

TOWN OF WINDSOR LOCKS, CONNECTICUT

JUNE 30, 2009

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, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

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Management's discussion and analysis on pages 3 through 10 and budgetary comparison information on pages 41 through 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and statistical 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

January 15, 2010

**TOWN OF WINDSOR LOCKS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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, 2009. 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 \$68.7 million (net assets). Of this amount, \$22 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 increased by \$2.1 million (3.1%) from \$66.7 million to \$68.7 million. The change in net assets is primarily attributable to increases in property taxes and results of operations.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11.2 million, a decrease of \$764 thousand 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 \$9.2 million, or 20.4% of total General Fund expenditures and transfers out.
- The Town's bonded debt decreased by \$1.4 million or 9.2% during the current fiscal year, and the Town issued \$7.4 million in bond anticipation notes in February 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 increased from \$66.7 million to \$68.7 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	
	2009	2008
Current and other assets	\$ 25,052	\$ 22,718
Capital assets, net of accumulated depreciation	66,359	65,463
Total assets	<u>91,411</u>	<u>88,181</u>
Long-term debt outstanding	13,434	14,794
Other liabilities	9,247	6,711
Total liabilities	<u>22,681</u>	<u>21,505</u>
Net Assets:		
Invested in capital assets, net of related debt	46,763	48,905
Restricted	4	4
Unrestricted	<u>21,963</u>	<u>17,767</u>
Total Net Assets	<u>\$ 68,730</u>	<u>\$ 66,676</u>

Net assets of the Town's governmental activities increased by 3.1%. 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 \$17.8 million at June 30, 2008 to \$22 million at the end of this year. Most of this increase was due to the results of operations.

TABLE 2
CHANGE IN NET ASSETS
In Thousands

	Governmental	
	Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services:		
General government	\$ 325	\$ 693
Public safety	210	392
Public works	2,065	1,784
Health and welfare	75	60
Recreation	462	360
Education	563	799
Operating grants and contributions	9,605	15,793
General revenues:		
Property taxes	28,170	27,026
Grants and contributions not restricted to specific purposes	6,726	7,429
Investment income	572	883
Miscellaneous	103	347
Total revenues	<u>48,876</u>	<u>55,566</u>
Expenses:		
General government	1,892	2,071
Public safety	4,741	4,877
Public works	5,101	4,868
Health and welfare	453	465
Recreation	1,114	946
Education	32,943	38,405
Interest on long-term debt	579	671
Total program expenses	<u>46,823</u>	<u>52,303</u>
Increase in Net Assets	<u>\$ 2,053</u>	<u>\$ 3,263</u>

The Town's total revenues were \$48.9 million. The total cost of all programs and services was \$46.8 million. Our analysis below considers the operations of governmental activities.

Governmental Activities

Approximately 57.6% of the revenues were derived from property taxes, followed by 19.7% from operating grants and contributions, 13.8% from other grants and 7.6% from charges for services. The remaining 1.4% was derived from investment earnings and miscellaneous revenue.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2009 reflect an increase in the Town's tax rate of 3.02%. There was an increase in the total assessed value of taxable property of 3.6%. The additional tax rate resulted in additional revenues of \$1.144 million.
- Charges for services decreased by \$388 thousand primarily due to the special revenue funds.
- The State Teacher's Retirement fund contribution was reduced by \$7.2 million 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 a positive position from budget to actual.
- Property and liability insurance and workmen's compensation were combined under one vendor that generated a decrease in premium by 41%. Medical insurance increased by 11%.
- 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 \$374,935.

Governmental Activities

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	
	2009	2008	2009	2008
General government	\$ 1,892	\$ 2,071	\$ 798	\$ 1,351
Public safety	4,741	4,877	4,478	4,391
Public works	5,101	4,868	2,735	2,649
Health and welfare	453	465	325	308
Recreation	1,114	946	528	586
Education	32,943	38,405	24,137	22,532
Interest	579	671	518	604
Totals	\$ 46,823	\$ 52,303	\$ 33,519	\$ 32,421

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 \$11.2 million, which is a decrease from last year's total of \$11.9 million. Approximately 95.6% 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 (\$496 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 \$9.5 million and \$9.2 million, respectively.

Of this amount, \$1.5 million was designated for next year's budget, while unreserved and undesignated fund balance was \$7.7 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 21.2% of total General Fund expenditures and other financing.

The fund balance of the Town's General Fund decreased by \$301.7 thousand 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.

Sewer Administration Fund

The fund balance decreased by approximately \$145 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 2008-09 were \$2.7 million.

The Town is continuing renovations and upgrade projects for Town Hall and is currently establishing a building committee to analyze a feasibility study for expansion associated with the Town's safety complex. The Town has purchased the conservation rights for 198 acres from Connecticut Water Company. The State of Connecticut has issued a grant in conjunction with the Town for this easement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, 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 \$98.2 million and \$66.4 million net of accumulated depreciation.

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

	Governmental Activities	
	2009	2008
Land	\$ 1,580	\$ 1,580
Construction in progress	3,979	4,074
Land improvements	917	944
Buildings	8,247	7,947
Building improvements	27,619	27,971
Machinery and equipment	5,799	5,467
Vehicles	1,979	2,166
Furniture and fixtures	180	204
Infrastructure	16,060	15,109
Totals	\$ <u>66,359</u>	\$ <u>65,463</u>

This year's major additions included:

- Completion of the Town Hall Roof Project. \$194,200.
- GIS Mapping System \$261,000.
- Completion of the Pesci Park Bathhouse \$507,410.
- Reconstruction of Suffield Street \$1,189,271.
- Several construction in progress projects including Town Hall renovation, Board of Education renovations, Roadway Infrastructure will continue in the fiscal year 2009-2010.

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, 2009, the Town had bonded debt outstanding of \$12.1 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 \$795 thousand (4.0%) which includes short-term obligations issued February 2009. The Town maintains an "Aa2" 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 \$195.4 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 6.4%, which is an increase from a rate of 4.4% a year ago. This compares unfavorably to the State's average unemployment rate of 6.1%. Recessionary trends are consistent with national indices.

All of these factors were considered in preparing the Town's budget for the 2010 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund decreased by \$337 thousand. The Town has appropriated \$1.5 million of this amount for spending in the 2010 fiscal year budget.

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, 2009

	Governmental Activities
	<u> </u>
Assets:	
Cash and cash equivalents	\$ 13,771,664
Investments	7,305,014
Receivables, net	3,967,049
Inventories	7,471
Capital assets:	
Assets not being depreciated	5,559,263
Assets being depreciated, net	<u>60,800,157</u>
Total assets	<u>91,410,618</u>
Liabilities:	
Accounts and other payables	1,469,495
Bond anticipation notes	7,400,000
Unearned revenue	377,749
Noncurrent liabilities:	
Due within one year	1,563,168
Due in more than one year	<u>11,870,506</u>
Total liabilities	<u>22,680,918</u>
Net Assets:	
Invested in capital assets, net of related debt	46,763,197
Restricted for:	
Nonexpendable trust	3,835
Unrestricted	<u>21,962,668</u>
Total Net Assets	<u>\$ 68,729,700</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, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
General government	\$ 1,892,262	\$ 325,541	\$ 768,226	\$	\$ (798,495)
Public safety	4,740,522	209,804	52,611		(4,478,107)
Public works	5,101,220	2,064,675	301,898		(2,734,647)
Health and welfare	452,913	75,066	52,696		(325,151)
Recreation	1,114,389	461,693	125,000		(527,696)
Education	32,943,284	562,754	8,243,848		(24,136,682)
Interest on long-term debt	578,886		60,751		(518,135)
Total Governmental Activities	\$ 46,823,476	\$ 3,699,533	\$ 9,605,030	\$ -	(33,518,913)
General revenues:					
Property taxes					28,169,871
Grants and contributions not restricted to specific programs					6,726,257
Unrestricted investment earnings					572,622
Miscellaneous					103,485
Total general revenues					<u>35,572,235</u>
Change in net assets					2,053,322
Net Assets at Beginning of Year					<u>66,676,378</u>
Net Assets at End of Year					<u>\$ 68,729,700</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2009

	<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	\$ 4,421,874	\$ 692,809	\$ 6,730,796	\$ 600,491	\$ 12,445,970
Investments	6,116,501	1,178,977		9,536	7,305,014
Receivables, net	3,018,772	204,038		61,631	3,284,441
Due from other funds	119,535		120,537	45,420	285,492
Inventories				7,471	7,471
Total Assets	<u>\$ 13,676,682</u>	<u>\$ 2,075,824</u>	<u>\$ 6,851,333</u>	<u>\$ 724,549</u>	<u>\$ 23,328,388</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 807,332	\$ 51,618	\$ 23,034	\$ 94,510	\$ 976,494
Due to other funds	165,957	51,389		68,146	285,492
Bond anticipation notes payable			7,400,000		7,400,000
Deferred revenue	3,191,106	200,302	4,691	102,494	3,498,593
Total liabilities	<u>4,164,395</u>	<u>303,309</u>	<u>7,427,725</u>	<u>265,150</u>	<u>12,160,579</u>
Fund balances:					
Reserved	346,809	138,279		10,471	495,559
Unreserved, reported in:					
General Fund	9,165,478				9,165,478
Special Revenue Funds		1,634,236		448,093	2,082,329
Capital Project Funds			(576,392)		(576,392)
Permanent Funds				835	835
Total fund balances	<u>9,512,287</u>	<u>1,772,515</u>	<u>(576,392)</u>	<u>459,399</u>	<u>11,167,809</u>
Total Liabilities and Fund Balances	<u>\$ 13,676,682</u>	<u>\$ 2,075,824</u>	<u>\$ 6,851,333</u>	<u>\$ 724,549</u>	<u>\$ 23,328,388</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

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)	\$ 11,167,809
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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	\$ 98,199,388	
Less accumulated depreciation	<u>(31,839,968)</u>	
Net capital assets		66,359,420

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	752,087
Interest and lien receivable on property taxes	395,041
Assessments receivable	200,302
Interest and lien receivable on assessments	75,246
Receivable from the state for school construction projects	2,168,455

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.

1,157,804

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	(12,138,684)
Interest payable on bonds and notes	(112,790)
Compensated absences	(851,544)
Capital leases	(148,005)
OPEB obligation	(265,907)
Heart and hypertension	(120,000)
Deferred charges on refunding	<u>90,466</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 68,729,700</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, 2009

	<u>General</u>	<u>Sewer Administration</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 28,048,574	\$	\$	\$	\$ 28,048,574
Intergovernmental	14,907,575	31,892	24,411	1,618,313	16,582,191
Charges for services	921,726	1,604,363		1,095,897	3,621,986
Contributions				27,000	27,000
Income on investments	437,558	53,621	61,040	624	552,843
Other revenues	102,168	1,317			103,485
Total revenues	<u>44,417,601</u>	<u>1,691,193</u>	<u>85,451</u>	<u>2,741,834</u>	<u>48,936,079</u>
Expenditures:					
Current:					
General government	1,686,578			5,538	1,692,116
Public safety	4,019,154			173,623	4,192,777
Public works	2,476,421	1,511,774		270,006	4,258,201
Health and welfare	349,263			86,902	436,165
Recreation	763,367			413,983	1,177,350
Employee benefits and insurance	2,602,889				2,602,889
Education	28,780,888			1,725,253	30,506,141
Capital outlay			2,735,084		2,735,084
Debt service	2,099,394				2,099,394
Total expenditures	<u>42,777,954</u>	<u>1,511,774</u>	<u>2,735,084</u>	<u>2,675,305</u>	<u>49,700,117</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,639,647</u>	<u>179,419</u>	<u>(2,649,633)</u>	<u>66,529</u>	<u>(764,038)</u>
Other Financing Sources (Uses):					
Transfers in	130,537		2,172,793	92,910	2,396,240
Transfers out	(2,071,872)	(324,257)		(111)	(2,396,240)
Total other financing sources (uses)	<u>(1,941,335)</u>	<u>(324,257)</u>	<u>2,172,793</u>	<u>92,799</u>	<u>-</u>
Net Change in Fund Balances	(301,688)	(144,838)	(476,840)	159,328	(764,038)
Fund Balances at Beginning of Year	<u>9,813,975</u>	<u>1,917,353</u>	<u>(99,552)</u>	<u>300,071</u>	<u>11,931,847</u>
Fund Balances at End 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>

(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, 2009

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) \$ (764,038)

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	3,272,986
Depreciation expense	(2,045,304)

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. (331,614)

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	(277,904)
Property tax receivable - accrual basis change	84,659
Property tax interest and lien receivable - accrual basis change	36,638
Sewer assessment receivable - accrual basis change	41,933
Sewer assessment interest and lien receivable - accrual change	35,615

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	1,478,852
Capital lease payments	57,658

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	4,612
OPEB obligation	(265,907)
Accrued interest	3,623
Amortization of deferred charge on refunding	(19,625)
Heart and hypertension claims	104,653

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. 636,485

Change in Net Assets of Governmental Activities (Exhibit II) \$ 2,053,322

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
JUNE 30, 2009

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Assets:	
Current:	
Cash and cash equivalents	\$ 1,325,694
Accounts receivable	<u>212,321</u>
Total assets	<u>1,538,015</u>
Liabilities:	
Claims payable	<u>380,211</u>
Net Assets:	
Unrestricted	\$ <u><u>1,157,804</u></u>

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, 2009

	Governmental Activities <hr style="border: 0.5px solid black;"/> Internal Service Fund <hr style="border: 0.5px solid black;"/>
Operating Revenues:	
Premiums	\$ <u>5,536,532</u>
Operating Expenses:	
Claims	4,342,204
Administration	<u>577,623</u>
Total operating expenses	<u>4,919,827</u>
Operating Income	616,705
Nonoperating Revenue:	
Income on investments	<u>19,780</u>
Change in Net Assets	636,485
Net Assets at Beginning of Year	<u>521,319</u>
Net Assets at End of Year	\$ <u><u>1,157,804</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, 2009

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 5,348,492
Cash payments to providers of benefits and administration	<u>(5,934,471)</u>
Net cash used in operating activities	<u>(585,979)</u>
Cash Flows from Investing Activities:	
Income on investments	<u>19,780</u>
Net Decrease in Cash and Cash Equivalents	(566,199)
Cash and Cash Equivalents at Beginning of Year	<u>1,891,893</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,325,694</u></u>
Reconciliation of Operating Income to Net Cash Used in Operating Activities:	
Operating Income	\$ 616,705
Adjustments to reconcile operating income to net cash used in operating activities:	
Decrease in claims payable	(1,014,644)
Increase in accounts receivable	<u>(188,040)</u>
Net Cash Used in Operating Activities	<u><u>\$ (585,979)</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, 2009

	<u>OPEB Trust Fund</u>	<u>Student Activity Fund</u>
Assets:		
Cash and cash equivalents	\$ <u>374,935</u>	\$ <u><u>233,872</u></u>
Liabilities:		
Accounts and other payables	<u> </u>	\$ <u><u>233,872</u></u>
Net Assets:		
Held in Trust for OPEB Benefits	\$ <u><u>374,935</u></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, 2009

	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ <u>374,935</u>
Net Increase	374,935
Net Assets Held in Trust for OPEB Benefits at Beginning of Year	<u>-</u>
Net Assets Held in Trust for OPEB Benefits at End of Year	<u><u>\$ 374,935</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.

The various funds included in the financial statements are described below:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another

fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

Permanent Funds account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis and for self-insured activities.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

The *Other Postemployment Benefit (OPEB) Trust Fund* accounts for Windsor Locks' postemployment benefits.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Board of Education Student Activity Fund is the Town's only agency fund.

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 \$282,000 has been established as an allowance for uncollectible taxes. At June 30, 2009, this represents 25% of all property taxes receivable.

In the fund financial statements, all property taxes receivable at June 30, 2009, 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, 2009 is presented below:

Major Governmental Funds:	
General Fund:	
Reserved for encumbrances	\$ 346,809
Sewer Administration:	
Reserved for capital improvements	138,279
Nonmajor Governmental Funds:	
Reserved for inventory	7,471
Reserved for endowments	<u>3,000</u>
 Total	 <u><u>\$ 495,559</u></u>

The General Fund has a designated balance of \$1,500,000 for the subsequent budget.

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

A. Budgetary Information

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.

No additional appropriations 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.

B. Deficit Fund Equity

The following funds had a fund balance deficit at June 30, 2009:

Major Governmental Fund:		
Capital Projects Fund	\$	576,392

The deficits will be eliminated by grants and future financing.

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*, \$6,168,656 of the Town’s bank balance of \$14,247,532, of which \$7,305,014 were certificates of deposit, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,501,790
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>666,866</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 6,168,656</u>

Cash Equivalents

At June 30, 2009, the Town's cash equivalents amounted to \$8,487,888. 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>	<u>Moody's Investor Service</u>
State Short-Term Investment Fund (STIF)	AAAm	
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)		AAA

Investments

As of June 30, 2009, 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	*	\$ <u>7,305,014</u>	\$ <u>-</u>	\$ <u>7,305,014</u>	\$ <u>-</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, 2009, 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	\$ 1,129,060	\$	\$	\$ 1,129,060
Accounts	3,257	3,736	227,048	234,041
Special assessments		204,802		204,802
Intergovernmental	<u>2,168,455</u>		46,904	<u>2,215,359</u>
Gross receivables	3,300,772	<u>208,538</u>	<u>273,952</u>	<u>3,783,262</u>
Less allowance for uncollectibles	<u>(282,000)</u>	<u>(4,500)</u>		<u>(286,500)</u>
Net Total Receivables	<u>\$ 3,018,772</u>	<u>\$ 204,038</u>	<u>\$ 273,952</u>	<u>\$ 3,496,762</u>

Note: Above does not include accrued interest and liens on property taxes of \$395,041 and sewer use charges of \$75,246.

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	\$ 752,087	\$
Special assessments	200,302	
Property taxes collected in advance		222,769
Grant drawdowns prior to meeting all eligibility requirements		107,185
School building grants	2,168,455	
Premium on bond anticipation notes		<u>47,795</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,120,844</u>	<u>\$ 377,749</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 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	\$	\$	\$	\$ 1,580,197
Construction in progress	<u>4,074,034</u>	<u>(2,529,450)</u>	<u>2,434,482</u>	<u>-</u>	<u>3,979,066</u>
Total capital assets not being depreciated	<u>5,654,231</u>	<u>(2,529,450)</u>	<u>2,434,482</u>	<u>-</u>	<u>5,559,263</u>
Capital assets being depreciated:					
Buildings	13,981,434	507,410		(16,193)	14,472,651
Building improvements	32,449,467	346,232			32,795,699
Land improvements	1,461,903				1,461,903
Machinery and equipment	10,327,135	635,025	198,260	(269,803)	10,890,617
Vehicles	3,995,112		23,024		4,018,136
Furniture and fixtures	295,578				295,578
Infrastructure	<u>27,912,980</u>	<u>1,040,783</u>	<u>617,220</u>	<u>(865,442)</u>	<u>28,705,541</u>
Total capital assets being depreciated	<u>90,423,609</u>	<u>2,529,450</u>	<u>838,504</u>	<u>(1,151,438)</u>	<u>92,640,125</u>
Less accumulated depreciation for:					
Buildings	(6,034,043)		(203,661)	11,853	(6,225,851)
Building improvements	(4,478,403)		(698,655)		(5,177,058)
Land improvements	(517,625)		(27,689)		(545,314)
Machinery and equipment	(4,859,738)		(435,153)	203,261	(5,091,630)
Vehicles	(1,828,658)		(210,436)		(2,039,094)
Furniture and fixtures	(91,673)		(24,248)		(115,921)
Infrastructure	<u>(12,804,348)</u>	<u>-</u>	<u>(445,462)</u>	<u>604,710</u>	<u>(12,645,100)</u>
Total accumulated depreciation	<u>(30,614,488)</u>	<u>-</u>	<u>(2,045,304)</u>	<u>819,824</u>	<u>(31,839,968)</u>
Total capital assets being depreciated, net	<u>59,809,121</u>	<u>2,529,450</u>	<u>(1,206,800)</u>	<u>(331,614)</u>	<u>60,800,157</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,463,352</u>	<u>\$ -</u>	<u>\$ 1,227,682</u>	<u>\$ (331,614)</u>	<u>\$ 66,359,420</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 116,707
Public safety	189,472
Public works	927,039
Recreation	72,330
Education	<u>739,756</u>
Total	<u>\$ 2,045,304</u>

Construction Commitments

The Town committed \$213,000 for the Town Hall Renovation project, of which \$-0- was spent prior to June 30, 2009.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2009 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Administration Fund	\$ 51,389
	Nonmajor Governmental Funds	68,146
		<u>119,535</u>
Capital Projects	General Fund	<u>120,537</u>
Nonmajor Governmental Funds	General Fund	<u>45,420</u>
		<u>\$ 285,492</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>	<u>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 1,978,962	\$ 92,910	\$ 2,071,872
Sewer Administration Fund	130,426	193,831		324,257
Nonmajor Governmental	<u>111</u>			<u>111</u>
Total Transfers In	<u>\$ 130,537</u>	<u>\$ 2,172,793</u>	<u>\$ 92,910</u>	<u>\$ 2,396,240</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, 2009 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	\$ 12,365,000	\$ -	\$ 1,400,000	\$ 10,965,000	\$ 1,375,000
Clean water notes	1,252,536	-	78,852	1,173,684	80,444
Total	<u>13,617,536</u>	<u>-</u>	<u>1,478,852</u>	<u>12,138,684</u>	<u>1,455,444</u>
Less deferred amounts on refunded bonds	<u>(110,091)</u>		<u>(19,625)</u>	<u>(90,466)</u>	
Total bonds and notes payable	13,507,445	-	1,459,227	12,048,218	1,455,444
Capital leases	205,663		57,658	148,005	60,232
OPEB obligation		597,850	331,943	265,907	
Compensated absences	856,156	171,213	175,825	851,544	27,492
Heart and hypertension claims	<u>224,653</u>		<u>104,653</u>	<u>120,000</u>	<u>20,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 14,793,917</u>	<u>\$ 769,063</u>	<u>\$ 2,129,306</u>	<u>\$ 13,433,674</u>	<u>\$ 1,563,168</u>

The following is a summary of bond and note issues at June 30, 2009:

<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, 2009</u>
Bonds/notes:					
Schools:					
Refunding bond	03/01/05	09/15/18	3.0-5.0	\$ 10,705,000	\$ 7,605,000
Refunding bond	03/15/03	03/15/16	2.125-4.0	6,630,000	3,360,000
Sewer:					
Clean water loan	05/31/03	05/31/22	2.0	1,715,669	<u>1,173,684</u>
					<u>\$ 12,138,684</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
2010	\$ 1,375,000	\$ 374,938	\$ 80,444	\$ 22,739	\$ 1,455,444	\$ 397,677
2011	1,355,000	334,347	82,067	21,115	1,437,067	355,462
2012	1,330,000	293,923	83,724	19,459	1,413,724	313,382
2013	1,290,000	250,567	85,414	17,769	1,375,414	268,336
2014	1,270,000	203,652	87,138	16,045	1,357,138	219,697
2015-2019	4,345,000	337,438	462,793	53,121	4,807,793	390,559
2020-2022			292,104	8,846	292,104	8,846
Total	\$ 10,965,000	\$ 1,794,865	\$ 1,173,684	\$ 159,094	\$ 12,138,684	\$ 1,953,959

Bond Anticipation Notes

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2009:

Capital Projects

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2008	Issued	Retired	Balance June 30, 2009
5-7-08	2-5-09	2.25	\$ 5,245,000		\$ 5,245,000	
2-5-09	11-4-09	1.50		7,400,000		7,400,000

As of June 30, 2009, the Town had authorized unissued bonds of \$7,400,000 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	\$ 62,793,041	\$ 6,573,000	\$ 56,220,041
Schools	125,586,081	9,623,545	115,962,536
Sewers	104,655,068	1,173,684	103,481,384
Urban renewal	90,701,059		90,701,059
Pension deficit	83,724,054		83,724,054

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$195.4 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 \$2,168,455 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>29,520</u>
Total	<u>\$ 242,424</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, 2009:

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 66,840
2011	66,839
2012	<u>25,964</u>
Total minimum lease payments	159,643
Less amount representing interest	<u>(11,638)</u>
Present Value of Future Minimum Lease Payment	<u>\$ 148,005</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
2007-2008	\$ 352,924	\$ 4,186,315	\$ 4,172,082	\$ 367,157
2008-2009	367,157	4,342,204	4,329,150	380,211

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

9. COMMITMENTS AND LITIGATION

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel 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 which would materially adversely affect its financial position.

10. 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, 2007, 2008 and 2009 were \$373,433, \$409,809 and \$423,637, 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 \$13,206,884.

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, 2009, the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$2,039,486 as payments made by the State of Connecticut on behalf of the Town. This amount is significantly lower than the prior year because the State of Connecticut increased the contribution substantially. 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.

11. 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, 2007, plan membership consisted of the following:

	Retiree Health Plan
Retired members and their spouses	37
Active plan members	295
Total Participants	<u>332</u>

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, 2009, plan members contributed \$394,866, and claims and benefits paid were \$351,874. 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 \$42,992.

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)	\$ 597,850
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	597,850
Contributions made	331,943
Increase in net OPEB obligation	265,907
Net OPEB obligation, beginning of year	-
Net OPEB Obligation, End of Year	\$ 265,907

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, 2009 is presented below. Data is only presented for the 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	55.5%	\$ 265,907

As of July 1, 2007, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$5 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$24 million, which was 22% of UAAL.

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, 2007 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% after five years. 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, 2007 was 30 years.

12. 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.

13. SUBSEQUENT EVENT

On November 1, 2009, the Town issued \$6,335,000 of general obligation bonds to fund various projects. The bonds bear interest of 2-4% and mature serially on November 1, 2024.

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, 2009

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property Taxes:				
Current taxes	\$ 26,539,217	\$ 26,539,217	\$ 25,551,796	\$ (987,421)
Supplemental taxes	1,400,000	1,400,000	1,645,320	245,320
Prior year taxes	200,000	200,000	404,976	204,976
Interest and lien fees	150,000	150,000	234,685	84,685
Telephone access line	78,500	78,500	78,961	461
Housing authority in lieu of tax	30,000	30,000	32,836	2,836
Tax abatement	100,000	100,000	100,000	-
Total property taxes	<u>28,497,717</u>	<u>28,497,717</u>	<u>28,048,574</u>	<u>(449,143)</u>
Intergovernmental:				
General government:				
Elderly property tax relief	5,300	5,300	5,344	44
In lieu of tax, State Property	3,700,820	3,700,820	3,713,050	12,230
P.A. 436 PILOT on boats	6,390	6,390	6,393	3
Elderly circuit breaker	110,000	110,000	109,365	(635)
Totally Disabled Grants	300	300	306	6
Capital improvement program	100,000	100,000		(100,000)
Veterans' Exemptions	11,000	11,000	11,125	125
Office of Emergency Management	3,870	3,870	3,965	95
Off Track Betting/Teletheater	650,000	650,000	717,966	67,966
PILOT - Manufacturing Equipment	1,445,807	1,445,807	1,445,807	-
Mashantucket Pequot/Mohegan Grant	696,393	696,393	685,811	(10,582)
Manufacturing and equipment phase-in	751,488	751,488	749,362	(2,126)
Senior Center Transportation Grant	14,935	14,935	14,935	-
Youth Services	14,000	14,000	14,000	-
Public Works Grants	1	1		(1)
Police Grants	1	1		(1)
Various Grants	50,000	50,000		(50,000)
Total general government	<u>7,560,305</u>	<u>7,560,305</u>	<u>7,477,429</u>	<u>(82,876)</u>
Education:				
Educational Cost Sharing	4,652,368	4,652,368	4,657,040	4,672
School Building Grants	324,700	324,700	338,655	13,955
School Transportation	134,524	134,524	131,701	(2,823)
Education of the Blind	3,000	3,000	699	(2,301)
Special Education	1	1	188,990	188,989
Total education	<u>5,114,593</u>	<u>5,114,593</u>	<u>5,317,085</u>	<u>202,492</u>
Total intergovernmental	<u>12,674,898</u>	<u>12,674,898</u>	<u>12,794,514</u>	<u>119,616</u>

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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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
Conveyance tax	\$ 85,000	\$ 85,000	\$ 110,347	\$ 25,347
Town Clerk's Office	110,000	110,000	83,686	(26,314)
Building permits	275,000	275,000	375,652	100,652
Zoning Board of Appeals	1,500	1,500	1,116	(384)
Planning and Zoning	5,000	5,000	3,886	(1,114)
Other licenses and permits	2,500	2,500	4,854	2,354
Trash haulers permits	2,100	2,100	1,800	(300)
Assessors Office	600	600	299	(301)
Inland Wetland fees	1,000	1,000	458	(542)
False alarm fines	1,000	1,000	725	(275)
Superior Court	4,500	4,500	14,140	9,640
Parking tickets	50,000	50,000	56,108	6,108
Airplane registration fees	47,000	47,000	58,180	11,180
Tuitions	1,900	1,900		(1,900)
Board of Education Suffield Co-op Reimbursement	1	1		(1)
Park Revolving Fund	152,000	152,000	152,000	-
Police accident reports	1,200	1,200	1,812	612
Senior Citizen Mini-bus fee	2,000	2,000	3,720	1,720
Rental of town building	2,500	2,500	3,900	1,400
Tower rental	40,000	40,000	46,267	6,267
Admissions tax - Teletheater	1	1		(1)
Town auction	1	1		(1)
Police reimbursement	10,000	10,000	2,776	(7,224)
Total charges for services	<u>794,803</u>	<u>794,803</u>	<u>921,726</u>	<u>126,923</u>
Investment Income:				
Income on investments	<u>420,052</u>	<u>420,052</u>	<u>437,558</u>	<u>17,506</u>
Other Revenues:				
Miscellaneous receipts	19,000	19,000	43,536	24,536
Workers' Compensation	12,000	12,000	58,632	46,632
PY unliquidated encumbrances			13,599	13,599
Total other revenues	<u>31,000</u>	<u>31,000</u>	<u>115,767</u>	<u>84,767</u>
Total revenues	<u>42,418,470</u>	<u>42,418,470</u>	<u>42,318,139</u>	<u>(100,331)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Transfers from other funds:				
Sewer Administration Fund	\$ 130,634	\$ 130,634	\$ 130,426	\$ (208)
James DeForest Phelps Fund	100	100	111	11
Total other financing sources	<u>130,734</u>	<u>130,734</u>	<u>130,537</u>	<u>(197)</u>
Total	\$ <u>42,549,204</u>	\$ <u>42,549,204</u>	42,448,676	\$ <u>(100,528)</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			2,039,486	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			73,575	
Cancellation of prior year encumbrances are recognized as budgetary revenue			<u>(13,599)</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>44,548,138</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, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Auditing Services	\$ 45,400	\$ 48,900	\$ 30,973	\$ 17,927
Board of Assessment Appeals	1,145	1,420	1,403	17
Board of Assessors	140,374	149,332	143,080	6,252
Board of Finance	5,570	5,570	5,293	277
Board of Selectmen	138,248	138,738	131,503	7,235
Building Official	185,834	207,389	184,036	23,353
Capital Improvement Advisory Commission	1,165	1,165	427	738
Conservation Commission	3,481	3,481	2,491	990
Contingency Fund	340,000	87,631		87,631
Economic Development Commission	28,882	28,882	28,201	681
Finance Department	215,710	223,840	204,555	19,285
General expense all buildings	19,550	20,200	19,936	264
Historical Commission	446	446	381	65
Holiday observance	3,000	3,000	3,000	-
Human Resource	67,303	68,600	64,786	3,814
Information Technologies	51,185	51,185	49,524	1,661
Inland/Wetlands Agency	9,580	9,580	7,463	2,117
Municipal associations	19,154	19,154	19,053	101
Planning and Zoning Commission	30,571	30,571	28,598	1,973
Probate Court	6,560	6,560	5,655	905
Registrar of Voters	32,920	35,520	32,138	3,382
Senior Center	87,899	95,659	88,884	6,775
Tax Collector	171,575	197,935	185,607	12,328
Town Clerk	129,469	133,529	132,998	531
Town Counsel	77,000	90,100	84,391	5,709
Town Engineer	45,000	64,179	64,179	-
Town Office Building	168,253	171,283	160,547	10,736
Town Treasurer	200	200	200	-
Zoning Board of Appeals	5,450	5,450	4,092	1,358
Total general government	<u>2,030,924</u>	<u>1,899,499</u>	<u>1,683,394</u>	<u>216,105</u>
Public safety:				
Ambulance Association	68,000	68,000	68,000	-
Fire	398,762	399,580	351,748	47,832
Fire Marshal	69,788	69,788	60,294	9,494
Marine services	300	300		300
Nine bay garage/safety complex	2,000	2,000	1,851	149
Office of Emergency Management	27,057	27,394	25,922	1,472
Police	2,771,524	2,778,409	2,695,522	82,887
Safety Complex	161,718	173,711	170,951	2,760
Water main/street lighting	630,532	630,532	622,925	7,607
Total public safety	<u>4,129,681</u>	<u>4,149,714</u>	<u>3,997,213</u>	<u>152,501</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, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public works:				
Landfill/refuse removal	\$ 1,145,962	\$ 1,145,962	\$ 950,069	\$ 195,893
Public Works Department	1,406,635	1,411,113	1,396,032	15,081
Public Works Garage	28,955	31,612	31,031	581
Snow removal	62,500	72,635	72,635	-
Spring Street Garage	9,545	10,585	9,950	635
Total public works	<u>2,653,597</u>	<u>2,671,907</u>	<u>2,459,717</u>	<u>212,190</u>
Health and welfare:				
Commission on Needs of the Aging	169,756	171,288	158,368	12,920
Outside services	104,977	104,977	99,977	5,000
Social services	52,381	56,056	49,617	6,439
Youth Service Bureau	43,814	43,814	41,301	2,513
Total health and welfare	<u>370,928</u>	<u>376,135</u>	<u>349,263</u>	<u>26,872</u>
Recreation:				
Parks and recreation	365,674	365,674	346,732	18,942
Public library	406,990	415,490	415,490	-
Total recreation	<u>772,664</u>	<u>781,164</u>	<u>762,222</u>	<u>18,942</u>
Employee benefits and insurance:				
Employee benefits	2,375,498	2,383,800	2,275,894	107,906
Insurance and bonds	575,906	554,069	326,995	227,074
Total employee benefits and insurance	<u>2,951,404</u>	<u>2,937,869</u>	<u>2,602,889</u>	<u>334,980</u>
Education	<u>26,759,841</u>	<u>26,759,841</u>	<u>26,759,837</u>	<u>4</u>
Debt service:				
Bond redemption	1,545,564	1,545,564	1,541,436	4,128
Interest	555,639	555,639	557,958	(2,319)
Total debt service	<u>2,101,203</u>	<u>2,101,203</u>	<u>2,099,394</u>	<u>1,809</u>
Total expenditures	<u>41,770,242</u>	<u>41,677,332</u>	<u>40,713,929</u>	<u>963,403</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, 2009

	<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	\$ 1,978,962	\$ 1,978,962	\$ 1,978,962	\$ -
Special Education Grant Fund		92,910	92,910	-
Total other financing uses	<u>1,978,962</u>	<u>2,071,872</u>	<u>2,071,872</u>	<u>-</u>
Total	<u>\$ 43,749,204</u>	<u>\$ 43,749,204</u>	42,785,801	<u>\$ 963,403</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			2,039,486	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			73,575	
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>(49,036)</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>\$ 44,849,826</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 4,421,874	\$ 2,453,640
Investments	6,116,501	6,026,417
Property taxes receivable, net of allowance for \$282,000 in 2009 and \$275,000 in 2008	847,060	828,298
Accounts receivable	2,171,712	2,452,679
Due from other funds	<u>119,535</u>	<u>1,777,208</u>
Total Assets	<u>\$ 13,676,682</u>	<u>\$ 13,538,242</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 807,332	\$ 415,885
Due to other funds	165,957	56,016
Deferred revenue	3,191,106	3,252,366
Total liabilities	<u>4,164,395</u>	<u>3,724,267</u>
Fund balance:		
Reserved for encumbrances	346,809	311,370
Unreserved:		
Designated for subsequent year	1,500,000	2,200,000
Undesignated	<u>7,665,478</u>	<u>7,302,605</u>
Total fund balance	<u>9,512,287</u>	<u>9,813,975</u>
Total Liabilities and Fund Balance	<u>\$ 13,676,682</u>	<u>\$ 13,538,242</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

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Grand List	Uncollected Taxes July 1, 2008	Current Tax Levy	Additions	Deductions	Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2009	
							Taxes	Interest and Lien Fees	Total		
1993	\$ 4,981	\$	\$	\$	\$	\$ 4,981	\$	\$	\$ -	\$ 4,981	
1994	5,086					5,086			-	5,086	
1995	6,072		88			6,160	88		88	6,072	
1996	6,372					6,372			-	6,372	
1997	6,317					6,317			-	6,317	
1998	5,897		880			6,777			-	6,777	
1999	4,921		84			5,005	1,242	61	1,303	3,763	
2000	9,055					9,055	1,502	5,276	6,778	7,553	
2001	17,441		108			17,549	4,261	4,551	8,812	13,288	
2002	45,346			347		44,999	14,391	9,267	23,658	30,608	
2003	37,294		197			37,491	12,268	10,310	22,578	25,223	
2004	104,638		259			104,897	27,351	11,581	38,932	77,546	
2005	243,427		1,215	1,432	75,585	167,625	78,613	25,073	103,686	89,012	
2006	601,522		207,510	238,655		570,377	319,314	66,319	385,633	251,063	
Total prior years	1,098,369		210,341	240,434	75,585	992,691	459,030	132,438	591,468	533,661	
2007		28,487,388	52,434	747,307		27,792,515	27,197,116	90,181	27,287,297	595,399	
Total	\$ 1,098,369	\$ 28,487,388	\$ 262,775	\$ 987,741	\$ 75,585	\$ 28,785,206	27,656,146	222,619	27,878,765	\$ 1,129,060	
							Suspense Collections	11,843	12,066	23,909	
							Total	27,667,989	\$ 234,685	\$ 27,902,674	
Property taxes receivable considered available:											
							June 30, 2008	(160,870)			
							June 30, 2009	94,973			
							Total taxes	\$ 27,602,092			

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue						
	Special Grants	Small Cities	Dog	Highway	School Cafeteria	Police Revolving	Parks and Recreation
ASSETS							
Cash and cash equivalents	\$	\$ 4,314	\$ 9,531	\$ 90,847	\$ 53,368	\$ 76,126	\$ 92,073
Investments							
Receivables, net					42,804	14,727	
Due from other funds	45,420						
Inventory					7,471		
Total Assets	\$ 45,420	\$ 4,314	\$ 9,531	\$ 90,847	\$ 103,643	\$ 90,853	\$ 92,073
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$ 8,297	\$	\$ 76,855	\$	\$
Due to other funds						3,095	
Deferred revenue		4,314		58,885	4,189		
Total liabilities	-	4,314	8,297	58,885	81,044	3,095	-
Fund Balances:							
Reserved:							
Inventories					7,471		
Endowments							
Unreserved - undesignated	45,420		1,234	31,962	15,128	87,758	92,073
Total fund balance	45,420	-	1,234	31,962	22,599	87,758	92,073
Total Liabilities and Fund Balances	\$ 45,420	\$ 4,314	\$ 9,531	\$ 90,847	\$ 103,643	\$ 90,853	\$ 92,073

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	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	\$ 9,400	\$ 105,916	\$ 42,534	\$ 116,382	\$ 600,491	\$ -	\$ 600,491
Investments	5,701				5,701	3,835	9,536
Receivables, net		4,100			61,631		61,631
Due from other funds					45,420		45,420
Inventory					7,471		7,471
Total Assets	<u>\$ 15,101</u>	<u>\$ 110,016</u>	<u>\$ 42,534</u>	<u>\$ 116,382</u>	<u>\$ 720,714</u>	<u>\$ 3,835</u>	<u>\$ 724,549</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 9,358	\$ -	\$ -	\$ 94,510	\$ -	\$ 94,510
Due to other funds		65,051			68,146		68,146
Deferred revenue		35,106			102,494		102,494
Total liabilities	<u>-</u>	<u>109,515.00</u>	<u>-</u>	<u>-</u>	<u>265,150</u>	<u>-</u>	<u>265,150</u>
Fund Balances:							
Reserved:							
Inventories					7,471		7,471
Endowments					-	3,000	3,000
Unreserved - undesignated	15,101	501	42,534	116,382	448,093	835	448,928
Total fund balance	<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>
Total Liabilities and Fund Balances	<u>\$ 15,101</u>	<u>\$ 110,016</u>	<u>\$ 42,534</u>	<u>\$ 116,382</u>	<u>\$ 720,714</u>	<u>\$ 3,835</u>	<u>\$ 724,549</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, 2009

	Special Revenue						
	Special Grants	Small Cities	Dog	Highway	School Cafeteria	Police Revolving	Parks and Recreation
Revenues:							
Intergovernmental	\$ 184,128	\$ 174,535		\$ 73,640	\$ 292,533		\$
Charges for services			6,286		467,327	142,098	309,693
Contributions	24,350						
Income from investments			6	383		55	69
Total revenues	<u>208,478</u>	<u>174,535</u>	<u>6,292</u>	<u>74,023</u>	<u>759,860</u>	<u>142,153</u>	<u>309,762</u>
Expenditures:							
Current:							
General government	5,538						
Public safety	18,958		9,529			141,549	
Public works	21,830	174,535		73,641			
Health and welfare	20,948						
Recreation	125,000						288,983
Education					770,503		
Total expenditures	<u>192,274</u>	<u>174,535</u>	<u>9,529</u>	<u>73,641</u>	<u>770,503</u>	<u>141,549</u>	<u>288,983</u>
Excess (Deficiency) of Revenues over Expenditures	16,204	-	(3,237)	382	(10,643)	604	20,779
Other Financing Sources (Uses):							
Transfers in (out)							
Net Change in Fund Balances	16,204	-	(3,237)	382	(10,643)	604	20,779
Fund Balances at Beginning of Year	<u>29,216</u>	<u>-</u>	<u>4,471</u>	<u>31,580</u>	<u>33,242</u>	<u>87,154</u>	<u>71,294</u>
Fund Balances at End 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>

(Continued on next page)

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, 2009

	<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	\$	\$ 859,824	\$	\$ 33,653	\$ 1,618,313	\$	\$ 1,618,313
Charges for services	57,354	95,427	17,712		1,095,897		1,095,897
Contributions	2,650				27,000		27,000
Income from investments					513	111	624
Total revenues	<u>60,004</u>	<u>955,251</u>	<u>17,712</u>	<u>33,653</u>	<u>2,741,723</u>	<u>111</u>	<u>2,741,834</u>
Expenditures:							
Current:							
General government					5,538		5,538
Public safety				3,587	173,623		173,623
Public works					270,006		270,006
Health and welfare	55,177		10,777		86,902		86,902
Recreation					413,983		413,983
Education		954,750			1,725,253		1,725,253
Total expenditures	<u>55,177</u>	<u>954,750</u>	<u>10,777</u>	<u>3,587</u>	<u>2,675,305</u>	<u>-</u>	<u>2,675,305</u>
Excess (Deficiency) of Revenues over Expenditures	4,827	501	6,935	30,066	66,418	111	66,529
Other Financing Sources (Uses):							
Transfers in (out)		92,910			92,910	(111)	92,799
Net Change in Fund Balances	4,827	93,411	6,935	30,066	159,328	-	159,328
Fund Balances at Beginning of Year	10,274	(92,910)	35,599	86,316	296,236	3,835	300,071
Fund Balances at End 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>

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND - BY PROJECT

JUNE 30, 2009

	<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	\$ 2,951,764	\$ 3,642,507	\$ 136,525	\$ 6,730,796
Due from other funds	120,537			120,537
	<u>3,072,301</u>	<u>3,642,507</u>	<u>136,525</u>	<u>6,851,333</u>
Total Assets	<u>\$ 3,072,301</u>	<u>\$ 3,642,507</u>	<u>\$ 136,525</u>	<u>\$ 6,851,333</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 17,530	\$	\$ 5,504	\$ 23,034
Bond anticipation notes payable		7,400,000		7,400,000
Deferred revenue	4,691			4,691
Total liabilities	<u>22,221</u>	<u>7,400,000</u>	<u>5,504</u>	<u>7,427,725</u>
Fund Balances:				
Unreserved - undesignated	<u>3,050,080</u>	<u>(3,757,493)</u>	<u>131,021</u>	<u>(576,392)</u>
Total Liabilities and Fund Balances	<u>\$ 3,072,301</u>	<u>\$ 3,642,507</u>	<u>\$ 136,525</u>	<u>\$ 6,851,333</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, 2009

	<u>Capital Improvements Projects</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Total Capital Projects Fund</u>
Revenues:				
Intergovernmental	\$	\$ 24,411	\$	\$ 24,411
Income from investments	24,046	33,873	3,121	61,040
Total revenue	<u>24,046</u>	<u>58,284</u>	<u>3,121</u>	<u>85,451</u>
Expenditures:				
Current:				
Capital outlay	<u>1,688,409</u>	<u>900,317</u>	<u>146,358</u>	<u>2,735,084</u>
Deficiency of Revenues over Expenditures	(1,664,363)	(842,033)	(143,237)	(2,649,633)
Other Financing Sources:				
Transfers in	<u>1,978,962</u>		<u>193,831</u>	<u>2,172,793</u>
Net Change in Fund Balances	314,599	(842,033)	50,594	(476,840)
Fund Balances at Beginning of Year	<u>2,735,481</u>	<u>(2,915,460)</u>	<u>80,427</u>	<u>(99,552)</u>
Fund Balances at End of Year	<u>\$ 3,050,080</u>	<u>\$ (3,757,493)</u>	<u>\$ 131,021</u>	<u>\$ (576,392)</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Assets:				
Cash and cash equivalents:				
Student Activities Fund	\$ 201,162	\$ 474,704	\$ 441,994	\$ 233,872
Liabilities:				
Accounts payable:				
Student Activities Fund	\$ 201,162	\$ 474,704	\$ 441,994	\$ 233,872

TOWN OF WINDSOR LOCKS, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 1,580,197	\$ 1,580,197
Buildings	47,268,350	46,430,901
Improvements other than buildings	1,461,903	1,461,903
Machinery and equipment	10,890,617	10,327,135
Vehicles	4,018,136	3,995,112
Furniture and fixtures	295,578	295,578
Infrastructure	28,705,541	27,912,980
Construction in progress	<u>3,979,066</u>	<u>4,074,034</u>
Total	<u>\$ 98,199,388</u>	<u>\$ 96,077,840</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2009

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government	\$ 6,780,920	\$ 685,923	\$ 3,575,628	\$ 99,502	\$ 728,817	\$ 104,927	\$ 86,262	\$	\$ 1,499,861
Public safety	5,027,227	117,600	464,610	46,288	1,678,421	2,286,113	16,072		418,123
Public works	46,779,568	466,200	9,391,929	136,065	6,027,487	1,506,430		28,705,541	545,916
Recreation	4,733,524	193,691	3,009,293	708,494	388,698	24,581	17,156		391,611
Education	<u>34,878,149</u>	<u>116,783</u>	<u>30,826,890</u>	<u>471,554</u>	<u>2,067,194</u>	<u>96,085</u>	<u>176,088</u>	<u></u>	<u>1,123,555</u>
Total	<u>\$ 98,199,388</u>	<u>\$ 1,580,197</u>	<u>\$ 47,268,350</u>	<u>\$ 1,461,903</u>	<u>\$ 10,890,617</u>	<u>\$ 4,018,136</u>	<u>\$ 295,578</u>	<u>\$ 28,705,541</u>	<u>\$ 3,979,066</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Funds Capital Assets July 1, 2008	Additions	Deletions	Governmental Funds Capital Assets June 30, 2009
General government	\$ 6,476,190	\$ 304,730	\$	\$ 6,780,920
Public safety	4,757,430	269,797		5,027,227
Public works	46,666,153	1,237,733	1,124,318	46,779,568
Recreation	4,300,417	449,300	16,193	4,733,524
Education	<u>33,877,650</u>	<u>1,011,426</u>	<u>10,927</u>	<u>34,878,149</u>
Total	<u>\$ 96,077,840</u>	<u>\$ 3,272,986</u>	<u>\$ 1,151,438</u>	<u>\$ 98,199,388</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, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Sewer use charges and interest	\$ 1,468,326	\$ 1,468,326	\$ 1,553,320	\$ 84,994
Fees	62,500	62,500	51,043	(11,457)
Investment income	70,000	70,000	53,621	(16,379)
Intergovernmental			31,892	31,892
Miscellaneous	100	100	1,317	1,217
Total revenues	<u>1,600,926</u>	<u>1,600,926</u>	<u>1,691,193</u>	<u>90,267</u>
Expenditures:				
Salaries	570,356	581,109	547,014	34,095
Fringe benefits	253,315	242,240	232,572	9,668
Overtime	37,500	37,823	37,823	-
Audit and legal fees	6,000	6,000	4,875	1,125
Chemicals/chlorine	64,020	64,020	59,382	4,638
Contingency	10,000			-
Electricity	237,461	226,506	226,506	-
Equipment rental/hauling	7,630	7,630	6,620	1,010
Expenses	193,831	193,831		193,831
Fuel, oil, natural gas	35,359	62,301	62,301	-
Gasoline and diesel	18,908	18,908	14,019	4,889
Insurance	52,990	52,990	33,189	19,801
Lab equipment	22,000	22,000	19,600	2,400
Manholes	2,500	2,500	2,500	-
Mechanical maintenance	37,000	37,000	37,000	-
Outside services	25,877	25,877	25,754	123
Refunds	1,000	1,211	1,200	11
Safety training	4,000	4,000	2,079	1,921
Sewer line maintenance	26,430	26,430	23,217	3,213
Sludge disposal	90,000	79,042	78,575	467
Supplies	37,925	37,925	37,625	300
Telephone	4,908	4,908	4,886	22
User fee administration	7,000	7,595	7,595	-
Vehicle parts, repairs	4,000	8,164	8,164	-
Water	7,733	7,733	7,386	347
Facilities plan			31,892	(31,892)
Total expenditures	<u>1,757,743</u>	<u>1,757,743</u>	<u>1,511,774</u>	<u>245,969</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues over Expenditures	\$ (156,817)	\$ (156,817)	\$ 179,419	\$ 336,236
Other financing sources (uses):				
Transfers out	<u>(193,831)</u>	<u>(193,831)</u>	<u>(324,257)</u>	<u>130,426</u>
Net Change in Fund Balance	\$ <u><u>(350,648)</u></u>	\$ <u><u>(350,648)</u></u>	(144,838)	\$ <u><u>205,810</u></u>
Fund Balance at Beginning of Year			<u>1,917,353</u>	
Fund Balance at End of Year			\$ <u><u>1,772,515</u></u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT
SEWER ADMINISTRATION FUND
REPORT OF SEWER USE CHARGE COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2009

List Year	Uncollected Charges July 1, 2008	Current Year Billings and Adjustments	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2009
				Charges	Interest and Lien Fees	Total	
1999	\$ 102	\$	\$ 102	\$	\$	\$ -	\$ 102
2000	159		159			-	159
2001	846		846	1	2	3	845
2002	2,602		2,602	1,288	1,089	2,377	1,314
2003	4,225		4,225	1,296	1,624	2,920	2,929
2004	6,941		6,941	1,632	1,594	3,226	5,309
2005	13,578		13,578	2,793	1,886	4,679	10,785
2006	33,377		33,377	8,413	4,068	12,481	24,964
2007	101,039		101,039	55,765	15,070	70,835	45,274
Total prior years	162,869	-	162,869	71,188	25,333	96,521	91,681
2008		1,552,555	1,552,555	1,439,434	17,365	1,456,799	113,121
Total	\$ 162,869	\$ 1,552,555	\$ 1,715,424	\$ 1,510,622	\$ 42,698	\$ 1,553,320	\$ 204,802

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2009

Total tax collections (including interest and lien fees) for current fiscal year	\$ 27,902,674
Reimbursement for loss of revenue:	
Tax relief for elderly	<u>5,344</u>
Base	<u><u>\$ 27,908,018</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	\$ 62,793,041	\$	\$	\$	\$
4-1/2 times base		125,586,081			
3-3/4 times base			104,655,068		
3-1/4 times base				90,701,059	
3 times base					83,724,054
Total debt limitation	<u>62,793,041</u>	<u>125,586,081</u>	<u>104,655,068</u>	<u>90,701,059</u>	<u>83,724,054</u>
Indebtedness:					
Bonds and notes payable		10,965,000	1,173,684		
Bonds authorized and unissued	6,573,000	827,000			
Less school building grants		(2,168,455)			
Net indebtedness	<u>6,573,000</u>	<u>9,623,545</u>	<u>1,173,684</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 56,220,041</u></u>	<u><u>\$ 115,962,536</u></u>	<u><u>\$ 103,481,384</u></u>	<u><u>\$ 90,701,059</u></u>	<u><u>\$ 83,724,054</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$195,356,126).

TOWN OF WINDSOR LOCKS, CONNECTICUT
FOR THE YEAR ENDED JUNE 30, 2009
PRINCIPAL TAXPAYERS

<u>Name</u>	<u>Nature of Business</u>	<u>Taxable Valuation as of 10/1/07</u>	<u>Percent of Net Taxable Grand List*</u>
United Technologies	Manufacturing	\$ 80,240,328	6.96 %
Ahlstrom Windsor Locks, LLC	Manufacturing	27,973,552	2.43
AREH Windsor Locks, LLC	Warehouse	22,909,500	1.99
PV Holding Corp	Car Rental	20,192,347	1.75
Hertz Vehicles LLC	Car Rental	15,954,174	1.38
Hartford Parking Property LLC	Valet Parking	12,947,700	1.12
Alamo Financing LP	Car Rental	12,259,705	1.06
Connecticut Light & Power Company	Utility	11,464,480	0.99
Algonquin Windsor Locks LLC	Manufacturing	10,849,480	0.94
Roncari Development Company	Valet Parking	<u>9,501,220</u>	<u>0.82</u>
Total		<u>\$ 224,292,486</u>	<u>19.46 %</u>

*Based on 10/1/07 Net Taxable Grand List of \$1,152,816,666

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							
2009	2007	46.7	% 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	1.4
2007	2005	47.5	24.2	0.0	14.5	13.8	1,178,178	81,445	1,096,733	1.5
2006	2004	43.6	23.0	0.0	20.2	13.2	1,169,804	90,374	1,079,430	3.1
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	-
2000	1998	41.9	25.4	0.8	18.2	13.7	1,066,738	50,261	1,016,477	-

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Date of Last Revaluation 10/1/03
Based on Assessor Data

TOWN OF WINDSOR LOCKS, CONNECTICUT

CURRENT DEBT STATEMENT

FOR THE YEAR ENDED JUNE 30, 2009

Bonded Debt		
Schools	\$	10,965,000
Sewers		1,173,684
Total bonded debt		<u>12,138,684</u>
Short-term debt		<u>7,400,000</u>
Total direct debt		19,538,684
Less school construction grants receivable		<u>(2,168,455)</u>
Total Overall Net Debt	\$	<u><u>17,370,229</u></u>

CURRENT DEBT RATIOS

FOR THE YEAR ENDED JUNE 30, 2009

Population, 2007		12,491
Per capita income, 2000	\$	23,079
Net taxable grand list, 10/1/07	\$	1,152,816,666
Estimated full value @ 70%	\$	1,646,880,951
Equalized net grand list, 2007**	\$	2,103,647,832

	Overall Debt	Overall Net Debt
	\$ 19,538,684	\$ 17,370,229
Per capita	\$ 1,564.22	\$ 1,390.62
To net taxable grand list	1.69%	1.51%
To estimated full value @ 70%	1.19%	1.05%
To equalized net grand list, 2007	0.93%	0.83%
Ratio of debt per capita to per capita income	6.78%	6.03%

*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 NINE 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, 2009			
2009	2007	\$ 1,152,817	23.57	\$ 27,793	97.9	%	2.1	%	2.1	%
2008	2006	1,112,654	22.88	26,817	98.6		1.4		0.9	
2007	2005	1,096,733	22.65	26,060	98.6		1.4		0.3	
2006	2004	1,079,430	22.40	25,161	98.1		1.9		0.3	
2005	2003	1,046,978	20.69	22,629	98.7		1.3		0.1	
2004	2002	870,986	24.00	22,357	98.2		1.8		0.1	
2003	2001	898,939	22.21	20,871	98.3		1.7		0.1	
2002	2000	898,359	21.21	20,228	98.4		1.6		0.1	
2001	1999	881,439	21.21	19,789	98.0		2.0		0.1	