

TOWN OF WINDSOR LOCKS, CONNECTICUT

JUNE 30, 2008

TOWN OF WINDSOR LOCKS, CONNECTICUT

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Independent Auditors' Report

Board of Finance
Town of Windsor Locks
Windsor Locks, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Windsor Locks, Connecticut, as of and for the year ended June 30, 2008, 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, 2008, 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 10 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 and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

December 12, 2008

**TOWN OF WINDSOR LOCKS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

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, 2008. 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 \$66.7 million (net assets). Of this amount, \$17.8 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 \$3.3 million.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11.9 million, a decrease of \$2.5 million in comparison with the prior year.
- At the end of the close of the current fiscal year, unreserved fund balance for the General Fund was \$9.5 million, or 23.1% of total General Fund expenditures and transfers out.
- The Town's bonded debt decreased by \$1.4 million or 9.7% during the current fiscal year, and the Town issued \$5.2 million in bond anticipation notes in May 2008.
- The State Teachers Retirement fund paid on behalf of the Town by the State of Connecticut had a substantial increase as reported in RSI-1.

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 15 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 Projects Fund, all of which are considered to be major funds. Data from the other 11 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 \$63.4 million to \$66.6 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	
	2008	2007
Current and other assets	\$ 22,718	\$ 21,720
Capital assets, net of accumulated depreciation	65,463	61,823
Total assets	<u>88,181</u>	<u>83,543</u>
Long-term debt outstanding	8,443	14,546
Other liabilities	13,062	5,584
Total liabilities	<u>21,505</u>	<u>20,130</u>
Net Assets:		
Invested in capital assets, net of related debt	48,905	46,122
Restricted	4	4
Unrestricted	<u>17,767</u>	<u>17,287</u>
Total Net Assets	<u>\$ 66,676</u>	<u>\$ 63,413</u>

Net assets of the Town's governmental activities increased by 5.14%. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$17.3 million at June 30, 2007 to \$17.8 million at the end of this year. Most of this increase was due to results of operations.

TABLE 2
CHANGE IN NET ASSETS
In Thousands

	Governmental	
	Activities	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 4,088	\$ 3,960
Operating grants and contributions	15,793	6,435
Capital grants and contributions		252
General revenues:		
Property taxes	27,026	26,157
Grants and contributions not restricted to specific purposes	7,429	7,266
Investment income	883	1,156
Miscellaneous	347	166
Total revenues	<u>55,566</u>	<u>45,392</u>
Expenses:		
General government	1,982	1,565
Public safety	4,621	4,302
Public works	4,779	5,661
Health and welfare	449	362
Recreation	922	986
Employee benefits and insurance	2,090	2,013
Education	36,789	28,224
Interest on long-term debt	671	605
Total program expenses	<u>52,303</u>	<u>43,718</u>
Increase in Net Assets	<u>\$ 3,263</u>	<u>\$ 1,674</u>

The Town's total revenues were \$55.6 million. The total cost of all programs and services was \$52.3 million. Our analysis below considers the operations of governmental activities.

Governmental Activities

Approximately 48.6% of the revenues were derived from property taxes, followed by 28.5% from grants, and 7.4% from charges for services.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2008 reflect an increase in the Town’s tax rate of 3.01%. There was an increase in the total assessed value of taxable property of 2.5%. The additional tax rate resulted in additional revenues of \$869 thousand.
- Charges for services increased by \$128 thousand primarily due to the special revenue funds.
- Revenue from operating grants and contributions increased from the prior fiscal year by \$9.4 million due to the State Teacher’s Retirement fund contribution.

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

- Conservative efforts by public safety, public works and education added to a positive position from budget to actual.
- Property and liability insurance averaged a 1.5% increase, medical insurance increased by 5.5% and worker’s compensation increased by 8.4%.
- 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General government	\$ 1,982	\$ 1,565	\$ 1,262	\$ 837
Public safety	4,621	4,302	4,136	3,929
Public works	4,779	5,661	2,560	3,647
Health and welfare	449	362	292	275
Recreation	922	986	562	629
Employee benefits and Insurance	2,090	2,013	2,090	2,013
Education	36,789	28,224	20,916	21,209
Interest	671	605	604	532
Totals	<u>\$ 52,303</u>	<u>\$ 43,718</u>	<u>\$ 32,422</u>	<u>\$ 33,071</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 \$11.9 million, which is a decrease from last year's total of \$14.4 million. Approximately 96.2% 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 (\$462 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 \$9.8 million and \$9.5 million, respectively.

Of this amount, \$1.2 million was designated for next year's budget, while unreserved and undesignated fund balance was \$8.3 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 23.8% of total General Fund expenditures and other financing.

The fund balance of the Town's General Fund increased by \$397 thousand during the current fiscal year. Key factors in this growth are as follows:

- An increase in state grants in excess of budget; state owned property, \$160,822 and ECS funding of \$712,365.

Sewer Administration Fund

The fund balance decreased by approximately \$314 thousand. A transfer to the General Fund of \$128 thousand was for debt service.

Capital Projects Fund

This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. Appropriations are made annually by the Board of Finance and citizen referendum pursuant to the Town Charter. Expenditures for capital projects and equipment for 2007-08 were \$5.6 million.

The Town is continuing renovations and upgrade projects for Town Hall and is currently establishing a building committee to analyze a feasibility study for expansion associated with the Town's safety complex.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the Town had \$65.5 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	
	2008	2007
Land	\$ 1,580	\$ 1,580
Construction in progress	4,074	2,207
Land improvements	944	972
Buildings	7,947	7,977
Building improvements	27,971	27,541
Machinery and equipment	5,467	3,936
Vehicles	2,167	2,077
Furniture and fixtures	204	219
Infrastructure	15,109	15,314
Totals	<u>\$ 65,463</u>	<u>\$ 61,823</u>

This year's major additions included:

- Boiler for the Board of Education replacement was completed at \$1.5 million, along with the high school gym roof at \$452 thousand.
- Completion of several projects including the Town Hall windows, Veterans Memorial Ice Rink Pavilion and the Public Safety Complex Pump Station.
- Several construction in progress projects including Town Hall renovation, Board of Education renovations, Downtown Reconstruction and Pesci Park Pool Bathhouse will continue through 2008-09.

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

Long-Term Debt

At June 30, 2008, the Town had total debt outstanding of \$13.6 million. All of this debt comprises debt backed by the full faith and credit of the Town.

The Town's total debt increased by a net of \$1.7 million (9.6%) which includes short-term obligations issued May 2008. 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 \$188.8 million state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the Town is currently 6.4%, which is an increase from a rate of 4.4% a year ago. This compares unfavorably to the State's average unemployment rate of 6.1%. Recessionary trends are consistent with national indices.

All of these factors were considered in preparing the Town's budget for the 2009 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$9.5 million. The Town has appropriated \$1.2 million of this amount for spending in the 2009 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, 2008

	Governmental Activities
	<u> </u>
Assets:	
Cash and cash equivalents	\$ 12,746,086
Investments	6,026,417
Receivables, net	3,934,943
Inventories	10,200
Capital assets:	
Assets not being depreciated	5,654,231
Assets being depreciated, net	59,809,121
Total assets	<u>88,180,998</u>
Liabilities:	
Accounts and other payables	1,293,011
Bond anticipation notes	5,245,000
Unearned revenue	172,692
Noncurrent liabilities:	
Due within one year	1,732,335
Due in more than one year	13,061,582
Total liabilities	<u>21,504,620</u>
Net Assets:	
Invested in capital assets, net of related debt	48,905,244
Restricted for:	
Nonexpendable trust	3,835
Unrestricted	17,767,299
Total Net Assets	<u>\$ 66,676,378</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, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
General government	\$ 1,982,028	\$ 692,751	\$ 27,418	\$	\$ (1,261,859)
Public safety	4,621,170	391,957	93,943		(4,135,270)
Public works	4,779,229	1,784,073	434,971		(2,560,185)
Health and welfare	448,558	60,434	95,846		(292,278)
Recreation	922,382	360,237			(562,145)
Employee benefits and insurance	2,090,073				(2,090,073)
Education	36,788,540	798,728	15,073,736		(20,916,076)
Interest on long-term debt	671,246		67,383		(603,863)
Total Governmental Activities	\$ 52,303,226	\$ 4,088,180	\$ 15,793,297	\$ -	(32,421,749)
General revenues:					
Property taxes					27,025,450
Grants and contributions not restricted to specific programs					7,429,397
Unrestricted investment earnings					883,211
Miscellaneous					346,752
Total general revenues					35,684,810
Change in net assets					3,263,061
Net Assets at Beginning of Year					63,413,317
Net Assets at End of Year					\$ 66,676,378

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2008

	<u>General</u>	<u>Sewer Administration</u>	<u>Special Education Grants</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,453,640	\$ 1,970,200	\$ 563,437	\$ 5,404,540	\$ 462,376	\$ 10,854,193
Investments	6,026,417					6,026,417
Receivables, net	3,280,977	162,105	4,752		64,794	3,512,628
Due from other funds	1,777,208				56,016	1,833,224
Inventories					10,200	10,200
Total Assets	<u>\$ 13,538,242</u>	<u>\$ 2,132,305</u>	<u>\$ 568,189</u>	<u>\$ 5,404,540</u>	<u>\$ 593,386</u>	<u>\$ 22,236,662</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 415,885	\$ 6,579	\$ 4,189	\$ 188,754	\$ 194,034	\$ 809,441
Due to other funds	56,016	50,004	656,898	41,236	1,372	805,526
Bond anticipation notes payable				5,245,000		5,245,000
Deferred revenue	3,252,366	158,369	12	29,102	4,999	3,444,848
Total liabilities	<u>3,724,267</u>	<u>214,952</u>	<u>661,099</u>	<u>5,504,092</u>	<u>200,405</u>	<u>10,304,815</u>
Fund balances:						
Reserved	311,370	138,279			13,200	462,849
Unreserved, reported in:						
General Fund	9,502,605					9,502,605
Special Revenue Funds		1,779,074	(92,910)		378,946	2,065,110
Capital Project Funds				(99,552)		(99,552)
Permanent Funds					835	835
Total fund balances	<u>9,813,975</u>	<u>1,917,353</u>	<u>(92,910)</u>	<u>(99,552)</u>	<u>392,981</u>	<u>11,931,847</u>
Total Liabilities and Fund Balances	<u>\$ 13,538,242</u>	<u>\$ 2,132,305</u>	<u>\$ 568,189</u>	<u>\$ 5,404,540</u>	<u>\$ 593,386</u>	<u>\$ 22,236,662</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 11,931,847
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 96,077,840	
Less accumulated depreciation	<u>(30,614,488)</u>	
Net capital assets		65,463,352

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

Property tax receivables greater than 60 days	667,428
Interest receivable on property taxes	358,403
Assessments receivable	158,369
Interest receivable on assessments	39,631
Receivable from the state for school construction projects	2,446,359

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

	521,319
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Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(13,617,536)
Interest payable on bonds and notes	(116,413)
Compensated absences	(856,156)
Capital leases	(205,663)
Heart and hypertension	(224,653)
Deferred charges on refunding	<u>110,091</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 66,676,378</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Sewer Administration</u>	<u>Special Education Grants</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 27,135,558	\$	\$	\$	\$	\$ 27,135,558
Intergovernmental	21,681,030		694,323	124,706	700,001	23,200,060
Charges for services	947,268	1,717,505	253,107		1,087,264	4,005,144
Contributions		16,862			17,367	34,229
Income on investments	559,592	100,331		144,846	16,628	821,397
Other revenues	317,707		61,484			379,191
Total revenues	<u>50,641,155</u>	<u>1,834,698</u>	<u>1,008,914</u>	<u>269,552</u>	<u>1,821,260</u>	<u>55,575,579</u>
Expenditures:						
Current:						
General government	1,553,182				21,509	1,574,691
Public safety	3,918,546				344,410	4,262,956
Public works	2,369,070	1,459,201			707,681	4,535,952
Health and welfare	294,414				154,144	448,558
Recreation	713,702				234,829	948,531
Employee benefits and insurance	2,342,756					2,342,756
Education	34,638,721		1,002,526		728,004	36,369,251
Capital outlay				5,521,165		5,521,165
Debt service	2,162,230			66,841		2,229,071
Total expenditures	<u>47,992,621</u>	<u>1,459,201</u>	<u>1,002,526</u>	<u>5,588,006</u>	<u>2,190,577</u>	<u>58,232,931</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,648,534</u>	<u>375,497</u>	<u>6,388</u>	<u>(5,318,454)</u>	<u>(369,317)</u>	<u>(2,657,352)</u>
Other Financing Sources (Uses):						
Capital lease proceeds				119,174		119,174
Premium on bond anticipation notes	29,013					29,013
Transfers in	128,625			2,854,031	116,171	3,098,827
Transfers out	(2,408,803)	(689,867)			(157)	(3,098,827)
Total other financing sources (uses)	<u>(2,251,165)</u>	<u>(689,867)</u>	<u>-</u>	<u>2,973,205</u>	<u>116,014</u>	<u>148,187</u>
Net Change in Fund Balances	397,369	(314,370)	6,388	(2,345,249)	(253,303)	(2,509,165)
Fund Balances at Beginning 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>	<u>14,441,012</u>
Fund Balances at End of Year	<u>\$ 9,813,975</u>	<u>\$ 1,917,353</u>	<u>\$ (92,910)</u>	<u>\$ (99,552)</u>	<u>\$ 392,981</u>	<u>\$ 11,931,847</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

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

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ (2,509,165)

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	5,561,742
Depreciation expense	(1,858,603)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by the cost of the assets sold. (62,657)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(280,874)
Property tax receivable - accrual basis change	105,592
Property tax interest and lien revenue - accrual basis change	8,595
Sewer assessment receivable - accrual basis change	57,255
Sewer assessment interest receivable - accrual change	9,313

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

Bond principal payments	1,492,292
Capital lease payments	66,281
Capital lease financing	(119,174)

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

Compensated absences	(11,542)
Accrued interest	86,961
Amortization of deferred charge on refunding	(21,428)
Heart and hypertension claims	111,358

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. 627,115

Change in Net Assets of Governmental Activities (Exhibit II) \$ 3,263,061

The accompanying notes are an integral part of the financial statements

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

JUNE 30, 2008

	Governmental Activities <hr/> Internal Service Fund <hr/>
Assets:	
Current:	
Cash and cash equivalents	\$ 1,891,893
Accounts receivable	24,281
	<hr/>
Total assets	1,916,174
	<hr/>
Liabilities:	
Claims payable	367,157
Due to other funds	1,027,698
	<hr/>
Total liabilities	1,394,855
	<hr/>
Net Assets:	
Unrestricted	\$ 521,319
	<hr/> <hr/>

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, 2008

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Premiums	\$ <u>5,258,479</u>
Operating Expenses:	
Claims	4,186,315
Administration	<u>506,863</u>
Total operating expenses	<u>4,693,178</u>
Operating Income	565,301
Nonoperating Revenue:	
Income on investments	<u>61,814</u>
Change in Net Assets	627,115
Net Assets at Beginning of Year	<u>(105,796)</u>
Net Assets at End of Year	\$ <u><u>521,319</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, 2008

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 5,258,479
Cash payments to providers of benefits and administration	<u>(4,677,965)</u>
Net cash provided by operating activities	580,514
Cash Flows from Investing Activities:	
Income on investments	<u>61,814</u>
Net Increase in Cash and Cash Equivalents	642,328
Cash and Cash Equivalents at Beginning of Year	<u>1,249,565</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,891,893</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 565,301
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in claims payable	14,233
Increase in accounts receivable	<u>980</u>
Net Cash Provided by Operating Activities	<u><u>\$ 580,514</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, 2008

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>201,162</u>
Liabilities:	
Accounts and other payables	\$ <u>201,162</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 3.

Investments are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” An amount of \$275,000 has been established as an allowance for uncollectible taxes. At June 30, 2008, this represents 25.0% of all property taxes receivable.

In the fund financial statements, all property taxes receivable at June 30, 2008, 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, 2008 is presented below:

Major Governmental Funds:		
General Fund:		
Reserved for encumbrances	\$	311,370
Sewer Administration:		
Reserved for capital improvements		138,279
Nonmajor Governmental Funds:		
Reserved for inventory		10,200
Reserved for endowments		<u>3,000</u>
 Total	\$	<u><u>462,849</u></u>

The General Fund has a designated balance of \$1,200,000 for the subsequent budget.

J. Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

Additional appropriations of \$218,500 were made during the year.

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

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

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

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Deficit Fund Equity

The following funds had a fund balance deficit at June 30, 2008:

Major Governmental Fund:		
Special Educational Grants	\$	92,910
Capital Projects Fund		99,552

The deficits will be eliminated by grants and future financing.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2008:

Deposits:	
Demand accounts	\$ 2,878,727
Certificates of deposit	6,026,417
Total deposits	<u>8,905,144</u>
Petty cash	34
Cash equivalents:	
State Short-Term Investment Fund (STIF)	9,398,347
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)	670,140
Less: Certificates of deposits classified as investments	<u>(6,026,417)</u>
Total Cash and Cash Equivalents	\$ <u><u>12,947,248</u></u>

Deposits

At June 30, 2008, the carrying amount of the Town deposits was \$8,905,144, and the bank balance was \$9,111,902.

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, 2008 bank balance, \$6,240,011 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 \$307,189, based on June 30, 2008 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the Town's name). The balance of deposits of \$2,564,702 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, 2008, the Town's cash equivalents amounted to \$10,068,487. 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

B. Investments

As of June 30, 2008, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity (in Years)</u>	
			<u>Less Than 1</u>	<u>1-3</u>
Certificates of Deposit	N/A	\$ 6,026,417	\$ 5,155,516	\$ 870,901

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

Credit Risk - Investments - The Town has an investment policy that complies with State Statutes.

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

Custodial Credit Risk - At June 30, 2008, the Town did not have any uninsured and unregistered securities held by a counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Administration</u>	<u>Special Education Assessments</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,103,298	\$	\$	\$	\$ 1,103,298
Accounts	3,442	3,736		49,978	57,156
Special assessments		162,869			162,869
Intergovernmental	<u>2,449,237</u>		<u>4,752</u>	<u>39,097</u>	<u>2,493,086</u>
Gross receivables	3,555,977	166,605	4,752	89,075	3,816,409
Less allowance for uncollectibles	<u>(275,000)</u>	<u>(4,500)</u>			<u>(279,500)</u>
Net Total Receivables	<u>\$ 3,280,977</u>	<u>\$ 162,105</u>	<u>\$ 4,752</u>	<u>\$ 89,075</u>	<u>\$ 3,536,909</u>

Note: Above does not include accrued interest on property taxes of \$358,403 and sewer use charges of \$39,631.

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	\$ 667,428	\$
Special assessments	158,369	
Property taxes collected in advance		138,579
Grant drawdowns prior to meeting all eligibility requirements		34,113
School building grant	<u>2,446,359</u>	
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,272,156</u>	<u>\$ 172,692</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Tranfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,580,197	\$	\$	\$	\$ 1,580,197
Construction in progress	2,206,744	(1,913,797)	3,781,087		4,074,034
Total capital assets not being depreciated	<u>3,786,941</u>	<u>(1,913,797)</u>	<u>3,781,087</u>	<u>-</u>	<u>5,654,231</u>
Capital assets being depreciated:					
Buildings	13,817,055	164,379			13,981,434
Buildings and improvements	31,341,731	296,661	811,075		32,449,467
Land improvements	1,461,903				1,461,903
Machinery and equipment	8,508,315	1,452,757	395,468	(29,405)	10,327,135
Vehicles	3,745,335		299,500	(49,723)	3,995,112
Furniture and fixtures	288,185		7,393		295,578
Infrastructure	27,858,995		267,219	(213,234)	27,912,980
Total capital assets being depreciated	<u>87,021,519</u>	<u>1,913,797</u>	<u>1,780,655</u>	<u>(292,362)</u>	<u>90,423,609</u>
Less accumulated depreciation for:					
Buildings	(5,840,136)		(193,907)		(6,034,043)
Buildings and improvements	(3,801,064)		(677,339)		(4,478,403)
Land improvements	(489,436)		(28,189)		(517,625)
Machinery and equipment	(4,572,646)		(310,142)	23,050	(4,859,738)
Vehicles	(1,668,253)		(198,817)	38,412	(1,828,658)
Furniture and fixtures	(68,756)		(22,917)		(91,673)
Infrastructure	(12,545,299)		(427,292)	168,243	(12,804,348)
Total accumulated depreciation	<u>(28,985,590)</u>	<u>-</u>	<u>(1,858,603)</u>	<u>229,705</u>	<u>(30,614,488)</u>
Total capital assets being depreciated, net	<u>58,035,929</u>	<u>1,913,797</u>	<u>(77,948)</u>	<u>(62,657)</u>	<u>59,809,121</u>
Governmental Activities Capital Assets, Net	<u>\$ 61,822,870</u>	<u>\$ -</u>	<u>\$ 3,703,139</u>	<u>\$ (62,657)</u>	<u>\$ 65,463,352</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 73,499
Public safety	187,715
Public works	923,507
Recreation	32,657
Education	<u>641,225</u>
Total	<u>\$ 1,858,603</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2008 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 41,236
General Fund	Sewer Administration Fund	50,004
General Fund	Special Education Grants	656,898
General Fund	Nonmajor Governmental Funds	1,372
General Fund	Internal Service Fund	1,027,698
Nonmajor Governmental Funds: Special Grants Fund	General Fund	<u>56,016</u>
Total		<u>\$ 1,833,224</u>

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

Interfund transfers

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	
Transfers out:				
General Fund	\$	\$ 2,292,632	\$ 116,171	\$ 2,408,803
Sewer Administration Fund	128,468	561,399		689,867
Other governmental	<u>157</u>			<u>157</u>
Total Transfers In	<u>\$ 128,625</u>	<u>\$ 2,854,031</u>	<u>\$ 116,171</u>	<u>\$ 3,098,827</u>

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

7. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and serial notes payable:					
General obligation bonds	\$ 13,780,000	\$ -	\$ 1,415,000	\$ 12,365,000	\$ 1,400,000
Clean water notes	1,329,828	-	77,292	1,252,536	78,852
Total	<u>15,109,828</u>	<u>-</u>	<u>1,492,292</u>	<u>13,617,536</u>	<u>1,478,852</u>
Less deferred amounts on refunded bonds	<u>(131,519)</u>		<u>(21,428)</u>	<u>(110,091)</u>	
Total bonds and notes payable	14,978,309	-	1,470,864	13,507,445	1,478,852
Capital leases	152,770	119,174	66,281	205,663	57,658
Compensated absences	844,614	116,759	105,217	856,156	175,825
Heart and hypertension claims	<u>336,011</u>		<u>111,358</u>	<u>224,653</u>	<u>20,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 16,311,704</u>	<u>\$ 235,933</u>	<u>\$ 1,753,720</u>	<u>\$ 14,793,917</u>	<u>\$ 1,732,335</u>

The following is a summary of bond and note issues at June 30, 2008:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2008</u>
Bonds/notes:					
Schools:					
Refunding bond	03/01/05	09/15/18	3.0-5.0	\$ 10,705,000	\$ 8,480,000
Refunding bond	03/15/03	03/15/16	2.125-4.0	6,630,000	3,885,000
Sewer:					
Clean water loan	05/31/03	05/31/22	2	1,715,669	<u>1,252,536</u>
Total					<u>\$ 13,617,536</u>

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

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

Year Ending June 30,	Bonds		Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,290,000	250,567	85,414	17,769	1,375,414	268,336
2014-2018	5,340,000	535,865	453,637	62,278	5,793,637	598,143
2019-2022	275,000	5,225	388,398	15,734	663,398	20,959
Total	\$ 12,365,000	\$ 2,209,027	\$ 1,252,536	\$ 183,425	\$ 13,617,536	\$ 2,392,452

Bond Anticipation Notes

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2008:

Capital Projects

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2007	Issued	Retired	Balance June 30, 2008
11-8-06	8-8-07	3.52	\$ 2,100,000		\$ 2,100,000	\$
8-8-07	5-7-08	4.0		3,745,000	3,745,000	
5-7-08	2-5-09	2.25		5,245,000		5,245,000

At June 30, 2008, the Town has authority to issue \$5,245,000 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	\$ 60,528,382	\$ 4,418,000	\$ 56,110,382
Schools	121,056,764	10,745,641	110,311,123
Sewers	100,880,636	1,252,536	99,628,100
Urban renewal	87,429,885		87,429,885
Pension deficit	80,704,509		80,704,509

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$188.3 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 \$2,446,359 for bond principal are reflected as deductions in the computation of net indebtedness.

Capital Leases

The Town has entered into a capital lease agreements for the purchase of a catch-basin vacuum truck and a dump truck. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the minimum lease payments as of June 30, 2008:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 66,841
2010	66,840
2011	66,839
2012	25,964
Less amount representing interest	<u>(20,821)</u>
Present Value of Future Minimum Lease Payment	<u>\$ 205,663</u>

8. RISK MANAGEMENT

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

A third party administers the medical insurance plan for which the Town pays a fee. The medical insurance fund provides coverage for most Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$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
2006-2007	\$ 395,888	\$ 3,708,112	\$ 3,751,076	\$ 352,924
2007-2008	352,924	4,186,315	4,172,082	367,157

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

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

9. COMMITMENTS AND LITIGATION

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

10. PENSION PLANS

Municipal Employees' Retirement Fund

A. Plan Description

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

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

B. Funding Policy

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

The required and actual contributions for the years ended June 30, 2006, 2007 and 2008 were \$340,234, \$373,433 and \$409,809, 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 \$12,551,042.

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, 2008, the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$9,284,255 as payments made by the State of Connecticut on behalf of the Town. This amount is significantly higher than the prior year because the State of Connecticut increased the contribution substantially. The Town does not have any liability for teacher pension.

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

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, 2008

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property Taxes:				
Current taxes	\$ 25,175,076	\$ 25,175,076	\$ 24,639,912	\$ (535,164)
Supplemental taxes	1,400,000	1,400,000	1,575,740	175,740
Prior year taxes	200,000	200,000	407,415	207,415
Interest and lien fees	150,000	150,000	288,196	138,196
Telephone access line	87,221	87,221	94,066	6,845
Housing authority in lieu of tax	30,000	30,000	30,229	229
Tax abatement	100,000	100,000	100,000	-
Total property taxes	<u>27,142,297</u>	<u>27,142,297</u>	<u>27,135,558</u>	<u>(6,739)</u>
Intergovernmental:				
General government:				
Elderly property tax relief	5,300	5,300	5,298	(2)
In lieu of tax, State Property	3,521,540	3,521,540	3,682,362	160,822
P.A. 436 PILOT on boats	6,390	6,390	6,393	3
Elderly circuit breaker	110,000	110,000	104,762	(5,238)
Totally Disabled Grants	470	470	320	(150)
Capital improvement program	195,500	195,500	153,591	(41,909)
Veterans' Exemptions	12,000	12,000	10,891	(1,109)
Office of Emergency Management	4,000	4,000	3,249	(751)
Off Track Betting/Teletheater	650,000	650,000	753,413	103,413
PILOT - Manufacturing Equipment	1,549,017	1,549,017	1,557,093	8,076
Mashantucket Pequot/Mohegan Grant	665,523	665,523	690,685	25,162
Manufacturing and equipment phase-in	241,375	241,375	240,294	(1,081)
Youth Services	14,000	14,000	14,000	-
Public Works Grants	1	1		(1)
Police Grants	1	1		(1)
Various Grants	1	1		(1)
Total general government	<u>6,975,118</u>	<u>6,975,118</u>	<u>7,222,351</u>	<u>247,233</u>
Education:				
Educational Cost Sharing	3,750,000	3,750,000	4,462,365	712,365
School Building Grants	344,740	344,740	348,289	3,549
School Transportation	143,660	143,660	143,498	(162)
Education of the Blind	3,200	3,200	2,878	(322)
Special Education	1	1	79,394	79,393
Total education	<u>4,241,601</u>	<u>4,241,601</u>	<u>5,036,424</u>	<u>794,823</u>
Total intergovernmental	<u>11,216,719</u>	<u>11,216,719</u>	<u>12,258,775</u>	<u>1,042,056</u>

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TOWN OF WINDSOR LOCKS, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
Conveyance tax	\$ 150,000	\$ 150,000	\$ 157,703	\$ 7,703
Town Clerk's Office	110,000	110,000	98,454	(11,546)
Building permits	300,000	300,000	316,791	16,791
Zoning Board of Appeals	1,500	1,500	1,315	(185)
Planning and Zoning	5,000	5,000	5,480	480
Other licenses and permits	2,500	2,500	4,846	2,346
Trash haulers permits	2,500	2,500	2,100	(400)
Assessors Office	600	600	1,288	688
Inland Wetland fees	1,000	1,000	381	(619)
False alarm fines	1,000	1,000	775	(225)
Superior Court	2,500	2,500	8,130	5,630
Parking tickets	50,000	50,000	59,445	9,445
Airplane registration fees	58,000	58,000	49,680	(8,320)
Rent from schools	500	500		(500)
Tuitions	500	500	3,186	2,686
Board of Education Suffield Co-op Reimbursement	1	1		(1)
Park Revolving Fund	145,000	145,000	145,000	-
Police accident reports	1,200	1,200	1,941	741
Senior Citizen Mini-bus fee	2,000	2,000	2,340	340
Rental of town building	2,500	2,500	2,825	325
Tower rental	30,000	30,000	39,797	9,797
Admissions tax - Teletheater	1	1		(1)
Town auction	1	1	775	774
Police reimbursement	10,000	10,000	7,396	(2,604)
SRO Officer	37,620	37,620	37,620	-
Total charges for services	<u>913,923</u>	<u>913,923</u>	<u>947,268</u>	<u>33,345</u>
Investment Income:				
Income on investments	<u>500,000</u>	<u>500,000</u>	<u>559,592</u>	<u>59,592</u>
Other Revenues:				
Miscellaneous receipts	19,000	19,000	52,329	33,329
Workers' Compensation	12,000	12,000	9,799	(2,201)
CRRRA - Rebate			255,579	255,579
PY unliquidated encumbrances			4,574	4,574
Total other revenues	<u>31,000</u>	<u>31,000</u>	<u>322,281</u>	<u>291,281</u>
Total revenues	<u>39,803,939</u>	<u>39,803,939</u>	<u>41,223,474</u>	<u>1,419,535</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Premium on bond anticipation notes	\$	\$	\$ 29,013	\$ 29,013
Transfers from other funds:				
Sewer Administration Fund	129,469	129,469	128,468	(1,001)
James DeForest Phelps Fund	30	30	157	127
Total other financing sources	<u>129,499</u>	<u>129,499</u>	<u>157,638</u>	<u>28,139</u>
Total	\$ <u>39,933,438</u>	\$ <u>39,933,438</u>	41,381,112	\$ <u>1,447,674</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			9,284,255	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			138,000	
Cancellation of prior year encumbrances are recognized as budgetary revenue			<u>(4,574)</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 50,798,793</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Auditing Services	\$ 38,300	\$ 38,300	\$ 20,750	\$ 17,550
Board of Assessment Appeals	1,018	1,018	888	130
Board of Assessors	141,713	144,657	139,899	4,758
Board of Finance	5,431	5,511	5,509	2
Board of Selectmen	125,257	125,984	125,396	588
Building Official	176,685	185,085	173,108	11,977
Capital Improvement Advisory Commission	750	1,950	1,002	948
Conservation Commission	2,960	2,960	1,889	1,071
Contingency Fund	400,000	92,323		92,323
Economic Development Commission	28,908	28,908	28,714	194
Finance Department	212,545	213,593	212,806	787
General expense all buildings	18,750	19,038	19,038	-
Historical Commission	414	950	837	113
Holiday observance	3,000	3,000	3,000	-
Human Resource	64,797	64,797	62,577	2,220
Information Technologies	38,500	38,500	37,455	1,045
Inland/Wetlands Agency	9,500	9,500	7,945	1,555
Municipal associations	18,790	18,790	18,664	126
Planning and Zoning Commission	40,408	40,408	28,433	11,975
Probate Court	6,360	7,455	6,713	742
Registrar of Voters	30,217	36,947	32,303	4,644
Senior Center	60,386	60,386	50,495	9,891
Tax Collector	148,046	205,615	172,320	33,295
Town Clerk	127,297	127,297	120,812	6,485
Town Counsel	77,000	77,000	61,140	15,860
Town Engineer	45,000	69,837	69,386	451
Town Office Building	163,874	165,229	149,029	16,200
Town Treasurer	200	200		200
Zoning Board of Appeals	5,384	5,384	4,808	576
Total general government	<u>1,991,490</u>	<u>1,790,622</u>	<u>1,554,916</u>	<u>235,706</u>
Public safety:				
Ambulance Association	68,000	68,000	68,000	-
Fire	378,717	380,884	374,688	6,196
Fire Marshal	63,370	63,370	54,616	8,754
Marine services	300	300	800	(500)
Nine bay garage/safety complex	1,875	1,875	1,484	391
Office of Emergency Management	23,705	23,705	22,048	1,657
Police	2,535,559	2,693,157	2,664,202	28,955
Safety Complex	157,718	167,257	164,804	2,453
Water main/street lighting	606,560	606,560	581,129	25,431
Total public safety	<u>3,835,804</u>	<u>4,005,108</u>	<u>3,931,771</u>	<u>73,337</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, 2008

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public works:				
Landfill/refuse removal	\$ 1,097,285	\$ 1,097,285	\$ 983,227	\$ 114,058
Public Works Department	1,390,810	1,390,810	1,300,237	90,573
Public Works Garage	27,955	32,603	32,138	465
Snow removal	62,500	62,813	62,813	-
Spring Street Garage	9,545	9,545	9,527	18
Total public works	<u>2,588,095</u>	<u>2,593,056</u>	<u>2,387,942</u>	<u>205,114</u>
Health and welfare:				
Commission on Needs of the Aging	147,867	147,926	121,012	26,914
Outside services	100,747	100,747	87,247	13,500
Social services	49,381	50,550	50,393	157
Youth Service Bureau	43,814	43,814	36,162	7,652
Total health and welfare	<u>341,809</u>	<u>343,037</u>	<u>294,814</u>	<u>48,223</u>
Recreation:				
Parks and recreation	331,944	331,944	315,565	16,379
Public library	398,305	398,305	398,305	-
Total recreation	<u>730,249</u>	<u>730,249</u>	<u>713,870</u>	<u>16,379</u>
Employee benefits and insurance:				
Employee benefits	1,886,336	1,885,371	1,818,558	66,813
Insurance and bonds	550,161	550,161	524,198	25,963
Total employee benefits and insurance	<u>2,436,497</u>	<u>2,435,532</u>	<u>2,342,756</u>	<u>92,776</u>
Education	<u>25,383,291</u>	<u>25,383,291</u>	<u>25,383,265</u>	<u>26</u>
Debt service:				
Bond redemption	1,492,292	1,492,292	1,492,282	10
Interest	643,608	669,948	669,948	-
Total debt service	<u>2,135,900</u>	<u>2,162,240</u>	<u>2,162,230</u>	<u>10</u>
Total expenditures	<u>39,443,135</u>	<u>39,443,135</u>	<u>38,771,564</u>	<u>671,571</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, 2008

	<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	\$ 2,074,132	\$ 2,292,632	\$ 2,292,632	\$ -
Cafeteria Fund	116,171	116,171	116,171	-
Total other financing uses	<u>2,190,303</u>	<u>2,408,803</u>	<u>2,408,803</u>	<u>-</u>
Total	\$ <u>41,633,438</u>	\$ <u>41,851,938</u>	41,180,367	\$ <u>671,571</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			9,284,255	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			138,000	
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>(201,198)</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>50,401,424</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 2,453,640	\$ 8,147,183
Investments	6,026,417	
Property taxes receivable, net of allowance for \$275,000 in 2008 and \$290,000 in 2007	828,298	707,648
Accounts receivable	2,452,679	2,748,383
Due from other funds	<u>1,777,208</u>	<u>1,725,621</u>
Total Assets	<u>\$ 13,538,242</u>	<u>\$ 13,328,835</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 415,885	\$ 459,124
Due to other funds	56,016	38,795
Deferred revenue	3,252,366	3,414,310
Total liabilities	<u>3,724,267</u>	<u>3,912,229</u>
Fund balance:		
Reserved for encumbrances	311,370	114,746
Unreserved:		
Designated for subsequent year	1,200,000	1,700,000
Undesignated	<u>8,302,605</u>	<u>7,601,860</u>
Total fund balance	<u>9,813,975</u>	<u>9,416,606</u>
Total Liabilities and Fund Balance	<u>\$ 13,538,242</u>	<u>\$ 13,328,835</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2008

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Grand List	Uncollected Taxes July 1, 2007	Current Tax Levy	Additions	Deductions	Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2008	
							Taxes	Interest and Lien Fees	Total		
1992	\$ 4,929	\$	\$	\$	\$	\$ 4,929	\$	\$	\$ -	\$ 4,929	
1993	6,955					6,955	1,974	3,953	5,927	4,981	
1994	8,916					8,916	3,830	6,161	9,991	5,086	
1995	10,241					10,241	4,169	8,278	12,447	6,072	
1996	12,473					12,473	6,101	11,551	17,652	6,372	
1997	12,770					12,770	6,453	11,139	17,592	6,317	
1998	13,299					13,299	7,402	10,164	17,566	5,897	
1999	12,646		33			12,679	7,758	7,564	15,322	4,921	
2000	13,977		32			14,009	4,954	6,277	11,231	9,055	
2001	24,628					24,628	7,187	5,834	13,021	17,441	
2002	55,588		10,532	1,985		64,135	18,789	15,579	34,368	45,346	
2003	62,861		10,671	406		73,126	35,832	17,926	53,758	37,294	
2004	243,611		27	42,143	72,623	128,872	24,234	28,275	52,509	104,638	
2005	505,085		11,564	28,583		488,066	244,639	49,701	294,340	243,427	
Total prior years	987,979		32,859	73,117	72,623	875,098	373,322	182,402	555,724	501,776	
2006		26,952,075	56,195	191,096		26,817,174	26,215,652	91,243	26,306,895	601,522	
Total	\$ 987,979	\$ 26,952,075	\$ 89,054	\$ 264,213	\$ 72,623	\$ 27,692,272	26,588,974	273,645	26,862,619	\$ 1,103,298	
							Suspense Collections	19,035	14,551	33,586	
							Total	26,608,009	\$ 288,196	\$ 26,896,205	
Property taxes receivable considered available:											
							June 30, 2006	(145,812)			
							June 30, 2007	160,870			
							Total taxes	\$ 26,623,067			

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

	<u>Special Revenue</u>						
	<u>Special Grants</u>	<u>Small Cities</u>	<u>Dog</u>	<u>Highway</u>	<u>School Cafeteria</u>	<u>Police Revolving</u>	<u>Parks and Recreation</u>
ASSETS							
Cash and cash equivalents	\$	\$ 4,999	\$ 12,173	\$ 31,580	\$ 142,277	\$ 64,676	\$ 71,294
Accounts receivable	1,200				39,097	23,850	
Due from other funds	56,016						
Inventory					10,200		
Total Assets	<u>\$ 57,216</u>	<u>\$ 4,999</u>	<u>\$ 12,173</u>	<u>\$ 31,580</u>	<u>\$ 191,574</u>	<u>\$ 88,526</u>	<u>\$ 71,294</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 28,000		\$ 7,702		\$ 158,332		\$
Due to other funds						1,372	
Deferred revenue		4,999					
Total liabilities	<u>28,000</u>	<u>4,999</u>	<u>7,702</u>	<u>-</u>	<u>158,332</u>	<u>1,372</u>	<u>-</u>
Fund Balances:							
Reserved:							
Inventories					10,200		
Endowments							
Unreserved - undesignated	29,216		4,471	31,580	23,042	87,154	71,294
Total fund balance	<u>29,216</u>	<u>-</u>	<u>4,471</u>	<u>31,580</u>	<u>33,242</u>	<u>87,154</u>	<u>71,294</u>
Total Liabilities and Fund Balances	<u>\$ 57,216</u>	<u>\$ 4,999</u>	<u>\$ 12,173</u>	<u>\$ 31,580</u>	<u>\$ 191,574</u>	<u>\$ 88,526</u>	<u>\$ 71,294</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

	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	\$ 10,274	\$ 34,952	\$ 86,316	\$ 458,541	\$ 3,835	\$ 462,376
Accounts receivable		647		64,794		64,794
Due from other funds				56,016		56,016
Inventory				10,200		10,200
Total Assets	<u>\$ 10,274</u>	<u>\$ 35,599</u>	<u>\$ 86,316</u>	<u>\$ 589,551</u>	<u>\$ 3,835</u>	<u>\$ 593,386</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$	\$	\$ 194,034	\$	\$ 194,034
Due to other funds				1,372		1,372
Deferred revenue				4,999		4,999
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,405</u>	<u>-</u>	<u>200,405</u>
Fund Balances:						
Reserved:						
Inventories				10,200		10,200
Endowments				-	3,000	3,000
Unreserved - undesignated	10,274	35,599	86,316	378,946	835	379,781
Total fund balance	<u>10,274</u>	<u>35,599</u>	<u>86,316</u>	<u>389,146</u>	<u>3,835</u>	<u>392,981</u>
Total Liabilities and Fund Balances	<u>\$ 10,274</u>	<u>\$ 35,599</u>	<u>\$ 86,316</u>	<u>\$ 589,551</u>	<u>\$ 3,835</u>	<u>\$ 593,386</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, 2008

	<u>Special Revenue</u>						
	<u>Special Grants</u>	<u>Small Cities</u>	<u>Dog</u>	<u>Highway</u>	<u>School Cafeteria</u>	<u>Police Revolving</u>	<u>Parks and Recreation</u>
Revenues:							
Intergovernmental	\$ 194,638	\$ 4,500	\$	\$ 196,503	\$ 269,023	\$	\$
Charges for services			5,958		484,137	323,838	215,237
Contributions	17,367						
Income from investments			70	14,719		485	562
Total revenues	<u>212,005</u>	<u>4,500</u>	<u>6,028</u>	<u>211,222</u>	<u>753,160</u>	<u>324,323</u>	<u>215,799</u>
Expenditures:							
Current:							
General government	21,509						
Public safety	10,386		5,172			323,831	
Public works	92,400	4,500		610,781			
Health and welfare	97,272						
Recreation	17						234,812
Education					728,004		
Total expenditures	<u>221,584</u>	<u>4,500</u>	<u>5,172</u>	<u>610,781</u>	<u>728,004</u>	<u>323,831</u>	<u>234,812</u>
Excess (Deficiency) of Revenues over Expenditures	(9,579)	-	856	(399,559)	25,156	492	(19,013)
Other Financing Sources (Uses):							
Transfers in (out)					116,171		
Net Change in Fund Balances	(9,579)	-	856	(399,559)	141,327	492	(19,013)
Fund Balances at Beginning of Year	<u>38,795</u>	<u>-</u>	<u>3,615</u>	<u>431,139</u>	<u>(108,085)</u>	<u>86,662</u>	<u>90,307</u>
Fund Balances at End of Year	<u>\$ 29,216</u>	<u>\$ -</u>	<u>\$ 4,471</u>	<u>\$ 31,580</u>	<u>\$ 33,242</u>	<u>\$ 87,154</u>	<u>\$ 71,294</u>

(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, 2008

	Special Revenue				Permanent Fund	Total Nonmajor Governmental Funds
	Commission on Needs of the Aging	Human Services	Police Department Asset Forfeiture	Total	James DeForest Phelps	
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$
Charges for services	48,380	9,714	35,337	700,001		700,001
Contributions				1,087,264		1,087,264
Income from investments	635			17,367		17,367
Total revenues	49,015	9,714	35,337	1,821,103	157	1,821,260
Expenditures:						
Current:						
General government				21,509		21,509
Public safety			5,021	344,410		344,410
Public works				707,681		707,681
Health and welfare	49,439	7,433		154,144		154,144
Recreation				234,829		234,829
Education				728,004		728,004
Total expenditures	49,439	7,433	5,021	2,190,577	-	2,190,577
Excess (Deficiency) of Revenues over Expenditures	(424)	2,281	30,316	(369,474)	157	(369,317)
Other Financing Sources (Uses):						
Transfers in (out)				116,171	(157)	116,014
Net Change in Fund Balances	(424)	2,281	30,316	(253,303)	-	(253,303)
Fund Balances at Beginning of Year	10,698	33,318	56,000	642,449	3,835	646,284
Fund Balances at End of Year	\$ 10,274	\$ 35,599	\$ 86,316	\$ 389,146	\$ 3,835	\$ 392,981

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND - BY PROJECT

JUNE 30, 2008

	<u>Capital Improvements Projects</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Total Capital Projects Fund</u>
ASSETS				
Cash and cash equivalents	\$ 2,911,550	\$ 2,407,237	\$ 85,753	\$ 5,404,540
Total Assets	<u>\$ 2,911,550</u>	<u>\$ 2,407,237</u>	<u>\$ 85,753</u>	<u>\$ 5,404,540</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 163,715	\$ 19,713	\$ 5,326	\$ 188,754
Due to other funds	7,663	33,573		41,236
Bond anticipation notes payable		5,245,000		5,245,000
Deferred revenue	4,691	24,411		29,102
Total liabilities	<u>176,069</u>	<u>5,322,697</u>	<u>5,326</u>	<u>5,504,092</u>
Fund Balances:				
Unreserved - undesignated	<u>2,735,481</u>	<u>(2,915,460)</u>	<u>80,427</u>	<u>(99,552)</u>
Total Liabilities and Fund Balances	<u>\$ 2,911,550</u>	<u>\$ 2,407,237</u>	<u>\$ 85,753</u>	<u>\$ 5,404,540</u>

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Capital Improvements Projects</u>	<u>Capital Projects</u>	<u>WPCA Capital Projects</u>	<u>Total Capital Projects Fund</u>
Revenues:				
Intergovernmental	\$ 124,706	\$	\$	\$ 124,706
Income from investments	64,533	71,779	8,534	144,846
Total revenues	<u>189,239</u>	<u>71,779</u>	<u>8,534</u>	<u>269,552</u>
Expenditures:				
Current:				
Capital outlay	2,633,427	2,392,621	495,117	5,521,165
Debt service	66,841			66,841
Total expenditures	<u>2,700,268</u>	<u>2,392,621</u>	<u>495,117</u>	<u>5,588,006</u>
Deficiency of Revenues over Expenditures	(2,511,029)	(2,320,842)	(486,583)	(5,318,454)
Other Financing Sources (Uses):				
Capital lease proceeds	119,174			119,174
Transfers in	2,292,632		561,399	2,854,031
Net Change in Fund Balances	(99,223)	(2,320,842)	74,816	(2,345,249)
Fund Balances at Beginning of Year	<u>2,834,704</u>	<u>(594,618)</u>	<u>5,611</u>	<u>2,245,697</u>
Fund Balances at End of Year	<u>\$ 2,735,481</u>	<u>\$ (2,915,460)</u>	<u>\$ 80,427</u>	<u>\$ (99,552)</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
Assets:				
Cash and cash equivalents:				
Student Activities Fund	\$ 238,040	\$ 464,983	\$ 501,861	\$ 201,162
Liabilities:				
Accounts payable:				
Student Activities Fund	\$ 238,040	\$ 464,983	\$ 501,861	\$ 201,162

TOWN OF WINDSOR LOCKS, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets:		
Land	\$ 1,580,197	\$ 1,580,197
Buildings	46,430,901	45,158,786
Improvements other than buildings	1,461,903	1,461,903
Machinery and equipment	10,327,135	8,508,315
Vehicles	3,995,112	3,745,335
Furniture and fixtures	295,578	288,185
Infrastructure	27,912,980	27,858,995
Construction in progress	<u>4,074,034</u>	<u>2,206,744</u>
Total	<u>\$ 96,077,840</u>	<u>\$ 90,808,460</u>

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

JUNE 30, 2008

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government	\$ 6,476,190	\$ 685,923	\$ 3,381,396	\$ 99,502	\$ 186,605	\$ 104,927	\$ 86,262		\$ 1,931,575
Public safety	4,757,430	117,600	464,610	46,288	1,678,421	2,263,089	16,072		171,350
Public works	46,666,153	466,200	9,391,929	136,065	6,002,290	1,506,430		27,912,980	1,250,259
Recreation	4,300,417	193,691	2,518,076	708,494	388,698	24,581	17,156		449,721
Education	<u>33,877,650</u>	<u>116,783</u>	<u>30,674,890</u>	<u>471,554</u>	<u>2,071,121</u>	<u>96,085</u>	<u>176,088</u>		<u>271,129</u>
Total	<u>\$ 96,077,840</u>	<u>\$ 1,580,197</u>	<u>\$ 46,430,901</u>	<u>\$ 1,461,903</u>	<u>\$ 10,327,135</u>	<u>\$ 3,995,112</u>	<u>\$ 295,578</u>	<u>\$ 27,912,980</u>	<u>\$ 4,074,034</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, 2008

	Governmental Funds Capital Assets July 1, 2007	Additions	Deletions	Governmental Funds Capital Assets June 30, 2008
General government	\$ 4,398,472	\$ 2,077,718	\$	\$ 6,476,190
Public safety	4,625,124	182,029	49,723	4,757,430
Public works	44,802,482	2,366,971	503,300	46,666,153
Recreation	3,842,123	622,673	164,379	4,300,417
Education	<u>33,140,259</u>	<u>2,226,148</u>	<u>1,488,757</u>	<u>33,877,650</u>
Total	<u>\$ 90,808,460</u>	<u>\$ 7,475,539</u>	<u>\$ 2,206,159</u>	<u>\$ 96,077,840</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, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		(Unfavorable)
Revenues:				
Sewer use charges and interest	\$ 1,410,992	\$ 1,410,992	\$ 1,363,254	\$ (47,738)
Fees	381,850	381,850	354,251	(27,599)
Investment income	95,000	95,000	99,888	4,888
Intergovernmental			16,862	16,862
Miscellaneous	100	100	443	343
Total revenues	<u>1,887,942</u>	<u>1,887,942</u>	<u>1,834,698</u>	<u>(53,244)</u>
Expenditures:				
Salaries	558,788	552,851	537,911	14,940
Fringe benefits	242,596	230,650	224,108	6,542
Overtime	35,895	35,895	32,021	3,874
Audit	3,500	6,500	6,500	-
Chemicals/chlorine	49,726	55,171	55,171	-
Contingency	16,100			-
Electricity	237,461	237,461	204,269	33,192
Equipment rental/hauling	7,426	7,426	6,057	1,369
Expenses	200	200	200	-
Fuel, oil, natural gas	38,611	38,611	21,100	17,511
Gasoline and diesel	9,265	11,119	11,119	-
Insurance	55,495	56,204	56,204	-
Lab equipment	22,000	22,430	22,430	-
Legal fees	2,500	2,937	2,937	-
Manholes	2,500	2,500	2,488	12
Mechanical maintenance	37,000	37,000	35,893	1,107
Outside services	20,627	20,824	19,091	1,733
Refunds	1,000	1,000	943	57
Safety training	4,000	4,000	1,514	2,486
Sewer line maintenance	26,430	49,802	49,802	-
Sludge disposal	90,000	90,000	84,691	5,309
Supplies	37,425	37,425	35,539	1,886
Telephone	4,908	4,908	4,698	210
User fee administration	6,575	6,776	6,776	-
Vehicle parts, repairs	4,000	7,111	7,111	-
Water	10,791	13,653	13,653	-
Facilities plan			16,975	(16,975)
Total expenditures	<u>1,524,819</u>	<u>1,532,454</u>	<u>1,459,201</u>	<u>73,253</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Excess of Revenues over Expenditures	\$ 363,123	\$ 355,488	\$ 375,497	\$ 20,009
Other financing sources (uses):				
Transfers out	<u>664,582</u>	<u>664,582</u>	<u>689,867</u>	<u>(25,285)</u>
Net Change in Fund Balance	\$ <u>(301,459)</u>	\$ <u>(309,094)</u>	(314,370)	\$ <u>(5,276)</u>
Fund Balance at Beginning of Year			<u>2,231,723</u>	
Fund Balance at End of Year			\$ <u>1,917,353</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT

SEWER ADMINISTRATION FUND

REPORT OF SEWER USE CHARGE COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2008

List Year	Uncollected Charges July 1, 2007	Current Year Billings and Adjustments	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2008
				Charges	Interest and Lien Fees	Total	
1996	\$ 37	\$	\$ 37	\$ 37	\$ 62	\$ 99	\$ -
1997	157		157	157	323	480	-
1998	143		143	143	270	413	-
1999	282		282	180	301	481	102
2000	476		476	317	449	766	159
2001	1,880		1,880	1,034	1,518	2,552	846
2002	4,012		4,012	1,410	2,020	3,430	2,602
2003	6,601		6,601	2,376	2,193	4,569	4,225
2004	10,257		10,257	3,316	2,670	5,986	6,941
2005	23,356		23,356	9,778	4,639	14,417	13,578
2006	58,413		58,413	25,036	8,154	33,190	33,377
Total prior years	105,614	-	105,614	43,784	22,599	66,383	61,830
2007		1,384,956	1,384,956	1,283,917	12,954	1,296,871	101,039
Total	\$ 105,614	\$ 1,384,956	\$ 1,490,570	\$ 1,327,701	\$ 35,553	\$ 1,363,254	\$ 162,869

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2008

Total tax collections (including interest and lien fees) for current fiscal year	\$ 26,896,205
Reimbursement for loss of revenue:	
Tax relief for elderly	<u>5,298</u>
Base	<u>\$ 26,901,503</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	\$ 60,528,382	\$	\$	\$	\$
4-1/2 times base		121,056,764			
3-3/4 times base			100,880,636		
3-1/4 times base				87,429,885	
3 times base					80,704,509
Total debt limitation	<u>60,528,382</u>	<u>121,056,764</u>	<u>100,880,636</u>	<u>87,429,885</u>	<u>80,704,509</u>
Indebtedness:					
Bonds and notes payable		12,365,000	1,252,536		
Bonds authorized and unissued	4,418,000	827,000			
Less school building grants		(2,446,359)			
Net indebtedness	<u>4,418,000</u>	<u>10,745,641</u>	<u>1,252,536</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 56,110,382</u>	<u>\$ 110,311,123</u>	<u>\$ 99,628,100</u>	<u>\$ 87,429,885</u>	<u>\$ 80,704,509</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$188,310,521).

TOWN OF WINDSOR LOCKS, CONNECTICUT
FOR THE YEAR ENDED JUNE 30, 2008
PRINCIPAL TAXPAYERS

<u>Name</u>	<u>Nature of Business</u>	<u>Taxable Valuation as of 10/1/06</u>	<u>Percent of Net Taxable Grand List*</u>
United Technologies	Manufacturing	\$ 77,034,322	6.92 %
PV Holding Corp	Car Rental	26,069,976	2.34
AREH Windsor Locks, LLC	Warehouse	22,909,500	2.06
Ahlstrom Windsor Locks, LLC	Manufacturing	20,279,532	1.82
Hertz Vehicles LLC	Car Rental	16,009,297	1.44
Hartford Parking Property LLC	Valet Parking	12,947,700	1.16
Algonquin Windsor Locks LLC	Manufacturing	11,196,340	1.01
Connecticut Light & Power Company	Utility	10,983,450	0.99
Roncari Development Company	Valet Parking	9,625,000	0.87
Alamo Financing LP	Car Rental	<u>9,340,818</u>	<u>0.84</u>
Total		<u>\$ 216,395,935</u>	<u>19.45 %</u>

*Based on 10/1/06 Net Taxable Grand List of \$1,112,653,581

TOWN OF WINDSOR LOCKS, CONNECTICUT

ASSESSED VALUE OF TAXABLE PROPERTY
 (\$ in thousands)

LAST NINE FISCAL YEARS

Fiscal Year Ended June 30,	Grand List as of October 1,	Real Property		Other Land Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List (thousands)	Less Exemptions (thousands)	Net Taxable Grand List	Percentage Change
		Residential Percent	Commercial and Industrial Percent							
2008	2006	47.9	24.5	0.0	14.2	13.4	\$ 1,199,002	\$ 86,349	\$ 1,112,653	1.4
2007	2005	47.5	24.2	0.0	14.5	13.8	1,178,178	81,445	1,096,733	1.5
2006	2004	43.6	23.0	0.0	20.2	13.2	1,169,804	90,374	1,079,430	3.1
2005	2003	47.2	23.3	0.0	13.1	16.4	1,113,681	66,703	1,046,978	20.2
2004	2002	37.5	24.1	0.1	14.9	23.5	951,513	80,527	870,986	(3.1)
2003	2001	37.0	24.0	0.1	21.3	17.6	955,633	56,694	898,939	0.1
2002	2000	36.8	24.1	0.1	21.2	17.9	947,915	49,556	898,359	1.9
2001	1999	37.1	25.0	0.4	22.2	15.4	929,969	48,530	881,439	-
2000	1998	41.9	25.4	0.8	18.2	13.7	1,066,738	50,261	1,016,477	-

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

TOWN OF WINDSOR LOCKS, CONNECTICUT**CURRENT DEBT STATEMENT****FOR THE YEAR ENDED JUNE 30, 2008**

Bonded Debt		
Schools	\$	12,365,000
Sewers		1,252,536
Total bonded debt		<u>13,617,536</u>
Short-term debt		<u>5,245,000</u>
Total direct debt		18,862,536
Less school construction grants receivable		<u>(2,446,359)</u>
Total Overall Net Debt	\$	<u><u>16,416,177</u></u>

CURRENT DEBT RATIOS**FOR THE YEAR ENDED JUNE 30, 2008**

Population, 2007		12,491
Per capita income, 2000	\$	23,079
Net taxable grand list, 10/1/06	\$	1,112,653,581
Estimated full value @ 70%	\$	1,589,505,116
Equalized net grand list, 2006**	\$	2,009,467,885

	Overall Debt	Overall Net Debt
	\$ 18,862,536	\$ 16,416,177
Per capita	\$ 1,510.09	\$ 1,314.24
To net taxable grand list	1.69%	1.48%
To estimated full value @ 70%	1.18%	1.03%
To equalized net grand list, 2006	0.93%	0.82%
Ratio of debt per capita to per capita income	6.54%	5.69%

*State of Connecticut Office of Policy and Management

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST EIGHT FISCAL YEARS

Fiscal Year Ended June 30,	Grand List October 1,	Net Taxable Grand List (thousands)	Mill Rate	Total Adjusted Tax levy (thousands)	Percentage of Annual Levy					
					Collected at End of Fiscal Year	Uncollected at End of Fiscal Year	Uncollected as of June 30, 2008			
2008	2006	\$ 1,112,654	22.88	\$ 26,690	98.6	%	1.4	%	1.4	%
2007	2005	1,096,733	22.65	26,060	98.6		1.4		1.4	
2006	2004	1,079,430	22.40	25,161	98.1		1.9		0.9	
2005	2003	1,046,978	20.69	22,629	98.7		1.3		0.2	
2004	2002	870,986	24.00	22,357	98.2		1.8		0.2	
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	