

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**TOWN OF EAST HAMPTON,  
CONNECTICUT**

**FOR THE YEAR ENDED**

**JUNE 30, 2010**

**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, 2010**

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## Introductory Section

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**TOWN OF EAST HAMPTON, CONNECTICUT**

LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2010

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**TOWN COUNCIL**

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

**BOARD OF FINANCE**

Matthew Walton, Chairman  
Tim Csere, Vice Chairperson  
Patience Anderson  
Judith S. Isele  
Tom O'Brien  
George Pfaffenbach  
Henry G. Thorpe

**BOARD OF EDUCATION**

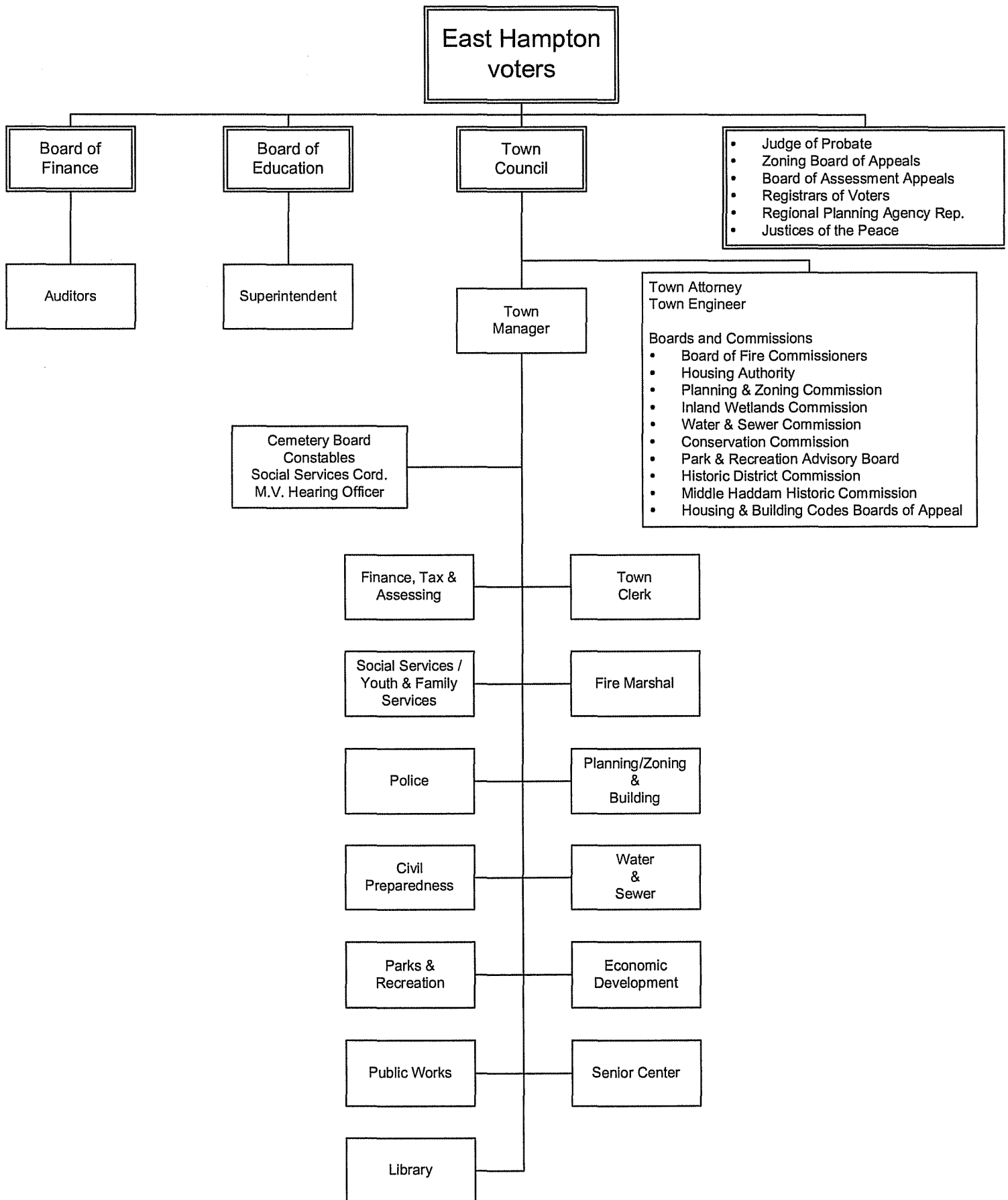
Michael J. Vasquenza, Chairman  
Joanne Barmasse  
Donald Coolican  
Glen Gemma  
Carol Lane  
Mark Laraia  
Josh Piteo  
Debra Robinson  
Sheila Wall

**EAST HAMPTON ADMINISTRATIVE OFFICIALS**

Robert G. Drewry, Acting Town Manager

Library Director	Susan M. Berescik
Planning, Zoning and Building Administrator	James P. Carey
Senior Center Director	Jo Ann H. Ewing
Superintendent of Schools	Dr. Judith Golden
Facilities Manager	Frank J. Grzyb
Public Works Superintendent	Keith Hayden
Director of Finance	Jeffery M. Jylkka
Director of Parks & Recreation	Ruth Plummer
Police Chief	Matthew A. Reimondo
Fire Chief	Chuck Stickler
Public Utilities Administrator	Vincent F. Susco, Jr.
Fire Marshal	Philip W. Visintainer
Town Clerk	Sandra M. Wieleba

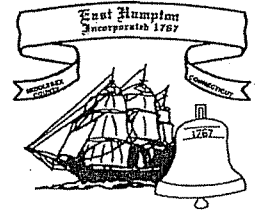
# Town of East Hampton, Connecticut Organizational Chart



**Bob Drewry**  
Acting 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



December 16, 2010

To the Town Manager, Members of the Town Council, Members of the Board of Finance and Citizens of the Town of East Hampton, Connecticut.

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of East Hampton for the year ended June 30, 2010. The report includes the independent auditors' report as required by Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgements by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Kostin, Ruffkess & Company, LLC, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of East Hampton, Connecticut for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of East Hampton's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Report.



Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Town of East Hampton**

The Town covers an area of 36.8 square miles in east central Connecticut and is on the east bank of the Connecticut River, approximately 21 miles south of Hartford. East Hampton's topography is dominated by numerous hills interspersed with winding stream valleys and level wetland areas. The Town is traversed by State Routes 16, 66, 151, and 196. Route 66 provides access to Route 2 and Hartford as well as Middletown. There are approximately 90 miles of Town roads. The State maintains approximately 35 miles of highway in East Hampton. The 2010 population was 12,766. The Town was originally settled in 1710.

The Town of East Hampton has a Council-Manager form of government with a Town Council consisting of seven elected members serving concurrent two-year terms and a Board of Finance consisting of seven elected regular members serving overlapping four-year terms. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes and a Charter which was adopted in 1971, effective 1973 and revised in 1987. The legislative power of the Town is vested with the Town Council and the Town Meeting, which must approve the annual budget, all special appropriations or expenditures, and all bond and note authorizations. The Town Manager is the chief executive officer and chief administrative officer of the Town and is responsible for the administration of all Town matters with the exception of the education system.

The financial administrator of the Town is the Director of Finance. The Director of Finance serves as Treasurer for the Town and Business Manager for the Board of Education and is responsible for the operation and supervision of the Department of Finance. The Director of Finance has full supervisory responsibilities for the keeping of accounts and financial records; the receipt of operating and other revenues; the custody and disbursement of Town and Board of Education funds and money; the control over expenditures and budget functions. The Collector of Revenue and the Assessor work under the supervision of the Director of Finance. The Assessor's Office discovers lists and prices real estate, personal property and motor vehicles for the purpose of taxation. The Tax Collector's Office bills, collects, processes and deposits taxes, interest and fees on all taxable property in the Town.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Exhibit L (II) A in the Notes to the Basic Financial Statements describes the budget process used by the Town.

### **Local Economy and Major Initiatives**

East Hampton is a residential community with a light industrial tax base and limited seasonal resorts. Principal industries include manufacture of bells, pharmaceuticals, tools and dies, and forestry. East Hampton has been fortunate that unemployment and foreclosure rates are below regional, state and national levels. East Hampton's existing development has occurred primarily on the major roadways, Routes 16, 151, and particularly, Route 66. Principal non-residential development has occurred in three historic centers – Cobalt, Middle Haddam, and East Hampton Center. High-density residential development is concentrated around East Hampton Center and Lake Pocotopaug. Approximately 720 acres remain as active farmland, mostly as field crops.

Construction of a town-wide water system has been put on hold along with renovations to the High School as a result of the instability in the economy. Major renovations to the Senior Center are in the design phase and have been funded through the State's Small Cities Grant program. The Town received two Economic Assistance grants for the construction of an amphitheater located at Sears Park as well as for improvements to the Airline Trail. These projects are anticipated to be complete by the end of the 2011 calendar year. A roof replacement project for Memorial School was approved during the year and construction is anticipated to begin by the end of the 2011 fiscal year.

Residential housing values throughout the Town have begun to increase slightly compared to a year ago. Building permits for residential development have doubled compared to last year.

The Town of East Hampton is well positioned to accept and meet the challenges posed by the 21<sup>st</sup> century. The Town has a moderate debt burden which is planned for quick retirement; and its pension plans remain at high funding levels. Conservative budgeting practices has enabled the Town to increase its unreserved fund balance 129% over the past ten years. These facts are echoed within the municipal credit industry. In April 2009 Standard & Poor's Ratings Services raised the Town's debt rating two notches to 'AA' from 'A+' based on its assessment of the town's historical trend of financial stability and continued maintenance of a favorable debt profile. In May 2010 Moody's Investor Service recalibrated their ratings scale and as a result East Hampton's credit rating increased two notches from "A2" to "Aa3".

### **Long-Term Financial Planning.**

The Town issued no debt during fiscal year 2010. The Town intends to issue long term debt during fiscal year 2012 which will finance the Memorial School roof and oil tank replacement projects. As stability returns to the economy the Town will continue its planning for the town-wide water system and high school improvement projects. A facilities task force was also established to plan for the expansion of other town facilities.

### **Relevant Financial Policies**

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. There were no developments at the State level that impacted the current year financial statements.

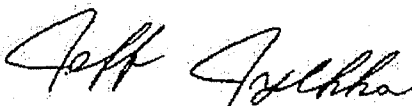
### **Awards and Acknowledgements**

The Town of East Hampton is submitting its June 30, 2010 report for consideration of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report. In particular, Teresa Shulman, who continued to provide service above and beyond the call of duty and at the highest level of professionalism. We also appreciate the professional service and assistance rendered by Kostin, Ruffkess & Company, LLC.

This comprehensive annual financial report reflects a commitment to the citizens of East Hampton, the Town Council, the Board of Finance, and all concerned readers of this report, to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,



Jeffery M. Jylkka  
Finance Director

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## **Financial Section**

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Business Advisors and Certified Public Accountants

Farmington, CT • New London, CT  
Springfield, MA

Pond View Corporate Center  
76 Batterson Park Road  
Farmington, CT 06032-2571

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRCC  
Fax: (860) 678-6110  
Web: www.kostin.com

## 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, 2010, 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, 2010, the respective changes in financial position and cash flows, where applicable, thereof 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 16, 2010, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in 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 8 through 17 and pages 54 and 55, 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 statistical section 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.

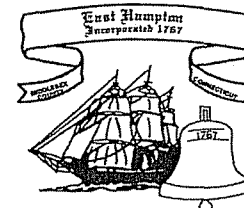
*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
December 16, 2010

**Bob Drewry**  
Acting Town Manager  
860.267.4468

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Finance Director  
860.267.7548

**TOWN OF EAST HAMPTON**  
20 EAST HIGH STREET  
EAST HAMPTON, CT 06424



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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010**

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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, 2010.

**Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$77,384,678 (*net assets*). Of this amount, \$10,107,050 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Unrestricted net assets decreased by \$1,901,807 from the prior year, primarily due to operating losses in the General Fund (\$510K) and Capital Initiatives Fund (\$656K) and an increase in post employment obligations (\$224K)
- The Town's total net assets increased by \$1,674,466. 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 \$10,723,034, a decrease of \$918,697 in comparison with the prior year. This decrease is associated with the General Fund utilizing \$454,725 from fund balance as a grant match and a \$655,856 operating loss in the Capital Initiatives Fund as a result of timing differences between debt that was issued during the prior fiscal year and related expenditures in the current fiscal year. \$353,189 of fund balance is reserved for specific purposes, leaving an *unreserved fund balance* in the amount of \$10,369,845.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,083,407, an decrease of \$510,866 in comparison with the prior year. This represents 10.8% of total budgetary general fund expenditures and transfers out.

**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 three categories: governmental funds, proprietary 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, capital initiatives fund, and capital reserves fund all of which are considered to be major funds. Data from the other 16 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.

**Proprietary fund.** The Town maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits and various other self-insured risks. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The data for the internal service fund is provided in Exhibits G, H, and I of this report.

**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 J and K). 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 2.2% from a year ago – increasing from \$75,710,212 to \$77,384,678.

By far the largest portion of the Town's net assets (86.49 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, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
Current and other assets	\$ 16,285,507	\$ 17,242,872
Capital assets, net of accumulated depreciation	75,732,503	74,125,768
Total assets	92,018,010	91,368,640
Long-term liabilities outstanding	10,963,068	11,751,226
Other liabilities	3,670,264	3,907,202
Total liabilities	14,633,332	15,658,428
Net Assets:		
Invested in capital assets, net of related debt	66,932,674	63,685,094
Restricted	344,954	16,261
Unrestricted	10,107,050	12,008,857
Total Net Assets	\$ 77,384,678	\$ 75,710,212

A portion of the Town's net assets (.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (13.06%) 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 \$1,674,466. Key elements of this increase are as follows:

**TOWN OF EAST HAMPTON, CONNECTICUT**

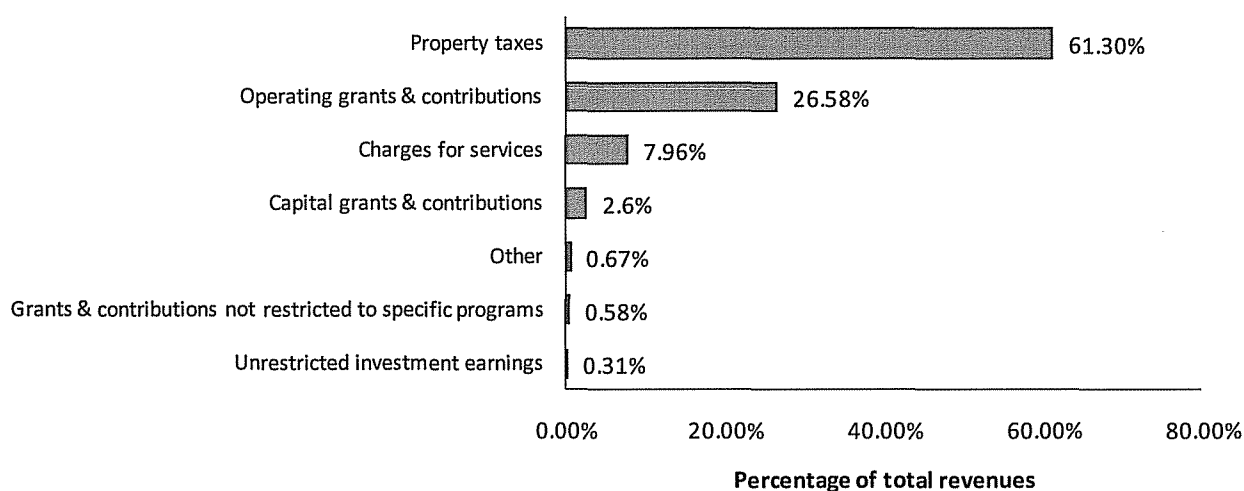
**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDING JUNE 30, 2010 AND 2009**

	2010	2009
<b>REVENUES:</b>		
Program revenues:		
Charges for services	\$ 3,605,843	\$ 3,570,486
Operating grants and contributions	12,048,503	12,133,613
Capital grants and contributions	1,196,987	1,368,159
General revenues:		
Property taxes	27,760,475	27,202,929
Grants and contributions not restricted to specific programs	264,189	359,057
Investment income	142,627	230,040
Other	304,570	221,078
<b>TOTAL REVENUES</b>	<b>45,323,194</b>	<b>45,085,362</b>
<b>EXPENSES:</b>		
General government	3,175,055	3,843,123
Public safety	2,882,654	2,788,364
Civic and human services	477,033	997,140
Public works	4,792,395	5,373,203
Education	29,863,970	29,344,735
Regulatory	647,805	465,619
Culture and recreation	1,440,829	1,354,708
Interest	368,987	419,369
<b>TOTAL EXPENSES</b>	<b>43,648,728</b>	<b>44,586,261</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,674,466</b>	<b>499,101</b>
<b>NET ASSET - JULY 1</b>	<b>75,710,212</b>	<b>75,211,111</b>
<b>NET ASSETS - JUNE 30</b>	<b>\$ 77,384,678</b>	<b>\$ 75,710,212</b>

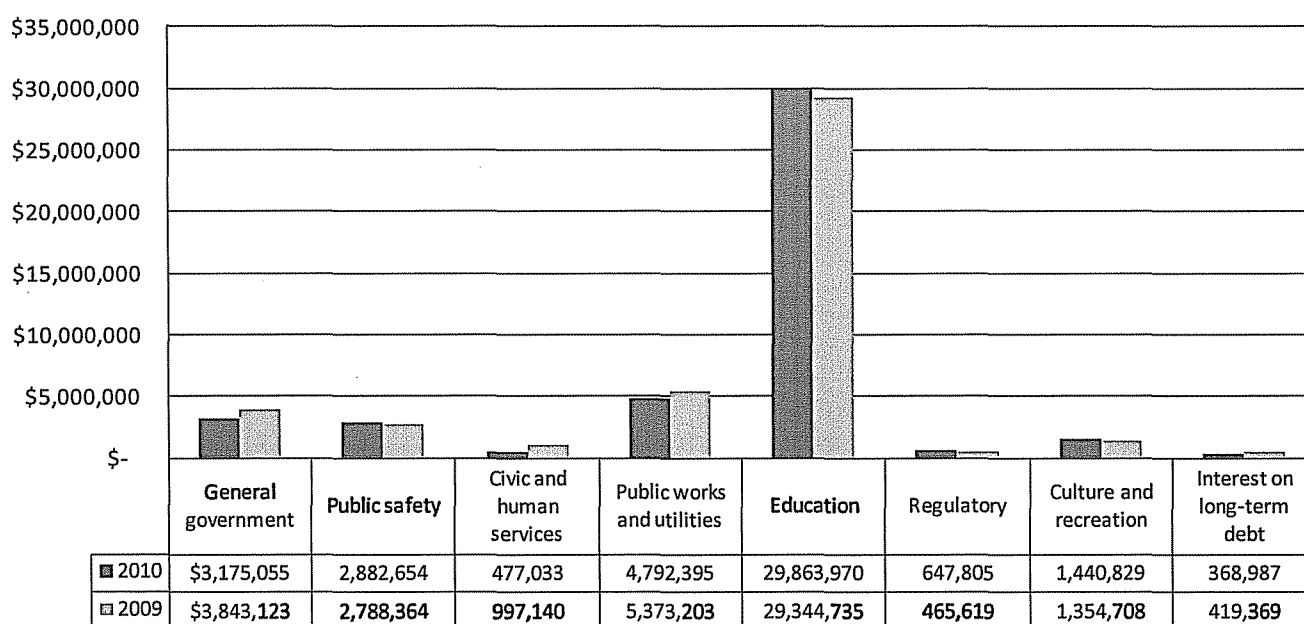
- Property tax revenues increased by \$557,546 due to a 1.6% increase in the tax rate.
- The \$171,172 decrease in capital grants and contributions was related to the decrease in the acceptance of new roads by the Town as compared to the prior year.

- Public works expenses decreased by \$580,808 substantially due to decrease in the volume of road maintenance projects.
- Civic and Human Services expenses decreased by \$520,107 substantially due to the accrual of an environmental obligation recorded in the prior year.
- General Government expenses decreased by \$668,068 substantially due to the accrual of an environmental obligation recorded in the prior year.
- Board of Education expenses increased by \$519,235 as a result of increases in 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 \$10,723,034. The Town has reserved \$353,189 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 construction commitments (\$337,689).

The total fund balance decreased by \$918,697 to \$10,723,034. This was due to a \$510,866 operating loss in the General Fund and a \$655,856 operating loss in the Capital Initiatives Fund.

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 \$4,083,407. 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 10.2 percent of total general fund expenditures and transfers out.

The fund balance of the Town's general fund decreased by \$510,866 during the current fiscal year due to a supplemental appropriation from fund balance of \$454,725. The funds were used as a grant match.

**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 \$655,856 as a result of projects being primarily financed with general obligation bonds.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$1,061,165. The increase in budget can be briefly summarized as follows:

Revised revenue appropriations of \$606,440 were approved for the annual supplemental appropriation to the Board of Education for the special education excess cost grant.

Supplemental appropriations of \$454,725 from fund balance that was used a grant match to purchase land and a permanent easement.

Other significant transfers done during the year were as follows:

Transfers out appropriation line received budget transfers from the General Government Employee benefits account (\$113,297) and Contingency account (\$62,530) to provide funding towards the Debt Service Fund account.

The Capital Initiatives transfer out line was increased for the supplemental appropriation for the grant match discussed above.

Public Works received transfers from the bond interest account (\$64,600) for deficits in the professional engineering account.

**Capital Assets and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental type activities as of June 30, 2010, amounts to \$75,732,503 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, roads, bridges, intangible assets and construction in progress. The total increase in the Town's investment in capital assets for the current fiscal year was \$1,606,735 (2%). This increase is largely due to Flanders Road and Haddam Neck Road projects as well as the acquisition of a permanent easement on Oakum Dock Road. 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 Flanders Road project (\$542,040)
- The donation of 3 roads in the Royal Oaks development (\$686,000)
- The completion of the Main Street Bridge project (\$1,085,211)
- The completion of the Sidewalk replacement project (\$407,142)
- The completion of the Town Line Pump station project (\$923,456)
- The acquisition of a permanent easement on Oakum dock Road (\$673,000)

**TOWN OF EAST HAMPTON, CONNECTICUT**

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

	<b>2010</b>	<b>2009</b>
Land	\$ 2,334,242	\$ 2,146,742
Intangible assets (net of accumulated amortization)	749,650	
Construction in progress	2,953,555	4,534,773
Buildings	30,948,365	31,393,301
Improvements other than buildings	617	617
Machinery and equipment	3,591,831	3,390,165
Infrastructure	35,154,243	32,660,170
Total	<u>\$ 75,732,503</u>	<u>\$ 74,125,768</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 \$8,410,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$445,565 due to the State of Connecticut Clean Water Fund.

**OUTSTANDING DEBT  
LONG - TERM OBLIGATIONS**

	2010	2009
General obligation bonds	\$ 8,410,000	\$ 9,995,000
Clean water notes	445,565	516,516
Total	<u>\$ 8,855,565</u>	<u>\$ 10,511,516</u>

In April 2009 Standard and Poor's raised the Town's bond rating two notches from A+ to AA. In May 2010 Moody's Investor Service recalibrated their ratings scale and as a result East Hampton's credit rating increased two notches from "A2" to "Aa3".

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 \$191,450,035, 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. E.

**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 5.8% a year ago. This is favorable to both the state's average unemployment rate of 8.9% and the Hartford Labor Market rate of 9.1%. While Connecticut is still below the national average of 9.5%, 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. The State of Connecticut was awarded in excess of \$3.5 billion in federal stimulus funds, of that amount approximately \$500 million was passed through to Boards of Education throughout the State. This funding will no longer be available beginning in 2012 and if not supplemented, will impact the amount of grants the Town receives for education.
- Connecticut's economy moves in the same general cycle as the national economy, and at this point, the State and nation are in a recovery period which has affected the amount of intergovernmental revenues the Town will receive in fiscal year 2011 and thereafter.
- Residential construction increased with approximately 38 new building permits issued this year compared to 16 issued in 2009. This increase positively affects 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 2011 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.

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# Basic Financial Statements

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TOWN OF EAST HAMPTON, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 6,244,556
Investments.....	4,973,634
Receivables:	
Property taxes.....	549,284
Assessments.....	767
Intergovernmental.....	1,652,429
Loan.....	600
Other.....	30,001
Other assets.....	22,483
Total current assets.....	13,473,754
Noncurrent assets:	
Restricted assets:	
Temporarily restricted investments.....	800
Permanently restricted investments.....	15,500
Total restricted assets.....	16,300
Receivables (net):	
Property taxes.....	592,137
Assessments.....	210,026
Intergovernmental.....	500,465
Loan.....	165,823
Total receivables (net).....	1,468,451
Other noncurrent assets:	
Net pension asset.....	1,226,289
Other.....	100,713
Total other noncurrent assets.....	1,327,002
Capital assets (net of accumulated depreciation):	
Land.....	2,334,242
Intangible assets (net of accumulated amortization).....	749,650
Construction in progress.....	2,953,555
Buildings.....	30,948,365
Improvements other than buildings.....	617
Machinery and equipment.....	3,591,831
Infrastructure.....	35,154,243
Total capital assets (net of accumulated depreciation).....	75,732,503
Total noncurrent assets.....	78,544,256
TOTAL ASSETS.....	92,018,010

(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, 2010

GOVERNMENTAL  
ACTIVITIES

LIABILITIES

LIABILITIES:

Current liabilities:

Accounts payable and other liabilities.....	\$	1,664,659
Accrued interest payable.....		129,202
Unearned revenue.....		178,182
Bonds and notes payable.....		1,442,383
Compensated absences.....		93,838
Environmental obligation.....		162,000

Total current liabilities..... 3,670,264

Noncurrent liabilities:

Bonds and notes payable.....	7,357,446
Compensated absences.....	1,470,125
Net OPEB obligation.....	484,434
Environmental obligation.....	1,428,000
Other.....	223,063

Total noncurrent liabilities..... 10,963,068

TOTAL LIABILITIES..... 14,633,332

NET ASSETS

Invested in capital assets, net of related debt.....	66,932,674
Restricted for:	
Commitments.....	328,654
Endowments:	
Nonexpendable.....	15,500
Expendable.....	800
Unrestricted.....	10,107,050

TOTAL NET ASSETS..... \$ 77,384,678

(Concluded)

## TOWN OF EAST HAMPTON, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

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.....	\$ 3,175,055	\$ 314,490	\$ 362,010	\$ 510,987	\$ (1,987,568)
Public safety.....	2,882,654	199,872	33,023		(2,649,759)
Civic and human services.....	477,033	850	16,100		(460,083)
Public works and utilities.....	4,792,395	2,108,720	573,084	686,000	(1,424,591)
Education.....	29,863,970	580,766	11,050,507		(18,232,697)
Regulatory.....	647,805	170,035			(477,770)
Culture and recreation.....	1,440,829	231,110	13,779		(1,195,940)
Interest expense.....	368,987				(368,987)
TOTAL.....	\$ 43,648,728	\$ 3,605,843	\$ 12,048,503	\$ 1,196,987	(26,797,395)
GENERAL REVENUES:					
Property taxes.....					27,760,475
Grants and contributions not restricted to specific programs.....					264,189
Unrestricted - Investment income.....					142,627
Other.....					304,570
TOTAL GENERAL REVENUES.....					28,471,861
CHANGE IN NET ASSETS.....					1,674,466
NET ASSETS JULY 1, 2009.....					75,710,212
NET ASSETS JUNE 30, 2010.....					\$ 77,384,678

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

**TOWN OF EAST HAMPTON, CONNECTICUT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	GENERAL	CAPITAL INITIATIVES	CAPITAL RESERVE	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>					
Cash.....	\$ 1,876,504	\$ 1,980,320	\$	\$ 2,387,732	\$ 6,244,556
Investments.....	3,169,709			1,820,225	4,989,934
Receivables (net):					
Property taxes.....	981,376				981,376
Assessments and user charges.....				168,451	168,451
Intergovernmental .....	139,823	35,278	510,987	541,453	1,227,541
Loans.....				195,792	195,792
Other.....	9,121			20,880	30,001
Due from other funds.....	547,696	3,789	1,449,570	714,290	2,715,345
Other.....				10,044	10,044
<b>TOTAL ASSETS.....</b>	<b>\$ 6,724,229</b>	<b>\$ 2,019,387</b>	<b>\$ 1,960,557</b>	<b>\$ 5,858,867</b>	<b>\$ 16,563,040</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables.....	\$ 1,116,740	\$ 72,892	\$ 67,633	\$ 407,394	\$ 1,664,659
Due to other funds.....	480,923	1,792,754		491,668	2,765,345
Deferred and unearned revenue.....	1,043,159			366,843	1,410,002
Total liabilities.....	2,640,822	1,865,646	67,633	1,265,905	5,840,006
Fund balances:					
Reserved for:					
Commitments.....		162,776	174,913		337,689
Endowments.....				15,500	15,500
Unreserved, reported in:					
General Fund.....	4,083,407				4,083,407
Special Revenue Funds.....				3,963,752	3,963,752
Capital Project Funds.....		(9,035)	1,718,011	97,162	1,806,138
Debt Service Fund.....				515,748	515,748
Permanent Funds.....				800	800
Total fund balances .....	4,083,407	153,741	1,892,924	4,592,962	10,723,034
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 6,724,229</b>	<b>\$ 2,019,387</b>	<b>\$ 1,960,557</b>	<b>\$ 5,858,867</b>	<b>\$ 16,563,040</b>

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, 2010**

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).....	\$	10,723,034
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....		74,125,768
Current capital asset additions.....		3,300,809
Depreciation expense.....		(1,667,958)
Disposal and sale of capital assets.....		(26,116)

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.....		282,387
Property tax, sewer assessment, and community development block grant receivable - accrual basis change....		1,231,820
School building grant receivable.....		925,353
Allowance for doubtful accounts.....		(109,369)
Net pension asset.....		1,226,289
Other.....		113,153

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF DENTAL INSURANCE PREMIUMS TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....		50,000
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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.....		(8,855,565)
Premium.....		(64,926)
Deferred charge on refunding.....		120,661
Compensated absences.....		(1,563,963)
Net OPEB obligation.....		(484,434)
Environmental obligation.....		(1,590,000)
Other.....		(223,063)
Accrued interest payable.....		(129,202)

NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT A).....	\$	<u>77,384,678</u>
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## TOWN OF EAST HAMPTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	GENERAL	CAPITAL INITIATIVES	CAPITAL RESERVE	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:					
Property taxes.....	\$ 27,402,725	\$	\$	\$	\$ 27,402,725
Intergovernmental.....	11,353,306	60,377	510,987	1,502,786	13,427,456
Charges for services.....	550,402			3,070,438	3,620,840
Income on investments.....	79,277	4,213	10,779	48,358	142,627
Contributions and donations.....				34,949	34,949
Miscellaneous.....	22,395	500	238,678	42,997	304,570
TOTAL REVENUES.....	39,408,105	65,090	760,444	4,699,528	44,933,167
EXPENDITURES:					
Current:					
General government.....	3,025,162		406,102	463,579	3,894,843
Public safety.....	2,044,774		351,249	160,110	2,556,133
Public works and utilities.....	1,906,908		912,215	2,394,331	5,213,454
Culture and recreation.....	918,353		22,178	245,134	1,185,665
Civic and human services.....	351,367		7,046	17,972	376,385
Regulatory.....	449,453				449,453
Education.....	27,509,315		241,248	1,272,582	29,023,145
Debt service.....	1,908,876			80,633	1,989,509
Capital outlay.....		720,946		442,331	1,163,277
TOTAL EXPENDITURES.....	38,114,208	720,946	1,940,038	5,076,672	45,851,864
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,293,897	(655,856)	(1,179,594)	(377,144)	(918,697)
OTHER FINANCING SOURCES (USES):					
Transfers in.....			1,354,277	450,486	1,804,763
Transfers out.....	(1,804,763)				(1,804,763)
TOTAL OTHER FINANCING SOURCES (USES).....	(1,804,763)	-	1,354,277	450,486	-
NET CHANGE IN FUND BALANCE.....	(510,866)	(655,856)	174,683	73,342	(918,697)
FUND BALANCES AT JULY 1, 2009.....	4,594,273	809,597	1,718,241	4,519,620	11,641,731
FUND BALANCE AT JUNE 30, 2010.....	\$ 4,083,407	\$ 153,741	\$ 1,892,924	\$ 4,592,962	\$ 10,723,034

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, 2010**

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)..... \$ (918,697)

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.....	3,300,809
Depreciation expense.....	(1,667,958)

Total.....	1,632,851
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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 .....	(26,116)
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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.....	(638,726)
Change in property tax, sewer assessment, and community development block grant receivable - accrual basis change.....	237,735
Change in property tax and sewer assessment interest and lien revenue.....	107,204
Change in property tax and sewer assessment allowance for doubtful accounts.....	(2,186)

Total.....	(295,973)
------------	-----------

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:	
Net OPEB obligation.....	(224,434)
Bond premium.....	10,297
Deferred charges.....	(25,403)
Other.....	(14,191)
Principal repayments:	
General obligation bonds.....	1,655,951

Total .....	1,402,220
-------------	-----------

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.....	28,062
Accrued interest payable.....	(6,132)
Other.....	(223,063)

Total .....	(169,819)
-------------	-----------

Internal Service Funds are used by management to charge costs of various self-insured risk premiums to individual departments.....

50,000

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B).....	\$ 1,674,466
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## 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, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 27,546,740	\$ 27,546,740	\$ 27,402,725	\$ (144,015)
Intergovernmental.....	8,974,876	9,581,316	9,373,324	(207,992)
Charges for services.....	524,946	524,946	550,402	25,456
Investment income.....	170,000	170,000	79,277	(90,723)
Other.....	14,000	14,000	22,395	8,395
TOTAL REVENUES.....	37,230,562	37,837,002	37,428,123	(408,879)
EXPENDITURES:				
Current:				
General government.....	3,398,371	3,150,281	3,025,162	125,119
Public safety.....	2,097,264	2,126,255	2,044,774	81,481
Public works.....	1,900,377	1,972,367	1,906,908	65,459
Regulatory.....	472,605	477,805	449,453	28,352
Health and human services.....	364,972	365,252	351,367	13,885
Culture and recreation.....	927,813	934,178	916,666	17,512
Education.....	25,106,062	25,551,880	25,529,333	22,547
Debt service.....	1,973,546	1,908,946	1,908,876	70
TOTAL EXPENDITURES.....	36,241,010	36,486,964	36,132,539	354,425
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	989,552	1,350,038	1,295,584	(54,454)
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....		454,725		(454,725)
Transfers out.....	(989,552)	(1,804,763)	(1,804,763)	-
NET OTHER FINANCING SOURCES (USES).....	(989,552)	(1,350,038)	(1,804,763)	(454,725)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	(509,179)	\$ (509,179)
FUND BALANCE - JULY 1, 2009.....			4,592,586	
FUND BALANCE - JUNE 30, 2010.....			\$ 4,083,407	

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



**EXHIBIT G**

**TOWN OF EAST HAMPTON, CONNECTICUT**

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUNDS
<u>ASSETS</u>	
Due from other funds.....	\$ 50,000
<u>NET ASSETS</u>	
Unrestricted.....	\$ 50,000

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

**EXHIBIT H**

**TOWN OF EAST HAMPTON, CONNECTICUT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	INTERNAL SERVICE FUNDS
OPERATING REVENUES:		
Charges for services.....	\$ 50,000	
TOTAL NET ASSETS - JULY 1, 2009.....	-	
TOTAL NET ASSETS - JUNE 30, 2010.....	\$ 50,000	

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

TOWN OF EAST HAMPTON, CONNECTICUTSTATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	INTERNAL SERVICE FUNDS
NET CHANGE IN CASH.....	\$ -	
CASH - JULY 1, 2009.....	-	
CASH - JUNE 30, 2010.....	\$ -	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss).....	\$ 50,000	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Due from other funds.....		(50,000)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ -	

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, 2010

	Pension Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash.....	\$ 72,514	\$ 525,564
Investments:		
Mutual funds:		
Corporate bond funds.....	5,757,880	
Common stock.....	7,523,747	
International stock.....	2,262,857	
Pooled real estate.....	954,676	
Certificates of deposit.....		4,167
Fixed income.....	687,613	652,408
Total investments.....	17,186,773	656,575
TOTAL ASSETS.....	17,259,287	1,182,139
LIABILITY:		
Accounts payable.....		1,182,139
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....	\$ 17,259,287	\$ -

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, 2010**

	<b>Pension Trust Fund</b>
ADDITIONS:	
Contributions:	
Employer.....	\$ 771,832
Plan members.....	421,838
Total contributions.....	<u>1,193,670</u>
Investment income (loss):	
Net change in fair value of investments.....	2,174,488
Less investment expenses.....	<u>(58,517)</u>
Net investment income (loss).....	<u>2,115,971</u>
TOTAL ADDITIONS.....	<u>3,309,641</u>
DEDUCTIONS:	
Benefits.....	1,019,525
Administration.....	<u>17,953</u>
TOTAL DEDUCTIONS.....	<u>1,037,478</u>
CHANGE IN NET ASSETS.....	2,272,163
NET ASSETS - JULY 1, 2009.....	<u>14,987,124</u>
NET ASSETS - JUNE 30, 2010.....	<u>\$ 17,259,287</u>

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, 2010****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)

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**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 Town'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.

The *Capital Reserve Fund* is used for various capital and non-recurring projects.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for dental insurance benefits.

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.

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)**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to Town Departments for various types of self-insurance. Operating expenses for the internal service fund includes the cost of insurance and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**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.



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)**

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.

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.

Intangible assets include a permanent easement which is not amortized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Improvements other than buildings	20
Infrastructure	20-50
Machinery and equipment	3-20
Intangible assets	5-10

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

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

**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.

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

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

**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 \$1,061,165, \$606,440 of which was from revised revenue appropriations and \$454,725 from fund balance.

- 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.

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting (Continued)**

- 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.

**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>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2010 .....	\$ 37,428,123	\$ 36,132,539
Encumbrances outstanding at June 30, 2009, liquidated during the year, June 30, 2010 .....		1,687
State Teachers' Retirement on-behalf payment .....	1,979,982	1,979,982
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2010 .....	<u>\$ 39,408,105</u>	<u>\$ 38,114,208</u>

**C. Capital Projects Authorizations**

The following is a summary of Capital Projects at June 30, 2010:

<u>PROJECT NAME</u>	<u>PROJECT AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>PROJECT BALANCE</u>
Capital Initiatives Fund .....	\$ 10,149,972	\$ 6,367,420	\$ 3,782,552
Capital Reserves Fund .....	1,010,500	953,349	57,151
Public Water System Fund .....	2,156,770	2,156,174	596
TOTAL CAPITAL PROJECTS FUND .....	<u>\$ 13,317,242</u>	<u>\$ 9,476,943</u>	<u>\$ 3,840,299</u>

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**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 \$39 as of June 30, 2010, and is included in restricted net assets.

**E. Deficit Fund Balance**

During the year ended June 30, 2010, the Town had a deficit fund balance in the following funds:

<u>Nonmajor Governmental Funds</u>	
Community Development .....	\$ 5,739
WPCA Development Fund .....	237

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, 2010, \$1,813,957 of the Town's bank balance of \$9,188,153 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 1,557,561
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name .....	<u>256,396</u>
Total amount subject to custodial credit risk.....	<u>\$ 1,813,957</u>

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

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

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 (TAG), amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2010. Participation in the TAG program by a financial institution is optional, and therefore, not all financial institutions currently participate in the program. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2011, and the \$100,000 limit on January 1, 2014. The Town had amounts in excess of \$250,000 in a single bank during the year. Amounts over \$250,000 are not insured by the FDIC. These balances fluctuate during the year and can exceed this \$250,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

At June 30, 2010, 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
<u>Mutual Funds:</u>				
Equity Mutual Funds.....	\$ 33,273	\$ 33,273	\$	\$
Government Agency Securities.....	9,480		9,480	
Corporate Bond Funds .....	5,757,880			5,757,880
U.S. Government Bond Fund.....	332,922		176,185	156,737
Money Market Mutual Funds .....	14,346		14,346	
Common Stock.....	8,127,932	8,127,932		
International Stock .....	2,262,857	2,262,857		
Pooled Real Estate.....	954,676	954,676		
Certificates of Deposit .....	2,791,086		2,791,086	
Pooled Fixed Income.....	1,861,217		1,861,217	
Fixed Income.....	687,613			687,613
TOTAL.....	\$ 22,833,282	\$ 11,378,738	\$ 4,852,314	\$ 6,602,230

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	GOVERNMENT AGENCY SECURITIES	CORPORATE BOND MUTUAL FUNDS	U.S. GOV'T BOND FUND	MONEY MARKET MUTUAL FUNDS	POOLED FIXED INCOME	FIXED INCOME
AAA .....	\$ 9,480	\$	\$ 332,922	\$	\$ 1,861,217	\$
AA .....		5,757,880				
A .....						687,613
BBB .....						
Not rated/unrated				14,346		
TOTAL.....	\$ 9,480	\$ 5,757,880	\$ 332,922	\$ 14,346	\$ 1,861,217	\$ 687,613

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

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

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.

The 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.

**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		
	TAXES	INTEREST & LIEN FEES	TOTAL
Current Portion .....	\$ 493,365	\$ 55,919	\$ 549,284
Long-term Portion .....	\$ 488,011	\$ 184,126	\$ 672,137
Less Allowance for Uncollectibles .....	( 64,000)	( 16,000)	( 80,000)
Net Long-term Portion .....	\$ 424,011	\$ 168,126	\$ 592,137

	SEWER USE AND ASSESSMENTS			CDBG LOANS
	USE FEES AND ASSESSMENTS	INTEREST & LIEN FEES	TOTAL	
Current Portion .....	\$ 720	\$ 47	\$ 767	\$ 600
Long-term Portion .....	\$ 167,731	\$ 42,295	\$ 210,026	\$ 195,192
Less Allowance for Uncollectibles .....	( -)	( -)	( -)	( 29,369)
Net Long-term Portion .....	\$ 167,731	\$ 42,295	\$ 210,026	\$ 165,823

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

**III. DETAILED NOTES (CONTINUED)**

**B. Receivables (Continued)**

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) .....	\$ 866,977
Sewer assessments not yet due and delinquent sewer use (special revenue fund) ....	168,451
Loan receivable not yet earned .....	196,392

UNEARNED REVENUE:

Unearned charges for services (special revenue) .....	2,000
Grant drawdowns prior to meeting eligibility requirements.....	<u>176,182</u>

TOTAL DEFERRED AND UNEARNED REVENUE.....	<u>\$1,410,002</u>
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**C. Capital Assets**

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

	BEGINNING BALANCE JULY 1, 2009	INCREASES	DECREASES	ENDING BALANCE JUNE 30, 2010
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets, not being Depreciated:</u></b>				
Land .....	\$ 2,146,742	\$ 212,500	\$ 25,000	\$ 2,334,242
Intangible assets .....		698,000		698,000
Construction in progress.....	<u>4,534,773</u>	<u>1,085,051</u>	<u>2,666,269</u>	<u>2,953,555</u>
Total Capital Assets, not being Depreciated.....	<u>6,681,515</u>	<u>1,995,551</u>	<u>2,691,269</u>	<u>5,985,797</u>
<b><u>Capital Assets, being Depreciated:</u></b>				
Buildings .....	50,629,757	453,659		51,083,416
Improvements other than buildings.....	61,795			61,795
Machinery and equipment .....	7,563,583	587,279	83,724	8,067,138
Intangible assets .....		60,000		60,000
Infrastructure.....	<u>37,704,608</u>	<u>2,870,589</u>		<u>40,575,197</u>
Total Capital Assets, being Depreciated.....	<u>95,959,743</u>	<u>3,971,527</u>	<u>83,724</u>	<u>99,847,546</u>
Total Capital Assets .....	<u>102,641,258</u>	<u>5,967,078</u>	<u>2,774,993</u>	<u>105,833,343</u>
<b><u>Less Accumulated Depreciation:</u></b>				
Buildings .....	19,236,456	898,595		20,135,051
Improvements other than buildings.....	61,178			61,178
Machinery and equipment .....	4,173,418	384,497	82,608	4,475,307
Intangible assets .....		8,350		8,350
Infrastructure.....	<u>5,044,438</u>	<u>376,516</u>		<u>5,420,954</u>
Total Accumulated Depreciation.....	<u>28,515,490</u>	<u>1,667,958</u>	<u>82,608</u>	<u>30,100,840</u>
Total Capital Assets, being Depreciated, net.....	<u>67,444,253</u>	<u>2,303,569</u>	<u>1,116</u>	<u>69,746,706</u>
Governmental Activities Capital Assets, net .....	<u>\$ 74,125,768</u>	<u>\$ 4,299,120</u>	<u>\$ 2,692,385</u>	<u>\$ 75,732,503</u>



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

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

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

Governmental Activities:

General government .....	\$ 13,129
Public safety.....	139,838
Public works .....	839,423
Health and human services.....	6,890
Culture and recreation .....	57,974
Education .....	<u>610,704</u>
Total Depreciation Expense - Governmental Activities.....	<u>\$1,667,958</u>

**Construction Commitments**

At June 30, 2010, the Town had the following construction commitments:

Sidewalk replacement project .....	\$ 162,776
Flanders Road bridge.....	73,727
Municipal revaluation .....	<u>101,186</u>
Total .....	<u>\$ 337,689</u>

**D. Interfund Accounts**

**1. Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2010 is as follows:

MAJOR FUNDS	CORRESPONDING FUND	DUE FROM	DUE TO
GENERAL FUND:			
Miscellaneous Grant .....	N/A	\$ 128,166	\$
Water System .....	N/A	5,652	
WPCA Joint Facilities.....	N/A	51,105	
Public Safety.....	N/A		6,163
Public Works .....	N/A	161,715	
Education Grant.....	N/A	51,424	
Compensated Absences.....	N/A	12,822	
Capital Reserve .....	N/A		424,510
Capital Projects .....	N/A	59,817	
WPCA Operating .....	N/A	3,299	
Beneficial Assessment .....	N/A		250
Culture and Recreation.....	N/A	5,584	
WPCA Development.....	N/A	11,330	
Internal Service.....	N/A		50,000
Community Development .....	N/A	40,396	
School Cafeteria .....	N/A	<u>16,386</u>	
TOTAL GENERAL FUND .....		<u>547,696</u>	<u>480,923</u>

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

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts**

**1. Interfund Payables and Receivables (Continued)**

<u>MAJOR FUNDS</u>	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<b>CAPITAL INITIATIVES:</b>			
General Fund.....	N/A	\$	\$ 59,817
Town Aid Road.....	N/A		423,890
Miscellaneous Grant .....	N/A	3,789	
Capital Reserve .....	N/A		1,025,060
WPCA Joint Facilities .....	N/A		283,987
<b>TOTAL CAPITAL INITIATIVES</b>		<b>3,789</b>	<b>1,792,754</b>
<b>CAPITAL RESERVE:</b>			
Capital Reserve .....	General Fund	424,510	
Capital Reserve .....	Capital Initiatives	1,025,060	
<b>TOTAL CAPITAL RESERVE .....</b>		<b>1,449,570</b>	<b>-</b>
<b>INTERNAL SERVICE .....</b>	General Fund	<b>50,000</b>	
<b><u>NONMAJOR FUNDS</u></b>			
<b>SPECIAL REVENUE FUNDS:</b>			
Miscellaneous Grant .....	General Fund		128,166
Water System .....	General Fund		5,652
Public Safety.....	General Fund	6,163	
WPCA Development.....	General Fund		11,330
Education Grant.....	General Fund		51,424
Compensated Absences.....	General Fund		12,822
WPCA Operating .....	General Fund		3,299
Beneficial Assessment .....	General Fund	250	
Culture and Recreation.....	General Fund		5,584
Community Development .....	General Fund		40,396
School Cafeteria .....	General Fund		16,386
WPCA Joint Facilities.....	General Fund		51,105
Public Works .....	General Fund		161,715
Public Works .....	Capital Initiatives	423,890	
WPCA Joint Facilities.....	Capital Initiatives	283,987	
Miscellaneous Grant .....	Capital Initiatives		3,789
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>714,290</b>	<b>491,668</b>
<b>GRAND TOTAL.....</b>		<b>\$ 2,765,345</b>	<b>\$ 2,765,345</b>

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, 2010 is as follows:

	CORRESPONDING FUND	TRANSFER IN	TRANSFER OUT
<u>MAJOR FUNDS:</u>			
<u>GENERAL FUND:</u>			
Water System Fund .....	N/A	\$	\$ 60,000
Capital Reserve Fund .....	N/A		1,354,277
Compensated Absences Fund .....	N/A		390,486
TOTAL GENERAL FUND .....		-	1,804,763
CAPITAL RESERVE FUND .....	General Fund	1,354,277	
<u>NONMAJOR FUNDS:</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
Water Fund .....	General Fund	60,000	
Compensated Absences Fund .....	General Fund	390,486	
TOTAL SPECIAL REVENUE FUNDS .....		450,486	-
GRAND TOTAL .....		\$ 1,804,763	\$ 1,804,763

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

**E. 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, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010	CURRENT PORTION
<u>BONDS:</u>									
Refunding issue....	\$ 10,100,000	06/15/99	10/15/10	3.75%-4.6%	\$ 1,250,000	\$	\$ 810,000	\$ 440,000	\$ 440,000
Obligation bond ...	2,345,000	08/15/02	8/15/17	3.00%-4.125%	1,320,000		175,000	1,145,000	175,000
Refunding issue....	4,005,000	04/01/03	07/15/14	3.375%-4.10%	2,015,000		350,000	1,665,000	345,000
Obligation bond ...	3,175,000	02/01/06	02/01/21	3.40%-5.0%	2,425,000		250,000	2,175,000	250,000
Obligation bond ...	2,985,000	04/15/09	07/15/28	2.50%-4.50%	2,985,000			2,985,000	160,000
TOTAL BONDS .....					9,995,000	-	1,585,000	8,410,000	1,370,000
<u>CLEAN WATER NOTES:</u>									
Sewer .....	837,030	03/31/94	03/31/13	2.0%	181,724		47,136	134,588	48,088
Sewer 480C .....	503,694	06/30/02	12/31/21	2.0%	334,792		23,815	310,977	24,295
TOTAL NOTES .....					516,516	-	70,951	445,565	72,383
TOTAL BONDS/NOTES .....					10,511,516	-	1,655,951	8,855,565	1,442,383

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

**III. DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations (Continued)**

**1. Summary of Changes (Continued)**

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010	CURRENT PORTION
PREMIUMS.....					\$ 75,223	\$	\$ 10,297	\$ 64,926	\$
DEFERRED CHARGES ON REFUNDING.....					( 146,065)		( 25,403)	( 120,662)	
TOTAL BONDS/NOTES AND RELATED LIABILITIES .....					10,440,674	-	1,640,845	8,799,829	1,442,383
COMPENSATED ABSENCES .....					1,592,025	478,745	506,807	1,563,963	93,838
OPEB OBLIGATION .....					260,000	487,434	263,000	484,434	
ENVIRONMENTAL OBLIGATION .....					1,590,000			1,590,000	162,000
OTHER .....						223,063		223,063	
TOTAL LONG-TERM OBLIGATIONS .....					\$ 13,882,699	\$ 1,189,242	\$ 2,410,652	\$ 12,661,289	\$ 1,698,221

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
2011	\$ 424,888	\$ 72,383	\$ 1,370,000	\$ 300,221
2012	171,077	73,844	925,000	257,687
2013	165,971	62,728	915,000	224,294
2014	163,417	25,796	835,000	191,774
2015		26,317	830,000	158,256
2016		26,848	510,000	131,102
2017		27,390	435,000	113,122
2018		27,943	435,000	97,253
2019		28,507	305,000	83,643
2020		29,082	305,000	72,210
2021		29,669	305,000	60,379
2022		15,058	155,000	48,333
2023			155,000	42,238
2024			155,000	36,038
2025			155,000	29,838
2026			155,000	23,541
2027			155,000	17,050
2028			155,000	10,366
2029			155,000	3,488
	\$ 925,353	\$ 445,565	\$ 8,410,000	\$ 1,900,833

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

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

**III. DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations (Continued)**

**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 .....	\$ 61,537,511	\$ 6,152,000	\$ 55,385,511
Schools .....	123,075,023	1,332,647	121,742,376
Sewers .....	102,562,519	439,638	102,122,881
Urban renewal .....	88,887,516		88,887,516
Pension deficit .....	82,050,015		82,050,015

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$191,450,035.

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 \$925,353 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, 2010 is as follows:

PURPOSE OF BONDS	AUTHORIZED BUT UNISSUED
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 .....	2,000
Memorial School Roof and Tank .....	<u>3,440,000</u>
TOTAL .....	<u>\$ 4,790,000</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, 2010, the amount of grants received for this project was \$867,800.

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

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**III. DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations (Continued)**

**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, 2010, \$2,580,000 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.

The second property has an estimated cost of a site assessment and corrective measures feasibility study of \$983,000. There was no 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.

**6. Other**

In the course of Town operations, there may be occurrences in which miscellaneous long-term obligations are incurred. These liabilities are recorded when an obligation can be reasonably estimated and has a reasonable probability of becoming due and payable.

**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.

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

**IV. OTHER INFORMATION (CONTINUED)**

**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. In 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.

**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 July 1, 2009, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	80
Current plan members	178
Inactive with vested benefits	<u>75</u>
Total	<u>333</u>

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

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. Summary of Significant Accounting Policies and Plan Asset Matters**

**a. 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.

**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, 2010 were as follows:

Annual required contribution	\$ 765,583
Interest on net pension obligation	( 95,598)
Adjustment to annual required contribution	<u>70,533</u>
Annual pension cost	740,518
Contributions made	<u>771,832</u>
Increase in net pension asset	( 31,314)
Net pension asset, July 1, 2009	<u>(1,194,975)</u>
Net Pension Asset, June 30, 2010	<u><u>\$(1,226,289)</u></u>
VALUATION DATE	July 1, 2009
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	14 years constant
<b><u>ACTUARIAL ASSUMPTIONS:</u></b>	
Investment rate of return	8.0%
Projected salary increases	4.0%
Expenses for benefits payable	5.0%
Inflation component	3.5%



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

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**5. Trend Information**

<u>FISCAL YEAR ENDED</u>	<u>ANNUAL PENSION COST (APC)</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENTAGE OF APC CONTRIBUTED</u>	<u>NET PENSION ASSET</u>
2008	\$ 588,512	\$ 707,485	120.0%	\$(1,119,811)
2009	642,029	717,193	112.0%	(1,194,975)
2010	740,518	771,832	104.0%	(1,226,289)

**6. Funded Status and Funding Progress**

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

<u>ACTUARIAL VALUATION DATE</u>	<u>(A) ACTUARIAL VALUE OF ASSETS</u>	<u>(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT</u>	<u>(A-B) OVER (UNDER) FUNDED AAL</u>	<u>(A/B) FUNDED AAL RATIO</u>	<u>(C) COVERED PAYROLL</u>	<u>[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL</u>
07/01/2009	\$ 17,979,527	\$ 21,634,148	\$( 3,654,621)	83.1%	\$ 6,613,882	(55.3)%

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, 2010 the plan's membership consisted of:

	<u>BOARD OF EDUCATION</u>
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 \$263,000.

**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, 2010 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
<u>BOARD OF EDUCATION</u>						
JUNE 30, 2009	\$ -	\$ 6,071,000	\$( 6,071,000)	0.0%	N/A	N/A

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 (RSI), immediately following the notes to the financial statements, 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	July 1, 2009
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	29 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.....	10,400
Adjustment to annual required contribution.....	( 8,966)
Annual OPEB cost.....	487,434
Contributions made.....	<u>263,000</u>
Change in net OPEB obligation.....	224,434
Net OPEB obligation - July 1, 2009.....	<u>260,000</u>
Net OPEB obligation - June 30, 2010.....	<u>\$ 484,434</u>

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

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**8. Two Year Trend Information**

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION	ACTUAL CONTRIBUTED
BOARD OF EDUCATION				
2010	\$ 487,434	53.96%	\$ 484,434	\$ 263,000
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 \$1,979,982.

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## **Required Supplementary Information**

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## 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
January 1,						
2002	\$ 11,708,157	\$ 11,541,836	\$ 166,321	101.4%	\$ 4,407,603	3.8%
2004	13,303,561	14,282,705	(979,144)	93.1%	5,569,262	(17.6%)
2006	15,713,232	17,166,458	(1,453,226)	91.5%	5,941,437	(24.5%)
2008	18,943,268	19,373,079	(429,811)	97.8%	6,417,318	(6.7%)
2009	17,381,622	20,814,052	(3,432,430)	83.5%	6,674,011	(51.4%)
July 1, 2009	17,979,527	21,634,148	(3,654,621)	83.1%	6,613,882	(55.3%)

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
July 1,						
2009	\$ -	\$ 6,071,000	\$ (6,071,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not available due to biennial valuations

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
---------------------------	------------------------------------	------------------------	---------------------------

PENSION PLANTOWN 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%
2010	765,583	771,832	101%

OTHER POSTEMPLOYMENT BENEFIT PLANBOARD OF EDUCATION

2009	\$ 486,000	\$ 226,000	46.50%
2010	486,000	263,000	54.12%

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## **General Fund**

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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, 2010**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Property taxes:				
Current taxes	\$ 26,853,340	\$ 26,853,340	\$ 26,727,835	\$ (125,505)
Back taxes	250,000	250,000	285,504	35,504
Telephone access share line	60,000	60,000	42,704	(17,296)
Supplemental motor vehicles	200,000	200,000	173,643	(26,357)
Interest	181,000	181,000	170,170	(10,830)
Liens	2,400	2,400	2,869	469
Total property taxes	27,546,740	27,546,740	27,402,725	(144,015)
Intergovernmental Revenues:				
General government:				
State infrastructure (LOCIP)	139,428	139,428	139,428	-
Elderly tax relief	47,000	47,000	48,612	1,612
Elderly Freeze Exemption	3,800	3,800	2,000	(1,800)
Department of Youth Services	16,000	16,000	16,100	100
Boat registration	13,378	13,378	6,855	(6,523)
State-owned property	121,583	121,583	121,788	205
Disability tax relief	900	900	1,008	108
Veterans' exemption	3,700	3,700	4,635	935
Manufacturers equipment (PILOT)	16,000	16,000	21,233	5,233
Mashantucket Pequot/Mohegan grant	81,454	81,454	56,416	(25,038)
Other State grants	1,200	1,200	1,642	442
Total	444,443	444,443	419,717	(24,726)
Education:				
Principal and interest subsidy school bonds	641,279	641,279	606,516	(34,763)
Education cost sharing	7,595,720	6,512,077	6,490,084	(21,993)
Special education excess cost		606,440	606,440	-
School transportation	247,432	247,432	141,770	(105,662)
BESB	22,000	22,000		(22,000)
Adult Education	24,002	24,002	25,154	1,152
ARRA Federal		1,083,643	1,083,643	-
Total	8,530,433	9,136,873	8,953,607	(183,266)
Total intergovernmental revenues	8,974,876	9,581,316	9,373,324	(207,992)

(Continued)

**TOWN OF EAST HAMPTON, CONNECTICUT**

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
Finance Department	\$ 21,781	\$ 21,781	\$ 24,573	\$ 2,792
Assessor Department	1,550	1,550	1,299	(251)
Police Department	4,700	4,700	8,141	3,441
Town Clerk	255,300	255,300	232,658	(22,642)
Planning, zoning and buildings	156,250	156,250	168,114	11,864
Transfer station fees/stickers	28,625	28,625	37,669	9,044
Lease of Town property	24,840	24,840	24,842	2
Sears Park rent	600	600	850	250
Tuition	4,100	4,100	12,423	8,323
Library	14,400	14,400	15,975	1,575
Community room rental	400	400	450	50
Sears Park stickers	12,000	12,000	14,122	2,122
Blasting permits	400	400	240	(160)
Public Works			9,046	9,046
Total charges for services	524,946	524,946	550,402	25,456
Investment income	170,000	170,000	79,277	(90,723)
Miscellaneous:				
Housing Authority reimbursement	11,000	11,000	19,981	8,981
Collector of Revenue	2,700	2,700	2,214	(486)
Middle Haddam Historic District	300	300	200	(100)
Total miscellaneous	14,000	14,000	22,395	8,395
Total Revenues	37,230,562	37,837,002	37,428,123	(408,879)
Other Financing Sources:				
Appropriation of Fund Balance		454,725		(454,725)
Total Revenues and Other Financing Sources	\$ 37,230,562	\$ 38,291,727	\$ 37,428,123	\$ (863,604)

(Concluded)

**TOWN OF EAST HAMPTON, CONNECTICUT**

**GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final Budget</u>
General Government:				
Town Manager's Department	\$ 309,231	\$ 319,181	\$ 315,909	\$ 3,272
Council special programs	22,012	22,012	13,253	8,759
Probate court	4,131	4,131	2,087	2,044
Facilities administrator	104,724	104,724	104,154	570
Legal defense/fees	135,000	109,400	104,617	4,783
Town Hall and Annex	251,305	252,305	245,853	6,452
Finance and Accounting	434,747	437,747	437,684	63
Collector of Revenue	165,834	166,369	145,711	20,658
Assessor's Office	180,532	180,532	151,715	28,817
Board of Assessment Appeals	563	889	889	-
Town Clerk's office	209,064	209,064	174,827	34,237
Registrars/elections	37,183	37,183	28,527	8,656
General insurance	196,695	204,691	204,691	-
Employee benefits	1,247,350	1,102,053	1,095,245	6,808
Contingency	100,000			-
Total general government	3,398,371	3,150,281	3,025,162	125,119
Public Safety:				
Police administration	286,338	286,338	269,906	16,432
Police regular patrol	1,336,718	1,336,718	1,318,323	18,395
Lake patrol	7,341	7,341	3,808	3,533
Animal Control	61,036	61,036	48,583	12,453
Street lighting	59,595	59,595	55,473	4,122
Fire administration	178,846	206,366	192,079	14,287
Fire Marshal	40,337	40,337	32,067	8,270
Town center fire system	9,920	10,450	10,450	-
Ambulance association	6,755	6,755	2,895	3,860
Civil Preparedness	1,050	1,050	922	128
Communications	109,328	110,269	110,268	1
Total public safety	2,097,264	2,126,255	2,044,774	81,481
Public Works:				
Public Works - Administration	1,177,541	1,193,441	1,147,145	46,296
Engineering fees	50,000	104,800	104,799	1
Townwide motor fuel	137,514	137,514	136,567	947
Town Garage	52,507	52,507	49,045	3,462
Road materials	294,149	304,445	304,445	-
Transfer station	177,591	168,585	154,127	14,458
Septage disposal	11,075	11,075	10,780	295
Total public works	1,900,377	1,972,367	1,906,908	65,459
Regulatory:				
Planning, zoning and buildings	399,964	405,164	390,308	14,856
Economic development commission	40,603	40,603	36,308	4,295
Lake Pocotopaug commission	25,452	25,452	20,643	4,809
Redevelopment agency	3,365	3,365	896	2,469
Middle Haddam Historic District	3,221	3,221	1,298	1,923
Total regulatory	472,605	477,805	449,453	28,352

(Continued)

**TOWN OF EAST HAMPTON, CONNECTICUT**

**GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010**

	<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	\$ 100,384	\$ 100,384	\$ 100,384	\$ -
Social Services	110,632	110,632	105,694	4,938
Senior Center	97,996	97,996	89,049	8,947
Transportation	52,600	52,600	52,600	-
Community Services	3,360	3,640	3,640	-
Total health and human services	364,972	365,252	351,367	13,885
Culture and Recreation:				
Park and recreation	351,152	352,802	351,269	1,533
Library	413,155	416,870	406,705	10,165
Community Center	156,006	157,006	151,192	5,814
Middle Haddam Library	7,500	7,500	7,500	-
Total culture and recreation	927,813	934,178	916,666	17,512
Board of Education	25,106,062	25,551,880	25,529,333	22,547
Debt Service	1,973,546	1,908,946	1,908,876	70
Total Expenditures	36,241,010	36,486,964	36,132,539	354,425
Other Financing Uses				
Transfers to other funds:				
Water Fund	60,000	60,000	60,000	-
Capital Reserve Fund	899,552	1,354,277	1,354,277	-
Debt Service	30,000	390,486	390,486	-
Total other financing uses	989,552	1,804,763	1,804,763	-
Total Expenditures and Other Financing Uses	\$ 37,230,562	\$ 38,291,727	37,937,302	\$ 354,425

(Concluded)

## TOWN OF EAST HAMPTON, CONNECTICUT

GENERAL FUND  
BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS  
FOR THE YEAR ENDED JUNE 30, 2010

	Original Appropriation	Final Appropriation	Expenditures	Variance with Final Budget
Certified salaries	\$ 13,136,446	\$ 13,151,446	\$ 12,897,109	\$ 254,337
Classified salaries	3,238,230	3,269,230	3,211,921	57,309
Employee benefits:				
Workmen's compensation	81,571	81,571	86,898	(5,327)
Unemployment compensation	16,000	16,000	21,970	(5,970)
Social Security	213,969	213,969	213,255	714
Medicare	203,855	203,855	192,175	11,680
Pension	287,620	287,620	287,620	-
Medicare and dental	3,509,770	3,509,770	3,362,506	147,264
Life insurance	64,685	64,685	51,722	12,963
Other	1,980	1,980	4,251	(2,271)
Tuition	397,162	910,162	976,816	(66,654)
Pupil transportation	1,227,952	1,227,952	1,265,619	(37,667)
Other transportation	5,103	5,103	5,339	(236)
Computer consulting services	-75,546	74,906	77,781	(2,875)
Meetings and conferences	30,100	30,100	17,247	12,853
Professional/technical services	396,050	443,490	431,215	12,275
Public utilities	31,000	31,000	27,763	3,237
Building, equipment maintenance and repairs	191,873	191,873	298,518	(106,645)
Heating, ventilation maintenance and repairs	40,000	40,000	20,759	19,241
Security system maintenance and repairs	2,000	2,000	2,381	(381)
Vehicle maintenance and repairs	3,000	3,000	5,734	(2,734)
Supplies, materials and minor equipment	416,659	416,659	451,769	(35,110)
Fire protection	24,000	24,000	38,216	(14,216)
Refuse removal	29,000	29,000	29,690	(690)
Water and underground tank testing	5,000	5,000	1,863	3,137
Pest control	2,200	2,200	4,188	(1,988)
Tile and carpet replacement	8,500	8,500	22,054	(13,554)
Equipment rental	108,953	108,953	102,695	6,258
Property and liability insurance	86,351	86,351	90,626	(4,275)
Staff travel	11,965	11,965	15,319	(3,354)
Communications	62,555	62,555	45,675	16,880
Newspaper advertising	7,263	7,263	2,029	5,234
Printing and binding	31,773	31,773	26,117	5,656
Other purchased services	54,167	54,167	68,053	(13,886)
Heating oil	307,320	307,320	278,097	29,223
Motor fuel	168,704	168,704	159,215	9,489
Electricity	360,000	360,000	385,880	(25,880)
Bottled gas	2,000	2,000	2,587	(587)
Textbooks	106,069	106,069	123,937	(17,868)
Library books/periodicals	35,641	36,281	42,343	(6,062)
Other supplies and materials	44,881	44,881	68,474	(23,593)
Dues and fees	52,571	52,571	46,096	6,475
Equipment	26,178	26,178	63,109	(36,931)
Technology software	400	400		400
Transfer to compensated absences fund			160,622	(160,622)
Other			2,702	(2,702)
Total expenditures	25,106,062	25,712,502	25,689,955	22,547
Amount reported as transfer out on Schedule 2		(160,622)	(160,622)	
Amount reported on Schedule 2	\$ 25,106,062	\$ 25,551,880	\$ 25,529,333	\$ 22,547

**SCHEDULE 4**

**TOWN OF EAST HAMPTON, CONNECTICUT**

**REPORT OF TAX COLLECTOR**

**FOR THE YEAR ENDED JUNE 30, 2010**

Grand List	Uncollected Taxes July 1, 2009	Current Tax Levy	Assessor's		Adjustments	Transferred To Suspense	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2010
			Additions	Deductions				Taxes	Interest and Liens	Total	
2008	\$	\$ 27,500,885	\$ 61,654	\$ 89,340	\$	7,672	\$ 27,465,527	\$ 26,889,271	\$ 90,996	\$ 26,980,267	\$ 576,256
2007	500,763		11,306	13,794	9,831	7,292	500,814	236,070	56,806	292,876	264,744
2006	120,760		443	208	3,220	2,169	122,046	34,311	16,651	50,962	87,735
2005	50,059				59	818	49,300	5,083	3,444	8,527	44,217
2004	9,460					5	9,455	2,552	2,000	4,552	6,903
2003	1,749						1,749	1,136	612	1,748	613
2002	333						333			-	333
2001	575						575			-	575
1996			28				28	28	63	91	-
1995			30				30	30	73	103	-
<hr/>											
	\$ 683,699	\$ 27,500,885	\$ 73,461	\$ 103,342	\$ 13,110	17,956	\$ 28,149,857	27,168,481	170,645	27,339,126	\$ 981,376
<hr/>											
								Suspense collections	4,977	4,977	
								Suspense interest and liens	3,902	3,902	
								<hr/>			
Total								\$ 27,173,458	\$ 174,547	\$ 27,348,005	

# 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:

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
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
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
Beneficial Assessment	Assessments	Accumulation of resources for debt payments
WPCA Joint Facilities	Member town feew	Regional sewer facility operations
WPCA Operating	User fees	Sewer 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.

## **Debt Service**

The debt service fund is used for retirement payouts for accumulated sick and vacation time and other long-term obligations.

## **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**

**SCHEDULE 5**  
**(1 of 3)**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2010**

	Special Revenue						
	Septage Disposal	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	Public Works
<b>ASSETS</b>							
Cash	\$	\$	\$	\$ 170,647	\$ 78,066	\$ 239,235	\$
Investments	96,727		235,386				
Receivables:							
Assessments and user charges		5,016					
Intergovernmental			487		17,217	178,860	159,397
Loans					400	894	
Other							
Due from other funds		52,156	6,163				423,890
Other					10,044		
Total Assets	\$ 96,727	\$ 57,172	\$ 242,036	\$ 170,647	\$ 105,727	\$ 418,989	\$ 583,287
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$ 10,125	\$ 27,705	\$ 21,358	\$ 2,207	\$ 45,851	\$
Due to other funds		5,652		5,584	16,386	51,424	161,715
Deferred and unearned revenue		5,016					
Total liabilities	-	20,793	27,705	26,942	18,593	97,275	161,715
Fund Balances:							
Reserved for:							
Endowments							
Unreserved	96,727	36,379	214,331	143,705	87,134	321,714	421,572
Total fund balances	96,727	36,379	214,331	143,705	87,134	321,714	421,572
Total Liabilities and Fund Balances	\$ 96,727	\$ 57,172	\$ 242,036	\$ 170,647	\$ 105,727	\$ 418,989	\$ 583,287

(Continued)



**TOWN OF EAST HAMPTON, CONNECTICUT**

**SCHEDULE 5**

**(2 of 3)**

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2010**

	Special Revenue						Total
	Community Development	Miscellaneous Grant	Beneficial Assessment	WPCA Joint Facilities	WPCA Operating		
<b>ASSETS</b>							
Cash	\$	\$	\$	\$	\$	\$	
Investments	1,330	179,937		216,578	1,146,369		2,030,832
Receivables:		188,580		976,394			1,498,417
Assessments and user charges			5,927		157,508		168,451
Intergovernmental	70,947	86,409		11,927	16,209		541,453
Loans	195,792						195,792
Other		826		18,760			20,880
Due from other funds			973,674	283,987			1,739,870
Other							10,044
Total Assets	\$ 268,069	\$ 455,752	\$ 979,601	\$ 1,507,646	\$ 1,320,086	\$	6,205,739
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 37,020	\$ 41,094	\$	\$ 55,750	\$ 9,980	\$	251,090
Due to other funds	40,396	229,354		56,612	1,056,931		1,624,054
Deferred and unearned revenue	196,392	2,000	5,927		157,508		366,843
Total liabilities	273,808	272,448	5,927	112,362	1,224,419		2,241,987
Fund Balances:							
Reserved for:							
Endowments							-
Unreserved	(5,739)	183,304	973,674	1,395,284	95,667		3,963,752
Total fund balances	(5,739)	183,304	973,674	1,395,284	95,667		3,963,752
Total Liabilities and Fund Balances	\$ 268,069	\$ 455,752	\$ 979,601	\$ 1,507,646	\$ 1,320,086	\$	6,205,739

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2010

	Capital Projects			Debt Service	Permanent		Total Nonmajor Governmental Funds
	WPCA Development	Public Water System	Total	Debt Service	Library Trust	Interfund Eliminations	
<b>ASSETS</b>							
Cash	\$	\$	\$ -	\$ 356,900	\$	\$	\$ 2,387,732
Investments			-	305,508	16,300		1,820,225
Receivables:							
Assessments and user charges			-				168,451
Intergovernmental			-				541,453
Loans			-				195,792
Other			-				20,880
Due from other funds	33,559	97,399	130,958			(1,156,538)	714,290
Other			-				10,044
Total Assets	\$ 33,559	\$ 97,399	\$ 130,958	\$ 662,408	\$ 16,300	\$ (1,156,538)	\$ 5,858,867
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 22,466	\$	\$ 22,466	\$ 133,838	\$	\$	\$ 407,394
Due to other funds	11,330		11,330	12,822		(1,156,538)	491,668
Deferred and unearned revenue			-				366,843
Total liabilities	33,796	-	33,796	146,660	-	(1,156,538)	1,265,905
Fund Balances:							
Reserved for:							
Endowments			-		15,500		15,500
Unreserved	(237)	97,399	97,162	515,748	800		4,577,462
Total fund balances	(237)	97,399	97,162	515,748	16,300	-	4,592,962
Total Liabilities and Fund Balances	\$ 33,559	\$ 97,399	\$ 130,958	\$ 662,408	\$ 16,300	\$ (1,156,538)	\$ 5,858,867

(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, 2010**

	Special Revenue						
	Septage Disposal	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	Public Works
Revenues:							
Intergovernmental	\$	\$	\$ 33,023	\$ 9,117	\$ 118,918	\$ 634,797	\$ 318,205
Charges for services	97,300	80,130	191,731	200,563	430,908	137,435	
Income from investments	413	136	404	273	153	478	3,592
Contributions and donations			1,938	4,662		1,929	25,000
Miscellaneous		2,161		3,010		3,381	
Total revenues	97,713	82,427	227,096	217,625	549,979	778,020	346,797
Expenditures:							
Current:							
General government							
Public safety			160,110				
Public works and utilities		149,380					459,297
Culture and recreation				245,134			
Civic and human services							
Education					543,776	728,806	
Debt service:							
Principal payments	47,136						
Interest and fiscal charges	3,204						
Capital outlays					5,519	8,110	
Total expenditures	50,340	149,380	160,110	245,134	549,295	736,916	459,297
Excess (Deficiency) of Revenues over Expenditures	47,373	(66,953)	66,986	(27,509)	684	41,104	(112,500)
Other Financing Sources (Uses):							
Transfers in		60,000					
Transfers out	(46,000)						
Total other financing sources (uses)	(46,000)	60,000	-	-	-	-	-
Net Change in Fund Balances	1,373	(6,953)	66,986	(27,509)	684	41,104	(112,500)
Fund Balances - July 1, 2009	95,354	43,332	147,345	171,214	86,450	280,610	534,072
Fund Balances - June 30, 2010	\$ 96,727	\$ 36,379	\$ 214,331	\$ 143,705	\$ 87,134	\$ 321,714	\$ 421,572

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

**SCHEDULE 6**

(2 of 3)

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010**

	Special Revenue					Total
	Community Development	Miscellaneous Grant	Beneficial Assessment	WPCA Joint Facilities	WPCA Operating	
Revenues:						
Intergovernmental	\$ 148,981	\$ 211,609	\$	\$ 11,927	\$ 16,209	\$ 1,502,786
Charges for services		31,118	1,681	951,948	906,163	3,028,977
Income from investments	6	435	13,955	15,834	2,304	37,983
Contributions and donations		1,420				34,949
Miscellaneous		4,200		17,595		30,347
Total revenues	148,987	248,782	15,636	997,304	924,676	4,635,042
Expenditures:						
Current:						
General government	36,959	148,027				184,986
Public safety						160,110
Public works and utilities				897,172	888,482	2,394,331
Culture and recreation						245,134
Civic and human services		17,972				17,972
Education						1,272,582
Debt service:						
Principal payments				23,815		70,951
Interest and fiscal charges				6,478		9,682
Capital outlays	120,121			140,433		274,183
Total expenditures	157,080	165,999	-	1,067,898	888,482	4,629,931
Excess (Deficiency) of Revenues over Expenditures	(8,093)	82,783	15,636	(70,594)	36,194	5,111
Other Financing Sources (Uses):						
Transfers in				46,000		106,000
Transfers out				(18,630)	(181,250)	(245,880)
Total other financing sources (uses)	-	-	-	27,370	(181,250)	(139,880)
Net Change in Fund Balances	(8,093)	82,783	15,636	(43,224)	(145,056)	(134,769)
Fund Balances - July 1, 2009	2,354	100,521	958,038	1,438,508	240,723	4,098,521
Fund Balances - June 30, 2010	\$ (5,739)	\$ 183,304	\$ 973,674	\$ 1,395,284	\$ 95,667	\$ 3,963,752

(Continued)

TOWN OF EAST HAMPTON, CONNECTICUT

SCHEDULE 6

(3 of 3)

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Capital Projects</u>			<u>Debt Service</u>	<u>Permanent</u>		<u>Total</u>
	<u>WPCA</u>	<u>Public</u>					<u>Nonmajor</u>
	<u>Development</u>	<u>Water</u>	<u>Total</u>	<u>Debt</u>	<u>Library</u>	<u>Interfund</u>	<u>Governmental</u>
		<u>System</u>		<u>Service</u>	<u>Trust</u>	<u>Eliminations</u>	<u>Funds</u>
Revenues:							
Intergovernmental	\$	\$	\$ -	\$	\$	\$	\$ 1,502,786
Charges for services	41,461		41,461				3,070,438
Income from investments	228		228	10,108	39		48,358
Contributions and donations			-				34,949
Miscellaneous		12,650	12,650				42,997
Total revenues	41,689	12,650	54,339	10,108	39	-	4,699,528
Expenditures:							
Current:							
General government			-	278,593			463,579
Public safety			-				160,110
Public works and utilities			-				2,394,331
Culture and recreation			-				245,134
Civic and human services			-				17,972
Education			-				1,272,582
Debt service:			-				
Principal payments			-				70,951
Interest and fiscal charges			-				9,682
Capital outlays	168,148		168,148				442,331
Total expenditures	168,148	-	168,148	278,593	-	-	5,076,672
Excess (Deficiency) of Revenues over Expenditures	(126,459)	12,650	(113,809)	(268,485)	39	-	(377,144)
Other Financing Sources (Uses):							
Transfers in	178,466		178,466	411,900		(245,880)	450,486
Transfers out			-			245,880	-
Total other financing sources (uses)	178,466	-	178,466	411,900	-	-	450,486
Net Change in Fund Balances	52,007	12,650	64,657	143,415	39	-	73,342
Fund Balances - July 1, 2009	(52,244)	84,749	32,505	372,333	16,261		4,519,620
Fund Balances - June 30, 2010	\$ (237)	\$ 97,399	\$ 97,162	\$ 515,748	\$ 16,300	\$ -	\$ 4,592,962

(Concluded)

TOWN OF EAST HAMPTON, CONNECTICUT**SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2010**

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	Uncollected July 1, 2009	Net Amount Collectible	Collections			Uncollected June 30, 2010
			Assessments	Interest	Total	
Sewer Assessments	\$ 6,747	\$ 6,747	\$ 820	\$ 861	\$ 1,681	\$ 5,927

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## Fiduciary Funds

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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, 2010**

	<b>Balance July 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2010</b>
<b>Assets:</b>				
<b>Cash:</b>				
Student Activity Fund	\$ 147,496	\$ 687,116	\$ 504,430	\$ 330,182
Developer Bond Fund	192,783	2,599		195,382
<b>Total Cash</b>	<b>340,279</b>	<b>689,715</b>	<b>504,430</b>	<b>525,564</b>
<b>Investments:</b>				
Student Activity Fund	175,899	9,775	181,507	4,167
Volunteer Firemen Award Fund	579,843	89,144	16,579	652,408
<b>Total Investments</b>	<b>755,742</b>	<b>98,919</b>	<b>198,086</b>	<b>656,575</b>
<b>Total Assets</b>	<b>\$ 1,096,021</b>	<b>\$ 788,634</b>	<b>\$ 702,516</b>	<b>\$ 1,182,139</b>
<b>Liabilities:</b>				
<b>Accounts payable:</b>				
Student Activity Fund	\$ 323,395	\$ 696,891	\$ 685,937	\$ 334,349
Developer Bond Fund	192,783	2,599		195,382
Volunteer Firemen Award Fund	579,843	89,144	16,579	652,408
<b>Total Liabilities</b>	<b>\$ 1,096,021</b>	<b>\$ 788,634</b>	<b>\$ 702,516</b>	<b>\$ 1,182,139</b>



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# Statistical Section

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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.

### **OPERATING INFORMATION (TABLES 16-17)**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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 EIGHT YEARS (1)  
(UNAUDITED)

	FISCAL YEAR							
	2010	2009	2008	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES:								
Invested in capital assets, net of related debt.....	\$ 66,932,674	\$ 63,685,094	\$ 58,473,214	\$ 60,424,658	\$ 30,216,516	\$ 29,561,339	\$ 24,518,877	\$ 23,097,483
Restricted.....	344,954	16,261	16,105	16,814	17,431	17,072	16,799	16,642
Unrestricted.....	10,107,050	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>\$ 77,384,678</u>	<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

## TOWN OF EAST HAMPTON, CONNECTICUT

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

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES:</b>								
Governmental activities:								
General government.....	\$ 3,175,055	\$ 3,843,123	\$ 2,806,092	\$ 2,688,056	\$ 2,863,707	\$ 2,231,747	\$ 2,086,367	\$ 1,964,309
Public safety.....	2,882,654	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.....	477,033	997,140	368,356	337,184	287,554	314,598	267,718	395,145
Public works and utilities.....	4,792,395	5,373,203	5,173,124	4,838,968	4,341,583	4,062,603	3,695,331	3,979,738
Education.....	29,863,970	29,344,735	34,711,774	25,312,601	24,471,957	21,873,102	20,861,963	20,695,865
Regulatory.....	647,805	465,619	405,373	365,541	387,641	343,793	313,798	339,490
Culture and recreation.....	1,440,829	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.....	368,987	419,369	450,205	469,774	481,197	504,222	557,941	536,717
Total Governmental activities expenses.....	43,648,728	44,586,261	47,730,479	37,719,698	36,524,426	32,873,510	30,926,813	30,861,555
<b>PROGRAM REVENUES:</b>								
Charges for services:								
General government.....	314,490	331,000	444,108	432,258	499,866	465,823	515,098	313,025
Public safety.....	199,872	306,825	61,697	102,218	48,535	51,237	57,398	52,236
Civic and human services.....	850	900	11,472	29,993	13,436	15,099	13,539	15,975
Public works and utilities.....	2,108,720	2,076,501	2,638,709	2,162,517	1,912,551	1,607,621	1,537,575	880,217
Education.....	580,766	498,749	468,912	502,271	489,650	475,082	450,060	403,667
Regulatory.....	170,035	109,184	257,085	270,305	324,079	366,787	277,701	232,664
Culture and recreation.....	231,110	247,327	512,574	277,038	303,116	293,230	265,596	209,176
Operating grants and contributions.....	12,048,503	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.....	1,196,987	1,368,159	-	206,205	1,324,242	1,850,348	686,836	150,352
Total Governmental activities program revenues.....	16,851,333	17,072,258	22,783,924	14,072,682	15,005,227	13,759,624	11,760,614	11,107,741
<b>NET EXPENSE:</b>								
Governmental activities.....	(26,797,395)	(27,514,003)	(24,946,555)	(23,647,016)	(21,519,199)	(19,113,886)	(19,166,199)	(19,753,814)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:</b>								
Governmental activities:								
Property taxes.....	\$ 27,760,475	\$ 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.....	264,189	359,057	425,663	406,978	411,922	460,453	474,776	595,864
Investment income.....	142,627	230,040	521,414	654,130	474,365	260,755	128,223	168,602
Miscellaneous.....	304,570	221,078	21,225	32,709	29,067	-	-	101,876
Total Governmental activities.....	28,471,861	28,013,104	26,836,813	25,244,462	23,903,995	22,036,796	20,078,464	19,016,463
<b>CHANGE IN NET ASSETS:</b>								
Governmental activities.....	\$ 1,674,466	\$ 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.

TABLE 3

## TOWN OF EAST HAMPTON CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
GENERAL FUND:										
Reserved.....	\$	\$ 1,687	\$ 1,888	\$ 1,888	\$ 12,640	\$ 27,657	\$ 28,918	\$ 115,971	\$ 98,394	\$ 119,686
Unreserved:										
Designated .....									500,000	710,000
Undesignated .....	4,083,407	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
Total unreserved.....	4,083,407	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
TOTAL GENERAL FUND.....	4,083,407	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
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved:										
Encumbrances.....				184,195	242,368	1,631,685	1,388,158	202,693	466,263	563,136
Commitments.....	337,689		8,679	17,020	15,954	14,841	10,754	11,923	13,949	14,483
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.....	3,963,752	5,816,762	6,242,106	5,512,204	4,656,345	3,958,827	3,739,544	2,523,744	4,399,445	3,573,644
Capital funds.....	1,806,138	842,102	(100,674)	75,118	(50,073)	(3,353,908)	(1,047,522)	1,513,623	151,705	(393,074)
Debt service.....	515,748	372,333	345,317	345,317	578,990	30,000	30,000	-	-	-
Permanent funds.....	800	761	605	1,314	1,931	1,572	1,299	1,142	1,133	2,108
TOTAL ALL OTHER GOVERNMENTAL FUNDS.....	6,639,627	7,047,458	6,661,533	6,300,668	5,611,015	2,448,517	4,287,733	4,418,625	5,147,995	3,775,797
GRAND TOTAL.....	\$ 10,723,034	\$ 11,641,731	\$ 11,232,964	\$ 10,245,432	\$ 9,223,014	\$ 5,770,516	\$ 6,719,298	\$ 6,147,202	\$ 7,281,012	\$ 6,390,920

TABLE 4

## TOWN OF EAST HAMPTON CONNECTICUT

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

	FISCAL YEAR ENDED									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>REVENUES:</b>										
Property taxes.....	\$ 27,402,725	\$ 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
Intergovernmental.....	13,427,456	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
Charges for services.....	3,620,840	3,507,029	3,959,904	3,297,166	3,602,240	3,468,832	3,214,746	2,925,269	2,764,952	2,408,395
Contributions and donations.....	34,949	43,480	14,973	30,897	40,547	90,453	42,645	98,136	22,056	78,201
Income on investments.....	142,627	213,850	956,667	1,083,913	474,365	260,755	128,041	168,602	501,010	544,904
Miscellaneous.....	304,570	221,078	121,332	195,847	155,981	95,384	269,687	180,476	395,062	150,155
<b>TOTAL REVENUES.....</b>	<b>44,933,167</b>	<b>44,440,204</b>	<b>50,193,989</b>	<b>40,040,678</b>	<b>39,081,809</b>	<b>35,778,091</b>	<b>32,661,548</b>	<b>30,957,935</b>	<b>30,697,245</b>	<b>29,283,991</b>
<b>EXPENDITURES:</b>										
Current:										
General government.....	3,894,843	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
Public safety.....	2,556,133	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
Public works and utilities.....	5,213,454	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
Culture and recreation.....	1,185,665	1,166,392	1,311,823	1,182,446	1,144,162	1,322,824	960,245	785,617	851,811	697,022
Civic and human services.....	376,385	353,640	597,669	306,090	247,240	283,644	239,876	380,701	281,344	324,217
Regulatory.....	449,453	393,412	321,864	302,164	320,056	283,927	246,948	236,749	252,088	221,411
Education.....	29,023,145	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
Debt service:										
Principal.....	1,655,951	1,669,547	2,081,470	2,154,642	2,238,077	2,267,555	2,373,421	2,711,518	2,667,703	2,786,885
Interest.....	333,558	483,480	403,298	462,820	467,577	478,351	555,487	739,946	762,532	782,508
Capital outlay.....	1,163,277	4,129,702	620,777	310,641	2,195,113	2,590,790	245,590	450,442	3,339,732	1,804,790
<b>TOTAL EXPENDITURES.....</b>	<b>45,851,864</b>	<b>47,032,627</b>	<b>49,264,438</b>	<b>39,247,407</b>	<b>39,861,398</b>	<b>37,205,224</b>	<b>32,674,939</b>	<b>32,887,505</b>	<b>33,442,749</b>	<b>30,558,047</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(918,697)</b>	<b>(2,592,423)</b>	<b>929,551</b>	<b>793,271</b>	<b>(779,589)</b>	<b>(1,427,133)</b>	<b>(13,391)</b>	<b>(1,929,570)</b>	<b>(2,745,504)</b>	<b>(1,274,056)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in.....	1,804,763	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
Transfers out.....	(1,804,763)	(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)
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	-	(4,059,832)	-	-
Issuance of debt.....	-	2,985,000	-	-	3,175,000	-	-	4,005,000	2,848,694	-
Premium on bonds and notes.....	-	16,190	-	-	40,520	-	-	91,799	5,826	-
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>3,001,190</b>	<b>-</b>	<b>-</b>	<b>3,215,520</b>	<b>-</b>	<b>-</b>	<b>36,967</b>	<b>2,854,520</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (918,697)</b>	<b>\$ 408,767</b>	<b>\$ 929,551</b>	<b>\$ 793,271</b>	<b>\$ 2,435,931</b>	<b>\$ (1,427,133)</b>	<b>\$ (13,391)</b>	<b>\$ (1,892,603)</b>	<b>\$ 109,016</b>	<b>\$ (1,274,056)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>	<b>3.89%</b>	<b>11.17%</b>	<b>4.30%</b>	<b>5.62%</b>	<b>14.62%</b>	<b>6.69%</b>	<b>7.42%</b>	<b>8.49%</b>	<b>16.79%</b>	<b>9.30%</b>

TABLE 5

## TOWN OF EAST HAMPTON, CONNECTICUT

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

YEAR ENDED JUNE 30	REAL ESTATE		PERSONAL PROPERTY		TOTAL		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		
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
2010	1,024,849,850	1,464,071,214	115,963,214	165,661,734	1,140,813,064	1,629,732,949	70.00%	24.98

Source: Town of East Hampton, Assessor's Office

TOWN OF EAST HAMPTON, CONNECTICUT

**TABLE 6**

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

NAME	NATURE OF BUSINESS	2010			2001		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)
CT Light & Power Co.	Utility	\$12,365,430	1	1.08%	\$ 7,939,694	1	1.28%
Landmark East Hampton LLC	Mall Real Estate	\$7,392,050	2	0.65%			
Easthampton NE Development LLC	Real Estate Developer	\$3,571,560	3				
Jackowitz, Edward / American Distilling	Manufacturer	\$3,016,180	4	0.26%	3,547,846	2	0.57%
Rechovos	Real Estate Developer	\$2,439,170	5	0.21%			
Skyline Estates LLC	Real Estate Developer	\$2,353,583	6	0.21%			
Shaws Supermarket	Mall-Personal Property	\$2,075,470	7	0.18%			
Royal Oaks LLC	Real Estate Developer	\$2,050,454	8	0.18%			
Pauls & Sandys Too, Inc.	Real Estate - Commercial/Farm	\$1,952,790	9	0.17%	1,390,000	8	0.22%
Global Self Storage	Commercial Real Estate	\$1,869,500	10	0.16%			
East Hampton Mall LTD Ptshp	Mall				2,576,700	3	0.41%
J. C. Barton Company	Manufacturer				2,270,023	4	0.36%
WWR/MFR & Edgerton Estates	Real Estate Developer				1,729,320	6	0.28%
Nichols Bus Service, Inc.	Bus Company				1,817,660	5	0.29%
Carreiro, Frank	Real Estate				1,345,320	9	0.22%
Noslen, Inc./Gustine Family Ltd	Campground				1,517,150	7	0.24%
Z Incorporated	Convalescent Home				1,332,810	10	0.21%
TOTAL		<u>\$ 39,086,187</u>		<u>3.11%</u>	<u>\$ 25,466,523</u>		<u>4.09%</u>

Source: Assessor's Office, Town of East Hampton

(1) Based on October 1, 2008 and 1999 net taxable Grand List of \$1,140,813,064 and \$622,170,668, 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
2001	25.46	\$ 15,983,327	\$ 15,754,250	98.57%	\$ 379,331	\$ 16,133,581	100.94%	\$ -
2002	26.39	16,593,511	16,333,028	98.43%	241,620	16,574,648	99.89%	-
2003	27.70	17,956,703	17,681,790	98.47%	246,707	17,928,497	99.84%	575
2004	28.69	19,284,127	19,015,770	98.61%	235,776	19,251,546	99.83%	333
2005	30.19	21,178,483	20,993,136	99.12%	280,854	21,273,990	100.45%	613
2006	30.81	22,858,750	22,613,423	98.93%	167,661	22,781,084	99.66%	6,903
2007	22.48	24,026,413	23,745,910	98.83%	207,953	23,953,863	99.70%	44,217
2008	23.30	25,714,934	25,357,394	98.61%	178,779	25,536,173	99.30%	87,735
2009	23.81	26,929,975	26,429,212	98.14%	279,210	26,708,422	99.18%	264,744
2010	24.98	27,465,527	26,889,271	97.90%	-	26,889,271	97.90%	576,256

(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
2001	\$ 15,019,999	\$ 526,745	\$ 15,546,744	4.74%	\$ 1,366
2002	13,155,000	990,267	14,145,267	4.09%	1,243
2003	13,855,000	913,695	14,768,695	4.19%	1,292
2004	12,100,000	850,761	12,950,761	3.70%	1,111
2005	10,375,000	786,557	11,161,557	2.92%	936
2006	11,845,000	721,057	12,566,057	3.20%	1,031
2007	10,220,000	654,235	10,874,235	2.58%	873
2008	8,610,000	586,063	9,196,063	2.04%	733
2009	9,995,000	516,516	10,511,516	2.27%	838
2010	8,410,000	445,565	8,855,565	1.92%	694

**TABLE 9****TOWN OF EAST HAMPTON, CONNECTICUT**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS  
(UNAUDITED)

GENERAL OBLIGATION DEBT OUTSTANDING				PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	TOTAL		
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
2010	8,410,000	445,565	8,855,565	0.54%	694

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, 2010  
(UNAUDITED)

<b>TAX BASE:</b>	
Total tax collections (including interest and lien fees).....	\$ 27,348,005
<b>REIMBURSEMENT OF REVENUE LOST ON:</b>	
Tax Relief for Elderly Freeze Grant.....	2,000
<b>TOTAL BASE</b> .....	<b>\$ 27,350,005</b>

	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
<b>DEBT LIMITATION:</b>					
2 1/4 times base.....	\$ 61,537,511	\$	\$	\$	\$
4 1/2 times base.....		123,075,023			
3 3/4 times base.....			102,562,519		
3 1/4 times base.....				88,887,516	
Capital outlay.....					82,050,015
<b>TOTAL LIMITATIONS</b> .....	<b>61,537,511</b>	<b>123,075,023</b>	<b>102,562,519</b>	<b>88,887,516</b>	<b>82,050,015</b>
<b>INDEBTEDNESS:</b>					
Bonds.....	6,152,000	2,258,000	445,565		
Less school building grants and other grants.....		(925,353)			
Less sewer assessment receivable.....			(5,927)		
<b>NET INDEBTEDNESS</b> .....	<b>6,152,000</b>	<b>1,332,647</b>	<b>439,638</b>	<b>-</b>	<b>-</b>
<b>DEBT LIMITATION IN EXCESS OF OUTSTANDING</b>					
<b>DEBT</b> .....	<b>\$ 55,385,511</b>	<b>\$ 121,742,376</b>	<b>\$ 102,122,881</b>	<b>\$ 88,887,516</b>	<b>\$ 82,050,015</b>
The total net indebtedness above amounts to:					<b>\$ 7,924,285</b>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<b>\$ 191,450,035</b>

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
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%
2010	191,450,035	7,924,285	183,525,750	4.14%

TABLE 12

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

YEAR ENDED JUNE 30	(1) POPULATION	(5) AVERAGE HOUSEHOLD INCOME	(4) PER CAPITA INCOME	(5) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
2001	11,381	\$ 70,583	\$ 28,834	36	N/A	1,976	2.40%
2002	11,381	83,443	30,358	31	N/A	2,001	4.60%
2003	11,435	79,878	30,848	32	N/A	2,027	5.90%
2004	11,660	76,710	30,017	31	N/A	2,126	4.90%
2005	11,927	97,874	32,080	32	N/A	2,164	5.60%
2006	12,194	100,205	32,213	32	N/A	2,088	4.50%
2007	12,459	79,771	33,877	31	N/A	2,087	4.80%
2008	12,548	87,173	35,911	32	N/A	2,073	5.80%
2009	12,548	85,262	36,879	32	N/A	2,064	7.70%
2010	12,766	90,470	36,115	32	N/A	2,002	8.70%

(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.

(5) Connecticut Economic Resource Center.

N/A - Information not available

TABLE 13

TOWN OF EAST HAMPTON, CONNECTICUT

PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (UNAUDITED)

EMPLOYER	2010			2001		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Town of East Hampton	386	1	19.83%	317	1	18.89%
Stop & Shop Supermarket	149	2	7.65%	-		
Cobalt Lodge	74	3	3.80%	76	2	4.53%
Northeast Utilities	50	4	2.57%	50	3	2.98%
American Distilling	50	5	2.57%	40	4	2.38%
Bevin Brothers	16	6	0.82%	29	5	1.73%
EMS	-	7	0.00%	22	6	1.31%
J.C. Barton	-		0.00%	10	7	0.60%
TOTAL	725		37.24%	544		32.42%

Source: Connecticut Department of Labor

Note: All other employer have less than 10 employees

TABLE 14

TOWN OF EAST HAMPTON, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<u>Administrative and General Government</u>										
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	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	5.0	3.0	3.0	3.5	3.5	3.5	3.5	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	3.3	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	5.0	6.0	6.0
Assessor	2.5	2.5	2.5	2.5	2.5	2.5	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	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police	19.0	19.0	19.0	18.0	18.0	18.0	17.0	16.0	16.0	16.0
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	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	14.0	13.0	13.0	12.0	12.0
Water Pollution Control	11.0	11.0	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	0.0	1.0	1.0
Social and Human Services	1.3	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	2.0	1.5	1.5	1.5	1.5	1.5
<u>Library</u>	7.5	7.5	7.5	7.0	7.0	6.0	6.0	6.0	6.0	6.0
<u>Recreation</u>										
Parks and Recreation	5.2	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
GRAND TOTAL	90.3	90.3	87.8	86.0	86.5	85.0	82.5	82.0	82.5	82.5

Source: Town Human Resources Department.

TABLE 15

TOWN OF EAST HAMPTON, CONNECTICUT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b><u>TOWN</u></b>										
Administrative and General Government.....	16.30	16.30	14.30	14.00	14.50	14.50	14.50	14.50	14.00	14.00
Finance.....	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00	11.00	11.00
Public Safety.....	20.50	20.50	21.00	20.00	20.00	20.00	19.00	18.50	18.50	18.50
Public Works.....	27.00	27.00	26.00	26.00	26.00	26.00	25.00	25.00	24.00	24.00
Health, Social, Human Services.....	3.30	3.50	3.50	3.50	3.50	3.00	3.00	3.00	4.00	4.00
Library.....	7.50	7.50	7.50	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Recreation.....	5.20	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
TOTAL.....	90.30	90.30	87.80	86.00	86.50	85.00	82.50	82.00	82.50	82.50
<b><u>BOARD OF EDUCATION</u></b>										
Certified.....	177.00	180.00	176.00	165.00	164.00	N/A	N/A	N/A	N/A	N/A
Non-Certified.....	123.00	123.00	115.00	108.00	94.00	N/A	N/A	N/A	N/A	N/A
TOTAL.....	300.00	303.00	291.00	273.00	258.00	-	-	-	-	-
TOTAL.....	390.30	393.30	378.80	359.00	344.50	85.00	82.50	82.00	82.50	82.50

Source: Town and Board of Education Human Resource Departments.



TABLE 16

TOWN OF EAST HAMPTON, CONNECTICUT  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN YEARS  
 (UNAUDITED)

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public safety										
Fire										
Incidents	334	323	361	341	345	322	288	N/A	N/A	N/A
Unit responses					N/A	N/A	N/A	N/A	N/A	N/A
Fire Marshall Inspections	226	258	277	235	265	219	259	N/A	N/A	N/A
Police										
Criminal arrests	177	210	170	201	181	164	155	125	86	N/A
Parking violations	-	12	9	20	12	18	3	22	12	N/A
Citations	380	293	232	373	384	273	317	335	199	N/A
Public works										
Street resurfacing (paved miles)	6	11	-	7	-	5	2	-	N/A	N/A
Storm drains cleaned	356	940	1,029	2,529	2,234	1,309	1,578	1,334	1,779	N/A
Refuse collection										
Refuse collected (tons per day)										
Recyclables collected (tons per day)										
Parks and recreation										
Sessions / Classes	225	275	325	260	260	240	240	225	215	100
Program enrollments	2,562	3,772	4,000	3,700	4,125	3,660	3,360	3,150	3,010	1,400
Library										
Volumes in collection	74,721	74,085	69,680	65,782	61,477	57,489	54,837	51,690	48,894	46,900
Total volumes borrowed	134,974	129,772	124,887	118,958	108,321	101,950	96,660	91,211	87,608	81,213
Education										
School enrollment	2,002	2,064	2,073	2,087	2,088	2,164	2,126	2,027	2,001	1,976

Source: Various Town Departments.

N/A - Information not available

TABLE 17

TOWN OF EAST HAMPTON, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>PARKS AND RECREATION:</b>										
Playgrounds	12	12	12	12	12	11	10	10	10	10
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer	4	4	4	4	4	4	4	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
<b>PUBLIC SAFETY:</b>										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	8	8	8	7	7	7	7	7
<b>PUBLIC WORKS:</b>										
Highway department										
Streets (miles)	90.4	90.0	88.5	88.5	88.5	87.0	85.6	84.1	83.8	82.4
Wastewater										
Sanitary sewers (miles)	42.96	42.96	40.38	40.38	40.10	39.35	38.60	37.80	37.80	35.59
Storm sewers (miles)										
Treatment capacity (thousands of gallons)	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
<b>LIBRARIES:</b>										
Number of public libraries	2	2	2	2	2	2	2	2	2	2
<b>EDUCATION:</b>										
High schools	1	1	1	1	1	1	1	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
Elementary schools	2	2	2	2	2	2	2	2	2	2

Source: Town capital asset records and various Town Departments.

N/A - Information not available