

TOWN OF WINDSOR LOCKS, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2010

TOWN OF WINDSOR LOCKS, CONNECTICUT

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Independent Auditors' Report

Board of Finance
Town of Windsor Locks
Windsor Locks, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Windsor Locks, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of Windsor Locks, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Windsor Locks, Connecticut, as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2010 on our consideration of the Town of Windsor Locks, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 10 and the budgetary comparison information on pages 40 through 47 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor Locks, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Blum, Shapiro & Company, P.C.

December 27, 2010

**TOWN OF WINDSOR LOCKS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Management of the Town of Windsor Locks, Connecticut (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010. Please read it in conjunction with the Town's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$68.3 million (net assets). Of this amount, \$17.5 million (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, during the year the Town's total net assets decreased by \$432,000 (0.6%) from \$68.7 million to \$68.3 million. The change in net assets is primarily attributable to decrease in property taxes, intergovernmental revenue, investment income and results from operations.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14.0 million, an increase of \$2.9 million in comparison with the prior year.
- At the end of the close of the current fiscal year, unreserved fund balance for the General Fund was \$8.2 million, or 18.4% of total General Fund expenditures and transfers out.
- The Town's bonded debt increased by \$4.9 million or 45.2% during the current fiscal year, and the Town issued \$6.3 million in bonds in October 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues, since the Town does not operate any business-type activities. The governmental activities of the Town include general government, public safety, public works, health and welfare, recreation and education.

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 three categories: governmental funds, proprietary 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 fifteen 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 balance for the General Fund, Sewer Administration Fund and Capital Project Fund, all of which are considered to be major funds. Data from the other twelve 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 Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided as required supplementary information.

Proprietary Funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its medical insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary type funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net assets from a year ago decreased from \$68.7 million to \$68.3 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

**TABLE 1
NET ASSETS
In Thousands**

	Governmental Activities	
	2010	2009
Current and other assets	\$ 20,654	\$ 25,052
Capital assets, net of accumulated depreciation	67,830	66,359
Total assets	<u>88,484</u>	<u>91,411</u>
Long-term debt outstanding	18,570	13,434
Other liabilities	1,616	9,247
Total liabilities	<u>20,186</u>	<u>22,681</u>
Net Assets:		
Invested in capital assets, net of related debt	50,797	46,763
Restricted	4	4
Unrestricted	<u>17,497</u>	<u>21,963</u>
Total Net Assets	<u>\$ 68,298</u>	<u>\$ 68,730</u>

Net assets of the Town's governmental activities decreased by 0.63%. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$21.9 million at June 30, 2009 to \$17.5 million at the end of this year.

TABLE 2
CHANGE IN NET ASSETS
In Thousands

	Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services:	\$ 3,541	\$ 3,700
Operating grants and contributions	10,665	9,605
Capital grants and contributions	850	
General revenues:		
Property taxes	28,124	28,170
Grants and contributions not restricted to specific purposes	5,496	6,726
Investment income	241	572
Miscellaneous	99	103
Total revenues	49,016	48,876
Expenses:		
General government	2,196	1,892
Public safety	4,776	4,741
Public works	5,620	5,101
Health and welfare	463	453
Recreation	1,103	1,114
Education	34,714	32,943
Interest on long-term debt	576	579
Total program expenses	49,448	46,823
Increase (Decrease) in Net Assets	\$ (432)	\$ 2,053

The Town's total revenues were \$48.0 million. The total cost of all programs and services was \$48.4 million. Our analysis below considers the operations of governmental activities.

Governmental Activities

Approximately 57.4% of the revenues were derived from property taxes, followed by 21.8% from operating grants and contributions, 12.9% from other grants and 7.2% from charges for services. The remaining 0.7% was derived from investment earnings and miscellaneous revenue.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2010 totaled \$28.12 million a decrease of \$46,000. The Town performed a re-evaluation of property. The Town's mil rate decreased from 23.57 to 21.65 or 8.1%. There was an increase in the total assessed value of taxable property of 9.3%.
- Charges for services decreased by \$159 thousand.
- The State Teacher's Retirement fund contribution was increased by \$32 thousand from the prior year contribution.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. However, there were a couple of exceptions noted below.

- Conservative efforts by general government, public safety and public works added to assist in mitigating economics factors and reduction in state funding.
- Property and liability insurance and workmen's compensation were combined under one vendor. There was an increase in this coverage of 15.4%. Medical insurance increased by 10.6%.
- The net cost of education services increased due to negotiated wage settlements, employee health insurance cost increases, special education cost and rising school enrollment.
- OPEB obligation for the Town and Board of Education was funded according to an actuarial study at ARC less pay as you go, expensed in a Trust Fund set up for this obligation at \$374,536.

Table 3 presents the cost of each of the Town's largest programs - general government, public safety, public works, health and welfare, recreation and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES
In Thousands**

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
General government	\$ 2,196	\$ 1,892	\$ 912	\$ 798
Public safety	4,776	4,741	4,471	4,478
Public works	5,620	5,101	2,946	2,735
Health and welfare	463	453	355	325
Recreation	1,103	1,114	171	528
Education	34,714	32,943	25,016	24,137
Interest	576	579	521	518
Totals	\$ 49,448	\$ 46,823	\$ 34,392	\$ 33,519

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$14 million, which is an increase from last year's total of \$11 million. Approximately 97.5% of this total amount constitutes unreserved fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been obligated for permanently restricted endowments inventory and encumbrances (\$350 thousand).

General Fund Budgetary Highlights

The General Fund is the operating fund of the Town. At the end of the current fiscal year, total fund balance and unreserved fund balance of the General Fund was \$8.4 million and \$8.2 million, respectively.

There is no designated use of fund balance for next year's budget, while unreserved and undesignated fund balance was \$8.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Total fund balance represents 20% of total General Fund expenditures and other financing.

The fund balance of the Town's General Fund decreased by \$1.1 million during the current fiscal year. The key factor in this decline was from a larger volume of lawful tax deductions driven by the economic downturn, a decrease in the budgeted motor vehicle supplemental list by \$370 thousand, and midyear state grant reduction.

Sewer Administration Fund

The fund balance increased by approximately \$24 thousand. A transfer to the General Fund of \$103 thousand was for debt service.

Capital Projects Fund

This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. Appropriations are made annually by the Board of Finance and citizen referendum pursuant to the Town Charter. Expenditures for capital projects and equipment for 2009-10 were \$4.3 million.

The Town is continuing renovations and upgrade projects for Town Hall and has an established building committee to analyze a feasibility study for expansion associated with the Town’s safety complex.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the Town had invested in a broad range of capital assets, including land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, furniture and fixtures and infrastructure (roads, sewer lines, sidewalks) on a gross basis of \$102 million and \$67.8 million net of accumulated depreciation.

**TABLE 4
CAPITAL ASSETS (Net of Depreciation)
In Thousands**

	Governmental Activities	
	2010	2009
Land	\$ 3,694	\$ 1,580
Construction in progress	2,786	3,979
Land improvements	1,099	917
Buildings	8,318	8,247
Building improvements	27,578	27,619
Machinery and equipment	6,422	5,799
Vehicles	1,797	1,978
Furniture and fixtures	77	180
Infrastructure	16,059	16,060
Totals	<u>\$ 67,830</u>	<u>\$ 66,359</u>

This year's major additions included:

- Completion of a new Animal Control Facility \$277,663.
- Town Hall elevator, ADA compliant bathroom and accessible doors \$690,959.
- South Street School Boundless playground \$138,691.
- Acquisition of conservation rights for Ct. Water Company Land \$2,114,050.
- Board of Education technology acquisitions \$648,485.

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2010, the Town had bonded debt outstanding of \$15.9 million. All of this debt comprises debt backed by the full faith and credit of the Town.

The Town's total debt increased by a net of \$4.9 million (45.2%). The Town was recalibrated to a "Aa1" rating from Moody's Investors Service and an "AA" rating by Standard and Poor's for general obligation debt. The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$195.2 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the Town is currently 8.7%, which is an increase from a rate of 6.4% a year ago. This compares unfavorably to the State's average unemployment rate of 9%. Recessionary trends are consistent with national indices.

All of these factors were considered in preparing the Town's budget for the 2011 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund decreased by \$971 thousand.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 50 Church Street, Windsor Locks, Connecticut 06096-2348.

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Governmental Activities
	<u> </u>
Assets:	
Cash and cash equivalents	\$ 9,537,551
Investments	7,477,964
Receivables, net	3,628,569
Inventories	8,767
Other assets	973
Capital assets:	
Assets not being depreciated	6,479,771
Assets being depreciated, net	61,350,476
Total assets	<u>88,484,071</u>
Liabilities:	
Accounts and other payables	1,398,526
Unearned revenue	217,462
Noncurrent liabilities:	
Due within one year	1,994,068
Due in more than one year	16,576,427
Total liabilities	<u>20,186,483</u>
Net Assets:	
Invested in capital assets, net of related debt	50,796,857
Restricted for trust purposes:	
Nonexpendable	3,835
Unrestricted	17,496,896
Total Net Assets	<u>\$ 68,297,588</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 2,196,730	\$ 340,400	\$ 943,234	\$	\$ (913,096)
Public safety	4,775,917	233,526	71,648		(4,470,743)
Public works	5,619,681	1,878,123	447,351	348,428	(2,945,779)
Health and welfare	462,873	72,248	36,099		(354,526)
Recreation	1,103,230	442,536		490,000	(170,694)
Education	34,713,772	574,623	9,111,860	11,250	(25,016,039)
Interest on long-term debt	576,142		54,988		(521,154)
Total Governmental Activities	\$ 49,448,345	\$ 3,541,456	\$ 10,665,180	\$ 849,678	(34,392,031)
General revenues:					
Property taxes					28,123,883
Grants and contributions not restricted to specific programs					5,496,267
Unrestricted investment earnings					241,140
Miscellaneous					98,629
Total general revenues					33,959,919
Change in net assets					(432,112)
Net Assets at Beginning of Year					68,729,700
Net Assets at End of Year					\$ 68,297,588

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010

	<u>General</u>	<u>Sewer Administration</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 2,485,764	\$ 646,203	\$ 3,266,348	\$ 985,483	\$ 7,383,798
Investments	6,265,939	1,208,190		3,835	7,477,964
Receivables, net	2,815,616	190,127		108,665	3,114,408
Due from other funds	369,807		98,477	15,067	483,351
Inventories				8,767	8,767
Other assets	973				973
Total Assets	<u>\$ 11,938,099</u>	<u>\$ 2,044,520</u>	<u>\$ 3,364,825</u>	<u>\$ 1,121,817</u>	<u>\$ 18,469,261</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 652,583	\$ 23,490		\$ 163,626	\$ 839,699
Due to other funds	113,544	38,410		331,397	483,351
Deferred revenue	2,777,743	186,391	4,691	141,081	3,109,906
Total liabilities	<u>3,543,870</u>	<u>248,291</u>	<u>4,691</u>	<u>636,104</u>	<u>4,432,956</u>
Fund balances:					
Reserved	199,758	138,279		11,767	349,804
Unreserved, reported in:					
General Fund	8,194,471				8,194,471
Special Revenue Funds		1,657,950		473,111	2,131,061
Capital Project Funds			3,360,134		3,360,134
Permanent Funds				835	835
Total fund balances	<u>8,394,229</u>	<u>1,796,229</u>	<u>3,360,134</u>	<u>485,713</u>	<u>14,036,305</u>
Total Liabilities and Fund Balances	<u>\$ 11,938,099</u>	<u>\$ 2,044,520</u>	<u>\$ 3,364,825</u>	<u>\$ 1,121,817</u>	<u>\$ 18,469,261</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I)
are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 14,036,305
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 101,718,892	
Less accumulated depreciation	<u>(33,888,645)</u>	
Net capital assets		67,830,247

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not recorded in the funds:

Property tax receivables greater than 60 days	810,478
Interest and lien receivable on property taxes	388,904
Assessments receivable	186,391
Interest and lien receivable on assessments	77,452
Receivable from the state for school construction projects	1,895,575

Internal service funds are used by management to charge the costs of
risk management to individual funds. The assets and liabilities of
the internal service funds are reported with governmental activities
in the statement of net assets.

1,821,858

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(17,018,240)
Interest payable on bonds and notes	(179,127)
Compensated absences	(864,717)
Capital leases	(87,773)
OPEB obligation	(499,736)
Heart and hypertension	(172,652)
Deferred charges on refunding	<u>72,623</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 68,297,588</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General</u>	<u>Sewer Administration</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 28,071,629	\$	\$	\$	\$ 28,071,629
Intergovernmental	14,162,353	46,458	490,000	2,202,660	16,901,471
Charges for services	855,404	1,597,337		1,100,420	3,553,161
Contributions				103,684	103,684
Income on investments	192,504	32,372	12,514	181	237,571
Other revenues	98,536	95			98,631
Total revenues	<u>43,380,426</u>	<u>1,676,262</u>	<u>502,514</u>	<u>3,406,945</u>	<u>48,966,147</u>
Expenditures:					
Current:					
General government	1,722,016			47,292	1,769,308
Public safety	3,796,536			246,897	4,043,433
Public works	2,399,688	1,508,678		470,471	4,378,837
Health and welfare	359,859			82,025	441,884
Recreation	758,148			279,708	1,037,856
Employee benefits and insurance	2,760,659				2,760,659
Education	29,433,589			2,254,134	31,687,723
Capital outlay			4,305,313		4,305,313
Debt service	2,007,638				2,007,638
Total expenditures	<u>43,238,133</u>	<u>1,508,678</u>	<u>4,305,313</u>	<u>3,380,527</u>	<u>52,432,651</u>
Excess (Deficiency) of Revenues over Expenditures	<u>142,293</u>	<u>167,584</u>	<u>(3,802,799)</u>	<u>26,418</u>	<u>(3,466,504)</u>
Other Financing Sources (Uses):					
Issuance of bonds			6,335,000		6,335,000
Transfers in	130,643		1,404,325		1,534,968
Transfers out	(1,390,994)	(143,870)		(104)	(1,534,968)
Total other financing sources (uses)	<u>(1,260,351)</u>	<u>(143,870)</u>	<u>7,739,325</u>	<u>(104)</u>	<u>6,335,000</u>
Net Change in Fund Balances	(1,118,058)	23,714	3,936,526	26,314	2,868,496
Fund Balances at Beginning of Year	<u>9,512,287</u>	<u>1,772,515</u>	<u>(576,392)</u>	<u>459,399</u>	<u>11,167,809</u>
Fund Balances at End of Year	<u>\$ 8,394,229</u>	<u>\$ 1,796,229</u>	<u>\$ 3,360,134</u>	<u>\$ 485,713</u>	<u>\$ 14,036,305</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,868,496
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	3,607,845
Depreciation expense	(2,133,630)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net assets differs from the change in fund balance by the cost of the assets sold.	(3,388)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(272,880)
Property tax receivable - accrual basis change	58,391
Property tax interest and lien receivable - accrual basis change	(6,137)
Sewer assessment receivable - accrual basis change	(13,911)
Sewer assessment interest and lien receivable - accrual change	2,206

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments	1,455,444
Bond issuance proceeds	(6,335,000)
Capital lease payments	60,232

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(13,173)
OPEB obligation	(233,829)
Accrued interest	(66,337)
Amortization of deferred charge on refunding	(17,843)
Heart and hypertension claims	(52,652)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

664,054

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u><u>(432,112)</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
JUNE 30, 2010

	Governmental Activities <hr style="border: 0.5px solid black;"/> Internal Service Fund <hr style="border: 0.5px solid black;"/>
Assets:	
Current:	
Cash and cash equivalents	\$ 2,153,753
Accounts receivable	47,805
	<hr style="border: 0.5px solid black;"/>
Total assets	2,201,558
	<hr style="border: 0.5px solid black;"/>
Liabilities:	
Claims payable	379,700
	<hr style="border: 0.5px solid black;"/>
Net Assets:	
Unrestricted	\$ 1,821,858
	<hr style="border: 1px solid black;"/>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2010

	Governmental Activities <hr style="border: 0.5px solid black;"/> Internal Service Fund <hr style="border: 0.5px solid black;"/>
Operating Revenues:	
Premiums	\$ <u>6,115,141</u>
Operating Expenses:	
Claims	4,731,597
Administration	<u>723,069</u>
Total operating expenses	<u>5,454,666</u>
Operating Income	660,475
Nonoperating Revenue:	
Income on investments	<u>3,579</u>
Change in Net Assets	664,054
Net Assets at Beginning of Year	<u>1,157,804</u>
Net Assets at End of Year	\$ <u><u>1,821,858</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 6,279,657
Cash payments to providers of benefits and administration	<u>(5,455,177)</u>
Net cash provided by operating activities	<u>824,480</u>
Cash Flows from Investing Activities:	
Income on investments	<u>3,579</u>
Net Increase in Cash and Cash Equivalents	828,059
Cash and Cash Equivalents at Beginning of Year	<u>1,325,694</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,153,753</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 660,475
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in claims payable	(511)
Decrease in accounts receivable	<u>164,516</u>
Net Cash Provided by Operating Activities	<u><u>\$ 824,480</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2010

	<u>OPEB Trust Fund</u>	<u>Student Activity Fund</u>
Assets:		
Cash and cash equivalents	\$	\$ <u>261,338</u>
Investments	731,276	
Liabilities:		
Accounts and other payables	<u> </u>	\$ <u>261,338</u>
Net Assets:		
Held in Trust for OPEB Benefits	\$ <u>731,276</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS - OPEB TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 374,935
Investment loss:	
Net depreciation in fair value of investments	<u>(18,594)</u>
Net Increase	356,341
Net Assets Held in Trust for OPEB Benefits at Beginning of Year	<u>374,935</u>
Net Assets Held in Trust for OPEB Benefits at End of Year	<u><u>\$ 731,276</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Windsor Locks, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town of Windsor Locks was incorporated in 1854, under the General Statutes of the State of Connecticut. The Town adopted a Town Charter effective January 5, 1981, which was revised on December 2, 1993. The form of government includes a Board of Selectmen consisting of a First Selectman, who is the chief administrative and executive official of the Town, and two other members. The Board of Selectmen and the Town Meeting have the legislative power of the Town, and may enact ordinances consistent with the General Statutes of the State of Connecticut and specific provisions of the Town Charter. The Board of Education, which is not a separate legal entity, is responsible for the operation of the public school system.

Additionally, the Charter includes a Board of Finance and a Treasurer. The Board of Finance is responsible for presenting fiscal operating budgets for Town approval. The Treasurer receives all money belonging to the Town and makes expenditures based upon the appropriate authority.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Agency funds do not have a measurement focus but are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The Sewer Administration Fund accounts for sewer services provided to certain residents of the Town.

The Capital Projects Fund accounts for the financial revenues to be used for major capital asset construction and/or purchases.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for risk financing activities for medical insurance benefits as allowed by GASB Statement No. 10.

The OPEB Trust Fund accounts for the activities of the Windsor Locks other postemployment benefits for town retirees and their beneficiaries.

The Agency Fund is used to account for monies held on behalf of students.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to customers for medical insurance benefits. Operating expenses

for the internal service fund include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value.

E. 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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." An amount of \$277,000 has been established as an allowance for uncollectible taxes. At June 30, 2010, this represents 23% of all property taxes receivable.

In the fund financial statements, all property taxes receivable at June 30, 2010, which have not been collected within 60 days of June 30, have been recorded as deferred revenue since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. Payments not received within one month after the due date become delinquent, with interest charged at 1-1/2% per month.

F. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	75
Building improvements	75
Land improvements	20
Roads	25-50
Sidewalks	25
Sewer plant	50
Sewer lines	70
Storm drains	70
Vehicles	8
Office equipment	5-10

G. Compensated Absences

Employees are paid by prescribed formula for absence due to vacation or sickness. For certain Town employees and Board of Education employees, vacation time and sick time may be accumulated and paid upon death or retirement, up to certain limits.

H. Long-Term Obligations

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

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

I. Fund Equity/Fund Balances

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

A summary of reserved fund balances at June 30, 2010 is presented below:

Major Governmental Funds:	
General Fund:	
Reserved for encumbrances	\$ 199,758
Sewer Administration:	
Reserved for capital improvements	138,279
Nonmajor Governmental Funds:	
Reserved for inventory	8,767
Reserved for endowments	<u>3,000</u>
 Total	 \$ <u><u>349,804</u></u>

J. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. On or before February 1 of each year, each officer and the head of each office, board or commission supported wholly or in part from Town funds, files a detailed estimate of the expenditures to be made and revenues to be collected in the ensuing year with the Board of Finance.

The Board of Finance then prepares a proposed general Town budget and tax mill rate, holds a public hearing and presents the budget to the annual Town budget meeting, at which time it is legally adopted.

Funds for any additional appropriations less than \$10,000 or any emergency appropriations shall be drawn as directed by the Board of Finance from any available fund balance, an approved contingency fund or funds received or to be received from State, Federal or other sources.

Additional appropriations in excess of \$10,000 (except for emergency situations) require Town Meeting approval. Appropriations for capital expenditures in excess of \$200,000, to be funded by borrowing, require a referendum.

Additional appropriations of \$23,446 were made during the year.

Formal budgetary integration is employed as a management control device during the year.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

The Board of Education, which is not a separate legal entity but a department of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Meeting approval (in excess of \$10,000 in the aggregate for the year).

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 in the current year. Generally, all

unencumbered 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.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. 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 do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$4,374,097 of the Town’s bank balance of \$12,536,159, of which \$7,477,964 were certificates of deposit, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,913,175
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>460,922</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 4,374,097</u></u>

Cash Equivalents

At June 30, 2010, the Town's cash equivalents amounted to \$6,016,836. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Money Market Funds*	

*Not rated

Investments

As of June 30, 2010, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of deposit	*	\$ 7,477,964	\$ -	\$ 7,477,964	\$ -
Other investments:					
Mutual funds	n/a	<u>731,276</u>			
Total Investments		<u>\$ 8,209,240</u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk - The Town limits their maximum final stated maturities to five years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further its investment choices.

Concentration of Credit Risk - At the time of acquisition, no more than 10% of the overall portfolio may be invested in deposits with a single bank, unless the deposits are fully-insured or fully-collateralized, or in repurchase agreements for a period longer than two days conducted through a single dealer.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), 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. At June 30, 2010, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Administration</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,184,789	\$	\$	\$ 1,184,789
Accounts	12,252	3,736	75,119	91,107
Special assessments		190,891		190,891
Intergovernmental	<u>1,895,575</u>		<u>81,351</u>	<u>1,976,926</u>
Gross receivables	<u>3,092,616</u>	<u>194,627</u>	<u>156,470</u>	<u>3,443,713</u>
Less allowance for uncollectibles	<u>(277,000)</u>	<u>(4,500)</u>		<u>(281,500)</u>
Net Total Receivables	<u>\$ 2,815,616</u>	<u>\$ 190,127</u>	<u>\$ 156,470</u>	<u>\$ 3,162,213</u>

Note: Above does not include accrued interest and liens on property taxes of \$388,904 and sewer use charges of \$77,452.

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 810,478	\$
Special assessments	186,391	
Property taxes collected in advance		23,895
Grant drawdowns prior to meeting all eligibility requirements		145,772
School building grants	1,895,575	
Premium on bond anticipation notes		<u>47,795</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 2,892,444</u>	<u>\$ 217,462</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,580,197	\$ 2,104,050	\$ 10,000	\$	\$ 3,694,247
Construction in progress	<u>3,979,066</u>	<u>(4,087,143)</u>	<u>2,893,601</u>	<u></u>	<u>2,785,524</u>
Total capital assets not being depreciated	<u>5,559,263</u>	<u>(1,983,093)</u>	<u>2,903,601</u>	<u>-</u>	<u>6,479,771</u>
Capital assets being depreciated:					
Buildings	14,472,651	277,663			14,750,314
Building improvements	32,795,699	340,831	324,049		33,460,579
Land improvements	1,461,903	181,240	29,769		1,672,912
Machinery and equipment	10,890,617	1,201,600	52,104		12,144,321
Vehicles	4,018,136	45,073	1,600	(88,341)	3,976,468
Furniture and fixtures	295,578	(217,125)	17,872		96,325
Infrastructure	<u>28,705,541</u>	<u>153,811</u>	<u>278,850</u>	<u></u>	<u>29,138,202</u>
Total capital assets being depreciated	<u>92,640,125</u>	<u>1,983,093</u>	<u>704,244</u>	<u>(88,341)</u>	<u>95,239,121</u>
Less accumulated depreciation for:					
Buildings	(6,225,851)		(206,886)		(6,432,737)
Building improvements	(5,177,058)		(705,210)		(5,882,268)
Land improvements	(545,314)		(28,867)		(574,181)
Machinery and equipment	(5,091,630)	(97,881)	(533,289)		(5,722,800)
Vehicles	(2,039,094)		(223,974)	84,953	(2,178,115)
Furniture and fixtures	(115,921)	97,881	(1,301)		(19,341)
Infrastructure	<u>(12,645,100)</u>	<u></u>	<u>(434,103)</u>	<u></u>	<u>(13,079,203)</u>
Total accumulated depreciation	<u>(31,839,968)</u>	<u>-</u>	<u>(2,133,630)</u>	<u>84,953</u>	<u>(33,888,645)</u>
Total capital assets being depreciated, net	<u>60,800,157</u>	<u>1,983,093</u>	<u>(1,429,386)</u>	<u>(3,388)</u>	<u>61,350,476</u>
Governmental Activities Capital Assets, Net	<u>\$ 66,359,420</u>	<u>\$ -</u>	<u>\$ 1,474,215</u>	<u>\$ (3,388)</u>	<u>\$ 67,830,247</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 163,542
Public safety	205,894
Public works	909,332
Recreation	40,472
Education	<u>814,390</u>
Total	<u>\$ 2,133,630</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Administration Fund	\$ 38,410
	Nonmajor Governmental Funds	<u>331,397</u>
		<u>369,807</u>
Capital Projects	General Fund	<u>98,477</u>
Nonmajor Governmental Funds	General Fund	<u>15,067</u>
		<u>\$ 483,351</u>

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances.

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Projects</u>	
Transfers out:			
General Fund	\$	\$ 1,390,994	\$ 1,390,994
Sewer Administration Fund	130,539	13,331	143,870
Nonmajor Governmental	<u>104</u>		<u>104</u>
Total Transfers In	<u>\$ 130,643</u>	<u>\$ 1,404,325</u>	<u>\$ 1,534,968</u>

All transfers represent routine transactions that occur annually to move resources from one fund to another.

7. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and serial notes payable:					
General obligation bonds	\$ 10,965,000	\$ 6,335,000	\$ 1,375,000	\$ 15,925,000	\$ 1,755,000
Clean water notes	1,173,684		80,444	1,093,240	82,067
Total	<u>12,138,684</u>	<u>6,335,000</u>	<u>1,455,444</u>	<u>17,018,240</u>	<u>1,837,067</u>
Less deferred amounts on refunded bonds	<u>(90,466)</u>		<u>(17,843)</u>	<u>(72,623)</u>	
Total bonds and notes payable	12,048,218	6,335,000	1,437,601	16,945,617	1,837,067
Capital leases	148,005		60,232	87,773	62,920
OPEB obligation	265,907	233,829		499,736	
Compensated absences	851,544	40,665	27,492	864,717	34,081
Heart and hypertension claims	<u>120,000</u>	<u>52,652</u>		<u>172,652</u>	<u>60,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,433,674</u>	<u>\$ 6,662,146</u>	<u>\$ 1,525,325</u>	<u>\$ 18,570,495</u>	<u>\$ 1,994,068</u>

The following is a summary of bond and note issues at June 30, 2010:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2010</u>
Bonds/notes:					
Town:					
New issue	11/1/2009	8/1/2024	2.0-4.0	\$ 5,518,350	\$ 5,518,350
Schools:					
Refunding bond	3/1/2005	9/15/2018	3.0-5.0	10,705,000	6,740,000
Refunding bond	3/15/2003	3/15/2016	2.125-4.0	6,630,000	2,850,000
New issue	11/1/2009	8/1/2024	2.0-4.0	816,650	816,650
Sewer:					
Clean water loan	5/31/2003	5/31/2022	2.0	1,715,669	<u>1,093,240</u>
					<u>\$ 17,018,240</u>

All long-term liabilities are generally liquidated by the General Fund except for sewer notes, which are liquidated by the Sewer Administration Fund.

The following is a summary of long-term debt principal and interest maturities:

Year Ending June 30,	Bonds		Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,755,000	\$ 525,353	\$ 82,067	\$ 21,115	\$ 1,837,067	\$ 546,468
2012	1,740,000	470,267	83,724	19,459	1,823,724	489,726
2013	1,715,000	415,999	85,414	17,769	1,800,414	433,768
2014	1,695,000	360,584	87,138	16,045	1,782,138	376,629
2015	1,685,000	300,515	88,897	14,286	1,773,897	314,801
2016-2020	5,210,000	743,433	472,134	43,780	5,682,134	787,213
2021-2025	2,125,000	202,619	193,866	3,901	2,318,866	206,520
Total	\$ 15,925,000	\$ 3,018,770	\$ 1,093,240	\$ 136,355	\$ 17,018,240	\$ 3,155,125

General Obligation Bonds - New Issue

On October 22, 2009, the Town issued \$6,335,000 in general obligation bonds with interest rates ranging from 2-4% payable in annual installments of \$400,000 on August 1, 2010, \$410,000 on August 1, 2011, and \$425,000 in each of the years 2012-2024. The bonds mature on August 1, 2024.

Bond Anticipation Notes

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2010:

Capital Projects

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
2-5-09	11-4-09	1.50	\$ 7,400,000	\$ -	\$ 7,400,000	\$ -

As of June 30, 2010, the Town had authorized unissued bonds of \$4,925,000 available to fund capital projects.

Debt Limit

The Town's indebtedness does not exceed the legal debt limitations as established by Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limitation	Indebtedness	Balance
General purpose	\$ 62,736,793	\$ 3,205,000	\$ 59,531,793
Schools	125,473,586	15,749,425	109,724,161
Sewers	104,561,321	1,093,240	103,468,081
Urban renewal	90,619,812		90,619,812
Pension deficit	83,649,057		83,649,057

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$195.2 million.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,895,575 for bond principal are reflected as deductions in the computation of net indebtedness.

Capital Leases

The Town has entered into capital lease agreements for the purchase of a catch-basin vacuum truck and a dump truck.

The assets acquired through capital leases are as follows:

	<u>Amount</u>
Asset:	
Equipment	\$ 271,944
Less accumulated depreciation	<u>42,471</u>
 Total	 \$ <u><u>229,473</u></u>

The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the minimum lease payments as of June 30, 2010:

<u>Year Ending June 30</u>	<u>Amount</u>
2011	\$ 66,839
2012	<u>25,964</u>
Total minimum lease payments	92,803
Less amount representing interest	<u>(5,030)</u>
 Present Value of Future Minimum Lease Payment	 \$ <u><u>87,773</u></u>

8. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; public official liabilities; police liability; heart and hypertension claims; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town purchases commercial insurance for all risks of loss except medical insurance. The Town established an internal service fund, the medical insurance fund, to account for and finance the retained risk of loss for the Town’s medical benefits claims.

A third party administers the medical insurance plan for which the Town pays a fee. The medical insurance fund provides coverage for most Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$100,000. During the year, deductibles paid by the Town were insignificant. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from amounts held in the prior year.

The medical insurance fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported is based on the requirements of GASB Statements No. 10 and 30, which require a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability is as follows:

Medical Insurance Fund	Balance July 1	Current Year Claims And Changes In Estimates	Claims Payments	Balance June 30
2008-2009	\$ 367,157	\$ 4,355,259	\$ 4,342,205	\$ 380,211
2009-2010	380,211	4,731,086	4,731,597	379,700

The Town has Traveler's Insurance Company for workers compensation coverage. The premium is subject to payroll audit at the close of the coverage period. Traveler's retains \$1,000,000 per occurrence. To limit liability, the Town has additional umbrella coverage provided by American Alternative Insurance Company in the amount of \$10,000,000 per occurrence.

9. PENSION PLANS

Municipal Employees' Retirement Fund

A. Plan Description

Town employees, excluding teachers, participate in the Municipal Employees' Retirement System (MERS). MERS is a cost sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All benefits vest after 10 years of continuous service. Members who retire after age 55 with 10 years of continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

B. Funding Policy

Covered employees are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan.

The required and actual contributions for the years ended June 30, 2008, 2009 and 2010 were \$409,809, \$423,637 and \$464,813, respectively.

Teachers' Retirement Plan

All Town teachers participate in the State of Connecticut Teachers' Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$13,393,955.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2010, the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$2,071,971 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pension.

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

10. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

A. Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

B. Plan Description

The RHP is a single-employer defined benefit healthcare plan administered by the Town of Windsor Locks. The RHP provides medical benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

At July 1, 2009, plan membership consisted of the following:

	Retiree Health Plan
Retired members and their spouses	43
Active plan members	303
Total Participants	346

C. Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

The cost per month for Town employees receiving coverage is \$604 per month for retiree only coverage and \$1,257 per month for retiree and spouse coverage.

Board of Education Employees

The cost per month for Board of Education employees receiving coverage is \$596 per month for retiree only coverage and \$1,242 per month for retiree and spouse coverage.

For the year ended June 30, 2010, plan members contributed \$394,332, and claims and benefits paid were \$393,933. Employer contributions to the OPEB Trust Fund were \$374,935. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits. In the current year, premiums paid by retirees exceeded costs by \$399.

D. Annual OPEB Cost and Net OPEB Obligations

The Town’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 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:

	Retiree Health Plan
Annual required contribution (ARC)	\$ 609,360
Interest on net OPEB obligation	19,943
Adjustment to annual required contribution	<u>(20,938)</u>
Annual OPEB cost	608,365
Contributions made	<u>374,536</u>
Increase in net OPEB obligation	233,829
Net OPEB obligation, beginning of year	<u>265,907</u>
Net OPEB Obligation, End of Year	<u><u>\$ 499,736</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2010 is presented below. Data is only presented beginning with fiscal year ended June 30, 2009, due to this being the year of transition.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/09	\$ 597,850	\$ 331,943	55.52 %	\$ 265,907
6/30/10	608,365	374,536	61.56	499,736

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 597,850	\$ 331,943	55.52 %	\$ 265,907
6/30/10	609,360	374,536	61.46	499,736

Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2007	\$ -	\$ 5,248,420	\$ 5,248,420	- %	\$ 23,806,952	22 %
7/1/2009	374,934	4,105,823	3,730,889	9	24,096,139	15

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into 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 employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% to an ultimate rate of 5% for 2014 and later. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at July 1, 2009 was 30 years.

11. CONTINGENT LIABILITIES

The Town is a defendant in various lawsuits. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Property Taxes:				
Current taxes	\$ 26,265,591	\$ 26,265,591	\$ 26,014,735	\$ (250,856)
Supplemental taxes	1,400,000	1,400,000	1,029,851	(370,149)
Prior year taxes	250,000	250,000	500,939	250,939
Interest and lien fees	150,000	150,000	334,351	184,351
Telephone access line	74,859	74,859	57,128	(17,731)
Housing authority in lieu of tax	30,000	30,000	34,625	4,625
Tax abatement	100,000	100,000	100,000	-
Total property taxes	<u>28,270,450</u>	<u>28,270,450</u>	<u>28,071,629</u>	<u>(198,821)</u>
Intergovernmental:				
General government:				
Elderly property tax relief	5,300	5,300	5,480	180
In lieu of tax, State Property	3,174,147	3,174,147	3,179,519	5,372
P.A. 436 PILOT on boats	6,390	6,390	3,275	(3,115)
Elderly circuit breaker	110,000	110,000	133,267	23,267
Totally Disabled Grants	300	300	281	(19)
Capital improvement program	207,422	207,422	207,422	-
Veterans' Exemptions	11,000	11,000	10,866	(134)
Office of Emergency Management	3,870	3,870	3,400	(470)
Off Track Betting/Teletheater	650,000	650,000	671,099	21,099
PILOT - Manufacturing Equipment	1,102,441	1,102,441	795,090	(307,351)
Mashantucket Pequot/Mohegan Grant	454,611	454,611	437,808	(16,803)
Manufacturing and equipment phase-in	1,534,806	1,534,806	930,962	(603,844)
Senior Center Transportation Grant	14,188	14,188	14,935	747
Youth Services	14,000	14,000	14,000	-
Public Works Grants	1	1		(1)
Police Grants	1	1		(1)
Various Grants	1	1	30,946	30,945
Total general government	<u>7,288,478</u>	<u>7,288,478</u>	<u>6,438,350</u>	<u>(850,128)</u>
Education:				
Educational Cost Sharing	4,652,368	4,652,368	3,962,652	(689,716)
School Building Grants	327,869	327,869	327,869	-
School Transportation	127,849	127,849	83,345	(44,504)
Education of the Blind	2,850	2,850		(2,850)
ARRA Stabilization			663,730	663,730
Special Education	1	1	94,449	94,448
Total education	<u>5,110,937</u>	<u>5,110,937</u>	<u>5,132,045</u>	<u>21,108</u>
Total intergovernmental	<u>12,399,415</u>	<u>12,399,415</u>	<u>11,570,395</u>	<u>(829,020)</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
Charges for Services:				
Conveyance tax	\$ 85,000	\$ 85,000	\$ 108,720	\$ 23,720
Town Clerk's Office	80,000	80,000	83,431	3,431
Building permits	200,000	200,000	282,873	82,873
Zoning Board of Appeals	1,500	1,500	1,320	(180)
Planning and Zoning	5,000	5,000	5,462	462
Other licenses and permits	2,500	2,500	5,112	2,612
Trash haulers permits	2,100	2,100	4,200	2,100
Assessors Office	600	600	359	(241)
Inland Wetland fees	1,000	1,000	306	(694)
False alarm fines	1,000	1,000	575	(425)
Superior Court	4,500	4,500	16,485	11,985
Parking tickets	50,000	50,000	47,755	(2,245)
Airplane registration fees	47,000	47,000	53,180	6,180
Tuitions	1,900	1,900	7,958	6,058
Park Revolving Fund	160,000	160,000	160,000	-
Police accident reports	1,200	1,200	1,674	474
Senior Citizen Mini-bus fee	2,000	2,000	3,180	1,180
Rental of town building	2,500	2,500	1,750	(750)
Tower rental	40,000	40,000	64,803	24,803
Admissions tax - Teletheater	1	1		(1)
Town auction	1	1	1,710	1,709
Police reimbursement	7,000	7,000	4,551	(2,449)
Total charges for services	<u>694,802</u>	<u>694,802</u>	<u>855,404</u>	<u>160,602</u>
Investment Income:				
Income on investments	<u>100,000</u>	<u>100,000</u>	<u>192,504</u>	<u>92,504</u>
Other Revenues:				
Miscellaneous receipts	19,000	19,000	43,372	24,372
Workers' Compensation	12,000	12,000	55,164	43,164
PY unliquidated encumbrances			8,021	8,021
Total other revenues	<u>31,000</u>	<u>31,000</u>	<u>106,557</u>	<u>75,557</u>
Total revenues	<u>41,495,667</u>	<u>41,495,667</u>	<u>40,796,489</u>	<u>(699,178)</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive
				(Negative)
Other Financing Sources:				
Transfers from other funds:				
Sewer Administration Fund	\$ 130,634	\$ 130,634	\$ 130,539	\$ (95)
James DeForest Phelps Fund	100	100	104	4
Total other financing sources	<u>130,734</u>	<u>130,734</u>	<u>130,643</u>	<u>(91)</u>
Total	<u>\$ 41,626,401</u>	<u>\$ 41,626,401</u>	40,927,132	<u>\$ (699,269)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			2,071,971	
The Board of Education does not budget for intergovernmental grants received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.			519,987	
Cancellation of prior year encumbrances are recognized as budgetary revenue.			<u>(8,021)</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 43,511,069</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Auditing Services	\$ 36,627	\$ 36,627	\$ 36,127	\$ 500
Board of Assessment Appeals	1,145	1,145	941	204
Board of Assessors	148,259	153,058	152,165	893
Board of Finance	5,570	5,570	5,300	270
Board of Selectmen	138,870	139,482	135,509	3,973
Building Official	195,683	195,683	193,479	2,204
Capital Improvement Advisory Commission	1,065	1,065	549	516
Conservation Commission	2,665	2,665	2,349	316
Contingency Fund	300,000	83,747		83,747
Economic Development Commission	28,882	28,882	23,116	5,766
Finance Department	215,956	217,984	217,984	-
General expense all buildings	19,750	22,914	21,694	1,220
Historical Commission	446	446	314	132
Holiday observance	3,400	3,400	3,400	-
Human Resource	68,600	68,600	62,701	5,899
Information Technologies	46,480	46,480	43,390	3,090
Inland/Wetlands Agency	8,405	8,810	8,555	255
Municipal associations	19,421	19,421	19,053	368
Planning and Zoning Commission	30,571	30,571	26,317	4,254
Probate Court	6,560	6,560	5,795	765
Registrar of Voters	32,920	32,920	27,688	5,232
Senior Center	92,067	92,067	81,506	10,561
Tax Collector	170,800	249,687	234,601	15,086
Town Clerk	131,535	131,535	128,570	2,965
Town Counsel	76,000	81,258	77,701	3,557
Town Engineer	45,000	60,656	60,656	-
Town Office Building	159,031	159,081	149,049	10,032
Town Treasurer	200	200	200	-
Zoning Board of Appeals	5,450	5,450	4,587	863
Total general government	<u>1,991,358</u>	<u>1,885,964</u>	<u>1,723,296</u>	<u>162,668</u>
Public safety:				
Ambulance Association	53,000	53,000	53,000	-
Fire	383,808	383,808	333,444	50,364
Fire Marshal	62,538	62,538	55,196	7,342
Marine services	300	300		300
Nine bay garage/safety complex	2,500	2,500	1,580	920
Office of Emergency Management	26,944	34,994	33,013	1,981
Police	2,755,025	2,763,573	2,557,276	206,297
Animal control	6,250	7,480	6,862	618
Safety Complex	175,906	179,473	164,596	14,877
Water main/street lighting	647,580	647,580	620,573	27,007
Total public safety	<u>4,113,851</u>	<u>4,135,246</u>	<u>3,825,540</u>	<u>309,706</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public works:				
Landfill/refuse removal	\$ 1,095,786	\$ 1,095,786	\$ 996,286	\$ 99,500
Public Works Department	1,416,126	1,416,126	1,330,147	85,979
Public Works Garage	28,955	28,955	24,272	4,683
Snow removal	62,500	62,500	44,294	18,206
Spring Street Garage	10,250	10,251	9,962	289
Total public works	<u>2,613,617</u>	<u>2,613,618</u>	<u>2,404,961</u>	<u>208,657</u>
Health and welfare:				
Commission on Needs of the Aging	171,288	171,288	158,772	12,516
Outside services	102,438	102,438	99,809	2,629
Social services	56,826	56,826	50,173	6,653
Youth Service Bureau	53,703	53,703	51,105	2,598
Total health and welfare	<u>384,255</u>	<u>384,255</u>	<u>359,859</u>	<u>24,396</u>
Recreation:				
Parks and recreation	373,432	373,432	343,556	29,876
Public library	415,490	415,490	415,490	-
Total recreation	<u>788,922</u>	<u>788,922</u>	<u>759,046</u>	<u>29,876</u>
Employee benefits and insurance:				
Employee benefits	2,567,729	2,567,729	2,430,164	137,565
Insurance and bonds	394,170	394,170	344,495	49,675
Total employee benefits and insurance	<u>2,961,899</u>	<u>2,961,899</u>	<u>2,774,659</u>	<u>187,240</u>
Education	<u>26,959,841</u>	<u>26,959,841</u>	<u>26,652,146</u>	<u>307,695</u>
Debt service:				
Bond redemption	1,515,677	1,515,677	1,515,677	-
Interest	513,431	513,431	491,961	21,470
Total debt service	<u>2,029,108</u>	<u>2,029,108</u>	<u>2,007,638</u>	<u>21,470</u>
Total expenditures	<u>41,842,851</u>	<u>41,758,853</u>	<u>40,507,145</u>	<u>1,251,708</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers to other funds:				
Capital Improvement Fund	\$ 1,178,550	\$ 1,285,994	\$ 1,285,994	\$ -
Capital Projects Fund	105,000	105,000	105,000	-
Total other financing uses	<u>1,283,550</u>	<u>1,390,994</u>	<u>1,390,994</u>	<u>-</u>
Total	\$ <u>43,126,401</u>	\$ <u>43,149,847</u>	41,898,139	\$ <u>1,251,708</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted				
			2,071,971	
The Board of Education does not budget for intergovernmental grants received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.				
			519,987	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.				
			<u>139,030</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>44,629,127</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

SEWER ADMINISTRATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Sewer use charges and interest	\$ 1,447,417	\$ 1,447,417	\$ 1,514,000	\$ 66,583
Fees	63,000	63,000	83,337	20,337
Investment income	38,000	38,000	32,372	(5,628)
Intergovernmental			46,458	46,458
Miscellaneous	100	100	95	(5)
Total revenues	<u>1,548,517</u>	<u>1,548,517</u>	<u>1,676,262</u>	<u>127,745</u>
Expenditures:				
Salaries	587,361	587,372	554,363	33,009
Fringe benefits	258,204	258,686	248,181	10,505
Overtime	38,500	38,500	33,064	5,436
Audit and legal fees	6,000	10,190	10,190	-
Chemicals/chlorine	79,286	79,286	76,590	2,696
Contingency	10,000			-
Electricity	237,461	215,671	199,996	15,675
Equipment rental/hauling	7,630	7,630	7,242	388
Expenses	49,331	49,331		49,331
Fuel, oil, natural gas	30,669	30,860	21,647	9,213
Gasoline and diesel	13,633	13,633	8,136	5,497
Insurance	53,676	53,676	35,761	17,915
Lab equipment	22,000	24,683	24,683	-
Manholes	2,500	2,500	2,500	-
Mechanical maintenance	37,000	60,846	60,846	-
Outside services	24,018	24,162	24,162	-
Safety training	4,000	4,000	3,647	353
Sewer line maintenance	18,000	18,000	15,081	2,919
Sludge disposal	90,000	90,000	76,647	13,353
Supplies	37,425	37,497	37,497	-
Telephone	4,908	4,908	4,813	95
User fee administration	7,000	7,171	7,171	-
Vehicle parts, repairs	4,000	4,000	3,681	319
Water	7,733	7,733	6,322	1,411
Facilities plan			46,458	(46,458)
Total expenditures	<u>1,630,335</u>	<u>1,630,335</u>	<u>1,508,678</u>	<u>121,657</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

SEWER ADMINISTRATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues over Expenditures	\$ (81,818)	\$ (81,818)	\$ 167,584	\$ 249,402
Other financing sources (uses):				
Transfers out	<u>(103,183)</u>	<u>(103,183)</u>	<u>(143,870)</u>	<u>40,687</u>
Net Change in Fund Balance	\$ <u>(185,001)</u>	\$ <u>(185,001)</u>	23,714	\$ <u>208,715</u>
Fund Balance at Beginning of Year			<u>1,772,515</u>	
Fund Balance at End of Year			\$ <u>1,796,229</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 2,485,764	\$ 4,421,874
Investments	6,265,939	6,116,501
Property taxes receivable, net of allowance for \$277,000 in 2010 and \$282,000 in 2009	907,789	847,060
Accounts receivable	1,907,827	2,171,712
Due from other funds	369,807	119,535
Other assets	<u>973</u>	
Total Assets	<u>\$ 11,938,099</u>	<u>\$ 13,676,682</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 652,583	\$ 807,332
Due to other funds	113,544	165,957
Deferred revenue	<u>2,777,743</u>	<u>3,191,106</u>
Total liabilities	<u>3,543,870</u>	<u>4,164,395</u>
Fund balance:		
Reserved for encumbrances	199,758	346,809
Unreserved:		
Designated for subsequent year		1,500,000
Undesignated	<u>8,194,471</u>	<u>7,665,478</u>
Total fund balance	<u>8,394,229</u>	<u>9,512,287</u>
Total Liabilities and Fund Balance	<u>\$ 11,938,099</u>	<u>\$ 13,676,682</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2010

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Grand List	Uncollected Taxes July 1, 2009	Current Tax Levy			Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2010	
			Additions	Deductions			Taxes	Interest and Lien Fees	Total		
1993	\$ 4,981	\$	\$	\$	\$	\$ 4,981	\$	\$	\$ -	\$ 4,981	
1994	5,086					5,086	992	2,626	3,618	4,094	
1995	6,072					6,072	1,746	4,294	6,040	4,326	
1996	6,372					6,372	1,832	4,174	6,006	4,540	
1997	6,317					6,317	1,938	4,064	6,002	4,379	
1998	6,777					6,777	1,961	3,783	5,744	4,816	
1999	3,763					3,763	1,919	3,327	5,246	1,844	
2000	7,553					7,553	4,721	3,207	7,928	2,832	
2001	13,288					13,288	3,624	5,471	9,095	9,664	
2002	30,608				6,604	24,004	4,348	6,220	10,568	19,656	
2003	25,223					25,223	11,437	8,702	20,139	13,786	
2004	77,546					77,546	22,142	16,575	38,717	55,404	
2005	89,012		518	920		88,610	35,657	21,787	57,444	52,953	
2006	251,063		140	15,871	61,680	173,652	84,527	36,274	120,801	89,125	
2007	595,399		64,920	76,123		584,196	302,146	85,903	388,049	282,050	
Total prior years	1,129,060		65,578	92,914	68,284	1,033,440	478,990	206,407	685,397	554,450	
2008		28,098,653	65,112	488,839		27,674,926	27,044,587	114,427	27,159,014	630,339	
Total	\$ 1,129,060	\$ 28,098,653	\$ 130,690	\$ 581,753	\$ 68,284	\$ 28,708,366	27,523,577	320,834	27,844,411	\$ 1,184,789	
							Suspense Collections	19,611	13,517	33,128	
							Total	27,543,188	\$ 334,351	\$ 27,877,539	

Property taxes receivable considered available:

June 30, 2009	(94,973)
June 30, 2010	97,310

Total taxes \$ 27,545,525

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

	Special Revenue						
	Special Grants	Small Cities	Dog	Highway	School Cafeteria	Police Revolving	Parks and Recreation
ASSETS							
Cash and cash equivalents	\$	\$	\$ 10,527	\$ 158,036	\$ 78,693	\$ 76,381	\$ 94,901
Investments							
Receivables, net	7,500	3,505			48,150	14,999	
Due from other funds	15,067						
Inventory					8,767		
Total Assets	\$ <u>22,567</u>	\$ <u>3,505</u>	\$ <u>10,527</u>	\$ <u>158,036</u>	\$ <u>135,610</u>	\$ <u>91,380</u>	\$ <u>94,901</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$ 3,719	\$	\$ 80,129	\$	\$
Due to other funds		3,505	392			1,531	
Deferred revenue				125,997	3,376		
Total liabilities	<u>-</u>	<u>3,505</u>	<u>4,111</u>	<u>125,997</u>	<u>83,505</u>	<u>1,531</u>	<u>-</u>
Fund Balances:							
Reserved:							
Inventories					8,767		
Endowments							
Unreserved - undesignated	<u>22,567</u>		<u>6,416</u>	<u>32,039</u>	<u>43,338</u>	<u>89,849</u>	<u>94,901</u>
Total fund balance	<u>22,567</u>	<u>-</u>	<u>6,416</u>	<u>32,039</u>	<u>52,105</u>	<u>89,849</u>	<u>94,901</u>
Total Liabilities and Fund Balances	\$ <u>22,567</u>	\$ <u>3,505</u>	\$ <u>10,527</u>	\$ <u>158,036</u>	\$ <u>135,610</u>	\$ <u>91,380</u>	\$ <u>94,901</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

	Special Revenue					Permanent Fund	Total Nonmajor Governmental Funds
	Commission on Needs of the Aging	Special Education Grants	Human Services	Police Department Asset Forfeiture	Total	James DeForest Phelps	
ASSETS							
Cash and cash equivalents	\$ 13,233	\$ 383,445	\$ 57,290	\$ 112,977	\$ 985,483	\$ -	\$ 985,483
Investments					-	3,835	3,835
Receivables, net		34,511			108,665		108,665
Due from other funds					15,067		15,067
Inventory					8,767		8,767
Total Assets	<u>\$ 13,233</u>	<u>\$ 417,956</u>	<u>\$ 57,290</u>	<u>\$ 112,977</u>	<u>\$ 1,117,982</u>	<u>\$ 3,835</u>	<u>\$ 1,121,817</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 79,778	\$ -	\$ -	\$ 163,626	\$ -	\$ 163,626
Due to other funds		325,969			331,397		331,397
Deferred revenue		11,708			141,081		141,081
Total liabilities	<u>-</u>	<u>417,455</u>	<u>-</u>	<u>-</u>	<u>636,104</u>	<u>-</u>	<u>636,104</u>
Fund Balances:							
Reserved:							
Inventories					8,767		8,767
Endowments					-	3,000	3,000
Unreserved - undesignated	13,233	501	57,290	112,977	473,111	835	473,946
Total fund balance	<u>13,233</u>	<u>501</u>	<u>57,290</u>	<u>112,977</u>	<u>481,878</u>	<u>3,835</u>	<u>485,713</u>
Total Liabilities and Fund Balances	<u>\$ 13,233</u>	<u>\$ 417,956</u>	<u>\$ 57,290</u>	<u>\$ 112,977</u>	<u>\$ 1,117,982</u>	<u>\$ 3,835</u>	<u>\$ 1,121,817</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue						
	<u>Special Grants</u>	<u>Small Cities</u>	<u>Dog</u>	<u>Highway</u>	<u>School Cafeteria</u>	<u>Police Revolving</u>	<u>Parks and Recreation</u>
Revenues:							
Intergovernmental	\$ 166,587	\$ 335,160		\$ 65,733	\$ 326,773	\$	\$
Charges for services			8,738		443,939	170,233	282,536
Contributions	96,801						
Income from investments				77			
Total revenues	<u>263,388</u>	<u>335,160</u>	<u>8,738</u>	<u>65,810</u>	<u>770,712</u>	<u>170,233</u>	<u>282,536</u>
Expenditures:							
Current:							
General government	47,292						
Public safety	63,997		3,556			168,142	
Public works	69,578	335,160		65,733			
Health and welfare	15,782						
Recreation							279,708
Education	89,592				741,206		
Total expenditures	<u>286,241</u>	<u>335,160</u>	<u>3,556</u>	<u>65,733</u>	<u>741,206</u>	<u>168,142</u>	<u>279,708</u>
Excess (Deficiency) of Revenues over Expenditures	(22,853)	-	5,182	77	29,506	2,091	2,828
Other Financing Sources (Uses):							
Transfers in (out)							
Net Change in Fund Balances	(22,853)	-	5,182	77	29,506	2,091	2,828
Fund Balances at Beginning of Year	<u>45,420</u>	<u>-</u>	<u>1,234</u>	<u>31,962</u>	<u>22,599</u>	<u>87,758</u>	<u>92,073</u>
Fund Balances at End of Year	<u>\$ 22,567</u>	<u>\$ -</u>	<u>\$ 6,416</u>	<u>\$ 32,039</u>	<u>\$ 52,105</u>	<u>\$ 89,849</u>	<u>\$ 94,901</u>

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TOWN OF WINDSOR LOCKS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Special Revenue</u>				<u>Total</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Commission on Needs of the Aging</u>	<u>Special Education Grants</u>	<u>Human Services</u>	<u>Police Department Asset Forfeiture</u>		<u>James DeForest Phelps</u>	
Revenues:							
Intergovernmental	\$	\$ 1,300,610	\$	\$ 7,797	\$ 2,202,660	\$	\$ 2,202,660
Charges for services	45,285	122,726	26,963		1,100,420		1,100,420
Contributions	6,883				103,684		103,684
Income from investments					77	104	181
Total revenues	<u>52,168</u>	<u>1,423,336</u>	<u>26,963</u>	<u>7,797</u>	<u>3,406,841</u>	<u>104</u>	<u>3,406,945</u>
Expenditures:							
Current:							
General government					47,292		47,292
Public safety				11,202	246,897		246,897
Public works					470,471		470,471
Health and welfare	54,036		12,207		82,025		82,025
Recreation					279,708		279,708
Education		1,423,336			2,254,134		2,254,134
Total expenditures	<u>54,036</u>	<u>1,423,336</u>	<u>12,207</u>	<u>11,202</u>	<u>3,380,527</u>	<u>-</u>	<u>3,380,527</u>
Excess (Deficiency) of Revenues over Expenditures	(1,868)	-	14,756	(3,405)	26,314	104	26,418
Other Financing Sources (Uses):							
Transfers in (out)					-	(104)	(104)
Net Change in Fund Balances	(1,868)	-	14,756	(3,405)	26,314	-	26,314
Fund Balances at Beginning of Year	<u>15,101</u>	<u>501</u>	<u>42,534</u>	<u>116,382</u>	<u>455,564</u>	<u>3,835</u>	<u>459,399</u>
Fund Balances at End of Year	<u>\$ 13,233</u>	<u>\$ 501</u>	<u>\$ 57,290</u>	<u>\$ 112,977</u>	<u>\$ 481,878</u>	<u>\$ 3,835</u>	<u>\$ 485,713</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND - BY PROJECT

JUNE 30, 2010

	<u>Capital Improvements Projects</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Total Capital Projects Fund</u>
ASSETS				
Cash and cash equivalents	\$ 2,655,940	\$ 552,469	\$ 57,939	\$ 3,266,348
Due from other funds	98,477			98,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,754,417</u>	<u>\$ 552,469</u>	<u>\$ 57,939</u>	<u>\$ 3,364,825</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred revenue	\$ 4,691	\$	\$	\$ 4,691
Fund Balances:				
Unreserved - undesignated	<u>2,749,726</u>	<u>552,469</u>	<u>57,939</u>	<u>3,360,134</u>
Total Liabilities and Fund Balances	<u>\$ 2,754,417</u>	<u>\$ 552,469</u>	<u>\$ 57,939</u>	<u>\$ 3,364,825</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND - BY PROJECT

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Capital Improvements Projects</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Total Capital Projects Fund</u>
Revenues:				
Intergovernmental	\$	\$ 490,000	\$	\$ 490,000
Income from investments	6,308	5,803	403	12,514
Total revenue	<u>6,308</u>	<u>495,803</u>	<u>403</u>	<u>502,514</u>
Expenditures:				
Current:				
Capital outlay	<u>1,592,657</u>	<u>2,625,841</u>	<u>86,815</u>	<u>4,305,313</u>
Deficiency of Revenues over Expenditures	(1,586,349)	(2,130,038)	(86,412)	(3,802,799)
Other Financing Sources:				
Issuance of bonds		6,335,000		6,335,000
Transfers in	<u>1,285,995</u>	<u>105,000</u>	<u>13,330</u>	<u>1,404,325</u>
Net Change in Fund Balances	(300,354)	4,309,962	(73,082)	3,936,526
Fund Balances at Beginning of Year	<u>3,050,080</u>	<u>(3,757,493)</u>	<u>131,021</u>	<u>(576,392)</u>
Fund Balances at End of Year	<u>\$ 2,749,726</u>	<u>\$ 552,469</u>	<u>\$ 57,939</u>	<u>\$ 3,360,134</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
Assets:				
Cash and cash equivalents:				
Student Activities Fund	\$ 233,872	\$ 430,889	\$ 403,423	\$ 261,338
Liabilities:				
Accounts payable:				
Student Activities Fund	\$ 233,872	\$ 430,889	\$ 403,423	\$ 261,338

TOWN OF WINDSOR LOCKS, CONNECTICUT
SEWER ADMINISTRATION FUND
REPORT OF SEWER USE CHARGE COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2010

List Year	Uncollected Charges July 1, 2009	Current Year Billings and Adjustments	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2010
				Charges	Interest and Lien Fees	Total	
1999	\$ 102	\$	\$ 102	\$ 102	\$ 226	\$ 328	\$ -
2000	159		159	159	294	453	-
2001	845		845	748	830	1,578	97
2002	1,314		1,314	899	1,126	2,025	415
2003	2,929		2,929	1,256	1,263	2,519	1,673
2004	5,309		5,309	2,041	1,941	3,982	3,268
2005	10,785		10,785	5,043	4,395	9,438	5,742
2006	24,964		24,964	11,587	8,058	19,645	13,377
2007	45,274		45,274	19,704	9,888	29,592	25,570
2008	113,121		113,121	63,434	15,780	79,214	49,687
Total prior years	204,802	-	204,802	104,973	43,801	148,774	99,829
2009		1,437,991	1,437,991	1,346,929	18,297	1,365,226	91,062
Total	\$ 204,802	\$ 1,437,991	\$ 1,642,793	\$ 1,451,902	\$ 62,098	\$ 1,514,000	\$ 190,891

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2010

Total tax collections (including interest and lien fees) for current fiscal year	\$ 27,877,539
Reimbursement for loss of revenue:	
Tax relief for elderly	<u>5,480</u>
Base	<u><u>\$ 27,883,019</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 62,736,793	\$	\$	\$	\$
4-1/2 times base		125,473,586			
3-3/4 times base			104,561,321		
3-1/4 times base				90,619,812	
3 times base					83,649,057
Total debt limitation	<u>62,736,793</u>	<u>125,473,586</u>	<u>104,561,321</u>	<u>90,619,812</u>	<u>83,649,057</u>
Indebtedness:					
Bonds and notes payable		15,925,000	1,093,240		
Bonds authorized and unissued	3,205,000	1,720,000			
Less school building grants		(1,895,575)			
Net indebtedness	<u>3,205,000</u>	<u>15,749,425</u>	<u>1,093,240</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 59,531,793</u></u>	<u><u>\$ 109,724,161</u></u>	<u><u>\$ 103,468,081</u></u>	<u><u>\$ 90,619,812</u></u>	<u><u>\$ 83,649,057</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$195,181,140).

TOWN OF WINDSOR LOCKS, CONNECTICUT
FOR THE YEAR ENDED JUNE 30, 2010
PRINCIPAL TAXPAYERS

<u>Name</u>	<u>Nature of Business</u>	<u>Taxable Valuation as of 10/1/08</u>	<u>Percent of Net Taxable Grand List*</u>
United Technologies	Manufacturing	\$ 67,250,566	5.34 %
PV Holding	Car rental	22,835,490	1.81
AREH Windsor Locks, LLC	Warehouse	22,594,200	1.79
Hartford Parking Property LLC	Valet parking	16,075,100	1.28
Hertz Vehicles LLC	Car rental	14,131,657	1.12
Ahlstrom Nonwovens LLC	Manufacturing	12,703,156	1.01
Roncari Development Co.	Valet parking	12,050,400	0.96
Connecticut Light & Power	Utility	11,736,620	0.93
Ahlstrom Windsor Locks LLC	Manufacturing	11,358,400	0.90
Rental Car Finance Corp.	Car rental	<u>10,655,133</u>	<u>0.85</u>
Total		<u>\$ 201,390,722</u>	<u>15.99 %</u>

* Based on 10/01/08 Net Taxable Grand List of \$1,259,892,415.

TOWN OF WINDSOR LOCKS, CONNECTICUT

ASSESSED VALUE OF TAXABLE PROPERTY
(\$ in thousands)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Grand List as of October 1,	Real Property		Other Land Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percentage Change
		Residential Percent	Commercial and Industrial Percent							
2010	2008	50.8	% 25.9	% 0.0	% 11.4	% 11.7	\$ 1,369,385	\$ 109,493	\$ 1,259,892	0.1 %
2009	2007	46.6	24.7	0.0	14.3	14.3	1,252,602	99,785	1,152,817	3.6
2008	2006	47.9	24.5	0.0	14.2	13.4	1,199,002	86,349	1,112,653	1.5
2007	2005	47.5	24.2	0.0	14.5	13.8	1,178,178	81,445	1,096,733	2.4
2006	2004	47.0	25.6	0.0	13.9	13.5	1,158,850	88,179	1,070,671	2.3
2005	2003	47.2	23.3	0.0	13.1	16.4	1,113,681	66,703	1,046,978	20.2
2004	2002	37.5	24.1	0.1	14.9	23.5	951,513	80,527	870,986	(3.1)
2003	2001	37.0	24.0	0.1	21.3	17.6	955,633	56,694	898,939	0.1
2002	2000	36.8	24.1	0.1	21.2	17.9	947,915	49,556	898,359	1.9
2001	1999	37.1	25.0	0.4	22.2	15.4	929,969	48,530	881,439	-

Date of Last Revaluation 10/1/09
Based on Assessor Data

TOWN OF WINDSOR LOCKS, CONNECTICUT

CURRENT DEBT STATEMENT

FOR THE YEAR ENDED JUNE 30, 2010

Bonded Debt		
Schools	\$	15,925,000
Sewers		1,093,240
Total bonded debt		<u>17,018,240</u>
Short-term debt		<u>4,925,000</u>
Total direct debt		21,943,240
Less school construction grants receivable		<u>(1,895,575)</u>
Total Overall Net Debt	\$	<u><u>20,047,665</u></u>

CURRENT DEBT RATIOS

FOR THE YEAR ENDED JUNE 30, 2010

Population, 2007		12,491
Per capita income, 2000	\$	23,079
Net taxable grand list, 10/1/08	\$	1,259,808,306
Estimated full value @ 70%	\$	1,799,726,151
Equalized net grand list, 2007**	\$	2,103,647,832

	Overall Debt	Overall Net Debt
	\$ 21,943,240	\$ 20,047,665
Per capita	\$ 1,756.72	\$ 1,604.97
To net taxable grand list	1.74%	1.59%
To estimated full value @ 70%	1.22%	1.11%
To equalized net grand list, 2007	1.04%	0.95%
Ratio of debt per capita to per capita income	7.61%	6.95%

*State of Connecticut Office of Policy and Management

** Equalized Net Grand List Information, State of Connecticut Office of Policy & Management

TOWN OF WINDSOR LOCKS, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Grand List October 1,	Net Taxable Grand List (thousands)	Mill Rate	Total Adjusted Tax levy (thousands)	Percentage of Annual Levy					
					Collected at End of Fiscal Year	Uncollected at End of Fiscal Year	Uncollected as of June 30, 2010			
2010	2008	\$ 1,259,892	21.65	\$ 27,675	97.7	%	2.3	%	2.28%	%
2009	2007	1,152,817	23.57	27,793	97.9		2.1		1.01%	
2008	2006	1,112,654	22.88	26,817	98.6		1.4		0.33%	
2007	2005	1,096,733	22.65	26,060	98.6		1.4		0.20%	
2006	2004	1,079,430	22.40	25,161	98.1		1.9		0.22%	
2005	2003	1,046,978	20.69	22,629	98.7		1.3		0.06%	
2004	2002	870,986	24.00	22,357	98.2		1.8		0.09%	
2003	2001	898,939	22.21	20,871	98.3		1.7		0.05%	
2002	2000	898,359	21.21	20,228	98.4		1.6		0.01%	
2001	1999	881,439	21.21	19,789	98.0		2.0		0.01%	