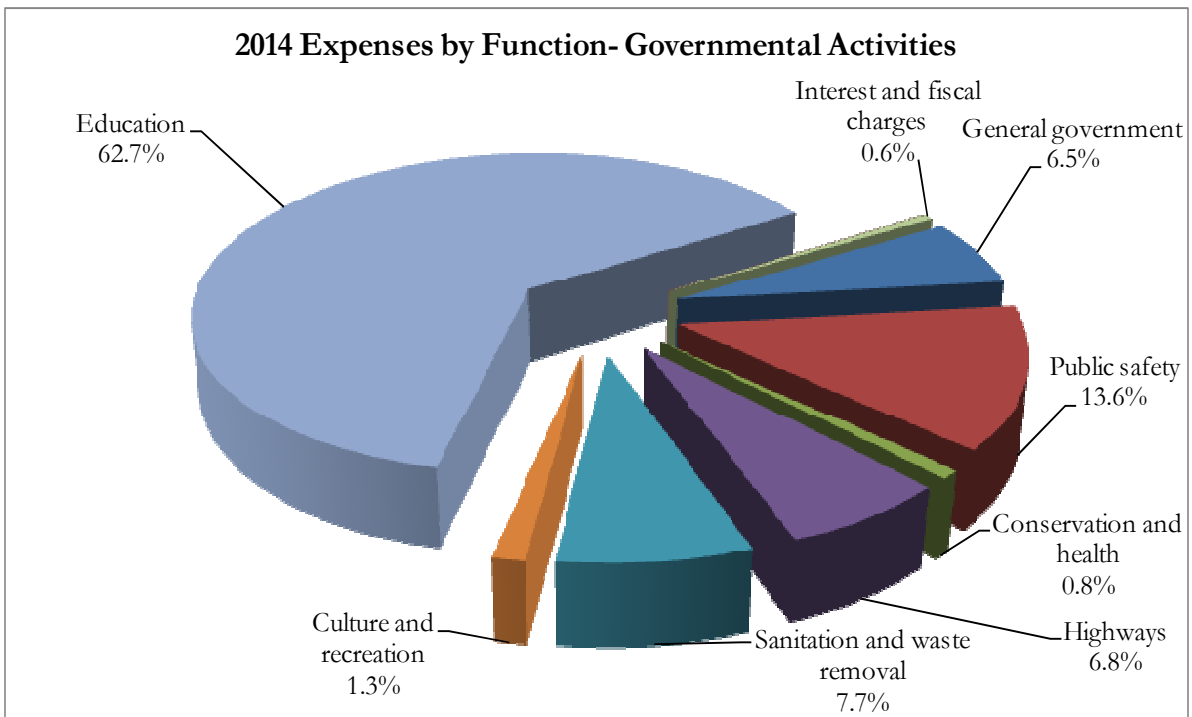
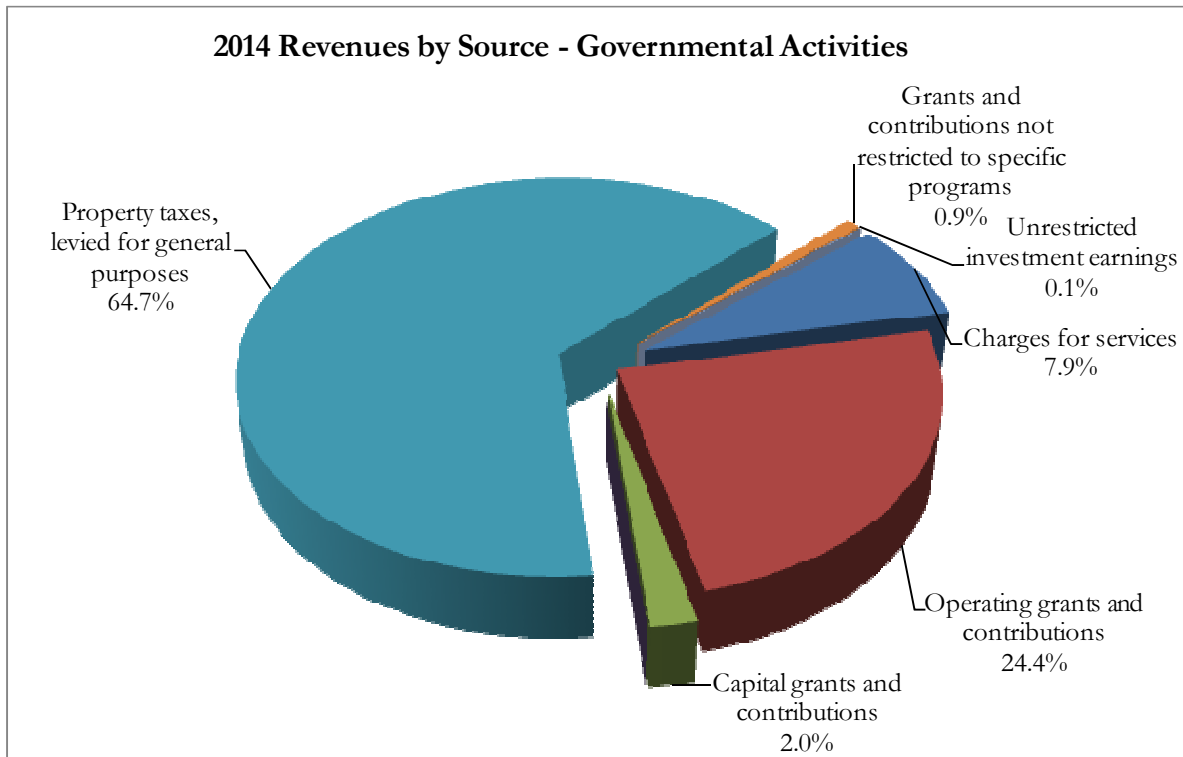
<b>Changes in Net Position</b>		
<b>Years Ended June 30, 2014 and 2013</b>		
	<u>2014</u>	<u>2013</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 3,430,956	\$ 3,191,163
Operating grants and contributions	10,581,165	10,063,786
Capital grants and contributions	887,442	1,351,763
General revenues:		
Property taxes, levied for general purposes	28,039,662	27,390,229
Grants and contributions not restricted to specific programs	379,784	567,794
Unrestricted investment earnings	17,497	17,160
Total revenues	<u>43,336,506</u>	<u>42,581,895</u>
<b>Expenses</b>		
General government	2,733,544	2,876,310
Public safety	5,690,098	5,644,732
Conservation and health	341,767	333,908
Highways	2,829,953	2,798,272
Sanitation and waste removal	3,198,735	2,741,767
Culture and recreation	544,464	582,185
Education	26,241,257	25,565,558
Interest expense	233,267	244,751
Total expenses	<u>41,813,085</u>	<u>40,787,483</u>
Change in net position	<u>\$ 1,523,421</u>	<u>\$ 1,794,412</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**JUNE 30, 2014**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position (Continued)**



**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**JUNE 30, 2014**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

***Governmental Activities***

Overall, the net position of the Town increased by \$1,523,421 during the current fiscal year compared to an increase of \$1,794,412 during the prior year.

Revenues increased by \$754,611 or 1.8% over prior year. Key elements of the increase over prior year were as follows:

- The increase in charges for services of \$239,793 was primarily driven by an increase in police private duty services and an increase in sewer user charges due to current year rate increases.
- The increase in operating grants of \$517,379 was primarily driven by an increase in the on-behalf contributions recognized for payments made by the State of Connecticut into the State Teachers' Retirement System.
- The increase in property tax revenues of \$649,433 was primarily driven by a 20.4% increase in the mill rate from 24.72 mills to 29.77 mills offset by a 13.9% decrease in the net taxable grand list resulting from the latest revaluation performed.
- Capital grants and contributions fluctuate year over year depending on the status of Town projects. In the prior year, the Town received significant grant reimbursements on the North Road Sewer project. Current year capital grants and contributions consist primarily of grant reimbursements for road and drainage improvements.

Expenses increased by \$1,025,602 or 2.5% over prior year. Key elements of the increase over prior year were as follows:

- Sanitation and waste removal increased by \$456,968 over the prior year primarily due to significant non capitalized repairs combined with an overall increase in operating costs.
- Education expenses increased by \$675,699 over the prior year primarily due to an increase in special education costs in addition to the increase in on-behalf expenses recognized for payments made by the State of Connecticut into the State Teachers' Retirement System.

**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 \$9,518,514, a decrease of \$235,272 in comparison with the prior year. Of this amount, \$5,879,098 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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**JUNE 30, 2014**

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

**Governmental Funds (Continued)**

***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 \$7,094,098. 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 19.6% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.36 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 \$1,178,870 during the current fiscal year.

***Capital Projects Fund***

The fund balance in the Capital Projects Fund decreased by \$1,193,300 from \$514,941 to a deficit of \$(678,359). The decrease in fund balance was due to a portion of the capital outlays being funded through issuance of short-term debt. Current year outlays included continued improvements to the sewer infrastructure on North Road and the design and construction of modular classrooms for the Broad Brook Elementary School. The Town intends to fund the deficits associated with these projects through future grant reimbursements and permanent long-term financing.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final budget contemplated the use of fund balance of \$30,770. The actual increase in fund balance totaled \$1,434,315. Revenues came in under budget by \$54,371, while expenditures were less than budgetary estimates by \$937,806. In addition, the Town benefited from one-time other financing sources in the amount of \$581,650.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's capital assets for its governmental activities as of June 30, 2014 totaled \$53,415,073 (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 increased by \$863,523.

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

- an increase of \$1.5 million in construction in progress consisting primarily of \$1.273 million in sewer improvements on North Road and \$255,032 in costs incurred in connection with the design and construction of modular classrooms for the Broad Brook Elementary School;
- an increase of \$505,842 in infrastructure consisting primarily of \$462,873 in improvements to the Town's roads;
- an increase of \$311,874 in machinery and equipment consisting primarily of \$62,410 for security enhancements to the Town's educational facilities, \$124,641 in vehicle purchases for the benefit of public safety (3) and the Town's Water Pollution Control Authority (1); offset by
- a decrease of \$1,698,764 due to current year depreciation expense.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**JUNE 30, 2014**

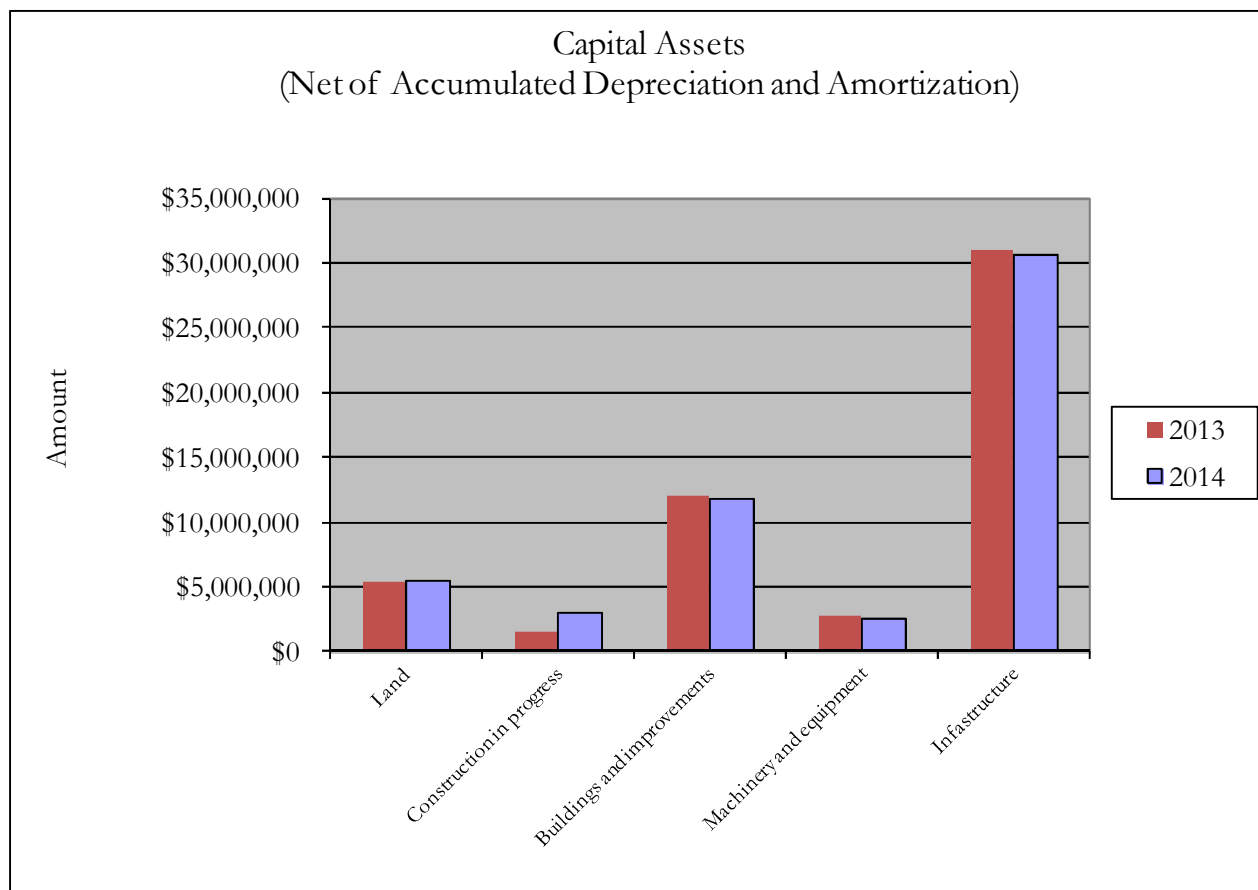
**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**

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

**Capital Assets, Net**  
**June 30, 2014 and 2013**

	2014	2013
Land	\$ 5,449,895	\$ 5,328,962
Construction in progress	3,010,591	1,479,376
Buildings and improvements	11,719,979	11,975,208
Machinery and equipment	2,556,153	2,829,837
Infrastructure	30,678,455	30,938,167
Totals	<u>\$ 53,415,073</u>	<u>\$ 52,551,550</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, 2014**

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**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 \$2,640,000 and notes payable of \$3,241,867, all of which is backed by the full faith and credit of the government. The Town's total long-term debt decreased by \$1,221,093 during the current fiscal year due to the combination of scheduled debt service repayments and an advance refunding. As part of the advance refunding, the Town issued \$2,640,000 in general obligation refunding bonds with interest rates ranging between 2.0% and 4.0% to refund \$2,705,000 of general obligation bonds with interest rates ranging from 3.0% and 4.375%. The Town advance refunded the bonds to reduce its total debt service payments over the next 11 years by \$168,882 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$178,844.

In addition to the long-term debt, the Town has short-term bond anticipation notes outstanding in the amount of \$4,915,000 as of June 30, 2014. The short-term debt was issued in the current year to finance improvements to the Town's sewer infrastructure and educational facilities. The Town intends to permanently fund the sewer improvements through grant reimbursements and a loan from the United States Department of Agriculture. The Town intends to permanently fund the improvements to its educational facilities through grant reimbursements from the State of Connecticut Department of Education and the issuance of general obligation bonds.

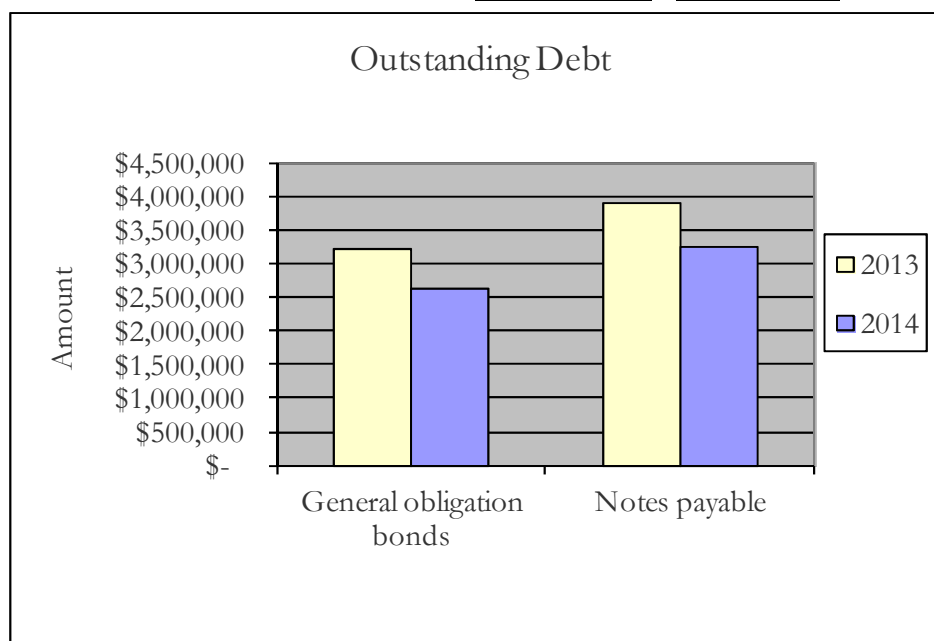
The Town maintains an "Aa2" rating from Moody's Investor Service for general obligation debt.

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:

**Long-term Debt**  
**June 30, 2014 and 2013**

	2014	2013
General obligation bonds	\$ 2,640,000	\$ 3,215,000
Notes payable	3,241,867	3,887,960
Totals	<u>\$ 5,881,867</u>	<u>\$ 7,102,960</u>





**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)***  
**JUNE 30, 2014**

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**CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)***

**Long-term Debt *(Continued)***

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

**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 current unemployment rate for the Town as of October 2014 was 6.6%, which is a decrease of 0.9% from the prior year, compared to the state's average unemployment rate of 6.3% and the national unemployment rate of 5.5%.
- 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 2015.

**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, 2014**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 16,298,826
Receivables:	
Property taxes and interest, net of allowances of \$146,000	1,890,834
Assessments and user charges	155,685
Grants and contracts	413,603
Other	309,418
Other assets	14,548
Grant and contracts receivable, long-term portion	139,172
Assessments, long-term portion	171,627
Capital assets:	
Non-depreciable	8,460,486
Depreciable, net	44,954,587
Total assets	<u>72,808,786</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred charge on refunding	<u>52,515</u>
<b>LIABILITIES</b>	
Accounts payable	1,365,083
Accrued liabilities:	
Salaries and benefits	365,016
Accrued interest	15,400
Unearned revenue	882,229
Bond anticipation notes payable	4,915,000
Noncurrent liabilities:	
Due within one year	1,139,280
Due in more than one year	7,850,400
Total liabilities	<u>16,532,408</u>
<b>NET POSITION</b>	
Net investment in capital assets	46,225,787
Restricted for:	
Endowments - expendable	7,721
Housing Rehabilitation	106,581
Unrestricted	9,988,804
Total net position	<u><u>\$ 56,328,893</u></u>

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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	\$ 2,733,544	\$ 448,870	\$ 41,553	\$ -	\$ (2,243,121)
Public safety	5,690,098	297,257	4,653	-	(5,388,188)
Conservation and health	341,767	11,184	-	-	(330,583)
Highways	2,829,953	5,724	132,280	591,933	(2,100,016)
Sanitation and waste removal	3,198,735	1,841,922	-	37,292	(1,319,521)
Culture and recreation	544,464	59,060	4,000	-	(481,404)
Education	26,241,257	766,939	10,387,775	258,217	(14,828,326)
Interest expense	233,267	-	10,904	-	(222,363)
Total governmental activities	<u>\$ 41,813,085</u>	<u>\$ 3,430,956</u>	<u>\$ 10,581,165</u>	<u>\$ 887,442</u>	<u>\$ (26,913,522)</u>
General revenues:					
Property taxes, levied for general purposes					28,039,662
Grants and contributions not restricted to specific programs					379,784
Unrestricted investment earnings					17,497
Total general revenues					<u>28,436,943</u>
					Change in net position 1,523,421
					Net position - beginning of year 54,805,472
					<u>Net position - ending of year \$ 56,328,893</u>

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<b>General Fund</b>	<b>Capital and Nonrecurring Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,710,273	\$ 1,518,465	\$ 6,942,631	\$ 1,127,457	\$ 16,298,826
Receivables:					
Property taxes and interest, net of allowances of \$146,000	1,890,834	-	-	-	1,890,834
Assessments and user charges	-	-	-	327,312	327,312
Grants and contracts	412,870	-	24,717	115,188	552,775
Other	18,233	-	-	291,185	309,418
Due from other funds	2,797,176	43,714	-	1,129,131	3,970,021
Prepaid items	-	-	-	6,695	6,695
Inventories	-	-	-	7,853	7,853
Total assets	<u>\$ 11,829,386</u>	<u>\$ 1,562,179</u>	<u>\$ 6,967,348</u>	<u>\$ 3,004,821</u>	<u>\$ 23,363,734</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 550,823	\$ 88,850	\$ 148,533	\$ 277,346	\$ 1,065,552
Salaries and benefits payable	338,063	-	-	26,953	365,016
Bond anticipation notes payable	-	-	4,915,000	-	4,915,000
Due to other funds	1,468,589	-	2,582,174	218,789	4,269,552
Unearned revenue	-	-	-	882,229	882,229
Total liabilities	<u>2,357,475</u>	<u>88,850</u>	<u>7,645,707</u>	<u>1,405,317</u>	<u>11,497,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>2,020,559</u>	<u>-</u>	<u>-</u>	<u>327,312</u>	<u>2,347,871</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	-	-	-	7,853	7,853
Loans receivable	-	-	-	81,888	81,888
Prepaid items	-	-	-	6,695	6,695
Restricted	-	-	-	32,414	32,414
Committed to:					
Capital purposes	-	1,473,329	536,641	-	2,009,970
Other purposes	-	-	-	1,143,342	1,143,342
Assigned	357,254	-	-	-	357,254
Unassigned	<u>7,094,098</u>	<u>-</u>	<u>(1,215,000)</u>	<u>-</u>	<u>5,879,098</u>
Total fund balances	<u>7,451,352</u>	<u>1,473,329</u>	<u>(678,359)</u>	<u>1,272,192</u>	<u>9,518,514</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,829,386</u>	<u>\$ 1,562,179</u>	<u>\$ 6,967,348</u>	<u>\$ 3,004,821</u>	<u>\$ 23,363,734</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, 2014**

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Total fund balances for governmental funds	\$	9,518,514
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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	\$	5,449,895	
Construction in progress		3,010,591	
Buildings and improvements		26,393,276	
Machinery and equipment		7,395,387	
Infrastructure		44,807,676	
Less accumulated depreciation and amortization		(33,641,752)	
Total capital assets, net			53,415,073

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.

2,347,871

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

52,515

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		(5,881,867)	
Unamortized premium		(162,419)	
Accrued interest payable		(15,400)	
Other long-term liabilities:			
Net pension obligation		(1,662,463)	
Net OPEB obligation		(553,081)	
Compensated absences		(729,850)	
			(9,005,080)
Net position of governmental activities	\$		56,328,893

*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, 2014**

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 28,008,686	\$ -	\$ -	\$ -	\$ 28,008,686
Intergovernmental	8,810,002	-	258,217	2,883,079	11,951,298
Charges for goods and services	538,040	9,657	-	2,693,019	3,240,716
Interest income	10,765	2,382	4,344	6	17,497
Other	-	-	-	297,571	297,571
Total revenues	37,367,493	12,039	262,561	5,873,675	43,515,768
<b>EXPENDITURES</b>					
Current:					
General government	2,496,432	-	-	45,769	2,542,201
Public safety	5,015,420	-	-	298,976	5,314,396
Conservation and health	328,579	-	-	-	328,579
Highways	1,545,390	-	-	674,336	2,219,726
Sanitation and waste removal	814,819	-	-	2,086,515	2,901,334
Insurance and surety bonds	385,602	-	-	-	385,602
Culture and recreation	458,738	-	-	51,959	510,697
Education	23,072,375	-	-	2,739,308	25,811,683
Miscellaneous	168,961	-	-	-	168,961
Capital outlays	435,575	253,360	1,460,809	57,651	2,207,395
Debt service:					
Principal payments	1,156,093	-	-	-	1,156,093
Interest and fiscal charges	254,224	-	80,302	-	334,526
Total expenditures	36,132,209	253,360	1,541,111	5,954,514	43,881,194
Excess (deficiency) of revenues over expenditures	1,235,284	(241,321)	(1,278,550)	(80,839)	(365,426)
<b>OTHER FINANCING SOURCES (USES)</b>					
Payment to refunded bond escrow agent	(2,757,515)	-	-	-	(2,757,515)
Proceeds from refunding bonds	2,640,000	-	-	-	2,640,000
Premium on refunding bonds	162,419	-	-	-	162,419
Premium on bond anticipation note	-	-	85,250	-	85,250
Transfers in	324,447	443,346	-	334,723	1,102,516
Transfers out	(425,765)	-	-	(676,751)	(1,102,516)
Total other financing sources (uses)	(56,414)	443,346	85,250	(342,028)	130,154
Net change in fund balances	1,178,870	202,025	(1,193,300)	(422,867)	(235,272)
Fund balances - beginning of year	6,272,482	1,271,304	514,941	1,695,059	9,753,786
Fund balances - ending	\$ 7,451,352	\$ 1,473,329	\$ (678,359)	\$ 1,272,192	\$ 9,518,514

*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, 2014**

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Net change in fund balances - total governmental funds	\$	(235,272)
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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 capital outlays exceeded depreciation expense in the current period is as follows:

Expenditures for capital assets	\$	2,562,287	
Depreciation and amortization expense		(1,698,764)	
Net adjustment			863,523

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. (179,262)

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:

Debt issued or incurred:			
Refunding bonds issued	(2,640,000)		
Premium on refunding bonds issued	(162,419)		
Principal repayments:			
Bonds and notes payable	1,156,093		
Payments to refunded bond escrow agent	2,757,515		
Amortization of deferred charge on refunding	(13,922)		
Amortization of bond premiums	11,912		1,109,179

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	21,848		
Accrued interest	18,019		
Net pension obligation	13,844		
Net OPEB obligation	(88,458)		(34,747)

Change in net position of governmental activities	\$	1,523,421
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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, 2014**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Property taxes	\$ 27,981,146	\$ 27,981,146	\$ 28,008,686	\$ 27,540
Intergovernmental	6,429,468	6,429,468	6,228,756	(200,712)
Licenses, fees and charges for goods and services	410,004	410,004	538,040	128,036
Revenues from use of money	20,000	20,000	10,765	(9,235)
Total revenues	<u>34,840,618</u>	<u>34,840,618</u>	<u>34,786,247</u>	<u>(54,371)</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,825,447	2,805,103	2,496,432	(308,671)
Public safety	5,116,718	5,220,706	5,015,420	(205,286)
Conservation and health	326,927	355,942	328,579	(27,363)
Highways	1,469,554	1,570,055	1,545,390	(24,665)
Sanitation and waste removal	847,051	830,442	814,819	(15,623)
Insurance and surety bonds	528,695	495,814	385,602	(110,212)
Culture and recreation	471,187	478,921	458,738	(20,183)
Miscellaneous	321,374	284,207	168,961	(115,246)
Education	20,576,816	20,601,817	20,492,888	(108,929)
Capital outlays	495,332	435,576	435,575	(1)
Debt service	1,861,517	1,367,040	1,365,413	(1,627)
Total expenditures	<u>34,840,618</u>	<u>34,445,623</u>	<u>33,507,817</u>	<u>(937,806)</u>
Excess (deficiency) of revenues over expenditures	-	394,995	1,278,430	883,435
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	-	30,770	-	30,770
Unliquidated encumbrances	-	-	257,204	(257,204)
Transfers in	-	-	324,446	(324,446)
Transfers out	-	(425,765)	(425,765)	-
Total other financing sources (uses)	<u>-</u>	<u>(394,995)</u>	<u>155,885</u>	<u>(550,880)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,434,315	<u>\$ 1,434,315</u>
Fund balance - beginning			<u>5,859,783</u>	
Fund balance - ending			<u>\$ 7,294,098</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, 2014**

	<b>Pension and Other Post Employment Benefits Trust Funds</b>	<b>Private Purpose Trust Fund - School Scholarships</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 922,432	\$ 127,419	\$ 124,248
Investments, at fair value:			
Corporate bonds	4,653,946	-	-
Mutual funds	14,876,345	287,560	-
Certificate of deposit	-	76,539	-
Receivables	78,806	-	-
Due from other funds	-	-	299,531
Total assets	<u>20,531,529</u>	<u>491,518</u>	<u>\$ 423,779</u>
<b>LIABILITIES</b>			
Payables	20,458	-	-
Due to student groups	-	-	98,459
Due to others	-	-	325,320
Total liabilities	<u>20,458</u>	<u>-</u>	<u>\$ 423,779</u>
<b>NET POSITION</b>			
Held in trust for pension and other benefits	<u>\$ 20,511,071</u>	<u>\$ 491,518</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, 2014**

	<b>Pension and Other Post Employment Benefits Trust Funds</b>	<b>Private Purpose Trust Fund - School Scholarships</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 1,258,824	\$ -
Plan members	271,583	-
Private donations	-	39,046
Total contributions	<u>1,530,407</u>	<u>39,046</u>
Investment earnings:		
Interest	345,694	10,763
Net change in the fair value of investments	<u>2,487,522</u>	<u>2,266</u>
Net investment earnings	<u>2,833,216</u>	<u>13,029</u>
Total additions	<u>4,363,623</u>	<u>52,075</u>
<b>DEDUCTIONS</b>		
Benefit payments	1,188,930	-
Refunds of contributions	21,293	-
Administrative expenses	50,472	-
Awards expense	-	19,876
Total deductions	<u>1,260,695</u>	<u>19,876</u>
Change in net position	3,102,928	32,199
Net position - beginning	<u>17,408,143</u>	<u>459,319</u>
Net position - ending	<u><u>\$ 20,511,071</u></u>	<u><u>\$ 491,518</u></u>

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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**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, 2014 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, 2014 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, 2014**

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**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*** - These funds are 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, 2014**

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**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 OUTFLOWS/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, 2014**

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

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/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, 2014**

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

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/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 \$7,000 for machinery and equipment, \$20,000 for building improvements and \$100,000 for infrastructure 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**

Unearned revenue represents resources that have been received, but not yet earned.

**Deferred Outflows/Inflows of Resources**

In the government-wide financial statements, deferred outflows of resources consist of a deferred charge on refunding. This amount is being amortized to interest expense using the effective-interest method over the life of the related debt. In the governmental funds financial statements, deferred inflows of resources consists of unavailable revenues. These amounts are deferred and recognized 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, 2014**

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

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS *(Continued)***  
**JUNE 30, 2014**

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

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

**Net Position and Fund Balance *(Continued)***

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

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

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

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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS *(Continued)***  
**JUNE 30, 2014**

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

**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.

**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. During the year ended June 30, 2014, additional appropriations were authorized in the amount of \$30,770.
- 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, 2014**

**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, 2014:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 34,786,247	\$ 33,507,817	\$ 155,885	\$ 1,434,315
"On-behalf" payments - State Teachers Retirement Fund	2,319,246	2,319,246	-	-
Intergovernmental grants netted with expenses	262,000	262,000	-	-
Effect of recording bond refunding	-	44,905	44,905	-
Encumbrances outstanding:				
June 30, 2013	-	155,495	(257,204)	(412,699)
June 30, 2014	-	(157,254)	-	157,254
GAAP basis	<u>\$ 37,367,493</u>	<u>\$ 36,132,209</u>	<u>\$ (56,414)</u>	<u>\$ 1,178,870</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.

**FUND BALANCE DEFICIT**

The Capital Projects Fund has an unassigned fund balance deficit of \$1,215,000 and an overall fund balance deficit of \$678,359. The deficit is due to the use of short-term financing to fund authorized capital projects. The deficit does not constitute a violation of statutory provisions and is expected to be funded through future grant reimbursements and/or the issuance of long-term debt.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

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**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

The carrying value of the Town's cash deposits as of June 30, 2014 totaled \$14,329,648. A reconciliation of the Town's cash deposits as of June 30, 2014 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 16,298,826
Less: cash equivalents considered investments for disclosure purposes	<u>(2,752,495)</u>
	<u>13,546,331</u>
Statement of fiduciary net position:	
Cash and cash equivalents	\$ 1,174,099
Add: investment considered cash deposit for disclosure purposes	76,539
Less: cash equivalents considered investments for disclosure purposes	<u>(467,321)</u>
	<u>783,317</u>
	<u>\$ 14,329,648</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$14,287,724 of the Town's bank balance of \$14,945,732 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,858,952
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>1,428,772</u>
	<u>\$ 14,287,724</u>

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

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

**INVESTMENTS**

A reconciliation of the Town's investments as of June 30, 2014 is as follows:

Government-wide statement of net position:	
Investments	\$ -
Add: cash equivalents considered investments for disclosure purposes	2,752,495
	<u>2,752,495</u>
Statement of fiduciary net position:	
Investments	19,894,390
Less: investments considered cash equivalents for disclosure purposes	(76,539)
Add: cash equivalents considered investments for disclosure purposes	467,321
	<u>20,285,172</u>
	<u>\$ 23,037,667</u>

As of June 30, 2014, 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
<b>Debt Securities:</b>					
Short Term Investment Fund (STIF)	\$ 2,257,747	\$ 2,257,747	\$ -	\$ -	\$ -
Cooperative Liquid Asset Security System (CLASS)	494,748	494,748	-	-	-
Money market mutual funds	467,321	467,321	-	-	-
Corporate bonds	4,653,946	-	759,938	806,825	3,087,183
	7,873,762	\$ 3,219,816	\$ 759,938	\$ 806,825	\$ 3,087,183
<b>Other investments:</b>					
Mutual funds	15,163,905				
	\$ 23,037,667				

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's pension investment policy limits the type of fixed income securities to minimize the level of interest rate risk. All fixed income securities must have readily ascertainable market value and must be readily marketable. The investment policy emphasizes long-term rather than short-term performance.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

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

**INVESTMENTS (Continued)**

**Credit Risk**

The Town has does not have an investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes for its non-fiduciary investments. 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 pension investment policy limits fixed income securities to those backed by the full faith and credit of the United States Government and other bonds, not guaranteed by the United States Government, provided they are at least a "BBB" or equivalent rating by a national rating agency.

The Town's investment in debt securities were rated by Standard & Poor's as follows at June 30, 2014:

<b>Investment type</b>	<b>Fair Value</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Unrated</b>
<b>Debt Securities:</b>						
STIF	\$ 2,257,747	\$ 2,257,747	\$ -	\$ -	\$ -	\$ -
CLASS	494,748	-	-	-	494,748	-
Money market mutual funds	467,321	-	-	-	-	467,321
Corporate bonds	4,653,946	-	248,879	807,802	3,287,755	309,510

**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, 2014, 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, 2014**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 5,328,962	\$ 120,933	\$ -	\$ 5,449,895
Construction in progress	1,479,376	1,551,346	(20,131)	3,010,591
Total capital assets, not being depreciated	<u>6,808,338</u>	<u>1,672,279</u>	<u>(20,131)</u>	<u>8,460,486</u>
Capital assets, being depreciated:				
Buildings and improvements	26,320,984	72,292	-	26,393,276
Machinery and equipment	7,185,328	311,874	(101,815)	7,395,387
Infrastructure	44,281,703	505,842	20,131	44,807,676
Total capital assets, being depreciated	<u>77,788,015</u>	<u>890,008</u>	<u>(81,684)</u>	<u>78,596,339</u>
Less accumulated depreciation:				
Buildings and improvements	14,345,776	327,521	-	14,673,297
Machinery and equipment	4,355,491	585,558	(101,815)	4,839,234
Infrastructure	13,343,536	785,685	-	14,129,221
Total accumulated depreciation	<u>32,044,803</u>	<u>1,698,764</u>	<u>(101,815)</u>	<u>33,641,752</u>
Total capital assets, being depreciated, net	<u>45,743,212</u>	<u>(808,756)</u>	<u>20,131</u>	<u>44,954,587</u>
Governmental activities capital assets, net	<u>\$ 52,551,550</u>	<u>\$ 863,523</u>	<u>\$ -</u>	<u>\$ 53,415,073</u>

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

Governmental Activities:	
General government	\$ 137,518
Public safety	285,741
Highway	521,135
Sanitation and waste removal	301,884
Culture and recreation	13,269
Education	439,217
Total depreciation and amortization expense	<u>\$ 1,698,764</u>



**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2014 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Capital Projects Fund	\$ 2,582,174
	Nonmajor Governmental Funds	215,002
		<u>2,797,176</u>
Capital and Nonrecurring Fund	General Fund	<u>43,714</u>
Nonmajor Governmental Funds	General Fund	1,125,344
	Nonmajor Governmental Funds	3,787
		<u>1,129,131</u>
		<u><u>\$ 3,970,021</u></u>
<b>Fiduciary Fund</b>		
Other Fiduciary Funds	General Fund	<u><u>\$ 299,531</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, 2014 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Nonmajor Governmental Funds	<u>\$ 324,447</u>
Capital and Nonrecurring Fund	General Fund	425,765
	Nonmajor Governmental Funds	17,581
		<u>443,346</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	334,723
		<u><u>\$ 1,102,516</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, 2014**

**NOTE 7 - SHORT-TERM DEBT**

The following is a summary of changes in short-term debt for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Bond anticipation notes payable	\$ -	\$ 6,130,000	\$ (1,215,000)	\$ 4,915,000

During the fiscal year, the Town issued bond anticipation notes in the amount of \$1,215,000 and \$3,700,000 to provide interim financing for improvements to the Town's sewer infrastructure and educational facilities. The initial \$1,215,000 issuance bore an interest rate of 1.0% and matured on March 20, 2014. This issuance was repaid through a new issuance that bears an interest rate of 1.25% and matures on March 19, 2015. The \$3,700,000 issuance bears an interest rate of 1.0% and matures on June 25, 2015. The Town intends to permanently fund the sewer improvements through grant reimbursements and a loan from the United States Department of Agriculture. The Town intends to permanently fund the improvements to its educational facilities through grant reimbursements from the State of Connecticut Department of Education and the issuance of general obligation bonds.

**NOTE 8 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 3,215,000	\$ 2,640,000	\$ (3,215,000)	\$ 2,640,000	\$ 265,000
Unamortized amounts:					
Premium on bonds issued	11,912	162,419	(11,912)	162,419	-
Total bonds payable	3,226,912	2,802,419	(3,226,912)	2,802,419	265,000
Other liabilities:					
Note payable	3,887,960	-	(646,093)	3,241,867	662,839
Compensated absences	751,698	-	(21,848)	729,850	211,441
Net pension obligation	1,676,307	-	(13,844)	1,662,463	-
Net OPEB obligation	464,623	88,458	-	553,081	-
	<u>\$ 10,007,500</u>	<u>\$ 2,890,877</u>	<u>\$ (3,908,697)</u>	<u>\$ 8,989,680</u>	<u>\$ 1,139,280</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, 2014**

**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, 2014 is as follows:

<b>Purpose of Bonds</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Interest Rates</b>	<b>Maturity Date</b>	<b>Amount Outstanding</b>
<b>Governmental Activities</b>					
General Obligation Refunding Bonds	6/2014	\$ 2,640,000	2.0% - 4.0%	9/15/2024	<u>\$ 2,640,000</u>
<b>Note payable</b>					
Clean Water Loan	9/1996	10,812,482	4.50%	3/31/2016	\$ 1,117,387
Rural Development Loan	4/2012	2,180,000	2.375%	4/1/2052	<u>2,124,480</u>
					<u>\$ 3,241,867</u>

Annual debt service requirements to maturity on general obligation bonds and the note payable are as follows as of June 30, 2014:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>					
	<b>Bonds Payable</b>		<b>Notes Payable</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 265,000	\$ 56,470	\$ 662,839	\$ 85,599	\$ 927,839	\$ 142,069
2016	225,000	74,625	513,735	72,136	738,735	146,761
2017	325,000	67,500	31,044	67,122	356,044	134,622
2018	330,000	56,025	32,053	66,113	362,053	122,138
2019	335,000	42,725	33,095	65,071	368,095	107,796
2020 - 2024	975,000	89,094	182,323	308,507	1,157,323	397,601
2025 - 2029	185,000	2,081	213,940	276,890	398,940	278,971
2030 - 2034	-	-	251,040	239,790	251,040	239,790
2035 - 2039	-	-	294,573	196,257	294,573	196,257
2040 - 2044	-	-	345,655	145,175	345,655	145,175
2045 - 2049	-	-	405,596	85,234	405,596	85,234
2050 - 2053	-	-	275,974	18,117	275,974	18,117
	<u>\$ 2,640,000</u>	<u>\$ 388,520</u>	<u>\$ 3,241,867</u>	<u>\$ 1,626,011</u>	<u>\$ 5,881,867</u>	<u>\$ 2,014,531</u>

**ADVANCE REFUNDING**

During fiscal year 2014, the Town issued \$2,640,000 in general obligation refunding bonds with interest rates ranging between 2.0% and 4.0%. The Town issued the bonds to advance refund \$2,705,000 of general obligation bonds with interest rates ranging from 3.0% and 4.375%. The Town used the net proceeds to purchase U.S. Government securities. These securities were deposited into an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the portion of the refunded bonds is considered defeased and the Town has removed the liability from its financial statements. The Town advance refunded the bonds to reduce its total debt service payments over the next 11 years by \$168,882 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$178,844. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in a deferred charge on refunding in the amount of \$52,515.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS *(Continued)***  
**JUNE 30, 2014**

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**NOTE 8 - LONG-TERM LIABILITIES *(Continued)***

**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, 2014.

**SCHOOL BOND REIMBURSEMENTS**

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The total amount of principal and interest reimbursement for the year ended June 30, 2014 was \$143,662 and \$10,904, respectively. Additional reimbursements of principal and interest aggregating \$280,589 and \$8,509, 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 position. The long-term portion of \$139,172 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, 2014 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
	<u>237</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS *(Continued)***  
**JUNE 30, 2014**

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**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.

**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* - 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. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Town. It is the policy of the Town to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Rate of return* - For the year ended June 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 16.1%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

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

**Concentrations**

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

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**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Net Pension Obligation and Net Pension Liability of the Town**

The Town has not yet implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, which is effective for fiscal years beginning after June 15, 2014. GASB Statement No. 68 will require the Town to record the net pension liability of its defined benefit pension plan in its government-wide financial statements. The net pension liability has been disclosed below in accordance with the implementation of GASB Statement No. 67. The Town continues to apply the provisions of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which requires employers to recognize a net pension asset or obligation in its government-wide financial statements based on the cumulative difference between the annual pension cost and the amounts contributed to the plan.

The following presents the Town's net pension obligation as of June 30, 2014 and the related change in the net pension obligation for the year ended June 30, 2014:

Annual required contribution	\$ 938,840
Interest on net pension obligation	117,341
Adjustment to annual required contribution	<u>(131,185)</u>
Annual pension cost	924,996
Contributions made	<u>938,840</u>
Decrease in net pension obligation	(13,844)
Net pension obligation, beginning of year	<u>1,676,307</u>
Net pension obligation, end of year	<u><u>\$ 1,662,463</u></u>

The components of the net pension liability of the Town at June 30, 2014, were as follows:

Total pension liability	\$ 23,972,518
Fiduciary net position	<u>20,076,418</u>
Net pension liability	<u><u>\$ 3,896,100</u></u>
Plan fiduciary net position as a percentage of the total pension liability	83.7%

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLAN (Continued)**

**Net Pension Obligation and Net Pension Liability of the Town (Continued)**

*Actuarial assumptions* - The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.8%
Salary increases	4.0% average, including inflation
Investment rate of return	7.0% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Unisex Healthy Annuitant Mortality Table, with adjustments to the valuation year for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

	Target Allocation	Long-term Real Rate of Return
Fixed income	40.0%	2.2%
Equities	60.0%	6.1%

*Discount rate* - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1.0% Decrease 6.0%	Current Discount Rate 7.0%	1.0% Increase 8.0%
Total pension liability	\$ 26,915,483	\$ 23,972,518	\$ 21,482,665
Fiduciary net position	20,076,418	20,076,418	20,076,418
Net pension liability	\$ 6,839,065	\$ 3,896,100	\$ 1,406,247

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS *(Continued)***  
**JUNE 30, 2014**

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**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, 2014, Town teachers contributed \$678,279 to the plan and covered payroll for the year was \$9,355,572.

The Town has reported "on-behalf" payments of \$2,319,246 made by the State of Connecticut into the plan as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

**NOTE 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, 2014**

**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	\$ 401,000
Interest on net OPEB obligation	37,170
Adjustment to annual required contribution	<u>(29,728)</u>
Annual OPEB cost	408,442
Contributions made	<u>319,984</u>
Increase in Net OPEB obligation	88,458
Net OPEB obligation, beginning of the year	<u>464,623</u>
Net OPEB obligation, end of the year	<u><u>\$ 553,081</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 years 2012 through 2014 is as follows:

<b>Year Ended June 30:</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2013	\$ 408,442	\$ 319,984	78.3%	\$ 553,081
2012	348,622	359,900	103.2%	464,623
2011	334,450	344,000	102.9%	475,901

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

**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 closed
Asset valuation method:	N/A
Actuarial assumptions:	
Discount Rate	7.0%
Dental inflation rate	3.0%
Healthcare cost trend rate	7.1% initial 4.6% final

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

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**NOTE 11 - 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, 2014. There were no significant reductions in insurance coverage from amounts held in the prior year.

**NOTE 12 - 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 \$157,254 for unperformed educational commitments as of June 30, 2014 and \$200,000 of fund balance assigned for use in the Town's fiscal year 2014-2015 budget.

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

Sanitation	\$ 539,506
Public safety	187,507
Educational purposes	48,543
General government	13,838
Other purposes	353,948
	<u>\$ 1,143,342</u>

**NOTE 13 - RECENTLY ISSUED ACCOUNTING STANDARDS**

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. Management is currently evaluating the effect that implementation of this standards will have on its financial statements.

**Required  
Supplementary  
Information**

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND**  
**INVESTMENT RETURNS (Unaudited)**  
**PENSION PLAN**  
**JUNE 30, 2014**

	Defined Benefit Plan
Actuarially determined contribution	\$ 938,840
Contributions in relation to the actuarially determined contribution	<u>938,840</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	\$ 6,035,101
Contributions as a percentage of covered employee payroll	15.6%
Annual money-weighted rate of return, net of investment expense	16.1%

**Notes to Schedule:**

**Valuation date**

*Actuarially determined contribution rates are calculated as of June 30,*  
prior to the end of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

<b>Actuarial cost method</b>	Projected Unit Credit
<b>Amortization method</b>	Level percent, closed
<b>Remaining amortization period</b>	16 years at 7/1/2013
<b>Asset valuation method</b>	Five-years
	Non-asymptotic
<b>Investment rate of return</b>	7.00%
<b>Salary increases</b>	4.00%
<b>Retirement age</b>	Normal retirement age
<b>Mortality</b>	RP-2000 Combined Healthy Morality with generational projection per Scale AA

**Note:** The Town began to report the schedule of contributions and investment returns  
when it implemented GASB Statement No. 67 in fiscal year 2014.

*See accompanying Independent Auditors' Report*

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY**  
**AND RELATED RATIOS - PENSION (Unaudited)**  
**JUNE 30, 2014**

	Defined Benefit Plan (000s)
<b>Total pension liability</b>	
Service cost	\$ 667
Interest	1,602
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds	(1,007)
Net change in total pension liability	\$ 1,262
Total pension liability - beginning	22,710
Total pension liability - ending	23,972
<b>Plan fiduciary net position</b>	
Contributions - employer	939
Contributions - members	272
Net investment income	2,776
Benefit payments, including refunds	(1,007)
Administrative expense	(30)
Other	-
Net change in plan fiduciary net position	2,950
Plan fiduciary net position - beginning	17,127
Plan fiduciary net position - ending	20,076
<b>Town's net pension liability</b>	<u><u>\$ 3,896</u></u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	83.75%
<b>Covered employee payroll</b>	\$ 6,035
<b>Town's net pension liability as a percentage of covered employee payroll</b>	64.56%

**Notes to Schedule:**

**Benefit Changes**      None noted

**Assumption Changes**      None noted

**Note:**                      The Town began to report the schedule of changes in the net pension liability when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULES OF FUNDING PROGRESS (Unaudited)**  
**JUNE 30, 2014**

<b>Other Post Employment Benefits Program</b>						
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, 2014**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Current and prior year levies	\$ 27,781,146	\$ 27,781,146	\$ 27,695,485	\$ (85,661)
Interest and lien fees	200,000	200,000	313,201	113,201
Total property taxes	27,981,146	27,981,146	28,008,686	27,540
INTERGOVERNMENTAL REVENUES				
Education equalization	5,887,748	5,887,748	5,471,194	(416,554)
Adult education	15,474	15,474	-	(15,474)
Public school transportation	-	-	90,932	90,932
School building grants	154,566	154,566	154,566	-
Reimbursement in lieu of taxes	-	-	85,311	85,311
Pro-rata share of CT fines	2,000	2,000	3,945	1,945
Tax relief - circuit breaker	74,500	74,500	77,824	3,324
Tax relief - veterans	6,009	6,009	6,733	724
Tax exempt property - disability	1,850	1,850	1,860	10
Local capital improvement program	120,280	120,280	132,280	12,000
Telephone access grant	15,000	15,000	23,355	8,355
Miscellaenous State of Connecticut grants	3,500	3,500	2,735	(765)
Municipal revenue sharing grant	148,541	148,541	134,514	(14,027)
Mashantucket Pequot grant	-	-	43,507	43,507
Total intergovernmental revenues	6,429,468	6,429,468	6,228,756	(200,712)
LICENSES, FEES AND CHARGES FOR GOODS AND SERVICES				
Building Department	143,949	143,949	219,488	75,539
Zoning Board of Appeals	500	500	660	160
Planning and Zoning	8,000	8,000	22,135	14,135
Recycling rebates	4,330	4,330	18,869	14,539
East Windsor Housing Authority	15,000	15,000	20,920	5,920
Conservation Commission	5,000	5,000	2,814	(2,186)
Police Department	8,000	8,000	5,952	(2,048)
Assessor	750	750	386	(364)
Town Clerk	172,525	172,525	169,509	(3,016)
Mini-bus donations	3,000	3,000	3,123	123
Greater Hartford Transit District	4,000	4,000	7,841	3,841
Miscellaneous	2,000	2,000	33,677	31,677
Parks and Recreation	32,500	32,500	21,155	(11,345)
Parking tickets	40	40	260	220
Land and building rental	1,700	1,700	201	(1,499)
Perpetual care	210	210	220	10
Road cut permits	300	300	950	650
Aircraft miscellaneous	4,700	4,700	4,774	74
Farmland preservation	3,500	3,500	5,106	1,606
Total licenses, fees and charges for goods and services	410,004	410,004	538,040	128,036

*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, 2014**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
REVENUES FROM THE USE OF MONEY				
Interest on deposits	\$ 20,000	\$ 20,000	\$ 10,765	\$ (9,235)
Total revenues from the use of money	20,000	20,000	10,765	(9,235)
OTHER FINANCING SOURCES				
Operating transfers	-	-	324,446	324,446
Unliquidated encumbrances	-	-	257,204	257,204
Appropriation of Fund Balance	-	30,770	-	(30,770)
Total other financing sources	-	30,770	581,650	550,880
Total revenues	<u>\$ 34,840,618</u>	<u>\$ 34,871,388</u>	<u>\$ 35,367,897</u>	<u>\$ 496,509</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, 2014**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
GENERAL GOVERNMENT				
Board of Selectmen	\$ 170,187	\$ 170,933	\$ 169,397	\$ (1,536)
Town Counsel and legal	183,600	140,000	98,920	(41,080)
Professional services	58,813	57,420	48,417	(9,003)
Treasurer	194,073	208,136	195,641	(12,495)
Town Clerk	122,349	126,191	122,533	(3,658)
Assessor	184,926	183,072	167,776	(15,296)
Tax Collector	126,739	108,472	103,832	(4,640)
Tax relief	8,242	80	-	(80)
Board of Tax Review	3,213	2,050	854	(1,196)
Elections - registrar	53,961	53,961	45,984	(7,977)
Probate court	4,080	2,500	1,334	(1,166)
Pension fund	10	10	-	(10)
Town property	246,939	246,690	224,360	(22,330)
Building Committee	704	930	800	(130)
Economic Development Commission	5,444	5,337	2,314	(3,023)
Zoning Board of Appeals	1,173	1,275	400	(875)
Planning and Zoning Commission	3,111	3,125	2,972	(153)
Town Planner	191,684	201,685	199,140	(2,545)
Building Department	141,602	146,079	138,450	(7,629)
Elderly Commission	663	650	85	(565)
Ethics Committee	20	3,030	1,800	(1,230)
Senior Center	237,658	240,985	218,752	(22,233)
Conservation Commission	1,836	1,950	1,335	(615)
Board of Finance	4,590	4,680	3,634	(1,046)
Miscellaneous	25,193	24,807	21,307	(3,500)
27th payroll	14,076	39,500	30,903	(8,597)
Employee benefits	840,561	831,555	695,492	(136,063)
Total general government	2,825,447	2,805,103	2,496,432	(308,671)
PUBLIC SAFETY				
Police Department	2,825,547	2,821,982	2,766,082	(55,900)
Telecommunications system	50,090	57,168	54,867	(2,301)
Police Commission	1,642	1,610	1,525	(85)
Broad Brook Fire Department	681,903	439,738	407,100	(32,638)
Warehouse Point Fire Department	-	239,345	239,345	-
Fire protection (water)	306,000	306,680	306,679	(1)
Fire Marshal	20,009	18,817	18,262	(555)
Civil Preparedness	8,262	11,190	8,992	(2,198)
Hearing Officer	31	31	-	(31)
Dog damage	10	10	-	(10)
Employee benefits	1,223,224	1,324,135	1,212,568	(111,567)
Total public safety	5,116,718	5,220,706	5,015,420	(205,286)

*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, 2014**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>CONSERVATION AND HEALTH</b>				
General assistance	\$ 15,810	\$ 15,810	\$ 15,064	\$ (746)
Human services	146,405	159,116	149,184	(9,932)
Visiting Nurse Association	6,898	6,763	6,763	-
Miscellaneous health agencies	71,499	71,715	71,715	-
Water purification	10	10	-	(10)
Immunizations and physicals	1,530	1,530	1,437	(93)
Employee benefits	84,775	100,998	84,416	(16,582)
Total conservation and health	326,927	355,942	328,579	(27,363)
<b>HIGHWAYS</b>				
Highways	728,915	871,713	860,597	(11,116)
General roads	265,200	224,500	224,500	-
Street lighting	147,900	145,000	144,840	(160)
Employee benefits	327,539	328,842	315,453	(13,389)
Total highways	1,469,554	1,570,055	1,545,390	(24,665)
<b>SANITATION AND WASTE REMOVAL</b>				
Collection and disposal	847,051	830,442	814,819	(15,623)
Total sanitation and waste removal	847,051	830,442	814,819	(15,623)
<b>INSURANCE AND SURETY BONDS</b>				
Insurance and surety bonds	508,295	475,814	382,129	(93,685)
Unemployment compensation	20,400	20,000	3,473	(16,527)
Total insurance and surety bonds	528,695	495,814	385,602	(110,212)
<b>CULTURE AND RECREATION</b>				
Broad Brook library	2,500	2,500	2,500	-
Community activities	1,020	1,000	967	(33)
WHP library	232,993	232,943	232,943	-
Parks and Recreation	205,740	211,044	190,905	(20,139)
Employee benefits	28,934	31,434	31,423	(11)
Total culture and recreation	471,187	478,921	458,738	(20,183)
<b>MISCELLANEOUS</b>				
Cemeteries	15,298	14,998	14,998	-
Contingency fund	89,147	42,413	-	(42,413)
Miscellaneous	4,080	4,000	3,893	(107)
Information technology	168,479	178,426	129,132	(49,294)
Communications	44,370	44,370	20,938	(23,432)
Total miscellaneous	321,374	284,207	168,961	(115,246)

*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, 2014**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
EDUCATION				
Salaries				
Administration	\$ 401,502	\$ 422,042	\$ 424,043	\$ 2,001
Building administration	727,021	722,430	723,940	1,510
Certified personnel	8,391,478	8,046,487	8,065,358	18,871
Substitutes	213,154	250,298	258,181	7,883
Home bound	17,689	25,334	23,356	(1,978)
Tutors	350,577	315,948	253,607	(62,341)
Stipends	186,549	186,549	181,888	(4,661)
Summer school	58,858	55,905	55,075	(830)
Adult education/enrichment	24,053	24,053	22,945	(1,108)
Clerical	781,517	809,200	813,229	4,029
Teacher's Aides	682,532	716,372	690,794	(25,578)
Nurses	212,915	256,745	264,116	7,371
Custodial	512,627	531,591	549,816	18,225
Support services	167,501	172,527	163,910	(8,617)
School facility use	2,000	2,000	-	(2,000)
Total salaries	12,729,973	12,537,481	12,490,258	(47,223)
Employee Benefits				
Retirement and social security	753,753	753,823	769,619	15,796
Health insurance	2,125,170	2,177,964	2,115,944	(62,020)
Workmen's compensation and				
travel insurance	257,500	236,282	164,080	(72,202)
Total employee benefits	3,136,423	3,168,069	3,049,643	(118,426)
Purchased Services				
Instructional program improvements	600	-	-	-
Pupil services	18,156	22,126	25,549	3,423
Other professional services	871,931	1,046,754	1,058,772	12,018
Public utilities	253,035	255,871	278,837	22,966
Cleaning/repairing	172,398	161,878	180,253	18,375
Maintenance	85,400	85,580	47,289	(38,291)
Public transportation	1,617,268	1,548,015	1,520,229	(27,786)
Property insurance	50,158	50,158	50,158	-
Liability insurance	97,566	97,566	122,766	25,200
Communications	38,473	38,473	46,995	8,522
Printing/binding	44,212	44,212	13,325	(30,887)
Tuition	962,934	1,000,772	1,039,312	38,540
Travel, conferences and other				
transportation	29,568	32,730	21,681	(11,049)
Total purchased services	4,241,699	4,384,135	4,405,166	21,031

*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, 2014**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
EDUCATION (Continued)				
Supplies				
Instructional	\$ 32,703	\$ 40,005	\$ 54,992	\$ 14,987
Custodial/maintenance	70,221	70,221	62,827	(7,394)
Heat and energy	255,120	255,120	289,663	34,543
Textbooks	6,212	19,932	19,041	(891)
Library	5,080	3,072	1,478	(1,594)
Other supplies	61,076	86,327	98,117	11,790
Total supplies	<u>430,413</u>	<u>474,678</u>	<u>526,118</u>	<u>51,440</u>
Capital equipment				
New equipment	22,891	18,203	13,670	(4,533)
Dues and fees	15,417	19,251	8,033	(11,218)
Total capital equipment	<u>38,308</u>	<u>37,454</u>	<u>21,703</u>	<u>(15,751)</u>
Total education	<u>20,576,816</u>	<u>20,601,817</u>	<u>20,492,888</u>	<u>(108,929)</u>
DEBT SERVICE	<u>1,861,517</u>	<u>1,367,040</u>	<u>1,365,413</u>	<u>(1,627)</u>
CAPITAL OUTLAYS	<u>495,332</u>	<u>435,576</u>	<u>435,575</u>	<u>(1)</u>
OTHER FINANCING USES				
Transfers out	-	425,765	425,765	-
Total other financing uses	<u>-</u>	<u>425,765</u>	<u>425,765</u>	<u>-</u>
Total expenditures	<u>\$ 34,840,618</u>	<u>\$ 34,871,388</u>	<u>\$ 33,933,582</u>	<u>\$ (937,806)</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, 2014**

Grand List Year	Balance Uncollected June 30, 2013	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2014
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2012	\$ -	\$ 27,986,223	\$ 99,910	\$ 225,797	\$ 4,100	\$ 27,856,236	\$ 27,238,385	\$ 137,329	\$ 27,375,714	\$ 617,851
2011	577,629	-	3,158	18,643	26,339	535,805	307,966	77,107	385,073	227,839
2010	267,522	-	511	3,281	15,370	249,382	93,769	26,913	120,682	155,613
2009	188,648	-	199	1,237	22,242	165,368	24,313	12,547	36,860	141,055
2008	147,441	-	-	900	17,672	128,869	14,076	10,536	24,612	114,793
2007	97,313	-	235	865	-	96,683	14,863	16,905	31,768	81,820
2006	32,717	-	350	650	-	32,417	11,942	8,943	20,885	20,475
2005	18,748	-	64	647	-	18,165	5,651	4,686	10,337	12,514
2004	11,622	-	-	629	-	10,993	3,417	5,116	8,533	7,576
2003	9,822	-	-	610	-	9,212	1,965	410	2,375	7,247
2002	7,669	-	-	575	-	7,094	-	-	-	7,094
2001	6,463	-	-	582	-	5,881	292	601	893	5,589
2000	5,303	-	-	557	-	4,746	350	71	421	4,396
1999	4,597	-	-	540	-	4,057	-	-	-	4,057
1998 and prior	12,321	-	-	524	8,071	3,726	-	-	-	3,726
	<u>\$ 1,387,815</u>	<u>\$ 27,986,223</u>	<u>\$ 104,427</u>	<u>\$ 256,037</u>	<u>\$ 93,794</u>	<u>\$ 29,128,634</u>	<u>\$ 27,716,989</u>	<u>\$ 301,164</u>	<u>\$ 28,018,153</u>	<u>\$ 1,411,645</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, 2014**

Total cash collections for the year ended  
June 30, 2014:

Taxes	\$ 27,716,989
Interest and lien fees	301,164
Total	<u>28,018,153</u>
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	171,728
Base	<u><u>\$ 28,189,881</u></u>

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 63,427,232	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	126,854,465	-	-	-
3-3/4 times base	-	-	105,712,054	-	-
3-1/4 times base	-	-	-	91,617,113	-
3 times base	-	-	-	-	84,569,643
Total debt limitation	<u>63,427,232</u>	<u>126,854,465</u>	<u>105,712,054</u>	<u>91,617,113</u>	<u>84,569,643</u>
Indebtedness:					
Bonds payable	2,031,000	609,000	-	-	-
Note payable	-	-	3,241,867	-	-
Bond anticipation notes payable	-	3,700,000	1,215,000	-	-
	<u>2,031,000</u>	<u>4,309,000</u>	<u>4,456,867</u>	<u>-</u>	<u>-</u>
Less: grant reimbursements	-	(2,171,273)	(534,375)	-	-
Total indebtedness	<u>2,031,000</u>	<u>2,137,727</u>	<u>3,922,492</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 61,396,232</u></u>	<u><u>\$ 124,716,738</u></u>	<u><u>\$ 101,789,562</u></u>	<u><u>\$ 91,617,113</u></u>	<u><u>\$ 84,569,643</u></u>
Total capacity of borrowing (7 times base)	\$ 197,329,167				
Total present indebtedness	<u>8,091,219</u>				
Margin for additional borrowing	<u><u>\$ 189,237,948</u></u>				

*See accompanying Independent Auditor's Report.*

*Nonmajor  
Governmental  
Funds*

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	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	Storm Emergency Fund	Town Aid Road Fund
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ 13,119	\$ -	\$ 922,498	\$ 98,527	\$ 14,757	\$ 24,693	\$ -	\$ -
Receivables:									
Assessments and user charges	-	-	-	100,685	226,627	-	-	-	-
Grants and contracts	9,112	48,649	-	-	-	-	-	-	-
Other	-	-	755	-	-	-	81,888	-	-
Due from other funds	329,822	-	8,543	-	3,786	-	-	36,028	447,080
Prepaid items	-	-	-	-	-	-	-	-	-
Inventories	-	7,853	-	-	-	-	-	-	-
Total assets	<u>\$ 338,934</u>	<u>\$ 69,621</u>	<u>\$ 9,298</u>	<u>\$ 1,023,183</u>	<u>\$ 328,940</u>	<u>\$ 14,757</u>	<u>\$ 106,581</u>	<u>\$ 36,028</u>	<u>\$ 447,080</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 84,865	\$ 11,659	\$ 5,904	\$ 153,397	\$ -	\$ -	\$ -	\$ -	\$ 3,309
Salaries and benefits payable	-	-	1,141	25,812	-	-	-	-	-
Due to other funds	-	26,195	-	130,631	-	500	-	-	-
Unearned revenue	254,069	-	-	175,465	-	-	-	-	443,771
Total liabilities	<u>338,934</u>	<u>37,854</u>	<u>7,045</u>	<u>485,305</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>447,080</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue	-	-	-	100,685	226,627	-	-	-	-
<b>FUND BALANCES</b>									
Nonspendable:									
Inventories	-	7,853	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	81,888	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Restricted - special external reserves	-	-	-	-	-	-	24,693	-	-
Committed to other purposes	-	23,914	2,253	437,193	102,313	14,257	-	36,028	-
Total fund balances	<u>-</u>	<u>31,767</u>	<u>2,253</u>	<u>437,193</u>	<u>102,313</u>	<u>14,257</u>	<u>106,581</u>	<u>36,028</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 338,934</u>	<u>\$ 69,621</u>	<u>\$ 9,298</u>	<u>\$ 1,023,183</u>	<u>\$ 328,940</u>	<u>\$ 14,757</u>	<u>\$ 106,581</u>	<u>\$ 36,028</u>	<u>\$ 447,080</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, 2014**

	Nonmajor Special Revenue Funds					Nonmajor Permanent Funds			Total Nonmajor
	Miscellaneous	Police	Senior	Family		Cemetery	Veterans		Governmental
	Grants	Private Duty	Center	Resource Center		Trust	Trust		Funds
	Fund	Fund	Fund	Fund	Subtotal	Fund	Fund	Subtotal	
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 46,136	\$ 1,119,730	\$ 4,904	\$ 2,823	\$ 7,727	\$ 1,127,457
Receivables:									
Assessments and user charges	-	-	-	-	327,312	-	-	-	327,312
Grants and contracts	57,427	-	-	-	115,188	-	-	-	115,188
Other	157,531	37,205	-	13,806	291,185	-	-	-	291,185
Due from other funds	187,070	102,964	13,838	-	1,129,131	-	-	-	1,129,131
Prepaid items	-	-	-	6,695	6,695	-	-	-	6,695
Inventories	-	-	-	-	7,853	-	-	-	7,853
Total assets	<u>\$ 402,028</u>	<u>\$ 140,169</u>	<u>\$ 13,838</u>	<u>\$ 66,637</u>	<u>2,997,094</u>	<u>\$ 4,904</u>	<u>\$ 2,823</u>	<u>\$ 7,727</u>	<u>\$ 3,004,821</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 592	\$ 5,200	\$ -	\$ 12,420	\$ 277,346	\$ -	\$ -	\$ -	\$ 277,346
Salaries and benefits payable	-	-	-	-	26,953	-	-	-	26,953
Due to other funds	38,564	-	-	22,893	218,783	6	-	6	218,789
Unearned revenue	8,924	-	-	-	882,229	-	-	-	882,229
Total liabilities	<u>48,080</u>	<u>5,200</u>	<u>-</u>	<u>35,313</u>	<u>1,405,311</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>1,405,317</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue	-	-	-	-	327,312	-	-	-	327,312
<b>FUND BALANCES</b>									
Nonspendable:									
Inventories	-	-	-	-	7,853	-	-	-	7,853
Loans receivable	-	-	-	-	81,888	-	-	-	81,888
Prepaid items	-	-	-	6,695	6,695	-	-	-	6,695
Restricted	-	-	-	-	24,693	4,898	2,823	7,721	32,414
Committed to other purposes	353,948	134,969	13,838	24,629	1,143,342	-	-	-	1,143,342
Total fund balances	<u>353,948</u>	<u>134,969</u>	<u>13,838</u>	<u>31,324</u>	<u>1,264,471</u>	<u>4,898</u>	<u>2,823</u>	<u>7,721</u>	<u>1,272,192</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 402,028</u>	<u>\$ 140,169</u>	<u>\$ 13,838</u>	<u>\$ 66,637</u>	<u>\$ 2,997,094</u>	<u>\$ 4,904</u>	<u>\$ 2,823</u>	<u>\$ 7,727</u>	<u>\$ 3,004,821</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, 2014**

	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	Storm Emergency Fund	Town Aid Road Fund
<b>REVENUES</b>									
Intergovernmental	\$ 1,655,795	\$ 352,016	\$ -	\$ -	\$ -	\$ -	\$ 57,651	\$ -	\$ 391,308
Charges for goods and services	-	194,529	9,099	1,600,760	306,850	6,454	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	42,189	940	-
Total revenues	<u>1,655,795</u>	<u>546,545</u>	<u>9,099</u>	<u>1,600,760</u>	<u>306,850</u>	<u>6,454</u>	<u>99,840</u>	<u>940</u>	<u>391,308</u>
<b>EXPENDITURES</b>									
Current:									
General government	-	-	-	-	-	-	17,496	-	-
Public safety	-	-	38,569	-	-	1,100	-	-	-
Highways	-	-	-	-	-	-	-	-	391,308
Culture and recreation	-	-	-	-	-	-	-	-	-
Sanitation and waste removal	-	-	-	2,086,515	-	-	-	-	-
Education	1,655,795	525,856	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	57,651	-	-
Total expenditures	<u>1,655,795</u>	<u>525,856</u>	<u>38,569</u>	<u>2,086,515</u>	<u>-</u>	<u>1,100</u>	<u>75,147</u>	<u>-</u>	<u>391,308</u>
Excess (deficiency) of revenues over expenditures	-	20,689	(29,470)	(485,755)	306,850	5,354	24,693	940	-
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	25,619	274,016	-	-	-	35,088	-
Transfers out	-	-	-	-	(598,457)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>25,619</u>	<u>274,016</u>	<u>(598,457)</u>	<u>-</u>	<u>-</u>	<u>35,088</u>	<u>-</u>
Net change in fund balances	-	20,689	(3,851)	(211,739)	(291,607)	5,354	24,693	36,028	-
Fund balances - beginning	-	11,078	6,104	648,932	393,920	8,903	81,888	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 31,767</u>	<u>\$ 2,253</u>	<u>\$ 437,193</u>	<u>\$ 102,313</u>	<u>\$ 14,257</u>	<u>\$ 106,581</u>	<u>\$ 36,028</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, 2014**

	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	
<b>REVENUES</b>									
Intergovernmental	\$ 321,809	\$ -	\$ -	\$ 104,500	\$ 2,883,079	\$ -	\$ -	\$ -	\$ 2,883,079
Charges for goods and services	-	275,492	2,917	296,918	2,693,019	-	-	-	2,693,019
Interest income	-	-	-	-	-	6	-	6	6
Other revenues	254,416	-	-	26	297,571	-	-	-	297,571
Total revenues	<u>576,225</u>	<u>275,492</u>	<u>2,917</u>	<u>401,444</u>	<u>5,873,669</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>5,873,675</u>
<b>EXPENDITURES</b>									
Current:									
General government	28,033	-	240	-	45,769	-	-	-	45,769
Public safety	24,824	234,483	-	-	298,976	-	-	-	298,976
Highways	283,028	-	-	-	674,336	-	-	-	674,336
Culture and recreation	51,959	-	-	-	51,959	-	-	-	51,959
Sanitation and waste removal	-	-	-	-	2,086,515	-	-	-	2,086,515
Education	173,239	-	-	384,418	2,739,308	-	-	-	2,739,308
Capital outlays	-	-	-	-	57,651	-	-	-	57,651
Total expenditures	<u>561,083</u>	<u>234,483</u>	<u>240</u>	<u>384,418</u>	<u>5,954,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,954,514</u>
Excess (deficiency) of revenues over expenditures	15,142	41,009	2,677	17,026	(80,845)	6	-	6	(80,839)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	334,723	-	-	-	334,723
Transfers out	(35,088)	(43,200)	-	-	(676,745)	(6)	-	(6)	(676,751)
Total other financing sources (uses)	<u>(35,088)</u>	<u>(43,200)</u>	<u>-</u>	<u>-</u>	<u>(342,022)</u>	<u>(6)</u>	<u>-</u>	<u>(6)</u>	<u>(342,028)</u>
Net change in fund balances	(19,946)	(2,191)	2,677	17,026	(422,867)	-	-	-	(422,867)
Fund balances - beginning	373,894	137,160	11,161	14,298	1,687,338	4,898	2,823	7,721	1,695,059
Fund balances - ending	<u>\$ 353,948</u>	<u>\$ 134,969</u>	<u>\$ 13,838</u>	<u>\$ 31,324</u>	<u>\$ 1,264,471</u>	<u>\$ 4,898</u>	<u>\$ 2,823</u>	<u>\$ 7,721</u>	<u>\$ 1,272,192</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, 2014**

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	<b>Pension Trust Fund</b>	<b>Other Post Employment Benefits Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 467,321	\$ 455,111	\$ 922,432
Investments, at fair value:			
Corporate bonds	4,653,946	-	4,653,946
Mutual funds	14,876,345	-	14,876,345
Receivables	78,806	-	78,806
Total assets	<u>20,076,418</u>	<u>455,111</u>	<u>20,531,529</u>
<b>LIABILITIES</b>			
Payables	<u>20,458</u>	<u>-</u>	<u>20,458</u>
Total liabilities	<u>20,458</u>	<u>-</u>	<u>20,458</u>
<b>NET POSITION</b>			
Held in trust for pension and other post-employment benefits	<u><u>\$ 20,055,960</u></u>	<u><u>\$ 455,111</u></u>	<u><u>\$ 20,511,071</u></u>

*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, 2014**

	<b>Pension Trust Fund</b>	<b>Other Post Employment Benefits Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 938,840	\$ 319,984	\$ 1,258,824
Plan members	271,583	-	271,583
Total contributions	<u>1,210,423</u>	<u>319,984</u>	<u>1,530,407</u>
Investment earnings:			
Interest	344,959	735	345,694
Net increase in the fair value of investments	<u>2,487,522</u>	<u>-</u>	<u>2,487,522</u>
Total investment earnings	<u>2,832,481</u>	<u>735</u>	<u>2,833,216</u>
Total additions	<u>4,042,904</u>	<u>320,719</u>	<u>4,363,623</u>
<b>DEDUCTIONS</b>			
Benefit payments	985,846	203,084	1,188,930
Refunds of contributions	21,293	-	21,293
Administrative expense	<u>50,472</u>	<u>-</u>	<u>50,472</u>
Total deductions	<u>1,057,611</u>	<u>203,084</u>	<u>1,260,695</u>
Change in net position	2,985,293	117,635	3,102,928
Net position - beginning	<u>17,070,667</u>	<u>337,476</u>	<u>17,408,143</u>
Net position - ending	<u><u>\$ 20,055,960</u></u>	<u><u>\$ 455,111</u></u>	<u><u>\$ 20,511,071</u></u>

*See accompanying Independent Auditor's Report.*

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2014**

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	<u>Student Activities</u>	<u>Contractor Bonds</u>	<u>Performance Bonds</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 98,459	\$ 25,789	\$ -	\$ 124,248
Due from other funds	-	17,766	281,765	299,531
Total assets	<u>\$ 98,459</u>	<u>\$ 43,555</u>	<u>\$ 281,765</u>	<u>\$ 423,779</u>
<b>LIABILITIES</b>				
Due to student groups	\$ 98,459	\$ -	\$ -	\$ 98,459
Due to others	-	43,555	281,765	325,320
Total liabilities	<u>\$ 98,459</u>	<u>\$ 43,555</u>	<u>\$ 281,765</u>	<u>\$ 423,779</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, 2014**

	<u>Balance, July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2014</u>
<b>Student Activities Fund</b>				
Assets				
Cash and cash equivalents	\$ 95,521	\$ 198,415	\$ 195,477	\$ 98,459
Liabilities				
Due to student groups	\$ 95,521	\$ 198,415	\$ 195,477	\$ 98,459
<b>Contractor Bonds</b>				
Assets				
Cash and cash equivalents	\$ 25,757	\$ 32	\$ -	\$ 25,789
Due from other funds	17,766	-	-	17,766
Total assets	\$ 43,523	\$ 32	\$ -	\$ 43,555
Liabilities				
Due to others	\$ 43,523	\$ 32	\$ -	\$ 43,555
<b>Performance Bonds</b>				
Assets				
Due from other funds	\$ 571,568	\$ 21,080	\$ 310,883	\$ 281,765
Liabilities				
Due to others	\$ 571,568	\$ 21,080	\$ 310,883	\$ 281,765
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 121,278	\$ 198,447	\$ 195,477	\$ 124,248
Due from other funds	589,334	21,080	310,883	299,531
Total assets	\$ 710,612	\$ 219,527	\$ 506,360	\$ 423,779
Liabilities				
Due to student groups	\$ 95,521	\$ 198,415	\$ 195,477	\$ 98,459
Due to others	615,091	21,112	310,883	325,320
Total liabilities	\$ 710,612	\$ 219,527	\$ 506,360	\$ 423,779

*See accompanying Independent Auditor's Report.*

*Other  
Supplementary  
Information*

# TOWN ORGANIZATIONAL CHART

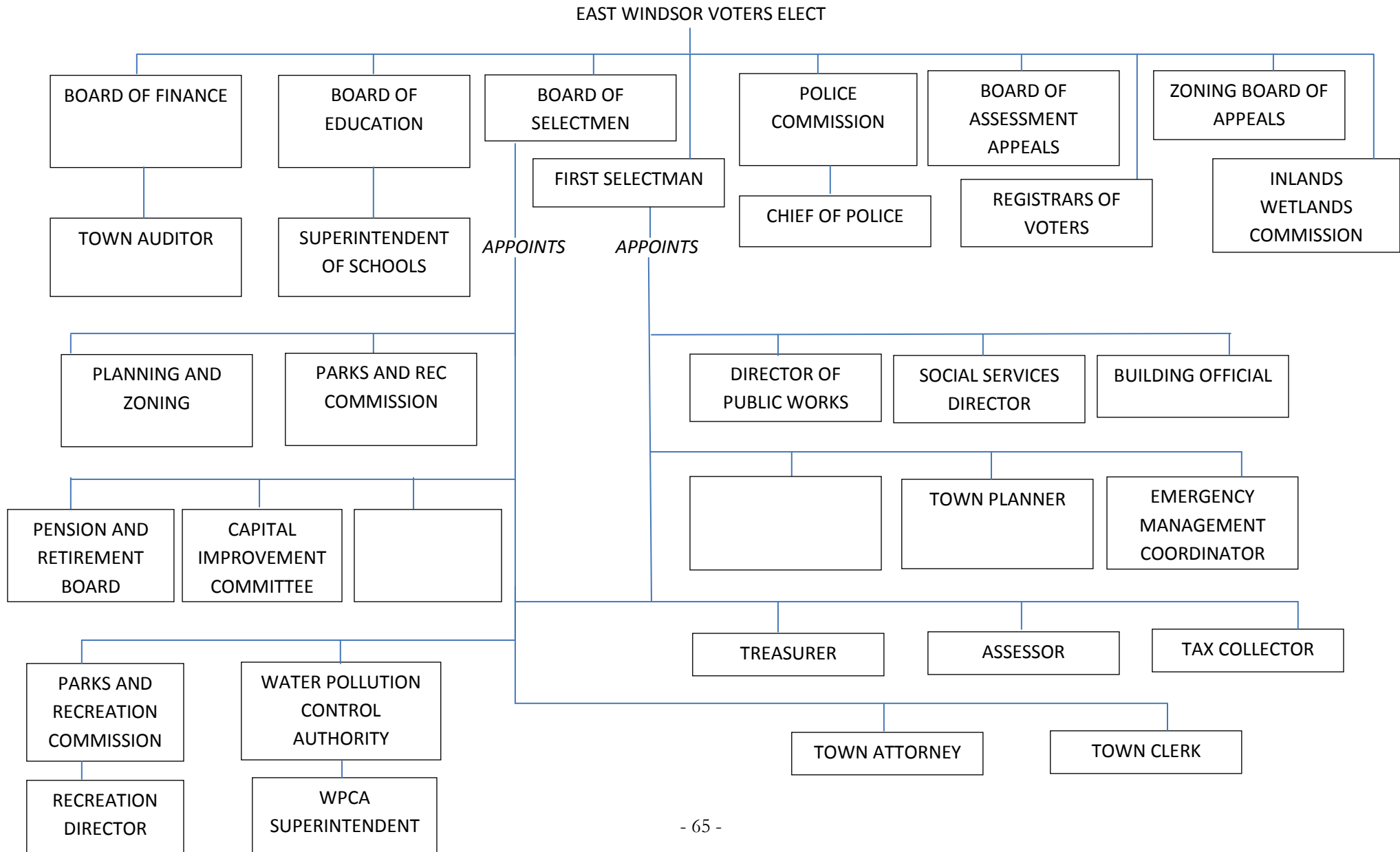


Table 2

**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 MILLS)	TOTAL ADJUSTED TAX LEVY	% COLLECTED END OF EACH FISCAL YEAR	% UNCOLLECTED END OF EACH FISCAL YEAR	% UNCOLLECTED AS OF JUNE 30, 2014
2014	2012	\$ 939,843	29.7791	\$27,238,385	97.73	2.27	2.27
2013	2011	1,091,168	24.7263	27,063,848	97.90	2.10	0.84
2012	2010	1,082,305	24.3756	26,420,690	97.60	2.40	0.59
2011	2009	1,077,999	23.9964	25,804,815	97.40	2.60	0.55
2010	2008	1,076,876	21.7488	23,167,459	97.10	2.90	0.5
2009	2007	1,062,759	20.9135	22,097,869	96.50	3.50	0.37
2008	2006	781,972	27.9113	21,980,310	97.10	2.90	0.09
2007	2005	755,775	27.8123	21,336,984	97.10	2.90	0.06

(1) 000s omitted

Source: Town Officials

Table 3

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

GRAND LIST DATED	RESIDENTIAL REAL PROPERTY PERCENT	COMMERCIAL AND INDUSTRIAL REAL PROPERTY PERCENT	LAND PERCENT	PERSONAL PROPERTY PERCENT	MOTOR VEHICLE PERCENT	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST (1)	PERCENT CHANGE
10/1/2012	51.35	29.17	0.95	8.54	9.99	966,738,367	33,830,985	932,907,382	(14.5623)
10/1/2011	56.04	27.68	1.91	6.26	8.11	1,115,602,190	23,686,724	1,091,915,466	0.8880
10/1/2010	56.37	27.13	1.99	6.96	7.55	1,103,360,504	21,055,637	1,082,304,867	0.0040
10/1/2009	55.20	27.10	2.00	7.80	7.90	1,102,391,190	24,392,108	1,077,999,082	0.0000
10/1/2008	58.70	24.80	1.90	6.8	8.0	1,094,209,660	17,332,794	1,076,876,866	1.3900
10/1/2007	58.00	24.00	1.80	7.8	8.4	1,082,941,546	20,182,498	1,062,759,048	35.9000
10/1/2006	53.90	23.90	1.60	9.8	10.8	798,412,957	16,441,044	781,971,913	3.5000
10/1/2005	53.30	24.70	1.60	9.4	11.0	771,970,875	16,195,450	755,775,425	3.9000

(1) The latest revaluation was effective October 1, 2012

Source: Town Officials

Table 4

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
**JUNE 30, 2014**  
*(Unaudited)*

OVERALL DEBT (1)					
<u>FISCAL YEAR ENDED JUNE 30</u>	<u>PER CAPITA</u>	<u>TO NET TAXABLE GRAND LIST</u>	<u>TO ESTIMATED FULL VALUE</u>	<u>TO NET EQUALIZED GRAND LIST</u>	<u>RATIO OF DEBT PER CAPITA TO PER CAPITA INCOME</u>
2014	\$ 967.29	1.09%	0.82%	0.83%	3.01%
NET DIRECT DEBT (2)					
<u>FISCAL YEAR ENDED JUNE 30</u>	<u>PER CAPITA</u>	<u>TO NET TAXABLE GRAND LIST</u>	<u>TO ESTIMATED FULL VALUE</u>	<u>TO NET EQUALIZED GRAND LIST</u>	<u>RATIO OF DEBT PER CAPITA TO PER CAPITA INCOME</u>
2014	\$ 772.49	1.09%	0.82%	0.83%	2.40%

(1) Overall Debt: \$10,796,867

(2) Net Direct Debt: \$8,091,219

*See accompanying Independent Auditor's Report*



Table 5

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**RATIOS OF DIRECT GROSS GENERAL BONDED DEBT TO ASSESSED VALUE**  
**JUNE 30, 2014**  
*(Unaudited)*

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>POPULATION*</u>	<u>ASSESSED VALUE</u>	<u>DIRECT GROSS INDEBTEDNESS</u>	<u>RATIO OF GROSS INDEBTEDNESS TO ASSESSED VALUE</u>	<u>GROSS INDEBTEDNESS PER CAPITA</u>
2014	11,162	\$ 932,907,382	\$ 10,796,867	1.16%	\$ 967.29

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

Table 6

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMPUTATION OF NET DIRECT DEBT**  
**JUNE 30, 2014**  
*(Unaudited)*

DESCRIPTION	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO TOWN	TOWN SHARE OF DEBT
Current Debt:			
General purpose	\$ 2,031,000	100%	\$ 2,031,000
Schools	4,309,000	100%	4,309,000
Sewers	4,456,867	100%	4,456,867
Total Current Indebtedness			<u>10,796,867</u>
Direct Bonded Indebtedness	5,881,867		5,881,867
Short-term direct indebtedness	4,915,000		<u>4,915,000</u>
Gross direct indebtedness			10,796,867
Exclusion: School Construction Grants Receivable			(2,171,273) *
Exclusion: USDA Grants Receivable			(534,375)
Total net direct indebtedness			<u><u>\$ 8,091,219</u></u>

\* \$280,590 for prior bonded projects and \$1,890,683 for current project based on an expected 57% reimbursement rate from the State of Connecticut Department of Education.

*See accompanying Independent Auditor's Report*

Table 7

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**TEN LARGEST PRINCIPAL TAXPAYERS**  
**2012 GRAND LIST**  
*(Unaudited)*

NAME OF TAXPAYER	NATURE OF BUSINESS	TAX PAID (1)	% NET TAXABLE GRAND LIST (2)
The Mansions at Canyon Ridge LLC	Apartments	\$ 567,293	2.10%
Mill Pond Limited Partnership	Apartments	452,604	1.67%
Blue Dog Properties Trust	Technical School	327,275	1.21%
Southern Auto Sales, Inc	Car Dealership	276,231	1.02%
Connecticut Light and Power	Utility	273,705	1.01%
East Windsor Properties Limited Partnership	Retail Shopping Center	261,354	0.97%
Freemont Prospect Hill Road LLC	Commercial buildings	243,726	0.90%
Wynwood Apartments Connecticut Ltd Ptnrs	Apartments	235,369	0.87%
STR Solar (Connecticut) LLC	Commercial Building	174,201	0.64%
Connecticut Water Company	Utility	151,752	0.56%
Totals		\$ 2,963,510	10.95%

(1) Net Taxable Grant List 10/1/2012

(2) Net Taxable Grant List 10/1/2012 Amount: \$939,843

Source: Town Officials

Table 8

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

FISCAL YEAR ENDING	PRINCIPAL PAYMENTS	INTEREST PAYMENTS	TOTAL PAYMENTS
2015	\$ 927,839	\$ 142,069	\$ 1,069,908
2016	738,735	146,761	885,496
2017	356,044	134,622	490,666
2018	362,053	122,138	484,191
2019	368,095	107,796	475,891
2020	229,170	96,121	325,291
2021	235,281	87,110	322,391
2022	236,427	77,964	314,391
2023	232,611	70,830	303,441
2024	223,834	65,576	289,410
2025	225,096	60,151	285,247
2026	41,399	56,767	98,166
2027	42,744	55,422	98,166
2028	44,133	54,033	98,166
2029	45,568	52,598	98,166
2030	47,049	51,117	98,166
2031	48,578	49,588	98,166
2032	50,157	48,009	98,166
2033	51,787	46,379	98,166
2034	53,470	44,696	98,166
2035	55,208	42,958	98,166
2036	57,002	41,164	98,166
2037	58,854	39,312	98,166
2038	60,767	37,399	98,166
2039	62,742	35,424	98,166
2040	64,781	33,385	98,166
2041	66,887	31,279	98,166
2042	69,060	29,106	98,166
2043	71,305	26,861	90,558
2044	73,622	24,544	90,558
2045	76,015	22,151	90,558
2046	78,485	19,681	90,558
2047	81,036	17,129	90,558
2048	83,669	14,496	90,558
2049	86,389	11,777	90,558
2050	89,197	8,969	90,558
2051	92,096	6,070	90,558
2052	94,682	3,079	90,558
Total	<u>\$ 5,881,867</u>	<u>\$ 2,014,531</u>	<u>\$ 7,820,725</u>

*See accompanying Independent Auditor's Report*

Table 9

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

	Fiscal Year					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenues</b>						
Property taxes	\$ 22,039,940	\$ 23,540,079	\$ 26,071,181	\$ 26,659,418	\$ 27,489,393	\$ 28,008,686
Intergovernmental	8,607,535	7,305,528	7,273,015	8,420,974	8,842,174	8,810,002
Licenses, fees, and charges for goods and services	549,003	611,299	955,800	1,006,865	487,094	538,040
Revenue from use of money	86,311	27,024	18,383	16,936	14,550	10,765
Other revenues	-	-	3,300	15,278	-	-
Total revenues	31,282,789	31,483,930	34,321,679	36,119,471	36,833,211	37,367,493
<b>Expenditures</b>						
General government	2,703,149	2,498,192	2,658,301	2,592,865	2,622,366	2,496,432
Public safety	4,400,954	4,832,390	4,752,054	4,778,687	4,870,222	5,015,420
Conservation and health	398,646	418,641	361,438	337,007	322,968	328,579
Highways	1,299,363	1,213,739	1,200,901	1,199,838	1,410,949	1,545,390
Sanitation and waste removal	731,541	722,658	797,948	820,420	812,211	814,819
Insurance and surety bonds	290,970	254,888	294,488	266,095	431,107	385,602
Culture and recreation	590,584	442,542	437,610	452,608	465,146	458,738
Education	20,760,869	19,351,289	20,522,588	21,503,161	22,517,698	23,072,375
Miscellaneous	180,163	156,077	178,702	193,223	298,099	168,961
Capital outlays	260,881	224,291	351,206	300,088	319,441	435,575
Debt service	2,029,137	1,789,548	1,647,198	1,610,903	1,396,258	1,410,318
Total expenditures	33,646,257	31,904,255	33,202,434	34,054,895	35,466,465	36,132,209
Excess of revenues over (under) expenditures	(2,363,468)	(420,325)	1,119,245	2,064,576	1,366,746	1,235,284
<b>Other Financing Sources (Uses)</b>						
Payment to refunded bond escrow agent	-	-	-	-	-	(2,757,515)
Proceeds from refunding bonds	-	-	-	-	-	2,640,000
Premium on refunding bonds	-	-	-	-	-	162,419
Transfers in	452,278	518,677	350,007			324,447
Transfers out	(292,361)	(316,702)	(419,755)	(483,884)	(610,820)	(425,765)
Total other financing sources (uses)	159,917	201,975	(69,748)	(483,884)	(610,820)	(56,414)
Net change in fund balances	(2,203,551)	(218,350)	1,049,497	1,580,692	755,926	1,178,870
Fund balance, beginning of year	5,308,263	3,104,712	2,886,362	3,935,859	5,516,556	6,272,482
Fund balance, end of year	\$ 3,104,712	\$ 2,886,362	\$ 3,935,859	\$ 5,516,551	\$ 6,272,482	\$ 7,451,352

*See accompanying Independent Auditor's Report*  
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