

East Hartford Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010

Melody A. Currey
Mayor

Michael P. Walsh
Director of Finance

Comprehensive Annual Financial Report

of the

Town of East Hartford Connecticut

Fiscal Year Ended June 30, 2010

Prepared by:
Department of Finance
Michael P. Walsh
Director of Finance

TOWN OF EAST HARTFORD, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

PRINCIPAL OFFICIALS

MAYOR

Melody A. Currey

TREASURER

Joseph R. Carlson

TOWN COUNCIL

Richard F. Kehoe, Chairman
William P. Horan, Jr., Vice Chairman
Marcia A. LeClerc, Majority Leader
Eric Thompson, Minority Leader
Patricia Harmon
Barbara-Ann Rossi
Linda A. Russo
Susan P. Skowronek
Marc I. Weinberg

ADMINISTRATION

Corporation Counsel
Town Clerk
Director of Development
Director of Finance
Director of Health and
Social Services
Director of Libraries
Director of Human Resources
Director of Inspect. and Permits
Director of Parks and Recreation
Director of Public Works
Director of Youth Services
Chief of Fire
Chief of Police

Scott Chadwick, Esq.
Sharon Miller
John Choquette
Michael P. Walsh

James Cordier
Patrick M. Jones
Ronald Savitski
Bonnie Nichols
C. Roger Moss
Billy Taylor
Cephus Nolen, Jr.
John Oates
Mark Sirois

BOARD OF EDUCATION

Mary Alice Dwyer Hughes, Chairman
Ram Aberasturia
Jeffrey A. Currey
Robert J. Damaschi
Bryan R. Hall
Tyron V. Harris
Anita Morrison
Marcus C. Oladell, IV
Dorese Roberts

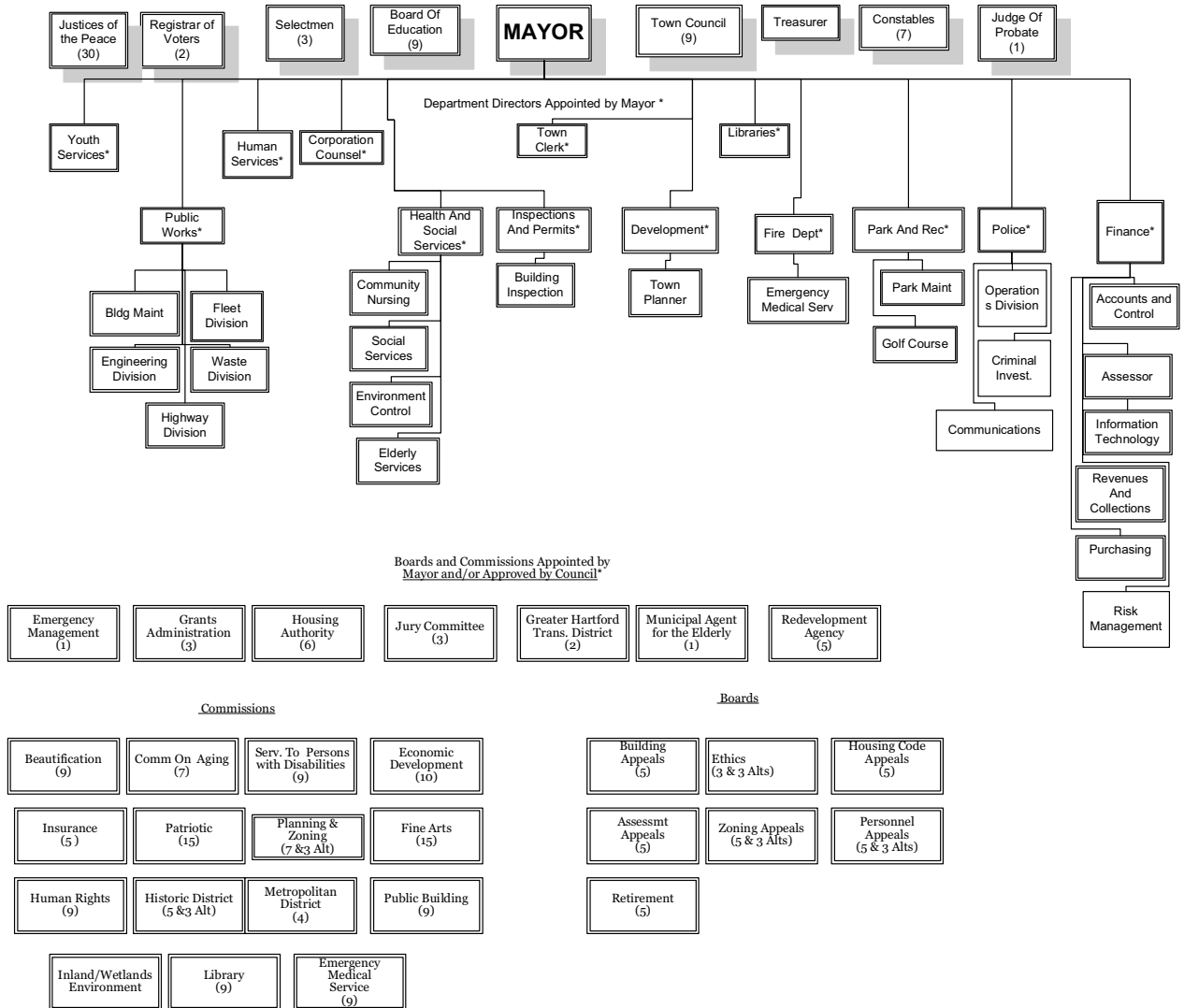
Superintendent of Schools
Assistant Superintendent
Director of Business Services
Director of Human Resources
Director of Pupil Personnel
Director of Facilities

Mark F. Zito
Debbie A. Kaprove
Paul F. Mainuli
Christopher T. Wethje
Sharon A. Bremner, Ed.D.
Albert S. Costa

Organization Chart

Voters

Elect



MELODY A. CURREY
MAYOR

TOWN OF EAST HARTFORD
740 Main Street
East Hartford, Connecticut 06108

(860) 291-7240

FAX (860) 289-0831

FINANCE DEPARTMENT

November 27, 2010

Honorable Mayor Melody A. Currey,
Members of the Town Council
Town of East Hartford
East Hartford, Connecticut

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of East Hartford, Connecticut (the Town) for the fiscal year ended June 30, 2010. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner to present fairly the financial position and results of operations of the Town of East Hartford. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Town is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit is issued as a separate report.

The State of Connecticut has enacted legislation referred to as the *State Single Audit Act*. The Act requires financial and compliance audits of State Assistance received by municipalities. Information related to this single audit is issued as a separate report.

This report includes all funds of the Town of East Hartford. The Town provides a full range of services including public safety, street maintenance and sanitation, health and human services, public parks and recreation, library, education, culture, public improvements, planning, zoning and general administrative services.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Town

The Town of East Hartford was incorporated in 1783. Covering an area of 18.7 square miles, the Town borders on the City of Hartford on the west, the Towns of Glastonbury and Wethersfield on the south, the Town of Manchester on the east, and the Town of South Windsor on the north. The Town has a Strong Mayor/Council form of government. The Town Council is the governing body, and the Mayor is the Chief Executive Officer. Nine councilors are elected at large in odd-numbered years for two-year terms. The nine members of the Board of Education are elected to overlapping four-year terms as provided by the Town Charter. The Board of Education appoints the Superintendent of Schools.

The Local Economy and the Employment Market

The Town of East Hartford is the home of over 75 diversified manufacturing plants and 1,400 small businesses lending to the relative stability of the local economy. The Town continues to work to diversify its employment base by adding businesses and jobs, primarily in the service industry sector.

The Town serves as the corporate and general headquarters for the Pratt & Whitney Division of United Technologies Corporation, which employs just less than 30,000 people worldwide and 8,000 people in East Hartford.

Goodwin College has completed construction on a 109,000 square foot administration/classroom building on the riverfront at 211 Riverside Drive. The facility includes classrooms, laboratories, a library, an auditorium, a student lounge, and administrative offices. The Town of East Hartford has supported this development by securing numerous grants including EPA Brownfield Grants for Phase I and Phase II Environmental Site Assessments; a \$3 million grant from the Connecticut Development Authority; and a \$600,000 EPA grant for remediation and infrastructure investment.

Rentschler Field, a former airfield servicing Pratt & Whitney Aircraft has been rededicated as a mixed-use development. The Field contains approximately 920 acres and is the location of Pratt & Whitney, the United Technologies Research Center, the University of Connecticut's football stadium and approximately 700 acres of developable land. United Technologies Corporation ("UTC"), the owner of Rentschler Field, has selected a developer who has planned a \$2 billion development which includes research and development, high-tech office, retail, manufacturing, sports medical facilities, residential and recreational facilities to the site. The total build out of the site is estimated to be upwards of 15 million square feet. The Town, together with the State of Connecticut and UTC, has been diligently working on the environmental impacts, and roads and infrastructure improvements needed to accommodate this project. The development is being undertaken in phases with final completion expected in 2023. Progress on this development has been delayed due to the downturn in the economy.

The first phase of the development of Rentschler Field included the opening of the 185,000 square foot Cabela's Outdoor Retail Store in October 2007. That store continues to bring hundreds of thousands of visitors to the area. In April 2008, Cabela's also opened a boat maintenance facility.

Other notable developments that contribute to the local economy include:

- Hampton Inn constructed a 5-story, 121-room hotel on Pitkin Street that opened in 2010.
- The Town of East Hartford began construction of a new fire station and fire apparatus maintenance facility to replace two outdated facilities. This \$6 million construction project will benefit the local construction trade job market.
- Substantial stimulus money for the repaving of roads was received by the Town. The work commenced in 2010 and will continue into 2011.
- Aldi's completed construction of a 16,854 square foot East Hartford store in August 2008. Aldi's is a worldwide discount grocery chain that first introduced the limited assortment concept to the United States back in 1976, and today, operates over 800 stores in 27 states.
- Wachovia Bank opened a branch at 18-22 Main Street including a drive through facility.
- Renovations have been completed for Pet Smart at 5 Main Street.

Long-Term Financial Planning

The Town follows a prudent path when issuing debt by retiring most debt over a ten-year life. When budgeting for pension purposes, the Town always contributes the ARC (Annual Required Contribution) in order to maintain a stable pension fund.

The Town has created a trust to administer its obligations related to Other Post Employment Benefits. In the fiscal year ended June 30, 2009, the Town contributed \$2.4 million into the trust as an initial seeding. The downturn in the economy and the impact the downturn had on local taxpayers will prohibit the town from contributing amounts over and above the annual expenses of the fund to begin to retire the unfunded liability.

Relevant Financial Policies

The Town of East Hartford currently maintains an unreserved fund balance of \$12.0 million in its General Fund. As a percentage of the current adopted budget, East Hartford maintains 7.9% in reserve. While the reserve declined from the prior year by \$661 thousand, the decline was predominately due to the lingering effects of the recession on local revenues. The Town was able to substantially mitigate a further decline by continuing to closely control expenditures.

The Town receives approximately one-third of budgeted revenues from the State of Connecticut. The vast majority of the State revenues that come to the Town are in the form of Educational Cost Sharing Grants (ECS) which provide a direct subsidy to the local education system.

Major Initiatives

➤ **Rentschler Field Development**

Beginning with the opening of the UCONN Football Stadium at Rentschler Field in 2003, and Cabela's in late 2007, the Town continues to work closely with the State, the property owner and the designated developer in an effort to open up the site to development. Planning and engineering of a road to open the site up to future development is underway.

➤ **Road Improvements**

Using bond funds approved by way of referendum, the Town continues to rehabilitate local roads through various milling and repaving operations. In November of 2008 and 2010, Town voters approved \$10 million to continue the Town's road and infrastructure rehabilitation efforts.

➤ **Flood Control System**

The Town of East Hartford is located on the eastern bank of the Connecticut River, a major tributary to the Long Island Sound and the Atlantic Ocean. In 1940, the Army Corps of Engineers assisted the Town in the construction of an earthen dike system, including pumping stations, to protect the Town from flooding.

Recently, the Army Corps of Engineers have developed comprehensive maintenance standards for all flood control systems. When the new standards were applied to the Town's system, two deficiencies were discovered that must be corrected.

The first deficiency is vegetative growth along the earthen dike that has permeated the subsurface of the dike system. A second deficiency is the burrowing of animals into the dike, causing possible impairment of the structure.

In order to fund the repairs directed by the Army Corps to prevent the decertification of the flood control system, the Town's voters in November of 2007 via referendum, approved \$7 million of bonding. The State will reimburse two-thirds of the total repair costs expended by the Town by way of the Connecticut State Department of Environmental Protection. Initial indications on this extensive repair project suggest that the total cost of the repairs will be \$13 million more than is currently appropriated. The Town will seek to secure Federal funding to complete the project.

Financial Information

The Finance Department includes Accounting, Tax Collection, Tax Assessment, Purchasing, Information Technology and Risk Management. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance to record transactions.

Budgetary Controls

The accounts of the Town are organized in funds and accounted for on the Town's financial management system. Each fund operates with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Budgetary control of disbursements and encumbrances against appropriations is maintained by department, division or major activity. The Town also maintains an encumbrance accounting system as one technique towards accomplishing budgetary control.

The Town Charter prescribes the following as the budgetary sequence and time schedule:

- The Town's departments and commissions receive their budget preparation forms in December.
- In early January the departments and commissions submit budgets to the Finance Department for compilation. The Finance Department also submits an assembled budget to the Mayor.
- During the month of January the Mayor and Finance Director review the budget requests with the departments and commissions. The current year revenues and expenditures are also reviewed and the Board of Education requested budget is forwarded to the Mayor.
- By February 23rd, the Mayor must submit to the Town Council revenue and expenditure estimates for the ensuing fiscal year as the Mayor's Recommended Budget. In the later part of February and the beginning of March, the Town Council holds meetings with the Mayor, Finance Director and all departments and commissions to review recommended budgets.
- During the first week of March, the Town Council holds meetings with the Board of Education to review their budgets. By March 11th, the Town Council must conduct one or more public hearings to review the recommended budget. Within 10 days of the final public hearing, the Town Council must adopt an Approved Budget for the fiscal year which begins July 1 and sets the tax rate for fiscal year which begins July 1.
- In accordance with the recommendations of the Charter Revision Commission, a Budget Referendum may now be called by the Town Council upon receipt of a petition signed by not less than fifteen (15) percent of qualified electors within fifteen days of the final approval of the Town budget by the Town Council. If the majority of the votes at the referendum are in the affirmative and the total number of votes cast is equal to at least twenty (20) percent of qualified electors, the Town Council shall adopt a new budget in accordance with the results of the referendum. No further referendum shall be permitted after adoption of the new budget by the Council. If the referendum fails, the adopted budget will become the budget for the next fiscal year.

Pension Funds

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established by the Town to provide pension benefits for its employees. The PERS was enacted by Special Act of the Connecticut Legislature and is managed by a Retirement Board consisting of five members. The board serves as trustee of the funds.

The Town of East Hartford Retirement System covers all full-time police, firefighter, dispatcher, and general employees of the Town and full-time paraprofessionals and non-certified Board of Education employees. The Town provides all retirement, death and disability benefits through this defined benefit plan. Membership in the plan is approximately 1,381 members. All certified Board of Education employees participate in the State of Connecticut Teachers' Retirement System.

The investment of the Town's pension funds are carried out by professional portfolio managers at the direction of the Retirement Board and in accordance with the Board's adopted policy guidelines.

Other Post Employment Benefits

The Town, in accordance with various collective bargaining agreements, is committed to provide health and life insurance benefits to eligible retirees and their spouses. The benefits are established and amended through negotiations between the Town and the various unions representing the employees. The percentage contribution of employees and retirees for medical benefits are negotiated with various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified percentages towards cost of receiving benefits under the Town's self-insured medical benefits program.

The Town had previously funded its Other Post Employment Benefits ("OPEB") cost on a pay as you go basis. The Town has retained Milliman as its OPEB actuarial consultant and Milliman performed a valuation dated July 1, 2007. According to the valuation, the Town's Total Accrued Liability was \$67,791,000.

In June 2008 the Town adopted Ordinance 10-52, *Retiree Benefit Trust Fund*, which provided for the future establishment of a Retiree Benefit Trust Fund ("the trust") to provide funds to meet the long-term obligations of the providing benefits to retired town employees. The ordinance provides that if the Town's General Fund undesignated fund balance exceeds eight percent of the total budget appropriations, the budget surplus in such fiscal year shall be appropriated to the trust. In May 2009, the Town formally established the trust and appropriated \$2.4 million in fiscal year 2008-09 to the fund in accordance with the ordinance.

No Fund Balance contribution was required as a condition of the ordinance for the year ended June 30, 2010 or 2011 as the Fund Balance as a percentage of the budget fell below the 8% contribution threshold contemplated in the ordinance. Normal contributions from the Town and Board totaling \$1.6 million were made in the fiscal year ending June 30, 2010. However, due to the downturn in the economy and its effects on local taxpayers, no Town or Board contributions have been budgeted for the fiscal year ending June 30, 2011.

Cash Management

The operating internal service fund and working capital funds are invested at the direction of the Director of Finance with the approval of the Town Treasurer in the following short-term investments: (1) the State of Connecticut Short-Term Investment Fund; and (2) MBIA Class (an investment fund managed by MBIA Municipal Investors Service Corporation), which prudently invests cash proceeds.

Risk Management

The Town's Risk Manager administers a comprehensive insurance program to protect the Town against a variety of risks. Included in this program are claims administration, safety awareness and financial planning, including self-insurance funding for liability, property, workers compensation and employee benefits. The Risk Manager, who serves both the Town and Board of Education, reports directly to the Director of Finance.

Independent Audit

State Statute and the Town Charter require an annual audit by an independent certified public accountant. The Statute further prescribes that each municipality's annual report shall be prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). This report has been prepared in accordance with these standards. The auditors' opinion has been included in this report.

Awards and Acknowledgements

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of East Hartford for its comprehensive annual financial report for the last thirty (30) fiscal years ended June 30, 1980-2009.

In order to receive the Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The presentation of this report could not have been accomplished without the efficient and dedicated services of the Department of Finance staff. I would like to express my appreciation to all those who may have assisted and contributed to this report. Special appreciation is conveyed to the Finance Department staff, especially Assistant Finance Director Linda Trzetzak, as well as Joanne Zatarain, CPA for Business Services at the Board of Education, who were instrumental in completing the report. I also appreciate the continuing support of the Mayor and the Town Council, and the people of East Hartford who are committed to fiscal integrity and financial leadership.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Michael P. Walsh". The signature is fluid and cursive, with the first name "Michael" and last name "Walsh" clearly distinguishable.

Michael P. Walsh, Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of East Hartford
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner".

Executive Director

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

Honorable Mayor and Members of the Town Council
Town of East Hartford, 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 East Hartford, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of East Hartford, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Hartford, Connecticut, as of June 30, 2010 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2010 on our consideration of the Town of East Hartford, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 10 and the budgetary comparison information on pages 50 through 53 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Hartford, Connecticut's basic financial statements. The introductory section, 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. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Blum, Shapiro & Company, P.C.

November 27, 2010

**TOWN OF EAST HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

This discussion and analysis of the Town of East Hartford, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net assets of our governmental activities decreased by \$8.2 million, or 7.4%.
- During the year, the Town had expenses of \$196.8 million, which were \$8.2 million more than the \$188.6 million generated in taxes, grants and other revenues for governmental programs.
- The total cost of all of the Town's programs was \$196.8 million.
- The General Fund reported a total fund balance this year of \$12.9 million. The General Fund unreserved and undesignated component of fund balance was \$12.0 million as of June 30, 2010.
- Actual revenues available to the Town were \$145.3 million, or \$6.0 million lower than the budget of \$151.3 million as a result of stabilization money provided by the Federal government to the State and passed directly to the Board of Education.
- Actual expenditures were \$145.7 million compared to the final budget of \$150.4 million resulting in lower expenditures of \$4.6 million. This favorable variance was a result of stabilization money provided by the Federal government to the State and passed directly to the Board of Education with certain qualifying expenses removed from the Board's budget and applied against the grant.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its

financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports the following activities:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, inspection and permits, parks and recreation, health and social services, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Police Private Duty Fund and the Landfill Closure Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the Community Development Fund and the State and Federal Educational Grants Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- **Governmental Funds (Exhibits III and IV)** - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- **Proprietary Funds (Exhibits V, VI and VII)** - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Risk Management Internal Service Fund.
- **Fiduciary Funds (Exhibits VIII and IX)** - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets decreased from \$111.5 million to \$103.3 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

Table 1
NET ASSETS
(In Thousands)

	Governmental	
	Activities	
	2010	2009
Current and other assets	\$ 50,965	\$ 43,938
Capital assets, net of accumulated depreciation	168,070	169,830
Total assets	219,035	213,768
Long-term debt outstanding	100,884	88,538
Other liabilities	14,854	13,698
Total liabilities	115,738	102,236
Net Assets:		
Invested in capital assets, net of debt	116,335	115,698
Restricted	196	194
Unrestricted	(13,234)	(4,360)
Total Net Assets	\$ 103,297	\$ 111,532

Net assets of the Town's governmental activities decreased by \$8.2 million or 7.4%. 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 - totaled \$(13.2) million at June 30, 2010 compared to \$(4.4) million at June 30, 2009. Various contributing factors resulting in the decrease in net assets are discussed following Table 2.

Table 2
CHANGE IN NET ASSETS
(In Thousands)

	Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 9,671	\$ 8,349
Operating grants and contributions	72,772	71,002
Capital grants and contributions	1,751	3,736
General revenues:		
Property taxes	98,212	100,021
Grants and contributions not restricted to specific purposes	5,728	5,846
Unrestricted investment earnings	79	561
Other general revenues	377	2,125
Total revenues	<u>188,590</u>	<u>191,640</u>
Program expenses:		
General government	31,334	33,606
Public safety	25,749	25,809
Inspection and permits	682	849
Public works	16,204	17,712
Parks and recreation	3,308	3,641
Health and social services	3,306	3,086
Education	115,034	118,104
Interest on long-term debt	1,208	2,020
Total program expenses	<u>196,825</u>	<u>204,827</u>
Decrease in Net Assets	\$ <u>(8,235)</u>	\$ <u>(13,187)</u>

The Town's total revenues were \$188.6 million. The total cost of all programs and services was \$196.8 million. Our analysis below evaluates the operations of the Town's governmental activities:

The Town's overall decrease of \$8.2 million in net assets compared with a decrease in net assets of \$13.2 million last year is attributable to many factors both in relation to full accrual activities on a government-wide basis as well as significant changes in results in operations, year over year, in the Town's General Fund and Internal Service Funds.

In particular, the Town had unfavorable experience in its self-insured risk management programs resulting in a \$1.5 million decrease in net assets of these funds. The resulting decrease was initially \$4.5 million which necessitated the Town and Board contributing an additional \$1.5 million each for a total of \$3 million from Fund Balance and their operating budget, respectively. Specifically, the Town's Health Benefits Internal Service Fund declined to \$1.7 million, or a decrease of \$1.5 million from the prior year balance of \$3.3 million.

The Town's program revenues decreased \$3.0 million (\$188.6 million compared to \$191.6 million).

The total program expenses were \$196.8 million as compared with \$204.8 million reported last year.

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

Table 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
General government	\$ 31,334	\$ 33,606	\$ 30,096	\$ 32,339
Public safety	25,749	25,809	24,153	24,897
Public works	16,204	17,712	14,387	13,491
Parks and recreation	3,308	3,641	2,099	2,806
Education	115,034	118,104	39,461	44,888
All others	5,196	5,955	2,435	3,319
Totals	<u>\$ 196,825</u>	<u>\$ 204,827</u>	<u>\$ 112,631</u>	<u>\$ 121,740</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 \$25.6 million, which is an \$8.5 million increase from last year's total of \$17.2 million.

The Town's General Fund reported a decrease in fund balance of \$698 thousand while the Capital Improvement Fund experienced an increase of \$9.2 million. The Nonmajor Government Funds decreased by \$271 thousand while the State and Federal Education Grants, now reported separately from other funds compared to the prior year, increased by \$260 thousand.

The General Fund's budgetary revenue estimates generated a \$406 thousand favorable variance as reported in RSI-1. However, the Town's actual expenditures were \$4.6 million below amended budgetary estimates as reported in RSI-2 due predominately to the accounting treatment of the stabilization funding received from the federal government which was passed through the State directly to the Board of Education.

As noted above, the Town's Capital Improvement Fund reported an increase in fund balance of \$9.2 million as bond issuance proceeds and capital lease financing proceeds were used to fund capital expenditures during the fiscal year ended June 30, 2010 and to provide funding for capital expenditures in fiscal year 2011.

The General Fund's original budget was amended during the year. \$3.5 million was added to provide for the State's Minimum Budget Requirement to the Board of Education. \$1.5 million was added and subsequently contributed to the Medical Reserve Fund due to higher than expected medical utilization on the Town's side. Finally, the original budget was reduced by \$6.0 million to account for the stabilization funding passed directly to the Board from the Federal government using the State as the pass-through vehicle.

The Town's General Fund balance of \$12.9 million reported on Exhibit III differs from the General Fund's budgetary fund balance of \$12.0 million. This is principally because budgetary fund balance does not include \$906 thousand of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the Town had \$168.1 million, net of depreciation, invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment roads and bridges - Table 4. This amount represents a net decrease of \$1.8 million, or 1.0%, over last year.

Table 4
CAPITAL ASSETS
(Net of Depreciation)
(In Thousands)

	Governmental Activities	
	2010	2009
Land	\$ 11,845	\$ 11,200
Buildings and improvements	80,744	82,804
Furniture, vehicles and equipment	7,471	8,439
Infrastructure	58,424	60,622
Construction in progress	9,586	6,765
Totals	\$ 168,070	\$ 169,830

The Town's FY 2010-2011 Adopted Capital Budget calls for it to spend up to \$15.1 million on various capital projects, including \$10 million of road repaving, \$2.3 million of improvements to the flood control system, \$900 thousand for 16,000 household recycling containers, \$225 thousand for the rehabilitation of the Town Hall parking lot, and the remainder for the purchase of various replacement equipment needed to maintain an appropriate fleet.

With respect to the \$1.3 million estimate to remediate contaminants discovered at the Town's now closed landfill site, the Town continues to cooperatively work with the Connecticut State Department of Environmental Protection as well as the Federal Environmental Protection Agency to arrive at an appropriate remediation plan to satisfy all parties. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2010, the Town had \$47.2 million in bonds outstanding versus \$45.2 million last year - an increase of 4.9% - as shown in Table 5. The increase is a result of the method of funding employed for certain capital projects coupled with the Town's policy to rapidly amortize most debt over a 10-year life.

Table 5
OUTSTANDING DEBT
(In Millions)

	Governmental Activities	
	2010	2009
General obligation bonds	\$ 47.4	\$ 45.2

The Town's general obligation bond rating has been recalibrated and is now an Aa2 rating. The recalibration was a direct result of threatened legal action by the Connecticut Attorney General. Under the old method of rating the caliber of debt issued by an entity, a dual ratings scale would be employed to differentiate debt issued by corporate and government entities. This system was replaced by a single scale with the corresponding reevaluation of each entity resulting in a two grade upgrade for the municipal debt issuer. The move to a single scale rating recognized the near non-existent default rate of Connecticut municipal governments. The new rating has been assigned by national agencies to the Town's 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 \$692 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 of East Hartford is currently 12.5% (through October 2009) compared with the prior year of 10.4%.

The appropriation for expenditures totals \$150.8 million in the Adopted Budget for the 2010-2011 fiscal year, representing an increase of 1.33% compared to the final amended budget for the fiscal year ended June 30, 2010. The increase was a result of higher overall expenses, predominantly in the medical costs paid by the Town offset by tightly controlled expenditure monitoring.

If the appropriation estimates and estimated revenues primarily funded from property taxes are realized, the Town does not anticipate using any portion of the undesignated General Fund Fund Balance to balance budgeted operations for the 2010-2011 fiscal year.

The Town's elected and appointed officials considered many factors when establishing the tax mil rate of 33.82 for the Adopted Budget for the 2010-2011 fiscal year. This represents the same mil rate when compared to the prior year.

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, Town of East Hartford, 740 Main Street, East Hartford, Connecticut 06108.

Basic Financial Statements

TOWN OF EAST HARTFORD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2010

In Thousands

	Governmental Activities
<hr/>	
Assets:	
Cash and cash equivalents	\$ 39,641
Investments	69
Receivables, net	10,780
Other assets	475
Capital assets:	
Assets not being depreciated	21,431
Assets being depreciated, net	146,639
Total assets	<hr/> 219,035 <hr/>
Liabilities:	
Accounts and other payables	8,473
Due to other governments	1,138
Unearned revenue	5,243
Noncurrent liabilities:	
Due within one year	15,101
Due in more than one year	85,783
Total liabilities	<hr/> 115,738 <hr/>
Net Assets:	
Invested in capital assets, net of related debt	116,335
Restricted for trust purposes:	
Expendable	196
Unrestricted	<hr/> (13,234) <hr/>
Total Net Assets	\$ <hr/> <hr/> 103,297 <hr/>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 31,334	\$ 1,069	\$ 126	\$ 43	\$ (30,096)
Public safety	25,749	1,365	231		(24,153)
Inspections and permits	682	481			(201)
Public works	16,204	162	326	1,329	(14,387)
Parks and recreation	3,308	595	614		(2,099)
Health and social services	3,306	272	2,008		(1,026)
Education	115,034	5,727	69,467	379	(39,461)
Interest on long-term debt	1,208				(1,208)
Total	<u>\$ 196,825</u>	<u>\$ 9,671</u>	<u>\$ 72,772</u>	<u>\$ 1,751</u>	<u>(112,631)</u>
General revenues:					
Property taxes					98,212
Grants and contributions not restricted to specific programs					5,728
Unrestricted investment earnings					79
Other general revenues					377
Total general revenues					<u>104,396</u>
Change in net assets					(8,235)
Net Assets, Beginning of Year, as Restated					<u>111,532</u>
Net Assets, End of Year					<u>\$ 103,297</u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010
In Thousands

	<u>General</u>	<u>State and Federal Education Grants</u>	<u>Capital Improvement</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 22,239	\$ 1,077	\$ 11,483	\$ 7	\$ 390	\$ 35,196
Investments					69	69
Receivables, net	6,672	435	1,311	1,416	946	10,780
Due from other funds	243		3,452		1,001	4,696
Other assets	49				45	94
Total Assets	<u>\$ 29,203</u>	<u>\$ 1,512</u>	<u>\$ 16,246</u>	<u>\$ 1,423</u>	<u>\$ 2,451</u>	<u>\$ 50,835</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,405	\$ 190	\$ 4,015	\$ 7	\$ 359	\$ 7,976
Due to other funds	5,727			67	159	5,953
Due to other governments			1,138			1,138
Deferred revenue	7,127	1,062		1,345	597	10,131
Total liabilities	<u>16,259</u>	<u>1,252</u>	<u>5,153</u>	<u>1,419</u>	<u>1,115</u>	<u>25,198</u>
Fund balances:						
Reserved	906		10,884	111	340	12,241
Unreserved, reported in:						
General Fund	12,038					12,038
Special Revenue Funds		260		(107)	996	1,149
Capital Project Funds			209			209
Total fund balances	<u>12,944</u>	<u>260</u>	<u>11,093</u>	<u>4</u>	<u>1,336</u>	<u>25,637</u>
Total Liabilities and Fund Balances	<u>\$ 29,203</u>	<u>\$ 1,512</u>	<u>\$ 16,246</u>	<u>\$ 1,423</u>	<u>\$ 2,451</u>	<u>\$ 50,835</u>

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TOWN OF EAST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

In Thousands

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	\$	25,637
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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	\$	289,791	
Less accumulated depreciation		<u>(121,721)</u>	
Net capital assets			168,070

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	2,684
Interest receivable on property taxes	670
Housing rehabilitation loans receivable	1,345
Other accounts receivable	189

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.

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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:

Net pension obligation	(1,372)
Net OPEB obligation	(15,261)
Bonds and notes payable	(47,400)
Premium on refunding bonds	(428)
Bond issuance costs	118
Interest payable on bonds and notes	(353)
Landfill post closure monitoring	(493)
Compensated absences	(16,001)
Retirement obligations	(230)
Capital lease	(14,545)
Deferred charges on refunding	<u>207</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>103,297</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	General	State and Federal Education Grants	Capital Improvement	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	\$ 98,458	\$	\$	\$	\$	98,458
Licenses and permits	652					652
Intergovernmental revenues	51,585	20,881	1,691	389	5,632	80,178
Charges for services	5,678	492			2,491	8,661
Investment income	39		15		9	63
Other	517			13	247	777
Total revenues	<u>156,929</u>	<u>21,373</u>	<u>1,706</u>	<u>402</u>	<u>8,379</u>	<u>188,789</u>
Expenditures:						
Current:						
General government	26,943			80	559	27,582
Public safety	24,261				938	25,199
Inspection and permits	682					682
Public works	8,742			21	388	9,151
Parks and recreation	2,427			36	1,086	3,549
Health and social services	1,257			267	1,156	2,680
Education	84,284	21,535		2	3,902	109,723
Capital outlay			8,391			8,391
Debt and sundry	9,539					9,539
Total expenditures	<u>158,135</u>	<u>21,535</u>	<u>8,391</u>	<u>406</u>	<u>8,029</u>	<u>196,496</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,206)</u>	<u>(162)</u>	<u>(6,685)</u>	<u>(4)</u>	<u>350</u>	<u>(7,707)</u>
Other Financing Sources (Uses):						
Payment to refunded bond escrow agent	(8,701)					(8,701)
Premium on refunding bonds	457					457
Refunding bonds	8,370					8,370
Issuance of bonds			8,675			8,675
Transfers in	399				17	416
Transfers out	(17)		(203)		(216)	(436)
Multi-year lease purchase agreements			7,400			7,400
Total other financing sources (uses)	<u>508</u>	<u>-</u>	<u>15,872</u>	<u>-</u>	<u>(199)</u>	<u>16,181</u>
Net Change in Fund Balances	(698)	(162)	9,187	(4)	151	8,474
Fund Balance, Beginning of Year	<u>13,642</u>	<u>422</u>	<u>1,906</u>	<u>8</u>	<u>1,185</u>	<u>17,163</u>
Fund Balance, End of Year	<u>\$ 12,944</u>	<u>\$ 260</u>	<u>\$ 11,093</u>	<u>\$ 4</u>	<u>\$ 1,336</u>	<u>\$ 25,637</u>

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

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)	\$ 8,474
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	5,116
Depreciation expense	(6,876)

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:

Property tax receivable - accrual basis change	118
Property tax interest and lien revenue - accrual basis change	(364)
Housing rehabilitation loans - accrual basis change	84
Other accounts receivable - accrual basis change	47

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:

Issuance bonds	(8,675)
Refunding bonds	(8,370)
Deferred charges on refunding	151
Premium on refunding bonds	(457)
Bond issuance costs	126
Bond principal payments	14,795
Capital lease payments	1,925
Capital lease financing	(7,400)
Amortization of deferred charge on refunding	(32)
Amortization of premium on refunding	29
Amortization of bond issuance costs	(8)

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	(192)
Accrued interest	46
Amortization of housing rehabilitation loans	(651)
Retirement obligations	61
Net pension expense	(47)
Net OPEB expense	(4,933)
Landfill post closure care	26

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.

(1,228)

Change in Net Assets of Governmental Activities (Exhibit II)

\$ (8,235)

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2010

In Thousands

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Assets:	
Current:	
Cash and cash equivalents	\$ 4,445
Due from other funds	1,274
Other assets	<u>263</u>
Total assets	<u>5,982</u>
Liabilities:	
Current liabilities:	
Accounts payable	144
Due to other funds	17
Risk management claims	<u>2,724</u>
Total current liabilities	<u>2,885</u>
Noncurrent liabilities:	
Risk management claims	<u>2,637</u>
Total liabilities	<u>5,522</u>
Net Assets:	
Unrestricted	\$ <u><u>460</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Operating Revenues:	
Employer contributions	\$ 15,123
Charges for goods and services	3,043
Other	557
Total operating revenues	<u>18,723</u>
Operating Expenses:	
Claims	17,324
Premiums and administrative charges	2,662
Total operating expenses	<u>19,986</u>
Operating Loss	(1,263)
Nonoperating Revenue:	
Interest income	<u>15</u>
Change in Net Assets Before Transfers	(1,248)
Transfers in	<u>20</u>
Change in Net Assets	(1,228)
Total Net Assets, Beginning of Year	<u>1,688</u>
Total Net Assets, End of Year	<u>\$ 460</u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from employer contributions	\$ 14,860
Cash received from charges for services	3,043
Cash received from other revenues	533
Cash paid for claims	(18,097)
Cash paid to other suppliers for services	(2,710)
Net cash used in operating activities	<u>(2,371)</u>
Cash Flows from Noncapital Financing Activities:	
Transfers in	<u>20</u>
Cash Flows from Investing Activities:	
Investment income	<u>15</u>
Net Decrease in Cash and Cash Equivalents	(2,336)
Cash and Cash Equivalents, Beginning of Year	<u>6,781</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,445</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ <u>(1,263)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) decrease in other assets	(24)
(Increase) decrease in due from other funds	(280)
Increase (decrease) in due to other funds	17
Increase (decrease) in accounts payable and accrued liabilities	(48)
Increase (decrease) in risk management claims	(773)
Total adjustments	<u>(1,108)</u>
Net Cash Used in Operating Activities	<u>\$ (2,371)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2010

In Thousands

	Pension Trust Fund	Retiree Benefit Trust Fund	Agency Funds
Assets:			
Cash and cash equivalents	\$ 2,718	\$	\$ 1,251
Investments - mutual funds	<u>152,516</u>	<u>4,447</u>	<u></u>
Total Assets	<u>155,234</u>	<u>4,447</u>	<u>\$ 1,251</u>
Liabilities:			
Accounts payable	46	2,105	
Due to student groups and agencies	<u></u>	<u></u>	<u>1,251</u>
Total Liabilities	<u>46</u>	<u>2,105</u>	<u>\$ 1,251</u>
Net Assets:			
Held in trust for pension benefits	<u>\$ 155,188</u>	<u>\$ 2,342</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	Pension Trust Fund	Retiree Benefit Trust Fund
Additions:		
Contributions:		
Employer	\$ 8,180	\$ 1,615
Plan members	3,160	2,499
Total contributions	<u>11,340</u>	<u>4,114</u>
Investment income:		
Net appreciation in fair value of investments	20,551	311
Interest and dividends	3,935	100
Total investment income	<u>24,486</u>	<u>411</u>
Less investment expense	(47)	
Net investment income	<u>24,439</u>	<u>411</u>
Other income	<u>-</u>	<u>160</u>
Total additions	<u>35,779</u>	<u>4,685</u>
Deductions:		
Benefits	15,055	4,744
Administration	<u>166</u>	<u>3</u>
Total deductions	<u>15,221</u>	<u>4,747</u>
Net Increase (Decrease)	20,558	(62)
Net Assets Held in Trust for Pension and Retiree Benefits, Beginning of Year	<u>134,630</u>	<u>2,404</u>
Net Assets Held in Trust for Pension and Retiree Benefits, End of Year	<u>\$ 155,188</u>	<u>\$ 2,342</u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

In Thousands

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of East Hartford, 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 was incorporated in October 1783 under the provisions of the State of Connecticut General Assembly.

In June 1929, the form of government was changed to Town Council/Council President. Under home rule, the form of government was again changed to Strong Mayor/Council in April 1968 and exists as such today. The Town provides the full range of municipal services including public safety (police, fire, emergency medical service), streets, sanitation (collection and waste disposal), health and social, recreation (parks and golf course), libraries, education, planning and zoning and general administrative services.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 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. 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 State and Federal Education Grants fund accounts for education programs not included in the General Fund budget.

The Capital Improvement Fund accounts for all the financial resources including school construction grants, bonds and capital lease proceeds used to finance expenditures for capital improvement projects.

The Community Development Fund accounts for loan and grant activities associated with housing and community development.

Additionally, the Town reports the following fund types:

The Internal Service Funds account for the Town's risk management program.

The Pension Trust Fund accounts for the activities of the Town's retirement system, which accumulates resources for pension benefit payments to qualified Town employees.

The Retiree Benefit Trust Fund accounts for the activities of the Town's retiree healthcare system, which accumulates resources for healthcare benefit payments to qualified Town employees.

The Agency Funds account for assets held in a custodial nature including student activity and developer escrow accounts.

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 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 funds are charges to customers for services. Operating expenses for internal service funds include the cost of services 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 for the Town 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." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowances are computed based on historical data.

Property taxes on all property are assessed as of October 1 prior to the beginning of the fiscal year and become legally due and payable on the following July 1 and January 1. If taxes are unpaid as of June 30 following the payable date, a lien is placed on the real property. Property assessments are made at 70% of the market value. Property taxes receivable are recorded on

the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. The Town is not a part of any overlapping government which assesses separate property taxes. An amount of \$279 has been established as an allowance for uncollected taxes. At June 30, 2010 this represents 8.5% of property taxes receivable.

Property tax revenue is recorded when it becomes available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period; such time thereafter shall not exceed sixty (60) days.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. 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 governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded). 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 of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Other improvements	20
Infrastructure	50
Vehicles	10-15
Equipment	10
Furniture and fixtures	20

H. Compensated Absences

Vacation earned can be accumulated by individual employees. In addition, employees may accumulate an additional amount of unused sick leave (as determined by individual union contracts) until termination of their employment.

Holiday pay earned by fire department personnel in the current year is not paid until the following year. Certain employees having at least two years of service with the Town are

eligible for longevity benefits. These benefits are earned in the current year and paid in the following year.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type 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.

J. Fund Equity

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town established its General Fund budget in accordance with provisions of its Charter and the Connecticut General Statutes.

A budget for the General Fund is authorized annually by the Town Council. The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to February 23, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Not later than March 11, a public hearing is conducted to obtain taxpayers' comments.
- Prior to March 31, the budget is legally enacted through passage of an ordinance.
- Prior to April 15, referendum petitions on the budget can be filed with the Town Clerk. Once these petitions are certified by the Town Clerk, the Town Council sets a referendum date.

- During the middle of April, a referendum on the budget is held and within five days the Town Council adopts the final budget.
- Under the Town Charter, no department or board may involve the Town in any obligation to spend money for any purpose in excess of the amount appropriated. However, upon approval of the Director of Finance and the Mayor, transfers from one budgetary line item to another may be made within a department, and notification is subsequently given to the legislative body. In addition, the Council may, by resolution, transfer monies from the contingency account to other line items during the first nine months of the fiscal year and may transfer from any account except the debt service line item within the General Fund during the last three months of the fiscal year. Additional appropriations made during the year amounted to \$5,000 from undesignated fund balance. Appropriations lapse at year end except appropriations for capital projects which continue until completion of the applicable project.

The budget is administered on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Encumbrances are reported in the governmental funds in accordance with accounting principles generally accepted in the United States of America. Open encumbrances are reported as reservations of fund balances since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Fund Equity

Internal Service Funds:	
Workers' Compensation	\$ 1,292

Deficit will be reduced in future years when additional revenues are realized or the General Fund appropriates and transfers funds.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset

values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$19,783 of the Town's bank balance of \$21,288 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 17,796
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,987</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 19,783</u></u>

Cash Equivalents

At June 30, 2010 the Town's cash equivalents amounted to \$22,539. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

	<u>Standard and Poor's</u>
State Tax Exempt Proceeds Fund*	
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Charles Schwab Money Market*	
Aetna Disbursement Payment Account*	

*Not rated

Investments

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

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 – 10	More Than 10
Interest-bearing investments:					
U.S. Government obligations	N/A	\$ 69	\$ -	\$ -	\$ 69
Other investments:					
Mutual funds	N/A	156,963			
Total Investments		\$ 157,032			

N/A Not applicable

Interest Rate Risk - The Town's general investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increased interest rates. The Town primarily invests general funds in short-term securities unless it is anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements. The Town's Retirement Board investment policy for the Town's Pension Trust investments assumes a three to five year holding period based on a required minimum annual rate of return of 8.5%.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town's Retirement Board investment policy limits the Town's Pension Trust investment choices. The investment policy for Pension Trust investments specifically permits investments in individual marketable securities or packages products in the following categories: cash and cash equivalents, fixed income - domestic bonds (investment grade), fixed income - non-U.S. bonds (investment grade), equities - U.S., equities - non-U.S., equities - emerging markets, and equities - REITS. Prohibited asset classes and/or security types are listed in the policy. All of the Town's investments are invested in various pooled accounts and mutual funds which have not been rated by nationally recognized statistical rating organizations.

Concentration of Credit Risk - The Town's General investment policy requires the diversification of investment instruments to avoid incurring unreasonable risks. Percentages of portfolio limitations are included in the policy. The Town's Retirement Board investment policy provides targeted general asset allocation guidelines. Should the general asset allocation exceed a variance of 10% from the target allocation, rebalancing of the portfolio is required. The Town's Retirement Board investment policy does specifically restrict investments in any one issuer.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's Retirement Board investment policy requires its investment manager to be registered with the Securities and Exchange Commission and to manage the investments in accordance with State and Federal law and the Uniform Prudent Investor Act. The Town's investments, excluding U.S. government obligations, are held in open-end mutual funds which, because they are pooled investments rather than separate identifiable securities, are not subject to custodial risk determination.

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>State and Federal Education Grants</u>	<u>Capital Improvement Fund</u>	<u>Community Development Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 3,291	\$	\$	\$	\$	\$ 3,291
Accrued interest	743					743
Intergovernmental		435	1,311	71	757	2,574
Accounts	3,465				222	3,687
Loans and accrued interest on loans				1,345		1,345
Gross receivables	<u>7,499</u>	<u>435</u>	<u>1,311</u>	<u>1,416</u>	<u>979</u>	<u>11,640</u>
Less allowance for uncollectibles:						
Taxes	(279)					(279)
Accrued interest on taxes	(73)					(73)
Accounts	(475)				(33)	(508)
Total allowance	<u>(827)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>(860)</u>
Net Total Receivables	<u>\$ 6,672</u>	<u>\$ 435</u>	<u>\$ 1,311</u>	<u>\$ 1,416</u>	<u>\$ 946</u>	<u>\$ 10,780</u>

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>	<u>Total</u>
General Fund:			
Delinquent property taxes	\$ 2,684	\$	\$ 2,684
Accrued interest on delinquent property taxes	670		670
Advance tax collections		3,773	3,773
Community Development Fund:			
Housing loans and interest	1,345		1,345
Nonmajor funds:			
Advance recreation program fee collections		144	144
Grant drawdowns prior to meeting all eligibility requirements		1,326	1,326
Other deferred receivables	<u>189</u>	<u></u>	<u>189</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 4,888</u>	<u>\$ 5,243</u>	<u>\$ 10,131</u>

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,200	\$ 645	\$	\$ 11,845
Construction in progress	<u>6,765</u>	<u>3,510</u>	<u>(689)</u>	<u>9,586</u>
Total capital assets not being depreciated	<u>17,965</u>	<u>4,155</u>	<u>(689)</u>	<u>21,431</u>
Capital assets being depreciated:				
Buildings and improvements	122,714	1,262		123,976
Furniture, fixtures, vehicles and equipment	25,711	388	(167)	25,932
Infrastructure	<u>118,452</u>			<u>118,452</u>
Total capital assets being depreciated	<u>266,877</u>	<u>1,650</u>	<u>(167)</u>	<u>268,360</u>
Less accumulated depreciation for:				
Buildings and improvements	(39,910)	(3,322)		(43,232)
Furniture, fixtures, vehicles and equipment	(17,272)	(1,356)	167	(18,461)
Infrastructure	<u>(57,830)</u>	<u>(2,198)</u>		<u>(60,028)</u>
Total accumulated depreciation	<u>(115,012)</u>	<u>(6,876)</u>	<u>167</u>	<u>(121,721)</u>
Total capital assets being depreciated, net	<u>151,865</u>	<u>(5,226)</u>	<u>-</u>	<u>146,639</u>
Governmental Activities Capital Assets, Net	<u>\$ 169,830</u>	<u>\$ (1,071)</u>	<u>\$ (689)</u>	<u>\$ 168,070</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General government	\$ 456
Public safety	920
Public works	2,896
Parks and recreation	213
Health and social services	26
Education	<u>2,365</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,876</u>

Construction Commitments

The Town has the following active construction projects as of June 30, 2010. At year end the Town's projects and commitments with contractors are as follows:

<u>Project Series</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Encumbered</u>	<u>Balance June 30, 2010</u>
2008 Authorization	\$ 13,985	\$ 4,807	\$ 3,777	\$ 5,401
2007 Authorization	14,000	7,422	4,481	2,097
2006 Authorization	17,584	8,506	1,476	7,602
2002 Authorization	11,640	11,344		296
Main & School Street Projects	2,260	12	211	2,037
Capital and Nonrecurring	523	468	2	53
Capital leases	13,849	6,472	937	6,440
Total	<u>\$ 73,841</u>	<u>\$ 39,031</u>	<u>\$ 10,884</u>	<u>\$ 23,926</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. The General Fund provides for working capital advances to/from other funds. A summary of interfund balances as of June 30, 2010 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Fund	\$ 67
	Nonmajor Governmental Funds	159
	Internal Service Fund	17
		<u>243</u>
Capital Improvements	General Fund	3,452
Nonmajor Governmental Funds	General Fund	1,001
Internal Service Fund	General Fund	<u>1,274</u>
Total		<u>\$ 5,970</u>

A summary of interfund transfers is presented below:

	Transfers In			Total Transfers Out
	General Fund	Nonmajor Governmental	Internal Service	
Transfers out:				
General Fund	\$	\$ 17	\$	\$ 17
Capital Improvement Fund	203			203
Nonmajor governmental	196		20	216
Total Transfers In	\$ 399	\$ 17	\$ 20	\$ 436

The transfer from nonmajor governmental funds to the Internal Service Fund consists of the closeout of a program that relates to General Liability claims.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 45,150	\$ 17,045	\$ 14,795	\$ 47,400	\$ 6,175
Premium on refunding		457	29	428	
Less deferred amounts on refunding	(88)	(151)	(32)	(207)	
Total bonds payable	45,062	17,351	14,792	47,621	6,175
Capital leases	9,070	7,400	1,925	14,545	1,521
Landfill closure	519		26	493	22
Compensated absences	15,809	4,859	4,667	16,001	4,659
Retirement obligations	291	143	204	230	
Net OPEB obligation	10,328	11,218	6,285	15,261	
Net pension obligation	1,325	8,227	8,180	1,372	
Risk management claims	6,134	16,551	17,324	5,361	2,724
Governmental Activities					
Long-Term Liabilities	\$ 88,538	\$ 65,749	\$ 53,403	\$ 100,884	\$ 15,101

The risk management claims accounted for in the Internal Service Funds are reported in the long-term liabilities as part of the above totals for governmental activities. All long-term liabilities are generally liquidated by the General Fund.

Bonds payable at June 30, 2010 are comprised of the following individual issues:

Description	Interest Rate %	Issue Date	Maturity Date	Original Amount	Balance Outstanding June 30, 2010
General purpose and school improvements	4.125 - 4.200	1/15/2001	1/15/2011	7,031	\$ 700
Refunding - partial refunding of issue dated 5/1/02	2.000 - 5.250	4/1/2003	5/1/2015	9,470	8,150
General purpose	3.100 - 4.000	7/1/2005	7/1/2014	11,500	5,775
General purpose and school improvements	3.750 - 4.250	5/15/2006	5/15/2016	3,860	2,700
General purpose and school improvements	3.125 - 5.000	6/1/2008	6/1/2028	14,000	13,150
Refunding - issues dated 5/1/03	3.000 - 5.000	9/15/2009	5/1/2023	8,370	8,250
General purpose and school improvements	2.000 - 3.250	12/15/2009	12/15/2019	8,675	8,675
Total					\$ <u>47,400</u>

The annual requirements to amortize bonds payable as of June 30, 2010 are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 6,175	\$ 1,753	\$ 7,928
2012	6,225	1,505	7,730
2013	6,295	1,257	7,552
2014	5,810	1,034	6,844
2015	5,900	816	6,716
2016-2020	12,815	2,024	14,839
2021-2025	3,205	535	3,740
2026-2028	975	83	1,058
Total	\$ <u>47,400</u>	\$ <u>9,007</u>	\$ <u>56,407</u>

Prior Defeasance of Debt

On April 1, 2003, the Town defeased \$9,250 in general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2010, \$-0- of bonds outstanding are considered defeased. The balance in escrow was \$-0- at June 30, 2010. The amount in escrow was used to pay off the refunded bonds on May 1, 2010.

General Obligation Bonds - Advance Refunding

On September 2, 2009, the Town issued \$8,370 of general obligation refunding bonds with interest rates ranging from 3-5% to currently refund the outstanding principal amount of \$8,550 General Obligation Bonds, Issue of 2003.

The net proceeds of \$8,827 (including a premium of \$457 and issuance costs of \$126, including underwriter's fees) will reduce total debt service payments over the next 13 years by approximately \$297 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$280. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue that were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$-0- at June 30, 2010. The outstanding balance of the defeased bonds as of June 30, 2010 was \$-0-. The amount in escrow was used to pay off the refunded bonds on October 16, 2010.

General Obligation Bonds - New Issue

On December 15, 2009, the Town issued \$8,675 in general obligation bonds with interest rates ranging from 2-3.25% payable in annual installments \$750 on December 15 in each of the years 2011 and 2012, \$875 in each of the years 2013 and 2014, \$1,025 on December 15, 2015, \$1,100 on December 15 in each of the years 2016-2019. The bonds mature on December 15, 2019.

Bonds authorized/unissued for which bonds or notes are outstanding are as follows:

Description	Authorized	Bonds Issued/ Paydowns	Grants Received	Authorized Unissued
Road Improvements	\$ 10,000	\$ 4,000	\$	\$ 6,000
Flood Control System Improvements	7,000	7,000		
East Hartford High School Renovations and Improvements	11,640	4,100	7,165	375
Public Safety Complex, Board of Education Maintenance and Facility Offices	29,526	26,421	2,378	727
School Projects	1,885	900		985
Library	2,100			2,100
Fire Station and Maintenance Facility	6,000	900		5,100
East Hartford Middle School Improvements	5,731	3,226	2,445	60
Total	\$ 73,882	\$ 46,547	\$ 11,988	\$ 15,347

The Town's indebtedness (\$87,791) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 222,154	\$ 57,692	\$ 164,462
Schools	444,308	4,850	439,458
Sewers	370,256	25,044	345,212
Urban renewal	320,889	205	320,684
Pension deficit	296,205		296,205

The total overall statutory debt limitation for the Town is equal to seven times annual receipts from taxation (\$691,145).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding.

Capital Leases

The Town has entered into multi-year capital leases for the purchase of various capital items including public works equipment, vehicles and computer hardware and software. On June 29, 2010, the Town entered into a \$1,400 equipment tax-exempt lease/purchase agreement and a \$6,000 equipment taxable direct pay qualified energy conservation bond (QECB) lease/purchase agreement for building improvements. The \$1,400 lease has an interest rate of 4.16% and matures on January 15, 2026. The \$6,000 lease has an interest rate of 6.08%, a tax credit rate of 5.4% (70% of tax credit rate of 3.78%), and a net effective rate of 2.3% and matures on January 15, 2026. Principal payments are made annually, and interest payments are made biannually on both leases and vary throughout the life of the lease.

The assets acquired through capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 1,660
2012	2,113
2013	1,915
2014	1,450
2015	1,424
Thereafter	<u>11,360</u>
Total minimum lease payments	19,922
Less amount representing interest	<u>(5,377)</u>
Present Value of Minimum Lease Payments	<u>\$ 14,545</u>

The net book value approximates the capital lease principal balance payable at June 30, 2010.

Principal payments for 2009-2010 were \$1,925. The following is a summary of capital lease commitments as of June 30, 2010:

Asset class:		
Building improvements	\$	8,310
Vehicles		6,184
Equipment		1,909
Furniture		250
Total gross value		<u>16,653</u>
Less accumulated depreciation		<u>(2,108)</u>
Net Book Value	\$	<u><u>14,545</u></u>

Landfill Closure

The Town completed the capping of their landfill under a consent order issued by the State of Connecticut Department of Environmental Protection (DEP) requiring the Town to close and cap the landfill. Solid waste landfill closure and postclosure care requirements have been established by the DEP. The Town began its postclosure monitoring period during fiscal year 2003. The costs associated with monitoring and maintaining the landfill area during the postclosure period is the responsibility of the Town and will be paid by the General Fund. The estimated costs to perform the monitoring requirements during a projected 30-year monitoring period are \$493. These estimates are subject to change due to inflation, changes in regulations or if environmental problems are identified during postclosure monitoring period. None of these costs are expected to be paid from current available resources.

Compensated Absences

Employees can accumulate additional amounts of unused vacation and sick leave, and earn compensatory time (as determined by individual union contracts) until termination of their employment. At termination, pay-out provisions as determined by individual union contract provides for payments to vested employees.

The following is a summary of management's estimate of the vested and nonvested potential liability for lump-sum payments to employees as of June 30, 2010:

Vested:		
Sick	\$	6,989
Vacation		2,495
Compensatory		596
Nonvested:		
Sick		<u>5,921 *</u>
Total	\$	<u><u>16,001</u></u>

* Based on estimated percentage of total nonvested obligation that potentially will vest in future years.

Retirement Obligations

Board of Education retirement obligations in the amount of \$230 consists of amounts due to employees, payable upon retirement, representing deferred commitments awarded to employees in 1992 in lieu of receiving raises for that year.

8. OPERATING INCOME LEASE

In September 2007, the Town entered into a 10-year operating lease with a company to manage the operations of the Town's golf course. The initial term of the contract was effective December 1, 2007 and provides for payment to the Town of \$140 per year in each of the first five years of the lease and \$150 per year in years six through ten. Lease extension provisions are provided for in the lease agreement.

9. FUND EQUITY

The following is a description of the various reserve accounts used to indicate that a portion of equity is legally segregated for a specific purpose and is unavailable for appropriation:

Fund Balance

Reserved for Encumbrances and Commitments - represents outstanding purchase orders at year end on contracts.

Reserved for Trusts - represents the amount of funds accumulated in other governmental funds to pay for specific endowment activities.

Fund balance reserves are as follows:

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Community Development Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Encumbrances and commitments	\$ 906	\$ 10,884	\$ 111	\$ 144	\$ 12,045
Trusts				196	196
Total	<u>\$ 906</u>	<u>\$ 10,884</u>	<u>\$ 111</u>	<u>\$ 340</u>	<u>\$ 12,241</u>

10. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Town has chosen to retain the risks for workers' compensation through a Workers' Compensation Fund, employee health and medical claims (Health Benefits Fund) and general and auto liability claims (General Liability Fund). These funds are reported as Internal Service Funds. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. Various

Town funds contribute to the self-insurance funds based on estimates made using historical data. The Town contracted with outside organizations to pay claims and provide administrative services. Additionally, stop-loss insurance coverage has been purchased to limit the Town's liability for health and medical claims. A claims liability of \$2,947 for the Workers' Compensation Fund, reported at June 30, 2010, is based on a summary report of outstanding liabilities for workers compensation and heart and hypertension claims. The claims liability of \$1,785 for the Health Benefits Fund, reported at June 30, 2010, is based on estimated claims incurred but not reported. A claims liability of \$629 for the General Liability Fund, reported at June 30, 2010, is based on a summary loss report of outstanding liabilities by coverage. The changes in the claims liability were as follows:

<u>Fiscal Year</u>		<u>Accrued Liability Beginning of Fiscal Year</u>		<u>Current Year Claims and Changes in Estimates</u>		<u>Accrued Liability Claim Payments</u>		<u>Accrued Liability End of Fiscal Year</u>
2009-10	\$	6,134	\$	16,551	\$	17,324	\$	5,361
2008-09		4,913		21,751		20,530		6,134

11. OVERLAPPING DEBT

The Town is a member of the Metropolitan District (a quasi-municipal corporation that provides water supply, sewerage collection and disposal facilities for members). Member towns are assessed a percentage of the Metropolitan District's net debt outstanding. As such, the Town's overlapping share of debt issued by the Metropolitan District is \$25,043 as of June 30, 2010.

12. POST EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Summary of Significant Accounting Policies

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

Investments are reported at fair value. Investment income is recognized as earned.

Plan Description

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

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

At July 1, 2007, plan membership consisted of the following:

	Retiree Health Plan (not rounded)
Retired members and spouses	1,347
Active plan members	<u>1,514</u>
Total Participants	<u><u>2,861</u></u>

Funding Policy

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

Town Employees (not rounded)

The cost per month for Town employees receiving medical coverage under Anthem or ConnectiCare is \$533 per month for retiree only coverage and \$1,066 per month for retiree and spouse coverage to age 65, and \$339 and \$679 per month, respectively, thereafter.

Board of Education Employees (not rounded)

The cost per month for Board of Education employees receiving medical coverage under Anthem or ConnectiCare is \$499 per month for retiree only coverage and \$998 per month for retiree and spouse coverage to age 65, and \$345 and \$690 per month, respectively, thereafter. The cost per month for Board of Education employees receiving dental coverage under Anthem is \$43 per month for retiree only coverage and \$113 per month for retiree and spouse coverage.

For the year ended June 30, 2010, plan members contributed \$2,499. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan of \$6,285 were made in accordance with actuarially determined requirements. Of this amount \$4,670 represents premium payments and \$1,615 was contributed to prefund benefits.

Annual OPEB Cost and Net OPEB Obligations

The Town of East Hartford's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on

an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

		Other Post Employment Benefits (OPEB)
Annual required contribution (ARC)	\$	11,189
Interest on net OPEB obligation		413
Adjustment to annual required contribution		(384)
Annual OPEB cost		11,218
Contributions made		6,285
Increase in net OPEB obligation		4,933
Net OPEB obligation, beginning of year		10,328
Net OPEB Obligation, End of Year	\$	15,261

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2010 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/08	\$ 10,360	\$ 4,079	39.4 %	\$ 6,281
6/30/09	10,793	6,746	62.5	10,328
6/30/10	11,218	6,285	56.0	15,261

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

An annual healthcare cost trend rate of 9% is used initially, decreasing 1% per year to an ultimate rate of 5% for 2011 and later. The remaining amortization period at July 1, 2007 was 30 years, closed.

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Data is only presented for July 1, 2007 due to this being the first valuation.

Schedule of Funding Progress					
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Funded Ratio (a/b)	Covered Payroll (c)	UFAL as a % of Covered Payroll ((b-a)/c)
7/1/2007	\$ -	\$ 128,765	\$ - %	N/A	N/A

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/08	\$ 10,360	39.4 %
6/30/09	10,767	62.7
6/30/10	11,189	56.2

13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

East Hartford Retirement System Fund

A. Plan Description

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established by the Town to provide pension benefits for its employees. The Public Employee Retirement System was enacted by Special Act of the Connecticut Legislature. The Plan is managed by a retirement board consisting of five members. The board serves as trustee of the funds, and shall determine contributions payable by the Town in accordance with sound actuarial principles. There are no stand-alone financial statements issued for the PERS. The PERS is considered to be part of the Town of East Hartford's financial reporting entity and is included in the Town's financial reports as a pension trust fund.

The Town of East Hartford Retirement System covers all full-time police, firefighter and general employees of the Town and full-time paraprofessionals and noncertified employees of the Board of Education hired prior to December 31, 2005 and only police, firefighter, paraprofessionals and dispatchers hired after December 31, 2005. The Town provides all retirement, death and disability benefits through a single employer, contributory, defined benefit plan. Firefighters and police officers are 100% vested after 15 years of service. Dispatchers are 100% vested after 5 years of service. All other participants in the plan are 100% vested after 10 years of service. Firefighters and police officers who retire at normal retirement (25 years of service regardless of age, or age 65 with the completion of 15 years of service) receive a benefit of 2.5% of final average salary per year of service to a maximum of 75% of final average salary. Paraprofessional employees who retire at normal retirement (attainment of age 65 and completion of 10 years of service; attainment of age 62 and completion of 25 years of service; the latter of age 65 or 5 years of participation in the plan; or the Rule of 85) receive a benefit of 2.2% of the employee's final average salary multiplied by the number of years and full months of credited service, not to exceed 70% of the employee's final average salary. Dispatchers who retire at normal retirement (attainment of age 65 and completion of 5 years of credited service; 25 years of credited service regardless of age; or the Rule of 75) receive a benefit of 2.2% of the employee's final average salary multiplied by the number of years and full months of credited service, not to exceed 70% of the employee's final average salary. All other participants of the plan who retire at normal retirement (the latter of age 65 and the completion of ten years of service, or the latter of age 62 and the completion of 25 years of service) receive a benefit of 2.33% of final average salary per year of service to a maximum of 70% of final average salary. Final average salary is defined as the average of salary earned during the highest 36 consecutive months of employment based upon the plan year prior to termination.

Plan benefits may be amended by the Town Council.

The membership of the plan consisted of the following at July 1, 2009, the date of the latest actuarial valuation:

Retiree, disabled and beneficiaries currently receiving benefits	587
Terminated employees entitled to benefits but not yet receiving them	17
Current employees:	
Vested	385
Nonvested	356
Inactive participants eligible for a refund of contributions	<u>67</u>
Total	<u><u>1,412</u></u>

B. Summary of Significant Accounting Policies, Plan Asset Matters and Plan Changes

Basis of Accounting: The Town's Pension Trust Funds' financial statements are prepared on the accrual basis of accounting. Employer and employee contributions are recognized when due, pursuant to plan provisions and contractual requirements. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Investments are valued at fair value.

Plan Changes: There were no plan changes made for the July 1, 2009 valuation.

Plan Expenses: Expenses of administering the plan are paid for by the plan.

C. Funding Policy

The contribution requirements of plan members are fixed by contract and may be amended by union negotiations as approved by the Town Council.

Employee contribution requirements as a percentage of their earnings to the PERS are as follows:

General Employees	8.00 %
Firefighters	8.00
Police Officers	8.00
Paraprofessionals	8.00
Dispatchers	8.00

If an employee leaves employment before meeting the vesting requirements, accumulated employee contributions and interest are refunded. Interest on employee contributions is credited at 4% per year. The Town is required to contribute the remaining actuarially determined amount necessary to provide the benefits for its employees. The Town's current contribution percentage is 19.8% of covered payroll. The annual required contribution for the current year was determined as part of the PERS actuarial valuation dated July 1, 2009.

D. Annual Pension Cost and Net Pension Obligations

The Town's annual pension cost and net pension obligation to the PERS for the current year were as follows:

Annual required contribution	\$ 8,189
Interest on net pension obligation	112
Adjustment to annual required contribution	<u>(74)</u>
Annual pension cost	8,227
Contributions made	<u>8,180</u>
Increase in net pension obligation	47
Net pension obligation, beginning of year	<u>1,325</u>
Net Pension Obligation, End of Year	<u><u>\$ 1,372</u></u>

The actuarial method and assumptions used in the valuation are presented below:

Actuarial valuation date	July 1, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of payroll, 4% increases
Remaining amortization period	30 years
Asset valuation method	Asset smoothing
Actuarial assumptions:	
Investment rate of return	8.25% per annum
Projected salary increases*	5%
*Includes inflation rate	3%

E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/08	\$ 7,157	100 %	\$ 1,319
6/30/09	7,413	100	1,325
6/30/10	8,227	99	1,372

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability(AAL) (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
7/01/04	\$ 155,442	\$ 190,132	\$ 34,690	81.8 %	\$ 39,383	88.1 %
7/01/05	160,102	205,159	45,057	78.0	42,314	106.5
7/01/06	166,999	217,546	50,547	76.8	41,609	121.5
7/01/07	178,467	227,288	48,821	78.5	41,759	116.9
7/01/08	183,323	238,447	55,124	76.9	42,000	131.2
7/01/09	170,923	250,672	79,749	68.2	41,056	194.2

Schedule of Employer Contributions

Fiscal Year Ended		Annual Required Contribution	Percentage Contributed
6/30/05	\$	5,219	100 %
6/30/06		5,321	100
6/30/07		6,496	104
6/30/08		7,147	100
6/30/09		7,407	100
6/30/10		8,189	100

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

G. Teacher Retirement

All Town of East Hartford Board of Education certified employees 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. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) 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 \$46,376.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2010 the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$7,174 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

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.

15. COMMITMENTS AND CONTINGENCIES

The Town of East Hartford is located on the eastern bank of the Connecticut River, a major tributary to the Long Island Sound and the Atlantic Ocean. After extensive flooding caused by the Hurricane of 1938, the Army Corps of Engineers assisted the Town in the construction of an earthen dike system, including pumping stations, to protect the town from flooding in the future.

As a result of the Hurricane Katrina natural disaster in 2005, the Army Corps of Engineers developed new, more comprehensive maintenance standards for all flood control systems. When the new standards were applied to the Town's system, two deficiencies were discovered. As a result of the two deficiencies noted, the Army Corps has directed the Town to correct them in an effort to provide maximum protection for residents. In order to fund the repairs directed by the Army Corps to prevent the decertification of our flood control system, Town voters, on November 6, 2007, approved a \$7,000 bond authorization to provide funding for the estimated cost of repairs.

On June 1, 2008, the Town issued general obligation bonds of \$6,025 to provide funding for the initial phases of the project. Engineers are currently working on repair plans. A total estimated cost of the repairs has not yet been developed but is expected to far exceed the current \$7,000 bond authorization. The Town is actively pursuing project cost assistance both at the State and Federal levels.

Landfill Remediation

In 2003, the Town completed the closure and capping of the municipal landfill. Subsequently, two pockets of contamination above acceptable levels have been identified in the Town's municipal landfill along the Hockanum River in the vicinity of the Eastern Landform. Risk assessments have been conducted along with a final round of sampling to determine the scope of the remediation project. Meetings were then held with DEP as well as the United States Environmental Protection Agency, and a work plan was developed for the purpose of determining the extent of contamination in the soil as well as to complete a final remediation plan.

With those meetings completed and a final remediation plan in place, the Town will competitively bid the remediation work to be completed. Bidding, contracting, remediation and clean up is ongoing. Based on the estimated cost of the remediation provided to the Town by its environmental engineering firm, management does not believe that the costs of remediation will not have a material effect on the financial statements.

16. LITIGATION

During the normal course of business, claims against the Town arise from personal injury suits, contract disputes, property damage claims and other normal type claims related to a municipality. It is the opinion of the Town Attorney that the ultimate liability of the Town for these cases currently pending will not have a material adverse affect upon the Town's financial position.

During 2009, a personal property settlement was assessed against the Town by a manufacturing company. The settlement stipulated that the Town of East Hartford refund personal property taxes in the amount of \$4,000 in 36 bi-annual credits commencing with the property tax bills due July 1, 2009, and ending with the property tax bills due January 1, 2027. The first 35 credits each will be in the amount of \$113. The final credit, to be provided as of January 1, 2027, will be in the amount of \$63.

17. PRIOR PERIOD ADJUSTMENTS

Government-Wide Net Assets

Compensated absences incorrectly excluded FICA in the prior year resulting in a decrease to net assets and an increase to the compensated absences liability in the amount of \$1,123.

Net OPEB obligation incorrectly excluded a contribution in the prior year resulting in an increase to net assets and a decrease to the net OPEB obligation in the amount of \$2,380.

Required Supplementary Information

TOWN OF EAST HARTFORD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
General property taxes:				
Current tax levy	\$ 95,323	\$ 95,323	\$ 96,082	\$ 759
Prior years levy	1,250	1,250	1,299	49
Interest and liens	1,000	1,000	1,078	78
Total	<u>97,573</u>	<u>97,573</u>	<u>98,459</u>	<u>886</u>
Licenses and permits:				
Sporting	38	38		(38)
Protective	7	7	13	6
Amusement	2	2	1	(1)
Building structures and equipment	500	500	453	(47)
Street privilege and use	12	12	8	(4)
Health	50	50	69	19
Other licenses and fees	94	94	106	12
Total	<u>703</u>	<u>703</u>	<u>650</u>	<u>(53)</u>
Intergovernmental revenues:				
Pilot/Economic Development	50	50	54	4
Housing in lieu of taxes - State	65	65	50	(15)
Pilot - State Property	681	681	681	-
Boat registration	19	19	10	(9)
New manufacturers machinery	3,500	3,500	3,833	333
Distressed Municipalities			102	102
Housing in lieu of taxes - Federal	50	50	40	(10)
State relief - circuit breaker	375	375	369	(6)
Elderly taxes	6	6	6	-
Disability exemptions	9	9	9	-
Veterans exemptions	40	40	37	(3)
Abandoned motor vehicles	1	1	1	-
Education cost sharing	41,711	35,760	35,558	(202)
Pequot funds	439	439	303	(136)
Special education	1,750	1,750	2,105	355
Health and welfare	60	60	57	(3)
Services to Blind	60	60		(60)
Transportation	861	861	519	(342)
UMTA	13	13	13	-
Youth Services	38	38	39	1
Total	<u>49,728</u>	<u>43,777</u>	<u>43,786</u>	<u>9</u>
Charges for services:				
Town Clerk	1,035	1,035	762	(273)
Public Safety	366	366	466	100
Emergency management			1	1
Building Department	8	8	4	(4)
Public Works	154	154	150	(4)
Libraries	16	16	16	-
Recreation	87	87	77	(10)
Cemeteries	132	132	190	58
Total	<u>1,798</u>	<u>1,798</u>	<u>1,666</u>	<u>(132)</u>

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Use of money:				
Interest from investments	\$ 450	\$ 450	\$ 39	\$ (411)
Fines and forfeits:				
Traffic tags and motor vehicle fines	50	50	70	20
Other revenue:				
In lieu of taxes/telephone	268	268	220	(48)
Rentals	210	210	224	14
Compensation and insurance refunds	70	70	76	6
Miscellaneous	150	150	174	24
Total	698	698	694	(4)
Total revenues	151,000	145,049	145,364	315
Other financing sources:				
Transfers in:				
Capital Improvement Fund	60	60	75	15
Nonmajor funds	248	248	324	76
Total other financing sources	308	308	399	91
Total	\$ 151,308	\$ 145,357	145,763	\$ 406
Budgetary revenues are different than GAAP revenues because:				
Payment to refunded bond escrow agent is not budgeted.			(8,701)	
Premium on refunding bonds is not budgeted.			457	
Refunding bonds is not budgeted.			8,370	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			7,174	
Underliquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.			(25)	
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.			4,416	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 157,454	

TOWN OF EAST HARTFORD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Town Council	\$ 149	\$ 141	\$ 133	\$ 8
Town Clerk	260	255	247	8
Registrar	88	84	81	3
Selectmen	2	2	2	-
Mayor's Office	307	312	310	2
Corporation Counsel	313	336	327	9
Personnel	247	268	260	8
Libraries	1,090	1,125	1,106	19
Probate	24	24	16	8
Youth services	369	376	374	2
Grants administration	89	89	88	1
Finance administration	101	115	113	2
Accounts and control	289	295	294	1
Data processing	1,086	1,072	1,066	6
Purchasing	245	240	239	1
Treasury	4	4	4	-
Assessing	390	391	386	5
Revenue and collections	376	357	354	3
Employee benefits	15,630	16,821	16,821	-
Risk management	158	160	158	2
Development	218	221	219	2
Economic development	19	19	9	10
Planning and Zoning	10	10	6	4
Inland Wetlands	7	7	3	4
Redevelopment Agency	2	2	2	-
Z.B.A.	5	5	3	2
Boards, committees and commissions	37	37	27	10
M.D.C.	3,989	4,013	3,955	58
Contingency	2,205			-
Total general government	27,709	26,781	26,603	178
Public safety:				
Police:				
Administration	2,949	3,110	3,108	2
Operations	6,041	6,338	6,336	2
Criminal investigation	1,898	1,892	1,891	1
Communications	1,454	1,415	1,413	2
Total police	12,342	12,755	12,748	7
Fire:				
Administration	349	357	354	3
Fire suppression	8,883	9,372	9,372	-
Fire Marshal	370	379	378	1
Fire apparatus maintenance	353	346	345	1
Fire alarm maintenance	245	244	243	1
Emergency medical services	470	463	456	7
Emergency management	63	75	73	2
Emergency Medical Commission	1	1		1
Training	128	121	121	-
Total fire	10,862	11,358	11,342	16
Total public safety	23,204	24,113	24,090	23
Inspections and permits	656	686	682	4

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Public works:				
Administration	\$ 226	\$ 231	\$ 228	\$ 3
Engineering	600	528	512	16
Highway services	2,327	2,671	2,640	31
Waste services	2,769	2,608	2,587	21
Fleet services	1,411	1,472	1,458	14
Building maintenance	1,236	1,329	1,263	66
Public Safety Complex	217	217	198	19
Total public works	<u>8,786</u>	<u>9,056</u>	<u>8,886</u>	<u>170</u>
Parks and recreation:				
Administration	925	841	820	21
Maintenance	1,373	1,343	1,307	36
Park other facilities	287	278	275	3
Fine arts	23	23	23	-
Total parks and recreation	<u>2,608</u>	<u>2,485</u>	<u>2,425</u>	<u>60</u>
Health and social services:				
Administration	101	93	91	2
Community health and nursing	138	135	129	6
Social services	244	230	227	3
Elderly services - commissions	6	6	2	4
Elderly services	580	578	576	2
Community service persons disabilities	3	3	3	-
Environment control	215	228	228	-
Total health and social services	<u>1,287</u>	<u>1,273</u>	<u>1,256</u>	<u>17</u>
Education	<u>77,000</u>	<u>76,548</u>	<u>73,052</u>	<u>3,496</u>
Debt service:				
Bond principal and interest	8,608	7,998	7,997	1
Capital improvement - lease financing	1,450	1,417	1,417	-
Total debt service	<u>10,058</u>	<u>9,415</u>	<u>9,414</u>	<u>1</u>
Total expenditures	<u>151,308</u>	<u>150,357</u>	<u>146,408</u>	<u>3,949</u>
Other financing uses:				
Transfers out:				
Nonmajor Funds			17	(17)
Total	<u>\$ 151,308</u>	<u>\$ 150,357</u>	146,425	<u>\$ 3,932</u>

Budgetary expenditures are different than GAAP expenditures because:

Bond issuance costs on refunding is not budgeted.	126
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	7,174
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 GAAP financial reporting purposes.	(785)
Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for GAAP financial statement reporting purposes.	796
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	4,416

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV\$ 158,152

Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town not included in other specific funds. The General Fund accounts for the normal recurring activities of the Town (i.e., police, fire, education, recreation, public works, general government, etc.). These activities are funded principally by property taxes on individuals and businesses, and grants from other governmental units.

TOWN OF EAST HARTFORD, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2010 AND 2009

In Thousands

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 22,239	\$ 23,505
Receivables:		
Property taxes receivable, net	3,012	3,440
Property taxes accrued interest receivable, net	670	1,034
Accounts receivable, net	2,990	964
Due from other funds	243	555
Other assets	<u>49</u>	<u>5</u>
Total Assets	\$ <u>29,203</u>	\$ <u>29,503</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,405	\$ 2,677
Due to other funds	5,727	3,432
Deferred revenue	<u>7,127</u>	<u>9,752</u>
Total liabilities	<u>16,259</u>	<u>15,861</u>
Fund balance:		
Reserved for encumbrances	906	943
Unreserved:		
Undesignated	<u>12,038</u>	<u>12,699</u>
Total fund balance	<u>12,944</u>	<u>13,642</u>
Total Liabilities and Fund Balance	\$ <u>29,203</u>	\$ <u>29,503</u>

TOWN OF EAST HARTFORD, CONNECTICUT

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

Grand List Year	Uncollected Taxes July 1, 2009	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Taxes Collected	Interest	Lien Fees	Total Collected	Uncollected Taxes June 30, 2010	**
		Additions	Deductions								
2008	\$ 98,018	* \$ 200	\$ 600	\$	\$ 97,618	\$ 95,398	\$ 432	\$ 5	\$ 95,835	\$ 2,220	
2007	2,364	118	55		2,427	1,633	326	12	1,971	794	
2006	882	54	3	406	527	392	137	3	532	135	
2005	413	2		257	158	96	55	1	152	62	
2004	18	1			19	22	17	4	43	(3)	
2003	(8)				(8)	(1)	10		9	(7)	
2002	(30)				(30)	(6)	4		(2)	(24)	
2001	(26)				(26)	(18)	3		(15)	(8)	
2000	(16)				(16)	(11)			(11)	(5)	
1999	6	1	1		6	(3)			(3)	9	
1998	(2)		1		(3)	(8)			(8)	5	
1997		1	1		-	(2)			(2)	2	
1996	(2)	1	1		(2)	(2)			(2)	-	
1995	(3)				(3)	(1)			(1)	(2)	
Total	\$ 101,614	\$ 378	\$ 662	\$ 663	\$ 100,667	\$ 97,489	\$ 984	\$ 25	98,498	\$ 3,178	
Suspense collections									147		
Tax overpayment balance - June 30, 2009									197		
Tax overpayment balance - June 30, 2010									(113)		
Total tax collections									98,729		
Property taxes receivable considered available:											
June 30, 2009									(875)		
June 30, 2010									605		
Total									\$ 98,459		

* Includes MVS tax levy of \$944.

**Amount represents property tax receivable of \$3,291 less overcollected balance of \$113, which is recorded as accounts payable.

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are established in the Town of East Hartford pursuant to State Statutes or local ordinances and resolutions. The criteria for the creation of a Special Revenue Fund are generally the desire or need to conspicuously segregate revenues, which are to be utilized for special and specific purposes, or expenditures incurred for the performance of specific activities, or both.

Fund	Funding Source	Function
Redevelopment	Bonds	Operation of the South Meadows redevelopment
School Cafeteria	Sale of food and grants	School lunch and breakfast programs
WIC Fund	Federal grant	Women, Infant and Children Health Program
Youth Services	State and federal grants	Town Youth Services Department
Health and Welfare	State grant	General public assistance program
Dog Fund	Licenses and fees	Animal control program
Town Aid Road	State grant	General town road maintenance
Health Services Grants	State and federal grants	Town Health Department
Special State Grant Programs	State grant	Various state funded programs
Miscellaneous Projects and Programs	Various	Miscellaneous activities
Local Capital Improvement Program	State grant	Capital improvements
Police Private Duty	Charges for services	Police services - private duty
Parks and Recreation	Charges for services	Recreational programs
Danahy Scholarship Fund	Trust and investment income	Scholarships to high school students
Brewer House Trust	Trust and investment income	Maintaining the Selden Brewer House
Cemetery Trust	Contributions	Cemetery care
Education Scholarships Fund	Contributions	Scholarships to students
Education Fee Based Programs	Charges for services	Education programs

TOWN OF EAST HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2010
In Thousands

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	Special Revenue						
	<u>Redevelopment</u>	<u>School Cafeteria</u>	<u>WIC Fund</u>	<u>Youth Services</u>	<u>Health and Welfare</u>	<u>Dog Fund</u>	<u>Town Aid Road</u>
ASSETS							
Cash and cash equivalents	\$	\$ 181	\$	\$	\$	\$	\$
Investments							
Accounts receivable, net							
Due from other governments		470		20			
Due from other funds	69		3	3	8	12	
Other assets							
Total Assets	\$ 69	\$ 651	\$ 3	\$ 23	\$ 8	\$ 12	\$ -
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$ 245	\$ 3	\$ 1	\$	\$ 12	\$
Due to other funds							
Deferred revenue				14			
Total liabilities	-	245	3	15	-	12	-
Fund balances:							
Reserved:							
Encumbrances							
Trust purposes							
Unreserved:							
Undesignated	69	406		8	8		
Total fund balance	69	406	-	8	8	-	-
Total Liabilities and Fund Balances	\$ 69	\$ 651	\$ 3	\$ 23	\$ 8	\$ 12	\$ -

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

In Thousands

	Special Revenue					
	Health Services Grants	Special State Grant Programs	Miscellaneous Projects and Programs	Local Capital Improvement Program	Police Private Duty	Parks and Recreation
ASSETS						
Cash and cash equivalents	\$	\$ 1	\$	\$	\$	\$
Investments					189	
Accounts receivable, net		102		150		
Due from other governments		298	331			255
Due from other funds						45
Other assets						
Total Assets	\$ -	\$ 401	\$ 331	\$ 150	\$ 189	\$ 300
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$ 64	\$ 17	\$ 6	\$	\$ 11
Due to other funds				144		
Deferred revenue		250			189	144
Total liabilities	-	314	17	150	189	155
Fund balances:						
Reserved:						
Encumbrances		93	9			42
Trust purposes						
Unreserved:						
Undesignated		(6)	305			103
Total fund balance	-	87	314	-	-	145
Total Liabilities and Fund Balances	\$ -	\$ 401	\$ 331	\$ 150	\$ 189	\$ 300

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2010
In Thousands

	Special Revenue					Total
	Danahy Scholarship Fund	Brewer House Trust	Cemetery Trust	Education Scholarships Fund	Education Fee Based Programs	
ASSETS						
Cash and cash equivalents	\$ 6	\$	\$	\$ 99	\$ 103	\$ 390
Investments	69					69
Accounts receivable, net						189
Due from other governments			15			757
Due from other funds		22				1,001
Other assets						45
Total Assets	\$ <u>75</u>	\$ <u>22</u>	\$ <u>15</u>	\$ <u>99</u>	\$ <u>103</u>	\$ <u>2,451</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$	\$	\$	\$	\$ 359
Due to other funds			15			159
Deferred revenue						597
Total liabilities	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>1,115</u>
Fund balances:						
Reserved:						
Encumbrances						144
Trust purposes	75	22		99		196
Unreserved:						
Undesignated					103	996
Total fund balance	<u>75</u>	<u>22</u>	<u>-</u>	<u>99</u>	<u>103</u>	<u>1,336</u>
Total Liabilities and Fund Balances	\$ <u>75</u>	\$ <u>22</u>	\$ <u>15</u>	\$ <u>99</u>	\$ <u>103</u>	\$ <u>2,451</u>

TOWN OF EAST HARTFORD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2010
In Thousands

	Special Revenue						
	Redevelopment	School Cafeteria	WIC Fund	Youth Services	Health and Welfare	Dog Fund	Town Aid Road
Revenues:							
Intergovernmental	\$	\$ 2,825	\$ 766	\$ 62	\$	\$	\$ 288
Charges for services		1,141				21	
Investment income		1					
Miscellaneous		29		4			
Total revenues	-	3,996	766	66	-	21	288
Expenditures:							
General government							
Public safety						12	
Public works							288
Parks and recreation							
Health and social services			766	89			
Education		3,827					
Total expenditures	-	3,827	766	89	-	12	288
Excess (Deficiency) of Revenues over Expenditures	-	169	-	(23)	-	9	-
Other Financing Sources (Uses):							
Transfers in				17			
Transfers out						(9)	
Total other financing sources (uses)	-	-	-	17	-	(9)	-
Net Change in Fund Balances	-	169	-	(6)	-	-	-
Fund Balance, Beginning of Year	69	237	-	14	8	-	-
Fund Balance, End of Year	\$ 69	\$ 406	\$ -	\$ 8	\$ 8	\$ -	\$ -

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

				Special Revenue			
	Health Services Grants	Special State Grant Programs	Miscellaneous Projects and Programs	Local Capital Improvement Program	Police Private Duty	Parks and Recreation	Danahy Scholarship Fund
Revenues:							
Intergovernmental	\$ 7	\$ 977	\$ 32	\$ 660	\$ 520	\$ 495	\$ 8
Charges for services			231				
Investment income							
Miscellaneous		15	177				
Total revenues	<u>7</u>	<u>992</u>	<u>440</u>	<u>660</u>	<u>520</u>	<u>495</u>	<u>8</u>
Expenditures:							
General government		398	38	123			
Public safety		228	219		479		
Public works		48		25			
Parks and recreation		73	59	512		438	
Health and social services	7	256	38				
Education							
Total expenditures	<u>7</u>	<u>1,003</u>	<u>354</u>	<u>660</u>	<u>479</u>	<u>438</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(11)</u>	<u>86</u>	<u>-</u>	<u>41</u>	<u>57</u>	<u>8</u>
Other Financing Sources (Uses):							
Transfers in		14					
Transfers out		(27)	(153)		(41)		
Total other financing sources (uses)	<u>-</u>	<u>(13)</u>	<u>(153)</u>	<u>-</u>	<u>(41)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(24)	(67)	-	-	57	8
Fund Balance, Beginning of Year	-	111	381	-	-	88	67
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145</u>	<u>\$ 75</u>

(Continued on next page)

TOWN OF EAST HARTFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010
In Thousands

	Special Revenue						
	Brewer House Trust	Cemetery Trust	Education Scholarships Fund	Education Fee Based Programs	Total	Interfund Eliminations	Total
Revenues:							
Intergovernmental	\$	\$ 15	\$	\$	\$ 5,632	\$	\$ 5,632
Charges for services				83	2,491		2,491
Investment income					9		9
Miscellaneous			22		247		247
Total revenues	-	15	22	83	8,379	-	8,379
Expenditures:							
General government					559		559
Public safety					938		938
Public works		27			388		388
Parks and recreation	4				1,086		1,086
Health and social services					1,156		1,156
Education			12	63	3,902		3,902
Total expenditures	4	27	12	63	8,029	-	8,029
Excess (Deficiency) of Revenues over Expenditures	(4)	(12)	10	20	350	-	350
Other Financing Sources (Uses):							
Transfers in					31	(14)	17
Transfers out					(230)	14	(216)
Total other financing sources (uses)	-	-	-	-	(199)	-	(199)
Net Change in Fund Balances	(4)	(12)	10	20	151	-	151
Fund Balance, Beginning of Year	26	12	89	83	1,185	-	1,185
Fund Balance, End of Year	\$ 22	\$ -	\$ 99	\$ 103	\$ 1,336	\$ -	\$ 1,336

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Benefits - A fund used to pay health insurance claims and to purchase administrative services and stop loss insurance for the health care plans. Both the Town and the Board of Education pay this fund for health insurance.

Workers' Compensation - Accounts for the receipt of General Fund contributions to fund Town and Board of Education incurred Workers' Compensation claims. Contribution amounts are based on projections from an actuarial valuation.

General Liability - To account for the receipt of General Fund contributions to fund general and auto liability claims.

TOWN OF EAST HARTFORD, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

JUNE 30, 2010

In Thousands

	<u>Health Benefits</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Assets:				
Current:				
Cash and cash equivalents	\$ 2,410	\$ 1,472	\$ 563	\$ 4,445
Due from other funds	1,255		19	1,274
Other assets		200	63	263
Total assets	<u>3,665</u>	<u>1,672</u>	<u>645</u>	<u>5,982</u>
Liabilities:				
Current liabilities:				
Accounts payable	144			144
Due to other funds		17		17
Risk management claims	<u>1,785</u>	<u>310</u>	<u>629</u>	<u>2,724</u>
Total current liabilities	<u>1,929</u>	<u>327</u>	<u>629</u>	<u>2,885</u>
Noncurrent liabilities:				
Risk management claims		<u>2,637</u>		<u>2,637</u>
Total liabilities	<u>1,929</u>	<u>2,964</u>	<u>629</u>	<u>5,522</u>
Net Assets:				
Unrestricted	<u>\$ 1,736</u>	<u>\$ (1,292)</u>	<u>\$ 16</u>	<u>\$ 460</u>

TOWN OF EAST HARTFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	<u>Health Benefits</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Operating Revenues:				
Employer contributions	\$ 13,593	\$ 895	\$ 635	\$ 15,123
Charges for goods and services	3,043			3,043
Other	556	1		557
Total operating revenues	<u>17,192</u>	<u>896</u>	<u>635</u>	<u>18,723</u>
Operating Expenses:				
Claims	16,131	405	788	17,324
Premiums and administrative charges	<u>2,597</u>	<u>65</u>	<u></u>	<u>2,662</u>
Total operating expenses	<u>18,728</u>	<u>470</u>	<u>788</u>	<u>19,986</u>
Operating Income (Loss)	(1,536)	426	(153)	(1,263)
Nonoperating Revenue:				
Interest income	<u>9</u>	<u>3</u>	<u>3</u>	<u>15</u>
Change in Net Assets Before Transfers	(1,527)	429	(150)	(1,248)
Transfers in	<u></u>	<u></u>	<u>20</u>	<u>20</u>
Change in Net Assets	(1,527)	429	(130)	(1,228)
Total Net Assets, Beginning of Year	<u>3,263</u>	<u>(1,721)</u>	<u>146</u>	<u>1,688</u>
Total Net Assets, End of Year	<u>\$ 1,736</u>	<u>\$ (1,292)</u>	<u>\$ 16</u>	<u>\$ 460</u>

TOWN OF EAST HARTFORD, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	<u>Health Benefits</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received from employer contributions	\$ 13,206	\$ 912	\$ 742	\$ 14,860
Cash received from charges for services	3,043			3,043
Cash received from other revenues	556	1	(24)	533
Cash paid for claims	(16,207)	(814)	(1,076)	(18,097)
Cash paid to other suppliers for services	(2,523)	(65)	(122)	(2,710)
Net cash provided by (used in) operating activities	<u>(1,925)</u>	<u>34</u>	<u>(480)</u>	<u>(2,371)</u>
Cash Flows from Investing Activities:				
Investment income	<u>9</u>	<u>3</u>	<u>3</u>	<u>15</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in	<u></u>	<u></u>	<u>20</u>	<u>20</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,916)	37	(457)	(2,336)
Cash and Cash Equivalents, Beginning of Year	<u>4,326</u>	<u>1,435</u>	<u>1,020</u>	<u>6,781</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,410</u>	<u>\$ 1,472</u>	<u>\$ 563</u>	<u>\$ 4,445</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (1,536)	\$ 426	\$ (153)	\$ (1,263)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
(Increase) decrease in other assets			(24)	(24)
(Increase) decrease in due from other funds	(387)		107	(280)
Increase (decrease) in due to other funds		17		17
Increase (decrease) in accounts payable	74		(122)	(48)
Increase (decrease) in risk management claims	(76)	(409)	(288)	(773)
Total adjustments	<u>(389)</u>	<u>(392)</u>	<u>(327)</u>	<u>(1,108)</u>
Net Cash Provided by (Used) in Operating Activities	<u>\$ (1,925)</u>	<u>\$ 34</u>	<u>\$ (480)</u>	<u>\$ (2,371)</u>

Fiduciary Funds

FIDUCIARY FUNDS

Agency Funds

Student Activity Fund - to account for the collection and payment of expenses for education extra-curricular activities at the high school, middle school and elementary schools.

Developers' Escrow Fund - to account for cash deposits required by various agencies.

Flexible Spending Plan - to account for the employees' tax savings plan for health and welfare costs.

TOWN OF EAST HARTFORD, CONNECTICUT**AGENCY FUNDS****COMBINING STATEMENT OF NET ASSETS****JUNE 30, 2010****In Thousands**

	Student Activity Fund	Developers' Escrow Fund	Flexible Spending Plan	Total
Assets:				
Cash and cash equivalents	\$ <u>235</u>	\$ <u>966</u>	\$ <u>50</u>	\$ <u>1,251</u>
Liabilities:				
Due to student groups and agencies	\$ <u>235</u>	\$ <u>966</u>	\$ <u>50</u>	\$ <u>1,251</u>

TOWN OF EAST HARTFORD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>198</u>	\$ <u>558</u>	\$ <u>521</u>	\$ <u>235</u>
Liabilities:				
Due to student groups	\$ <u>198</u>	\$ <u>558</u>	\$ <u>521</u>	\$ <u>235</u>
Developers' Escrow Fund				
Assets:				
Cash and cash equivalents	\$ <u>879</u>	\$ <u>258</u>	\$ <u>171</u>	\$ <u>966</u>
Liabilities:				
Due to agencies	\$ <u>879</u>	\$ <u>258</u>	\$ <u>171</u>	\$ <u>966</u>
Flexible Spending Plan				
Assets:				
Cash and cash equivalents	\$ <u>25</u>	\$ <u>289</u>	\$ <u>264</u>	\$ <u>50</u>
Liabilities:				
Due to agencies	\$ <u>25</u>	\$ <u>289</u>	\$ <u>264</u>	\$ <u>50</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>1,102</u>	\$ <u>1,105</u>	\$ <u>956</u>	\$ <u>1,251</u>
Liabilities:				
Due to student groups	\$ <u>198</u>	\$ <u>558</u>	\$ <u>521</u>	\$ <u>235</u>
Due to agencies	<u>904</u>	<u>547</u>	<u>435</u>	<u>1,016</u>
Total Liabilities	\$ <u>1,102</u>	\$ <u>1,105</u>	\$ <u>956</u>	\$ <u>1,251</u>

Supplementary Data

TOWN OF EAST HARTFORD, CONNECTICUT

CAPITAL IMPROVEMENT FUND

SCHEDULE OF PROJECT AUTHORIZATIONS AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2010

In Thousands

<u>Project Description</u>	<u>Amended Budget</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Encumbered</u>	<u>Available Budget</u>
2008 Authorization:					
Road Reconstruction	\$ 10,000	\$ 4,234	\$ 4,306	\$ 3,756	\$ 1,938
School Improvements	1,885	458	501	21	1,363
Library Improvements	2,100				2,100
Total	<u>13,985</u>	<u>4,692</u>	<u>4,807</u>	<u>3,777</u>	<u>5,401</u>
2007 Authorization:					
Levees	13,716	1,126	7,254	4,481	1,981
Capital Improvement Program	284	8	168		116
Total	<u>14,000</u>	<u>1,134</u>	<u>7,422</u>	<u>4,481</u>	<u>2,097</u>
2006 Authorization:					
Fire Station/Maintenance Facility	6,485	140	557	127	5,801
Town Hall Renovation	559	3	559		-
Road Reconstruction	10,540	96	7,390	1,349	1,801
Total	<u>17,584</u>	<u>239</u>	<u>8,506</u>	<u>1,476</u>	<u>7,602</u>
2002 Authorization:					
EHHS Courtyard	<u>11,640</u>		<u>11,344</u>		<u>296</u>
Main and School Street Project	<u>2,260</u>	<u>12</u>	<u>12</u>	<u>211</u>	<u>2,037</u>
Town - Capital and Nonrecurring:					
Town Hall Renovation	250		243	2	5
CCC Renovation	150	2	150		-
Probate Court Move	50		9		41
EHMS Field Renovation	67		60		7
VMC Porch Renovation	6	6	6		-
Total	<u>523</u>	<u>8</u>	<u>468</u>	<u>2</u>	<u>53</u>
Capital Leases:					
Town Leases 2005-2006	1,760	5	1,760		-
Town Leases 2007-2008	1,160	22	1,160		-
Town Leases 2008-2009	1,381	66	1,339	33	9
Energy Performance Lease 2010	7,400	2,213	2,213		5,187
Town Leases 2010-2011	2,148			904	1,244
Total	<u>13,849</u>	<u>2,306</u>	<u>6,472</u>	<u>937</u>	<u>6,440</u>
Total	<u>\$ 73,841</u>	<u>\$ 8,391</u>	<u>\$ 39,031</u>	<u>\$ 10,884</u>	<u>\$ 23,926</u>

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF EAST HARTFORD, CONNECTICUT

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

In Thousands

	FISCAL YEAR								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:									
Invested in capital assets, net of related debt	\$ 116,335	\$ 115,698	\$ 130,943	\$ 134,170	\$ 131,885	\$ 132,493	\$ 124,195	\$ 120,105	\$ 109,544
Restricted	196	194	227	239	189	615	562	527	539
Unrestricted	(13,234)	(4,360)	(7,683)	(1,254)	(3,612)	711	1,882	(3,655)	(3,886)
Total Governmental Activities Net Assets	<u>\$ 103,297</u>	<u>\$ 111,532</u>	<u>\$ 123,487</u>	<u>\$ 133,155</u>	<u>\$ 128,462</u>	<u>\$ 133,819</u>	<u>\$ 126,639</u>	<u>\$ 116,977</u>	<u>\$ 106,197</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.

TOWN OF EAST HARTFORD, CONNECTICUT

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

In Thousands

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Expenses:										
Governmental activities:										
General government	\$ 31,334	\$ 33,606	\$ 30,124	\$ 25,995	\$ 24,252	\$ 21,744	\$ 18,981	\$ 17,891	\$ 18,034	
Public safety	25,749	25,809	26,300	25,293	24,627	23,302	22,376	20,711	20,937	
Inspections and permits	682	849	669	659	678	658	627	604	622	
Public works	16,204	17,712	16,344	12,374	11,091	11,663	10,291	10,971	11,287	
Parks and recreation	3,308	3,641	4,032	3,950	3,807	3,739	3,421	3,278	3,367	
Health and social services	3,306	3,086	3,437	3,167	3,054	2,855	2,035	2,201	1,670	
Education	115,034	118,104	134,084	101,084	97,299	93,454	87,662	84,973	80,550	
Interest on long-term debt	1,208	2,020	1,689	1,897	2,067	1,917	2,072	1,609	1,558	
Total governmental activities expenses	196,825	204,827	216,679	174,419	166,875	159,332	147,465	142,238	138,025	
Program Revenues:										
Governmental activities:										
Charges for services										
General government	1,069	1,158	1,669	1,775	1,771	1,573	1,473	874	762	
Public safety	1,365	674	1,656	1,258	1,219	919	837	680	819	
Inspections and permits	481	458	1,370	1,069	638	404	383	382	410	
Education	5,727	5,062	4,174	3,416	3,305	2,893	3,055	2,738	2,679	
Other	1,029	997	1,106	1,286	1,204	1,215	1,259	1,229	1,228	
Operating grants and contributions	72,772	71,002	90,525	60,149	59,601	53,269	50,580	48,105	46,985	
Capital grants and contributions	1,751	3,736	644	1,330	1,290	5,769	2,672	9,606	9,928	
Total governmental activities program revenues	84,194	83,087	101,144	70,283	69,028	66,042	60,259	63,614	62,811	
Net (Expense) Revenue:										
Governmental activities	(112,631)	(121,740)	(115,535)	(104,136)	(97,847)	(93,290)	(87,206)	(78,624)	(75,214)	
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes	98,212	100,021	98,825	103,425	97,497	96,568	92,160	84,567	80,173	
Grants and contributions not restricted to specific programs	5,728	5,846	7,085	6,405	5,617	4,870	3,922	4,245	4,827	
Unrestricted investment earnings	79	561	1,443	1,981	1,548	623	409	592	790	
Other general revenues	377	2,125	1,405	329	136	315	377			
Special items			(2,891)	(3,311)	(12,308)	(1,906)				
Total governmental activities	104,396	108,553	105,867	108,829	92,490	100,470	96,868	89,404	85,790	
Changes in Net Assets:										
Governmental activities	\$ (8,235)	\$ (13,187)	\$ (9,668)	\$ 4,693	\$ (5,357)	\$ 7,180	\$ 9,662	\$ 10,780	\$ 10,576	

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.

TABLE 3

TOWN OF EAST HARTFORD, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST NINE FISCAL YEARS

In Thousands

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	
General Fund:										
Reserved	\$ 906	\$ 943	\$ 867	\$ 968	\$ 344	\$ 353	\$ 734	\$ 487	\$ 473	
Unreserved	12,038	12,699	14,342	14,817	11,428	11,006	9,065	7,263	5,502	
Total General Fund	\$ 12,944	\$ 13,642	\$ 15,209	\$ 15,785	\$ 11,772	\$ 11,359	\$ 9,799	\$ 7,750	\$ 5,975	
All Other Governmental Funds:										
Reserved	\$ 11,335	\$ 6,329	\$ 8,090	\$ 4,334	\$ 5,576	\$ 9,847	\$ 10,805	\$ 14,028	\$ 15,112	
Unreserved, reported in:										
Special revenue funds	1,149	1,187	441	(127)	(402)	41	638	527	958	
Capital projects funds	209	(3,994)	4,153	(2,974)	(639)	(11,717)	(4,309)	4,606	198	
Total All Other Governmental Funds	\$ 12,693	\$ 3,522	\$ 12,684	\$ 1,233	\$ 4,535	\$ (1,829)	\$ 7,134	\$ 19,161	\$ 16,268	

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) Data has not been presented for years prior to the implementation of GASB Statement No. 34 in 2002.

TOWN OF EAST HARTFORD, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST NINE FISCAL YEARS
In Thousands

	FISCAL YEAR								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:									
General property taxes	\$ 98,458	\$ 100,745	\$ 97,595	\$ 103,853	\$ 97,463	\$ 97,930	\$ 91,686	\$ 86,570	\$ 80,074
Licenses and permits	652	616	1,584	1,233	1,232	957	955	868	445
Intergovernmental revenues	80,178	80,566	97,469	66,994	65,729	63,378	58,498	65,064	77,248
Charges for services	8,661	8,327	8,118	7,291	6,753	5,884	5,852	4,859	4,897
Investment income	63	415	859	1,185	911	363	309	454	546
Other	777	1,590	2,651	1,545	1,993	1,276	1,351	1,253	2,833
Total revenues	<u>188,789</u>	<u>192,259</u>	<u>208,276</u>	<u>182,101</u>	<u>174,081</u>	<u>169,788</u>	<u>158,651</u>	<u>159,068</u>	<u>166,043</u>
Expenditures:									
Current:									
General government	27,582	27,488	24,524	26,425	25,479	23,739	21,165	19,005	18,368
Public safety	25,199	24,916	25,274	23,927	23,322	22,086	22,011	20,236	19,648
Inspections and permits	682	849	744	672	678	658	627	604	580
Public works	9,151	10,422	9,540	9,150	8,568	8,646	7,972	8,188	10,525
Parks and recreation	3,549	3,551	3,611	3,723	3,654	3,932	3,310	3,261	3,449
Health and social services	2,680	2,707	3,030	3,525	4,178	3,377	2,484	2,234	1,628
Education	109,723	110,383	130,864	99,925	97,403	92,182	86,780	83,914	80,794
Capital outlay	8,391	14,603	11,206	6,546	12,132	15,311	17,883	23,341	32,173
Debt service:									
Principal	6,235	7,807	7,032	7,104	7,077	6,476	6,157	6,735	6,812
Interest	3,304	1,970	1,751	1,971	1,932	1,973	2,159	1,607	1,554
Total expenditures	<u>196,496</u>	<u>204,696</u>	<u>217,576</u>	<u>182,968</u>	<u>184,423</u>	<u>178,380</u>	<u>170,548</u>	<u>169,125</u>	<u>175,531</u>
Excess of Revenues Over (Under)									
Expenditures	<u>(7,707)</u>	<u>(12,437)</u>	<u>(9,300)</u>	<u>(867)</u>	<u>(10,342)</u>	<u>(8,592)</u>	<u>(11,897)</u>	<u>(10,057)</u>	<u>(9,488)</u>
Other Financing Sources (Uses):									
Multi-year lease purchase agreements	7,400	1,861	6,175	1,578	1,759	1,189	1,919	50	1,809
Bonds issued	8,675		14,000		15,360			14,675	12,000
Refunding bonds	8,370							10,070	
Premium on refunding bonds	457								
Payment to refunding bond escrow agent	(8,701)							(10,070)	
Transfers in	416	836	2,889	463	2,939	1,195	367	954	1,779
Transfers out	(436)	(962)	(2,889)	(463)	(2,939)	(1,195)	(367)	(954)	(1,779)
Total other financing sources (uses)	<u>16,181</u>	<u>1,735</u>	<u>20,175</u>	<u>1,578</u>	<u>17,119</u>	<u>1,189</u>	<u>1,919</u>	<u>14,725</u>	<u>13,809</u>
Net Change in Fund Balances	<u>\$ 8,474</u>	<u>\$ (10,702)</u>	<u>\$ 10,875</u>	<u>\$ 711</u>	<u>\$ 6,777</u>	<u>\$ (7,403)</u>	<u>\$ (9,978)</u>	<u>\$ 4,668</u>	<u>\$ 4,321</u>
Debt Service as a % of Noncapital Expenditures	<u>4.98%</u>	<u>5.07%</u>	<u>4.18%</u>	<u>5.05%</u>	<u>5.00%</u>	<u>5.14%</u>	<u>5.40%</u>	<u>5.57%</u>	<u>5.14%</u>

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
(2) Data has not been presented for years prior to the implementation of GASB Statement No. 34 in 2002.

TABLE 5

TOWN OF EAST HARTFORD, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
In Thousands

Fiscal Year	Grand List Year	Real Property		Vacant Land	Motor Vehicles	Personal Property	Gross Taxable Assessed Value	Less Tax Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential	Industrial and Commercial									
2010	2008	\$ 1,868,224	\$ 769,427	\$ 27,637	\$ 242,895	\$ 407,506	\$ 3,315,689	\$ 212,152	\$ 3,103,537	31.67	\$ 4,433,624	70.00%
2009	2007	1,862,039	777,269	27,266	252,061	425,747	3,344,382	171,889	3,172,493	31.67	4,532,133	70.00%
2008	2006	1,850,994	732,787	28,122	246,634	438,624	3,297,161	572,574 (2)	2,724,587	36.12	3,892,267	70.00%
2007	2005	1,113,874	593,264	21,123	244,135	482,386	2,454,782	119,327	2,335,455	43.62	3,336,364	70.00%
2006	2004	1,110,108	591,911	19,834	232,206	493,232	2,447,291	113,364	2,333,927	41.34	3,334,181	70.00%
2005	2003	1,107,064	587,938	19,513	214,968	519,667	2,449,150	96,384	2,352,766	40.33	3,361,094	70.00%
2004	2002	1,385,328	313,383	20,993	231,431	499,168	2,450,303	101,146	2,349,157	38.60	3,355,939	70.00%
2003	2001	1,229,050	470,708	21,122	228,194	434,194	2,383,268	91,125	2,292,143	37.90	3,274,490	70.00%
2002	2000	1,011,824	540,926	23,310	222,641	371,066	2,169,767	78,806	2,090,961	38.41	2,987,087	70.00%
2001	1999	1,010,463	548,852	24,310	211,258	357,131	2,152,014	80,945	2,071,069	37.62	2,958,670	70.00%

Source: Town of East Hartford, Office of Tax Assessor

Notes:

- (1) 2001 and 2006 real property grand lists are adjusted to reflect statutory revaluation.
- (2) 2006 exemptions include \$444,945 for revaluation phase-in.
- (3) The Town assesses property at 70% of actual value for all types of real and personal property.

TABLE 6

TOWN OF EAST HARTFORD, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
In Thousands

Taxpayer	Nature of Business	October 1, 2008			October 1, 1999		
		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
United Technologies Corp.	Manufacturing	\$ 348,262	1	11.22%	\$ 333,065	1	16.08%
Cabela's Inc.	Retail	30,184	2	0.97%			
Coca Cola Bottling Co.	Beverage Mfg/Dist.	26,434	3	0.85%	27,081	4	1.31%
Freemont Riverview LLC	Offices	24,293	4	0.78%			
Ansonia Acquisitions	Apartment Buildings	23,716	5	0.76%			
Connecticut Natural Gas	Utility	22,011	6	0.71%			
Connecticut Light and Power	Utility	21,847	7	0.70%	15,050	6	0.73%
Computer Sciences	Leasing	20,721	8	0.67%	27,608	2	1.33%
Merchant 99 111 Founder LLC	Offices	16,637	9	0.54%			
East Hartford Founders LLC	Offices	15,208	10	0.49%			
Beckenstein Bros.	Industrial & Comm. R.E.				27,433	3	1.32%
Hartford Creek Assoc. LTD Ptrs.	Commercial R.E.						
Founders 14 LLC	Commercial R.E.				17,267	5	0.83%
Ansonia Acquisitions I, LLC	Apartments				10,773	7	0.52%
Riverside Health Care	Health Care				10,543	8	0.51%
East Hartford Business Park, LLC	Offices				8,229	9	0.40%
BKM	Retail/Warehouse				8,182	10	0.40%
Total		\$ 549,313		17.69%	\$ 485,231		23.43%

Source: Town of East Hartford, Office of Tax Assessor

TABLE 7

TOWN OF EAST HARTFORD, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
In Thousands

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Assessed Value	Tax Rate in Mils	Adjusted Tax Levy	Collected Within the Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
					Amount	Percent of Levy		Amount	Percentage of Levy
2010	2008	\$ 3,103,537	31.67	\$ 97,618	\$ 95,398	97.73%	\$	\$ 95,398	97.73%
2009	2007	3,172,493	31.67	99,128	96,764	97.62%	1,633	98,397	99.26%
2008	2006	2,724,587	36.12	98,607	94,616	95.95%	1,786	96,402	97.76%
2007	2005	2,335,455	43.62	102,212	99,595	97.44%	2,031	101,626	99.43%
2006	2004	2,333,927	41.34	96,525	94,413	97.81%	1,628	96,041	99.50%
2005	2003	2,352,766	40.33	95,002	92,862	97.75%	2,140	95,002	100.00%
2004	2002	2,349,157	38.60	89,750	87,517	97.51%	2,233	89,750	100.00%
2003	2001	2,292,143	37.90	85,841	83,534	97.31%	2,307	85,841	100.00%
2002	2000	2,090,961	38.41	79,662	77,452	97.23%	2,210	79,662	100.00%
2001	1999	2,071,069	37.62	77,285	75,260	97.38%	2,016	77,276	99.99%

Source: Tax Collector's Report; Comprehensive Annual Financial Report

TABLE 8

TOWN OF EAST HARTFORD, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
In Thousands

Fiscal Year	Governmental Activities							Total Primary Government Debt Per Capita	Ratio of Primary Government Debt to Personal Income	Ratio of Net Bonded Debt to Estimated Actual Assessed Value	Ratio of Net Bonded Debt Per Capita
	General Obligation Bonds										
	General Purpose	Schools	Urban Renewal	Less: School Building Grants (2)	Total Net Bonded Debt	Capital Leases	Total Primary Government				
2010	\$ 43,765	\$ 3,430	\$ 205	\$ -	\$ 47,400	\$ 14,545	\$ 61,945	\$ 1,239	5.84%	1.07%	\$ 972
2009	40,185	3,614	1,351	-	45,150	9,070	54,220	1,084	4.98%	1.00%	902
2008	44,820	4,820	1,530	23	51,147	8,996	60,143	1,203	5.53%	1.31%	1,022
2007	34,752	5,627	2,621	46	42,954	4,023	46,977	939	4.35%	1.29%	866
2006	38,437	6,748	3,710	69	48,826	3,654	52,480	1,049	4.83%	1.46%	972
2005	26,586	7,979	4,790	405	38,950	3,152	42,102	842	3.89%	1.16%	776
2004	29,309	9,656	5,885	741	44,109	2,944	47,053	941	4.33%	1.31%	872
2003	31,918	11,263	6,929	1,281	48,829	1,922	50,751	1,015	4.75%	1.49%	983
2002	25,109	8,111	7,280	1,837	38,663	3,322	41,985	840	3.90%	1.29%	770
2001	15,635	9,786	8,320	2,423	31,318	3,084	34,402	688	3.19%	1.06%	617

Notes:

(1) Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(2) School building grants applicable to outstanding bond issues.

TOWN OF EAST HARTFORD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2010

In Thousands

Total tax collections, including interest and lien fees for the year ended June 30, 2010	\$ 98,729
Reimbursement for revenue loss on:	
Tax relief for elderly - freeze	<u>6</u>
Total	<u>\$ 98,735</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	\$ 222,154	\$	\$	\$	\$
4-1/2 times base		444,308			
3-3/4 times base			370,256		
3-1/4 times base				320,889	
3 times base					296,205
	<u>222,154</u>	<u>444,308</u>	<u>370,256</u>	<u>320,889</u>	<u>296,205</u>
Total debt limitation	<u>222,154</u>	<u>444,308</u>	<u>370,256</u>	<u>320,889</u>	<u>296,205</u>
Indebtedness:					
Bonds payable	43,765	3,430		205	
Bonds authorized and unissued	13,927	1,420			
Overlapping debt			25,044		
	<u>57,692</u>	<u>4,850</u>	<u>25,044</u>	<u>205</u>	<u>-</u>
Total indebtedness	<u>57,692</u>	<u>4,850</u>	<u>25,044</u>	<u>205</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 164,462</u>	<u>\$ 439,458</u>	<u>\$ 345,212</u>	<u>\$ 320,684</u>	<u>\$ 296,205</u>

Notes:

- (1) In no event shall total debt exceed seven times annual receipts from taxation \$691,145.
- (2) Bonds authorized-unissued represents bond authorizations for projects which have bond anticipation notes outstanding or for which bonds have been authorized and partially issued.

TOWN OF EAST HARTFORD, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
In Thousands

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limitation	\$ 691,145	\$ 702,534	\$ 685,587	\$ 724,570	\$ 682,108	\$ 685,223	\$ 642,341	\$ 605,080	\$ 560,091	\$ 542,165
Total net debt applicable to limit	<u>87,791</u>	<u>89,575</u>	<u>68,996</u>	<u>54,306</u>	<u>61,175</u>	<u>58,976</u>	<u>55,998</u>	<u>60,691</u>	<u>62,946</u>	<u>63,881</u>
Legal Debt Margin	<u>\$ 603,354</u>	<u>\$ 612,959</u>	<u>\$ 616,591</u>	<u>\$ 670,264</u>	<u>\$ 620,933</u>	<u>\$ 626,247</u>	<u>\$ 586,343</u>	<u>\$ 544,389</u>	<u>\$ 497,145</u>	<u>\$ 478,284</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>12.70%</u>	<u>12.75%</u>	<u>10.06%</u>	<u>7.49%</u>	<u>8.97%</u>	<u>8.61%</u>	<u>8.72%</u>	<u>10.03%</u>	<u>11.24%</u>	<u>11.78%</u>

Source: Comprehensive Annual Financial Report - Schedule of Debt Limitation

Note:

(1) See Table 9 for calculation of current year debt limitation

TABLE 11

TOWN OF EAST HARTFORD, CONNECTICUT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

LAST TEN FISCAL YEARS

In Thousands

	<u>Fiscal Year</u>	<u>MDC Overlapping Debt</u>	<u>Percentage Applicable to East Hartford</u>		<u>Town Share of Debt</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Urban Renewal</u>	<u>Total Direct and Overlapping Debt</u>
78	2010	\$ 206,461	12.13 %	\$	25,044 \$	43,765 \$	3,430 \$	205 \$	72,444
	2009	134,807	12.53		16,891	40,185	3,614	1,351	62,041
	2008	107,074	13.10		14,027	44,820	4,820	1,530	65,197
	2007	75,185	13.34		10,030	34,752	6,903	2,621	54,306
	2006	82,247	13.58		11,169	38,437	6,748	3,710	60,064
	2005	89,552	13.42		12,018	26,586	7,979	4,790	51,373
	2004	88,059	13.42		11,818	29,309	9,656	5,885	56,668
	2003	88,778	13.28		11,790	31,918	11,263	6,929	61,900
	2002	94,092	13.07		12,298	25,109	8,111	7,280	52,798
	2001	67,598	12.69		8,578	15,635	9,786	8,320	42,319

TOWN OF EAST HARTFORD, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Calendar Year	Population (1)	School Enrollment (1)	Employed (2)	Medium Family Income (1)	Personal Income (in thousands)	Per Capita Income (1)	Percentage Unemployed (3)			
							Town of East Hartford	Hartford Labor Market	State of Connecticut	United States
2010	48,766	7,916	26,482	\$ 51,270	\$ 1,061,294	\$ 21,763	12.5%	9.4%	9.3%	9.5%
2009	50,010	7,258	23,391	49,754	1,088,368	21,763	10.4%	7.9%	7.9%	9.1%
2008	50,010	7,752	24,171	49,754	1,088,368	21,763	7.2%	5.7%	5.4%	5.5%
2007	49,575	7,918	24,363	50,540	1,078,901	21,763	5.8%	4.4%	4.3%	4.5%
2006	49,902	8,391	N/A	50,540	1,086,017	21,763	6.5%	4.6%	4.5%	4.4%
2005	49,758	8,397	N/A	50,540	1,082,883	21,763	6.7%	5.3%	5.1%	5.1%
2004	49,959	8,052	N/A	50,540	1,087,258	21,763	6.4%	5.1%	4.7%	5.5%
2003	49,107	7,832	N/A	50,540	1,068,716	21,763	7.4%	5.9%	5.5%	5.8%
2002	49,431	7,987	N/A	50,540	1,075,767	21,763	6.1%	4.5%	4.3%	5.8%
2001	49,575	7,982	N/A	50,540	1,078,901	21,763	4.3%	3.3%	3.3%	4.8%

Sources:

(1) Connecticut Economic Resource Center

(2) State of Connecticut, Department of Labor

N/A - Not available

TABLE 13

TOWN OF EAST HARTFORD, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	2010			2001		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Pratt and Whitney Aircraft	Engine Manufacturer	8,000	1	33.10%	7,200	1	30.78%
Town of East Hartford	Municipality	1,721	2	7.12%	1,531	2	6.55%
Bank of America (formerly Fleet)	Banking Headquarters	600	3	2.48%	632	4	2.70%
Coca Cola Bottling Company	Beverage Mfg. and Dist.	550	4	2.28%	134	10	0.57%
United Technologies Research	Research Laboratory	467	5	1.93%	800	3	3.42%
Riverside Health Center	Medical Care and Rehabilitation	442	6	1.83%	425	5	1.82%
Connecticut Natural Gas	Energy Utility	292	8	1.21%			0.00%
CT Dept. of Info. Technology	State of Connecticut	283	9	1.17%			0.00%
⊗ Cabela's Outdoor Store	Outdoor Supplies	260	10	1.08%			0.00%
BKM Total Office	Office Furniture Retailer	254	11	1.05%			0.00%
CSC Financial	Software Services	200	12	0.83%	400	6	1.71%
CT Children's Medical Center	Medical Administrator	110	13	0.46%			0.00%
Goodwin College	Educational Institution	169	14	0.70%			0.00%
Cellu-Tissue	Paper Manufacturing	90	15	0.37%	140	9	0.60%
FDIC	U.S. Government Agency	-		0.00%			0.00%
Addressing Services	Direct Mail	-		0.00%	330	7	1.41%
Air Touch Paging	Telecommunications	-		0.00%	150	8	0.64%
ACCENT Color Sciences	Manufacturer	-		0.00%	45	11	0.19%
Total		13,438		55.60%	11,787		50.39%

Source: Town of East Hartford, Development Department

TOWN OF EAST HARTFORD, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government (1):										
Administration	41	42	54	54	58	52	51	50	52	51
Police	179	185	170	173	173	171	170	169	162	165
Public works	70	73	72	68	68	72	72	70	71	72
Inspections and permits	11	13	12	13	13	12	12	12	13	11
Civil Preparedness	1	1	1	1	1	1	1	1	1	1
Fire	132	133	130	132	133	130	131	127	131	132
Library	14	15	14	14	14	14	14	14	14	14
Parks and recreation	25	25	25	27	27	27	27	28	29	27
Youth services	5	5	5	4	4	4	4	4	4	4
Health and social services	13	15	18	17	17	16	16	22	17	16
Total general government	<u>491</u>	<u>507</u>	<u>501</u>	<u>503</u>	<u>508</u>	<u>499</u>	<u>498</u>	<u>497</u>	<u>494</u>	<u>493</u>
Board of Education (2):										
Administration and principals	46	41	49	43	43	36	36	34	32	35
Teachers	636	657	613	641	632	612	612	611	612	612
Other	562	499	515	538	543	554	554	505	494	494
Total Board of Education	<u>1,244</u>	<u>1,197</u>	<u>1,177</u>	<u>1,222</u>	<u>1,218</u>	<u>1,202</u>	<u>1,202</u>	<u>1,150</u>	<u>1,138</u>	<u>1,141</u>
Total	<u>1,735</u>	<u>1,704</u>	<u>1,678</u>	<u>1,725</u>	<u>1,726</u>	<u>1,701</u>	<u>1,700</u>	<u>1,647</u>	<u>1,632</u>	<u>1,634</u>

Sources:

- (1) Town of East Hartford, Finance Department
- (2) East Hartford Board of Education

TABLE 15

TOWN OF EAST HARTFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government (1):										
Building permits issued	947	2,795	2,518	2,659	2,695	2,303	2,477	632	1,065	952
Police (2):										
Physical arrests	2,884	2,451	2,572	2,132	2,058	2,558	2,613	2,425	2,798	3,573
Parking violations	1,373	1,899	1,781	1,622	3,039	3,825	4,344	2,160	3,133	2,620
Traffic violations	3,581	1,751	2,065	1,653	1,402	3,277	4,167	3,484	2,100	3,836
Fire (3):										
Emergency responses	9,274	9,321	9,504	9,269	9,487	8,956	8,461	7,990	7,198	7,352
Fires extinguished	118	131	160	238	289	249	214	247	242	246
Inspections	1,949	1,513	1,114	1,229	806	900	376	411	340	304
Refuse collection (1):										
Municipal Solid Waste collected (tons)	16,129	16,326	16,982	17,351	18,056	17,958	18,050	17,321	16,704	16,203
Parks and recreation (4):										
Community center admissions	36,817	27,322	26,368	25,602	25,186	22,492	20,679	10,419	N/A	N/A
Library (5):										
Volumes in collection	225,780	214,639	203,575	196,138	192,049	189,645	198,624	194,895	174,650	233,551
Total volumes borrowed	239,669	142,709	141,942	141,170	152,581	161,404	177,301	191,590	223,213	190,881

Sources:

- (1) Town of East Hartford, Public Works Department
- (2) Town of East Hartford, Police Department
- (3) Town of East Hartford, Fire Department
- (4) Town of East Hartford, Parks Department
- (5) Town of East Hartford, Library Department

N/A: Information is not available.

TABLE 16

TOWN OF EAST HARTFORD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government (1):										
Town buildings	52	54	53	53	53	53	53	53	53	53
Public safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire (2):										
Firefighting/rescue vehicles	17	17	14	14	15	15	14	14	14	14
Other vehicles	18	18	18	17	16	16	15	14	14	13
Fire stations	5	5	5	5	5	5	5	5	5	5
Parks and recreation (3):										
Parks	17	17	16	16	16	16	15	15	15	15
Recreation fields and courts:										
Number of basketball courts	19	19	19	19	13	13	13	14	14	14
Number of football fields	2	2	2	2	2	2	2	2	2	2
Number of multi-use fields	4	4	4	4	4	4	4	4	4	4
Number of playgrounds	15	15	15	15	11	11	11	11	11	11
Number of soccer fields	9	9	9	6	6	6	6	7	8	8
Number of softball fields	7	7	7	6	2	2	4	6	7	8
Number of tennis courts	6	6	6	6	6	6	6	10	14	17
Mowers	10	10	10	8	7	7	7	7	7	7
Other vehicles	22	22	22	20	22	23	24	24	25	25
Education (4):										
School buildings	17	17	17	17	17	17	17	16	16	16
Administrative buildings	2	2	2	2	2	2	2	1	1	1

Sources:

- (1) Town of East Hartford, Public Works Department
- (2) Town of East Hartford, Fire Department
- (3) Town of East Hartford, Park Department
- (4) East Hartford Board of Education