

TOWN OF SUFFIELD, CONNECTICUT

JUNE 30, 2009

TOWN OF SUFFIELD, CONNECTICUT

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Independent Auditors' Report

Board of Finance
Town of Suffield
Suffield, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2009 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 11 and budgetary comparison information on pages 44 through 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Blum, Shapiro & Company, P.C.

December 28, 2009

TOWN OF SUFFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

This discussion and analysis of the Town of Suffield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts are reported in thousands unless otherwise noted.

Financial Highlights

- The Town's net assets increased as a result of this year's operations. While net assets of our business-type activities decreased by \$508, or 2.3%, net assets of our governmental activities increased by \$6,594, or 8.6%.
- During the year, the Town had expenses that were \$6,594 less than the \$57,568 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues increased by \$55 while expenses remained the same. The increase was due to sewer charges.
- Total cost of all of the Town's programs was \$53,411 with no new programs added this year.
- The General Fund reported a fund balance this year of \$10,309.
- The resources available for appropriation were \$105 less than budgeted for the General Fund. Expenditures were kept within spending limits.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, we divide the Town into two types of activities:

- *Governmental Activities* - Most of the Town's basic services are reported here, including education, public safety, public works, planning and development, health and social services, library, recreation and parks and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Water Pollution Control Authority (WPCA) activities are reported here.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Board of Finance establishes many other funds to help control and manage financial activities for particular purposes (like the Grant Funds, Assessment Fund, Insurance Fund, School Building Project Fund and the Pension Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State and Federal governments and accounted for in the Special Revenue Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Insurance and Gas/Diesel Internal Service Funds.

- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets increased 6.1% from a year ago, going from \$98,748 to \$104,833. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental and business-type activities.

Table 1
NET ASSETS
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 22,118	\$ 20,142	\$ 512	\$ 392	\$ 22,630	\$ 20,534
Capital assets, net of accumulated depreciation	85,396	80,830	21,911	22,849	107,307	103,679
Total assets	107,514	100,972	22,423	23,241	129,937	124,213
Long-term debt outstanding	20,720	21,373	465	795	21,185	22,168
Other liabilities	3,737	3,135	182	162	3,919	3,297
Total liabilities	24,457	24,508	647	957	25,104	25,465
Net Assets:						
Invested in capital assets, net of debt	67,000	60,509	21,446	22,054	88,446	82,563
Restricted	449	451			449	451
Unrestricted	15,608	15,504	330	230	15,938	15,734
Total Net Assets	\$ 83,057	\$ 76,464	\$ 21,776	\$ 22,284	\$ 104,833	\$ 98,748

Net assets of the Town's governmental activities increased by \$6,594 or 8.6%. The primary factor contributing to the increase in net assets is a \$3,834 decrease in Education expenses and \$1,753 decrease in Administration expenses and \$1,431 of additional property taxes received. Capital grants increased by \$2,484 due to an increase in Capital Grants for Conservation Easements during the year. Operating Grants decreased by \$6,242 due to reduced Education Operating Grants. The State of Connecticut significantly reduced "on-behalf" payments for teachers pensions. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$15,504 at June 30, 2008 to \$15,608 at the end of this year.

The net assets of business-type activities decreased by \$508 or 2.3% (\$22,284 compared to \$21,776) in 2009. The Town generally can only use these net assets to finance the continuing operations of the WPCA.

Table 2
CHANGES IN NET ASSETS
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services:						
Administration	\$ 455	\$ 715	\$	\$	\$ 455	\$ 715
Planning and development	8				8	-
Public safety	159	116			159	116
Public works	1,104	1,176			1,104	1,176
Health and social services	5	5			5	5
Library, recreation and parks	149	132			149	132
Education	1,444	1,440			1,444	1,440
Sewer			1,924	1,838	1,924	1,838
Operating grants and contributions	12,453	18,695			12,453	18,695
Capital grants and contributions	3,245	761		25	3,245	786
General revenues:						
Property taxes	31,106	29,675			31,106	29,675
Grants and contributions not restricted to specific purposes	5,997	5,735			5,997	5,735
Unrestricted investment earnings	351	726	4	9	355	735
Miscellaneous	1,092	556			1,092	556
Total revenues	<u>57,568</u>	<u>59,732</u>	<u>1,928</u>	<u>1,872</u>	<u>59,496</u>	<u>61,604</u>
Program expenses:						
Administration	2,197	3,950			2,197	3,950
Planning and development	405	395			405	395
Public safety	3,988	3,423			3,988	3,423
Public works	4,122	4,032			4,122	4,032
Health and social services	783	643			783	643
Library, recreation and parks	1,148	1,401			1,148	1,401
Education	37,422	41,256			37,422	41,256
Interest on long-term debt	909	979			909	979
Sewer			2,437	2,432	2,437	2,432
Total program expenses	<u>50,974</u>	<u>56,079</u>	<u>2,437</u>	<u>2,432</u>	<u>53,411</u>	<u>58,511</u>
Increase (Decrease) in Net Assets	\$ <u>6,594</u>	\$ <u>3,653</u>	\$ <u>(509)</u>	\$ <u>(560)</u>	\$ <u>6,085</u>	\$ <u>3,093</u>

The Town's total revenues were \$59,496. The total cost of all programs and services was \$53,411. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The greatest increase was in property taxes. Property taxes accounted for 54% of the Town's governmental activities. Operating grants and contributions accounted for 27% of the Town's governmental activities. The Town continues to utilize grants and contributions to maintain its services.

Education related expenses accounted for over 73% of the total program expenses for governmental activities. Insurance costs remained constant for the year. Employee benefits increased during the year because of negotiated contract requirements. Administration costs decreased by 44.4%. This was due to the completion of the revaluation process of real estate as mandated. All other expenditures remained about the same as the prior year.

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

Table 3
GOVERNMENTAL ACTIVITIES
(in thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Administration	\$ 2,197	\$ 3,950	\$ 1,612	\$ 3,180
Public safety	3,988	3,423	3,609	3,297
Public works	4,122	4,032	2,243	1,911
Education	<u>37,422</u>	<u>41,256</u>	<u>25,475</u>	<u>21,400</u>
Totals	<u>\$ 47,729</u>	<u>\$ 52,661</u>	<u>\$ 32,939</u>	<u>\$ 29,788</u>

Business-Type Activities

Revenues of the Town's business-type activities (see Table 2) increased by \$55 due to increases in the charges for services, capital grants decreased by \$25 because of the completion of the expansion of the plant. Expenses remained level.

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$16,064, which is an increase from last year's total of \$13,979. Included in this year's total change in fund balance is an increase of \$942 in the Town's General Fund. In addition, these other changes in fund balances should be noted: an increase of \$864 in the Capital Projects funds and an increase of \$279 in other governmental funds.

General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$47,772. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$660. On the revenue side, final actual revenues were less than the original budget by \$105. We had anticipated using fund balance of \$1,200 but were not required to due to increases in the following categories: property taxes contributed \$504 due to collection of current year and prior years' taxes and interest and fees; intergovernmental revenues added \$116 due to increases in payment in lieu of taxes for manufacturing equipment and education cost sharing grants. Miscellaneous income increased by \$470, which offset decreases in current services and fees.

Proprietary Funds

The Town's Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. An increase in operating expenses resulted in an operating loss of \$508. The increases were in payroll & benefits and utilities. The other two funds, Insurance Fund and Gas/Diesel Fund, are Internal Service Funds. Unrestricted net assets of both funds totaled \$1,030, a decrease of \$250 from the prior year. This decrease is due primarily to the performance of the Insurance Fund. There was an operating loss of \$254 and investment income of \$4. The Gas/Diesel Fund is used to allocate the expense of the gas and diesel fuels to the departments that use them. This year there was an operating loss of \$7.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the Town had \$107 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$3.6 million, or 3.4%, over last year.

Table 4

CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 11,946	\$ 10,117	\$ 16,038	\$ 16,038	\$ 27,984	\$ 26,155
Land improvements	89	66			89	66
Buildings	48,760	49,109	1,124	1,434	49,884	50,543
Furniture and equipment	2,349	2,266	4,749	5,377	7,098	7,643
Infrastructure	20,916	18,086			20,916	18,086
Construction in progress	1,336	1,186			1,336	1,186
Total	\$ 85,396	\$ 80,830	\$ 21,911	\$ 22,849	\$ 107,307	\$ 103,679

This year's major additions included (in thousands):

Development Rights for two farms	\$1,350
Middle School Roof Project	1,183
Land	479

The Town's fiscal-year 2009-10 capital budget calls for it to spend another \$1,661 for capital projects, principally for school boiler and repairs, road repairs, police and fire radio upgrade, public works equipment and technology upgrades. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2009, the Town had \$18,233 in bonds and notes outstanding versus \$20,321 last year - a decrease of \$2,088 or 10.2%.

The Town's general obligation bond rating continues to carry the Aa3 Moody's rating, which was reaffirmed in June 2001 with the issuance of the debt for the School Building and Renovation Project. The debt rating from Standard & Poor's was upgraded to AA from AA- in October 2004 and reaffirmed in September 2005. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$216,510 state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2010 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the Town as of November 2009 stands at 6.7% versus 5.3% a year ago. This compares with the State's unemployment rate of 7.9% and the national rate of 9.4%.

These indicators were taken into account when adopting the General Fund budget for 2009-10. Amounts available for appropriation in the General Fund budget are \$47,709, a decrease of 1.5% over the original 2009 budget of \$48,432. Property taxes (benefiting from the 2008 revaluation and additions) and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$500 of its \$10,309 General Fund balance to finance its 2009-10 budget leaving an unreserved, undesignated General Fund balance at June 30, 2009 of \$9,385 or 19.7% of the 2009-10 budget.

The Town will use increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures are expected to decrease by 1.5% to \$47,709 from \$48,432 in 2009. Decreases in capital expenditures and other post-employment benefits reserve are the largest increments. The Town has added no major new programs or initiatives to the 2010 budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2010.

The Water Pollution Control Authority approved a budget with a decrease of 3% in expenditures, which required an increase in the per unit charge of \$25.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Suffield, 83 Mountain Road, Suffield, Connecticut 06078.

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 15,526,897	\$ 470,915	\$ 15,997,812
Receivables, net	6,472,065	41,370	6,513,435
Inventory	16,477		16,477
Net pension asset	103,027		103,027
Capital assets not being depreciated	13,282,058	16,038,335	29,320,393
Capital assets being depreciated, net	72,113,664	5,872,416	77,986,080
Total assets	<u>107,514,188</u>	<u>22,423,036</u>	<u>129,937,224</u>
Liabilities:			
Accounts and other payables	2,507,698	193,171	2,700,869
Accrued interest payable	41,086		41,086
Unearned revenue	1,176,840		1,176,840
Internal balances	10,820	(10,820)	-
Noncurrent liabilities:			
Due within one year	2,460,317	350,000	2,810,317
Due in more than one year	18,260,182	114,727	18,374,909
Total liabilities	<u>24,456,943</u>	<u>647,078</u>	<u>25,104,021</u>
Net Assets:			
Invested in capital assets, net of related debt	66,999,586	21,446,024	88,445,610
Restricted for:			
Trust purposes:			
Nonexpendable	449,497		449,497
Unrestricted	<u>15,608,162</u>	<u>329,934</u>	<u>15,938,096</u>
Total Net Assets	<u>\$ 83,057,245</u>	<u>\$ 21,775,958</u>	<u>\$ 104,833,203</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 2,197,471	\$ 455,256	\$ 130,065	\$	\$ (1,612,150)	\$	\$ (1,612,150)
Planning and development	404,800	8,000	752,022	3,244,581	3,599,803		3,599,803
Public safety	3,988,483	159,051	220,664		(3,608,768)		(3,608,768)
Public works	4,122,002	1,103,875	775,164		(2,242,963)		(2,242,963)
Health and social services	783,343	4,880	7,193		(771,270)		(771,270)
Library, recreation and parks	1,147,609	149,362	65,499		(932,748)		(932,748)
Education	37,421,526	1,444,041	10,502,204		(25,475,281)		(25,475,281)
Interest on long-term debt	908,858				(908,858)		(908,858)
Total governmental activities	50,974,092	3,324,465	12,452,811	3,244,581	(31,952,235)	-	(31,952,235)
Business-type activities:							
Sewer	2,437,364	1,924,395				(512,969)	(512,969)
Total	\$ 53,411,456	\$ 5,248,860	\$ 12,452,811	\$ 3,244,581	(31,952,235)	(512,969)	(32,465,204)
General revenues:							
Property taxes					31,106,234		31,106,234
Grants and contributions not restricted to specific programs					5,996,549		5,996,549
Unrestricted investment earnings					350,750	4,478	355,228
Miscellaneous					1,092,213		1,092,213
Total general revenues					38,545,746	4,478	38,550,224
Change in net assets					6,593,511	(508,491)	6,085,020
Net Assets at Beginning of Year					76,463,734	22,284,449	98,748,183
Net Assets at End of Year					\$ 83,057,245	\$ 21,775,958	\$ 104,833,203

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 13,337,739	\$ 72,301	\$ 1,569,021	\$ 14,979,061
Receivables, net	1,735,865	3,067,113	1,005,373	5,808,351
Due from other funds	4,985,783	4,559,218	1,951,896	11,496,897
Inventories			16,477	16,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>20,059,387</u>	\$ <u>7,698,632</u>	\$ <u>4,542,767</u>	\$ <u>32,300,786</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and claims payable	\$ 1,656,080	\$ 92,200	\$ 264,148	\$ 2,012,428
Due to other funds	6,968,176	4,675,545	396,042	12,039,763
Deferred revenue	1,126,268	311,762	746,212	2,184,242
Total liabilities	<u>9,750,524</u>	<u>5,079,507</u>	<u>1,406,402</u>	<u>16,236,433</u>
Fund balances:				
Reserved	423,931	726,270	465,974	1,616,175
Unreserved, reported in:				
General Fund	9,884,932			9,884,932
Special Revenue Funds			2,670,391	2,670,391
Capital Project Funds		1,892,855		1,892,855
Total fund balances	<u>10,308,863</u>	<u>2,619,125</u>	<u>3,136,365</u>	<u>16,064,353</u>
Total Liabilities and Fund Balances	\$ <u>20,059,387</u>	\$ <u>7,698,632</u>	\$ <u>4,542,767</u>	\$ <u>32,300,786</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

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

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

Fund balances - total governmental funds	\$	16,064,353
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 107,281,757	
Less accumulated depreciation	<u>(21,886,035)</u>	
Net capital assets		85,395,722

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

Net pension asset	103,027
Hood receivable	217,859
Housing loan receivable	129,002
Special assessment receivable	260,977
Property tax receivable greater than 60 days	449,488
Interest receivable on property taxes	167,935

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

1,030,467

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

Bonds payable	(18,063,252)
Deferred amounts in refunding	(170,093)
Interest payable on bonds	(41,086)
Net OPEB obligation	(1,604,450)
Landfill closure and postclosure	(243,000)
Compensated absences	(476,913)
Capital lease obligation	<u>(162,791)</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>83,057,245</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 30,952,540	\$	\$	\$ 30,952,540
Intergovernmental	15,378,576	1,044,000	1,755,720	18,178,296
Charges for services	2,716,796		959,932	3,676,728
Interest income	273,470	383	73,133	346,986
Miscellaneous	1,076,802	46,169	171,856	1,294,827
Total revenues	<u>50,398,184</u>	<u>1,090,552</u>	<u>2,960,641</u>	<u>54,449,377</u>
Expenditures:				
Current:				
Administration	3,726,006		9,340	3,735,346
Planning and development	345,502		193,199	538,701
Public safety	3,179,394		60,548	3,239,942
Public works	3,254,747		10,926	3,265,673
Health and social services	663,201		953,185	1,616,386
Library, recreation and parks	438,750		20,107	458,857
Education	31,384,169		1,628,389	33,012,558
Miscellaneous	29,000			29,000
Debt service	3,005,874			3,005,874
Capital outlay		3,051,690	610,391	3,662,081
Total expenditures	<u>46,026,643</u>	<u>3,051,690</u>	<u>3,486,085</u>	<u>52,564,418</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,371,541</u>	<u>(1,961,138)</u>	<u>(525,444)</u>	<u>1,884,959</u>
Other Financing Sources (Uses):				
Issuance of capital lease		200,101		200,101
Transfers in	306,577	2,701,623	1,105,346	4,113,546
Transfers out	(3,736,206)	(76,425)	(300,915)	(4,113,546)
Total other financing sources (uses)	<u>(3,429,629)</u>	<u>2,825,299</u>	<u>804,431</u>	<u>200,101</u>
Net Change in Fund Balances	941,912	864,161	278,987	2,085,060
Fund Balances at Beginning of Year	<u>9,366,951</u>	<u>1,754,964</u>	<u>2,857,378</u>	<u>13,979,293</u>
Fund Balances at End of Year	<u>\$ 10,308,863</u>	<u>\$ 2,619,125</u>	<u>\$ 3,136,365</u>	<u>\$ 16,064,353</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

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

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,085,060
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	6,923,508
Depreciation expense	(2,357,563)

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

Property tax interest and lien revenue-accrual basis change	95,978
Property tax receivable-accrual basis change	57,716
Special assessment receivable-accrual basis change	(65,954)
Hood receivable	(217,859)
Net pension asset	(1,700)

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

Bond principal payments	2,065,439
Issuance of capital lease	(200,101)
Capital lease payments	69,845

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

Deferred amounts in refunding	22,595
Compensated absences	(54,243)
Net OPEB obligation	(1,604,450)
Landfill closure and postclosure	16,200
Accrued interest	8,981

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	<u>(249,941)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 6,593,511</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Business-Type Activities</u> WPCA <u>Enterprise Fund</u>	<u>Governmental Activities</u> Internal <u>Service Funds</u>
Assets:		
Cash and cash equivalents	\$ 470,915	\$ 547,836
Due from other funds	11,452	540,450
Receivables, net	41,370	445,855
Capital assets not being depreciated	16,038,335	
Capital assets, net of accumulated depreciation	5,872,416	
Total assets	<u>22,434,488</u>	<u>1,534,141</u>
Liabilities:		
Accounts and other payables	193,171	495,270
Due to other funds	632	8,404
Loans payable - current	350,000	
Loans payable - noncurrent	114,727	
Total liabilities	<u>658,530</u>	<u>503,674</u>
Net Assets:		
Invested in capital assets, net of related debt	21,446,024	
Unrestricted	329,934	1,030,467
Total Net Assets	<u>\$ 21,775,958</u>	<u>\$ 1,030,467</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>WPCA Enterprise Fund</u>	<u>Internal Service Funds</u>
Operating Revenues:		
Charges for services	\$ 1,916,423	\$ 5,525,822
Other	7,972	
Total operating revenues	<u>1,924,395</u>	<u>5,525,822</u>
Operating Expenses:		
Administrative expense	19,535	547,897
Payroll and employee benefits	815,729	
Sludge disposal	144,919	
Plant maintenance and materials	93,770	
Insurance and program services	23,144	4,845,130
Utilities	379,068	
Other operating expense	19,949	386,500
Depreciation	941,250	
Total operating expenses	<u>2,437,364</u>	<u>5,779,527</u>
Operating Loss	(512,969)	(253,705)
Nonoperating Revenue:		
Income on investments	<u>4,478</u>	<u>3,764</u>
Change in Net Assets	(508,491)	(249,941)
Net Assets at Beginning of Year	<u>22,284,449</u>	<u>1,280,408</u>
Net Assets at End of Year	<u>\$ 21,775,958</u>	<u>\$ 1,030,467</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities	Governmental Activities
	WPCA	Internal
	Enterprise Fund	Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 1,900,741	\$ 5,661,302
Cash payments to employees for services	(815,729)	
Cash payments to supplies for goods and services	(651,701)	(5,682,015)
Cash received from other sources	312	
Net cash provided by (used in) operating activities	<u>433,623</u>	<u>(20,713)</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(3,449)	
Loans repaid	(330,051)	
Net cash used in capital financing activities	<u>(333,500)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>4,478</u>	<u>3,764</u>
Net Increase (Decrease) in Cash and Cash Equivalents	104,601	(16,949)
Cash and Cash Equivalents at Beginning of Year	<u>366,314</u>	<u>564,785</u>
Cash and Cash Equivalents at End of Year	<u>\$ 470,915</u>	<u>\$ 547,836</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (512,969)	\$ (253,705)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	941,250	
(Increase) decrease in accounts receivables	(15,682)	168,810
(Increase) decrease in due from other funds	(8,292)	(33,330)
Increase (decrease) in accounts payable	28,684	89,108
Increase (decrease) in due to other funds	<u>632</u>	<u>8,404</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 433,623</u>	<u>\$ (20,713)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 145,368	\$ 225,322
Investments	15,502,494	44,714
Receivables:		
Other	<u>123,376</u>	<u> </u>
Total assets	15,771,238	<u>\$ 270,036</u>
Liabilities:		
Accounts and other payables	<u>26,945</u>	<u>\$ 270,036</u>
Net Assets:		
Held in Trust for Pension Benefits	<u>\$ 15,744,293</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

FIDUCIARY FUNDS - PENSION TRUST FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

Additions:	
Contributions:	
Employer	\$ 738,754
Employee	469,495
Total contributions	<u>1,208,249</u>
Investment income (loss):	
Interest and dividends	530,696
Net depreciation in fair value of investments	(2,729,658)
Investment expenses	(33,549)
Net investment loss	<u>(2,232,511)</u>
Total reductions	<u>(1,024,262)</u>
Deductions:	
Benefits payments and withdrawals	971,814
Administration	64,264
Total deductions	<u>1,036,078</u>
Net Decrease	(2,060,340)
Net Assets Held in Trust for Pension Benefits at Beginning of Year	<u>17,804,633</u>
Net Assets Held in Trust for Pension Benefits at End of Year	<u>\$ 15,744,293</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Suffield, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town was incorporated in 1749 under the General Statutes of the State of Connecticut. The Town adopted its original charter effective January 7, 1985 with the most recent revisions on November 6, 2001. The Town operates under a Selectman/Town Meeting form of government and provides the following services as authorized by the General Statutes and its charter: public safety (police and fire), public works, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The various funds included in the financial statements are described below:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

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

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Enterprise Funds account for operations that are financed in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water Pollution Control Authority (WPCA) Fund is the Town's only enterprise fund.

Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis and for self-insured activities.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Fund accounts for the Suffield Retirement System.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except for agency funds, which have no measurement focus). Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Capital Projects Fund is used to account for the financial resources for the acquisition and construction of major capital facilities.

The Town reports the following major proprietary funds:

The WPCA Fund is used to account for the activities of the Authority.

Additionally, the Town reports the following fund types:

The Internal Service Funds are used to account for self insured activities and purchases of gasoline by various departments.

The Pension Trust Fund accounts for the activities of the Suffield Retirement System, which accumulates resources for pension benefit payments to qualified Town employees.

Agency Funds account for monies held as custodian for outside student and municipal groups and agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the WPCA enterprise fund and of the Town's internal service funds are charges to customers for sales, services and benefits. Operating expenses for enterprise funds and the internal service fund include the cost of sales, services, benefits, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest on delinquent balances is computed at 1.5% per month. Liens are filed on delinquent real estate taxes within one year. An amount of \$46,398 has been established as an allowance for uncollectible taxes. At June 30, 2009, this represents 9% of all property taxes receivable.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities 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. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-45
Public domain infrastructure	35
System infrastructure	50
Vehicles	5-20
Office equipment	5-10
Computer equipment	7-10

H. Compensated Absences

Town employees earn and carryover various amounts of vacation and leave time based upon Town policy or bargaining unit contracts. At June 30, 2009, the total amount of the liability was \$476,913. The liability is reported in the government-wide statement of net assets.

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net asset restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Reserved Fund Balance - A portion of fund balance that is not available for appropriation or is legally restricted by outside parties for use for a specific purpose.

Designated Fund Balance - Represents tentative management plans that are subject to change.

Unreserved Fund Balance - Serves as a measure of current available financial resources.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

As set forth in the Town Charter, the Board of Finance adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting. The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget which it presents at a Town meeting. The operating budget includes proposed expenditures and the means of financing them.

Expenditures are budgeted by department, function and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Selectmen to reassign resources between departments. The legal level of budgetary control is the department level. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers are required to be submitted in writing to the Board of Selectmen, who, upon consideration, will forward to the Board of Finance for approval. Any transfers which alter the total budget in an amount equal to or greater than .025% of the total budget must be also approved by a Town meeting resolution. Any additional appropriations would also require Town meeting approval. During the year ended June 30, 2009, there were no additional appropriations.

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

The Town includes the following Water Pollution Control Authority funds as part of the Town's overall approved budget: 1) Enterprise Fund; 2) Special Revenue Fund - Sewer Assessment Fund; and 3) Capital Projects Fund - Sewer Project Fund. However, the legally adopted budget does not provide for line item revenue and expenditures detail for these funds. Instead, a summary total for revenues and expenditures for each of these three funds is presented. A budgetary schedule is not presented.

All unencumbered appropriations lapse at year-end. Appropriations for capital outlays are continued until completion of applicable projects, even when projects extend more than one fiscal year.

The Town does not maintain legally adopted budgets for the other Special Revenue Funds, since budgetary control is generally maintained on an individual grant basis. In addition, the Town does not adopt annual budgets for Capital Projects Funds.

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2009:

Nonmajor Governmental Funds:

Special Revenue Funds:

Municipal Grant	\$	423
Drug Education and Enforcement Grant		20
Kent Memorial Library		3,653

The deficits of Special Revenue Funds will be funded by contributions from the General Fund or future revenues.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,888,679 of the Town’s bank balance of \$3,908,619 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,523,652
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>365,027</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 2,888,679</u>

Cash Equivalents

At June 30, 2009, the Town's cash equivalents amounted to \$11,753,055. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

	<u>Standard and Poor's</u>
State Tax Exempt Proceeds Fund*	
State Short-Term Investment Fund (STIF)	AAAm
Money Market Funds*	

*Not rated

Investments

As of June 30, 2009, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 – 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
U.S. Treasury bonds	N/A	\$ 310,891	\$	\$ 106,561	\$ 204,330
U.S. Treasury notes	N/A	220,456		220,456	
U.S. Government obligations	N/A	1,450,907		1,179,525	271,382
Corporate bonds	A-AAA	1,006,151	213,619	596,865	195,667
Corporate bonds	BBB- BBB+	311,548	41,435	256,481	13,632
Foreign bonds	A-AAA	173,490	15,507	157,983	
Foreign bonds	BBB- BBB+	101,324	40,895	54,575	5,854
Other fixed income	N/A	2,639			2,639
Certificates of deposit	*	44,714	<u>44,714</u>		
Total			\$ <u>356,1709</u>	\$ <u>2,572,446</u>	\$ <u>693,504</u>
Other investments:					
Common stock		<u>11,925,088</u>			
Total Investments		<u>\$ 15,547,208</u>			

*Subject to coverage by Federal Depository Insurance and collateralization and included in cash and cash equivalents.

N/A Not applicable

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

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2009, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>WPCA Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 537,293	\$	\$	\$	\$ 537,293
Interest	167,935				167,935
Accounts	603,099	125	41,370	445,855	1,090,449
Special assessments				260,977	260,977
Intergovernmental	9,209	3,066,988		395,856	3,472,053
Loans	464,727			129,002	593,729
Other				342,914	342,914
Gross receivables	<u>1,782,263</u>	<u>3,067,113</u>	<u>41,370</u>	<u>1,574,604</u>	<u>6,465,350</u>
Less allowance for uncollectibles:	<u>(46,398)</u>				<u>(46,398)</u>
Net Total Receivables	<u>\$ 1,735,865</u>	<u>\$ 3,067,113</u>	<u>\$ 41,370</u>	<u>\$ 1,574,604</u>	<u>\$ 6,418,952</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 449,488	\$
Accrued interest on delinquent property tax	167,935	
Property taxes collected in advance		109,854
Special assessments not yet due	260,977	
Grant drawdowns prior to meeting all eligibility requirements		667,995
Cell phone tower - unearned		394,978
Loans receivable	129,002	
Unearned program revenues		4,013
	<u> </u>	<u> </u>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>1,007,402</u>	\$ <u>1,176,840</u>

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,117,248	\$ 1,829,202	\$	\$ 11,946,450
Construction in progress	1,185,376	2,101,962	1,951,730	1,335,608
Total capital assets not being depreciated	<u>11,302,624</u>	<u>3,931,164</u>	<u>1,951,730</u>	<u>13,282,058</u>
Capital assets being depreciated:				
Buildings	61,283,788	1,202,278		62,486,066
Land improvements	426,520	52,500		479,020
Furniture and equipment	6,136,068	411,246	41,257	6,506,057
Infrastructure	21,250,506	3,278,050		24,528,556
Total capital assets being depreciated	<u>89,096,882</u>	<u>4,944,074</u>	<u>41,257</u>	<u>93,999,699</u>
Less accumulated depreciation for:				
Buildings	12,174,318	1,551,701		13,726,019
Land improvements	360,674	29,505		390,179
Furniture and equipment	3,869,966	328,398	41,257	4,157,107
Infrastructure	3,164,771	447,959		3,612,730
Total accumulated depreciation	<u>19,569,729</u>	<u>2,357,563</u>	<u>41,257</u>	<u>21,886,035</u>
Total capital assets being depreciated, net	<u>69,527,153</u>	<u>2,586,511</u>	<u>-</u>	<u>72,113,664</u>
Governmental Activities Capital Assets, Net	\$ <u>80,829,777</u>	\$ <u>6,517,675</u>	\$ <u>1,951,730</u>	\$ <u>85,395,722</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 16,038,335	\$ _____	\$ _____	\$ 16,038,335
Capital assets being depreciated:				
Buildings	9,672,629			9,672,629
Equipment	16,389,383	3,449		16,392,832
Vehicles	75,921		10,643	65,278
Total capital assets being depreciated	<u>26,137,933</u>	<u>3,449</u>	<u>10,643</u>	<u>26,130,739</u>
Less accumulated depreciation for:				
Buildings	8,238,189	310,412		8,548,601
Equipment	11,026,235	622,116		11,648,351
Vehicles	63,292	8,722	10,643	61,371
Total accumulated depreciation	<u>19,327,716</u>	<u>941,250</u>	<u>10,643</u>	<u>20,258,323</u>
Total capital assets being depreciated, net	<u>6,810,217</u>	<u>(937,801)</u>	<u>-</u>	<u>5,872,416</u>
Business-Type Activities Capital Assets, Net	<u>\$ 22,848,552</u>	<u>\$ (937,801)</u>	<u>\$ -</u>	<u>\$ 21,910,751</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 50,557
Planning and development	8,250
Public safety	181,394
Public works	573,651
Health and social services	21,765
Library, recreation and parks	64,543
Education	<u>1,457,403</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,357,563</u>
Business-type activities:	
Sewer	<u>\$ 941,250</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2009. The projects include High School construction and code renovations to various schools. At year end, the Town's commitments in the school projects are as follows:

<u>Project</u>	<u>Appropriation</u>	<u>Cumulative Expenditures and Encumbrances</u>	<u>Remaining Commitment</u>
High school and agri-science building	\$ <u>56,113,070</u>	\$ <u>51,884,430</u>	\$ <u>4,228,640</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2009, amounts due to and due from other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 4,673,597
	Nonmajor Governmental Funds	303,782
	Internal Service Funds	8,404
		<u>4,985,783</u>
Capital Projects Fund	General Fund	4,466,958
	Nonmajor Governmental Funds	92,260
		<u>4,559,218</u>
Nonmajor Governmental Fund	General Fund	1,949,316
	Capital Projects Fund	1,948
	WPCA	632
		<u>1,951,896</u>
WPCA	General Fund	<u>11,452</u>
Internal Service Funds	General Fund	<u>540,450</u>
Total		<u>\$ 12,048,799</u>

Interfund receivables and payables represent temporary balances occurring when one fund pays for transactions and is later repaid.

Interfund transfers:

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 2,630,860	\$ 1,105,346	\$ 3,736,206
Capital Projects Fund	76,425			76,425
Nonmajor Governmental Funds	<u>230,152</u>	<u>70,763</u>		<u>300,915</u>
Total Transfers In	<u>\$ 306,577</u>	<u>\$ 2,701,623</u>	<u>\$ 1,105,346</u>	<u>\$ 4,113,546</u>

Transfers represent annual recurring transactions which move resources between funds.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 20,128,691	\$ -	\$ 2,065,439	\$ 18,063,252	\$ 2,067,844
Unamortized amounts:					
Deferred amounts on refunding	<u>192,688</u>	<u>-</u>	<u>22,595</u>	<u>170,093</u>	<u>-</u>
Total bonds payable	20,321,379	-	2,088,034	18,233,345	2,067,844
Landfill closure and postclosure	259,200	-	16,200	243,000	16,200
Capital lease obligation	32,535	200,101	69,845	162,791	65,828
OPEB obligation	-	1,604,450	-	1,604,450	-
Compensated absences	<u>422,670</u>	<u>330,009</u>	<u>275,766</u>	<u>476,913</u>	<u>310,445</u>
Governmental Activity Long-Term Liabilities	<u>\$ 21,035,784</u>	<u>\$ 2,134,560</u>	<u>\$ 2,449,845</u>	<u>\$ 20,720,499</u>	<u>\$ 2,460,317</u>

General long-term debt transactions are summarized as follows for the year ended June 30, 2009:

<u>Description</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>
Bonds payable:				
School bonds issued 2001, amount \$27,700,000, interest rate 3.75%-5.125%, maturity date 2001	\$ 4,380,000	\$ -	\$ 1,460,000	\$ 2,920,000
Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021	14,065,000	-	-	14,065,000
Clean Water Fund notes payable, treatment plant construction loan issued in 1990, amount \$9,725,849, interest rate 2.0%, maturity date November 2009	972,583	-	486,292	486,291
Pollution abatement facilities loan issued in 1994, amount \$1,589,472, interest rate 2.0%, maturity date November 2013	490,352	-	86,580	403,772
Pollution abatement facilities loan issued in 1995, amount \$610,016, interest rate 2.0%, maturity date November 2014	<u>220,756</u>	<u>-</u>	<u>32,567</u>	<u>188,189</u>
Total	<u>\$ 20,128,691</u>	<u>\$ -</u>	<u>\$ 2,065,439</u>	<u>\$ 18,063,252</u>

Funds from the Sewer Assessment Fund are transferred to the General Fund to repay sewer bonds. All other repayments of debt are made by the General Fund.

The annual requirements to amortize all bonds and notes as of June 30, 2009, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 2,067,844	\$ 866,255	\$ 2,934,099
2011	1,584,005	779,251	2,363,256
2012	1,546,508	701,922	2,248,430
2013	1,549,061	635,469	2,184,530
2014	1,500,624	562,144	2,062,768
2015-2019	7,015,210	1,748,676	8,763,886
2020-2021	<u>2,800,000</u>	<u>210,000</u>	<u>3,010,000</u>
Total	<u>\$ 18,063,252</u>	<u>\$ 5,503,717</u>	<u>\$ 23,566,969</u>

As of June 30, 2009, the Town had authorized unissued bonds of \$21,200,000 available to finance school building projects.

Outside Participation

The Town has an agreement with H.P. Hood, Inc. (Hood) whereby Hood reimburses the Town a percentage of the debt service required on the Treatment Plant Construction Loan incurred to construct the Town's wastewater treatment plant under the State of Connecticut Clean Water Fund. Under the agreement, Hood will reimburse the Town 44.8% of the Town's required annual principal and interest payment up through the year ending June 30, 2010. For the year ended June 30, 2009, the Town was reimbursed \$223,701 (\$217,859 principal, \$5,842 interest) from Hood.

At June 30, 2009, the following amount was receivable:

Total outside participation	\$ 4,357,180
Collected by the Town through June 30, 2009	<u>4,139,321</u>
Remaining Balance to be Provided	<u><u>\$ 217,859</u></u>

Landfill Postclosure Care Costs

The Town's landfill facility ceased being a depository for solid waste effective April 8, 1994. Closure was effectively completed by October 9, 1994.

Consulting engineers contracted by the Town developed a formal plan for landfill closure, including postclosure monitoring and maintenance for a 30-year period in accordance with state and federal law.

A consulting engineering firm developed an updated plan of costs and assumptions with respect to postclosure monitoring and maintenance which included 1) ground water and surface water monitoring, 2) methane monitoring, and 3) landfill inspection and maintenance. The annual cost estimate is \$16,200 for the postclosure care period of 30 years. Current costs are recognized in the General Fund landfill expenditure

line item. The balance of the postclosure care costs of \$243,000 is recognized in the statement of net assets. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Prior Year Advance Refunding

On September 15, 2005, the Town refunded \$14,560,000 from the September 2001 general obligation issue and placed the proceeds of new bonds in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased, and the liability for those bonds has been removed from the statement of net assets. The balance in escrow is \$14,987,963 at June 30, 2009. The balance of the defeased bonds at June 30, 2009 is \$14,560,000.

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness*</u>	<u>Balance</u>
General purpose	\$ 69,593	\$	\$ 69,593
Schools	139,185	31,634	107,551
Sewers	115,988	1,078	114,910
Urban renewal	100,523		100,523
Pension deficit	92,790		92,790

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$216,510).

* Includes bonds authorized unissued of \$21,200. Authorizations have been reduced by grant revenues and commitments of \$7,264.

WPCA Loan from Town

The WPCA entered into an agreement with the Town for temporary financing of its current construction project. The WPCA can borrow up to \$2.2 million. The WPCA will repay the loan in an amount not to exceed \$350,000 per year. The interest rate paid will equal the average rate earned by the Town on its short-term investments plus .25%. The current balance of the loan is \$464,727. The WPCA repaid \$330,051 of principal and \$19,949 of interest this year.

Capital Lease

The Board of Education has entered into lease agreements as lessee for financing the acquisition of computer equipment. The Town has entered into a lease agreement as lessee for financing the acquisition of a vehicle. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 250,505
Less accumulated depreciation	<u>60,182</u>
Total	<u>\$ 190,323</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2009 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2010	\$ 74,231
2011	51,814
2012	27,146
2013	<u>27,146</u>
Total minimum lease payments	180,337
Less amount representing interest	<u>17,546</u>
Present Value of Minimum Lease Payments	<u>\$ 162,791</u>

Operating Lease

During 2007, the Town entered into a five-year operating lease agreement for the use of office space, with the option to renew the lease for one period of five years. Rental payments are \$70,230 per year, terminating on December 1, 2011. A pro rata share of the agreed upon common maintenance expenses on the property is also required as additional rent, when applicable.

During 2003, the Town entered into a four year operating lease agreement for the use of the Senior Center, with six options to renew the lease for one year. Rental payments are \$30,000 per year, which terminated in 2007. The Town exercised its first option to extend during 2007.

8. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

Effective July 1, 2001, the Town created a separate fund to account for its self-insured medical plan. Prior to this, the activity was reported in the General Fund. The Town has assumed all risk associated with providing health insurance up to a maximum of 110% of the premium it would have been charged had it purchased health insurance from Anthem Blue Cross/Blue Shield. In addition, the Town has purchased a combined stop-loss policy which limits individual loss claims to \$150,000 for hospitalization and for major medical. The Town pays an administration fee to Anthem Blue Cross/Blue Shield for administering the fund.

Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$4,845,130. This amount includes the Administrator's estimate of claims incurred but not reported at June 30, 2009 of \$-0-.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The following table reflects the activity of the past year:

	<u>Claims Payable July 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>
2008-09	\$ 337,437	\$ 4,845,130	\$ 4,687,297	\$ 495,270
2007-08	390,816	4,303,571	4,356,950	337,437

9. CONTINGENT LIABILITIES

The Town is involved in various litigations involving zoning matters, property damage and personal injury. It is the opinion of counsel and management that any unfavorable outcomes would not have a material adverse effect on the Town’s financial position.

10. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

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

As a trust was not established during the fiscal year, the Town is accounting for this on a pay-as-you-go basis. The expenses for postemployment benefits were paid out of the General Fund during fiscal year ended June 30, 2009. The Town has set aside \$1,450,000 in the OPEB special revenue fund to prefund benefits. A Trust will be established in the next fiscal year.

At July 1, 2008, plan membership consisted of the following:

	Retiree Health Plan
Retired members	67
Spouses of retired members	28
Active plan members	390
Total Participants	485

Funding Policy

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

Town Employees

The cost per month for Town employees receiving medical coverage is \$514 per month for retiree only coverage and \$1,028 per month for retiree and spouse coverage. The cost per month for Town employees receiving dental coverage is \$26 per month for retiree only coverage and \$67 per month for retiree and spouse coverage.

Board of Education Employees

The cost per month for Board of Education employees receiving medical coverage is \$472 per month for retiree only coverage and \$944 per month for retiree and spouse coverage. The cost per month for Board of Education employees receiving dental coverage is \$28 per month for retiree only coverage and \$71 per month for retiree and spouse coverage.

Employer contributions to the plan of \$678,760 were made on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligations

The Town of Suffield's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 2,283,210
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>2,283,210</u>
Contributions made	<u>678,760</u>
Change in net OPEB obligation	1,604,450
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB Obligation, End of Year	<u>\$ 1,604,450</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ending June 30, 2009 is presented below. Data is only presented for the fiscal year ending June 30, 2009, due to this being the year of transition.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 2,283,210	\$ 678,760	30%	\$ 1,604,450

As of July 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$22 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$22 million. The covered payroll (annual payroll of active employees covered by the plan) was \$20,353,100.

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

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

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 10% initially, reduced by decrements to an ultimate rate of 5% after four years. The annual dental cost trend rate is 4% per annum. Projected salary increases were 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2008 was 30 years.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Employee's Retirement System

A. Plan Description

The Town is the administrator of a single-employer public employee retirement system (PERS) defined benefit contributory pension plan established and administered to provide pension benefits for its municipal and Board of Education employees other than teachers. The PERS does not issue stand-alone financial statements and is considered to be part of the Town's financial reporting entity. As such, the PERS is included in the Town's financial statements as a pension trust fund.

Under the PERS, all employees who work at least 20 hours a week and agree to make contributions are eligible. The retirement benefit is calculated at 2% (2.25% for police officers and firefighters) of the average of the annual salaries during the three highest years out of the final seven years of employment multiplied by service. Participants are 100% vested after five years of continuous service if their contributions remain in the fund. Benefits and contributions are established by contract and may be amended by union negotiations.

As of July 1, 2007, the date of the latest actuarial valuation, PERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	75
Terminated plan members entitled to benefits but not yet receiving them	21
Active plan members	<u>179</u>
Total	<u><u>275</u></u>

The latest actuarial valuation reflects no material changes in plan provisions or coverage.

B. Summary of Significant Accounting Policies

The PERS financial statements are prepared using the accrual basis of accounting. PERS participant contributions are recognized in the period in which the contributions are due. Town contributions to the PERS are recognized when due, and the Town has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the PERS. Plan administrative costs are paid by the General Fund through a contribution to the Plan.

Investments are recorded at fair value. Investment income is recognized when earned, and gains and losses on sales or exchanges of investments are recognized on the transaction date.

C. Funding Policy

Contributions

Employees are required to contribute 5.25% of their salary to the PERS except for police and firefighters, who contribute 6%. The Town is required to contribute the remaining amounts necessary to finance coverage.

D. Annual Pension Cost and Net Pension Obligations

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

Annual required contribution	\$ 698,455
Interest on net pension obligation	(7,855)
Adjustment to annual required contribution	<u>9,555</u>
Annual pension cost	700,155
Contributions made	<u>698,455</u>
Decrease in net pension asset	1,700
Net pension obligation (asset), July 1, 2008	<u>(104,727)</u>
Net Pension Obligation (Asset), June 30, 2009	<u>\$ (103,027)</u>

The following is a summary of certain significant actuarial assumptions and other PERS information:

Actuarial valuation date	July 1, 2007
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	Adjusted market value
Actuarial assumptions:	
Investment rate of return	7.5%*
Projected salary increases	3.5%

*Includes no inflation

E. Trend Information

<u>Fiscal Year Ended</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation (Asset)</u>
6/30/09	\$	700,155	99.8%	\$	(103,027)
6/30/08		799,283	103.2		(104,727)
6/30/07		691,843	99.8		(79,010)

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/07	\$ 15,662,228	\$ 17,380,181	\$ (1,717,953)	90.1%	\$ 7,610,596	(22.6)%
7/1/05	14,331,924	16,719,595	(2,387,671)	85.7	6,079,011	(39.3)
7/1/03	13,325,241	14,573,055	(1,247,814)	91.4	6,036,895	(20.7)

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Percentage Contributed	Actual Contribution
6/30/09	\$ 698,455	100%	\$ 698,455
6/30/08	798,000	103	825,000
6/30/07	690,693	100	690,700
6/30/06	580,000	100	580,000
6/30/05	443,950	100	443,950
6/30/04	476,561	83	396,561

G. Teachers' Retirement System

All teachers employed by the Town of Suffield participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' and administrators' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$15,396,367 or 76.6% of the total Board of Education payroll of \$20,110,080.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2009, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$2,377,599 as payments made by the State of Connecticut on behalf of the Town. The contribution by the State was \$8.4 million less than the prior year.

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

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes, interest and lien fees:				
Current list	\$ 29,948,056	\$ 29,948,056	\$ 30,149,769	\$ 201,713
Supplemental motor vehicle	275,000	275,000	283,505	8,505
Interest and fees	75,000	75,000	207,270	132,270
Taxes, prior years	150,000	150,000	311,996	161,996
Total property taxes, interest and lien fees	<u>30,448,056</u>	<u>30,448,056</u>	<u>30,952,540</u>	<u>504,484</u>
Intergovernmental revenues:				
State of Connecticut:				
Payment in lieu of taxes - State Property	2,899,802	2,899,802	2,918,668	18,866
Mashantucket Pequot	2,769,033	2,769,033	2,743,634	(25,399)
Payment in lieu of taxes, vessels	5,656	5,656	5,656	-
Payment in lieu of taxes, manufacturing equipment	35,000	35,000	236,887	201,887
Payment in lieu of taxes, disabled tax relief	1,000	1,000	1,173	173
Veterans' exemption	9,000	9,000	9,664	664
Elderly tax relief - circuit breaker	79,000	79,000	76,867	(2,133)
Elderly tax relief - freeze	8,000	8,000	4,000	(4,000)
LOCIP reimbursement	94,259	94,259	-	(94,259)
Miscellaneous	32,000	32,000	50,108	18,108
Town Aid Road	142,287	142,287	144,084	1,797
Youth Services	14,000	14,000	14,000	-
Total	<u>6,089,037</u>	<u>6,089,037</u>	<u>6,204,741</u>	<u>115,704</u>
Federal grants	<u>-</u>	<u>-</u>	<u>1,344</u>	<u>1,344</u>
Education:				
Education cost sharing	6,082,494	6,082,494	6,383,717	301,223
Vocational agriculture grant	195,120	195,120	200,668	5,548
Other educational grants	7,625	7,625	11,703	4,078
Pupil transportation	199,942	199,942	198,804	(1,138)
Total	<u>6,485,181</u>	<u>6,485,181</u>	<u>6,794,892</u>	<u>309,711</u>
Total intergovernmental revenues	<u>12,574,218</u>	<u>12,574,218</u>	<u>13,000,977</u>	<u>426,759</u>
Investment income:				
Interest income	<u>450,000</u>	<u>450,000</u>	<u>273,470</u>	<u>(176,530)</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Current services and fees:				
Licenses, permits and fines:				
Building Department	\$ 315,000	\$ 315,000	\$ 188,476	\$ (126,524)
Zoning and Planning	23,000	23,000	15,614	(7,386)
Zoning Board of Appeals	3,360	3,360	3,640	280
Police permits	3,000	3,000	4,638	1,638
Conservation	15,000	15,000	7,351	(7,649)
Historic District fees	800	800	700	(100)
Total	<u>360,160</u>	<u>360,160</u>	<u>220,419</u>	<u>(139,741)</u>
Charges for current services:				
Bulky waste	1,500	1,500	2,538	1,038
Assessor's map sales	1,000	1,000	1,314	314
Real estate conveyance tax	200,000	200,000	126,753	(73,247)
Mini-bus transportation	4,000	4,000	4,880	880
Police alarm fees	3,000	3,000	1,600	(1,400)
Town Clerk historic document fees	3,500	3,500	2,751	(749)
Town Clerk recording fees	114,000	114,000	113,470	(530)
Total	<u>327,000</u>	<u>327,000</u>	<u>253,306</u>	<u>(73,694)</u>
Landfill:				
Operating	60,000	60,000	58,957	(1,043)
Residential permits	882,916	882,916	864,413	(18,503)
Sale of scrap metal	20,000	20,000	15,411	(4,589)
Permits	15,000	15,000	12,974	(2,026)
Total	<u>977,916</u>	<u>977,916</u>	<u>951,755</u>	<u>(26,161)</u>
Recreation:				
Camps	44,375	44,375	37,567	(6,808)
Activity	81,820	81,820	91,867	10,047
Total	<u>126,195</u>	<u>126,195</u>	<u>129,434</u>	<u>3,239</u>
Revenue from other agencies:				
Hood share, secondary treatment	224,000	224,000	223,701	(299)
Telecommunications grant	45,000	45,000	53,039	8,039
Tuition, Vo-ag	799,200	799,200	746,619	(52,581)
Tuition, other	75,000	75,000	138,523	63,523
Total	<u>1,143,200</u>	<u>1,143,200</u>	<u>1,161,882</u>	<u>18,682</u>
Total current services and fees	<u>2,934,471</u>	<u>2,934,471</u>	<u>2,716,796</u>	<u>(217,675)</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous:				
Rent - Town property	\$ 65,000	\$ 65,000	\$ 65,496	\$ 496
Cell tower	55,000	55,000	72,889	17,889
Capital project expenditures	379,375	379,375	566,312	186,937
Resource Officer	52,000	52,000	52,000	-
Miscellaneous income	55,000	55,000	320,105	265,105
Total	<u>606,375</u>	<u>606,375</u>	<u>1,076,802</u>	<u>470,427</u>
Total revenues	<u>47,013,120</u>	<u>47,013,120</u>	<u>48,020,585</u>	<u>1,007,465</u>
Other financing sources:				
Utilization of fund balance	1,200,000	1,200,000	-	(1,200,000)
Transfers in:				
Sewer Assessment Fund	142,207	142,207	142,207	-
Called Performance Bonds	10,525	10,525	10,525	-
Education Grants Fund	65,900	65,900	153,845	87,945
Total other financing sources	<u>1,418,632</u>	<u>1,418,632</u>	<u>306,577</u>	<u>(1,112,055)</u>
Total Revenues and Other Financing Sources	\$ <u>48,431,752</u>	\$ <u>48,431,752</u>	48,327,162	\$ <u>(104,590)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted.

2,377,599

The Board of Education does not budget for certain intergovernmental grants which

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

\$ 50,704,761

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Board of Selectmen	\$ 255,240	\$ 255,240	\$ 207,461	\$ 47,779
Human Resources	78,096	78,096	53,233	24,863
Probate Court	5,045	5,045	4,751	294
Election	48,329	48,329	41,010	7,319
Board of Finance	13,218	13,218	12,810	408
Assessors	249,106	249,106	242,960	6,146
Board of Assessment Appeals	1,854	1,853	851	1,002
Tax Collector	150,355	153,539	153,539	-
Tax Rebates	45,000	44,318	33,546	10,772
Finance	280,687	280,045	270,917	9,128
Information Technology	328,585	329,227	329,227	-
Town Counsel	75,000	75,000	53,923	21,077
Town Clerk	185,053	185,053	175,459	9,594
Town Hall	162,462	162,462	155,889	6,573
Charter Revision Commission	13,100	13,100	2,153	10,947
Insurance and bonds	2,054,586	2,018,808	1,991,339	27,469
Total	3,945,716	3,912,439	3,729,068	183,371
Planning and development:				
Zoning and Planning	159,349	159,349	151,172	8,177
Zoning Board of Appeals	5,861	5,861	4,109	1,752
Economic Development	150,709	150,707	146,623	4,084
Historic District Commission	1,685	1,685	848	837
Conservation Commission	69,433	69,433	49,960	19,473
Total	387,037	387,035	352,712	34,323
Public safety:				
Fire Commission	810,451	810,452	781,228	29,224
Police Commission	2,159,133	2,163,133	2,118,765	44,368
Civil Preparedness	21,757	21,757	17,172	4,585
Building Department	200,553	200,552	193,544	7,008
Town Engineer	117,337	117,337	113,418	3,919
Total	3,309,231	3,313,231	3,224,127	89,104
Public works:				
Public works	472,286	494,746	492,021	2,725
Highway	1,141,894	1,293,552	1,246,204	47,348
State aid road funds	142,287	142,287	137,653	4,634.00
Public utilities	476,000	482,889	482,889	-
Town landfill	1,040,778	1,040,778	963,401	77,377
Total	3,273,245	3,454,252	3,322,168	132,084
Health and social services:				
Health and social services	119,527	119,527	113,027	6,500
Social Services Commission	1,915	2,231	2,231	-
Senior Center	115,867	122,299	122,299	-
Mini-bus transportation	188,762	188,762	174,494	14,268

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Health and social services (continued):				
EMS/Ambulance	\$ 215,888	\$ 215,888	\$ 190,746	\$ 25,142.00
Social worker	60,400	60,404	60,404	-
Total	<u>702,359</u>	<u>709,111</u>	<u>663,201</u>	<u>45,910</u>
Library, Recreation and Parks:				
Recreation	244,495	244,495	233,291	11,204
Recreation activity	115,005	115,009	83,973	31,036
Tree Warden	25,000	25,000	22,699	2,301
Youth Services	110,252	110,253	98,787	11,466
Total	<u>494,752</u>	<u>494,757</u>	<u>438,750</u>	<u>56,007</u>
Board of Education	<u>29,330,332</u>	<u>29,330,338</u>	<u>29,270,559</u>	<u>59,779</u>
Miscellaneous:				
Cemeteries	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
Debt service	<u>3,005,874</u>	<u>3,005,874</u>	<u>3,005,874</u>	<u>-</u>
Contingency	<u>250,000</u>	<u>59,509</u>	<u>-</u>	<u>59,509</u>
Total expenditures	<u>44,727,546</u>	<u>44,695,546</u>	<u>44,035,459</u>	<u>660,087</u>
Other financing uses:				
Transfers out:				
Dog Fund	92,570	88,570	88,570	-
School Cafeteria	50,000	50,000	50,000	-
Kent Memorial Library	430,776	436,776	436,776	-
Capital Projects Funds	2,630,860	2,660,860	2,660,860	-
OPEB Fund	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing uses	<u>3,704,206</u>	<u>3,736,206</u>	<u>3,736,206</u>	<u>-</u>
Total Expenditures and Other Financing Uses	\$ <u>48,431,752</u>	\$ <u>48,431,752</u>	47,771,665	\$ <u>660,087</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			2,377,599	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			<u>(386,415)</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV)			\$ <u>49,762,849</u>	

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 13,337,739	\$ 11,067,786
Receivables:		
Property taxes, net	490,895	480,755
Other	1,244,970	1,330,432
Due from other funds	<u>4,985,783</u>	<u>5,036,737</u>
Total Assets	<u>\$ 20,059,387</u>	<u>\$ 17,915,710</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,656,080	\$ 1,744,171
Due to other funds	6,968,176	5,888,140
Deferred revenues	1,126,268	916,448
Total liabilities	<u>9,750,524</u>	<u>8,548,759</u>
Fund balance:		
Reserved for encumbrances	423,931	37,516
Unreserved:		
Designated for subsequent year	500,000	1,200,000
Undesignated	<u>9,384,932</u>	<u>8,129,435</u>
Total fund balance	<u>10,308,863</u>	<u>9,366,951</u>
Total Liabilities and Fund Balance	<u>\$ 20,059,387</u>	<u>\$ 17,915,710</u>

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

Grand List	Uncollected Taxes July 1, 2008	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2009
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2007	\$	\$ 30,937,654	\$ 57,522	\$ (197,049)	\$	\$ 30,798,127	\$ 30,459,142	\$ 108,287	\$ 71	\$ 30,567,500	\$ 338,985
2006	348,740		12,487	(12,221)		349,006	243,902	54,329	1,635	299,866	105,104
2005	91,651		1,230	(1,417)	(13,290)	78,174	37,528	12,460	336	50,324	40,646
2004	26,986		262	(366)	(12,613)	14,269	3,679	2,129		5,808	10,590
2003	12,284		71		(2,594)	9,761	497	413		910	9,264
2002	8,483		89		(461)	8,111				-	8,111
2001	4,738		1,227		(217)	5,748	1,227			1,227	4,521
2000	6,746					6,746				-	6,746
1999	2,392				(274)	2,118				-	2,118
1998	2,308				(222)	2,086				-	2,086
1997	1,623					1,623				-	1,623
1996	1,800					1,800				-	1,800
1995	2,358					2,358				-	2,358
1994	1,709					1,709				-	1,709
1993	1,632					1,632				-	1,632
Total	\$ 513,450	\$ 30,937,654	\$ 72,888	\$ (211,053)	\$ (29,671)	\$ 31,283,268	\$ 30,745,975	\$ 177,618	\$ 2,042	\$ 30,925,635	\$ 537,293

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

Special Revenue Funds

	<u>Dog</u>	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>	<u>Senior Center Activity</u>
Assets										
Cash and cash equivalents	\$ 12,609	\$	\$ 78,149	\$	\$	\$	\$ 297,367	\$	\$	\$
Receivables:										
Assessments							260,977			
Intergovernmental			16,507		266,231					
Loans receivables										
Other	30	20,638	2,119		145,066					
Due from other funds	106,451	32,137		184,773		185		4,702	17,408	463
Inventory			16,477							
Total Assets	\$ 119,090	\$ 52,775	\$ 113,252	\$ 184,773	\$ 411,297	\$ 185	\$ 558,344	\$ 4,702	\$ 17,408	\$ 463
Liabilities and Fund Balances										
Liabilities:										
Accounts payable and accrued liabilities	\$ 11,245	\$ 920	\$ 333	\$	\$ 14,299	\$	\$ 142,207	\$	\$	\$
Due to other funds				39	150,421					
Deferred revenue					70,169		260,977			
Total liabilities	11,245	920	333	39	234,889	-	403,184	-	-	-
Fund balances:										
Reserved:										
Inventory			16,477							
Permanent funds										
Unreserved:										
Undesignated	107,845	51,855	96,442	184,734	176,408	185	155,160	4,702	17,408	463
Total fund balance	107,845	51,855	112,919	184,734	176,408	185	155,160	4,702	17,408	463
Total Liabilities and Fund Balances	\$ 119,090	\$ 52,775	\$ 113,252	\$ 184,773	\$ 411,297	\$ 185	\$ 558,344	\$ 4,702	\$ 17,408	\$ 463

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

Special Revenue Funds

	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial	Kent Memorial Library	Capital Reserve
Assets									
Cash and cash equivalents	\$ 58,201	\$ 5,224	\$ 262,662	\$	\$	\$	\$	\$	\$ 148,168
Receivables:									
Assessments									
Intergovernmental	73,118								40,000
Loans receivables			129,002						
Other								51,685	
Due from other funds			91,784	1,147	7,601	23,485	2,672		1,020
Inventory									
Total Assets	\$ 131,319	\$ 5,224	\$ 483,448	\$ 1,147	\$ 7,601	\$ 23,485	\$ 2,672	\$ 51,685	\$ 189,188
Liabilities and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 16,241	\$	\$ 1,700	\$	\$	\$	\$	\$ 17,672	\$ 52,925
Due to other funds	28,223		92,260	1,167				37,666	
Deferred revenue	87,278		327,788						
Total liabilities	131,742	-	421,748	1,167	-	-	-	55,338	52,925
Fund balances:									
Reserved:									
Inventory									
Permanent funds									
Unreserved:									
Undesignated	(423)	5,224	61,700	(20)	7,601	23,485	2,672	(3,653)	136,263
Total fund balance	(423)	5,224	61,700	(20)	7,601	23,485	2,672	(3,653)	136,263
Total Liabilities and Fund Balances	\$ 131,319	\$ 5,224	\$ 483,448	\$ 1,147	\$ 7,601	\$ 23,485	\$ 2,672	\$ 51,685	\$ 189,188

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

	<u>Special Revenue Funds</u>				<u>Permanent Funds</u>			<u>Interfund Eliminations</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>Kent Farm Sewer District</u>	<u>Open Space</u>	<u>Other Post Employment Benefits</u>	<u>School Activity</u>	<u>Total</u>	<u>Memorial</u>	<u>Cemetery</u>			<u>Total</u>
Assets										
Cash and cash equivalents	\$ 155,472	\$	\$	\$	\$ 1,017,852	\$ 56,604	\$ 494,565	\$ 551,169	\$	\$ 1,569,021
Receivables:										
Assessments					260,977			-		260,977
Intergovernmental					395,856			-		395,856
Loans receivables					129,002			-		129,002
Other					219,538			-		219,538
Due from other funds	632	34,273	1,450,000	8,799	1,967,532			-	(15,636)	1,951,896
Inventory					16,477			-		16,477
Total Assets	<u>\$ 156,104</u>	<u>\$ 34,273</u>	<u>\$ 1,450,000</u>	<u>\$ 8,799</u>	<u>\$ 4,007,234</u>	<u>\$ 56,604</u>	<u>\$ 494,565</u>	<u>\$ 551,169</u>	<u>\$ (15,636)</u>	<u>\$ 4,542,767</u>
Liabilities and Fund Balances										
Liabilities:										
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$ 257,542	\$ 3,234	\$ 3,372	\$ 6,606	\$	\$ 264,148
Due to other funds	6,836				316,612	13,503	81,563	95,066	(15,636)	396,042
Deferred revenue					746,212			-		746,212
Total liabilities	<u>6,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,320,366</u>	<u>16,737</u>	<u>84,935</u>	<u>101,672</u>	<u>(15,636)</u>	<u>1,406,402</u>
Fund balances:										
Reserved:										
Inventory					16,477					16,477
Permanent funds						39,867	409,630	449,497		449,497
Unreserved:										
Undesignated	149,268	34,273	1,450,000	8,799	2,670,391					2,670,391
Total fund balance	<u>149,268</u>	<u>34,273</u>	<u>1,450,000</u>	<u>8,799</u>	<u>2,686,868</u>	<u>39,867</u>	<u>409,630</u>	<u>449,497</u>	<u>-</u>	<u>3,136,365</u>
Total Liabilities and Fund Balances	<u>\$ 156,104</u>	<u>\$ 34,273</u>	<u>\$ 1,450,000</u>	<u>\$ 8,799</u>	<u>\$ 4,007,234</u>	<u>\$ 56,604</u>	<u>\$ 494,565</u>	<u>\$ 551,169</u>	<u>\$ (15,636)</u>	<u>\$ 4,542,767</u>

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

Special Revenue Funds

	<u>Dog</u>	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>	<u>Senior Center Activity</u>
Revenues:										
Intergovernmental	\$	\$	\$ 107,489	\$	\$ 916,783	\$	\$	\$ 400	\$	\$
Current services and fees	13,487	131,975	496,987				103,000			
Assessments							124,643			
Interest income	103		774				872			
Donations and program income				157,316					180	
Total revenues	<u>13,590</u>	<u>131,975</u>	<u>605,250</u>	<u>157,316</u>	<u>916,783</u>	<u>-</u>	<u>228,515</u>	<u>400</u>	<u>180</u>	<u>-</u>
Expenditures:										
Administration										
Public safety	77,798	102,726						441		
Public works				548						
Health and social services										
Library, recreation and parks									428	1,836
Planning and development										
Education			658,493		916,783					
Capital outlay										
Total expenditures	<u>77,798</u>	<u>102,726</u>	<u>658,493</u>	<u>548</u>	<u>916,783</u>	<u>-</u>	<u>-</u>	<u>441</u>	<u>428</u>	<u>1,836.00</u>
Excess (deficiency) of revenues over expenditures	<u>(64,208)</u>	<u>29,249</u>	<u>(53,243)</u>	<u>156,768</u>	<u>-</u>	<u>-</u>	<u>228,515</u>	<u>(41)</u>	<u>(248)</u>	<u>(1,836)</u>
Other financing sources (uses):										
Transfers in	88,570		50,000							
Transfers out					(87,945)		(212,970)			
Total other financing sources (uses)	<u>88,570</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>(87,945.00)</u>	<u>-</u>	<u>(212,970)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	24,362	29,249	(3,243)	156,768	(87,945)	-	15,545	(41)	(248)	(1,836)
Fund balance at beginning of year	<u>83,483</u>	<u>22,606</u>	<u>116,162</u>	<u>27,966</u>	<u>264,353</u>	<u>185</u>	<u>139,615</u>	<u>4,743</u>	<u>17,656</u>	<u>2,299</u>
Fund Balance at End of Year	<u>\$ 107,845</u>	<u>\$ 51,855</u>	<u>\$ 112,919</u>	<u>\$ 184,734</u>	<u>\$ 176,408</u>	<u>\$ 185</u>	<u>\$ 155,160</u>	<u>\$ 4,702</u>	<u>\$ 17,408</u>	<u>\$ 463</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue Funds									
	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial	Kent Memorial Library	Capital Reserve	Kent Farm Sewer District
Revenues:										
Intergovernmental	\$ 721,497	\$	\$	\$	\$	\$	\$ 1,345	\$	\$	
Current services and fees							19,928			
Assessments										
Interest income							66,044	464	1,077	
Donations and program income		4,368			1,910			5,257		
Total revenues	<u>721,497</u>	<u>4,368</u>	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>-</u>	<u>87,317</u>	<u>5,721</u>	<u>1,077</u>	
Expenditures:										
Administration	7,000		2,340							
Public safety	12,234									
Public works	60,000									
Health and social services	3,908	3,645								
Library, recreation and parks	27,405				1,725		526,631			
Planning and development	20,107									
Education										
Capital outlay	590,966							19,425		
Total expenditures	<u>721,620</u>	<u>3,645</u>	<u>2,340</u>	<u>-</u>	<u>1,725</u>	<u>-</u>	<u>526,631</u>	<u>19,425</u>	<u>-</u>	
Excess (deficiency) of revenues over expenditures	<u>(123)</u>	<u>723</u>	<u>(2,340)</u>	<u>-</u>	<u>185</u>	<u>-</u>	<u>(439,314)</u>	<u>(13,704)</u>	<u>1,077</u>	
Other financing sources (uses):										
Transfers in							436,776	30,000		
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,776</u>	<u>30,000</u>	<u>-</u>	
Net change in fund balances	(123)	723	(2,340)	-	185	-	(2,538)	16,296	1,077	
Fund balance at beginning of year	<u>(300)</u>	<u>4,501</u>	<u>64,040</u>	<u>(20)</u>	<u>7,416</u>	<u>23,485</u>	<u>2,672</u>	<u>(1,115)</u>	<u>119,967</u>	<u>148,191</u>
Fund Balance at End of Year	<u>\$ (423)</u>	<u>\$ 5,224</u>	<u>\$ 61,700</u>	<u>\$ (20)</u>	<u>\$ 7,601</u>	<u>\$ 23,485</u>	<u>\$ 2,672</u>	<u>\$ (3,653)</u>	<u>\$ 136,263</u>	<u>\$ 149,268</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue Funds				Permanent Funds			Interfund Eliminations	Total Nonmajor Governmental Funds
	Open Space	Other Post Employment Benefits	School Activity	Total	Memorial	Cemetery	Total		
Revenues:									
Intergovernmental	\$ 8,206			\$ 1,755,720			\$ -		\$ 1,755,720
Current services and fees	8,000		61,912	835,289			-		835,289
Assessments				124,643			-		124,643
Interest income				69,334	427	3,372	3,799		73,133
Donations and program income				169,031		2,825	2,825		171,856
Total revenues	<u>16,206</u>	<u>-</u>	<u>61,912</u>	<u>2,954,017</u>	<u>427</u>	<u>6,197</u>	<u>6,624</u>	<u>-</u>	<u>2,960,641</u>
Expenditures:									
Administration				9,340			-		9,340
Public safety				193,199			-		193,199
Public works				60,548			-		60,548
Health and social services				7,553		3,373	3,373		10,926
Library, recreation and parks	390,226			948,251	4,934		4,934		953,185
Planning and development				20,107			-		20,107
Education			53,113	1,628,389			-		1,628,389
Capital outlay				610,391			-		610,391
Total expenditures	<u>390,226</u>	<u>-</u>	<u>53,113</u>	<u>3,477,778</u>	<u>4,934</u>	<u>3,373</u>	<u>8,307</u>	<u>-</u>	<u>3,486,085</u>
Excess (deficiency) of revenues over expenditures	<u>(374,020)</u>	<u>-</u>	<u>8,799</u>	<u>(523,761)</u>	<u>(4,507)</u>	<u>2,824</u>	<u>(1,683)</u>	<u>-</u>	<u>(525,444)</u>
Other financing sources (uses):									
Transfers in		500,000		1,105,346			-		1,105,346
Transfers out				(300,915)			-		(300,915)
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>804,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>804,431</u>
Net change in fund balances	(374,020)	500,000	8,799	280,670	(4,507)	2,824	(1,683)	-	278,987
Fund balance at beginning of year	408,293	950,000		2,406,198	44,374	406,806	451,180		2,857,378
Fund Balance at End of Year	<u>\$ 34,273</u>	<u>\$ 1,450,000</u>	<u>\$ 8,799</u>	<u>\$ 2,686,868</u>	<u>\$ 39,867</u>	<u>\$ 409,630</u>	<u>\$ 449,497</u>	<u>\$ -</u>	<u>\$ 3,136,365</u>

TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 547,836	\$	\$ 547,836
Due from other funds	540,450		540,450
Receivables, net	<u>413,169</u>	<u>32,686</u>	<u>445,855</u>
Total	<u>\$ 1,501,455</u>	<u>\$ 32,686</u>	<u>\$ 1,534,141</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued liabilities	\$ 471,599	\$ 23,671	\$ 495,270
Due to other funds		<u>8,404</u>	<u>8,404</u>
Total liabilities	<u>471,599</u>	<u>32,075</u>	<u>503,674</u>
Net assets:			
Undesignated	<u>1,029,856</u>	<u>611</u>	<u>1,030,467</u>
Total	<u>\$ 1,501,455</u>	<u>\$ 32,686</u>	<u>\$ 1,534,141</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Operating revenues:			
User charges	\$ 5,145,631	\$ 380,191	\$ 5,525,822
Operating expenses:			
Administration	547,897		547,897
Insurance and benefits	4,845,130		4,845,130
Fuel		386,500	386,500
Total operating expenses	<u>5,393,027</u>	<u>386,500</u>	<u>5,779,527</u>
Operating loss	(247,396)	(6,309)	(253,705)
Nonoperating revenue:			
Investment income	<u>3,764</u>		<u>3,764</u>
Change in net assets	(243,632)	(6,309)	(249,941)
Net assets at beginning of year	<u>1,273,488</u>	<u>6,920</u>	<u>1,280,408</u>
Net Assets at End of Year	<u>\$ 1,029,856</u>	<u>\$ 611</u>	<u>\$ 1,030,467</u>

TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from users	\$ 5,275,981	\$ 385,321	\$ 5,661,302
Cash paid to vendors	<u>(5,296,694)</u>	<u>(385,321)</u>	<u>(5,682,015)</u>
Net cash used in operating activities	<u>(20,713)</u>	<u>-</u>	<u>(20,713)</u>
Cash flows from investing activities:			
Interest on investments	<u>3,764</u>		<u>3,764</u>
Net decrease in cash and cash equivalents	(16,949)	-	(16,949)
Cash and cash equivalents at beginning of year	<u>564,785</u>		<u>564,785</u>
Cash and Cash Equivalents at End of Year	<u>\$ 547,836</u>	<u>\$ -</u>	<u>\$ 547,836</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating loss	\$ (247,396)	\$ (6,309)	\$ (253,705)
Adjustments to reconcile operating loss to net cash used in operating activities:			
(Increase) decrease in accounts receivable	177,513	(8,703)	168,810
(Increase) decrease in due from other funds	(47,163)	13,833	(33,330)
Increase (decrease) in accounts payable and accrued expenses	96,333	(7,225)	89,108
Increase (decrease) in due to other funds	<u>8,404</u>	<u>8,404</u>	<u>8,404</u>
Net Cash Used in Operating Activities	<u>\$ (20,713)</u>	<u>\$ -</u>	<u>\$ (20,713)</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	<u>Student Activity</u>	<u>Performance Bond</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 174,436	\$ 50,886	\$ 225,322
Investments	<u>10,689</u>	<u>34,025</u>	<u>44,714</u>
Total Assets	<u>\$ 185,125</u>	<u>\$ 84,911</u>	<u>\$ 270,036</u>
LIABILITIES			
Due to student groups and others	<u>\$ 185,125</u>	<u>\$ 84,911</u>	<u>\$ 270,036</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 129,457	\$ 528,525	\$ 483,546	\$ 174,436
Investments	<u>10,481</u>	<u>208</u>	<u> </u>	<u>10,689</u>
Total Assets	<u>\$ 139,938</u>	<u>\$ 528,733</u>	<u>\$ 483,546</u>	<u>\$ 185,125</u>
Liabilities:				
Due to student groups and others	<u>\$ 139,938</u>	<u>\$ 528,733</u>	<u>\$ 483,546</u>	<u>\$ 185,125</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 76,366	\$ 218	\$ 25,698	\$ 50,886
Investments	<u>19,643</u>	<u>14,382</u>	<u> </u>	<u>34,025</u>
Total Assets	<u>\$ 96,009</u>	<u>\$ 14,600</u>	<u>\$ 25,698</u>	<u>\$ 84,911</u>
Liabilities:				
Due to student groups and others	<u>\$ 96,009</u>	<u>\$ 14,600</u>	<u>\$ 25,698</u>	<u>\$ 84,911</u>
Total Assets				
Assets:				
Cash and cash equivalents	\$ 205,823	\$ 528,743	\$ 509,244	\$ 225,322
Investments	<u>30,124</u>	<u>14,590</u>	<u> </u>	<u>44,714</u>
Total Assets	<u>\$ 235,947</u>	<u>\$ 543,333</u>	<u>\$ 509,244</u>	<u>\$ 270,036</u>
Liabilities:				
Due to student groups and others	<u>\$ 235,947</u>	<u>\$ 543,333</u>	<u>\$ 509,244</u>	<u>\$ 270,036</u>

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2009

(In Thousands)

Total cash collections for the year ended June 30, 2009:

Taxes, interest and lien fees	\$ 30,926
Reimbursement for revenue loss on:	
Tax relief for elderly - elderly freeze	<u>4</u>
Base	<u>\$ 30,930</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitations:					
2-1/4 times base	\$ 69,593	\$	\$	\$	\$
4-1/2 times base		139,185			
3-3/4 times base			115,988		
3-1/4 times base				100,523	
3 times base					92,790
	<u>69,593</u>	<u>139,185</u>	<u>115,988</u>	<u>100,523</u>	<u>92,790</u>
Total debt limitation					
Indebtedness:					
Bonds and notes payable		16,985	1,078		
Authorized, unissued bonds		21,200			
Less amounts to be provided by:					
State - grants on bonds authorized, unissued		<u>(7,264)</u>			
Total indebtedness	<u>-</u>	<u>31,634</u>	<u>1,078</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 69,593</u>	<u>\$ 107,551</u>	<u>\$ 114,910</u>	<u>\$ 100,523</u>	<u>\$ 92,790</u>

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$216,510).