

TOWN OF SUFFIELD, CONNECTICUT
FINANCIAL STATEMENTS (REVISED)

JUNE 30, 2013

TOWN OF SUFFIELD, CONNECTICUT

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Independent Auditors' Report

To the Board of Finance
Town of Suffield, Connecticut

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Town of Suffield, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the budgetary comparison information on pages 47 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The management's discussion and analysis on pages 4 through 12 and budgetary comparison information on pages 47 through 51 presented to supplement the basic financial statements have been subsequently revised due to errors in budgetary reporting.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Suffield, Connecticut'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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 on our consideration of the Town of Suffield, Connecticut'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Suffield, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 18, 2013

TOWN OF SUFFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (REVISED) JUNE 30, 2013

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, 2013. 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 position increased as a result of this year's operations. While net position of our business-type activities decreased by \$550, or 2.56%, net position of our governmental activities increased by \$3,482, or 3.74%.
- During the year, the Town had expenses that were \$3,482 less than the \$60,005 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues decreased by \$84 while expenses decreased by \$13.
- Total cost of all of the Town's programs was \$59,044 with no new programs added this year.
- The General Fund reported a fund balance this year of \$11,530.
- The resources available for appropriation were \$767 more than budgeted for the General Fund. Expenditures were less than budgeted by \$754, in part due to vacancies and insurance savings.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position 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 position 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 position and changes in them. The Town's net position, 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 position 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 position 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 position 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 position 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 position and changes in fiduciary net position. 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 position increased 2.56% from a year ago, going from \$114,622 to \$117,554. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

TABLE 1
NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 29,689	\$ 19,243	\$ 2,354	\$ 2,086	\$ 32,043	\$ 21,329
Capital assets, net of accumulated depreciation	94,152	92,911	18,731	19,599	112,883	112,510
Total assets	<u>123,841</u>	<u>112,154</u>	<u>21,085</u>	<u>21,685</u>	<u>144,926</u>	<u>133,839</u>
Long-term debt outstanding	24,280	16,004			24,280	16,004
Other liabilities	2,977	3,048	115	165	3,092	3,213
Total liabilities	<u>27,257</u>	<u>19,052</u>	<u>115</u>	<u>165</u>	<u>27,372</u>	<u>19,217</u>
Net Position:						
Net Investment in capital assets	73,085	79,903	18,731	19,599	91,816	99,502
Restricted	463	462			463	462
Unrestricted	<u>23,036</u>	<u>12,737</u>	<u>2,239</u>	<u>1,921</u>	<u>25,275</u>	<u>14,658</u>
Total Net Position	<u>\$ 96,584</u>	<u>\$ 93,102</u>	<u>\$ 20,970</u>	<u>\$ 21,520</u>	<u>\$ 117,554</u>	<u>\$ 114,622</u>

Net position of the Town's governmental activities increased by \$3,482 or 3.74%. Overall revenues decreased by \$2,382 and expenses increased by \$993. The revenue decreases were \$3,852 in Capital Grants and Contributions, \$857 in Miscellaneous, and \$485 in Operating Grants and Contributions, and increases of \$1,340 in Property Taxes and \$202 in Charges for Services. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$12,737 at June 30, 2012 to \$23,036 at the end of this year.

The net position of business-type activities decreased by \$550 or 2.56% in 2013. The Town generally can only use this net position to finance the continuing operations of the WPCA.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services:	\$ 3,154	\$ 2,952	\$ 2,333	\$ 2,341	\$ 5,487	\$ 5,293
Operating grants and contributions	13,383	13,868			13,383	13,868
Capital grants and contributions	40	3,892	22	64	62	3,956
General revenues:						
Property taxes	35,327	33,987			35,327	33,987
Grants and contributions not restricted to specific purposes	6,921	5,691			6,921	5,691
Unrestricted investment earnings	116	111	4	3	120	114
Miscellaneous	676	1,533			676	1,533
Transfers	388	353	(388)	(353)	-	-
Total revenues	<u>60,005</u>	<u>62,387</u>	<u>1,971</u>	<u>2,055</u>	<u>61,976</u>	<u>64,442</u>
Program expenses:						
Administration	2,949	2,725			2,949	2,725
Planning and development	404	434			404	434
Public safety	4,227	4,126			4,227	4,126
Public works	4,015	5,126			4,015	5,126
Health and social services	816	784			816	784
Library, recreation and parks	1,136	1,095			1,136	1,095
Education	42,235	40,268			42,235	40,268
Interest on long-term debt	741	972			741	972
Sewer			2,521	2,534	2,521	2,534
Total program expenses	<u>56,523</u>	<u>55,530</u>	<u>2,521</u>	<u>2,534</u>	<u>59,044</u>	<u>58,064</u>
Increase (Decrease) in Net Position	\$ <u>3,482</u>	\$ <u>6,857</u>	\$ <u>(550)</u>	\$ <u>(479)</u>	\$ <u>2,932</u>	\$ <u>6,378</u>

The Town's total revenues were \$61,976. The total cost of all programs and services was \$59,044. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The greatest increase was in grants. Capital and operating grants and contributions accounted for 22% of the Town's governmental activities, while grants and contributions not restricted to specific purposes was 12%. The Town continues to utilize grants and contributions to maintain its services but has maintained its reliance on property taxes. Property taxes accounted for 59% of the Town's governmental activities compared to 54% in FY 2012.

Education related expenses accounted for over 75% of the total program expenses for governmental activities. Public Works expenses decreased by \$1,111 to 7% of total program expenses from 9% in the previous year. This was because we did not have as large of a major storm during the year. Administration remained at 5%. 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Administration	\$ 2,949	\$ 2,725	\$ 2,153	\$ (583)
Public safety	4,227	4,126	3,893	3,688
Public works	4,015	5,126	3,403	4,375
Education	42,235	40,268	27,742	24,280
All others	<u>3,097</u>	<u>3,284</u>	<u>2,754</u>	<u>3,057</u>
Totals	<u>\$ 56,523</u>	<u>\$ 55,529</u>	<u>\$ 39,945</u>	<u>\$ 34,817</u>

Business-Type Activities

Revenues of the Town's business-type activities (see Table 2) decreased by \$84 due to fewer Clean Water Fund Grant reimbursements as the study is coming to an end. In addition FEMA reimbursement was \$48k more in the previous year due to several severe storms. Expenses decreasing by \$13 due to a reduction in electricity, waste disposal, fuel oil, and capital replace vehicles (lease payments were complete last year on a new truck) as well as less funds were transferred to RCM.

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$25,648, which is an increase from last year's total of \$14,484. Included in this year's total change in fund balance is an increase of \$2,099 in the Town's General Fund and an increase of \$9,090 in the Capital Projects funds. In addition, there was a decrease of \$25 in other governmental funds. The increase in the Capital Projects funds is due to the various capital projects that have been approved for Roads and Drainage Improvements and Fire Trucks.

General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$50,537. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$754. On the revenue side, final actual revenues were more than the original budget by \$767. We budgeted to use fund balance of \$450. Areas that received more than the amount budgeted are: Property Taxes, interest and lien fees revenues of \$272, Intergovernmental Revenues received more than \$479 over budget because of increases in Pequot/Mohegan and the Municipal Revenue Sharing Grant. Miscellaneous Revenues received more \$313 more than budgeted due to an agreement to accept soil from the New Britain-Hartford Busway Project as cover at the Landfill.

Proprietary Funds

The Town's Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. Charges for services decreased due to "Other" fees being far less this year because last year reflected an insurance claim receipt. There were decreases in expenditures of \$13 due to a decrease in several utility line items and the completion of a 3-year lease on a new truck.

The other two funds, Insurance Fund and Gas/Diesel Fund, are Internal Service Funds. Unrestricted net position of both funds totaled \$228, a decrease of \$669 from the prior year. This decrease is due primarily to a transfer from the insurance fund to the General Fund of \$500. Program expenses were reduced by \$13 and charges for services increased by \$69. There was an operating loss of \$173 and investment income of \$2. 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 operating income of \$4.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the Town had \$113 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 \$373, or .3%, over last year.

TABLE 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(in thousands)

	Governmental		Business-Type		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 17,823	\$ 17,823	\$ 16,038	\$ 16,038	\$ 33,861	\$ 33,861
Land improvements	1,599	1,667			1,599	1,667
Buildings	44,560	45,582	197	508	44,757	46,090
Furniture and equipment	3,289	2,517	2,487	3,044	5,776	5,561
Infrastructure	17,745	18,295	9	9	17,754	18,304
Construction in progress	9,136	7,027			9,136	7,027
Total	\$ 94,152	\$ 92,911	\$ 18,731	\$ 19,599	\$ 112,883	\$ 112,510

This year's major additions included:

Various Road Projects - CIP	\$ 1,600
Boston Neck Rd Bridge - CIP	606
Fire Truck and equipment	742
Public Works vehicles and equipment	310

The Town's fiscal-year 2013-14 capital budget calls for it to spend another \$2,953 for capital projects, principally for, road repairs, bridge repairs, public works equipment, town buildings repairs, farmland preservation, board of education infrastructure repairs. 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, 2013, the Town had \$20,886 in bonds and notes outstanding versus \$12,969 last year - an increase of \$7,917 or 61%.

The Town's general obligation bond rating received an AA+ debt rating for new debt in November 2012 and continues to carry the AA+ debt rating from Standard & Poor's for old debt which was reaffirmed in November 2012. 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 \$245,413 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 2014 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 December 2012 stands at 6.2% versus 6.4% a year ago. This compares with the State's unemployment rate of 7.8% and the national rate of 7.8%.

These indicators were taken into account when adopting the General Fund budget for 2013-14. Amounts available for appropriation in the General Fund budget are \$53,900, an increase of 5.05% from the original 2012-13 budget of \$51,307. Property taxes and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$2,600 of its \$11,530 General Fund balance to finance its 2013-14 budget leaving an unassigned General Fund balance at June 30, 2013 of \$7,753 or 14.21% of the 2013-14 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 increase by 5.05% to \$53,900 from \$51,307 in 2013. Increases in debt service, general government and board of education are the largest increments with a reduction in transfer to OPEB and capital expenditures. The Town has created a Capital Non Recurring Expenditure Fund with a transfer from the General Fund of \$1,700. This will allow the Town to invest these funds to be used towards approved capital projects in future years.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2014.

The Water Pollution Control Authority approved the 2013-14 budget with a decrease of 6.26% in expenditures, with no change in the per unit charge for regular use fee, but an increase in the Kent Farms rate of \$32 and a decrease in the commercial dollar per 1,000 gallon rate by \$1.19.

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 POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 25,173,879	\$ 1,981,300	\$ 27,155,179
Receivables, net	4,419,698	373,633	4,793,331
Inventory	20,655		20,655
Net pension asset	74,976		74,976
Capital assets not being depreciated	26,959,255	16,038,335	42,997,590
Capital assets being depreciated, net	67,192,551	2,692,723	69,885,274
Total assets	<u>123,841,014</u>	<u>21,085,991</u>	<u>144,927,005</u>
Liabilities:			
Accounts and other payables	2,225,733	118,245	2,343,978
Unearned revenue	748,898		748,898
Internal balances	2,015	(2,015)	-
Noncurrent liabilities:			
Due within one year	1,967,206		1,967,206
Due in more than one year	22,313,134		22,313,134
Total liabilities	<u>27,256,986</u>	<u>116,230</u>	<u>27,373,216</u>
Net Position:			
Net investment in capital assets	73,085,307	18,731,058	91,816,365
Restricted for:			
Trust purposes:			
Nonexpendable	462,585		462,585
Unrestricted	23,036,136	2,238,703	25,274,839
Total Net Position	<u>\$ 96,584,028</u>	<u>\$ 20,969,761</u>	<u>\$ 117,553,789</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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 2,947,599	\$ 677,700	\$ 116,574	\$	\$ (2,153,325)	\$	\$ (2,153,325)
Planning and development	403,791	32,172	16,482		(355,137)		(355,137)
Public safety	4,227,372	300,345	34,563		(3,892,464)		(3,892,464)
Public works	4,014,596	356,574	254,651		(3,403,371)		(3,403,371)
Health and social services	816,334	4,956	12,623	40,000	(758,755)		(758,755)
Library, recreation and parks	1,135,539	132,071	104,603		(898,865)		(898,865)
Education	42,234,810	1,649,838	12,843,081		(27,741,891)		(27,741,891)
Interest on long-term debt	741,466				(741,466)		(741,466)
Total governmental activities	56,521,507	3,153,656	13,382,577	40,000	(39,945,274)	-	(39,945,274)
Business-type activities:							
Sewer	2,520,764	2,332,582		21,939		(166,243)	(166,243)
Total	\$ 59,042,271	\$ 5,486,238	\$ 13,382,577	\$ 61,939	(39,945,274)	(166,243)	(40,111,517)
General revenues:							
Property taxes					35,327,394		35,327,394
Grants and contributions not restricted to specific programs					6,920,261		6,920,261
Unrestricted investment earnings					115,587	3,967	119,554
Miscellaneous					676,150		676,150
Transfers					388,406	(388,406)	-
Total general revenues and transfers					43,427,798	(384,439)	43,043,359
Change in net position					3,482,524	(550,682)	2,931,842
Net Position at Beginning of Year					93,101,504	21,520,443	114,621,947
Net Position at End of Year					\$ 96,584,028	\$ 20,969,761	\$ 117,553,789

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 23,187,480	\$ 730,766	\$ 751,503	\$ 24,669,749
Receivables, net	2,574,982	390,017	995,713	3,960,712
Due from other funds	1,739,752	12,934,718	745,388	15,419,858
Inventories			20,655	20,655
Total Assets	<u>\$ 27,502,214</u>	<u>\$ 14,055,501</u>	<u>\$ 2,513,259</u>	<u>\$ 44,070,974</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and accrued liabilities	\$ 866,454	\$ 248,901	\$ 97,378	\$ 1,212,733
Due to other funds	13,628,217	1,220,359	370,892	15,219,468
Deferred revenue	1,477,320		513,018	1,990,338
Total liabilities	<u>15,971,991</u>	<u>1,469,260</u>	<u>981,288</u>	<u>18,422,539</u>
Fund balances:				
Nonspendable			483,240	483,240
Restricted	176,611		587,672	764,283
Committed	386,000	12,459,703	519,703	13,365,406
Assigned	3,214,471	679,663		3,894,134
Unassigned	7,753,141	(553,125)	(58,644)	7,141,372
Total fund balances	<u>11,530,223</u>	<u>12,586,241</u>	<u>1,531,971</u>	<u>25,648,435</u>
Total Liabilities and Fund Balances	<u>\$ 27,502,214</u>	<u>\$ 14,055,501</u>	<u>\$ 2,513,259</u>	<u>\$ 44,070,974</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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

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

Fund balances - total governmental funds	\$	25,648,435
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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	\$ 126,604,265	
Less accumulated depreciation	<u>(32,452,459)</u>	
Net capital assets		94,151,806

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

Net pension asset	74,976
Housing loan receivable	157,945
Special assessment receivable	153,271
Property tax receivable greater than 60 days	627,468
Interest receivable on property taxes	302,756

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 position.

227,684

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	(20,315,834)
Deferred bond premiums	(486,073)
Deferred amounts on refunding	(83,861)
Interest payable on bonds	(479,973)
Net OPEB obligation	(2,517,936)
Landfill closure and postclosure	(178,200)
Compensated absences	(426,743)
Capital lease obligation	(180,731)
Claims and judgments	<u>(90,962)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u>96,584,028</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, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 35,158,618	\$	\$	\$ 35,158,618
Intergovernmental	17,289,320	564,719	2,337,900	20,191,939
Charges for services	1,846,845	37,159	1,296,366	3,180,370
Interest income	34,911	472	78,179	113,562
Miscellaneous	676,150	11,756	95,936	783,842
Total revenues	<u>55,005,844</u>	<u>614,106</u>	<u>3,808,381</u>	<u>59,428,331</u>
Expenditures:				
Current:				
Administration	5,104,382		8,494	5,112,876
Planning and development	360,460		10,788	371,248
Public safety	3,478,710		233,635	3,712,345
Public works	3,209,664		15,000	3,224,664
Health and social services	692,965		4,962	697,927
Library, recreation and parks	410,322		584,964	995,286
Education	35,308,503		3,054,794	38,363,297
Miscellaneous	34,790			34,790
Debt service	2,184,530			2,184,530
Capital outlay		4,219,957		4,219,957
Total expenditures	<u>50,784,326</u>	<u>4,219,957</u>	<u>3,912,637</u>	<u>58,916,920</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,221,518</u>	<u>(3,605,851)</u>	<u>(104,256)</u>	<u>511,411</u>
Other Financing Sources (Uses):				
Issuance of general obligation bonds		9,000,000		9,000,000
Premium on general obligation bonds	520,793			520,793
Issuance of capital lease		243,639		243,639
Transfers in	1,093,000	3,451,906	671,834	5,216,740
Transfers out	<u>(3,735,334)</u>		<u>(593,000)</u>	<u>(4,328,334)</u>
Total other financing sources (uses)	<u>(2,121,541)</u>	<u>12,695,545</u>	<u>78,834</u>	<u>10,652,838</u>
Net Change in Fund Balances	2,099,977	9,089,694	(25,422)	11,164,249
Fund Balances at Beginning of Year	<u>9,430,246</u>	<u>3,496,547</u>	<u>1,557,393</u>	<u>14,484,186</u>
Fund Balances at End of Year	<u>\$ 11,530,223</u>	<u>\$ 12,586,241</u>	<u>\$ 1,531,971</u>	<u>\$ 25,648,435</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, 2013

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)	\$ 11,164,249
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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	3,870,077
Depreciation expense	(2,615,767)

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

(13,800)

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	49,940
Property tax receivable-accrual basis change	118,836
Special assessment receivable-accrual basis change	16,493
Net pension asset	(1,206)

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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	1,549,061
Issuance of capital lease	(243,639)
Issuance of general obligation bonds	(9,000,000)
Issuance of premiums	(520,793)
Capital lease payments	101,925
Deferred amounts on premiums	34,720
Deferred amounts in refunding	20,521

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

Compensated absences	29,646
Net OPEB obligation	(292,862)
Landfill closure and postclosure	16,200
Claims and judgments	29,359
Accrued interest	(161,239)

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>(669,197)</u>

Change in Net Position of Governmental Activities (Exhibit II)

<u>\$ 3,482,524</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Business-Type Activities WPCA Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Assets:		
Cash and cash equivalents	\$ 1,981,300	\$ 504,130
Due from other funds	2,647	40,072
Receivables, net	373,633	458,986
Capital assets not being depreciated	16,038,335	
Capital assets, net of accumulated depreciation	<u>2,692,723</u>	
Total assets	<u>21,088,638</u>	<u>1,003,188</u>
Liabilities:		
Accounts and other payables	118,245	533,027
Due to other funds	<u>632</u>	<u>242,477</u>
Total liabilities	<u>118,877</u>	<u>775,504</u>
Net Position:		
Net Investment in capital assets	18,731,058	
Unrestricted	<u>2,238,703</u>	<u>227,684</u>
Total Net Position	<u>\$ 20,969,761</u>	<u>\$ 227,684</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 NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities</u> WPCA <u>Enterprise Fund</u>	<u>Governmental Activities</u> Internal <u>Service Funds</u>
Operating Revenues:		
Charges for services	\$ 2,309,016	\$ 6,783,529
Other	23,566	
Total operating revenues	<u>2,332,582</u>	<u>6,783,529</u>
Operating Expenses:		
Administrative expense	8,085	647,535
Payroll and employee benefits	1,027,267	
Sludge disposal	137,795	
Plant maintenance and materials	87,253	
Insurance and program services	18,730	5,872,949
Utilities	294,635	
Other operating expense		434,267
Depreciation	946,999	
Total operating expenses	<u>2,520,764</u>	<u>6,954,751</u>
Operating Loss	(188,182)	(171,222)
Nonoperating Revenue:		
Income on investments	3,967	2,025
Change in Net Assets Before Capital Items and Transfers	<u>(184,215)</u>	<u>(169,197)</u>
Capital Items and Transfers:		
Capital grants	9,960	
Capital contributions	11,979	
Transfer out	(388,406)	(500,000)
Total capital items and transfers	<u>(366,467)</u>	<u>(500,000)</u>
Change in Net Position	(550,682)	(669,197)
Net Position at Beginning of Year	<u>21,520,443</u>	<u>896,881</u>
Net Position at End of Year	<u>\$ 20,969,761</u>	<u>\$ 227,684</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, 2013

	Business-Type Activities	Governmental Activities
	WPCA	Internal
	Enterprise Fund	Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 2,317,650	\$ 6,727,638
Cash payments to employees for services	(1,027,267)	
Cash payments to supplies for goods and services	(595,451)	(6,944,594)
Cash received from other sources	23,566	
Net cash provided by (used in) operating activities	<u>718,498</u>	<u>(216,956)</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(78,686)	
Capital grants	9,960	
Capital contributions	11,979	
Net cash used in capital financing activities	<u>(56,747)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Transfer out	<u>(388,406)</u>	<u>(500,000)</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>3,967</u>	<u>2,025</u>
Net Increase (Decrease) in Cash and Cash Equivalents	277,312	(714,931)
Cash and Cash Equivalents at Beginning of Year	<u>1,703,988</u>	<u>1,219,061</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,981,300</u>	<u>\$ 504,130</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in)		
Operating Activities:		
Operating loss	\$ (188,182)	\$ (171,222)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	946,999	
(Increase) decrease in accounts receivable	8,634	(420,051)
Decrease in due from other funds		364,160
Increase (decrease) in accounts payable	<u>(48,953)</u>	<u>10,157</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 718,498</u>	<u>\$ (216,956)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2013

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 242,124	\$	\$ 380,829
Investments	23,303,796	5,405,681	13,991
Receivables:			
Other	<u>247,030</u>	<u> </u>	<u> </u>
Total assets	23,792,950	5,405,681	<u>\$ 394,820</u>
Liabilities:			
Accounts and other payables	<u>15,490</u>	<u> </u>	<u>\$ 394,820</u>
Net Position:			
Held in Trust for Pension and OPEB Benefits	<u>\$ 23,777,460</u>	<u>\$ 5,405,681</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 NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Fund	OPEB Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,213,949	\$ 1,622,934
Employee	472,349	371,549
Total contributions	<u>1,686,298</u>	<u>1,994,483</u>
Investment income:		
Interest and dividends	899,954	158,944
Net appreciation in fair value of investments	1,808,107	329,671
Investment expenses	(32,272)	
Net investment income	<u>2,675,789</u>	<u>488,615</u>
Miscellaneous income		<u>7,326</u>
Total additions	<u>4,362,087</u>	<u>2,490,424</u>
Deductions:		
Benefits payments and withdrawals	1,568,220	952,483
Administration	83,656	24,029
Total deductions	<u>1,651,876</u>	<u>976,512</u>
Net Increase	2,710,211	1,513,912
Net Position Held in Trust for Pension and OPEB Benefits at Beginning of Year	<u>21,067,249</u>	<u>3,891,769</u>
Net Position Held in Trust for Pension and OPEB Benefits at End of Year	<u>\$ 23,777,460</u>	<u>\$ 5,405,681</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 position 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.

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. Capital outlays are financed by the issuance of general obligation bonds, capital grants, current tax revenues and the issuance of capital leases.

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.

The OPEB Trust Fund accounts for the activities of the Suffield other postemployment benefits for town retirees and their beneficiaries.

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

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. Unrestricted resources are used in the following order: committed, assigned then unassigned.

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 \$32,434 has been established as an allowance for uncollectible taxes. At June 30, 2013, this represents 4.0% 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, 2013, the total amount of the liability was \$426,743. The liability is reported in the government-wide statement of net position.

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 position. 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 position” and is classified in the following categories:

Investment in Capital Assets - This component of net position 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 position 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 - This component consists of net position that does not meet the definition of “restricted” or “investment in capital assets.”

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

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Suffield Board of Finance and Town Meeting). The Board of Finance can commit fund balance through an action made prior to the end of the fiscal year. Once the action is taken the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter (Suffield Board of Finance, Town Meeting, Town Finance Director and Board of Education Business Manager).

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

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 one quarter of one percent 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, 2013, 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 assigned 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, 2013:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Municipal Grant	\$ 58,624
Drug Education and Enforcement Grant	20

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*, \$24,797,351 of the Town’s bank balance of \$26,558,747 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 23,266,321
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>1,531,030</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 24,797,351</u></u>

Cash Equivalents

At June 30, 2013, the Town's cash equivalents amounted to \$1,585,613. 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 & Poor's</u>
State Short-Term Investment Fund (STIF) Money Market Funds*	AAA

*Not rated

Investments

As of June 30, 2013, 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:					
Certificates of deposit	*	\$ 13,991	\$ 13,991	\$	
U.S. Treasury bonds		330,943		213,381	117,562
U.S. Treasury notes		508,369		508,369	
U.S. Government obligations	AAA	1,100,066	202,596	489,375	408,095
Corporate bonds	A-AAA	1,116,005	61,762	739,691	314,552
Corporate bonds	BBB-BBB+	770,215	141,963	419,120	209,132
Foreign bonds	A-AAA	261,329	50,476	210,853	
Foreign bonds	BBB-BBB+	87,313		80,377	6,936
Other fixed income	AAA/AAA	89,857			89,857
			<u>\$ 470,788</u>	<u>\$ 2,661,166</u>	<u>\$ 1,146,134</u>
Total					
Other investments:					
Mutual funds		5,472,002			
Common stock		<u>18,973,378</u>			
Total Investments		<u>\$ 28,723,468</u>			

*Subject to coverage by Federal Depository Insurance and collateralization

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, 2013, the Town had \$18,973,378 of 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	\$ 813,214	\$	\$	\$	\$ 813,214
Interest	302,756				302,756
Accounts	1,418,219	125	373,633	458,986	2,250,963
Special assessments				153,271	153,271
Intergovernmental	73,227	389,892		392,093	855,212
Loans				157,944	157,944
Other				539,435	539,435
Gross receivables	<u>2,607,416</u>	<u>390,017</u>	<u>373,633</u>	<u>1,701,729</u>	<u>5,072,795</u>
Less allowance for uncollectibles:	<u>(32,434)</u>				<u>(32,434)</u>
Net Total Receivables	<u>\$ 2,574,982</u>	<u>\$ 390,017</u>	<u>\$ 373,633</u>	<u>\$ 1,701,729</u>	<u>\$ 5,040,361</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	\$ 627,468	\$
Accrued interest on delinquent property tax	302,756	
Advance tax collections		148,476
Special assessments not yet due	153,271	
Cell phone tower - unearned		394,607
Grant drawdowns prior to meeting all eligibility requirements		201,802
Loans receivable	157,945	
Unearned program revenues		4,013
	<u> </u>	<u> </u>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>1,241,440</u>	\$ <u>748,898</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 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	\$ 17,823,359	\$	\$	\$ 17,823,359
Construction in progress	7,027,014	2,724,851	615,969	9,135,896
Total capital assets not being depreciated	<u>24,850,373</u>	<u>2,724,851</u>	<u>615,969</u>	<u>26,959,255</u>
Capital assets being depreciated:				
Buildings	64,792,738	615,969		65,408,707
Land improvements	2,191,697			2,191,697
Furniture and equipment	7,599,986	1,145,226	161,103	8,584,109
Infrastructure	23,460,497			23,460,497
Total capital assets being depreciated	<u>98,044,918</u>	<u>1,761,195</u>	<u>161,103</u>	<u>99,645,010</u>
Less accumulated depreciation for:				
Buildings	19,210,262	1,638,707		20,848,969
Land improvements	524,850	68,319		593,169
Furniture and equipment	5,083,071	359,118	147,303	5,294,886
Infrastructure	5,165,812	549,623		5,715,435
Total accumulated depreciation	<u>29,983,995</u>	<u>2,615,767</u>	<u>147,303</u>	<u>32,452,459</u>
Total capital assets being depreciated, net	<u>68,060,923</u>	<u>(854,572)</u>	<u>13,800</u>	<u>67,192,551</u>
Governmental Activities Capital Assets, Net	\$ <u>92,911,296</u>	\$ <u>1,870,279</u>	\$ <u>629,769</u>	\$ <u>94,151,806</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	9,678,669			9,678,669
Equipment	16,613,936	54,419		16,668,355
Vehicles	91,278	24,267		115,545
Infrastructure	10,130			10,130
Total capital assets being depreciated	<u>26,394,013</u>	<u>78,686</u>	<u>-</u>	<u>26,472,699</u>
Less accumulated depreciation for:				
Buildings	9,170,911	310,714		9,481,625
Equipment	13,567,900	627,717		14,195,617
Vehicles	93,337	8,061		101,398
Infrastructure	829	507		1,336
Total accumulated depreciation	<u>22,832,977</u>	<u>946,999</u>	<u>-</u>	<u>23,779,976</u>
Total capital assets being depreciated, net	<u>3,561,036</u>	<u>(868,313)</u>	<u>-</u>	<u>2,692,723</u>
Business-Type Activities Capital Assets, Net	<u>\$ 19,599,371</u>	<u>\$ (868,313)</u>	<u>\$ -</u>	<u>\$ 18,731,058</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

Administration	\$ 57,848
Planning and development	8,250
Public safety	177,211
Public works	671,541
Health and social services	100,739
Library, recreation and parks	70,299
Education	<u>1,529,879</u>

Total Depreciation Expense - Governmental Activities \$ 2,615,767

Business-type activities:

Sewer	\$ <u>946,999</u>
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Construction Commitments

The Town has several active construction projects as of June 30, 2013. 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>55,718,166</u>	\$ <u>394,904</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2013, 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	\$ 1,218,643
	Nonmajor Governmental Funds	278,632
	Internal Service Funds	242,477
		<u>1,739,752</u>
Capital Projects Fund	General Fund	12,842,458
	Nonmajor Governmental Funds	92,260
		<u>12,934,718</u>
Nonmajor Governmental Fund	General Fund	743,040
	Capital Projects Fund	1,716
	WPCA	632
		<u>745,388</u>
WPCA	General Fund	<u>2,647</u>
Internal Service Funds	General Fund	<u>40,072</u>
Total		<u>\$ 15,462,577</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	\$	\$ 3,245,406	\$ 489,928	\$ 3,735,334
Nonmajor Governmental Funds	593,000			593,000
Internal Service Fund	500,000			500,000
WPCA		206,500	181,906	388,406
		<u>3,451,906</u>	<u>671,834</u>	<u>4,123,740</u>
Total Transfers In	<u>\$ 1,093,000</u>	<u>\$ 3,451,906</u>	<u>\$ 671,834</u>	<u>\$ 5,216,740</u>

Transfers represent annual recurring transactions that move resources between funds.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 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	\$ 12,864,895	\$ 9,000,000	\$ 1,549,061	\$ 20,315,834	\$ 1,500,624
Premiums on bonds		520,793	34,720	486,073	
Unamortized amounts:					
Deferred amounts on refunding	<u>104,382</u>	<u> </u>	<u>20,521</u>	<u>83,861</u>	<u> </u>
Total bonds payable	12,969,277	9,520,793	1,604,302	20,885,768	1,500,624
Landfill closure and postclosure	194,400		16,200	178,200	16,200
Capital lease obligation	39,017	243,639	101,925	180,731	54,758
Net OPEB obligation	2,225,074	292,862		2,517,936	
Compensated absences	456,389	7,590	37,236	426,743	313,936
Claims and judgments	<u>120,321</u>	<u>30,802</u>	<u>60,161</u>	<u>90,962</u>	<u>81,688</u>
Governmental Activity Long-Term Liabilities	<u>\$ 16,004,478</u>	<u>\$ 10,095,686</u>	<u>\$ 1,819,824</u>	<u>\$ 24,280,340</u>	<u>\$ 1,967,206</u>

General long-term debt transactions are summarized as follows for the year ended June 30, 2013:

<u>Description</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>
Bonds payable:				
Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021	\$ 12,635,000		\$ 1,410,000	\$ 11,225,000
General Obligation Bonds, Series 2012 \$9,000,000 int. 2% - 3%		9,000,000		9,000,000
Pollution abatement facilities loan issued in 1994, amount \$1,589,472, interest rate 2.0%, maturity date November 2013	135,159		95,527	39,632
Pollution abatement facilities loan issued in 1995, amount \$610,016, interest rate 2.0%, maturity date November 2014	<u>94,736</u>	<u> </u>	<u>43,534</u>	<u>51,202</u>
Total	<u>\$ 12,864,895</u>	<u>\$ 9,000,000</u>	<u>\$ 1,549,061</u>	<u>\$ 20,315,834</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, 2013, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,500,624	\$ 906,327	\$ 2,406,951
2015	2,065,210	715,226	2,780,436
2016	2,050,000	628,775	2,678,775
2017	2,045,000	539,175	2,584,175
2018	2,040,000	449,825	2,489,825
2019-2023	7,420,000	981,125	8,401,125
2024-2028	3,195,000	159,250	3,354,250
Total	\$ 20,315,834	\$ 4,379,703	\$ 24,695,537

As of June 30, 2013, the Town had no authorized unissued debt.

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 \$178,200 is recognized in the statement of net position. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Debt Limitation

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):

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 78,883	\$	\$ 78,883
Schools	157,766	20,225	137,541
Sewers	131,471	91	131,380
Urban renewal	113,942		113,942
Pension deficit	105,177		105,177

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$245,413).

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	\$ 406,590
Less accumulated depreciation	<u>203,774</u>
Total	<u>\$ 202,816</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2013 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2014	\$ 62,908
2015	62,907
2016	35,635
2017	<u>35,635</u>
Total minimum lease payments	197,085
Less amount representing interest	<u>16,354</u>
Present Value of Minimum Lease Payments	<u>\$ 180,731</u>

Operating Lease

During 2007, the Town entered into a five-year operating lease agreement to rent office space on 230 Mountain Road Suffield, Connecticut with the option to renew the lease for one period of five years upon expiration of the original term. The Town and lessor renewed the lease for a period of one year. Rental payments are \$80,400 per year, terminating on December 31, 2013. A pro rata share of the agreed upon common maintenance expenses on the property is also required as additional rent, when applicable.

Claims and Judgments

The Town had previously been involved with the Municipal Interlocal Risk Management Association (MIRMA) for workers compensation coverage. During the year ended June 30, 2010, MIRMA levied an additional assessment on all member towns to fulfill the lookback requirements. The Town was assessed \$421,438. The Town paid \$60,161 during fiscal year ended June 30, 2013. The remaining amount of \$90,962 has been recorded for this liability.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 20,655	\$ 20,655
Endowments			462,585	462,585
Restricted for:				
Grants	176,611		266,335	442,946
Public safety			241,017	241,017
Health and social services			3,364	3,364
Library, recreation and parks			73,377	73,377
Education			3,579	3,579
Committed to:				
Administration			2,620	2,620
Public safety			183,876	183,876
Public works			142,143	142,143
Library, recreation and parks			53,098	53,098
Education			136,978	136,978
Capital projects	386,000	12,459,703		12,845,703
Sewer assessment			988	988
Assigned to:				
Administration	77,270			77,270
Planning and development	11,900			11,900
Public safety	36,898			36,898
Public works	19,113			19,113
Education	125,107			125,107
Subsequent year's budget	2,944,183			2,944,183
Capital projects		679,663		679,663
Unassigned	<u>7,753,141</u>	<u>(553,125)</u>	<u>(58,644)</u>	<u>7,141,372</u>
 Total Fund Balances	 <u>\$ 11,530,223</u>	 <u>\$ 12,586,241</u>	 <u>\$ 1,531,971</u>	 <u>\$ 25,648,435</u>

Significant encumbrances at June 30, 2013 of \$270,288 are contained in the above table in the assigned category of the General Fund.

9. 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.

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

At July 1, 2012, plan membership consisted of the following:

	<u>Retiree Health Plan</u>
Retired members	103
Active plan members	<u>414</u>
Total Participants	<u><u>517</u></u>

Funding Policy

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

Town Employees

The cost per month for Town employees receiving medical coverage is \$629 per month for retiree only coverage and \$1,258 per month for retiree and spouse coverage. The cost per month for Town employees receiving dental coverage is \$28 per month for retiree only coverage and \$71 per month for retiree and spouse coverage.

Board of Education Employees

The cost per month for Board of Education employees receiving medical coverage is \$610 per month for retiree only coverage and \$1,220 per month for retiree and spouse coverage. The cost per month for Board of Education employees receiving dental coverage is \$30 per month for retiree only coverage and \$107 per month for retiree and spouse coverage.

For the year ended June 30, 2013, plan members contributed \$371,549, and claims and benefits paid were \$952,483. Employer contributions to the OPEB Trust Fund were \$1,622,934. There was also a Teacher's Retirement Board reimbursement of \$69,675. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

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):

	Retiree Health Plan
Annual required contribution (ARC)	\$ 1,924,118
Interest on net OPEB obligation	166,881
Adjustment to annual required contribution	<u>(175,203)</u>
Annual OPEB cost	1,915,796
Contributions made	<u>1,622,934</u>
Change in net OPEB obligation	292,862
Net OPEB obligation, beginning of year	<u>2,225,074</u>
Net OPEB Obligation, End of Year	<u><u>\$ 2,517,936</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2013 is presented below. Data is presented for fiscal years ended June 30, 2013, 2012 and 2011 below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/13	\$ 1,915,796	\$ 1,622,934	85%	\$ 2,517,936
6/30/12	1,869,339	1,688,185	90%	2,225,074
6/30/11	1,820,943	3,037,749	167%	3,260,726

Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2012	\$ 3,891,769	\$ 16,566,286	\$ 12,674,517	23 %	\$ 24,910,300	51 %
7/1/2010		15,851,573	15,851,573	-	23,864,000	66
7/1/2008		22,263,100	22,263,100	-	20,353,100	109

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
6/30/13	\$ 1,924,118	84 %	\$ 1,622,934
6/30/12	2,325,040	73	1,688,185
6/30/11	2,283,210	133	3,037,749

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, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% 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 of 1% 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 an open basis. The remaining amortization period at July 1, 2012 was 30 years.

10. 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, 2011, the date of the latest actuarial valuation, PERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	84
Terminated plan members entitled to benefits but not yet receiving them	30
Active plan members	<u>179</u>
Total	<u><u>293</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	\$ 1,166,615
Interest on net pension obligation	(5,714)
Adjustment to annual required contribution	<u>6,951</u>
Annual pension cost	1,167,852
Contributions made	<u>1,166,646</u>
Decrease in net pension asset	1,206
Net pension obligation (asset), July 1, 2012	<u>(76,182)</u>
Net Pension Obligation (Asset), June 30, 2013	<u>\$ (74,976)</u>

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

Actuarial valuation date	July 1, 2011
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>
6/30/13	\$ 1,167,852	99.9 %	\$ (74,976)
6/30/12	1,008,328	99.8	(76,182)
6/30/11	967,281	99.8	(99,707)

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)
7/1/11	\$ 20,726,827	\$ 26,790,558	\$ (6,063,731)	77.4 %	\$ 8,944,838	(67.8) %
7/1/09	19,269,025	23,057,237	(3,788,212)	83.6	8,482,011	(44.7)
7/1/07	15,662,228	17,380,181	(1,717,953)	90.1	7,610,596	(22.6)

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Percentage Contributed	Actual Contribution
6/30/13	\$ 1,166,615	100 %	\$ 1,166,646
6/30/12	1,006,709	98	984,803
6/30/11	965,635	100	965,634

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 is 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 \$16,188,276.

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, 2013, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$3,395,137 as payments made by the State of Connecticut on behalf of the Town.

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.

11. 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 \$5,872,949. This amount includes the Administrator's estimate of claims incurred but not reported at June 30, 2013 of \$508,946.

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:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2012-13 \$	511,810 \$	5,872,949 \$	5,875,813 \$	508,946
2011-12	469,716	5,903,978	5,861,884	511,810

12. 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.

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes, interest and lien fees:				
Current list	\$ 34,271,735	\$ 34,271,735	\$ 34,400,156	\$ 128,421
Supplemental motor vehicle	210,000	210,000	271,230	61,230
Interest and fees	125,000	125,000	178,233	53,233
Taxes, prior years	280,000	280,000	308,999	28,999
Total property taxes, interest and lien fees	<u>34,886,735</u>	<u>34,886,735</u>	<u>35,158,618</u>	<u>271,883</u>
Intergovernmental revenues:				
State of Connecticut:				
Payment in lieu of taxes - State Property	3,345,108	3,345,108	3,352,605	7,497
Mashantucket Pequot	2,185,774	2,185,774	2,670,505	484,731
Payment in lieu of taxes, disabled tax relief	1,090	1,090	1,315	225
Veterans' exemption	7,200	7,200	7,375	175
Elderly tax relief - circuit breaker	87,620	87,620	78,323	(9,297)
Elderly tax relief - freeze	200	200	2,000	1,800
LOCIP reimbursement	94,098	94,098	94,098	-
Miscellaneous	24,000	24,000	46,247	22,247
Town Aid Road	144,031	144,031	145,553	1,522
Youth Services	14,000	14,000	14,000	-
Federal Revenue			42,539	42,539
Municipal Revenue Sharing	143,374	143,374	243,419	100,045
Capital Nonrecurring Fund	157,850	157,850	23,510	(134,340)
Total	<u>6,204,345</u>	<u>6,204,345</u>	<u>6,721,489</u>	<u>517,144</u>
Education:				
Education cost sharing	6,183,966	6,183,966	6,189,453	5,487
Vocational agriculture grant	229,272	229,272	209,741	(19,531)
Other educational grants	7,218	7,218	6,158	(1,060)
Pupil transportation	101,144	101,144	77,814	(23,330)
Total	<u>6,521,600</u>	<u>6,521,600</u>	<u>6,483,166</u>	<u>(38,434)</u>
Total intergovernmental revenues	<u>12,725,945</u>	<u>12,725,945</u>	<u>13,204,655</u>	<u>478,710</u>
Investment income:				
Interest income	<u>30,000</u>	<u>30,000</u>	<u>34,911</u>	<u>4,911</u>

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TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Current services and fees:				
Licenses, permits and fines:				
Building Department	\$ 250,000	\$ 250,000	\$ 282,106	\$ 32,106
Zoning and Planning	18,000	18,000	32,542	14,542
Zoning Board of Appeals	3,410	3,410	620	(2,790)
Police permits	4,000	4,000	10,645	6,645
Conservation	4,000	4,000	12,561	8,561
Historic District fees	800	800	150	(650)
Total	<u>280,210</u>	<u>280,210</u>	<u>338,624</u>	<u>58,414</u>
Charges for current services:				
Bulky waste	2,000	2,000	1,330	(670)
Assessor's map sales	1,000	1,000	988	(12)
Real estate conveyance tax	160,000	160,000	171,479	11,479
Mini-bus transportation	4,000	4,000	4,956	956
Police alarm fees	1,000	1,000		(1,000)
Town Clerk historic document fees	3,600	3,600	1,933	(1,667)
Town Clerk recording fees	134,400	134,400	181,877	47,477
Total	<u>306,000</u>	<u>306,000</u>	<u>362,563</u>	<u>56,563</u>
Landfill:				
Operating	40,000	40,000	36,817	(3,183)
Residential permits			9,299	9,299
Sale of scrap metal	14,000	14,000	4,150	(9,850)
Permits	13,000	13,000	9,640	(3,360)
Total	<u>67,000</u>	<u>67,000</u>	<u>59,906</u>	<u>(7,094)</u>
Recreation:				
Camps	37,825	37,825	39,902	2,077
Activity	81,600	81,600	82,914	1,314
Total	<u>119,425</u>	<u>119,425</u>	<u>122,816</u>	<u>3,391</u>
Revenue from other agencies:				
Telecommunications grant	8,000	8,000	22,859	14,859
Tuition, Vo-ag	903,096	903,096	815,184	(87,912)
Tuition, other	248,200	248,200	124,893	(123,307)
Total	<u>1,159,296</u>	<u>1,159,296</u>	<u>962,936</u>	<u>(196,360)</u>
Total current services and fees	<u>1,931,931</u>	<u>1,931,931</u>	<u>1,846,845</u>	<u>(85,086)</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) AS REVISED (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Miscellaneous:				
Rent - Town property	\$ 100,000	\$ 100,000	\$ 125,745	\$ 25,745
Cell tower	143,000	143,000	202,498	59,498
Capital project expenditures	52,000	52,000	40,000	(12,000)
Resource Officer	56,430	56,430	56,430	-
Miscellaneous income	55,000	55,000	295,106	240,106
Total	<u>406,430</u>	<u>406,430</u>	<u>719,779</u>	<u>313,349</u>
Total revenues	<u>49,981,041</u>	<u>49,981,041</u>	<u>50,964,808</u>	<u>983,767</u>
Other financing sources:				
Utilization of Fund Balance	450,000	450,000		(450,000)
Transfers in:				
Insurance Fund	500,000	500,000	500,000	-
Off Duty Fund	100,000	100,000	100,000	-
Sewer Assessment Fund	260,000	260,000	493,000	233,000
Total other financing sources	<u>1,310,000</u>	<u>1,310,000</u>	<u>1,093,000</u>	<u>(217,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 51,291,041</u>	<u>\$ 51,291,041</u>	52,057,808	<u>\$ 766,767</u>
Budgetary revenues are different than GAAP revenues because:				
Premiums on general obligation bonds			520,793	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			3,395,137	
Under liquidation of prior year encumbrance is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.			(27,139)	
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.			<u>673,038</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV)				<u>\$ 56,619,637</u>

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Board of Selectmen	\$ 237,148	\$ 219,138	\$ 187,851	\$ 31,287
Human Resources	84,850	84,850	82,724	2,126
Probate Court	6,535	6,535	5,344	1,191
Election	43,345	43,346	37,625	5,721
Board of Finance	10,913	11,257	11,257	-
Assessors	273,526	273,526	235,714	37,812
Board of Assessment Appeals	1,450	1,450	757	693
Tax Collector	168,402	168,402	155,515	12,887
Tax Rebates	40,000	72,500	66,155	6,345
Finance	266,428	270,428	268,601	1,827
Information Technology	323,989	323,989	243,083	80,906
Town Counsel	85,000	182,657	174,894	7,763
Town Clerk	191,841	195,151	195,151	-
Town Hall	153,300	153,300	147,021	6,279
OPEB Fund	900,000	900,000	900,000	-
Insurance and bonds	2,640,258	2,640,259	2,464,934	175,325
Total	<u>5,426,985</u>	<u>5,546,788</u>	<u>5,176,626</u>	<u>370,162</u>
Planning and development:				
Zoning and Planning	180,025	180,025	165,928	14,097
Zoning Board of Appeals	5,797	5,797	1,401	4,396
Economic Development	141,893	141,893	141,329	564
Historic District Commission	885	885	202	683
Conservation Commission	40,935	38,508	38,508	-
Park Maintenance	16,839	19,918	19,467	451
Total	<u>386,374</u>	<u>387,026</u>	<u>366,835</u>	<u>20,191</u>
Public safety:				
Fire Commission	874,205	887,152	886,776	376
Police Commission	2,292,617	2,292,618	2,222,445	70,173
Civil Preparedness	17,618	17,618	17,275	343
Building Department	209,909	217,909	214,656	3,253
Town Engineer	113,148	113,148	112,551	597
Dog Fund	67,286	67,286	61,905	5,381
Total	<u>3,574,783</u>	<u>3,595,731</u>	<u>3,515,608</u>	<u>80,123</u>
Public works:				
Public works	474,446	483,861	414,229	69,632
Highway	1,146,529	1,137,112	1,028,632	108,480
State aid road funds	144,031	144,031	144,031	-
Public utilities	510,000	512,487	512,487	-
Town landfill	1,109,261	1,109,261	1,106,151	3,110
Total	<u>3,384,267</u>	<u>3,386,752</u>	<u>3,205,530</u>	<u>181,222</u>
Health and social services:				
Health and social services	191,890	191,890	186,128	5,762
Social Services Commission	1,658	1,658	1,548	110
Senior Center	96,727	99,827	99,129	698
Mini-bus transportation	213,970	213,971	191,910	22,061

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Health and social services (continued):				
EMS/Ambulance	\$ 223,728	\$ 223,728	\$ 214,250	\$ 9,478
Total	<u>727,973</u>	<u>731,074</u>	<u>692,965</u>	<u>38,109</u>
Library, Recreation and Parks:				
Recreation	261,478	261,479	251,357	10,122
Recreation activity	110,335	110,336	79,991	30,345
Tree Warden	15,000	15,000	13,670	1,330
Youth Services	74,185	74,185	65,304	8,881
Total	<u>460,998</u>	<u>461,000</u>	<u>410,322</u>	<u>50,678</u>
Board of Education	<u>31,215,008</u>	<u>31,215,011</u>	<u>31,214,874</u>	<u>137</u>
Miscellaneous:				
Cemeteries	<u>34,790</u>	<u>34,790</u>	<u>34,790</u>	<u>-</u>
Debt service	<u>2,184,530</u>	<u>2,184,530</u>	<u>2,184,530</u>	<u>-</u>
Contingency	<u>200,000</u>	<u>13,005</u>	<u>-</u>	<u>13,005</u>
Total expenditures	<u>47,595,707</u>	<u>47,555,707</u>	<u>46,802,080</u>	<u>753,627</u>
Other financing uses:				
Transfers out:				
Capital Projects Funds	3,205,406	3,245,406	3,245,406	-
Cafeteria Fund	48,935	48,935	48,935	-
Kent memorial library	440,993	440,993	440,993	-
Total other financing uses	<u>3,695,334</u>	<u>3,735,334</u>	<u>3,735,334</u>	<u>-</u>
Total Expenditures and Other Financing Uses	\$ <u>51,291,041</u>	\$ <u>51,291,041</u>	50,537,414	\$ <u>753,627</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.	3,395,137
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.	(85,929)
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.	<u>673,038</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV) \$ 54,519,660

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 23,187,480	\$ 11,799,959
Receivables:		
Property taxes, net of allowance for uncollectibles of \$32,434 in 2013 and \$96,988 in 2012	780,780	572,057
Intergovernmental	73,227	1,424,030
Other	1,720,975	404,784
Due from other funds	<u>1,739,752</u>	<u>3,231,926</u>
Total Assets	<u>\$ 27,502,214</u>	<u>\$ 17,432,756</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 866,454	\$ 1,083,623
Due to other funds	13,628,217	5,623,519
Deferred revenues	<u>1,477,320</u>	<u>1,295,368</u>
Total liabilities	<u>15,971,991</u>	<u>8,002,510</u>
Fund balance:		
Restricted	176,611	
Committed	386,000	386,000
Assigned	3,214,471	688,901
Unassigned	<u>7,753,141</u>	<u>8,355,345</u>
Total fund balance	<u>11,530,223</u>	<u>9,430,246</u>
Total Liabilities and Fund Balance	<u>\$ 27,502,214</u>	<u>\$ 17,432,756</u>

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2013

Grand List	Uncollected Taxes July 1, 2012	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2013
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2011	\$	\$ 35,034,869	\$ 95,106	\$ (67,221)	\$	\$ 35,062,754	\$ 34,643,065	\$ 96,704	\$ 478	\$ 34,740,247	\$ 419,689
2010		350,345	24,783	(10,728)		364,400	168,899	35,755	1,448	206,102	195,501
2009		148,026	2,587	(4,979)		145,634	52,234	21,868	644	74,746	93,400
2008		97,724	228	(1,378)	(24,950)	71,624	22,391	9,152	344	31,887	49,233
2007		24,258		(82)	(6,041)	18,135	2,397	706		3,103	15,738
2006		12,624			(4,204)	8,420		381		381	8,420
2005		12,846			(2,435)	10,411	600	104	24	728	9,811
2004		3,173				3,173				-	3,173
2003		4,563				4,563				-	4,563
2002		2,977				2,977				-	2,977
2001		2,578				2,578				-	2,578
2000		2,471				2,471				-	2,471
1999		2,118	67			2,185	67			67	2,118
1998		1,919				1,919				-	1,919
1997		1,623				1,623				-	1,623
Total	\$	\$ 667,245	\$ 122,771	\$ (84,388)	\$ (37,630)	\$ 35,702,867	\$ 34,889,653	\$ 164,670	\$ 2,938	\$ 35,057,261	\$ 813,214

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

Special Revenue Funds

	<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>
Assets								
Cash and cash equivalents	\$	\$ 8,397	\$	\$	\$	\$ 1,023	\$	\$
Receivables:								
Assessments						153,271		
Intergovernmental		41,205		350,510				
Loans receivables								
Other	66,338	10,439		154,396				
Due from other funds	117,538		243,056	1,167	185		4,635	17,108
Inventory		20,655						
Total Assets	\$ 183,876	\$ 80,696	\$ 243,056	\$ 506,073	\$ 185	\$ 154,294	\$ 4,635	\$ 17,108
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 44,625	\$	\$ 16,283	\$	\$ 35	\$	\$
Due to other funds		11,837	2,039	151,395				
Deferred revenue				98,003		153,271		
Total liabilities	<u>-</u>	<u>56,462</u>	<u>2,039</u>	<u>265,681</u>	<u>-</u>	<u>153,306</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable		20,655						
Restricted		3,579	241,017	240,392	185		4,635	
Committed	183,876					988		17,108
Unassigned								
Total fund balances	<u>183,876</u>	<u>24,234</u>	<u>241,017</u>	<u>240,392</u>	<u>185</u>	<u>988</u>	<u>4,635</u>	<u>17,108</u>
Total Liabilities and Fund Balances	\$ 183,876	\$ 80,696	\$ 243,056	\$ 506,073	\$ 185	\$ 154,294	\$ 4,635	\$ 17,108

(Continued on next page)

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

JUNE 30, 2013

Special Revenue Funds

	<u>Senior Center Activity</u>	<u>Municipal Grant</u>	<u>Emergency Food and Shelter</u>	<u>Small Cities Grant</u>	<u>Drug Education and Enforcement Grant</u>	<u>Sunrise Park</u>	<u>Farmington Canal Trail</u>	<u>Veterans Memorial</u>
Assets								
Cash and cash equivalents	\$	\$	\$ 3,364	\$ 20,960	\$	\$	\$	\$
Receivables:								
Assessments		378						
Intergovernmental				157,944				
Loans receivables						375		
Other	1,858							
Due from other funds	34,158	88,705		92,424	1,148	7,751	12,406	2,620
Inventory								
Total Assets	\$ 36,016	\$ 89,083	\$ 3,364	\$ 271,328	\$ 1,148	\$ 8,126	\$ 12,406	\$ 2,620
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 26	\$ 28,272	\$	\$	\$	\$	\$	\$
Due to other funds		15,636		92,260	1,168			
Deferred revenue		103,799		157,945				
Total liabilities	<u>26</u>	<u>147,707</u>	<u>-</u>	<u>250,205</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable								
Restricted			3,364	21,123		8,126	12,406	
Committed	35,990							2,620
Unassigned		(58,624)			(20)			
Total fund balances	<u>35,990</u>	<u>(58,624)</u>	<u>3,364</u>	<u>21,123</u>	<u>(20)</u>	<u>8,126</u>	<u>12,406</u>	<u>2,620</u>
Total Liabilities and Fund Balances	\$ 36,016	\$ 89,083	\$ 3,364	\$ 271,328	\$ 1,148	\$ 8,126	\$ 12,406	\$ 2,620

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

	Special Revenue Funds			Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	School Activity	Memorial	Cemetery		
Assets							
Cash and cash equivalents	\$	\$ 148,347	\$	\$ 57,141	\$ 512,271	\$	\$ 751,503
Receivables:							
Assessments							153,271
Intergovernmental							392,093
Loans receivables							157,944
Other	57,799		1,200				292,405
Due from other funds		632	138,659			(16,804)	745,388
Inventory							20,655
Total Assets	<u>\$ 57,799</u>	<u>\$ 148,979</u>	<u>\$ 139,859</u>	<u>\$ 57,141</u>	<u>\$ 512,271</u>	<u>\$ (16,804)</u>	<u>\$ 2,513,259</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 4,745	\$	\$ 2,881	\$	\$ 511	\$	\$ 97,378
Due to other funds	209	6,836		16,737	89,579	(16,804)	370,892
Deferred revenue							513,018
Total liabilities	<u>4,954</u>	<u>6,836</u>	<u>2,881</u>	<u>16,737</u>	<u>90,090</u>	<u>(16,804)</u>	<u>981,288</u>
Fund balances:							
Nonspendable				40,404	422,181		483,240
Restricted	52,845						587,672
Committed		142,143	136,978				519,703
Unassigned							(58,644)
Total fund balances	<u>52,845</u>	<u>142,143</u>	<u>136,978</u>	<u>40,404</u>	<u>422,181</u>	<u>-</u>	<u>1,531,971</u>
Total Liabilities and Fund Balances	<u>\$ 57,799</u>	<u>\$ 148,979</u>	<u>\$ 139,859</u>	<u>\$ 57,141</u>	<u>\$ 512,271</u>	<u>\$ (16,804)</u>	<u>\$ 2,513,259</u>

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

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

Special Revenue Funds

	<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>
Revenues:								
Intergovernmental	\$	\$ 179,414	\$	\$ 2,108,440	\$	\$	\$	\$
Current services and fees	277,139	515,615				178,500		
Assessments						105,825		
Interest income		125						
Donations and program income			2,839					
Total revenues	<u>277,139</u>	<u>695,154</u>	<u>2,839</u>	<u>2,108,440</u>	<u>-</u>	<u>284,325</u>	<u>-</u>	<u>-</u>
Expenditures:								
Administration								
Planning and development								
Public safety	179,549		48,471					
Public works								
Health and social services								
Library, recreation and parks								
Education		754,326		2,157,307				
Total expenditures	<u>179,549</u>	<u>754,326</u>	<u>48,471</u>	<u>2,157,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>97,590</u>	<u>(59,172)</u>	<u>(45,632)</u>	<u>(48,867)</u>	<u>-</u>	<u>284,325</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in		48,935				181,906		
Transfers out	(100,000)					(493,000)		
Total other financing sources (uses)	<u>(100,000)</u>	<u>48,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311,094)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,410)	(10,237)	(45,632)	(48,867)	-	(26,769)	-	-
Fund balance at beginning of year	<u>186,286</u>	<u>34,471</u>	<u>286,649</u>	<u>289,259</u>	<u>185</u>	<u>27,757</u>	<u>4,635</u>	<u>17,108</u>
Fund Balance at End of Year	<u>\$ 183,876</u>	<u>\$ 24,234</u>	<u>\$ 241,017</u>	<u>\$ 240,392</u>	<u>\$ 185</u>	<u>\$ 988</u>	<u>\$ 4,635</u>	<u>\$ 17,108</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, 2013

	Special Revenue Funds							
	Senior Center Activity	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial
Revenues:								
Intergovernmental	\$	\$ 48,225	\$	\$	\$	\$	\$	\$
Current services and fees	11,475							
Assessments								
Interest income								
Donations and program income	8,682		3,295			250	20	
Total revenues	<u>20,157</u>	<u>48,225</u>	<u>3,295</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>20</u>	<u>-</u>
Expenditures:								
Administration		8,494						
Planning and development		10,788						
Public safety		5,615						
Public works		15,000						
Health and social services			3,209	1,242				
Library, recreation and parks	17,333	8,328					3,000	
Education								
Total expenditures	<u>17,333</u>	<u>48,225</u>	<u>3,209</u>	<u>1,242</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,824</u>	<u>-</u>	<u>86</u>	<u>(1,242)</u>	<u>-</u>	<u>250</u>	<u>(2,980)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,824	-	86	(1,242)	-	250	(2,980)	-
Fund balance at beginning of year	<u>33,166</u>	<u>(58,624)</u>	<u>3,278</u>	<u>22,365</u>	<u>(20)</u>	<u>7,876</u>	<u>15,386</u>	<u>2,620</u>
Fund Balance at End of Year	<u>\$ 35,990</u>	<u>\$ (58,624)</u>	<u>\$ 3,364</u>	<u>\$ 21,123</u>	<u>\$ (20)</u>	<u>\$ 8,126</u>	<u>\$ 12,406</u>	<u>\$ 2,620</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, 2013

	Special Revenue Funds			Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	School Activity	Memorial	Cemetery		
Revenues:							
Intergovernmental	\$ 1,821	\$	\$ 198,032	\$	\$	\$	\$ 2,337,900
Current services and fees	9,780						1,190,541
Assessments							105,825
Interest income	77,329	147		67	511		78,179
Donations and program income	79,850				1,000		95,936
Total revenues	<u>168,780</u>	<u>147</u>	<u>198,032</u>	<u>67</u>	<u>1,511</u>	<u>-</u>	<u>3,808,381</u>
Expenditures:							
Administration							8,494
Planning and development							10,788
Public safety							233,635
Public works							15,000
Health and social services					511		4,962
Library, recreation and parks	556,303						584,964
Education			143,161				3,054,794
Total expenditures	<u>556,303</u>	<u>-</u>	<u>143,161</u>	<u>-</u>	<u>511</u>	<u>-</u>	<u>3,912,637</u>
Excess (deficiency) of revenues over expenditures	<u>(387,523)</u>	<u>147</u>	<u>54,871</u>	<u>67</u>	<u>1,000</u>	<u>-</u>	<u>(104,256)</u>
Other financing sources (uses):							
Transfers in	440,993						671,834
Transfers out							(593,000)
Total other financing sources (uses)	<u>440,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,834</u>
Net change in fund balances	53,470	147	54,871	67	1,000	-	(25,422)
Fund balance at beginning of year	<u>(625)</u>	<u>141,996</u>	<u>82,107</u>	<u>40,337</u>	<u>421,181</u>	<u>-</u>	<u>1,557,393</u>
Fund Balance at End of Year	<u>\$ 52,845</u>	<u>\$ 142,143</u>	<u>\$ 136,978</u>	<u>\$ 40,404</u>	<u>\$ 422,181</u>	<u>\$ -</u>	<u>\$ 1,531,971</u>

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND - BY PROJECT

JUNE 30, 2013

	School Building Fund	Town Improvement Fund	Sewer Capital Projects	Industrial Park Fund	West Suffield Fire Station Construction Fund	Bridge Projects	Capital Non-Recurring Fund	Senior Center Project
ASSETS								
Cash and cash equivalents	\$	\$ 10,976	\$ 545,462	\$	\$	\$	\$	\$
Receivables:								
Accounts						125		
Intergovernmental	332,689					57,203		
Due from other funds		435,004		4,586	289,000	674,313	5,517,116	
		<u> </u>		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>332,689</u>	\$ <u>445,980</u>	\$ <u>545,462</u>	\$ <u>4,586</u>	\$ <u>289,000</u>	\$ <u>731,641</u>	\$ <u>5,517,116</u>	\$ <u>-</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$ 3,208	\$	\$	\$ 101,031	\$ 142,078	\$
Due to other funds	332,689	289,000			279,052		1,716	137,140
Deferred revenue								
Total liabilities	<u>332,689</u>	<u>289,000</u>	<u>3,208</u>	<u>-</u>	<u>279,052</u>	<u>101,031</u>	<u>143,794</u>	<u>137,140</u>
Fund Balances:								
Committed		156,980	542,254	4,586	9,948	630,610	4,693,659	
Assigned							679,663	
Unassigned								(137,140)
Total fund balances	<u>-</u>	<u>156,980</u>	<u>542,254</u>	<u>4,586</u>	<u>9,948</u>	<u>630,610</u>	<u>5,373,322</u>	<u>(137,140)</u>
Total Liabilities and Fund Balances	\$ <u>332,689</u>	\$ <u>445,980</u>	\$ <u>545,462</u>	\$ <u>4,586</u>	\$ <u>289,000</u>	\$ <u>731,641</u>	\$ <u>5,517,116</u>	\$ <u>-</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
CAPITAL PROJECTS FUND - BY PROJECT

JUNE 30, 2013

	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Fire Trucks Fund</u>	<u>2011 Road & Drainage Imp. Fund</u>	<u>Utility Extension Project</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Fund</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$ 174,328	\$	\$	\$	\$	\$ 730,766
Receivables:								
Accounts								125
Intergovernmental								389,892
Due from other funds		398,616		109,343	5,795,740		(289,000)	12,934,718
Total Assets	\$ -	\$ 398,616	\$ 174,328	\$ 109,343	\$ 5,795,740	\$ -	\$ (289,000)	\$ 14,055,501
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$ 2,584	\$	\$	\$ 248,901
Due to other funds	413,721		53,777			2,264	(289,000)	1,220,359
Deferred revenue								-
Total liabilities	413,721	-	53,777	-	2,584	2,264	(289,000)	1,469,260
Fund Balances:								
Committed		398,616	120,551	109,343	5,793,156			12,459,703
Assigned								679,663
Unassigned	(413,721)					(2,264)		(553,125)
Total fund balances	(413,721)	398,616	120,551	109,343	5,793,156	(2,264)	-	12,586,241
Total Liabilities and Fund Balances	\$ -	\$ 398,616	\$ 174,328	\$ 109,343	\$ 5,795,740	\$ -	\$ (289,000)	\$ 14,055,501

TOWN OF SUFFIELD, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND - BY PROJECT**

FOR THE YEAR ENDED JUNE 30, 2013

	<u>School Building Fund</u>	<u>Town Improvement Fund</u>	<u>Sewer Capital Projects</u>	<u>Industrial Park Fund</u>	<u>West Suffield Fire Station Construction Fund</u>	<u>Bridge Projects</u>	<u>Capital Non-Recurring Fund</u>	<u>Senior Center Project</u>
Revenues:								
Intergovernmental	\$	\$	\$ 71,254	\$	\$	\$	\$	\$
Current services and fees			16,482					
Interest income		16	267					
Donations								
Total revenues	<u>-</u>	<u>16</u>	<u>88,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Capital outlay	<u>-</u>	<u>-</u>	<u>99,919</u>	<u>-</u>	<u>-</u>	<u>148,828</u>	<u>2,038,145</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>16</u>	<u>(11,916)</u>	<u>-</u>	<u>-</u>	<u>(148,828)</u>	<u>(2,038,145)</u>	<u>-</u>
Other financing sources:								
Issuance of general obligation bonds						750,000		
Issuance of capital lease							243,639	
Transfers in			206,500				3,245,406	
Total other financing sources	<u>-</u>	<u>-</u>	<u>206,500</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>3,489,045</u>	<u>-</u>
Net Change in Fund Balances	-	16	194,584	-	-	601,172	1,450,900	-
Fund Balances at Beginning of Year	<u>-</u>	<u>156,964</u>	<u>347,670</u>	<u>4,586</u>	<u>9,948</u>	<u>29,438</u>	<u>3,922,422</u>	<u>(137,140)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 156,980</u>	<u>\$ 542,254</u>	<u>\$ 4,586</u>	<u>\$ 9,948</u>	<u>\$ 630,610</u>	<u>\$ 5,373,322</u>	<u>\$ (137,140)</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
CAPITAL PROJECTS FUND - BY PROJECT

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Fire Trucks Fund</u>	<u>2011 Road & Drainage Imp. Fund</u>	<u>Utility Extension Project</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Fund</u>
Revenues:								
Intergovernmental	\$ 493,465	\$	\$	\$	\$	\$	\$	\$ 564,719
Current services and fees		20,677						37,159
Interest income			189					472
Donations			11,756					11,756
Total revenues	<u>493,465</u>	<u>20,677</u>	<u>11,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>614,106</u>
Expenditures:								
Capital outlay	<u>279,345</u>	<u>3,390</u>	<u>3,648</u>	<u>692,117</u>	<u>952,301</u>	<u>2,264</u>	<u>-</u>	<u>4,219,957</u>
Excess (deficiency) of revenues over expenditures	<u>214,120</u>	<u>17,287</u>	<u>8,297</u>	<u>(692,117)</u>	<u>(952,301)</u>	<u>(2,264)</u>	<u>-</u>	<u>(3,605,851)</u>
Other financing sources:								
Issuance of general obligation bonds				1,400,000	6,850,000			9,000,000
Issuance of capital lease								243,639
Transfers in								3,451,906
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,000</u>	<u>6,850,000</u>	<u>-</u>	<u>-</u>	<u>12,695,545</u>
Net Change in Fund Balances	214,120	17,287	8,297	707,883	5,897,699	(2,264)	-	9,089,694
Fund Balances at Beginning of Year	<u>(627,841)</u>	<u>381,329</u>	<u>112,254</u>	<u>(598,540)</u>	<u>(104,543)</u>	<u>-</u>	<u>-</u>	<u>3,496,547</u>
Fund Balances at End of Year	<u>\$ (413,721)</u>	<u>\$ 398,616</u>	<u>\$ 120,551</u>	<u>\$ 109,343</u>	<u>\$ 5,793,156</u>	<u>\$ (2,264)</u>	<u>\$ -</u>	<u>\$ 12,586,241</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 504,130	\$	\$ 504,130
Due from other funds		40,072	40,072
Receivables, net	<u>435,129</u>	<u>23,857</u>	<u>458,986</u>
Total	<u>\$ 939,259</u>	<u>\$ 63,929</u>	<u>\$ 1,003,188</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued liabilities	\$ 508,946	\$ 24,081	\$ 533,027
Due to other funds	<u>242,477</u>		<u>242,477</u>
Total liabilities	751,423	24,081	775,504
Net position:			
Unrestricted	<u>187,836</u>	<u>39,848</u>	<u>227,684</u>
Total	<u>\$ 939,259</u>	<u>\$ 63,929</u>	<u>\$ 1,003,188</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Operating revenues:			
User charges	\$ 6,345,237	\$ 438,292	\$ 6,783,529
Operating expenses:			
Administration	647,535		647,535
Insurance and benefits	5,872,949		5,872,949
Fuel		434,267	434,267
Total operating expenses	<u>6,520,484</u>	<u>434,267</u>	<u>6,954,751</u>
Operating income (loss)	(175,247)	4,025	(171,222)
Nonoperating revenue:			
Investment income	<u>2,025</u>		<u>2,025</u>
Income (loss) before transfers	(173,222)	4,025	(169,197)
Transfers out	<u>(500,000)</u>		<u>(500,000)</u>
Change in net position	(673,222)	4,025	(669,197)
Net position at beginning of year	<u>861,058</u>	<u>35,823</u>	<u>896,881</u>
Net Position at End of Year	<u>\$ 187,836</u>	<u>\$ 39,848</u>	<u>\$ 227,684</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from users	\$ 6,306,392	\$ 421,246	\$ 6,727,638
Cash paid to vendors	<u>(6,523,348)</u>	<u>(421,246)</u>	<u>(6,944,594)</u>
Net cash used in operating activities	(216,956)	-	(216,956)
Cash flows from Noncapital Financing Activities:			
Transfer out	(500,000)		(500,000)
Cash Flows From Investing Activities:			
Interest on investments	<u>2,025</u>		<u>2,025</u>
Net Decrease in Cash and Cash Equivalents	(714,931)	-	(714,931)
Cash and cash equivalents at beginning of year	<u>1,219,061</u>	<u>-</u>	<u>1,219,061</u>
Cash and Cash Equivalents at End of Year	<u>\$ 504,130</u>	<u>\$ -</u>	<u>\$ 504,130</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:			
Operating income (loss)	\$ (175,247)	\$ 4,025	\$ (171,222)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
(Increase) decrease in accounts receivable	(418,931)	(1,120)	(420,051)
(Increase) decrease in due from other funds	380,086	(15,926)	364,160
Increase (decrease) in accounts payable and accrued liabilities	<u>(2,864)</u>	<u>13,021</u>	<u>10,157</u>
Net Cash Used in Operating Activities	<u>\$ (216,956)</u>	<u>\$ -</u>	<u>\$ (216,956)</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2013

	<u>Student Activity</u>	<u>Performance Bond</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 300,366	\$ 80,463	\$ 380,829
Investments	<u>13,991</u>	<u> </u>	<u>13,991</u>
Total Assets	<u>\$ 314,357</u>	<u>\$ 80,463</u>	<u>\$ 394,820</u>
LIABILITIES			
Due to student groups and others	<u>\$ 314,357</u>	<u>\$ 80,463</u>	<u>\$ 394,820</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 252,887	\$ 467,894	\$ 420,415	\$ 300,366
Investments	<u>13,931</u>	<u>60</u>	<u> </u>	<u>13,991</u>
Total Assets	<u>\$ 266,818</u>	<u>\$ 467,954</u>	<u>\$ 420,415</u>	<u>\$ 314,357</u>
Liabilities:				
Due to student groups and others	<u>\$ 266,818</u>	<u>\$ 467,954</u>	<u>\$ 420,415</u>	<u>\$ 314,357</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	<u>\$ 76,952</u>	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 80,463</u>
Liabilities:				
Due to student groups and others	<u>\$ 76,952</u>	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 80,463</u>
Total Assets				
Assets:				
Cash and cash equivalents	\$ 329,839	\$ 471,405	\$ 420,415	\$ 380,829
Investments	<u>13,931</u>	<u> </u>	<u> </u>	<u>13,931</u>
Total Assets	<u>\$ 343,770</u>	<u>\$ 471,405</u>	<u>\$ 420,415</u>	<u>\$ 394,760</u>
Liabilities:				
Due to student groups and others	<u>\$ 343,770</u>	<u>\$ 471,465</u>	<u>\$ 420,415</u>	<u>\$ 394,820</u>

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2013

(In Thousands)

Total cash collections for the year ended June 30, 2013:

Taxes, interest and lien fees	\$ 35,057
Reimbursement for revenue loss on:	
Tax relief for elderly - elderly freeze	<u>2</u>

Base	<u>\$ 35,059</u>
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	<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	\$ 78,883	\$	\$	\$	\$
4-1/2 times base		157,766			
3-3/4 times base			131,471		
3-1/4 times base				113,942	
3 times base					<u>105,177</u>
Total debt limitation	<u>78,883</u>	<u>157,766</u>	<u>131,471</u>	<u>113,942</u>	<u>105,177</u>
Indebtedness:					
Bonds and notes payable		<u>20,225</u>	<u>91</u>		
Total indebtedness	<u>-</u>	<u>20,225</u>	<u>91</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 78,883</u>	<u>\$ 137,541</u>	<u>\$ 131,380</u>	<u>\$ 113,942</u>	<u>\$ 105,177</u>

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$245,413).