

TOWN OF WINDSOR LOCKS, CONNECTICUT

JUNE 30, 2007

TOWN OF WINDSOR LOCKS, CONNECTICUT

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Report of Independent Accountants

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, 2007, 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, 2007, 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.

Management's discussion and analysis on pages 3 through 11 and budgetary comparison information on pages 37 through 42 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 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 December 30, 2007 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 assessing the results of our audit.

Blum, Shapiro & Company, P.C.

December 30, 2007

**TOWN OF WINDSOR LOCKS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

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, 2007. 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 \$63.4 million (net assets). Of this amount, \$17.3 million (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$1.7 million. The majority of the increase is attributable to positive General Fund operations.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14.4 million, an increase of \$173 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 \$9.3 million, or 24% of total General Fund expenditures and transfers out.
- The Town's bonded debt decreased by \$1.3 million or 8% during the current fiscal year, and the Town issued \$2.1 million in bond anticipation notes in November 2006.

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 sixteen 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, Special Education Grants 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 \$61.7 million to \$63.4 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	
	2007	2006
Current and other assets	\$ 21,720	\$ 18,818
Capital assets	61,823	61,961
Total assets	<u>83,543</u>	<u>80,779</u>
Long-term debt outstanding	14,546	17,462
Other liabilities	5,584	1,578
Total liabilities	<u>20,130</u>	<u>19,040</u>
Net assets:		
Invested in capital assets, net of debt	46,122	45,641
Restricted	4	4
Unrestricted	<u>17,287</u>	<u>16,094</u>
Total Net Assets	<u>\$ 63,413</u>	<u>\$ 61,739</u>

Net assets of the Town's governmental activities increased by 2.7%. 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 \$16.1 million at June 30, 2006 to \$17.3 million at the end of this year. Most of this increase was due to resources being invested in capital project activities.

TABLE 2
CHANGE IN NET ASSETS
In Thousands

	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 3,960	\$ 4,037
Operating grants and contributions	6,435	6,142
Capital grants and contributions	252	2,671
General revenues:		
Property taxes	26,157	25,396
Grants and contributions not restricted to specific purposes	7,266	6,896
Investment income	1,156	785
Miscellaneous	166	419
Total revenues	45,392	46,346
 Program expenses:		
General government	1,565	2,047
Public safety	4,302	4,378
Public works	5,661	5,018
Health and welfare	362	321
Recreation	986	861
Employee benefits and insurance	2,013	1,820
Education	28,224	26,343
Interest on long-term debt	605	577
Total program expenses	43,718	41,365
 Increase in Net Assets	\$ 1,674	\$ 4,981

The Town's total revenues were \$45.4 million. The total cost of all programs and services was \$43.7 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 30.2% from grants, then 8.7% from charges for services.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2007 reflect an increase in the Town's tax rate of 1.12%. There was an increase in the total assessed value of taxable property of 1.5%. The additional tax rate resulted in additional revenues of \$608 thousand.
- Charges for services decreased by \$77 thousand primarily due to a reduction in building permits.
- Revenue from intergovernmental revenue increased from the prior fiscal year by \$293 thousand due to an increase in state owned property pilot, LOCIP grant and education cost sharing.

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 public safety, public works and education added to a positive position from budget to actual.
- Property and liability insurance averaged a 2.6% decrease, medical insurance increased by 5% and worker's compensation increased by 14.9%.
- The cost of education services increased due to negotiated wage settlements, employee health insurance cost increases, special education cost and rising school enrollment.

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**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General government	\$ 1,565	\$ 2,047	\$ 837	\$ 946
Public safety	4,302	4,378	3,929	4,069
Public works	5,661	5,018	3,647	564
Health and welfare	362	321	275	261
Recreation	986	861	629	570
Employee benefits and Insurance	2,013	1,820	2,013	1,820
Education	28,224	26,343	21,209	19,819
Interest	605	577	532	467
Totals	<u>\$ 43,718</u>	<u>\$ 41,365</u>	<u>\$ 33,071</u>	<u>\$ 28,516</u>

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$14.4 million, which is an increase from last year's total of \$14.3 million. Approximately 98% 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 (\$216 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 \$9.4 million and \$9.3 million, respectively.

Of this amount, \$1.7 million was designated for next year's budget, while unreserved and undesignated fund balance was \$7.6 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 24% of total General Fund expenditures and other financing.

The fund balance of the Town's General Fund increased by \$554 thousand during the current fiscal year. Key factors in this growth are as follows:

- Favorable results in tax collections resulting in \$291,769 in excess of budgeted amount.
- Increase in Town Clerk conveyance of \$50,309 due to extension of the higher conveyance rate and state grants in excess of budget; state owned property, \$377,826, manufacturing and equipment, \$7,220 and ECS of \$120,226.
- There was a \$20,000 additional appropriation to the original budget for the Board of Education.

Sewer Administration Fund

The fund balance decreased approximately \$32 thousand. A transfer to the General Fund of \$139 thousand was for debt service.

Capital Improvements 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 2006-07 were \$2.8 million.

Town is embarking on renovation and upgrade projects for Town Hall and will be conducting a feasibility study for expansion associated with the Town's safety complex.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2007, the Town had \$61.8 million 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).

TABLE 4
CAPITAL ASSETS (Net of Depreciation)
In Thousands

	Governmental Activities	
	2007	2006
Land	\$ 1,580	\$ 1,534
Construction in progress	2,207	2,346
Land improvements	972	1,001
Buildings	7,977	8,171
Building improvements	27,541	27,265
Machinery and equipment	3,936	3,800
Vehicles	2,077	2,230
Furniture and fixtures	219	158
Infrastructure	15,314	15,456
Totals	\$ 61,823	\$ 61,961

This year's major additions included:

- Boiler for the Board of Education replacement continued in 2006-07; construction in progress as of the close of the fiscal year had reached \$1,441,945.
- Completion of several projects including Board of Education Middle School Windows and Office of Emergency Management Alert System.
- Several Construction in Progress projects, including Town Hall renovation and Board of Education renovation, will be completed next year.

More detailed information about the Town's capital assets is presented in Note 1 and Note 6 to the financial statements.

Long-Term Debt

At June 30, 2007, the Town had total debt outstanding of \$15.0 million. All of this debt comprises debt backed by the full faith and credit of the Town.

The Town's total debt decreased by a net of \$1.3 million (8%) in short-term obligations during the current fiscal year. The Town maintains an "Aa2" rating from Moody's Investors Service for general obligation debt. The State limits the amount of general obligation debt that towns can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$183 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 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the Town is currently 4.4%, which is a decrease from a rate of 3.9% a year ago. This compares favorably to the State's average unemployment rate of 4.6%. Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$9.3 million. The Town has appropriated \$1.7 million of this amount for spending in the 2008 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, 2007

	Governmental Activities
	<u> </u>
Assets:	
Cash and cash equivalents	\$ 17,680,903
Receivables, net	4,029,176
Inventories	10,200
Capital assets:	
Assets not being depreciated	3,786,941
Assets being depreciated, net	58,035,929
Total assets	<u>83,543,149</u>
Liabilities:	
Accounts and other payables	1,263,378
Bond anticipation notes	2,100,000
Unearned revenue	454,750
Noncurrent liabilities:	
Due within one year	1,745,563
Due in more than one year	14,566,141
Total liabilities	<u>20,129,832</u>
Net Assets:	
Invested in capital assets, net of related debt	46,121,791
Restricted for:	
Nonexpendable trust	3,835
Unrestricted	<u>17,287,691</u>
Total Net Assets	<u>\$ 63,413,317</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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 1,565,080	\$ 665,340	\$ 16,540	\$ 46,600	\$ (836,600)
Public safety	4,302,188	283,209	90,261		(3,928,718)
Public works	5,660,811	1,661,626	146,439	205,825	(3,646,921)
Health and welfare	361,824	51,919	35,119		(274,786)
Recreation	985,813	356,306			(629,507)
Employee benefits and insurance	2,013,545				(2,013,545)
Education	28,224,471	941,431	6,074,104		(21,208,936)
Interest on long-term debt	604,740		72,915		(531,825)
Total Governmental Activities	\$ <u>43,718,472</u>	\$ <u>3,959,831</u>	\$ <u>6,435,378</u>	\$ <u>252,425</u>	(33,070,838)
General revenues:					
Property taxes					26,157,345
Grants and contributions not restricted to specific programs					7,266,216
Unrestricted investment earnings					1,155,837
Miscellaneous					165,489
Total general revenues and transfers					<u>34,744,887</u>
Change in net assets					1,674,049
Net Assets at Beginning of Year					<u>61,739,268</u>
Net Assets at End of Year					\$ <u><u>63,413,317</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2007

	General	Sewer Administration	Special Education Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,147,183	\$ 2,266,397	\$ 738,672	\$ 4,425,583	\$ 853,503	\$ 16,431,338
Receivables, net	3,456,031	104,850	8,856		54,052	3,623,789
Due from other funds	1,725,621				38,795	1,764,416
Inventories					10,200	10,200
Total Assets	<u>\$ 13,328,835</u>	<u>\$ 2,371,247</u>	<u>\$ 747,528</u>	<u>\$ 4,425,583</u>	<u>\$ 956,550</u>	<u>\$ 21,829,743</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 459,124	\$	\$ 6,599	\$	\$ 241,357	\$ 707,080
Due to other funds	38,795	38,410	652,529	2,184	4,800	736,718
BAN's payable				2,100,000		2,100,000
Deferred revenue	3,414,310	101,114	187,698	77,702	64,109	3,844,933
Total liabilities	<u>3,912,229</u>	<u>139,524</u>	<u>846,826</u>	<u>2,179,886</u>	<u>310,266</u>	<u>7,388,731</u>
Fund balances:						
Reserved	114,746	88,279			13,200	216,225
Unreserved, reported in:						
General Fund	9,301,860					9,301,860
Special Revenue Funds		2,143,444	(99,298)		632,249	2,676,395
Capital Project Funds				2,245,697		2,245,697
Permanent Funds					835	835
Total fund balances	<u>9,416,606</u>	<u>2,231,723</u>	<u>(99,298)</u>	<u>2,245,697</u>	<u>646,284</u>	<u>14,441,012</u>
Total Liabilities and Fund Balances	<u>\$ 13,328,835</u>	<u>\$ 2,371,247</u>	<u>\$ 747,528</u>	<u>\$ 4,425,583</u>	<u>\$ 956,550</u>	
Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds						61,822,870
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds						3,770,309
Internal service funds are used by management to charge the costs of risk management to individual departments						(105,796)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds						<u>(16,515,078)</u>
Net Assets of Governmental Activities (Exhibit I)						<u>\$ 63,413,317</u>

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, 2007

	<u>General</u>	<u>Sewer Administration</u>	<u>Special Education Grants</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 26,309,280	\$	\$	\$	\$	\$ 26,309,280
Intergovernmental	12,669,520		641,134		459,607	13,770,261
Charges for services	911,510	1,627,395	388,493		975,084	3,902,482
Contributions				2,727	19,793	22,520
Income on investments	808,506	143,153		149,869	24,339	1,125,867
Other revenues	165,489		59,118			224,607
Total revenues	<u>40,864,305</u>	<u>1,770,548</u>	<u>1,088,745</u>	<u>152,596</u>	<u>1,478,823</u>	<u>45,355,017</u>
Expenditures:						
Current:						
General government	1,417,564				105	1,417,669
Public safety	3,828,012				214,629	4,042,641
Public works	2,363,952	1,530,466			146,561	4,040,979
Health and welfare	303,690				58,134	361,824
Recreation	696,704				212,099	908,803
Employee benefits and insurance	2,206,993					2,206,993
Education	25,875,202		1,088,745		712,234	27,676,181
Capital outlay				2,825,277		2,825,277
Debt service	1,854,795					1,854,795
Total expenditures	<u>38,546,912</u>	<u>1,530,466</u>	<u>1,088,745</u>	<u>2,825,277</u>	<u>1,343,762</u>	<u>45,335,162</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,317,393</u>	<u>240,082</u>	<u>-</u>	<u>(2,672,681)</u>	<u>135,061</u>	<u>19,855</u>
Other Financing Sources (Uses):						
Capital lease proceeds				152,770		152,770
Transfers in	131,287			2,030,181	4,800	2,166,268
Transfers out	(1,894,181)	(271,964)			(123)	(2,166,268)
Total other financing sources (uses)	<u>(1,762,894)</u>	<u>(271,964)</u>	<u>-</u>	<u>2,182,951</u>	<u>4,677</u>	<u>152,770</u>
Net Change in Fund Balances	554,499	(31,882)	-	(489,730)	139,738	172,625
Fund Balances at Beginning of Year	8,862,107	2,263,605	(99,298)	2,735,427	506,546	
Fund Balances at End of Year	<u>\$ 9,416,606</u>	<u>\$ 2,231,723</u>	<u>\$ (99,298)</u>	<u>\$ 2,245,697</u>	<u>\$ 646,284</u>	

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(83,090)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. This is the loss on disposal of assets.	(55,529)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(245,140)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds.	1,189,366
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 governmental funds.	(94,574)
Internal service funds are used by management to charge the costs of medical insurance premiums to individual departments.	790,391

Change in Net Assets of Governmental Activities (Exhibit II) \$ 1,674,049

The accompanying notes are an integral part of the financial statements

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

JUNE 30, 2007

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Assets:	
Current:	
Cash and cash equivalents	\$ 1,249,565
Accounts receivables	25,261
	<u> </u>
Total assets	<u>1,274,826</u>
Liabilities:	
Claims payable	352,924
Due to other funds	1,027,698
	<u> </u>
Total liabilities	<u>1,380,622</u>
Net Assets:	
Unrestricted	\$ <u><u>(105,796)</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, 2007

	Governmental Activities <hr/> Internal Service Fund <hr/>
Operating Revenues:	
Premiums	\$ <u>4,975,831</u>
Operating Expenses:	
Claims	3,708,112
Administration	<u>507,547</u>
Total operating expenses	<u>4,215,659</u>
Operating Income	760,172
Nonoperating Revenue:	
Income on investments	<u>30,219</u>
Change in Net Assets	790,391
Net Assets at Beginning of Year	<u>(896,187)</u>
Net Assets at End of Year	\$ <u><u>(105,796)</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, 2007

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 5,115,831
Cash payments to providers of benefits and administration	(4,282,108)
Net cash provided by operating activities	<u>833,723</u>
Cash Flows from Investing Activities:	
Income on investments	<u>30,219</u>
Net Increase in Cash and Cash Equivalents	863,942
Cash and Cash Equivalents at Beginning of Year	<u>385,623</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>1,249,565</u></u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:	
Operating Income	\$ 760,172
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Increase in due from other funds	140,000
Decrease in claims payable	(42,964)
Increase in accounts receivable	<u>(23,485)</u>
Net Cash Provided by Operating Activities	\$ <u><u>833,723</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, 2007

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>238,040</u>
Liabilities:	
Accounts and other payables	\$ <u>238,040</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:

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 Special Education Grants Fund accounts for various state and federal education grant programs.

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 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 4.

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 \$290,000 has been established as an allowance for uncollectible taxes. At June 30, 2007, this represents 29.1% of all property taxes receivable.

In the fund financial statements, all property taxes receivable at June 30, 2007, 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, 2007 is presented below:

Major Governmental Funds:		
General Fund:		
Reserved for encumbrances	\$	114,746
Sewer Administration:		
Reserved for capital improvements		88,279
Nonmajor Governmental Funds:		
Reserved for inventory		10,200
Reserved for endowments		<u>3,000</u>
 Total	\$	<u><u>216,225</u></u>

The General Fund has a designated balance of \$1,700,000 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. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$16,515,078 difference are as follows:

Bonds and serial notes payable	\$ 15,109,828
Less deferred charges	(131,519)
Capital leases payable	152,770
Compensated absences	844,614
Heart and hypertension claims	336,011
Accrued interest payable	<u>203,374</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	\$ <u>16,515,078</u>

Another element of that reconciliation explains that long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. The details of this \$3,770,309 difference are as follows:

Property taxes	\$ 561,836
Accrued interest on property taxes	349,808
School building grants	2,727,233
Sewer use	101,114
Accrued interest on sewer use	<u>30,318</u>
Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	\$ <u>3,770,309</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$83,090 difference are as follows:

Capital outlay	\$ 1,752,595
Depreciation expense	<u>(1,835,685)</u>
Net Adjustment to Decrease Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u>(83,090)</u>

Another element of that reconciliation states that 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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums,

discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$1,189,366 difference are as follows:

Debt issued or incurred:	
Capital lease	\$ (152,770)
Principal repayments:	
General obligation debt	1,307,696
Capital leases	<u>34,440</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total	
Governmental Funds to Arrive at Net Assets of Governmental Activities	<u>\$ 1,189,366</u>

3. 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.

Additional appropriations of \$20,000 funded by revised revenue estimates were approved 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, 2007:

Major Governmental Fund:		
Special Educational Grants	\$	99,298
Internal Service Fund		105,796
Nonmajor Governmental Fund:		
Special Revenue Fund:		
Cafeteria		108,085

The deficits will be eliminated by future charges for services.

4. 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 does 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.

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2007:

Deposits:	\$	
Demand accounts		4,415,539
Petty cash		801
Cash equivalents:		
State Short-Term Investment Fund (STIF)		13,177,251
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)		<u>325,352</u>
 Total Cash and Cash Equivalents	 \$	 <u><u>17,918,943</u></u>

Deposits

At June 30, 2007, the carrying amount of the Town deposits was \$4,415,539 and the bank balance was \$5,036,766.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. Of the June 30, 2007 bank balance, \$213,934 was covered by federal depository insurance. 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. A minimum of \$502,283, based on June 30, 2007 deposits, was collateralized (collateral held by the pledging bank’s trust department is not in the Town’s name). The balance of deposits of \$4,320,549 was uninsured and uncollateralized.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2007 the Town’s cash equivalents amounted to \$13,502,603. 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.

	<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

5. 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>Special Education Assessment</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 997,648	\$	\$	\$	\$ 997,648
Accounts	21,150	3,736		42,706	67,592
Special assessments		105,614			105,614
Intergovernmental	<u>2,727,233</u>		<u>8,856</u>	<u>36,607</u>	<u>2,772,696</u>
Gross receivables	3,746,031	109,350	8,856	79,313	3,943,550
Less allowance for uncollectibles	<u>(290,000)</u>	<u>(4,500)</u>			<u>(294,500)</u>
Net Total Receivables	<u>\$ 3,456,031</u>	<u>\$ 104,850</u>	<u>\$ 8,856</u>	<u>\$ 79,313</u>	<u>\$ 3,649,050</u>

Note: Above does not include accrued interest on property taxes of \$349,808 and sewer use charges of \$30,318.

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	\$ 561,836	\$
Special assessments	101,114	
Property taxes collected in advance		125,241
Grant drawdowns prior to meeting all eligibility requirements		329,509
School building grant	<u>2,727,233</u>	
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,390,183</u>	<u>\$ 454,750</u>

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 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	\$ 1,533,597	\$ -	\$ 46,600	\$ -	\$ 1,580,197
Construction in progress	2,346,054	(402,220)	262,910	-	2,206,744
Total capital assets not being Depreciated	<u>3,879,651</u>	<u>(402,220)</u>	<u>309,510</u>	<u>-</u>	<u>3,786,941</u>
Capital assets being depreciated:					
Buildings	13,817,055	-	-	-	13,817,055
Buildings improvements	30,414,920	255,594	671,217	-	31,341,731
Land improvements	1,461,903	-	-	-	1,461,903
Machinery and equipment	8,080,184	146,626	303,041	(21,536)	8,508,315
Vehicles	3,814,092	-	86,761	(155,518)	3,745,335
Furniture and fixtures	206,944	-	81,241	-	288,185
Infrastructure	27,558,170	-	300,825	-	27,858,995
Total capital assets being depreciated	<u>85,353,268</u>	<u>402,220</u>	<u>1,443,085</u>	<u>(177,054)</u>	<u>87,021,519</u>
Less accumulated depreciation for:					
Buildings	(5,645,930)	-	(194,206)	-	(5,840,136)
Buildings improvements	(3,149,936)	-	(651,128)	-	(3,801,064)
Land improvements	(460,803)	-	(28,633)	-	(489,436)
Machinery and equipment	(4,280,135)	-	(309,263)	16,752	(4,572,646)
Vehicles	(1,583,780)	-	(189,246)	104,773	(1,668,253)
Furniture and fixtures	(48,398)	-	(20,358)	-	(68,756)
Infrastructure	(12,102,448)	-	(442,851)	-	(12,545,299)
Total accumulated depreciation	<u>(27,271,430)</u>	<u>-</u>	<u>(1,835,685)</u>	<u>121,525</u>	<u>(28,985,590)</u>
Total capital assets being depreciated, net	<u>58,081,838</u>	<u>402,220</u>	<u>(392,600)</u>	<u>(55,529)</u>	<u>58,035,929</u>
Governmental Activities Capital Assets, Net	<u>\$ 61,961,489</u>	<u>\$ -</u>	<u>\$ (83,090)</u>	<u>\$ (55,529)</u>	<u>\$ 61,822,870</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 67,882
Public safety	177,883
Public works	902,011
Recreation	64,258
Education	<u>623,651</u>
Total	<u>\$ 1,835,685</u>

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2007 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvements Fund	\$ 2,184
General Fund	Sewer Administration Fund	38,410
General Fund	Special Education Grants	652,529
General Fund	Nonmajor Governmental Funds	4,800
General Fund	Internal Service Fund	1,027,698
Nonmajor Governmental Funds: Special Grants Fund	General Fund	<u>38,795</u>
Total		<u>\$ 1,764,416</u>

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

Interfund transfers

	<u>Transfers-In</u>			
	<u>General Fund</u>	<u>Capital Improvements</u>	<u>Other Governmental</u>	<u>Total</u>
Transfers out:				
General Fund	\$	\$ 1,889,381	\$ 4,800	\$ 1,894,181
Sewer Administration Fund	131,164	140,800		271,964
Other governmental	<u>123</u>			<u>123</u>
Total Transfers Out	<u>\$ 131,287</u>	<u>\$ 2,030,181</u>	<u>\$ 4,800</u>	<u>\$ 2,166,268</u>

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

8. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bond and serial notes payable:					
General obligation bonds	\$ 15,035,000	\$	\$ 1,255,000	\$ 13,780,000	\$ 1,415,000
Clean water notes	1,405,591		75,763	1,329,828	77,292
Total	16,440,591		1,330,763	15,109,828	1,492,292
Less deferred amounts on refunding bonds	(154,586)		(23,067)	(131,519)	
Total bonds and notes payable	16,286,005		1,307,696	14,978,309	1,492,292
Capital leases	34,440	152,770	34,440	152,770	40,317
Compensated absences	802,495	54,467	12,348	844,614	192,954
Health and hypertension Claims	339,416	53,245	56,650	336,011	20,000
Governmental Activity Long-Term Liabilities	<u>\$ 17,462,356</u>	<u>\$ 260,482</u>	<u>\$ 1,411,134</u>	<u>\$ 16,311,704</u>	<u>\$ 1,745,563</u>

The following is a summary of bond and note issues at June 30, 2007:

Description	<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, 2007</u>
Bonds/notes:					
Schools:					
Refunding bond	03/01/05	09/15/18	3.0-5.0	\$ 10,705,000	\$ 9,365,000
Refunding bond	03/15/03	03/15/16	2.125-4.0	6,630,000	4,415,000
Sewer:					
Clean water loan	05/31/03	05/31/22	2	1,715,669	1,329,828
Total					<u>\$ 15,109,828</u>

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

In prior years, the Town has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2007, \$14,475,000 of bonds are considered defeased.

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
2008	\$ 1,415,000	\$ 459,113	\$ 77,292	\$ 25,891	\$ 1,492,292	\$ 485,004
2009	1,400,000	414,162	78,852	24,331	1,478,852	438,493
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
2013-2017	5,855,000	761,644	444,662	71,253	6,299,662	832,897
2018-2022	1,050,000	30,013	482,787	24,528	1,532,787	54,541
Total	\$ 13,780,000	\$ 2,668,140	\$ 1,329,828	\$ 209,316	\$ 15,109,828	\$ 2,877,456

Bond Anticipation Notes

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2007:

Capital Projects

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2006	Issued	Retired	Balance June 30, 2007
11-8-06	8-8-07	3.52	\$ -	\$ 2,100,000	\$ -	\$ 2,100,000

At June 30, 2007, the Town has authority to issue \$3,913,000 of general obligation bonds 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	\$ 58,783,761	\$ 3,086,000	\$ 55,697,761
Schools	117,567,522	11,879,767	105,687,755
Sewers	97,972,935	1,329,828	96,643,107
Urban renewal	84,909,877		84,909,877
Pension deficit	78,378,348		78,378,348

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$182.9 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 \$2,727,233 for bond principal are reflected as deductions in the computation of net indebtedness.

Capital Leases

The Town has entered into a lease agreement for the purchase of a catch-basin vacuum truck. The annual payments for this agreement are provided by an annual appropriation from the Town General Fund. The total cost of this equipment is \$152,770.

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments reflected in the general long-term debt account group at June 30, 2007:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 40,877
2009	40,877
2010	40,877
2011	40,876
Less amount representing interest	<u>(10,737)</u>
Present Value of Future Minimum Lease Payment	<u>\$ 152,770</u>

9. 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 \$125,000. 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
2005-2006	\$ 453,054	\$ 3,923,580	\$ 3,980,746	\$ 395,888
2006-2007	395,888	3,708,112	3,751,076	352,924

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.

10. 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.

11. 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, 2005, 2006 and 2007 were \$271,650, \$340,234 and \$373,433, 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 \$11,898,202.

The retirement system for teachers is funded by the State based upon the recommendation of the Teacher's Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2007, the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$1,484,882 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pension.

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

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, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current taxes	\$ 24,344,181	\$ 24,344,181	\$ 23,948,433	\$ (395,748)
Supplemental taxes	1,300,000	1,300,000	1,581,697	281,697
Prior year taxes	150,000	150,000	412,496	262,496
Interest and lien fees	100,000	100,000	244,220	144,220
Telephone access line	93,330	93,330	92,789	(541)
Housing authority in lieu of tax	30,000	30,000	29,645	(355)
Total property taxes	<u>26,017,511</u>	<u>26,017,511</u>	<u>26,309,280</u>	<u>291,769</u>
Intergovernmental:				
General government:				
Elderly property tax relief	6,000	6,000	8,030	2,030
In lieu of tax, State Property	3,736,029	3,736,029	3,817,811	81,782
P.A. 436 PILOT on boats	6,390	6,390	6,393	3
Elderly circuit breaker	105,000	105,000	108,322	3,322
Totally Disabled Grants	470	470	363	(107)
Capital improvement program	79,282	79,282	120,042	40,760
Veterans' Exemptions	12,000	12,000	10,697	(1,303)
Office of Emergency Management	4,000	4,000	7,662	3,662
Off Track Betting/Teletheater	750,000	750,000	786,477	36,477
PILOT - Manufacturing Equipment	1,587,787	1,587,787	1,599,218	11,431
Mashantucket Pequot/Mohegan Grant	703,431	703,431	686,429	(17,002)
Youth Services	14,000	14,000	14,000	-
Public Works Grants	1	1		(1)
Various Grants	1	1		(1)
Total general government	<u>7,004,391</u>	<u>7,004,391</u>	<u>7,165,444</u>	<u>161,053</u>
Education:				
Educational Cost Sharing	3,276,272	3,276,272	3,279,470	3,198
School Building Grants	390,000	390,000	322,785	(67,215)
School Transportation	109,297	109,297	120,473	11,176
Education of the Blind	2,400	2,400	2,978	578
Special Education	1	1	293,488	293,487
Total education	<u>3,777,970</u>	<u>3,777,970</u>	<u>4,019,194</u>	<u>241,224</u>
Total intergovernmental	<u>10,782,361</u>	<u>10,782,361</u>	<u>11,184,638</u>	<u>402,277</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
Conveyance tax	\$ 75,000	\$ 75,000	\$ 276,930	\$ 201,930
Town Clerk's Office	117,000	117,000	115,955	(1,045)
Building permits	250,000	250,000	153,453	(96,547)
Zoning Board of Appeals	1,500	1,500	1,776	276
Planning and Zoning	5,000	5,000	5,409	409
Other licenses and permits	2,000	2,000	2,865	865
Trash haulers permits	2,000	2,000	2,700	700
Assessors Office	500	500	578	78
Inland Wetland fees	1,000	1,000	296	(704)
False alarm fines	1,000	1,000	1,075	75
Superior Court	2,000	2,000	4,266	2,266
Parking tickets	50,000	50,000	59,650	9,650
Airplane registration fees	65,000	65,000	59,770	(5,230)
Rent from schools	1,000	1,000		(1,000)
Tuitions	1,000	1,000		(1,000)
Board of Education Suffield Co-op Reimburseme	1	20,001	20,000	(1)
Park Revolving Fund	125,000	125,000	125,000	-
Police accident reports	1,200	1,200	2,001	801
Senior Citizen Mini-bus fee	2,000	2,000	2,444	444
Rental of town building	3,500	3,500	3,000	(500)
Tower rental	25,000	25,000	38,342	13,342
Admissions tax - Teletheater	1	1		(1)
Town auction	1	1		(1)
Police reimbursement	36,000	36,000	36,000	-
Total charges for services	<u>766,703</u>	<u>786,703</u>	<u>911,510</u>	<u>124,807</u>
Investment Income:				
Income on investments	<u>400,000</u>	<u>400,000</u>	<u>808,506</u>	<u>408,506</u>
Other Revenues:				
Miscellaneous receipts	19,000	19,000	47,329	28,329
Workers' Compensation	12,000	12,000	17,657	5,657
Sale of assets			100,503	100,503
Total other revenues	<u>31,000</u>	<u>31,000</u>	<u>165,489</u>	<u>134,489</u>
Total revenues	<u>37,997,575</u>	<u>38,017,575</u>	<u>39,379,423</u>	<u>1,361,848</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, 2007

	<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	\$ 127,931	\$ 127,931	\$ 131,164	\$ 3,233
James DeForest Phelps Fund	30	30	123	93
Total other financing sources	<u>127,961</u>	<u>127,961</u>	<u>131,287</u>	<u>3,326</u>
Total	<u>\$ 38,125,536</u>	<u>\$ 38,145,536</u>	39,510,710	<u>\$ 1,365,174</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

1,484,882

Total Revenues and Other Financing Sources as Reported on the Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Exhibit IV

\$ 40,995,592

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, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Auditing Services	\$ 43,300	\$ 43,300	\$ 26,392	\$ 16,908
Board of Assessment Appeals	998	998	881	117
Board of Assessors	131,294	135,322	133,563	1,759
Board of Finance	5,278	5,278	4,782	496
Board of Selectmen	118,554	118,554	117,095	1,459
Building Official	173,914	173,914	161,556	12,358
Conservation Commission	2,940	2,940	2,454	486
Contingency Fund	300,000	8,581		8,581
Economic Development Commission	28,934	28,934	25,294	3,640
Finance Department	163,736	163,736	155,249	8,487
General expense all buildings	11,950	16,150	16,100	50
Historical Commission	278	335	296	39
Holiday observance	3,110	3,110	3,110	-
Human Resource	60,880	60,880	54,258	6,622
Information Technologies	35,210	40,010	36,661	3,349
Inland/Wetlands Agency	8,081	8,081	7,040	1,041
Municipal associations	18,298	18,298	18,271	27
Planning and Zoning Commission	44,550	44,550	40,514	4,036
Probate Court	5,680	5,680	3,962	1,718
Registrar of Voters	27,462	37,986	34,699	3,287
Senior Center	54,328	57,681	55,757	1,924
Tax Collector	124,250	146,403	132,040	14,363
Town Clerk	126,620	127,895	121,255	6,640
Town Counsel	60,000	74,000	68,496	5,504
Town Engineer	36,000	42,565	42,565	-
Town Office Building	168,332	164,132	150,291	13,841
Town Treasurer	200	200	200	-
Zoning Board of Appeals	5,320	5,320	3,959	1,361
Total general government	<u>1,759,497</u>	<u>1,534,833</u>	<u>1,416,740</u>	<u>118,093</u>
Public safety:				
Ambulance Association	98,000	98,000	98,000	-
Fire	342,043	368,376	361,281	7,095
Fire Marshal	64,044	64,044	60,120	3,924
Marine services	300	300		300
Nine bay garage/safety complex	1,795	2,027	1,926	101
Office of Emergency Management	21,191	62,054	58,846	3,208
Police	2,495,236	2,605,236	2,585,573	19,663
Safety Complex	152,802	152,802	138,854	13,948
Water main/street lighting	519,500	527,850	527,834	16
Total public safety	<u>3,694,911</u>	<u>3,880,689</u>	<u>3,832,434</u>	<u>48,255</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, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public works:				
Landfill/refuse removal	\$ 1,018,105	\$ 1,018,105	\$ 992,391	\$ 25,714
Public Works Department	1,326,496	1,347,596	1,294,670	52,926
Public Works Garage	24,228	31,738	31,103	635
Snow removal	62,500	62,500	36,248	26,252
Spring Street Garage	9,030	9,963	9,062	901
Total public works	<u>2,440,359</u>	<u>2,469,902</u>	<u>2,363,474</u>	<u>106,428</u>
Health and welfare:				
Commission on Needs of the Aging	134,097	136,897	134,269	2,628
Outside services	98,346	98,346	93,515	4,831
Social services	50,181	50,181	47,532	2,649
Youth Service Bureau	42,262	42,262	28,374	13,888
Total health and welfare	<u>324,886</u>	<u>327,686</u>	<u>303,690</u>	<u>23,996</u>
Recreation:				
Parks and recreation	310,874	317,417	309,609	7,808
Public library	386,715	386,715	386,715	-
Total recreation	<u>697,589</u>	<u>704,132</u>	<u>696,324</u>	<u>7,808</u>
Employee benefits and insurance:				
Employee benefits	1,787,383	1,787,383	1,705,251	82,132
Insurance and bonds	521,059	521,059	501,742	19,317
Total employee benefits and insurance	<u>2,308,442</u>	<u>2,308,442</u>	<u>2,206,993</u>	<u>101,449</u>
Education	<u>24,250,876</u>	<u>24,270,876</u>	<u>24,270,809</u>	<u>67</u>
Debt service:				
Bond redemption	1,330,763	1,330,763	1,330,763	-
Interest	524,032	524,032	524,032	-
Total debt service	<u>1,854,795</u>	<u>1,854,795</u>	<u>1,854,795</u>	<u>-</u>
Total expenditures	<u>37,331,355</u>	<u>37,351,355</u>	<u>36,945,259</u>	<u>406,096</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, 2007

	<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	\$ 1,889,381	\$ 1,889,381	\$ 1,889,381	\$ -
Dog Fund	4,800	4,800	4,800	-
	<u>39,225,536</u>	<u>39,245,536</u>	38,839,440	<u>406,096</u>
Total				
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			1,484,882	
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>116,771</u>	
Total Expenditures and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>40,441,093</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 8,147,183	\$ 7,894,193
Property taxes receivable, net of allowance for \$290,000 in 2007 and \$196,000 in 2006	707,648	702,650
Accounts receivable	2,748,383	3,010,823
Due from other funds	<u>1,725,621</u>	<u>1,076,651</u>
Total Assets	<u>\$ 13,328,835</u>	<u>\$ 12,684,317</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 459,124	\$ 250,916
Due to other funds	38,795	10,889
Deferred revenue	3,414,310	3,560,405
Total liabilities	<u>3,912,229</u>	<u>3,822,210</u>
Fund balance:		
Reserved for encumbrances	114,746	231,517
Unreserved:		
Designated for subsequent year	1,700,000	1,100,000
Undesignated	<u>7,601,860</u>	<u>7,530,590</u>
Total fund balance	<u>9,416,606</u>	<u>8,862,107</u>
Total Liabilities and Fund Balance	<u>\$ 13,328,835</u>	<u>\$ 12,684,317</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2007

Grand List	Uncollected Taxes July 1, 2006	Current Tax Levy			Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2007
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1990	\$ 6,500	\$	\$	\$	\$	\$ 6,500	\$ 1,455	\$ 4,128	\$ 5,583	\$ 5,045
1991	6,142					6,142	1,518	4,031	5,549	4,624
1992	6,654		147			6,801	1,872	4,268	6,140	4,929
1993	8,710					8,710	1,755	4,053	5,808	6,955
1994	8,916					8,916		2,316	2,316	8,916
1995	11,561					11,561	1,320	155	1,475	10,241
1996	16,480					16,480	4,007	435	4,442	12,473
1997	18,068					18,068	5,298	8,049	13,347	12,770
1998	17,976					17,976	4,677	5,149	9,826	13,299
1999	15,694					15,694	3,048	7,516	10,564	12,646
2000	19,527					19,527	5,550	3,739	9,289	13,977
2001	35,579					35,579	10,951	5,350	16,301	24,628
2002	74,681		590	510		74,761	19,173	13,703	32,876	55,588
2003	183,641		288	1,836	47,896	134,197	71,336	30,632	101,968	62,861
2004	468,521		8,362	35,828		441,055	197,444	46,870	244,314	243,611
Total prior years	898,650		9,387	38,174	47,896	821,967	329,404	140,394	469,798	492,563
2005		26,267,124	88,901	295,844		26,060,181	25,555,096	93,192	25,648,288	505,085
Total	\$ 898,650	\$ 26,267,124	\$ 98,288	\$ 334,018	\$ 47,896	\$ 26,882,148	\$ 25,884,500	\$ 233,586	\$ 26,118,086	\$ 997,648

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TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

	<u>Special Revenue</u>					
	<u>Special Grants</u>	<u>Dog</u>	<u>Highway</u>	<u>School Cafeteria</u>	<u>Police Revolving</u>	<u>Parks and Recreation</u>
ASSETS						
Cash and cash equivalents	\$	\$ 14,326	\$ 495,248	\$ 80,554	\$ 69,217	\$ 90,307
Accounts receivable				36,607	17,445	
Due from other funds	38,795					
Inventory				10,200		
Total Assets	<u>\$ 38,795</u>	<u>\$ 14,326</u>	<u>\$ 495,248</u>	<u>\$ 127,361</u>	<u>\$ 86,662</u>	<u>\$ 90,307</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$ 5,911	\$	\$ 235,446	\$	\$
Due to other funds		4,800				
Deferred revenue			64,109			
Total liabilities	<u>-</u>	<u>10,711</u>	<u>64,109</u>	<u>235,446</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Reserved:						
Inventories				10,200		
Endowments						
Unreserved - undesignated	38,795	3,615	431,139	(118,285)	86,662	90,307
Total fund balance	<u>38,795</u>	<u>3,615</u>	<u>431,139</u>	<u>(108,085)</u>	<u>86,662</u>	<u>90,307</u>
Total Liabilities and Fund Balances	<u>\$ 38,795</u>	<u>\$ 14,326</u>	<u>\$ 495,248</u>	<u>\$ 127,361</u>	<u>\$ 86,662</u>	<u>\$ 90,307</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

	Special Revenue				Permanent Fund	Total Nonmajor Governmental Funds
	Commission on Needs of the Aging	Human Services	Police Department Asset Forfeiture	Total	James DeForest Phelps	
ASSETS						
Cash and cash equivalents	\$ 10,698	\$ 33,318	\$ 56,000	\$ 849,668	\$ 3,835	\$ 853,503
Accounts receivable				54,052		54,052
Due from other funds				38,795		38,795
Inventory				10,200		10,200
Total Assets	<u>\$ 10,698</u>	<u>\$ 33,318</u>	<u>\$ 56,000</u>	<u>\$ 952,715</u>	<u>\$ 3,835</u>	<u>\$ 956,550</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$	\$	\$ 241,357	\$	\$ 241,357
Due to other funds				4,800		4,800
Deferred revenue				64,109		64,109
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,266</u>	<u>-</u>	<u>310,266</u>
Fund Balances:						
Reserved:						
Inventories				10,200		10,200
Endowments				-	3,000	3,000
Unreserved - undesignated	10,698	33,318	56,000	632,249	835	633,084
Total fund balance	<u>10,698</u>	<u>33,318</u>	<u>56,000</u>	<u>642,449</u>	<u>3,835</u>	<u>646,284</u>
Total Liabilities and Fund Balances	<u>\$ 10,698</u>	<u>\$ 33,318</u>	<u>\$ 56,000</u>	<u>\$ 952,715</u>	<u>\$ 3,835</u>	<u>\$ 956,550</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, 2007

	<u>Special Revenue</u>					
	<u>Special Grants</u>	<u>Dog</u>	<u>Highway</u>	<u>School Cafeteria</u>	<u>Police Revolving</u>	<u>Parks and Recreation</u>
Revenues:						
Intergovernmental	\$ 23,768		\$ 146,439	\$ 251,679	\$ 216,824	\$ 231,306
Charges for services		3,659		473,820		
Contributions	19,793					
Income from investments			23,967			
Total revenues	<u>43,561</u>	<u>3,659</u>	<u>170,406</u>	<u>725,499</u>	<u>216,824</u>	<u>231,306</u>
Expenditures:						
Current:						
General government	105					
Public safety	8,833	2,419			185,143	
Public works	122		146,439			
Health and welfare	6,595					
Recreation						212,099
Education				712,234		
Total expenditures	<u>15,655</u>	<u>2,419</u>	<u>146,439</u>	<u>712,234</u>	<u>185,143</u>	<u>212,099</u>
Excess (Deficiency) of Revenues over Expenditures	27,906	1,240	23,967	13,265	31,681	19,207
Other Financing Sources (Uses):						
Transfers in (out)		4,800				
Net Change in Fund Balances	27,906	6,040	23,967	13,265	31,681	19,207
Fund Balances at Beginning of Year	<u>10,889</u>	<u>(2,425)</u>	<u>407,172</u>	<u>(121,350)</u>	<u>54,981</u>	<u>71,100</u>
Fund Balances at End of Year	<u>\$ 38,795</u>	<u>\$ 3,615</u>	<u>\$ 431,139</u>	<u>\$ (108,085)</u>	<u>\$ 86,662</u>	<u>\$ 90,307</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, 2007

	<u>Special Revenue</u>				<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Commission on Needs of the Aging</u>	<u>Human Services</u>	<u>Police Department Asset Forfeiture</u>	<u>Total</u>	<u>James DeForest Phelps</u>	
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$
Charges for services	39,666	9,809	37,721	459,607		459,607
Contributions				975,084		975,084
Income from investments	249			19,793		19,793
Total revenues	<u>39,915</u>	<u>9,809</u>	<u>37,721</u>	<u>24,216</u>	123	<u>24,339</u>
				<u>1,478,700</u>	<u>123</u>	<u>1,478,823</u>
Expenditures:						
Current:						
General government				105		105
Public safety			18,234	214,629		214,629
Public works				146,561		146,561
Health and welfare	44,037	7,502		58,134		58,134
Recreation				212,099		212,099
Education				712,234		712,234
Total expenditures	<u>44,037</u>	<u>7,502</u>	<u>18,234</u>	<u>1,343,762</u>	-	<u>1,343,762</u>
Excess (Deficiency) of Revenues over Expenditures	(4,122)	2,307	19,487	134,938	123	135,061
Other Financing Sources (Uses):						
Transfers in (out)				4,800	(123)	4,677
Net Change in Fund Balances	(4,122)	2,307	19,487	139,738	-	139,738
Fund Balances at Beginning of Year	<u>14,820</u>	<u>31,011</u>	<u>36,513</u>	<u>502,711</u>	<u>3,835</u>	<u>506,546</u>
Fund Balances at End of Year	<u>\$ 10,698</u>	<u>\$ 33,318</u>	<u>\$ 56,000</u>	<u>\$ 642,449</u>	<u>\$ 3,835</u>	<u>\$ 646,284</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND

JUNE 30, 2007

	<u>Capital Improvements</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Interfund Elimination</u>	<u>Total Capital Projects Fund</u>
ASSETS					
Cash and cash equivalents	\$ 1,000,798	\$ 3,419,174	\$ 5,611	\$	\$ 4,425,583
Due from other funds	<u>1,889,381</u>	<u></u>	<u></u>	<u>(1,889,381)</u>	<u>-</u>
Total Assets	<u><u>\$ 2,890,179</u></u>	<u><u>3,419,174</u></u>	<u><u>5,611</u></u>	<u><u>(1,889,381)</u></u>	<u><u>\$ 4,425,583</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 2,184	\$ 1,889,381	\$	\$ (1,889,381)	\$ 2,184
BAN's payable		2,100,000			2,100,000
Deferred revenue	<u>53,291</u>	<u>24,411</u>	<u></u>	<u></u>	<u>77,702</u>
Total liabilities	<u>55,475</u>	<u>4,013,792</u>	<u>-</u>	<u>(1,889,381)</u>	<u>2,179,886</u>
Fund Balances:					
Unreserved - undesignated	<u>2,834,704</u>	<u>(594,618)</u>	<u>5,611</u>	<u></u>	<u>2,245,697</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,890,179</u></u>	<u><u>\$ 3,419,174</u></u>	<u><u>\$ 5,611</u></u>	<u><u>\$ (1,889,381)</u></u>	<u><u>\$ 4,425,583</u></u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Capital Improvements</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Total Capital Projects Fund</u>
Revenues:				
Contributions	\$ 2,727	\$	\$	\$ 2,727
Income from investments	89,404	60,296	169	149,869
Total revenues	<u>92,131</u>	<u>60,296</u>	<u>169</u>	<u>152,596</u>
Expenditures:				
Current:				
Capital outlay	<u>2,002,475</u>	<u>686,352</u>	<u>136,450</u>	<u>2,825,277</u>
Excess (Deficiency) of Revenues over Expenditures	(1,910,344)	(626,056)	(136,281)	(2,672,681)
Other Financing Sources (Uses):				
Capital lease proceeds	152,770			152,770
Transfers in	<u>1,889,381</u>		<u>140,800</u>	<u>2,030,181</u>
Net Change in Fund Balances	131,807	(626,056)	4,519	(489,730)
Fund Balances at Beginning of Year	<u>2,702,897</u>	<u>31,438</u>	<u>1,092</u>	<u>2,735,427</u>
Fund Balances at End of Year	<u>\$ 2,834,704</u>	<u>\$ (594,618)</u>	<u>\$ 5,611</u>	<u>\$ 2,245,697</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
Assets:				
Cash and cash equivalents:				
Student Activities Fund	\$ <u>209,200</u>	\$ <u>491,846</u>	\$ <u>463,006</u>	\$ <u>238,040</u>
Liabilities:				
Accounts payable:				
Student Activities Fund	\$ <u>209,200</u>	\$ <u>491,846</u>	\$ <u>463,006</u>	\$ <u>238,040</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Governmental funds capital assets:		
Land	\$ 1,580,197	\$ 1,533,597
Buildings	45,158,786	44,231,975
Improvements other than buildings	1,461,903	1,461,903
Machinery and equipment	8,508,315	8,080,184
Vehicles	3,745,335	3,814,092
Furniture and fixtures	288,185	206,944
Infrastructure	27,858,995	27,558,170
Construction in progress	<u>2,206,744</u>	<u>2,346,054</u>
Total	<u>\$ 90,808,460</u>	<u>\$ 89,232,919</u>

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

JUNE 30, 2007

	<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	\$ 4,398,472	\$ 685,923	\$ 3,022,871	\$ 99,502	\$ 110,499	\$ 104,927	\$ 86,262	\$	\$ 288,488
Public safety	4,625,124	117,600	464,610	46,288	1,650,724	2,182,698	16,072		147,132
Public works	44,802,482	466,200	9,131,268	136,065	5,740,030	1,337,044		27,858,995	132,880
Recreation	3,842,123	193,691	2,353,697	708,494	388,698	24,581	17,156		155,806
Education	<u>33,140,259</u>	<u>116,783</u>	<u>30,186,340</u>	<u>471,554</u>	<u>618,364</u>	<u>96,085</u>	<u>168,695</u>		<u>1,482,438</u>
Total	<u>\$ 90,808,460</u>	<u>\$ 1,580,197</u>	<u>\$ 45,158,786</u>	<u>\$ 1,461,903</u>	<u>\$ 8,508,315</u>	<u>\$ 3,745,335</u>	<u>\$ 288,185</u>	<u>\$ 27,858,995</u>	<u>\$ 2,206,744</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, 2007

	Governmental Funds Capital Assets July 1, 2006	Additions	Deletions	Governmental Funds Capital Assets June 30, 2007
General government	\$ 3,798,022	\$ 600,450	\$	\$ 4,398,472
Public safety	4,647,593	262,975	285,444	4,625,124
Public works	44,256,658	584,060	38,236	44,802,482
Recreation	3,703,843	138,280		3,842,123
Education	<u>32,826,803</u>	<u>569,050</u>	<u>255,594</u>	<u>33,140,259</u>
Total	<u>\$ 89,232,919</u>	<u>\$ 2,154,815</u>	<u>\$ 579,274</u>	<u>\$ 90,808,460</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Sewer use charges and interest	\$ 1,369,437	\$ 1,369,437	\$ 1,361,384	\$ (8,053)
Fees	607,550	607,550	266,011	(341,539)
Investment income	75,000	75,000	143,153	68,153
Miscellaneous	2,000	2,000		(2,000)
Total revenues	<u>2,053,987</u>	<u>2,053,987</u>	<u>1,770,548</u>	<u>(283,439)</u>
Expenditures:				
Salaries	534,428	498,941	498,941	-
Fringe benefits	235,889	215,993	215,993	-
Overtime	35,395	29,608	29,608	-
Audit	3,000			-
Chemicals/chlorine	51,812	47,468	47,468	-
Contingency	10,000			-
Electricity	224,125	207,452	198,393	(9,059)
Equipment rental/hauling	7,432	6,199	6,199	-
Expenses	200	180	180	-
Fuel, oil, natural gas	36,911	28,152	28,152	-
Gasoline and diesel	9,195	8,556	8,556	-
Insurance	53,668	52,681	52,681	-
Lab equipment	22,000	22,553	22,553	-
Lease	36,221	36,221	36,221	-
Legal fees	2,500	1,695	1,695	-
Manholes	2,500	2,530	2,530	-
Mechanical maintenance	37,000	35,489	35,489	-
Outside services	20,627	19,227	19,227	-
Refunds	1,000	4,120	4,120	-
Safety training	3,800	3,427	3,427	-
Sewer line maintenance	12,000	18,568	18,568	-
Sludge disposal	90,000	82,215	82,215	-
Supplies	36,925	36,546	36,546	-
Telephone	4,140	4,769	4,769	-
User fee administration	6,410	8,743	8,743	-
Vehicle parts, repairs	4,000	4,171	4,171	-
Water	11,227	8,101	8,101	-
Facilities plan			155,920	155,920
Total expenditures	<u>1,492,405</u>	<u>1,383,605</u>	<u>1,530,466</u>	<u>146,861</u>

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TOWN OF WINDSOR LOCKS, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Excess of Revenues over Expenditures	\$ 561,582	\$ 670,382	\$ 240,082	\$ (430,300)
Other financing sources (uses):				
Transfers out	<u>539,564</u>	<u>606,074</u>	<u>271,964</u>	<u>(334,110)</u>
Net Change in Fund Balance	\$ <u>22,018</u>	\$ <u>64,308</u>	(31,882)	\$ <u>(96,190)</u>
Fund Balance at Beginning of Year			<u>2,263,605</u>	
Fund Balance at End of Year			\$ <u>2,231,723</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

SEWER ADMINISTRATION FUND

REPORT OF SEWER USE CHARGE COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2007

List Year	Uncollected Charges July 1, 2006	Current Year Billings and Adjustments	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2007
				Charges	Interest and Lien Fees	Total	
1996	\$ 37	\$	\$ 37	\$	\$	\$ -	\$ 37
1997	157		157			-	157
1998	358		358	215	273	488	143
1999	591		591	309	412	721	282
2000	1,424		1,424	948	1,233	2,181	476
2001	4,054		4,054	2,174	1,976	4,150	1,880
2002	7,107		7,107	3,095	2,950	6,045	4,012
2003	10,565		10,565	3,964	2,722	6,686	6,601
2004	16,670		16,670	6,413	3,577	9,990	10,257
2005	34,632		34,632	11,276	6,711	17,987	23,356
Total prior years	75,595	-	75,595	28,394	19,854	48,248	47,201
2006		1,350,281	1,350,281	1,291,868	21,268	1,313,136	58,413
Total	\$ 75,595	\$ 1,350,281	\$ 1,425,876	\$ 1,320,262	\$ 41,122	\$ 1,361,384	\$ 105,614

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2007

Total tax collections (including interest and lien fees) for current fiscal year	\$ 26,118,086
Reimbursement for loss of revenue:	
Tax relief for elderly	<u>8,030</u>
Base	<u>\$ 26,126,116</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	\$ 58,783,761	\$	\$	\$	\$
4-1/2 times base		117,567,522			
3-3/4 times base			97,972,935		
3-1/4 times base				84,909,877	
3 times base					78,378,348
Total debt limitation	<u>58,783,761</u>	<u>117,567,522</u>	<u>97,972,935</u>	<u>84,909,877</u>	<u>78,378,348</u>
Indebtedness:					
Bonds and notes payable		13,780,000	1,329,828		
Bonds authorized and unissued	3,086,000	827,000			
Less school building grants		<u>(2,727,233)</u>			
Net indebtedness	<u>3,086,000</u>	<u>11,879,767</u>	<u>1,329,828</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 55,697,761</u>	<u>\$ 105,687,755</u>	<u>\$ 96,643,107</u>	<u>\$ 84,909,877</u>	<u>\$ 78,378,348</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$182,882,812).

TOWN OF WINDSOR LOCKS, CONNECTICUT
FOR THE YEAR ENDED JUNE 30, 2007
PRINCIPAL TAXPAYERS

<u>Name</u>	<u>Nature of Business</u>	<u>Taxable Valuation as of 10/1/05</u>	<u>Percent of Net Taxable Grand List*</u>
United Technologies	Manufacturing	\$ 78,609,555	7.17 %
Ahlstrom Windsor Locks, LLC	Manufacturing	23,116,210	2.11
AREH Windsor Locks, LLC	Warehouse	22,909,500	2.09
Hertz Vehicles LLC	Car Rental	20,102,619	1.83
PV Holding Corp	Car Rental	18,335,646	1.67
Hartford Parking Property LLC	Valet Parking	12,947,700	1.18
Algonquin Windsor Locks LLC	Manufacturing	10,298,770	0.94
Roncari Development Company	Valet Parking	9,625,000	0.88
Connecticut Light & Power Company	Utility	8,415,350	0.77
Rental Car Finance Corp	Car Rental	<u>8,227,143</u>	<u>0.75</u>
Total		<u>\$ 212,587,493</u>	<u>19.38 %</u>

*Based on 10/1/05 Net Taxable Grand List of \$1,096,732,972

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMPARATIVE ASSESSED VALUATIONS

(\$ in thousands)

FOR THE YEAR ENDED JUNE 30, 2007

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 (thousands)	Less Exemptions (thousands)	Net Taxable Grand List	Percentage Change
		Residential Percent	Commercial and Industrial Percent							
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	-

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, 2007

Bonded Debt		
Schools	\$	13,780,000
Sewers		1,329,837
Total bonded debt		<u>15,109,837</u>
Short-term debt		<u>2,100,000</u>
Total direct debt		17,209,837
Less school construction grants receivable		<u>(2,727,233)</u>
Total Overall Net Debt	\$	<u><u>14,482,604</u></u>

CURRENT DEBT RATIOS

FOR THE YEAR ENDED JUNE 30, 2007

Population, 2000		12,256
Per capita income, 1999	\$	23,079
Net taxable grand list, 10/1/05	\$	1,096,732,972
Estimated full value @ 70%	\$	1,566,761,339
Equalized net grand list, 2005*	\$	2,077,922,392

	Overall Debt	Overall Net Debt
	\$ 15,109,837	\$ 14,482,604
Per capita	\$ 1,232.85	\$ 1,181.67
To net taxable grand list	1.37%	1.32%
To estimated full value @ 70%	0.96%	0.92%
To equalized net grand list, 2005	0.72%	0.69%
Ratio of debt per capita to per capita income	5.34%	5.12%

*State of Connecticut Office of Policy and Management

TOWN OF WINDSOR LOCKS, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2007

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, 2007
2007	2005	\$ 1,096,733	22.65	\$ 26,060	98.6%	1.9%	1.9%
2006	2004	1,079,430	22.40	25,161	98.1	1.9	1.9
2005	2003	1,046,978	20.69	22,629	98.7	1.3	0.8
2004	2002	870,986	24.00	22,357	98.2	1.8	0.3
2003	2001	898,939	22.21	20,871	98.3	1.7	0.2
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