

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**TOWN OF EAST HAMPTON,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2009

**PREPARED BY:
THE FINANCE DEPARTMENT**

JEFFERY M. JYLKKA, FINANCE DIRECTOR

TOWN OF EAST HAMPTON, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

LIST OF PRINCIPAL OFFICIALS	1
ORGANIZATIONAL CHART	2

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	3
MANAGEMENT DISCUSSION AND ANALYSIS	5

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

EXHIBITS

A	STATEMENT OF NET ASSETS	13
B	STATEMENT OF ACTIVITIES	15

FUND FINANCIAL STATEMENTS:

C	BALANCE SHEET AND RECONCILIATION OF FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES - GOVERNMENTAL FUNDS	16
D	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	18
E	RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	19
F	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	20
G	STATEMENT OF FIDUCIARY NET ASSETS	21
H	STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS	22

TOWN OF EAST HAMPTON, CONNECTICUT
TABLE OF CONTENTS (CONTINUED)

<u>EXHIBITS</u>	<u>PAGE</u>
-----------------	-------------

NOTES TO BASIC FINANCIAL STATEMENTS:

I	NOTES TO BASIC FINANCIAL STATEMENTS	23
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REQUIRED SUPPLEMENTARY INFORMATION:

EAST HAMPTON RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT PLANS - SCHEDULE OF FUNDING PROGRESS	46
SCHEDULE OF EMPLOYER CONTRIBUTIONS	47

SCHEDULES

SUPPLEMENTAL SCHEDULES

GENERAL FUND

1	SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL	48
2	SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL	50
3	SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS - BOARD OF EDUCATION	52
4	REPORT OF TAX COLLECTOR.....	53

NONMAJOR GOVERNMENTAL FUNDS

5	COMBINING BALANCE SHEET	54
6	COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES.....	57
7	SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE	60

FIDUCIARY FUNDS

8	AGENCY FUNDS - COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES	61
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TOWN OF EAST HAMPTON, CONNECTICUT
TABLE OF CONTENTS (CONTINUED)

<u>TABLE</u>		<u>PAGE</u>
	<u>TREND INFORMATION</u>	
1	NET ASSETS BY COMPONENT	62
2	CHANGES IN NET ASSETS	63
3	FUND BALANCES, GOVERNMENTAL FUNDS	65
4	CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	66
5	ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	67
6	PRINCIPAL PROPERTY TAXPAYERS	68
7	TAX RATES, LEVIES AND CASH COLLECTIONS	69
8	RATIOS OF OUTSTANDING DEBT BY TYPE	70
9	RATIOS OF GENERAL DEBT OUTSTANDING.....	71
10	SCHEDULE OF DEBT LIMITATION	72
11	LEGAL DEBT MARGIN INFORMATION	73
12	DEMOGRAPHIC AND ECONOMIC STATISTICS	74
13	PRINCIPAL EMPLOYERS	75
14	FULL TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION AND PROGRAM	76
15	FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM.....	77

Introductory Section

TOWN OF EAST HAMPTON, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2009

TOWN COUNCIL

Melissa H. Engel, Chairperson
Thomas M. Cordeiro, Vice Chairman
William G. Devine
Christopher J. Goff
Scott A. Minnick
John W. Tuttle
Susan B. Weintraub

BOARD OF FINANCE

Theodore W. Hintz, Jr., Chairman
Sharon S. Kjellquist, Vice Chairperson
Kurt Comisky
Judith S. Isele
Barbara Moore
George Pfaffenbach
Henry G. Thorpe

BOARD OF EDUCATION

Michael J. Vasquenza, Chairman
Joanne L. Barmasse
Donald J. Coolican
Glen G. Gemma
Alan R. Hurst
Deborah Pessoni
Debra B. Robinson
Sheila C. Wall

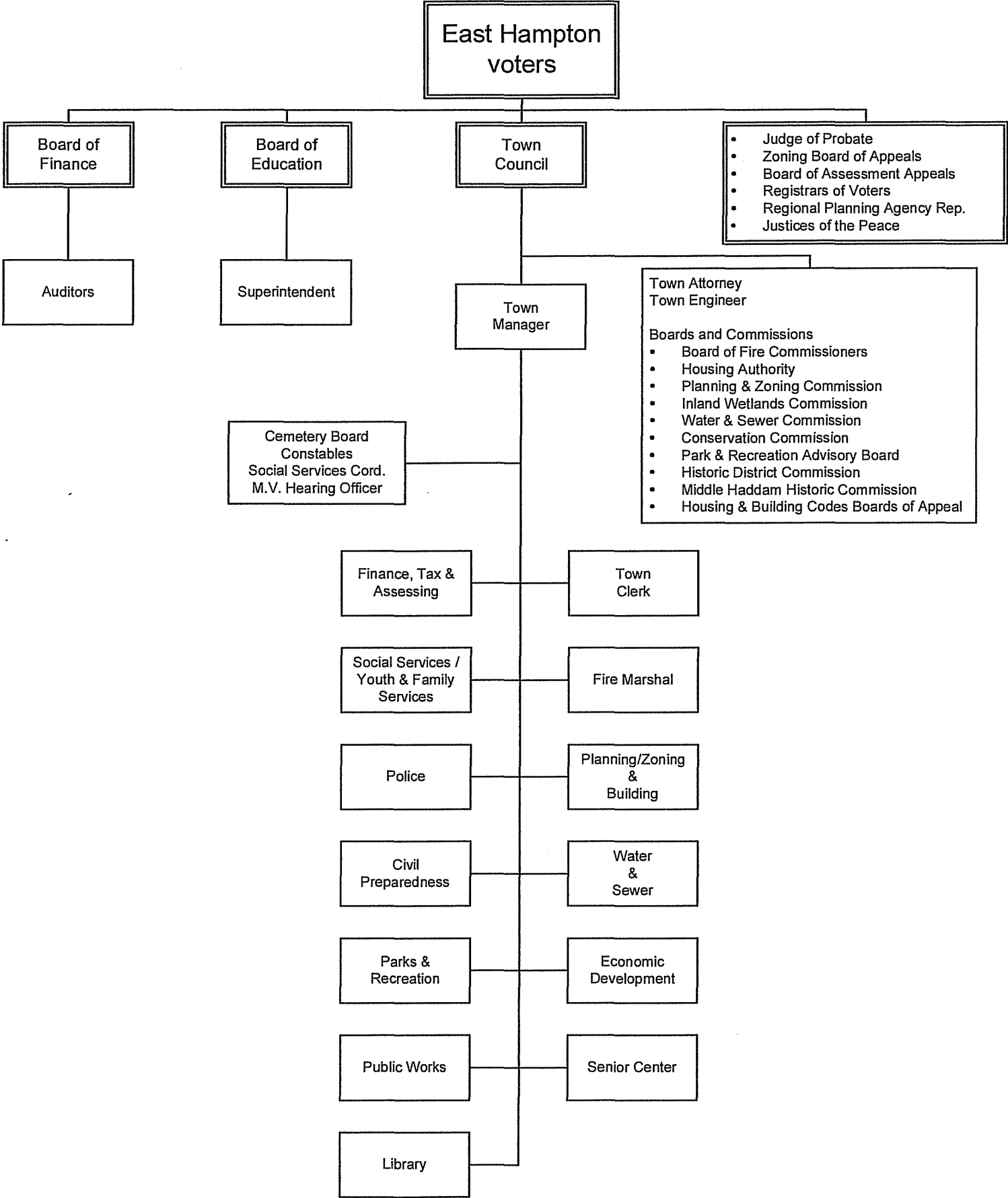
EAST HAMPTON ADMINISTRATIVE OFFICIALS

Jeffery J. O'Keefe, Town Manager

Library Director
Planning, Zoning and Building Administrator
Senior Center Director
Superintendent of Schools
Facilities Manager
Public Works Superintendent
Director of Finance
Director of Parks & Recreation
Police Chief
Fire Chief
Public Utilities Administrator
Fire Marshal
Town Clerk

Susan M. Berescik
James P. Carey
Jo Ann H. Ewing
Dr. Judith Golden
Frank J. Grzyb
Keith Hayden
Jeffery M. Jylkka
Ruth Plummer
Matthew A. Reimondo
Chuck Stickler
Vincent F. Susco, Jr.
Philip W. Visintainer
Sandra M. Wieleba

Town of East Hampton, Connecticut
Organizational Chart



Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of East Hampton, 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 Hampton, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic 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 examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic 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 Hampton, Connecticut, as of June 30, 2009, the respective changes in financial position and the respective budgetary comparison for the general fund 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 December 22, 2009, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis, East Hampton Retirement and Other Post Employment Benefit Plans, Schedule of Funding Progress, and Schedule of Employer Contributions on pages 5 through 12 and pages 46 through 47, respectively, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. 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.



Town of East Hampton, Connecticut
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Hampton, Connecticut's basic financial statements. The introductory section and the accompanying financial information listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents 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 trend information 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.

Kostin, Ruffless & Company, LLC

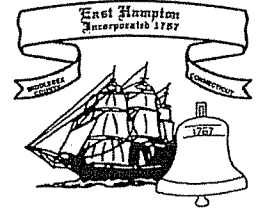
Farmington, Connecticut
December 22, 2009

Jeffery J. O'Keefe
Town Manager
860.267.4468

Jeffery M. Jylkka
Finance Director
860.267.7548

TOWN OF EAST HAMPTON

20 EAST HIGH STREET
EAST HAMPTON, CT 06424



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

As management of the Town of East Hampton, we offer readers of the Town of East Hampton's financial statements this narrative overview and analysis of the financial activities of the Town of East Hampton for the fiscal year ended June 30, 2009.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$75,710,212 (*net assets*). Of this amount, \$12,008,857 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Unrestricted net assets decreased by \$4,712,935 from the prior year, primarily due to environmental obligations (\$1.590M), post employment obligations (\$260K) and operational losses in the WPCA, Joint Facilities and Public Works special revenue funds (\$440K).
- The Town's total net assets increased by \$499,101. The increase is due to capital asset acquisition and construction.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,641,731, an increase of \$408,767 in comparison with the prior year. This increase is associated with the issuance of general obligation bonds (\$2.985M) and the WPCA Development fund operating deficit (\$671,625). \$17,187 of fund balance is reserved for a specific purpose, leaving an *unreserved fund balance* in the amount of \$11,624,544.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,592,586, an increase of \$23,043 in comparison with the prior year. This represents 12.3% of total general fund expenditures.

Overview of the Basic Financial Statements

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

Government-wide financial statements. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The *statement of net assets* and *statement of activities* report information about the Town as whole and about its activities in a way that helps answer this question. 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 the cash is received or paid.

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

You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works and utilities, culture and recreation, civic and human services, regulatory and education.

Fund financial statements. The fund financial statements provide detailed information about the most significant funds; not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town establishes many other funds to help it maintain control and manage money that have been segregated for specific activities or objectives. Funds are also established to ensure and demonstrate compliance with finance related legal requirements for using certain grants. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, and capital initiatives fund, both of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 5 and 6 in this report.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust agreement, 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 (Exhibits G and H). We exclude these activities 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found in Schedules 5 through 6 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. The Town's combined net assets increased by .6 percent from a year ago – increasing from \$75,211,111 to \$75,710,212.

By far the largest portion of the Town's net assets (84.12 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF EAST HAMPTON, CONNECTICUT

SUMMARY STATEMENT OF NET ASSETS JUNE 30, 2009 AND 2008

	2009	2008
Current and other assets	\$ 17,242,872	\$ 19,621,150
Capital assets, net of accumulated depreciation	74,125,768	70,482,809
Total assets	91,368,640	90,103,959
Long-term liabilities outstanding	11,751,226	10,451,205
Other liabilities	3,907,202	4,441,643
Total liabilities	15,658,428	14,892,848
Net Assets:		
Invested in capital assets, net of related debt	63,685,094	58,473,214
Restricted	16,261	16,105
Unrestricted	12,008,857	16,721,792
Total Net Assets	\$ 75,710,212	\$ 75,211,111

A portion of the Town's net assets (.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (15.86%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities increased the Town's net assets by \$499,101. Key elements of this increase are as follows:

TOWN OF EAST HAMPTON, CONNECTICUT

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARED ENDING JUNE 30, 2009 AND 2008**

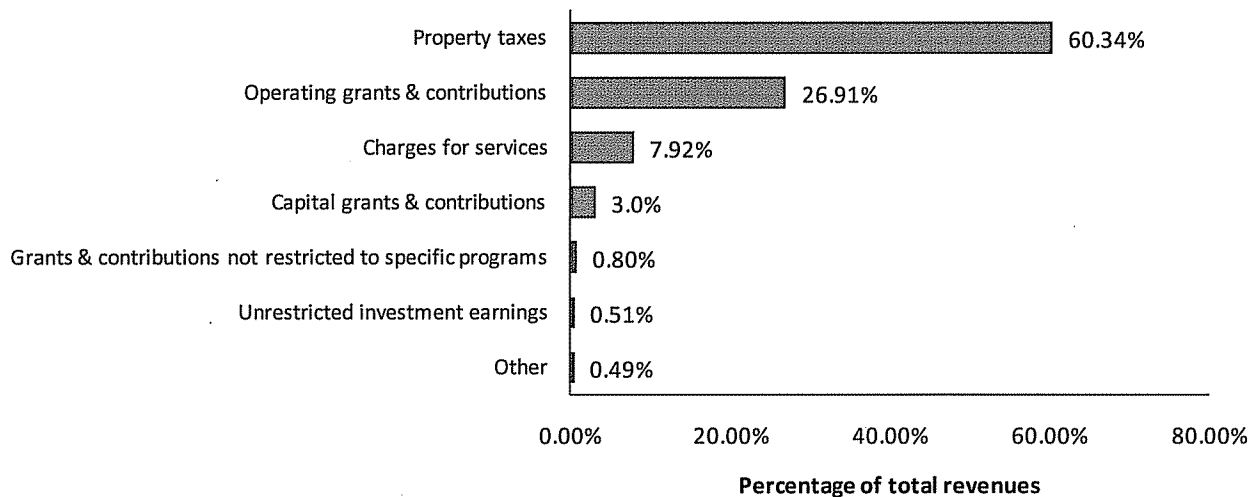
	2009	2008
REVENUES:		
Program revenues:		
Charges for services	\$ 3,570,486	\$ 4,394,557
Operating grants and contributions	12,133,613	18,389,367
Capital grants and contributions	1,368,159	
General revenues:		
Property taxes	27,202,929	25,868,511
Grants and contributions not restricted to specific programs	359,057	425,663
Investment income	230,040	521,414
Other	221,078	21,225
TOTAL REVENUES	45,085,362	49,620,737
EXPENSES:		
General government	3,843,123	2,806,092
Public safety	2,788,364	2,429,211
Civic and human services	997,140	368,356
Public works	5,373,203	5,173,124
Education	29,344,735	34,711,774
Regulatory	465,619	405,373
Culture and recreation	1,354,708	1,386,344
Interest	419,369	450,205
TOTAL EXPENSES	44,586,261	47,730,479
CHANGE IN NET ASSETS	499,101	1,890,258
NET ASSET - JULY 1, 2008	75,211,111	73,320,853
NET ASSETS - JUNE 30, 2009	\$ 75,710,212	\$ 75,211,111

- Charges for services decreased by \$824,071 due to beneficial assessment payments being substantially paid off during 2008 and a reduction in overall revenues relating to housing construction and sales.
- The \$6,255,754 decrease in operating grants and contributions was related to the decrease in the on behalf payment for the State Teachers Retirement fund contribution made by the State and the receipt of a onetime Parks & Recreation grant during 2008.
- Capital grants and contributions increased by \$1,368,159 primarily due to the receipt and acceptance by the Town of five roads. An EPA grant for the construction of the Village Center Water System and a school security grant also contributed to the increase.

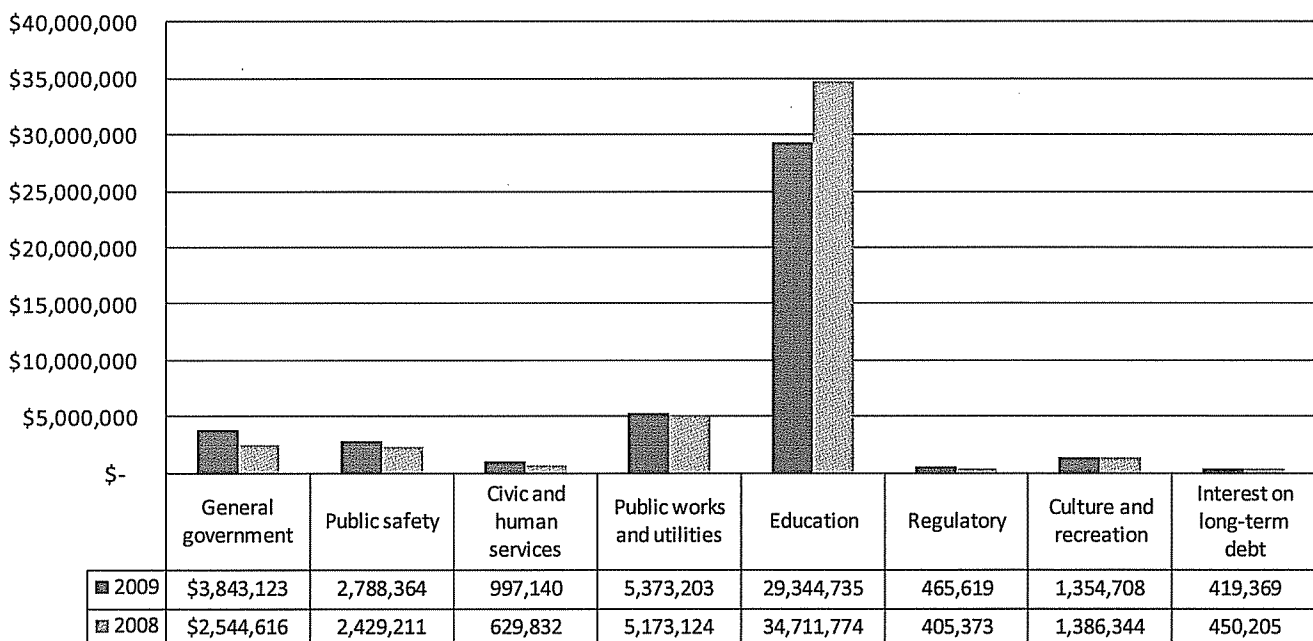
Management's Discussion and Analysis (continued)

- General government expenses increased by \$1,037,031 substantially due to environmental cleanup obligations.
- Civic and Human Services expenses increased by \$628,784 substantially due to environmental cleanup obligations.
- Board of Education expenses decreased by \$5,367,039 due to the decrease in the on behalf payment related to the State Teachers Retirement fund contribution made by the State. This was offset by an increase in spending due to contractual obligations, including teachers' salaries and benefits.

Revenue by Source - Governmental Activities



Expenses by Function - Governmental Activities



Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,641,731. The Town has reserved \$17,187 to indicate that it is not available for new spending because it has already been committed 1) as endowments of the library permanent trust fund (\$15,500), and 2) to liquidate contracts and purchase orders of the prior period (\$1,687).

The total unreserved fund balance increased by \$567,647 to \$11,624,544. This was caused substantially due to the issuance of \$2,985,000 of general obligation debt.

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,592,586. As a measure of the general fund's liquidity, it is useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 12.3 percent of total general fund expenditures.

The fund balance of the Town's general fund increased by \$22,842 during the current fiscal year, which basically equates to a break even year.

Capital Initiatives Fund. This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. The capital initiatives fund's expenditures exceeded its revenues by \$1,559,622 as a result of projects being primarily financed with general obligation bonds. In addition, general obligation bonds were issued in the amount of \$2,985,000.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$595,111. The increase in budget can be briefly summarized as follows:

Revised revenue appropriations of \$595,111 were approved for the annual supplemental appropriation to the Board of Education for the special education excess cost grant.

Other significant transfers done during the year were as follows:

General Government transferred out (\$180,000) from the Employee benefits account and Contingency (\$41,945) to cover end of year transfers for deficits in police regular patrol and the Capital Reserve Fund account.

Public Safety received transfers in from general government (\$95,600) to cover anticipated payroll and related benefit overages.

Other financing uses received transfers in from general government (\$100,000) and the Building Department (\$50,000) to provide funding towards the Capital Reserve Fund debt sinking account.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental type activities as of June 30, 2009, amounts to \$74,125,768 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, roads, bridges, and construction in progress. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,642,959 (5%). This increase is largely due to the Main Street bridge, Flanders Road, and Town Line Pump Station projects. Only those assets which cost \$5,000 or more with a useful life exceeding one year are capitalized. Assets costing less than \$5,000 are expensed.

Major capital asset events during the current fiscal year included the following:

- Construction in progress relating to the Main Street bridge project (\$942,858).
- Construction in progress relating to the Flanders Road project (\$542,677).
- Construction in progress relating to the Town Line Pump Station project (\$761,090).
- The donation of five roads in Seven Hills Estates (\$990,000).
- The completion of the Village Center Water system (\$606,996).
- Construction in progress relating to the Streetscape project (\$268,295).

**CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)**

	2009	2008
Land	\$ 2,146,742	\$ 2,121,742
Construction in progress	4,534,773	1,833,628
Buildings	31,393,301	32,082,629
Improvements other than buildings	617	617
Machinery and equipment	3,390,165	2,583,223
Infrastructure	32,660,170	31,860,970
Total	<u>\$ 74,125,768</u>	<u>\$ 70,482,809</u>

Additional information on the Town's capital assets can be found in Note III. C.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$9,995,000. All debt is backed by the full faith and credit of the government. The remainder of the Town's debt represents notes totaling \$516,516 funded by the State of Connecticut Clean Water Fund.

**OUTSTANDING DEBT
LONG - TERM OBLIGATIONS**

	2009	2008
General obligation bonds	\$ 9,995,000	\$ 8,610,000
Clean water notes	516,516	586,063
Total	<u>\$10,511,516</u>	<u>\$9,196,063</u>

In April 2009 Standard and Poor's raised the Town's bond rating two notches from A+ to AA. The Town also maintains an "A2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$188,416,039, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III. F.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 7.7% which is an increase from a rate of 6.3% a year ago. This is comparable to the state's average unemployment rate of 8.4% but favorable to the Hartford Labor Market rate of 8.1%. While Connecticut is still well below the national average of 10.2%, the overall trend has been clearly negative.
- Inflationary trends in the region compare favorably to national indices.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, and at this point, the State and nation are in a recessionary period which has affected the amount of intergovernmental revenues the Town will receive in fiscal year 2009 and thereafter.
- Residential construction declined with approximately 16 new building permits issued this year compared to 55 issued in 2008. This decline will impact fee revenue in the Building Department, as well as the Town Clerk's Department.

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

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's Office, Town of East Hampton, 20 East High Street, East Hampton, CT 06424.

Basic Financial Statements

TOWN OF EAST HAMPTON, CONNECTICUTSTATEMENT OF NET ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 7,995,619
Investments.....	4,531,194
Receivables:	
Property taxes.....	673,179
Assessments.....	72,061
Intergovernmental.....	1,187,143
Loan.....	1,549
Other.....	93,845
Other assets.....	21,688
Total current assets.....	14,576,278
Noncurrent assets:	
Restricted assets:	
Temporarily restricted investments.....	761
Permanently restricted investments.....	15,500
Total restricted assets.....	16,261
Receivables (net):	
Property taxes.....	95,899
Assessments.....	59,050
Intergovernmental.....	925,353
Loan.....	260,153
Total receivables (net).....	1,340,455
Other noncurrent assets:	
Net pension asset.....	1,194,975
Other.....	114,903
Total other noncurrent assets.....	1,309,878
Capital assets (net of accumulated depreciation):	
Land.....	2,146,742
Construction in progress.....	4,534,773
Land improvements.....	617
Buildings.....	31,393,301
Machinery and equipment.....	3,390,165
Infrastructure.....	32,660,170
Total capital assets (net of accumulated depreciation).....	74,125,768
Total noncurrent assets.....	76,792,362
TOTAL ASSETS.....	91,368,640

(Continued)

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	GOVERNMENTAL ACTIVITIES
<u>LIABILITIES</u>	
LIABILITIES:	
Accrued interest payable.....	123,070
Unearned revenue.....	180,297
Bonds and notes payable.....	1,655,951
Compensated absences.....	95,522
Environmental obligation.....	380,000
Total current liabilities.....	3,907,202
Noncurrent liabilities:	
Bonds and notes payable.....	8,784,723
Compensated absences.....	1,496,503
Net OPEB obligation.....	260,000
Environmental obligation.....	1,210,000
Total noncurrent liabilities.....	11,751,226
TOTAL LIABILITIES.....	15,658,428
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	63,685,094
Restricted for:	
Endowments:	
Nonexpendable.....	15,500
Expendable.....	761
Unrestricted.....	12,008,857
TOTAL NET ASSETS.....	\$ 75,710,212

(Concluded)

TOWN OF EAST HAMPTON, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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.....	\$ 3,843,123	\$ 331,000	\$ 670,641	\$	(2,841,482)
Public safety.....	2,788,364	306,825	2,811		(2,478,728)
Civic and human services.....	997,140	900	43,598		(952,642)
Public works and utilities.....	5,373,203	2,076,501	289,110	1,242,958	(1,764,634)
Education.....	29,344,735	498,749	11,103,105	125,201	(17,617,680)
Regulatory.....	465,619	109,184			(356,435)
Culture and recreation.....	1,354,708	247,327	24,348		(1,083,033)
Interest expense.....	419,369				(419,369)
TOTAL.....	\$ 44,586,261	\$ 3,570,486	\$ 12,133,613	\$ 1,368,159	(27,514,003)
GENERAL REVENUES:					
Property taxes.....					27,202,929
Grants and contributions not restricted to specific programs.....					359,057
Investment income.....					230,040
Other.....					221,078
TOTAL GENERAL REVENUES.....					28,013,104
CHANGE IN NET ASSETS.....					499,101
NET ASSETS JULY 1, 2008.....					75,211,111
NET ASSETS JUNE 30, 2009.....				\$	75,710,212

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	GENERAL	CAPITAL INITIATIVES	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash.....	\$ 2,369,311	\$ 3,940,736	\$ 1,685,572	\$ 7,995,619
Investments.....	2,958,909		1,588,546	4,547,455
Receivables (net):				
Property taxes.....	683,699			683,699
Assessments and user charges.....			102,307	102,307
Intergovernmental	96,374		452,043	548,417
Loans.....			307,885	307,885
Other.....	41,249		52,596	93,845
Due from other funds.....	472,861		3,224,923	3,697,784
Other.....			9,248	9,248
TOTAL ASSETS.....	\$ 6,622,403	\$ 3,940,736	\$ 7,423,120	\$ 17,986,259
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables.....	\$ 1,037,366	\$ 134,345	\$ 300,651	\$ 1,472,362
Due to other funds.....	228,129	2,996,794	472,861	3,697,784
Deferred and unearned revenue.....	762,635		411,747	1,174,382
Total liabilities.....	2,028,130	3,131,139	1,185,259	6,344,528
Fund balances:				
Reserved for:				
Encumbrances.....	1,687			1,687
Endowments.....			15,500	15,500
Unreserved, reported in:				
General Fund.....	4,592,586			4,592,586
Special Revenue Funds.....			6,189,095	6,189,095
Capital Project Funds.....		809,597	32,505	842,102
Permanent Funds.....			761	761
Total fund balances	4,594,273	809,597	6,237,861	11,641,731
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 6,622,403	\$ 3,940,736	\$ 7,423,120	\$ 17,986,259

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT
RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1)..... \$ 11,641,731

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES
AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....	70,482,809
Current capital asset additions.....	5,217,060
Depreciation expense.....	(1,553,158)
Disposal and sale of capital assets.....	(20,943)

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD
EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:

Property tax and sewer assessment interest and lien accrual.....	175,183
Property tax, sewer assessment, and community development block grant receivable - accrual basis change....	994,085
School building grant receivable.....	1,564,079
Allowance for doubtful accounts.....	(107,183)
Net pension asset.....	1,194,975
Other.....	127,343

SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE
CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....	(10,511,516)
Bond premium.....	(75,223)
Deferred charge on refunding.....	146,065
Compensated absences.....	(1,592,025)
Net OPEB obligation.....	(260,000)
Environmental obligation.....	(1,590,000)
Accrued interest payable.....	(123,070)

NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT A) \$ 75,710,212

TOWN OF EAST HAMPTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	CAPITAL INITIATIVES	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:				
Property taxes.....	\$ 26,977,875	\$	\$	\$ 26,977,875
Intergovernmental.....	11,503,080		1,973,812	13,476,892
Charges for services.....	433,741		3,073,288	3,507,029
Income on investments.....	140,167	25,393	48,290	213,850
Miscellaneous.....	35,086	1,000	184,992	221,078
Contributions and donations.....			43,480	43,480
TOTAL REVENUES.....	39,089,949	26,393	5,323,862	44,440,204
EXPENDITURES:				
Current:				
General government.....	2,967,330		594,346	3,561,676
Public safety.....	2,030,898		336,635	2,367,533
Public works and utilities.....	1,856,880		2,644,995	4,501,875
Culture and recreation.....	890,904		275,488	1,166,392
Civic and human services.....	337,994		15,646	353,640
Regulatory.....	393,412			393,412
Education.....	27,066,537		1,338,833	28,405,370
Debt service.....	1,910,926	161,468	80,633	2,153,027
Capital outlay.....		1,424,547	2,705,155	4,129,702
TOTAL EXPENDITURES.....	37,454,881	1,586,015	7,991,731	47,032,627
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,635,068	(1,559,622)	(2,667,869)	(2,592,423)
OTHER FINANCING SOURCES (USES):				
Transfers in.....			1,612,226	1,612,226
Transfers out.....	(1,612,226)			(1,612,226)
Issuance of bonds.....		2,985,000		2,985,000
Premium on BANS.....		16,190		16,190
TOTAL OTHER FINANCING SOURCES (USES).....	(1,612,226)	3,001,190	1,612,226	3,001,190
NET CHANGE IN FUND BALANCE.....	22,842	1,441,568	(1,055,643)	408,767
FUND BALANCES AT JULY 1, 2008.....	4,571,431	(631,971)	7,293,504	11,232,964
FUND BALANCE AT JUNE 30, 2009.....	\$ 4,594,273	\$ 809,597	\$ 6,237,861	\$ 11,641,731

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 408,767

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	5,217,060
Depreciation expense.....	(1,553,158)
Total.....	3,663,902

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.

Disposal of capital assets	(20,943)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the statement of activities:

School building grant receipts.....	(649,543)
Change in property tax, sewer assessment, and community development block grant receivable - accrual basis change.....	363,782
Change in property tax and sewer assessment interest and lien revenue.....	31,912
Change in property tax and sewer assessment allowance for doubtful accounts.....	(107,183)
Total.....	(361,032)

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

Debt issued or incurred:	
General obligation bond.....	(2,985,000)
Net OPEB obligation.....	(260,000)
Bond premium.....	10,406
Deferred charges.....	(25,403)
Other.....	22,145
Principal repayments:	
General obligation bonds.....	1,669,547
Total	(1,568,305)

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

Compensated absences.....	(165,415)
Net pension asset.....	75,164
Accrued interest payable.....	56,963
Environmental obligation.....	(1,590,000)
Total	(1,623,288)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)..... \$ 499,101

TOWN OF EAST HAMPTON, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 26,886,450	\$ 26,886,450	\$ 26,977,875	\$ 91,425
Intergovernmental.....	8,976,016	9,571,127	9,578,552	7,425
Charges for services.....	722,256	722,256	433,741	(288,515)
Investment income.....	335,000	335,000	140,167	(194,833)
Other.....	24,250	24,250	35,086	10,836
TOTAL REVENUES.....	36,943,972	37,539,083	37,165,421	(373,662)
EXPENDITURES:				
Current:				
General government.....	3,365,029	3,098,084	2,967,128	130,956
Public safety.....	1,953,066	2,059,611	2,030,898	28,713
Public works.....	1,925,333	1,925,334	1,856,880	68,454
Regulatory.....	480,497	430,497	393,412	37,085
Health and human services.....	350,697	350,697	337,994	12,703
Culture and recreation.....	906,088	921,487	890,904	30,583
Education.....	24,740,110	25,230,221	25,142,009	88,212
Debt service.....	1,910,926	1,910,926	1,910,926	-
TOTAL EXPENDITURES.....	35,631,746	35,926,857	35,530,151	396,706
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,312,226	1,612,226	1,635,270	23,044
OTHER FINANCING SOURCES (USES):				
Transfers out.....	(1,312,226)	(1,612,226)	(1,612,226)	-
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	23,044	\$ 23,044
FUND BALANCE - JULY 1, 2008.....			4,569,542	
FUND BALANCE - JUNE 30, 2009.....			\$ 4,592,586	

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT**STATEMENT OF FIDUCIARY NET ASSETS****FIDUCIARY FUNDS****JUNE 30, 2009**

	Pension Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash.....	\$ 92,847	\$ 340,279
Investments:		
Mutual funds:		
Equity.....		29,410
Government agecny securities.....		18,721
Corporate bond funds.....	5,042,145	
Common stock.....	6,325,671	385,529
International stock.....	2,090,621	
Pooled real estate.....	480,399	
U.S. government bonds.....		146,183
Certificates of deposit.....		175,899
Fixed income pool.....	957,579	
Total investments.....	14,896,415	755,742
TOTAL ASSETS.....	14,989,262	1,096,021
LIABILITY:		
Accounts payable.....	2,138	1,096,021
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....	\$ 14,987,124	\$ -

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Pension Trust Fund
<hr/>	
ADDITIONS:	
Contributions:	
Employer.....	\$ 717,193
Plan members.....	409,767
	<hr/>
Total contributions.....	1,126,960
	<hr/>
Investment income (loss):	
Net change in fair value of investments.....	(3,411,384)
Interest and dividends.....	407,364
	<hr/>
Total investment income (loss).....	(3,004,020)
	<hr/>
Less investment expenses.....	(57,095)
	<hr/>
Net investment income (loss).....	(3,061,115)
	<hr/>
TOTAL ADDITIONS.....	(1,934,155)
	<hr/>
DEDUCTIONS:	
Benefits.....	951,342
Administration.....	52,762
	<hr/>
TOTAL DEDUCTIONS.....	1,004,104
	<hr/>
CHANGE IN NET ASSETS.....	(2,938,259)
	<hr/>
NET ASSETS - JULY 1, 2008.....	17,925,383
	<hr/>
NET ASSETS - JUNE 30, 2009.....	\$ 14,987,124
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

TOWN OF EAST HAMPTON, CONNECTICUT**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009****HISTORY AND ORGANIZATION**

The Town operates under a Charter which became effective in November 1973 and was revised in November 1987. The form of government includes an elected seven-member Town Council which elects a chairman, an elected nine-member Board of Education and an elected seven-member Board of Finance.

The legislative power of the Town is vested with the Town Council and the Town Meeting. The Town Council may enact, amend or repeal ordinances and resolutions. The administration of Town offices and agencies, with the exception of the Board of Education, is the responsibility of the Town Manager, who is appointed by the Town Council.

The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets to the Town Council for Town Meeting approval.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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, proprietary 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.

B. 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 and fiduciary fund financial statements. Agency funds have no measurement focus but are accounted for using the accrual basis of accounting. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, expenditure reimbursement type grants, certain intergovernmental revenues, transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Capital Initiatives Fund* is used to account for various capital projects and equipment purchases.

Additionally, the Town reports the following fund types:

The *Pension Trust Funds* account for the activities of the East Hampton Employee Retirement System which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of students.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are 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 all taxes.

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.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

Deposits - The Town considers cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

Investments for the Town are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. The balance of the pooled fixed income investments was invested in a 2a-7 like pool which operates under State Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and Payables

a. Interfunds

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 non-current portion of interfund loans).

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 7 to 15 percent of outstanding receivable balances, and are calculated based upon prior collections.

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

Loan receivables consist of Community Development Block Grant loans. The Town provides low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

2. Receivables and Payables (Continued)

b. Property Taxes and Other Receivables (Continued)

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

3. Restricted Assets

The restricted assets for the Town are restricted for endowment purposes. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

4. 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 columns 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 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of one year. 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 are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Improvements other than buildings	20
Infrastructure	20-50
Machinery and equipment	3-20

5. Compensated Absences

The Town allows employees to accumulate earned but unused vacation and sick pay benefits. The rate that these benefits are earned and accumulate varies by bargaining unit. Upon severance from employment with the Town, employees are paid by a prescribed formula for these accrued absences. All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Governmental Activities Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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.

7. Fund Equity and Net Assets

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.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Assets

This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets

This category presents the net assets of the Town which are not restricted.

8. Estimates

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

9. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

- The Town Council submits to the Board of Finance a policy statement outlining its annual budget goals and objectives for the ensuing fiscal year. The Town Manager compiles preliminary estimates for all departments and agencies, with the exception of the Board of Education, for the annual budget for presentation to the Board of Finance. The Board of Education submits its estimates directly to the Board of Finance.
- The Board of Finance compiles a total budget based upon the Town Council's policy statement and the financial availability of Town funds, holds one or more public hearings on its proposal and presents a recommended budget to the Town Council no later than April 15. After making alterations or reductions, as they deem necessary, the Council submits its proposed budget to the Town Meeting for approval.
- The Board of Finance reviews and makes recommendations regarding all requests for additional appropriations to be submitted to the Council. Additional appropriations from fund balance that exceed \$25,000 must be approved by Town Meeting. Additional appropriations from fund balance below \$25,000, as well as additional appropriations from revised revenue, must be approved by Town Council.

Additional appropriations for the year amounted to \$595,111, which was appropriated from revised revenue.

- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Additionally, as required by the charter, these transfers must be reported to the Board of Selectman. Any additional appropriations must have Board of Education and Board of Selectmen approval and, if over one-half of one percent of the annual budget, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds and those specifically reappropriated by the Board of Finance.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2009.....	\$37,165,421	\$35,530,151	\$4,592,586
Encumbrances outstanding at June 30, 2008, liquidated during the year, June 30, 2009.....		1,889	
Encumbrances outstanding at June 30, 2009, charged to budgetary expenditures		(1,687)	1,687
State Teachers' Retirement on-behalf payment.....	1,924,528	1,924,528	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2009	<u>\$39,089,949</u>	<u>\$37,454,881</u>	<u>\$4,594,273</u>

C. Capital Projects Authorizations

The following is a summary of Capital Projects at June 30, 2009:

<u>PROJECT NAME</u>	<u>PROJECT AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2009</u>
Capital Initiatives Fund	\$ 6,709,972	\$ 5,646,474	\$ 1,063,498
Public Water System Fund	2,156,770	2,156,174	596
TOTAL CAPITAL PROJECTS FUND	<u>\$ 8,866,742</u>	<u>\$ 7,802,648</u>	<u>\$ 1,064,094</u>

D. Donor Restricted Endowments

The Town has received certain endowments for library operations purposes. The amounts are reflected in net assets as restricted for the library. Investment income (including appreciation) is approved for expenditure by the Library Director.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Management of Institutional Funds Act (UMIFA). Under UMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net assets or unrestricted net assets, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Net appreciation of donor-restricted endowments available for expenditure by the Town totaled \$156 as of June 30, 2009, and is included in restricted net assets.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

E. Deficit Fund Balance

During the year ended June 30, 2009, the Town had a deficit fund balance in the following fund:

Nonmajor Governmental Funds

WPCA Development Fund \$ 52,244

The deficit will be funded by future charges for services and transfers from the WPCA operating fund.

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$3,952,937 of the Town's bank balance of \$11,270,216 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,482,643
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>470,294</u>
Total amount subject to custodial credit risk	<u>\$ 3,952,937</u>

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from \$100,000 to \$250,000 per depositor. This limit is anticipated to return to \$100,000 after December 31, 2013. Additionally, under the FDIC's Temporary Liquidity Guarantee Program, amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2009. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2010, and the \$100,000 limit on January 1, 2014.

At June 30, 2009, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)			
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS
<u>Mutual Funds:</u>					
Equity Mutual Funds.....	\$ 29,410	\$ 29,410	\$	\$	\$
Government Agency Securities.....	18,721		18,721		
Corporate Bond Funds	5,042,145			2,708,821	2,333,324
Common Stock.....	6,838,725	6,838,725			
International Stock	2,090,621	2,090,621			
Pooled Real Estate.....	480,399	480,399			
Money Market Mutual Funds	209,538		209,538		
Certificates of Deposit.....	3,202,695		3,202,695		
Pooled Fixed Income.....	1,183,596		1,183,596		
U.S. Government Bonds.....	146,183			146,183	
Fixed Income Pool.....	957,579		957,579		
TOTAL.....	\$ 20,199,612	\$ 9,439,155	\$ 5,572,129	\$ 2,855,004	\$ 2,333,324

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

The Town's investments subject to credit risk have average ratings by Standard & Poor's as follows:

RATINGS	POOLED FIXED INCOME	FIXED INCOME POOL	MONEY MARKET MUTUAL FUNDS	CORPORATE BOND FUNDS	GOVERNMENT AGENCY SECURITIES MUTUAL FUNDS
AAA	\$ 1,183,596	\$	\$ 178,741	\$	\$ 18,721
AA				2,708,821	
A		957,579			
BBB				2,333,324	
Unrated			30,797		
TOTAL	<u>\$ 1,183,596</u>	<u>\$ 957,579</u>	<u>\$ 209,538</u>	<u>\$ 5,042,145</u>	<u>\$ 18,721</u>

Custodial credit risk - The Town does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Certain investments are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk as follows:

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT CUSTODIAL CREDIT RISK
U.S. Government bonds	<u>\$ 146,183</u>	<u>\$ 146,183</u>	<u>\$ -</u>

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

B. Receivables

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	PROPERTY TAXES			
	USE FEE TAXES	INTEREST & LIEN FEES	TOTAL	
Current Portion	\$ 621,025	\$ 52,154	\$ 673,179	
Long-term Portion	\$ 62,674	\$ 94,225	\$ 156,899	
Less Allowance for Uncollectibles	(50,000)	(11,000)	(61,000)	
Net Long-term Portion	\$ 12,674	\$ 83,225	\$ 95,899	
	SEWER USE AND ASSESSMENTS			CDBG LOANS
	USE FEES AND ASSESSMENTS	INTEREST & LIEN FEES	TOTAL	
Current Portion	\$ 52,419	\$ 19,642	\$ 72,061	\$ 1,549
Long-term Portion	\$ 49,888	\$ 9,162	\$ 59,050	\$ 306,336
Less Allowance for Uncollectibles	()	()	()	(46,183)
Net Long-term Portion	\$ 49,888	\$ 9,162	\$ 59,050	\$ 260,153

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:

DEFERRED REVENUE:

Delinquent property taxes receivable (general fund)	\$ 583,893
Sewer assessments not yet due and delinquent sewer use (special revenue fund)	102,307
Loan receivable not yet earned	307,885

UNEARNED REVENUE:

Unearned charges for services (special revenue)	178,742
Grant drawdowns prior to meeting eligibility requirements	1,555

TOTAL DEFERRED AND UNEARNED REVENUE	<u>\$1,174,382</u>
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TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	BEGINNING BALANCE JULY 1, 2008	INCREASES	DECREASES	ENDING BALANCE JUNE 30, 2009
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land.....	\$ 2,121,742	\$ 25,000	\$	\$ 2,146,742
Construction in progress.....	1,833,628	3,308,141	606,996	4,534,773
Total Capital Assets, not being Depreciated.....	3,955,370	3,333,141	606,996	6,681,515
<u>Capital Assets, being Depreciated:</u>				
Buildings	50,429,968	199,789		50,629,757
Improvements other than buildings	61,795			61,795
Machinery and equipment	6,783,469	1,195,642	415,528	7,563,583
Infrastructure	36,609,124	1,095,484		37,704,608
Total Capital Assets, being Depreciated.....	93,884,356	2,490,915	415,528	95,959,743
Total Capital Assets.....	97,839,726	5,824,056	1,022,524	102,641,258
<u>Less Accumulated Depreciation:</u>				
Buildings	18,347,339	889,117		19,236,456
Improvements other than buildings	61,178			61,178
Machinery and equipment	4,200,246	367,757	394,585	4,173,418
Infrastructure	4,748,154	296,284		5,044,438
Total Accumulated Depreciation	27,356,917	1,553,158	394,585	28,515,490
Total Capital Assets, being Depreciated, net....	66,527,439	937,757	20,943	67,444,253
Governmental Activities Capital Assets, net.....	\$ 70,482,809	\$ 4,270,898	\$ 627,939	\$ 74,125,768

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

<u>Governmental Activities:</u>	
General government	\$ 11,929
Public safety	134,750
Public works	736,346
Health and human services.....	3,432
Culture and recreation	60,000
Planning and development	1,008
Education	605,693
Total Depreciation Expense - Governmental Activities	<u>\$1,553,158</u>

Construction Commitments

The Town has substantially completed their major construction projects for schools and other projects as of June 30, 2009.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2009 is as follows:

	CORRESPONDING		
	FUND	DUE FROM	DUE TO
MAJOR FUNDS			
GENERAL FUND:			
Miscellaneous Grant.....	N/A	\$	\$ 1,750
Water System.....	N/A	4,679	
Public Safety.....	N/A		11,973
Public Works.....	N/A	3,047	
Senior Center Special Revenue.....	N/A		26,166
Education Grant.....	N/A	67,249	
Compensated Absences.....	N/A		105,000
WPCA Development.....	N/A	91,326	
Capital Reserve.....	N/A		83,229
WPCA Operating.....	N/A	3,520	
Public Water System.....	N/A	282,606	
Beneficial Assessment.....	N/A		11
Community Development.....	N/A	5,827	
Culture and Recreation.....	N/A	2,764	
School Cafeteria.....	N/A	11,843	
TOTAL GENERAL FUND.....		472,861	228,129
CAPITAL INITIATIVES:			
Public Works.....	N/A		569,091
Capital Reserve.....	N/A		1,724,172
WPCA Joint Facilities.....	N/A		703,531
TOTAL CAPITAL INITIATIVES.....		-	2,996,794
NONMAJOR FUNDS			
SPECIAL REVENUE FUNDS			
Miscellaneous Grant.....	General Fund	1,750	
Water System.....	General Fund		4,679
Public Safety.....	General Fund	11,973	
Public Works.....	General Fund		3,047
Capital Reserve.....	General Fund	83,229	
Senior Center Special Revenue.....	General Fund	26,166	
WPCA Development.....	General Fund		91,326
Education Grant.....	General Fund		67,249
Compensated Absences.....	General Fund	105,000	
WPCA Operating.....	General Fund		3,520
Public Water System.....	General Fund		282,606
Beneficial Assessment.....	General Fund	11	
Culture and Recreation.....	General Fund		2,764
Community Development.....	General Fund		5,827
School Cafeteria.....	General Fund		11,843
Public Works.....	Capital Initiatives	569,091	
WPCA Joint Facilities.....	Capital Initiatives	703,531	
Capital Reserves.....	Capital Initiatives	1,724,172	
TOTAL SPECIAL REVENUE FUNDS.....		3,224,923	472,861
GRAND TOTAL.....		\$ 3,697,784	\$ 3,697,784

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

A summary of interfund transfers as of June 30, 2009 is as follows:

	CORRESPONDING FUND	TRANSFER IN	TRANSFER OUT
<u>MAJOR FUNDS:</u>			
GENERAL FUND:			
Water System Fund.....	N/A	\$	\$ 60,000
Public Water System.....	N/A		95,000
Compensated Absences Fund.....	N/A		135,000
Capital Reserve Fund.....	N/A		<u>1,322,226</u>
TOTAL GENERAL FUND.....		-	<u>1,612,226</u>
<u>NONMAJOR FUNDS:</u>			
SPECIAL REVENUE FUNDS:			
Water Fund.....	General Fund	60,000	
Public Water System.....	General Fund	95,000	
Compensated Absences Fund.....	General Fund	135,000	
Capital Reserve Fund.....	General Fund	<u>1,322,226</u>	
TOTAL SPECIAL REVENUE FUNDS..		<u>1,612,226</u>	-
GRAND TOTAL		<u>\$ 1,612,226</u>	<u>\$ 1,612,226</u>

Transfers are used to account for the financing by the general fund of various programs and activities in other funds.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Short-Term Obligations - Bond Anticipation Notes

The Town is using bond anticipation notes during the construction of the school prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2009 was as follows:

TYPE OF OBLIGATION	BALANCE JULY 1, 2008	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2009
Bond Anticipation Notes:				
General Purpose	\$ 2,985,000	\$	\$ 2,985,000	\$ -

F. Changes in Long-Term Obligations

1. Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
BONDS:									
Refunding issue....	\$ 10,100,000	06/15/99	10/15/10	3.75%-4.6%	\$ 2,070,000	\$	\$ 820,000	\$ 1,250,000	\$ 810,000
Obligation bond ...	2,345,000	08/15/02	8/15/17	3.00%-4.125%	1,495,000		175,000	1,320,000	175,000
Refunding issue....	4,005,000	04/01/03	07/15/14	3.375%-4.10%	2,370,000		355,000	2,015,000	350,000
Obligation bond ...	3,175,000	02/01/06	02/01/21	3.40%-5.0%	2,675,000		250,000	2,425,000	250,000
Obligation bond ...	2,985,000	04/15/09	07/15/28	2.50%-4.50%		2,985,000		2,985,000	
TOTAL BONDS					8,610,000	2,985,000	1,600,000	9,995,000	1,585,000
CLEAN WATER NOTES:									
Sewer.....	837,030	03/31/94	03/31/13	2.0%	227,928		46,204	181,724	47,136
Sewer 480C.....	503,694	06/30/02	12/31/21	2.0%	358,135		23,343	334,792	23,815
TOTAL NOTES					586,063	-	69,547	516,516	70,951
TOTAL BONDS/NOTES.....					9,196,063	2,985,000	1,669,547	10,511,516	1,655,951
PREMIUMS.....					85,629		10,406	75,223	
DEFERRED CHARGE ON REFUNDING					(171,468)		(25,403)	(146,065)	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					9,110,224	2,985,000	1,654,550	10,440,674	1,655,951
COMPENSATED ABSENCES					1,426,610	648,690	483,275	1,592,025	95,522
OPEB OBLIGATION						260,000		260,000	
ENVIRONMENTAL OBLIGATION						1,590,000		1,590,000	380,000
TOTAL LONG-TERM OBLIGATIONS					\$ 10,536,834	\$ 5,483,690	\$ 2,137,825	\$ 13,882,699	\$ 1,751,473

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and bond and note maturities:

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE PRINCIPAL	NOTES PRINCIPAL	BOND PRINCIPAL	TOTAL INTEREST
2010	\$ 638,726	\$ 70,951	\$ 1,585,000	\$ 257,790
2011	424,888	72,383	1,370,000	327,476
2012	171,077	73,844	925,000	259,686
2013	165,971	62,728	915,000	226,293
2014	163,417	25,796	835,000	193,774
2015		26,317	830,000	160,256
2016		26,848	510,000	133,102
2017		27,390	435,000	115,522
2018		27,943	435,000	99,653
2019		28,507	305,000	86,161
2020		29,082	305,000	74,923
2021		29,669	305,000	63,286
2022		15,058	155,000	51,239
2023			155,000	45,338
2024			155,000	39,138
2025			155,000	32,938
2026			155,000	26,738
2027			155,000	20,344
2028			155,000	13,756
2029			155,000	6,975
	<u>\$ 1,564,079</u>	<u>\$ 516,516</u>	<u>\$ 9,995,000</u>	<u>\$ 2,234,387</u>

All long-term liabilities listed above after bonds and notes are generally liquidated by the General Fund.

2. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET INDEBTEDNESS	BALANCE
General purpose.....	\$ 60,562,298	\$ 6,562,000	\$ 54,000,298
Schools.....	121,124,597	1,868,921	119,255,676
Sewers.....	100,937,164	509,769	100,427,395
Urban renewal.....	87,478,875		87,478,875
Pension deficit	80,749,731		80,749,731

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$188,416,039.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Statutory Debt Limitations (Continued)

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,564,079 for bond principal are reflected as deductions in the computation of net indebtedness.

3. Authorized/Unissued Bonds

The amount of authorized, unissued bonds for general purposes at June 30, 2009 is as follows:

<u>PURPOSE OF BONDS</u>	<u>AUTHORIZED BUT UNISSUED</u>
Governmental Activities:	
Ambulance Facility.....	\$ 18,500
High School Athletic Facilities Improvements.....	2,000
Water System Initial Water Supply	866,000
Capital Improvements 2004-2005	454,400
Land Purchase	7,100
Flanders Roadway Improvements.....	<u>2,000</u>
TOTAL.....	<u>\$ 1,350,000</u>

The amount of bonds, notes or other obligations authorized for the water system initial water supply shall be reduced by the amount of grants received by the Town for the project. As of June 30, 2009, the amount of grants received for this project was \$867,800.

4. Prior Year Advance Refunding

In prior years, the Town defeased certain 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 the liability of the defeased bonds are not included in the Town's financial statements. At June 30, 2009, \$3,390,000 of bonds outstanding are considered defeased.

5. Environmental Cleanup

During the year, the Town entered into the State of Connecticut's Department of Environmental Protection Voluntary Remediation Program required by the EPA clean up grant agreement, and therefore was deemed the responsible party for remediation of two Town-owned properties. The Town estimates the cost of a site assessment and corrective measures feasibility study to range from \$510,000 to \$704,000 for the first property. A liability has been reported in the amount \$607,000. The liability was determined by the environmental consultant using the expected cash flow technique, which measured the liability as the sum of probability-weighted amounts within the range of possible amounts.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

5. Environmental Cleanup (Continued)

The second property has an estimated cost of a site assessment and corrective measures feasibility study of \$983,000. There was not cost range provided for this estimate. Therefore, the total estimated environmental obligation of the Town is \$1,590,000.

The estimate is subject to change due to price changes, technology changes, or other changes. The pollution remediation liability does not reflect any recovery of outlays because the Town does not anticipate that it will not be able to recover remediation costs from other parties. The liability also does not include outlays for site cleanup because those costs are not yet reasonably estimable.

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

B. Commitments and Litigation

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Intermunicipal Agreement

The Town is party to an intermunicipal agreement for septage waste disposal. The Town has agreed to accept septage from five area towns. The Town originally borrowed \$837,030 from the State of Connecticut Clean Water Fund to finance improvements to its plant to accommodate septage from the other towns. During fiscal year 2002, the Town borrowed an additional \$503,694 for a nitrogen reduction project. Each town is committed to paying a portion of the cost of improvements over 20 years. Additionally, operating costs and a utilization fee will also be charged.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans

1. Plan Description

The Town of East Hampton is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The Plan does not issue stand-alone financial statements and is considered to be part of the Town of East Hampton's financial reporting entity. As such, the plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

The Town of East Hampton Retirement System covers all employees working more than 20 hours a week except teachers covered under the State of Connecticut Teachers' Retirement System. The Town provides all retirement benefits through a single employer, contributory, defined benefit plan. All employees are 100% vested after 10 years of continuous service. Employees who retire at normal retirement - for police the earlier of age 55 with 10 years of service or 20 years of service, for all others age 62 with 5 years service - receive a retirement benefit.

The benefit formula is as follows:

For police, 2.5% of final earnings times credited service; for all other participants effective January 1, 2001, 2.25% of final earnings multiplied by credited service.

The minimum retirement benefit for all participants will be \$1,200 at normal retirement date.

The membership of the plan consisted of the following as of January 1, 2009, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	69
Terminated plan members entitled to benefits but not yet receiving them	80
Current plan members	167
Inactive with vested benefits	<u>3</u>
Total	<u>316</u>

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

Basis of Accounting: PERS' financial statements are prepared using the accrual basis of accounting. Employee and plan member contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan.

b. Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. There are no investments of 5% or greater in any one organization.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

3. Funding Policy

Police employees contribute 5% of earnings; all other employees are required to contribute 5.5% of earnings to the PERS. The Town is required to contribute the amounts necessary to finance the benefits for its employees in accordance with actuarial recommendations. Benefits are fixed by contract. Benefits and contribution requirements may be amended by the Town Council subject to union ratification.

4. Annual Pension Cost and Net Pension Assets

The Town's annual pension cost and net pension asset for the year ended June 30, 2009 were as follows:

Annual required contribution	\$ 595,784
Interest on net pension obligation	(89,585)
Adjustment to annual required contribution	<u>135,830</u>
Annual pension cost	642,029
Contributions made	<u>717,193</u>
Increase in net pension asset	(75,164)
Net pension asset, July 1, 2008	<u>(1,119,811)</u>
Net Pension Asset, June 30, 2009	<u>\$(1,194,975)</u>
VALUATION DATE	January 1, 2009
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	15 years constant
<u>ACTUARIAL ASSUMPTIONS:</u>	
Investment rate of return	8.0%
Projected salary increases	4.0%
Expenses for benefits payable	5.0%
Inflation component	3.5%

5. Trend Information

<u>FISCAL</u> <u>YEAR</u> <u>ENDED</u>	<u>ANNUAL</u> <u>PENSION</u> <u>COST (APC)</u>	<u>ACTUAL</u> <u>CONTRIBUTION</u>	<u>PERCENTAGE</u> <u>OF APC</u> <u>CONTRIBUTED</u>	<u>NET</u> <u>PENSION</u> <u>ASSET</u>
2007	\$ 652,877	\$ 646,582	99.00%	\$(1,000,838)
2008	588,512	707,485	120.00%	(1,119,811)
2009	642,029	717,193	12.00%	(1,194,975)

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

6. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2009 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
01/01/2009	\$ 17,381,622	\$ 20,814,052	\$(3,432,430)	83.51%	\$ 6,674,011	(51.43)%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

D. Other Post-Employment Benefits Plan

1. Plan Description

The Town administers one single-employer, post retirement healthcare plan for the Board of Education, for the Town of East Hampton Other Post Employment Benefits (OPEB). The Board of Education plan provides medical and dental benefits to eligible retirees and their spouses. The plan does not issue stand alone financial reports.

2. Summary of Significant Accounting Policies and Plan Asset Matters

Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. There are no investments of 5% or greater in any one organization.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

3. Classes of Employees Covered

As of June 30, 2009 the plan's membership consisted of:

	BOARD OF EDUCATION
Retirees and beneficiaries currently receiving benefits.....	34
Active plan members	<u>167</u>
TOTAL	<u>201</u>

4. Benefit Provisions

a. Benefit Provisions

The Board of Education plan provides medical and dental benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Board of Education's total plan contribution was \$226,000.

c. Employee Contributions

There are no employee contributions to the plan.

5. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
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BOARD OF EDUCATION

JUNE 30, 2009	\$	-	\$ 6,071,000	\$(6,071,000)	0.0%	N/A	N/A
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Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

TOWN OF EAST HAMPTON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

6. Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

VALUATION DATE	June 30, 2009
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	30 years closed
<u>ACTUARIAL ASSUMPTIONS:</u>	
Investment rate of return	4.0%
Healthcare inflation rate:	
Initial	6.4%
Ultimate	4.4%

7. Annual OPEB Cost and Net OPEB Obligation (NOO)

The changes in the NOO were as follows:

	<u>BOARD OF EDUCATION</u>
Annual required contribution	\$ 486,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	486,000
Contributions made	<u>226,000</u>
Change in net OPEB obligation	260,000
Net OPEB obligation - July 1, 2008	-
Net OPEB obligation - June 30, 2009	<u>\$ 260,000</u>

TOWN OF EAST HAMPTON, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

8. One Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION	ACTUAL CONTRIBUTED
BOARD OF EDUCATION				
2009	\$ 486,000	46.5%	\$ 260,000	\$ 226,000

E. On-Behalf Payments

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the Town's teachers was \$1,924,528.

Required Supplementary Information

TOWN OF EAST HAMPTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

**EAST HAMPTON RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS**

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2002	\$ 11,708,157	\$ 11,541,836	\$ 166,321	101.4%	\$ 4,407,603	3.77%
2004	13,303,561	14,282,705	(979,144)	93.1%	5,569,262	-(17.58)%
2006	15,713,232	17,166,458	(1,453,226)	91.5%	5,941,437	-(24.46)%
2008	18,943,268	19,373,079	(429,811)	97.8%	6,417,318	-(6.70)%
2009	17,381,622	20,814,052	(3,432,430)	83.5%	6,674,011	-(51.43)%

**BOARD OF EDUCATION OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS**

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
June 30,						
2009	\$ -	\$ 6,071,000	\$ (6,071,000)	0.0%	N/A	N/A

TOWN OF EAST HAMPTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
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PENSION PLANSTOWN EMPLOYEES

2004	\$	533,871	\$	499,675	94%
2005		551,929		551,929	100%
2006		597,755		597,755	100%
2007		646,582		646,582	100%
2008		551,652		707,485	128%
2009		595,784		717,193	120%

OTHER POSTEMPLOYMENT BENEFIT PLANBOARD OF EDUCATION

2009	\$	486,000	\$	226,000	46.5%
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General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, buildings and grounds, planning and development, health and human services, library, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF EAST HAMPTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Property taxes:				
Current taxes	\$ 26,244,415	\$ 26,244,415	\$ 26,232,285	\$ (12,130)
Back taxes	200,000	200,000	283,559	83,559
Telephone access share line	69,635	69,635	62,003	(7,632)
Supplemental motor vehicles	230,000	230,000	212,297	(17,703)
Interest	140,000	140,000	185,158	45,158
Liens	2,400	2,400	2,573	173
Total property taxes	26,886,450	26,886,450	26,977,875	91,425
Intergovernmental Revenues:				
General government:				
State infrastructure (LOCIP)	94,428	94,428	96,374	1,946
Elderly tax relief	45,000	45,000	48,594	3,594
Elderly Freeze Exemption	3,800	3,800	4,000	200
Department of Youth Services	16,000	16,000	16,098	98
Boat registration	13,378	13,378	13,378	-
State-owned property	142,090	142,090	142,570	480
Disability tax relief	900	900	1,087	187
Veterans' exemption	3,700	3,700	3,767	67
Manufacturers equipment (PILOT)	15,000	15,000	21,554	6,554
Mashantucket Pequot/Mohegan grant	112,713	112,713	118,922	6,209
Other State grants			5,185	5,185
Total	447,009	447,009	471,529	24,520
Education:				
Principal and interest subsidy school bonds	646,990	646,990	649,543	2,553
Education cost sharing	7,595,720	7,595,720	7,598,829	3,109
Special education excess cost		595,111	595,111	-
School transportation	248,274	248,274	235,675	(12,599)
BESB	15,000	15,000	4,195	(10,805)
Adult Education	23,023	23,023	23,670	647
Total	8,529,007	9,124,118	9,107,023	(17,095)
Total intergovernmental revenues	8,976,016	9,571,127	9,578,552	7,425

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
Charges for Services:				
Finance Department	\$ 22,576	\$ 22,576	\$ 21,661	\$ (915)
Assessor Department	2,100	2,100	1,313	(787)
Engineering services	10,000	10,000		(10,000)
Police Department	5,050	5,050	6,512	1,462
Town Clerk	346,850	346,850	222,726	(124,124)
Planning, zoning and buildings	257,255	257,255	95,917	(161,338)
Transfer station fees/stickers	32,625	32,625	24,846	(7,779)
Lease of Town property	21,600	21,600	24,840	3,240
Sears Park rent	300	300	900	600
Tuition			8,591	8,591
Library	11,200	11,200	14,949	3,749
Community room rental	500	500	260	(240)
Sears Park stickers	11,800	11,800	10,921	(879)
Blasting permits	400	400	305	(95)
Total charges for services	722,256	722,256	433,741	(288,515)
Investment income	335,000	335,000	140,167	(194,833)
Miscellaneous:				
Housing Authority reimbursement	21,000	21,000	21,471	471
Collector of Revenue	3,000	3,000	1,984	(1,016)
Middle Haddam Historic District	250	250	325	75
Other revenues			11,306	11,306
Total miscellaneous	24,250	24,250	35,086	10,836
Total Revenues	\$ 36,943,972	\$ 37,539,083	\$ 37,165,421	\$ (373,662)

(Concluded)

TOWN OF EAST HAMPTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Town Manager's Department	\$ 284,774	\$ 284,774	\$ 273,272	\$ 11,502
Council special programs	17,233	17,233	16,655	578
Probate court	4,275	4,275	2,914	1,361
Facilities administrator	101,472	101,472	101,264	208
Legal defense/fees	135,000	135,000	102,446	32,554
Town Hall and Annex	242,645	242,645	237,248	5,397
Finance and Accounting	430,796	430,796	429,242	1,554
Collector of Revenue	183,571	183,571	156,578	26,993
Assessor's Office	177,527	177,527	172,753	4,774
Board of Assessment Appeals	588	588	311	277
Town Clerk's office	211,798	211,798	210,149	1,649
Registrars/elections	32,020	32,020	28,619	3,401
General insurance	186,400	186,400	178,513	7,887
Employee benefits	1,256,930	1,076,930	1,057,164	19,766
Contingency	100,000	13,055		13,055
Total general government	3,365,029	3,098,084	2,967,128	130,956
Public Safety:				
Police administration	281,593	283,448	283,448	-
Police regular patrol	1,212,261	1,307,561	1,307,559	2
Lake patrol	7,522	7,522	4,324	3,198
Animal Control	48,118	48,118	37,895	10,223
Street lighting	60,000	60,000	57,633	2,367
Fire administration	177,807	187,197	187,197	-
Fire Marshal	40,462	40,462	31,915	8,547
Town center fire system	9,910	9,910	8,220	1,690
Ambulance association	6,675	6,675	5,072	1,603
Civil Preparedness	1,250	1,250	905	345
Communications	107,468	107,468	106,730	738
Total public safety	1,953,066	2,059,611	2,030,898	28,713
Public Works:				
Public Works - Administration	1,170,651	1,175,604	1,162,267	13,337
Engineering fees	60,000	60,000	58,628	1,372
Townwide motor fuel	165,381	165,381	163,276	2,105
Town Garage	49,060	49,060	47,246	1,814
Road materials	261,914	258,914	243,713	15,201
Transfer station	207,327	205,375	170,760	34,615
Septage disposal	11,000	11,000	10,990	10
Total public works	1,925,333	1,925,334	1,856,880	68,454
Regulatory:				
Planning, zoning and buildings	404,832	354,832	345,649	9,183
Economic development commission	42,776	42,776	34,609	8,167
Lake Pocotopaug commission	24,701	24,701	9,408	15,293
Redevelopment agency	5,000	5,000	2,028	2,972
Middle Haddam Historic District	3,188	3,188	1,718	1,470
Total regulatory	480,497	430,497	393,412	37,085

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health and Human Services:				
Chatham Health District	\$ 99,672	\$ 99,672	\$ 99,672	\$ -
Social Services	98,319	98,319	98,095	224
Senior Center	96,236	96,236	84,387	11,849
Transportation	53,170	53,170	52,600	570
Community Services	3,300	3,300	3,240	60
Total health and human services	350,697	350,697	337,994	12,703
Culture and Recreation:				
Park and recreation	349,208	349,208	328,022	21,186
Library	409,503	409,503	400,106	9,397
Community Center	139,877	155,276	155,276	-
Middle Haddam Library	7,500	7,500	7,500	-
Total culture and recreation	906,088	921,487	890,904	30,583
Board of Education	24,740,110	25,230,221	25,142,009	88,212
Debt Service	1,910,926	1,910,926	1,910,926	-
Total Expenditures	35,631,746	35,926,857	35,530,151	396,706
Other Financing Uses				
Transfers to other funds:				
Water Fund	60,000	60,000	60,000	-
Public Water System	95,000	95,000	95,000	-
Capital Reserve Fund	1,127,226	1,322,226	1,322,226	-
Compensated Absences Fund	30,000	135,000	135,000	-
Total other financing uses	1,312,226	1,612,226	1,612,226	-
Total Expenditures and Other Financing Uses	\$ 36,943,972	\$ 37,539,083	37,142,377	\$ 396,706

(Concluded)

TOWN OF EAST HAMPTON, CONNECTICUT

GENERAL FUND
BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2009

	Original Appropriation	Final Appropriation	Expenditures	Variance with Final Budget
Certified salaries	\$ 12,784,798	\$ 12,845,798	\$ 12,630,313	\$ 215,485
Classified salaries	3,000,342	3,042,683	3,074,191	(31,508)
Employee benefits:				
Workmen's compensation	45,550	45,550	62,227	(16,677)
Unemployment compensation	7,500	7,500	10,652	(3,152)
Social Security	199,571	199,571	210,308	(10,737)
Medicare	182,178	182,178	186,172	(3,994)
Pension	257,560	257,560	257,560	-
Medicare and dental	3,487,696	3,487,696	3,358,972	128,724
Life insurance	68,544	68,544	55,211	13,333
OPEB contribution	27,500	27,500	27,500	-
Other	3,480	3,480		3,480
Tuition	537,615	1,011,385	930,639	80,746
Pupil transportation	1,208,547	1,208,547	1,203,295	5,252
Other transportation	49,324	49,324	43,106	6,218
Computer consulting services	45,840	45,840	31,835	14,005
Meetings and conferences	27,000	27,000	11,995	15,005
Professional/technical services	438,850	420,130	453,663	(33,533)
Public utilities	31,000	31,000	27,674	3,326
Building, equipment maintenance and repairs	189,058	209,005	244,377	(35,372)
Heating, ventilation maintenance and repairs	45,000	45,000	32,056	12,944
Security system maintenance and repairs	2,000	2,000	26,298	(24,298)
Vehicle maintenance and repairs	3,000	3,000	6,405	(3,405)
Supplies, materials and minor equipment	416,659	422,934	444,584	(21,650)
Fire protection	18,000	18,000	26,753	(8,753)
Refuse removal	25,436	25,436	28,166	(2,730)
Water and underground tank testing	4,200	4,200	2,139	2,061
Pest control	2,200	2,200	3,043	(843)
Tile and carpet replacement	8,500	17,375	12,214	5,161
Equipment rental	108,671	108,671	105,954	2,717
Property and liability insurance	105,607	105,607	88,550	17,057
Staff travel	9,098	9,098	12,516	(3,418)
Communications	61,155	61,273	75,318	(14,045)
Newspaper advertising	8,163	8,163	4,333	3,830
Printing and binding	30,540	30,664	25,083	5,581
Other purchased services	58,733	58,609	72,004	(13,395)
Heating oil	451,000	451,759	425,994	25,765
Motor fuel	207,240	207,240	202,700	4,540
Electricity	310,000	310,639	373,042	(62,403)
Bottled gas	9,350	9,350	10,293	(943)
Textbooks	106,069	106,069	115,319	(9,250)
Library books/periodicals	36,541	36,541	36,564	(23)
Other supplies and materials	43,966	44,357	44,685	(328)
Dues and fees	50,224	50,224	53,805	(3,581)
Equipment	26,405	26,121	84,867	(58,746)
Technology software	400	400	9,634	(9,234)
Transfer to compensated absences fund			105,000	(105,000)
Total expenditures	\$ 24,740,110	\$ 25,335,221	\$ 25,247,009	\$ 88,212

SCHEDULE 4TOWN OF EAST HAMPTON, CONNECTICUT

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

Grand List	Uncollected Taxes July 1, 2008	Current Tax Levy	Assessor's		Transferred To Suspense	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2009	
			Additions	Deductions			Taxes	Interest and Liens	Total		
2007	\$	\$ 26,962,989	\$ 90,483	\$ 109,957	\$ 13,540	\$ 26,929,975	\$ 26,429,212	\$ 109,068	\$ 26,538,280	\$ 500,763	
2006		357,540	13,674	13,405	8,163	349,646	228,886	49,615	278,501	120,760	
2005		90,273	12,465	6,683	3,556	92,499	42,440	13,993	56,433	50,059	
2004		20,954	8,913	7,107	1,610	21,150	11,690	4,982	16,672	9,460	
2003		6,839				6,839	5,090	4,318	9,408	1,749	
2002		4,878				4,878	4,545	3,253	7,798	333	
2001		1,684				1,684	1,109	523	1,632	575	
	\$	482,168	\$ 26,962,989	\$ 125,535	\$ 137,152	\$ 26,869	\$ 27,406,671	26,722,972	185,752	26,908,724	\$ 683,699
Suspense collections							2,182		2,182		
Suspense interest and liens								1,671	1,671		
Total							\$ 26,725,154	\$ 187,423	\$ 26,912,577		

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Septage Disposal	Septage fees	Accumulation of resources for debt payments
Water System	User fees	Water operations
Public Safety	Fees	Police outside services
Culture and Recreation	User fees	Recreation programs
School Cafeteria	Sale of lunches and grants	Cafeteria operations
Education Grant	Federal and State grants	Education related programs
Compensated Absences	Transfers in	Retirement payouts for accumulated sick and vacation time
Public Works	Federal and State grants	Public works projects
Community Development	Federal grants	Town development programs
Miscellaneous Grant	Federal and State grants	Civic and human services and capital related purposes
Capital Reserve	Federal and State grants	Capital replacement
Beneficial Assessment	Assessments	Accumulation of resources for debt payments
WPCA Operating	User fees	Sewer operations
WPCA Joint Facilities	Member town fees	Regional sewer facility operations

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities.

WPCA Development - acquisition and construction related to the WPCA operations.

Public Water System - construction related to the development of a public water system.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting Town's programs.

Library Trust Fund - support and benefit of the Town's library.

TOWN OF EAST HAMPTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	Special Revenue							
	Septage Disposal	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	Compensated Absences	Public Works
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$ 185,365	\$ 81,096	\$ 236,660	\$	\$
Investments	95,354		141,769				239,833	
Receivables:								
Assessments and user charges		7,094						
Intergovernmental			1,945		16,788	112,570		
Loans								
Other					170	13,426	27,500	
Due from other funds		53,458	11,973			226,605	105,000	569,091
Other					9,248			
Total Assets	\$ 95,354	\$ 60,552	\$ 155,687	\$ 185,365	\$ 107,302	\$ 589,261	\$ 372,333	\$ 569,091
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$ 4,844	\$ 8,342	\$ 11,387	\$ 9,009	\$ 14,797	\$	\$ 31,972
Due to other funds		5,282		2,764	11,843	293,854		3,047
Deferred and unearned revenue		7,094						
Total liabilities	-	17,220	8,342	14,151	20,852	308,651	-	35,019
Fund Balances:								
Reserved for:								
Endowments								
Unreserved	95,354	43,332	147,345	171,214	86,450	280,610	372,333	534,072
Total fund balances	95,354	43,332	147,345	171,214	86,450	280,610	372,333	534,072
Total Liabilities and Fund Balances	\$ 95,354	\$ 60,552	\$ 155,687	\$ 185,365	\$ 107,302	\$ 589,261	\$ 372,333	\$ 569,091

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	Special Revenue						
	Community Development	Miscellaneous Grant	Capital Reserve	Beneficial Assessment	WPCA Joint Facilities	WPCA Operating	Total
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$ 263,174	\$ 919,277	\$ 1,685,572
Investments	2,736	167,538		392,623	532,432		1,572,285
Receivables:							
Assessments and user charges				6,747		88,466	102,307
Intergovernmental	15,000	17,053					163,356
Loans	307,885						307,885
Other		66			9,618	1,816	52,596
Due from other funds		27,916	1,807,401	565,415	704,134		4,070,993
Other							9,248
Total Assets	\$ 325,621	\$ 212,573	\$ 1,807,401	\$ 964,785	\$ 1,509,358	\$ 1,009,559	\$ 7,964,242
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 8,000	\$ 33,384	\$ 89,160	\$	\$ 70,850	\$ 10,757	\$ 292,502
Due to other funds	5,827	78,668				669,613	1,070,898
Deferred and unearned revenue	309,440			6,747		88,466	411,747
Total liabilities	323,267	112,052	89,160	6,747	70,850	768,836	1,775,147
Fund Balances:							
Reserved for:							
Endowments							-
Unreserved	2,354	100,521	1,718,241	958,038	1,438,508	240,723	6,189,095
Total fund balances	2,354	100,521	1,718,241	958,038	1,438,508	240,723	6,189,095
Total Liabilities and Fund Balances	\$ 325,621	\$ 212,573	\$ 1,807,401	\$ 964,785	\$ 1,509,358	\$ 1,009,559	\$ 7,964,242

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	Capital Projects			Permanent		Total
	WPCA	Public		Library	Interfund	Total
	Development	Water	Total	Trust	Eliminations	Nonmajor
		System				Governmental
						Funds
ASSETS						
Cash and cash equivalents	\$	\$	\$ -	\$	\$	1,685,572
Investments			-	16,261		1,588,546
Receivables:						
Assessments and user charges			-			102,307
Intergovernmental		288,687	288,687			452,043
Loans			-			307,885
Other			-			52,596
Due from other funds	47,231	78,668	125,899		(971,969)	3,224,923
Other			-			9,248
Total Assets	\$ 47,231	\$ 367,355	\$ 414,586	\$ 16,261	\$ (971,969)	\$ 7,423,120
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 8,149	\$	\$ 8,149	\$	\$	300,651
Due to other funds	91,326	282,606	373,932		(971,969)	472,861
Deferred and unearned revenue			-			411,747
Total liabilities	99,475	282,606	382,081	-	(971,969)	1,185,259
Fund Balances:						
Reserved for:						
Endowments			-	15,500		15,500
Unreserved	(52,244)	84,749	32,505	761		6,222,361
Total fund balances	(52,244)	84,749	32,505	16,261	-	6,237,861
Total Liabilities and Fund Balances	\$ 47,231	\$ 367,355	\$ 414,586	\$ 16,261	\$ (971,969)	\$ 7,423,120

(Concluded)

TOWN OF EAST HAMPTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue							
	Septage Disposal	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	Compensated Absences	Public Works
Revenues:								
Intergovernmental	\$	\$	\$ 2,811	\$ 18,428	\$ 116,136	\$ 604,961	\$	\$ 156,584
Charges for services	97,300	47,312	300,313	221,197	444,937	45,221		
Income from investments	1,512	143	860	339	261	2,165	(35,076)	9,213
Contributions and donations			423	5,920			27,500	
Miscellaneous		170		584	2	6,780		
Total revenues	98,812	47,625	304,407	246,468	561,336	659,127	(7,576)	165,797
Expenditures:								
Current:								
General government							100,408	
Public safety			160,523					
Public works and utilities		102,512						381,028
Culture and recreation				244,847				
Civic and human services								
Education					541,259	622,884		
Debt service:								
Principal payments	46,204							
Interest and fiscal charges	4,136							
Capital outlays			79,777					
Total expenditures	50,340	102,512	240,300	244,847	541,259	622,884	100,408	381,028
Excess (Deficiency) of Revenues over Expenditures	48,472	(54,887)	64,107	1,621	20,077	36,243	(107,984)	(215,231)
Other Financing Sources (Uses):								
Transfers in		60,000					135,000	
Transfers out	(46,000)							
Total other financing sources (uses)	(46,000)	60,000	-	-	-	-	135,000	-
Net Change in Fund Balances	2,472	5,113	64,107	1,621	20,077	36,243	27,016	(215,231)
Fund Balances - July 1, 2008	92,882	38,219	83,238	169,593	66,373	244,367	345,317	749,303
Fund Balances - June 30, 2009	\$ 95,354	\$ 43,332	\$ 147,345	\$ 171,214	\$ 86,450	\$ 280,610	\$ 372,333	\$ 534,072

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue						Total
	Community Development	Miscellaneous Grant	Capital Reserve	Beneficial Assessment	WPCA Joint Facilities	WPCA Operating	
Revenues:							
Intergovernmental	\$ 287,165	\$ 373,839	\$ 125,201	\$	\$	\$	\$ 1,685,125
Charges for services	1,546	58,914		12,962	914,653	872,506	3,016,861
Income from investments	644	1,957	18,951	20,403	21,130	4,189	46,691
Contributions and donations		9,637					43,480
Miscellaneous			5,647		31,735		44,918
Total revenues	289,355	444,347	149,799	33,365	967,518	876,695	4,837,075
Expenditures:							
Current:							
General government	304,694	94,870	94,374				594,346
Public safety			176,112				336,635
Public works and utilities			514,964		792,908	853,583	2,644,995
Culture and recreation			30,641				275,488
Civic and human services		15,646	0				15,646
Education			174,690				1,338,833
Debt service:							
Principal payments					23,343		69,547
Interest and fiscal charges					6,950		11,086
Capital outlays		357,844	599,482		285,852	29,998	1,352,953
Total expenditures	304,694	468,360	1,590,263	-	1,109,053	883,581	6,639,529
Excess (Deficiency) of Revenues over Expenditures	(15,339)	(24,013)	(1,440,464)	33,365	(141,535)	(6,886)	(1,802,454)
Other Financing Sources (Uses):							
Transfers in		60,240	1,322,226		46,000	3,221	1,626,687
Transfers out	(50,240)		(10,000)			(125,000)	(231,240)
Total other financing sources (uses)	(50,240)	60,240	1,312,226	-	46,000	(121,779)	1,395,447
Net Change in Fund Balances	(65,579)	36,227	(128,238)	33,365	(95,535)	(128,665)	(407,007)
Fund Balances - July 1, 2008	67,933	64,294	1,846,479	924,673	1,534,043	369,388	6,596,102
Fund Balances - June 30, 2009	\$ 2,354	\$ 100,521	\$ 1,718,241	\$ 958,038	\$ 1,438,508	\$ 240,723	\$ 6,189,095

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	Capital Projects			Permanent		Total Nonmajor Governmental Funds
	WPCA Development	Public Water System	Total	Library Trust	Interfund Eliminations	
Revenues:						
Intergovernmental	\$	\$ 288,687	\$ 288,687	\$	\$	\$ 1,973,812
Charges for services	56,427		56,427			3,073,288
Income from investments	921	522	1,443	156		48,290
Contributions and donations			-			43,480
Miscellaneous		140,074	140,074			184,992
Total revenues	57,348	429,283	486,631	156	-	5,323,862
Expenditures:						
Current:						
General government			-			594,346
Public safety			-			336,635
Public works and utilities			-			2,644,995
Culture and recreation			-			275,488
Civic and human services			-			15,646
Education			-			1,338,833
Debt service:						
Principal payments			-			69,547
Interest and fiscal charges			-			11,086
Capital outlays	850,752	501,450	1,352,202			2,705,155
Total expenditures	850,752	501,450	1,352,202	-	-	7,991,731
Excess (Deficiency) of Revenues over Expenditures	(793,404)	(72,167)	(865,571)	156	-	(2,667,869)
Other Financing Sources (Uses):						
Transfers in	125,000	95,000	220,000		(234,461)	1,612,226
Transfers out	(3,221)		(3,221)		234,461	-
Total other financing sources (uses)	121,779	95,000	216,779	-	-	1,612,226
Net Change in Fund Balances	(671,625)	22,833	(648,792)	156	-	(1,055,643)
Fund Balances - July 1, 2008	619,381	61,916	681,297	16,105		7,293,504
Fund Balances - June 30, 2009	\$ (52,244)	\$ 84,749	\$ 32,505	\$ 16,261	\$ -	\$ 6,237,861

(Concluded)

SCHEDULE 7

TOWN OF EAST HAMPTON, CONNECTICUT

**SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2009**

	Uncollected July 1, 2008	Current Year Additions	Deductions and Adjustments	Net Amount Collectible	Collections			Uncollected June 30, 2009
					Assessments	Interest	Total	
Sewer Assessments	\$ 13,166	\$ 4,987	\$ 416	\$ 18,569	\$ 11,822	\$ 1,064	\$ 12,886	\$ 6,747

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Agency Fund

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

TOWN OF EAST HAMPTON, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Assets:				
Cash:				
Student Activity Fund	\$ 142,992	\$ 482,062	\$ 477,558	\$ 147,496
Developer Bond Fund	18,861	175,070	1,148	192,783
Total Cash	161,853	657,132	478,706	340,279
Investments:				
Student Activity Fund	165,505	10,744	350	175,899
Volunteer Firemen Award Fund	672,882	19,390	112,429	579,843
Total Investments	838,387	30,134	112,779	755,742
Total Assets	\$ 1,000,240	\$ 687,266	\$ 591,485	\$ 1,096,021
Liabilities:				
Accounts payable:				
Student Activity Fund	\$ 308,497	\$ 492,806	\$ 477,908	\$ 323,395
Developer Bond Fund	18,861	175,070	1,148	192,783
Volunteer Firemen Award Fund	672,882	19,390	112,429	579,843
Total Liabilities	\$ 1,000,240	\$ 687,266	\$ 591,485	\$ 1,096,021

Trend Information

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

REVENUE CAPACITY (TABLES 5 - 7)

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

DEBT CAPACITY (TABLES 8 - 11)

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

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

TABLE 1

TOWN OF EAST HAMPTON, CONNECTICUTNET ASSETS BY COMPONENT
LAST SEVEN YEARS (1)
(UNAUDITED)

	FISCAL YEAR						
	2009	2008	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES:							
Invested in capital assets, net of related debt.....	\$ 63,685,094	\$ 58,473,214	\$ 60,424,658	\$ 30,216,516	\$ 29,561,339	\$ 24,518,877	\$ 23,097,483
Restricted.....	16,261	16,105	16,814	17,431	17,072	16,799	16,642
Unrestricted.....	12,008,857	16,721,792	12,879,381	12,370,924	10,640,664	12,760,489	13,269,775
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS.....	<u>\$ 75,710,212</u>	<u>\$ 75,211,111</u>	<u>\$ 73,320,853</u>	<u>\$ 42,604,871</u>	<u>\$ 40,219,075</u>	<u>\$ 37,296,165</u>	<u>\$ 36,383,900</u>

(1) Less than ten years of data due to the implementation date of GASB 34.

TABLE 2
(1 of 2)

TOWN OF EAST HAMPTON, CONNECTICUT

CHANGES IN NET ASSETS
LAST SEVEN YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
EXPENSES:							
Governmental activities:							
General government.....	\$ 3,843,123	\$ 2,806,092	\$ 2,688,056	\$ 2,863,707	\$ 2,231,747	\$ 2,086,367	\$ 1,964,309
Public safety.....	2,788,364	2,429,211	2,366,551	2,377,612	2,334,646	2,003,865	1,984,094
Civic and human services.....	997,140	368,356	337,184	287,554	314,598	267,718	395,145
Public works and utilities.....	5,373,203	5,173,124	4,838,968	4,341,583	4,062,603	3,695,331	3,979,738
Education.....	29,344,735	34,711,774	25,312,601	24,471,957	21,873,102	20,861,963	20,695,865
Regulatory.....	465,619	405,373	365,541	387,641	343,793	313,798	339,490
Culture and recreation.....	1,354,708	1,386,344	1,341,023	1,313,175	1,208,799	1,139,830	966,197
Interest on long-term debt.....	419,369	450,205	469,774	481,197	504,222	557,941	536,717
Total Governmental activities expenses.....	44,586,261	47,730,479	37,719,698	36,524,426	32,873,510	30,926,813	30,861,555
PROGRAM REVENUES:							
Charges for services:							
General government.....	331,000	444,108	432,258	499,866	465,823	515,098	313,025
Public safety.....	306,825	61,697	102,218	48,535	51,237	57,398	52,236
Civic and human services.....	900	11,472	29,993	13,436	15,099	13,539	15,975
Public works and utilities.....	2,076,501	2,638,709	2,162,517	1,912,551	1,607,621	1,537,575	880,217
Education.....	498,749	468,912	502,271	489,650	475,082	450,060	403,667
Regulatory.....	109,184	257,085	270,305	324,079	366,787	277,701	232,664
Culture and recreation.....	247,327	512,574	277,038	303,116	293,230	265,596	209,176
Operating grants and contributions.....	12,133,613	18,389,367	10,089,877	10,089,752	8,634,397	7,956,811	8,850,429
Capital grants and contributions.....	1,368,159	-	206,205	1,324,242	1,850,348	686,836	150,352
Total Governmental activities program revenues.....	17,072,258	22,783,924	14,072,682	15,005,227	13,759,624	11,760,614	11,107,741
NET EXPENSE:							
Governmental activities.....	(27,514,003)	(24,946,555)	(23,647,016)	(21,519,199)	(19,113,886)	(19,166,199)	(19,753,814)

(1) Less than ten years of data due to the implementation date of GASB 34.

(Continued)

TABLE 2
(2 of 2)

TOWN OF EAST HAMPTON, CONNECTICUT

CHANGES IN NET ASSETS
LAST SEVEN YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:							
Governmental activities:							
Property taxes.....	\$ 27,202,929	\$ 25,868,511	\$ 24,150,645	\$ 22,988,641	\$ 21,315,588	\$ 19,475,465	\$ 18,150,121
Grants and contributions not restricted to specific programs.....	359,057	425,663	406,978	411,922	460,453	474,776	595,864
Investment income.....	230,040	521,414	654,130	474,365	260,755	128,223	168,602
Miscellaneous.....	221,078	21,225	32,709	29,067	-		101,876
Total Governmental activities	28,013,104	26,836,813	25,244,462	23,903,995	22,036,796	20,078,464	19,016,463
CHANGE IN NET ASSETS:							
Governmental activities.....	\$ 499,101	\$ 1,890,258	\$ 1,597,446	\$ 2,384,796	\$ 2,922,910	\$ 912,265	\$ (737,351)

(1) Less than ten years of data due to the implementation date of GASB 34.

(Concluded)

TABLE 3

TOWN OF EAST HAMPTON CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GENERAL FUND:										
Reserved.....	\$ 1,687	\$ 1,888	\$ 1,888	\$ 12,640	\$ 27,657	\$ 28,918	\$ 115,971	\$ 98,394	\$ 119,686	\$ 90,490
Unreserved:										
Designated								500,000	710,000	415,000
Undesignated	4,592,586	4,569,543	3,942,876	3,599,359	3,294,342	2,402,647	1,612,606	1,534,623	1,785,437	1,901,533
Total unreserved.....	4,592,586	4,569,543	3,942,876	3,599,359	3,294,342	2,402,647	1,612,606	2,034,623	2,495,437	2,316,533
TOTAL GENERAL FUND.....	4,594,273	4,571,431	3,944,764	3,611,999	3,321,999	2,431,565	1,728,577	2,133,017	2,615,123	2,407,023
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved:										
Encumbrances.....			184,195	242,368	1,631,685	1,388,158	202,693	466,263	563,136	206,455
Inventory.....		8,679	17,020	15,954	14,841	10,754	11,923	13,949	14,483	19,418
Advances.....		150,000	150,000	150,000	150,000	150,000	150,000	100,000		
Endowment.....	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Unreserved reported in:										
Special revenue funds.....	6,189,095	6,587,423	5,512,204	4,656,345	3,958,827	3,739,544	2,523,744	4,399,445	3,573,644	3,916,711
Capital funds.....	842,102	(100,674)	75,118	(50,073)	(3,353,908)	(1,047,522)	1,513,623	151,705	(393,074)	314,581
Permanent funds.....	761	605	1,314	1,931	1,572	1,299	1,142	1,133	2,108	1,674
TOTAL ALL OTHER GOVERNMENTAL FUNDS.....	7,047,458	6,661,533	5,955,351	5,032,025	2,418,517	4,257,733	4,418,625	5,147,995	3,775,797	4,474,339
GRAND TOTAL.....	\$ 11,641,731	\$ 11,232,964	\$ 9,900,115	\$ 8,644,024	\$ 5,740,516	\$ 6,689,298	\$ 6,147,202	\$ 7,281,012	\$ 6,390,920	\$ 6,881,362

TABLE 4

TOWN OF EAST HAMPTON CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
REVENUES:										
Property taxes.....	\$ 26,977,875	\$ 25,728,961	\$ 24,111,349	\$ 22,942,563	\$ 21,422,097	\$ 19,439,979	\$ 18,086,418	\$ 16,719,969	\$ 16,299,993	\$ 15,354,343
Intergovernmental.....	13,476,892	19,412,152	11,321,506	11,866,113	10,440,570	9,566,450	9,499,034	10,294,196	9,802,343	9,955,852
Charges for services.....	3,507,029	2,975,744	2,350,549	2,684,264	2,419,463	2,230,422	2,169,060	1,386,358	1,318,594	1,779,503
Contributions and donations.....	43,480	14,973	30,897	40,547	90,453	42,645	98,136	22,056	78,201	
Licenses, permits and fees.....		984,160	946,617	917,976	1,049,369	984,324	756,209	1,378,594	1,089,801	611,441
Income on investments.....	213,850	\$ 956,667	1,083,913	474,365	260,755	128,041	168,602	501,010	544,904	482,921
Miscellaneous.....	221,078	121,332	195,847	155,981	95,384	269,687	180,476	395,062	150,155	261,148
TOTAL REVENUES.....	44,440,204	50,193,989	40,040,678	39,081,809	35,778,091	32,661,548	30,957,935	30,697,245	29,283,991	28,445,208
EXPENDITURES:										
Current:										
General government.....	3,561,676	3,492,675	3,923,904	3,558,311	2,852,719	2,819,513	2,843,191	2,427,376	2,282,330	2,189,200
Public safety.....	2,367,533	2,064,890	2,003,325	2,009,592	1,975,840	1,698,436	1,525,643	1,431,887	1,264,545	1,163,816
Public works and utilities.....	4,501,875	4,203,271	3,857,705	3,790,680	3,753,384	3,177,904	3,502,442	2,591,903	2,660,297	2,185,251
Culture and recreation.....	1,166,392	1,311,823	1,182,446	1,144,162	1,322,824	960,245	785,617	851,811	697,022	677,573
Civic and human services.....	353,640	597,669	306,090	247,240	283,644	239,876	380,701	281,344	324,217	272,532
Regulatory.....	393,412	321,864	302,164	320,056	283,927	246,948	236,749	252,088	221,411	192,476
Education.....	28,405,370	34,166,701	24,743,670	23,890,590	21,396,190	20,357,519	19,711,256	18,836,373	17,734,042	17,144,617
Capital outlay.....	4,129,702	620,777	310,641	2,195,113	2,590,790	245,590	450,442	3,339,732	1,804,790	1,215,474
Debt service.....	2,153,027	2,081,470	2,154,642	2,238,077	2,267,555	2,373,421	2,711,518	2,667,703	2,786,885	2,894,381
TOTAL EXPENDITURES.....	47,032,627	48,861,140	38,784,587	39,393,821	36,726,873	32,119,452	32,147,559	32,680,217	29,775,539	27,935,320
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,592,423)	1,332,849	1,256,091	(312,012)	(948,782)	542,096	(1,189,624)	(1,982,972)	(491,548)	509,888
OTHER FINANCING SOURCES (USES):										
Transfers in.....	1,612,226	1,513,973	1,719,689	1,481,671	828,385	497,382	1,113,266	1,364,033	1,276,493	1,217,203
Transfers out.....	(1,612,226)	(1,513,973)	(1,719,689)	(1,481,671)	(828,385)	(497,382)	(1,113,266)	(1,364,033)	(1,276,493)	(1,217,203)
Payment to refunded bond escrow agent.....							(4,059,832)			
Issuance of bonds.....	2,985,000			3,175,000			4,005,000	2,848,694		
Premium.....	16,190			40,520			91,799	5,826		
NET OTHER FINANCING SOURCES (USES).....	3,001,190	-	-	3,215,520	-	-	36,967	2,854,520	-	-
NET CHANGE IN FUND BALANCES.....	\$ 408,767	\$ 1,332,849	\$ 1,256,091	\$ 2,903,508	\$ (948,782)	\$ 542,096	\$ (1,152,657)	\$ 871,548	\$ (491,548)	\$ 509,888
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	12.33%	4.34%	5.69%	14.80%	6.78%	7.55%	8.69%	17.18%	9.55%	10.62%

TABLE 5

TOWN OF EAST HAMPTON, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30	<u>REAL ESTATE</u>		<u>PERSONAL PROPERTY</u>		<u>TOTAL</u>		PERCENTAGE OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
	ASSESSED VALUE	ESTIMATED VALUE	NET ASSESSED VALUE	NET ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2000	\$ 539,646,620	\$ 675,992,081	\$ 65,419,353	\$ 93,456,219	\$ 605,065,973	\$ 769,448,300	78.64%	24.49
2001	550,889,170	721,156,593	71,281,498	101,830,711	622,170,668	822,987,304	75.60%	25.46
2002	547,280,430	783,184,186	74,727,352	106,753,360	622,007,782	889,937,546	69.89%	26.39
2003	561,597,295	881,531,190	79,549,080	113,641,543	641,146,375	995,172,733	64.43%	27.70
2004	579,077,610	1,044,343,538	84,974,402	121,392,003	664,052,012	1,165,735,541	56.96%	28.69
2005	604,792,880	1,225,069,166	86,932,071	124,188,673	691,724,951	1,349,257,839	51.27%	30.19
2006	633,778,790	1,370,394,017	96,442,648	137,775,211	730,221,438	1,508,169,228	48.42%	30.81
2007	955,107,270	1,364,438,957	102,658,399	146,654,856	1,057,765,669	1,511,093,813	70.00%	22.48
2008	985,459,600	1,407,799,429	110,538,107	157,911,581	1,095,997,707	1,565,711,010	70.00%	23.30
2009	1,010,910,310	1,444,157,586	113,728,362	162,469,089	1,124,638,672	1,606,626,674	70.00%	23.81

Source: Town of East Hampton, Assessor's Office

TABLE 6

TOWN OF EAST HAMPTON, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

NAME	NATURE OF BUSINESS	2009			2000		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)
CT Light & Power Co.	Utility	\$12,028,640	1	1.07%	\$ 7,747,690	1	1.28%
Landmark East Hampton LLC	Mall Real Estate	\$7,392,050	2	0.66%			
Skyline Estates LLC	Real Estate Developer	\$3,465,990	3	0.31%			
Jackowitz, Edward / American Distilling	Manufacturer	\$3,101,750	4	0.28%	3,472,488	2	0.57%
Rechovos	Real Estate Developer	\$2,475,230	5	0.22%			
Royal Oaks LLC	Real Estate Developer	\$2,195,330	6	0.20%			
Global Self Storage	Commercial Real Estate	\$2,187,430	7	0.19%			
Dream Developers of Cape Cod Inc	Real Estate Developer	\$2,176,850	8	0.19%			
Shaws Supermarket	Mall-Personal Property	\$2,025,380	9	0.18%			
Pauls & Sandys Too, Inc.	Real Estate - Commercial/Farm	\$1,888,110	10	0.17%	1,240,960	10	0.21%
East Hampton Mall LTD Ptshp	Mall				2,576,700	3	0.43%
J. C. Barton Company	Manufacturer				2,295,406	4	0.38%
WWR/MFR & Edgerton Estates	Real Estate Developer				2,223,750	5	0.37%
Nichols Bus Service, Inc.	Bus Company				1,619,150	6	0.27%
Carreiro, Frank	Real Estate				1,373,200	7	0.23%
Noslen, Inc./Gustine Family Ltd	Campground				1,344,320	8	0.22%
Z Incorporated	Convalescent Home				1,333,230	9	0.22%
TOTAL		<u>\$ 38,936,760</u>		<u>3.46%</u>	<u>\$ 25,226,894</u>		<u>4.17%</u>

Source: Assessor's Office, Town of East Hampton

(1) Based on October 1, 2007 and 1998 net taxable Grand List of \$1,124,638,672 and \$605,065,973, respectively.

TABLE 7**TOWN OF EAST HAMPTON, CONNECTICUT****TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	(1) MILL RATE	TOTAL ADJUSTED TAX LEVY (1)	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2000	24.49	\$ 14,930,736	\$ 14,642,066	98.07%	\$ 381,184	\$ 15,023,250	100.62%	\$ 544,273
2001	25.46	15,983,327	15,754,250	98.57%	379,331	16,133,581	100.94%	404,538
2002	26.39	16,593,511	16,333,028	98.43%	241,620	16,574,648	99.89%	385,608
2003	27.70	17,956,703	17,681,790	98.47%	246,707	17,928,497	99.84%	335,896
2004	28.69	19,284,127	19,015,770	98.61%	235,776	19,251,546	99.83%	348,458
2005	30.19	21,178,483	20,993,136	99.12%	280,854	21,273,990	100.45%	237,890
2006	30.81	22,858,750	22,613,423	98.93%	167,661	22,781,084	99.66%	290,259
2007	22.48	24,026,413	23,745,910	98.83%	207,953	23,953,863	99.70%	334,027
2008	23.30	25,714,934	25,357,394	98.61%	178,779	25,536,173	99.30%	482,168
2009	23.81	26,929,975	26,429,212	98.14%	-	26,429,212	98.14%	683,699

(1) Adjusted tax levy equals the tax levy after lawful corrections, abatements and transfers to suspense.

Source: Town of East Hampton Tax office

TABLE 8**TOWN OF EAST HAMPTON, CONNECTICUT****RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	TOTAL	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2000	\$ 16,985,000	\$ 566,121	\$ 17,551,121	0.00%	\$ 1,574
2001	15,019,999	526,745	15,546,744	0.00%	1,366
2002	13,155,000	990,267	14,145,267	0.00%	1,243
2003	13,855,000	913,695	14,768,695	0.00%	1,292
2004	12,100,000	850,761	12,950,761	0.00%	1,111
2005	10,375,000	786,557	11,161,557	0.00%	936
2006	11,845,000	721,057	12,566,057	0.00%	1,031
2007	10,220,000	654,235	10,874,235	0.00%	873
2008	8,610,000	586,063	9,196,063	0.00%	733
2009	9,995,000	516,516	10,511,516	0.00%	838

TABLE 9

TOWN OF EAST HAMPTON, CONNECTICUTRATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL OBLIGATION DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	TOTAL		
2000	\$ 16,985,000	\$ 566,121.00	\$ 17,551,121	2.28%	\$ 1,574
2001	15,019,999	526,745	15,546,744	1.89%	1,366
2002	13,155,000	990,267	14,145,267	1.59%	1,243
2003	13,855,000	913,695	14,768,695	1.48%	1,292
2004	12,100,000	850,761	12,950,761	1.11%	1,111
2005	10,375,000	786,557	11,161,557	0.83%	936
2006	11,845,000	721,057	12,566,057	0.83%	1,031
2007	10,220,000	654,235	10,874,235	0.72%	873
2008	8,610,000	586,063	9,196,063	0.59%	733
2009	9,995,000	516,516	10,511,516	0.65%	838

NOTE: Details regarding the Town's outstanding debt can be found in the notes to the basic financial statements.

TABLE 10

TOWN OF EAST HAMPTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
CONNECTICUT STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2009
(UNAUDITED)

<u>TAX BASE:</u>	
Total tax collections (including interest and lien fees).....	\$ 26,912,577
<u>REIMBURSEMENT OF REVENUE LOST ON:</u>	
Tax Relief for Elderly Freeze Grant.....	4,000
TOTAL BASE.....	<u>\$ 26,916,577</u>

	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
<u>DEBT LIMITATION:</u>					
2 1/4 times base.....	\$ 60,562,298	\$	\$	\$	\$
4 1/2 times base.....		121,124,597			
3 3/4 times base.....			100,937,164		
3 1/4 times base.....				87,478,875	
Capital outlay.....					80,749,731
TOTAL LIMITATIONS.....	<u>60,562,298</u>	<u>121,124,597</u>	<u>100,937,164</u>	<u>87,478,875</u>	<u>80,749,731</u>
<u>INDEBTEDNESS:</u>					
Bonds.....	6,562,000	3,433,000	516,516		
Less school building grants and other grants.....		(1,564,079)			
Less sewer assessment receivable.....			(6,747)		
NET INDEBTEDNESS.....	<u>6,562,000</u>	<u>1,868,921</u>	<u>509,769</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....	<u>\$ 54,000,298</u>	<u>\$ 119,255,676</u>	<u>\$ 100,427,395</u>	<u>\$ 87,478,875</u>	<u>\$ 80,749,731</u>

The total net indebtedness above amounts to: \$ 8,940,690

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 188,416,039

There is no overlapping debt for the Town of East Hampton

TABLE 11**TOWN OF EAST HAMPTON, CONNECTICUT**

LEGAL DEBT MARGIN INFORMATION
 LAST TEN YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2000	\$ 107,458,659	\$ 8,735,155	\$ 98,723,504	8.13%
2001	114,945,754	9,996,885	104,948,869	8.70%
2002	117,556,432	10,282,552	107,273,880	8.75%
2003	127,036,518	9,755,605	117,280,913	7.68%
2004	136,052,000	8,323,000	127,729,000	6.12%
2005	150,227,000	9,648,000	140,579,000	6.42%
2006	162,155,000	9,874,000	152,281,000	6.09%
2007	169,056,699	10,401,858	158,654,841	6.15%
2008	180,607,840	9,183,692	171,424,148	5.08%
2009	188,416,039	10,511,516	177,904,523	5.58%

TABLE 12

TOWN OF EAST HAMPTON, CONNECTICUTDEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	PERSONAL INCOME	(2) PER CAPITA INCOME	(1) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
2000	11,152	66,023	22,769	32.2	N/A	1,994	2.30%
2001	11,381				N/A	1,976	2.40%
2002	11,381				N/A	2,001	4.60%
2003	11,435				N/A	2,027	5.90%
2004	11,660				N/A	2,126	4.90%
2005	11,927				N/A	2,164	5.60%
2006	12,194				N/A	2,088	4.50%
2007	12,459				N/A	2,087	4.80%
2008	12,548	83,465			N/A	2,073	5.80%
2009	12,548				N/A	2,082	7.70%

(1) Source: State of Connecticut, Department of Health Services, 2000 - 2004: US Census.

(2) U.S. Department of Commerce, Bureau of the Census, 1993-1999. Connecticut Department of Economic and Community Development, 2000-2004.

(3) Town of East Hampton, Board of Education.

(4) Department of Labor, State of Connecticut.

N/A - Information not available

TABLE 13

TOWN OF EAST HAMPTON, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2009			2000		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Town of East Hampton	365	1	18.91%	317	1	18.98%
Shaws Supermarket	152	2	7.88%	-		
Cobalt Lodge	74	3	3.83%	76	2	4.55%
Northeast Utilities	50	4	2.59%	50	3	2.99%
American Distilling	50	5	2.59%	40	4	2.40%
Bevin Brothers	23	6	1.19%	29	5	1.74%
EMS	10	7	0.52%	22	6	1.32%
J.C. Barton			0.00%	10	7	0.60%
TOTAL	<u>724</u>		<u>37.51%</u>	<u>544</u>		<u>32.57%</u>

Source: Connecticut Department of Labor

Note: All other employer have less than 10 employees

TABLE 14

TOWN OF EAST HAMPTON, CONNECTICUTFULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>Administrative and General Government</u>										
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Town Manager's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Registrar of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Planning and Zoning	5.0	3.0	3.0	3.5	3.5	3.5	3.5	4.0	4.0	4.0
Human Resources	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Facilities / Building Maintenance	3.3	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>Finance</u>										
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0
Assessor	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0
Tax Collector	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>Public Safety</u>										
Fire Marshal	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police	19.0	19.0	18.0	18.0	18.0	17.0	16.0	16.0	16.0	16.0
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5
Emergency Communications Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Public Works</u>										
Public Works Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Works Operations	14.0	14.0	14.0	14.0	14.0	13.0	13.0	12.0	12.0	12.0
Water Pollution Control	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<u>Health, Social, Human Services</u>										
Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Social and Human Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Senior Services	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5
<u>Library</u>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>Recreation</u>										
Parks and Recreation	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
GRAND TOTAL	85.8	83.3	82.0	82.5	82.0	79.5	79.0	79.5	79.5	79.5

Source: Town Human Resources Department.

TABLE 15

TOWN OF EAST HAMPTON, CONNECTICUTFULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>TOWN</u>										
Administrative and General Government.....	16.30	14.30	14.00	14.50	14.50	14.50	14.50	14.00	14.00	14.00
Finance.....	10.50	10.50	10.50	10.50	10.50	10.00	10.00	11.00	11.00	11.00
Public Safety.....	20.50	21.00	20.00	20.00	20.00	19.00	18.50	18.50	18.50	18.50
Public Works.....	27.00	26.00	26.00	26.00	26.00	25.00	25.00	24.00	24.00	24.00
Health, Social, Human Services.....	3.50	3.50	3.50	3.50	3.00	3.00	3.00	4.00	4.00	4.00
Library.....	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Recreation.....	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
TOTAL.....	85.80	83.30	82.00	82.50	82.00	79.50	79.00	79.50	79.50	79.50
<u>BOARD OF EDUCATION</u>										
Teaching Staff.....										
Administration.....										
Other Staff.....										
TOTAL.....	-	-	-	-	-	-	-	-	-	-
TOTAL.....	85.80	83.30	82.00	82.50	82.00	79.50	79.00	79.50	79.50	79.50

Source: Town and Board of Education Human Resource Departments.