

TOWN OF SUFFIELD, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2010

TOWN OF SUFFIELD, CONNECTICUT

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BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Suffield, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of Suffield, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010 on our consideration of the Town of Suffield, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 11 and the budgetary comparison information on pages 45 through 49 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Blum, Shapiro & Company, P.C.

December 29, 2010

TOWN OF SUFFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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, 2010. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts are reported in thousands unless otherwise noted.

Financial Highlights

- The Town's net assets increased as a result of this year's operations. While net assets of our business-type activities decreased by \$456, or 2.1%, net assets of our governmental activities increased by \$494, or .60%.
- During the year, the Town had expenses that were \$494 less than the \$53,551 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues increased by \$242 while expenses increased by \$189. The increase in revenue was due to sewer charges and in sewer expenses.
- Total cost of all of the Town's programs was \$55,683 with no new programs added this year.
- The General Fund reported a fund balance this year of \$10,482.
- The resources available for appropriation were \$1,288 less than budgeted for the General Fund. Expenditures were less than budgeted by \$1,459, in part to reflect the change in the way the Education Cost Sharing Grant from the State of Connecticut was received.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

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

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

Fund Financial Statements

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

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Insurance and Gas/Diesel Internal Service Funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets remained level from a year ago, going from \$104,339 (as restated) to \$104,377. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental and business-type activities.

Table 1
NET ASSETS
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|------------------------------------|------------------|-------------------------------------|------------------|-------------------|-------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 21,784 | \$ 22,118 | \$ 526 | \$ 512 | \$ 22,310 | \$ 22,630 |
| Capital assets, net of accumulated depreciation | 84,406 | 84,632 | 21,316 | 22,181 | 105,722 | 106,813 |
| Total assets | 106,190 | 106,750 | 21,842 | 22,693 | 128,032 | 129,443 |
| Long-term debt outstanding | 20,292 | 20,720 | 120 | 465 | 20,412 | 21,185 |
| Other liabilities | 3,111 | 3,737 | 132 | 182 | 3,243 | 3,919 |
| Total liabilities | 23,403 | 24,457 | 252 | 647 | 23,655 | 25,104 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of debt | 68,114 | 66,236 | 21,196 | 21,716 | 89,310 | 87,952 |
| Restricted | 454 | 449 | | | 454 | 449 |
| Unrestricted | 14,219 | 15,608 | 394 | 330 | 14,613 | 15,938 |
| Total Net Assets | \$ 82,787 | \$ 82,293 | \$ 21,590 | \$ 22,046 | \$ 104,377 | \$ 104,339 |

Net assets of the Town's governmental activities increased by \$295 or .40%. Overall revenues decreased by \$4,216 and expenses increased by \$2,083. The revenue decreases were \$1,620 in Grants and Contributions not restricted and \$398 in Miscellaneous Revenue. Capital grants decreased by \$3,058 due to a decrease in Capital Grants for Conservation Easements during the year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$15,608 at June 30, 2009 to \$14,219 at the end of this year.

The net assets of business-type activities decreased by \$456 or 2.1% (\$22,046, as restated, compared to \$21,590) in 2010. The Town generally can only use these net assets to finance the continuing operations of the WPCA.

Table 2
CHANGES IN NET ASSETS
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|-----------------|-----------------------------|-----------------|---------------|-----------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services: | \$ 3,798 | \$ 3,324 | \$ 2,166 | \$ 1,924 | \$ 5,964 | \$ 5,248 |
| Operating grants and contributions | 12,129 | 12,453 | | | 12,129 | 12,453 |
| Capital grants and contributions | 187 | 3,245 | | | 187 | 3,245 |
| General revenues: | | | | | | |
| Property taxes | 32,135 | 31,106 | | | 32,135 | 31,106 |
| Grants and contributions not restricted to specific purposes | 4,377 | 5,997 | | | 4,377 | 5,997 |
| Unrestricted investment earnings | 231 | 351 | 4 | 4 | 235 | 355 |
| Miscellaneous | 694 | 1,092 | | | 694 | 1,092 |
| Total revenues | <u>53,551</u> | <u>57,568</u> | <u>2,170</u> | <u>1,928</u> | <u>55,721</u> | <u>59,496</u> |
| Program expenses: | | | | | | |
| Administration | 1,854 | 2,197 | | | 1,854 | 2,197 |
| Planning and development | 390 | 405 | | | 390 | 405 |
| Public safety | 4,187 | 3,988 | | | 4,187 | 3,988 |
| Public works | 4,504 | 4,122 | | | 4,504 | 4,122 |
| Health and social services | 824 | 783 | | | 824 | 783 |
| Library, recreation and parks | 1,167 | 1,148 | | | 1,167 | 1,148 |
| Education | 39,297 | 37,422 | | | 39,297 | 37,422 |
| Interest on long-term debt | 834 | 909 | | | 834 | 909 |
| Sewer | | | 2,626 | 2,437 | 2,626 | 2,437 |
| Total program expenses | <u>53,057</u> | <u>50,974</u> | <u>2,626</u> | <u>2,437</u> | <u>55,683</u> | <u>53,411</u> |
| Increase (Decrease) in Net Assets | <u>\$ 494</u> | <u>\$ 6,594</u> | <u>\$ (456)</u> | <u>\$ (509)</u> | <u>\$ 38</u> | <u>\$ 6,085</u> |

The Town's total revenues were \$55,721. The total cost of all programs and services was \$55,683. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The greatest increase was in property taxes. Property taxes accounted for 60% of the Town's governmental activities. Operating grants and contributions accounted for 22.6% of the Town's governmental activities. The Town continues to utilize grants and contributions to maintain its services but has increased its reliance on property taxes.

Education related expenses accounted for over 74% of the total program expenses for governmental activities. Insurance costs included a portion of an assessment for workers compensation from prior years' that is still being finalized. 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>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Administration | \$ 1,854 | \$ 2,197 | \$ 1,215 | \$ 1,612 |
| Public safety | 4,187 | 3,988 | 3,847 | 3,609 |
| Public works | 4,504 | 4,122 | 2,949 | 2,243 |
| Education | <u>39,297</u> | <u>37,422</u> | <u>26,917</u> | <u>25,475</u> |
| Totals | <u>\$ 49,842</u> | <u>\$ 47,729</u> | <u>\$ 34,928</u> | <u>\$ 32,939</u> |

Business-Type Activities

Revenues of the Town's business-type activities (see Table 2) increased by \$242 due to increases in the charges for services. Expenses remained increased by \$189.

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$16,983, which is an increase from last year's total of \$16,064. Included in this year's total change in fund balance is an increase of \$173 in the Town's General Fund. In addition, these other changes in fund balances should be noted: an increase of \$524 in the Capital Projects funds and an increase of \$223 in other governmental funds.

General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$46,250. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$1,459. On the revenue side, final actual revenues were less than the original budget by \$1,288. We had anticipated using fund balance of \$500 but were not required to due to increases in the following categories: property taxes contributed \$318 due to collection of current year and prior years' taxes and interest and fees; intergovernmental revenues were less than budgeted by \$866 because of decreases in State Grant funding finalized after passage of the budget. Additionally work on some reimbursement grants was not completed and the revenue was not requested. Additionally the State changed the funding of the Education Cost Sharing Grant and the Board of Education under spent their budget by the grant revenue received directly from the State of Connecticut. Revenue from Other Agencies received \$311 more than budgeted primarily from the Other Tuition received. These helped to offset shortages in other line items.

Proprietary Funds

The Town's Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. An increase in operating expenses resulted in an operating loss of \$456. The increases were in administrative expense, payroll & benefits, sludge disposal and plant maintenance and materials. The other two funds, Insurance Fund and Gas/Diesel Fund, are Internal Service Funds. Unrestricted net assets of both funds totaled \$441, a decrease of \$589 from the prior year. This decrease is due primarily to the transfer of \$300 to the General Fund from the Insurance Fund and performance of the Insurance Fund. There was an operating loss of \$347 and investment income of \$1. 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 \$57.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the Town had \$106 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 decrease (including additions and deductions) of \$1 million, or 1%, under last year.

Table 4

CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

(in thousands)

| | Governmental | | Business-Type | | Total | |
|--------------------------|---------------------|------------------|----------------------|------------------|-------------------|-------------------|
| | Activities | | Activities | | | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | \$ 14,908 | \$ 14,433 | \$ 16,038 | \$ 16,038 | \$ 30,946 | \$ 30,471 |
| Land improvements | 76 | 78 | | | 76 | 78 |
| Buildings | 46,834 | 47,981 | 1,123 | 1,433 | 47,957 | 49,414 |
| Furniture and equipment | 2,189 | 2,344 | 4,155 | 4,710 | 6,344 | 7,054 |
| Infrastructure | 18,618 | 18,460 | | | 18,618 | 18,460 |
| Construction in progress | 1,781 | 1,336 | | | 1,781 | 1,336 |
| Total | \$ 84,406 | \$ 84,632 | \$ 21,316 | \$ 22,181 | \$ 105,722 | \$ 106,813 |

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

| | |
|---------------------------------|-------|
| Development Rights for one farm | \$475 |
| Industrial Park Road | 493 |
| Middle School Boiler Project | 266 |
| Approved New Road | 187 |

The Town's fiscal-year 2010-11 capital budget calls for it to spend another \$3,700 for capital projects, principally for school roofs, road repairs, bridge repairs, police and fire radio upgrade, public works equipment and technology upgrades. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2010, the Town had \$16,143 in bonds and notes outstanding versus \$18,233 last year - a decrease of \$2,090 or 11.5%.

The Town's general obligation bond rating continues to carry the Aa3 Moody's rating, which was reaffirmed in March 2009. The debt rating from Standard & Poor's was upgraded to AA from AA- in October 2004 and reaffirmed in September 2005. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$233,041 state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2010 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the Town as of November 2010 stands at 7.6% versus 7.2% a year ago. This compares with the State's unemployment rate of 9.0% and the national rate of 9.8%.

These indicators were taken into account when adopting the General Fund budget for 2010-11. Amounts available for appropriation in the General Fund budget are \$51,768, an increase of 8.51% over the original 2010 budget of \$47,709. Property taxes and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$2,500 of its \$10,482 General Fund balance to finance its 2010-11 budget leaving an unreserved, undesignated General Fund balance at June 30, 2010 of \$7,556 or 14.6% of the 2010-11 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 8.51% to \$51,768 from \$47,709 in 2010. Increases in transfers, capital expenditures and other post-employment benefits reserve are the largest increments. The Town has added no major new programs or initiatives to the 2011 budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2011.

The Water Pollution Control Authority approved a budget with an increase of 25% in expenditures, with no increase in the per unit charge.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2010

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 17,586,232 | \$ 473,406 | \$ 18,059,638 |
| Receivables, net | 4,068,635 | 51,825 | 4,120,460 |
| Inventory | 27,000 | | 27,000 |
| Net pension asset | 101,354 | | 101,354 |
| Capital assets not being depreciated | 16,689,193 | 16,038,335 | 32,727,528 |
| Capital assets being depreciated, net | 67,717,200 | 5,277,964 | 72,995,164 |
| Total assets | <u>106,189,614</u> | <u>21,841,530</u> | <u>128,031,144</u> |
| Liabilities: | | | |
| Accounts and other payables | 2,496,642 | 150,268 | 2,646,910 |
| Unearned revenue | 594,766 | | 594,766 |
| Internal balances | 19,152 | (19,152) | - |
| Noncurrent liabilities: | | | |
| Due within one year | 1,996,119 | 120,360 | 2,116,479 |
| Due in more than one year | 18,296,079 | | 18,296,079 |
| Total liabilities | <u>23,402,758</u> | <u>251,476</u> | <u>23,654,234</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 68,113,986 | 21,195,939 | 89,309,925 |
| Restricted for: | | | |
| Trust purposes: | | | |
| Nonexpendable | 454,368 | | 454,368 |
| Unrestricted | 14,218,502 | 394,115 | 14,612,617 |
| Total Net Assets | <u>\$ 82,786,856</u> | <u>\$ 21,590,054</u> | <u>\$ 104,376,910</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, 2010

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|---------------|-------------------------|--|--|--|-----------------------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| Administration | \$ 1,856,264 | \$ 570,929 | \$ 70,779 | \$ | \$ (1,214,556) | \$ | \$ (1,214,556) |
| Planning and development | 390,069 | 13,457 | 693,422 | | 316,810 | | 316,810 |
| Public safety | 4,187,080 | 131,114 | 208,728 | | (3,847,238) | | (3,847,238) |
| Public works | 4,503,740 | 1,208,288 | 160,249 | 186,669 | (2,948,534) | | (2,948,534) |
| Health and social services | 823,810 | 5,081 | 17,877 | | (800,852) | | (800,852) |
| Library, recreation and parks | 1,166,776 | 158,207 | 309,697 | | (698,872) | | (698,872) |
| Education | 39,297,222 | 1,711,415 | 10,668,648 | | (26,917,159) | | (26,917,159) |
| Interest on long-term debt | 834,171 | | | | (834,171) | | (834,171) |
| Total governmental activities | 53,059,132 | 3,798,491 | 12,129,400 | 186,669 | (36,944,572) | - | (36,944,572) |
| Business-type activities: | | | | | | | |
| Sewer | 2,625,225 | 2,165,638 | | | | (459,587) | (459,587) |
| Total | \$ 55,684,357 | \$ 5,964,129 | \$ 12,129,400 | \$ 186,669 | (36,944,572) | (459,587) | (37,404,159) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 32,135,394 | | 32,135,394 |
| Grants and contributions not restricted to specific programs | | | | | 4,377,489 | | 4,377,489 |
| Unrestricted investment earnings | | | | | 231,152 | 3,583 | 234,735 |
| Miscellaneous | | | | | 694,130 | | 694,130 |
| Total general revenues | | | | | 37,438,165 | 3,583 | 37,441,748 |
| Change in net assets | | | | | 493,593 | (456,004) | 37,589 |
| Net Assets at Beginning of Year, as Restated | | | | | 82,293,263 | 22,046,058 | 104,339,321 |
| Net Assets at End of Year | | | | | \$ 82,786,856 | \$ 21,590,054 | \$ 104,376,910 |

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2010

| | <u>General</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|----------------------|-----------------------------|--|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 15,788,488 | \$ 24,319 | \$ 1,201,389 | \$ 17,014,196 |
| Receivables, net | 1,146,987 | 2,076,970 | 832,908 | 4,056,865 |
| Due from other funds | 4,193,524 | 5,141,996 | 2,385,034 | 11,720,554 |
| Inventories | | | 27,000 | 27,000 |
| Total Assets | <u>\$ 21,128,999</u> | <u>\$ 7,243,285</u> | <u>\$ 4,446,331</u> | <u>\$ 32,818,615</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts and accrued liabilities | \$ 1,581,072 | \$ 238,709 | \$ 69,590 | \$ 1,889,371 |
| Due to other funds | 7,885,259 | 3,849,217 | 438,515 | 12,172,991 |
| Deferred revenue | 1,180,793 | 12,622 | 579,550 | 1,772,965 |
| Total liabilities | <u>10,647,124</u> | <u>4,100,548</u> | <u>1,087,655</u> | <u>15,835,327</u> |
| Fund balances: | | | | |
| Reserved | 425,675 | 726,270 | 481,368 | 1,633,313 |
| Unreserved, reported in: | | | | |
| General Fund | 10,056,200 | | | 10,056,200 |
| Special Revenue Funds | | | 2,877,308 | 2,877,308 |
| Capital Project Funds | | 2,416,467 | | 2,416,467 |
| Total fund balances | <u>10,481,875</u> | <u>3,142,737</u> | <u>3,358,676</u> | <u>16,983,288</u> |
| Total Liabilities and Fund Balances | <u>\$ 21,128,999</u> | <u>\$ 7,243,285</u> | <u>\$ 4,446,331</u> | <u>\$ 32,818,615</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

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

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

| | | |
|--|---------------------|--------------------------|
| Fund balances - total governmental funds | \$ | 16,983,288 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | |
| Governmental capital assets | \$ 109,464,417 | |
| Less accumulated depreciation | <u>(25,058,024)</u> | |
| Net capital assets | | 84,406,393 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds: | | |
| Net pension asset | | 101,354 |
| Housing loan receivable | | 157,944 |
| Special assessment receivable | | 201,647 |
| Property tax receivable greater than 60 days | | 605,689 |
| Interest receivable on property taxes | | 212,919 |
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets. | | |
| | | 441,418 |
| 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 | | (15,995,408) |
| Deferred amounts in refunding | | (147,498) |
| Interest payable on bonds | | (31,598) |
| Net OPEB obligation | | (3,260,726) |
| Landfill closure and postclosure | | (226,800) |
| Compensated absences | | (512,265) |
| Capital lease obligation | | <u>(149,501)</u> |
| Net Assets of Governmental Activities (Exhibit I) | \$ | <u><u>82,786,856</u></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

FOR THE YEAR ENDED JUNE 30, 2010

| | <u>General</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|-----------------------------|--|---|
| Revenues: | | | | |
| Property taxes | \$ 31,934,209 | \$ | \$ | \$ 31,934,209 |
| Intergovernmental | 13,067,296 | 407,728 | 2,531,539 | 16,006,563 |
| Charges for services | 2,992,768 | | 1,059,365 | 4,052,133 |
| Interest income | 161,945 | 31 | 67,809 | 229,785 |
| Miscellaneous | 443,702 | 267,731 | 477,649 | 1,189,082 |
| Total revenues | <u>48,599,920</u> | <u>675,490</u> | <u>4,136,362</u> | <u>53,411,772</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Administration | 3,842,450 | | 1,054 | 3,843,504 |
| Planning and development | 354,630 | | 232,961 | 587,591 |
| Public safety | 3,247,463 | | | 3,247,463 |
| Public works | 3,104,180 | | 5,755 | 3,109,935 |
| Health and social services | 681,207 | | 1,015,306 | 1,696,513 |
| Library, recreation and parks | 461,572 | | | 461,572 |
| Education | 31,917,228 | | 2,596,618 | 34,513,846 |
| Miscellaneous | 30,000 | | | 30,000 |
| Debt service | 2,934,099 | | | 2,934,099 |
| Capital outlay | | 2,098,764 | 350,519 | 2,449,283 |
| Total expenditures | <u>46,572,829</u> | <u>2,098,764</u> | <u>4,202,213</u> | <u>52,873,806</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>2,027,091</u> | <u>(1,423,274)</u> | <u>(65,851)</u> | <u>537,966</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of capital lease | | 80,969 | | 80,969 |
| Transfers in | 631,805 | 1,866,648 | 824,967 | 3,323,420 |
| Transfers out | (2,485,884) | (731) | (536,805) | (3,023,420) |
| Total other financing sources (uses) | <u>(1,854,079)</u> | <u>1,946,886</u> | <u>288,162</u> | <u>380,969</u> |
| Net Change in Fund Balances | 173,012 | 523,612 | 222,311 | 918,935 |
| Fund Balances at Beginning of Year | <u>10,308,863</u> | <u>2,619,125</u> | <u>3,136,365</u> | <u>16,064,353</u> |
| Fund Balances at End of Year | <u>\$ 10,481,875</u> | <u>\$ 3,142,737</u> | <u>\$ 3,358,676</u> | <u>\$ 16,983,288</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, 2010

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) | \$ 918,935 |
|---|------------|

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 | 2,225,870 |
| Depreciation expense | (2,449,776) |

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 assets differs from the change in fund balance by the cost of the assets sold. | (1,441) |
|---|---------|

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 | 44,984 |
| Property tax receivable-accrual basis change | 156,201 |
| Housing loan receivable-accrual basis change | 28,942 |
| Special assessment receivable-accrual basis change | (59,330) |
| Hood receivable | (217,859) |
| Net pension asset | (1,673) |

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

| | |
|---------------------------|-----------|
| Bond principal payments | 2,067,844 |
| Issuance of capital lease | (80,969) |
| Capital lease payments | 94,259 |

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

| | |
|----------------------------------|-------------|
| Deferred amounts in refunding | 22,595 |
| Compensated absences | (35,352) |
| Net OPEB obligation | (1,656,276) |
| Landfill closure and postclosure | 16,200 |
| Accrued interest | 9,488 |

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.

| |
|-----------|
| (589,049) |
|-----------|

| | |
|--|-------------------|
| Change in Net Assets of Governmental Activities (Exhibit II) | \$ <u>493,593</u> |
|--|-------------------|

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2010

| | <u>Business-Type Activities</u> WPCA <u>Enterprise Fund</u> | <u>Governmental Activities</u> Internal <u>Service Funds</u> |
|---|---|--|
| Assets: | | |
| Cash and cash equivalents | \$ 473,406 | \$ 572,036 |
| Due from other funds | 19,784 | 433,285 |
| Receivables, net | 51,825 | 11,771 |
| Capital assets not being depreciated | 16,038,335 | |
| Capital assets, net of accumulated depreciation | <u>5,277,964</u> | |
| Total assets | <u>21,861,314</u> | <u>1,017,092</u> |
| Liabilities: | | |
| Accounts and other payables | 150,268 | 575,674 |
| Due to other funds | 632 | |
| Loans payable - current | <u>120,360</u> | |
| Total liabilities | <u>271,260</u> | <u>575,674</u> |
| Net Assets: | | |
| Invested in capital assets, net of related debt | 21,195,939 | |
| Unrestricted | <u>394,115</u> | <u>441,418</u> |
| Total Net Assets | <u>\$ 21,590,054</u> | <u>\$ 441,418</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|--|-------------------------------------|------------------------------------|
| | <u>WPCA Enterprise Fund</u> | <u>Internal Service Funds</u> |
| Operating Revenues: | | |
| Charges for services | \$ 2,154,935 | \$ 5,841,754 |
| Other | 10,703 | |
| Total operating revenues | <u>2,165,638</u> | <u>5,841,754</u> |
| Operating Expenses: | | |
| Administrative expense | 34,738 | 575,378 |
| Payroll and employee benefits | 874,014 | |
| Sludge disposal | 209,797 | |
| Plant maintenance and materials | 227,809 | |
| Insurance and program services | 21,266 | 5,298,555 |
| Utilities | 305,396 | |
| Other operating expense | 5,633 | 258,236 |
| Depreciation | 946,572 | |
| Total operating expenses | <u>2,625,225</u> | <u>6,132,169</u> |
| Operating Loss | (459,587) | (290,415) |
| Nonoperating Revenue: | | |
| Income on investments | <u>3,583</u> | <u>1,366</u> |
| Change in Net Assets Before Transfers | (456,004) | (289,049) |
| Transfer out | | <u>(300,000)</u> |
| Change in Net Assets | (456,004) | (589,049) |
| Net Assets at Beginning of Year, as Restated | <u>22,046,058</u> | <u>1,030,467</u> |
| Net Assets at End of Year | <u>\$ 21,590,054</u> | <u>\$ 441,418</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, 2010

| | Business-Type Activities | Governmental Activities |
|--|-------------------------------------|------------------------------------|
| | WPCA | Internal |
| | Enterprise Fund | Service Funds |
| Cash Flows from Operating Activities: | | |
| Cash received from customers | \$ 2,144,480 | \$ 6,374,598 |
| Cash payments to employees for services | (874,014) | |
| Cash payments to supplies for goods and services | (847,542) | (6,051,764) |
| Cash received from other sources | 2,371 | |
| Net cash provided by operating activities | <u>425,295</u> | <u>322,834</u> |
| Cash Flows from Capital Financing Activities: | | |
| Acquisition of capital assets | (82,019) | |
| Loans repaid | (344,368) | |
| Net cash used in capital financing activities | <u>(426,387)</u> | <u>-</u> |
| Cash Flows from Noncapital Financing Activities: | | |
| Transfer out | | <u>(300,000)</u> |
| Cash Flows from Investing Activities: | | |
| Interest received on investments | <u>3,583</u> | <u>1,366</u> |
| Net Increase in Cash and Cash Equivalents | 2,491 | 24,200 |
| Cash and Cash Equivalents at Beginning of Year | <u>470,915</u> | <u>547,836</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 473,406</u> | <u>\$ 572,036</u> |
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities: | | |
| Operating loss | \$ (459,587) | \$ (290,415) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation | 946,572 | |
| (Increase) decrease in accounts receivables | (10,455) | 434,084 |
| (Increase) decrease in due from other funds | (8,332) | 98,760 |
| Increase (decrease) in accounts payable | <u>(42,903)</u> | <u>80,405</u> |
| Net Cash Provided by Operating Activities | <u>\$ 425,295</u> | <u>\$ 322,834</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2010

| | <u>Pension Trust Fund</u> | <u>Agency Funds</u> |
|------------------------------------|-----------------------------------|-------------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 402,927 | \$ 270,261 |
| Investments | 16,472,772 | 33,414 |
| Receivables: | | |
| Other | <u>207,782</u> | <u> </u> |
| Total assets | 17,083,481 | <u>\$ 303,675</u> |
| Liabilities: | | |
| Accounts and other payables | <u>72,465</u> | <u>\$ 303,675</u> |
| Net Assets: | | |
| Held in Trust for Pension Benefits | <u>\$ 17,011,016</u> | |

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

FIDUCIARY FUNDS - PENSION TRUST FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

| | |
|--|----------------------|
| Additions: | |
| Contributions: | |
| Employer | \$ 837,900 |
| Employee | 479,310 |
| Total contributions | <u>1,317,210</u> |
| Investment income: | |
| Interest and dividends | 504,721 |
| Net appreciation in fair value of investments | 636,516 |
| Investment expenses | <u>(40,026)</u> |
| Net investment income | <u>1,101,211</u> |
| Total additions | <u>2,418,421</u> |
| Deductions: | |
| Benefits payments and withdrawals | 1,081,900 |
| Administration | <u>69,798</u> |
| Total deductions | <u>1,151,698</u> |
| Net Increase | 1,266,723 |
| Net Assets Held in Trust for Pension Benefits at Beginning of Year | <u>15,744,293</u> |
| Net Assets Held in Trust for Pension Benefits at End of Year | <u>\$ 17,011,016</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

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

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

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

D. Deposits and Investments

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

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

Investments are reported at fair value.

E. Receivables and Payables

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

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest on delinquent balances is computed at 1.5% per month. Liens are filed on delinquent real estate taxes within one year. An amount of \$40,271 has been established as an allowance for uncollectible taxes. At June 30, 2010, this represents 6% 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, 2010, the total amount of the liability was \$512,265. The liability is reported in the government-wide statement of net assets.

I. Long-Term Obligations

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

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

J. Equity

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

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

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

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

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

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

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Expenditures are budgeted by department, function and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Selectmen to reassign resources between departments. The legal level of budgetary control is the department level. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers are required to be submitted in writing to the Board of Selectmen, who, upon consideration, will forward to the Board of Finance for approval. Any transfers which alter the total budget in an amount equal to or greater than .025% of the total budget must be also approved by a Town meeting resolution. Any additional appropriations would also require Town meeting approval. During the year ended June 30, 2010, there were no additional appropriations.

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

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

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

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

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2010:

| | |
|--------------------------------------|---------|
| Nonmajor Governmental Funds: | |
| Special Revenue Funds: | |
| Municipal Grant | \$ 423 |
| Drug Education and Enforcement Grant | 20 |
| Kent Memorial Library | 3,655 |
| Open Space | 194,540 |

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,788,996 of the Town's bank balance of \$3,819,260 was exposed to custodial credit risk as follows:

| | |
|---|---------------------|
| Uninsured and uncollateralized | \$ 2,462,146 |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name | <u>326,850</u> |
| Total Amount Subject to Custodial Credit Risk | <u>\$ 2,788,996</u> |

Cash Equivalents

At June 30, 2010, the Town's cash equivalents amounted to \$13,617,629. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

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

*Not rated

Investments

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

| <u>Investment Type</u> | <u>Credit Rating</u> | <u>Fair Value</u> | <u>Investment Maturities (Years)</u> | | |
|-------------------------------|--------------------------|-----------------------|--------------------------------------|---------------------|-------------------------|
| | | | <u>Less Than 1</u> | <u>1 – 10</u> | <u>More Than 10</u> |
| Interest-bearing investments: | | | | | |
| U.S. Treasury bonds | AAA | \$ 278,210 | \$ 109,604 | \$ 295,877 | \$ 168,606 |
| U.S. Treasury notes | AAA | 295,877 | | 295,877 | |
| U.S. Government obligations | AAA | 1,352,377 | 440,674 | 648,960 | 262,743 |
| Corporate bonds | A-AAA | 1,006,592 | 156,210 | 658,919 | 191,463 |
| Corporate bonds | BBB-BBB+ | 586,776 | 30,834 | 503,998 | 51,944 |
| Foreign bonds | A-AAA | 198,482 | 46,427 | 110,423 | 41,632 |
| Foreign bonds | BBB-BBB+ | 64,835 | | 58,376 | 6,459 |
| Certificates of deposit | * | 31,160 | <u>31,160</u> | | |
| Total | | | <u>\$ 705,305</u> | <u>\$ 2,386,157</u> | <u>\$ 722,847</u> |
| Other investments: | | | | | |
| Common stock | | <u>12,691,877</u> | | | |
| Total Investments | | <u>\$ 16,506,186</u> | | | |

*Subject to coverage by Federal Depository Insurance and collateralization

N/A Not applicable

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

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2010, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

| | <u>General</u> | <u>Capital Projects</u> | <u>WPCA Fund</u> | <u>Nonmajor and Other Governmental Funds</u> | <u>Total</u> |
|------------------------------------|---------------------|-----------------------------|----------------------|--|---------------------|
| Receivables: | | | | | |
| Taxes | \$ 683,906 | \$ | \$ | \$ | \$ 683,906 |
| Interest | 212,919 | | | | 212,919 |
| Accounts | 160,864 | 26,560 | 51,825 | 11,771 | 251,020 |
| Special assessments | | | | 201,647 | 201,647 |
| Intergovernmental | 9,209 | 2,050,410 | | 266,005 | 2,325,624 |
| Loans | 120,360 | | | 157,944 | 278,304 |
| Other | | | | 415,094 | 415,094 |
| Gross receivables | <u>1,187,258</u> | <u>2,076,970</u> | <u>51,825</u> | <u>1,052,461</u> | <u>4,368,514</u> |
| Less allowance for uncollectibles: | <u>(40,271)</u> | | | | <u>(40,271)</u> |
| Net Total Receivables | <u>\$ 1,146,987</u> | <u>\$ 2,076,970</u> | <u>\$ 51,825</u> | <u>\$ 1,052,461</u> | <u>\$ 4,328,243</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 | \$ 605,689 | \$ |
| Accrued interest on delinquent property tax | 212,919 | |
| Special assessments not yet due | 201,647 | |
| Grant drawdowns prior to meeting all eligibility requirements | | 232,581 |
| Cell phone tower - unearned | | 358,172 |
| Loans receivable | 157,944 | |
| Unearned program revenues | | <u>4,013</u> |
| Total Deferred/Unearned Revenue for Governmental Funds | <u>\$ 1,178,199</u> | <u>\$ 594,766</u> |

5. CAPITAL ASSETS

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

| | <u>(Restated) Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|---|--------------------|-------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 14,433,200 | \$ 475,000 | \$ | \$ 14,908,200 |
| Construction in progress | <u>1,335,608</u> | <u>1,045,926</u> | <u>600,541</u> | <u>1,780,993</u> |
| Total capital assets not being depreciated | <u>15,768,808</u> | <u>1,520,926</u> | <u>600,541</u> | <u>16,689,193</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 62,486,066 | 408,652 | | 62,894,718 |
| Land improvements | 479,020 | 20,237 | | 499,257 |
| Furniture and equipment | 6,506,057 | 197,352 | 43,210 | 6,660,199 |
| Infrastructure | <u>22,041,806</u> | <u>679,244</u> | | <u>22,721,050</u> |
| Total capital assets being depreciated | <u>91,512,949</u> | <u>1,305,485</u> | <u>43,210</u> | <u>92,775,224</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 14,504,746 | 1,555,571 | | 16,060,317 |
| Land improvements | 400,617 | 23,133 | | 423,750 |
| Furniture and equipment | 4,162,126 | 351,198 | 41,769 | 4,471,555 |
| Infrastructure | <u>3,582,528</u> | <u>519,874</u> | | <u>4,102,402</u> |
| Total accumulated depreciation | <u>22,650,017</u> | <u>2,449,776</u> | <u>41,769</u> | <u>25,058,024</u> |
| Total capital assets being depreciated, net | <u>68,862,932</u> | <u>(1,144,291)</u> | <u>1,441</u> | <u>67,717,200</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 84,631,740</u> | <u>\$ 376,635</u> | <u>\$ 601,982</u> | <u>\$ 84,406,393</u> |

| | (Restated) Beginning Balance | Increases | Decreases | Ending Balance |
|--|---|---------------------|------------------|---------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 16,038,335 | \$ _____ | \$ _____ | \$ 16,038,335 |
| Capital assets being depreciated: | | | | |
| Buildings | 9,672,629 | | | 9,672,629 |
| Equipment | 16,392,833 | 82,019 | | 16,474,852 |
| Vehicles | 65,278 | | | 65,278 |
| Total capital assets being depreciated | <u>26,130,740</u> | <u>82,019</u> | <u>-</u> | <u>26,212,759</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 8,239,589 | 310,412 | | 8,550,001 |
| Equipment | 11,684,945 | 630,850 | | 12,315,795 |
| Vehicles | 63,689 | 5,310 | | 68,999 |
| Total accumulated depreciation | <u>19,988,223</u> | <u>946,572</u> | <u>-</u> | <u>20,934,795</u> |
| Total capital assets being depreciated, net | <u>6,142,517</u> | <u>(864,553)</u> | <u>-</u> | <u>5,277,964</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 22,180,852</u> | <u>\$ (864,553)</u> | <u>\$ -</u> | <u>\$ 21,316,299</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|--|---------------------|
| Governmental activities: | |
| Administration | \$ 53,248 |
| Planning and development | 8,250 |
| Public safety | 187,521 |
| Public works | 645,492 |
| Health and social services | 32,592 |
| Library, recreation and parks | 57,915 |
| Education | <u>1,464,758</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,449,776</u> |
| Business-type activities: | |
| Sewer | <u>\$ 946,572</u> |

Construction Commitments

The Town has several active construction projects as of June 30, 2010. 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 | \$ 56,113,070 | \$ 51,895,880 | \$ 4,217,190 |

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2010, 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 | \$ 3,847,269 |
| | Nonmajor Governmental Funds | 346,255 |
| | | <u>4,193,524</u> |
| Capital Projects Fund | General Fund | 5,049,736 |
| | Nonmajor Governmental Funds | 92,260 |
| | | <u>5,141,996</u> |
| Nonmajor Governmental Fund | General Fund | 2,382,454 |
| | Capital Projects Fund | 1,948 |
| | WPCA | 632 |
| | | <u>2,385,034</u> |
| WPCA | General Fund | <u>19,784</u> |
| Internal Service Funds | General Fund | <u>433,285</u> |
| Total | | <u>\$ 12,173,623</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 | \$ | \$ 1,661,648 | \$ 824,236 | \$ 2,485,884 |
| Capital Projects | | | 731 | 731 |
| Internal Service Funds | 300,000 | | | 300,000 |
| Nonmajor Governmental Funds | <u>331,805</u> | <u>205,000</u> | | <u>536,805</u> |
| Total Transfers In | <u>\$ 631,805</u> | <u>\$ 1,866,648</u> | <u>\$ 824,967</u> | <u>\$ 3,323,420</u> |

Transfers represent annual recurring transactions which move resources between funds.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 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 | \$ 18,063,252 | \$ | \$ 2,067,844 | \$ 15,995,408 | \$ 1,584,005 |
| Unamortized amounts: | | | | | |
| Deferred amounts on refunding | <u>170,093</u> | <u> </u> | <u>22,595</u> | <u>147,498</u> | <u> </u> |
| Total bonds payable | 18,233,345 | - | 2,090,439 | 16,142,906 | 1,584,005 |
| Landfill closure and postclosure | 243,000 | | 16,200 | 226,800 | 16,200 |
| Capital lease obligation | 162,791 | 80,969 | 94,259 | 149,501 | 72,053 |
| OPEB obligation | 1,604,450 | 1,656,276 | | 3,260,726 | |
| Compensated absences | <u>476,913</u> | <u>345,797</u> | <u>310,445</u> | <u>512,265</u> | <u>323,861</u> |
| Governmental Activity Long-Term Liabilities | <u>\$ 20,720,499</u> | <u>\$ 2,083,042</u> | <u>\$ 2,511,343</u> | <u>\$ 20,292,198</u> | <u>\$ 1,996,119</u> |

General long-term debt transactions are summarized as follows for the year ended June 30, 2010:

| <u>Description</u> | <u>Balance July 1, 2009</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2010</u> |
|--|---------------------------------|-----------------------------|---------------------|----------------------------------|
| Bonds payable: | | | | |
| School bonds issued 2001, amount \$27,700,000, interest rate 3.75%-5.125%, maturity date 2011 | \$ 2,920,000 | \$ | \$ 1,460,000 | \$ 1,460,000 |
| Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021 | 14,065,000 | | | 14,065,000 |
| Clean Water Fund notes payable, treatment plant construction loan issued in 1990, amount \$9,725,849, interest rate 2.0%, maturity date November 2009 | 486,291 | | 486,291 | - |
| Pollution abatement facilities loan issued in 1994, amount \$1,589,472, interest rate 2.0%, maturity date November 2013 | 403,772 | | 86,580 | 317,192 |
| Pollution abatement facilities loan issued in 1995, amount \$610,016, interest rate 2.0%, maturity date November 2014 | <u>188,189</u> | <u> </u> | <u>34,973</u> | <u>153,216</u> |
| Total | <u>\$ 18,063,252</u> | <u>\$ -</u> | <u>\$ 2,067,844</u> | <u>\$ 15,995,408</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, 2010, including interest, are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------------------|-----------------------------|----------------------------|-----------------------------|
| 2011 | \$ 1,584,005 | \$ 779,251 | \$ 2,363,256 |
| 2012 | 1,546,508 | 701,922 | 2,248,430 |
| 2013 | 1,549,061 | 635,469 | 2,184,530 |
| 2014 | 1,500,624 | 562,144 | 2,062,768 |
| 2015 | 1,420,210 | 490,076 | 1,910,286 |
| 2016-2020 | 6,995,000 | 1,398,500 | 8,393,500 |
| 2021 | <u>1,400,000</u> | <u>70,000</u> | <u>1,470,000</u> |
| Total | <u>\$ 15,995,408</u> | <u>\$ 4,637,362</u> | <u>\$ 20,632,770</u> |

As of June 30, 2010, the Town had authorized unissued bonds of \$21,800,000 available to finance school building projects.

Outside Participation

The Town has an agreement with H.P. Hood, Inc. (Hood) whereby Hood reimburses the Town a percentage of the debt service required on the Treatment Plant Construction Loan incurred to construct the Town's wastewater treatment plant under the State of Connecticut Clean Water Fund. Under the agreement, Hood will reimburse the Town 44.8% of the Town's required annual principal and interest payment up through the year ending June 30, 2010. For the year ended June 30, 2010, the Town was reimbursed \$219,965 (\$217,859 principal, \$2,106 interest) from Hood.

At June 30, 2010, the following amount was receivable:

| | |
|---|--------------------|
| Total outside participation | \$ 4,357,180 |
| Collected by the Town through June 30, 2010 | <u>4,357,180</u> |
| Remaining Balance to be Provided | <u><u>\$ -</u></u> |

Landfill Postclosure Care Costs

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

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

A consulting engineering firm developed an updated plan of costs and assumptions with respect to postclosure monitoring and maintenance which included 1) ground water and surface water monitoring,

2) methane monitoring, and 3) landfill inspection and maintenance. The annual cost estimate is \$16,200 for the postclosure care period of 30 years. Current costs are recognized in the General Fund landfill expenditure line item. The balance of the postclosure care costs of \$226,800 is recognized in the statement of net assets. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Prior Year Advance Refunding

On September 15, 2005, the Town refunded \$14,560,000 from the September 2001 general obligation issue and placed the proceeds of new bonds in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased, and the liability for those bonds has been removed from the statement of net assets. The balance in escrow is \$14,862,199 at June 30, 2010. The balance of the defeased bonds at June 30, 2010 is \$14,560,000.

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

| <u>Category</u> | <u>Debt Limit</u> | <u>Indebtedness*</u> | <u>Balance</u> |
|-----------------|-------------------|----------------------|----------------|
| General purpose | \$ 71,692 | \$ - | \$ 71,692 |
| Schools | 143,384 | 37,325 | 106,059 |
| Sewers | 119,486 | 470 | 119,016 |
| Urban renewal | 103,555 | - | 103,555 |
| Pension deficit | 95,589 | - | 95,589 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$223,041).

* Includes bonds authorized unissued of \$21,800.

WPCA Loan from Town

The WPCA entered into an agreement with the Town for temporary financing of its current construction project. The WPCA can borrow up to \$2.2 million. The WPCA will repay the loan in an amount not to exceed \$350,000 per year. The interest rate paid will equal the average rate earned by the Town on its short-term investments plus .25%. The current balance of the loan is \$120,360. The WPCA repaid \$344,367 of principal and \$5,633 of interest this year.

Capital Lease

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

The asset acquired through the capital lease is as follows:

| | Governmental Activities |
|-------------------------------|------------------------------------|
| Asset: | |
| Equipment | \$ 331,474 |
| Less accumulated depreciation | <u>126,477</u> |
| Total | <u>\$ 204,997</u> |

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2010 were as follows:

| <u>Year Ending June 30:</u> | Governmental Activities |
|---|------------------------------------|
| 2011 | \$ 80,012 |
| 2012 | 55,578 |
| 2013 | <u>27,146</u> |
| Total minimum lease payments | 162,736 |
| Less amount representing interest | <u>13,235</u> |
| Present Value of Minimum Lease Payments | <u>\$ 149,501</u> |

Operating Lease

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

8. RISK MANAGEMENT

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

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

Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$5,298,555. This amount includes the Administrator's estimate of claims incurred but not reported at June 30, 2010 of \$575,674.

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

| | <u>Claims Payable July 1</u> | <u>Claims and Changes in Estimates</u> | <u>Claims Paid</u> | <u>Claims Payable June 30</u> |
|------------|--------------------------------------|--|------------------------|---------------------------------------|
| 2009-10 \$ | 495,270 \$ | 5,298,555 \$ | 5,218,151 \$ | 575,674 |
| 2008-09 | 337,437 | 4,845,130 | 4,687,297 | 495,270 |

9. CONTINGENT LIABILITIES

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

The Town had previously been involved with the Municipal Interlocal Risk Management Assoc. (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 has entered into legal proceedings, along with other member towns, to dispute the additional assessment.

10. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

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

As a trust was not established during the fiscal year, the Town is accounting for this on a pay-as-you-go basis. The expenses for postemployment benefits were paid out of the General Fund during fiscal year ended June 30, 2010. The Town has set aside \$1,700,000 in the OPEB special revenue fund to prefund benefits. A trust was officially established on July 28, 2010. The monies in the OPEB special revenue fund were transferred to the OPEB trust fund at that date.

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

| | <u>Retiree Health Plan</u> |
|----------------------------|------------------------------------|
| Retired members | 67 |
| Spouses of retired members | 28 |
| Active plan members | <u>390</u> |
| Total Participants | <u><u>485</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 \$514 per month for retiree only coverage and \$1,028 per month for retiree and spouse coverage. The cost per month for Town employees receiving dental coverage is \$26 per month for retiree only coverage and \$67 per month for retiree and spouse coverage.

Board of Education Employees

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

Employer contributions to the plan of \$643,707 were made on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligations

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

| | <u>Retiree Health Plan</u> |
|--|---------------------------------------|
| Annual required contribution (ARC) | \$ 2,325,040 |
| Interest on net OPEB obligation | 64,178 |
| Adjustment to annual required contribution | <u>89,235</u> |
| Annual OPEB cost (expense) | 2,299,983 |
| Contributions made | <u>643,707</u> |
| Change in net OPEB obligation | 1,656,276 |
| Net OPEB obligation, beginning of year | <u>1,604,450</u> |
| Net OPEB Obligation, End of Year | <u><u>\$ 3,260,726</u></u> |

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ending June 30, 2010 is presented below. Data is presented starting with fiscal year ending June 30, 2009, due to this being the year of transition.

| Fiscal Year Ending | Annual OPEB Cost (AOC) | Actual Contribution | Percentage of AOC Contributed | Net OPEB Obligation |
|---------------------------|-------------------------------|----------------------------|--------------------------------------|----------------------------|
| 6/30/10 | \$ 2,299,983 | \$ 643,707 | 28% | \$ 3,260,726 |
| 6/30/09 | 2,283,210 | 678,760 | 30% | 1,604,450 |

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

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

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

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

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Employee's Retirement System

A. Plan Description

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

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

As of July 1, 2009, the date of the latest actuarial valuation, PERS membership consisted of the following:

| | |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits | 75 |
| Terminated plan members entitled to benefits but not yet receiving them | 25 |
| Active plan members | <u>186</u> |
| Total | <u><u>286</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 | \$ 790,600 |
| Interest on net pension obligation | (7,727) |
| Adjustment to annual required contribution | <u>9,400</u> |
| Annual pension cost | 792,273 |
| Contributions made | <u>790,600</u> |
| Decrease in net pension asset | 1,673 |
| Net pension obligation (asset), July 1, 2009 | <u>(103,027)</u> |
| Net Pension Obligation (Asset), June 30, 2010 | <u><u>\$ (101,354)</u></u> |

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

| | |
|-------------------------------|-----------------------|
| Actuarial valuation date | July 1, 2009 |
| 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

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|----------------------------------|--|--|---|
| 6/30/10 | \$ 792,273 | 99.8 % | \$ (101,354) |
| 6/30/09 | 700,155 | 99.8 | (103,027) |
| 6/30/08 | 799,283 | 103.2 | (104,727) |

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 | Funded Ratio (a/b) | Covered Payroll (c) | UAAAL as a |
|--------------------------------|--|--|---------------------------------------|--------------------------|---------------------------|--------------------------------------|
| | | | (Unfunded) AAL (UAAAL) (a-b) | | | % of Covered Payroll ((a-b)/c) |
| 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) |
| 7/1/05 | 14,331,924 | 16,719,595 | (2,387,671) | 85.7 | 6,079,011 | (39.3) |

Schedule of Employer Contributions

| Fiscal Year | Annual Required Contribution | Percentage Contributed | Actual Contribution |
|----------------|------------------------------------|---------------------------|------------------------|
| 6/30/10 | \$ 790,600 | 100 % | \$ 790,600 |
| 6/30/09 | 698,455 | 100 | 698,455 |
| 6/30/08 | 798,000 | 103 | 825,000 |
| 6/30/07 | 690,693 | 100 | 690,700 |
| 6/30/06 | 580,000 | 100 | 580,000 |
| 6/30/05 | 443,950 | 100 | 443,950 |

G. Teachers' Retirement System

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

The Board of Education withholds 7.25% of all teachers' and administrators' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$16,285,342 or 69.6% of the total Board of Education payroll of \$23,398,760.

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, 2010, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$2,519,253 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.

12. PRIOR PERIOD ADJUSTMENTS

Governmental Activities

Accumulated depreciation was calculated differently due to the installation of a new module within the computer system. This resulted in a decrease to net assets invested in capital assets, net of related debt of \$763,982 and a decrease to capital assets being depreciated, net by the same amount.

WPCA Fund/Business-Type Activities

Accumulated depreciation was calculated differently due to the installation of a new module within the computer system. This resulted in an increase to net assets invested in capital assets, net of related debt of \$270,100 and an increase to capital assets being depreciated, net by the same amount.

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | Actual | Variance Positive (Negative) |
|---|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Property taxes, interest and lien fees: | | | | |
| Current list | \$ 31,115,946 | \$ 31,115,946 | \$ 31,283,532 | \$ 167,586 |
| Supplemental motor vehicle | 275,000 | 275,000 | 191,758 | (83,242) |
| Interest and fees | 75,000 | 75,000 | 181,299 | 106,299 |
| Taxes, prior years | 150,000 | 150,000 | 277,620 | 127,620 |
| Total property taxes, interest and lien fees | <u>31,615,946</u> | <u>31,615,946</u> | <u>31,934,209</u> | <u>318,263</u> |
| Intergovernmental revenues: | | | | |
| State of Connecticut: | | | | |
| Payment in lieu of taxes - State Property | 2,504,586 | 2,504,586 | 2,508,825 | 4,239 |
| Mashantucket Pequot | 2,183,180 | 2,183,180 | 1,592,897 | (590,283) |
| Payment in lieu of taxes, vessels | 5,656 | 5,656 | 2,898 | (2,758) |
| Payment in lieu of taxes, manufacturing equipment | 235,000 | 235,000 | 180,846 | (54,154) |
| Payment in lieu of taxes, disabled tax relief | 1,000 | 1,000 | 880 | (120) |
| Veterans' exemption | 9,000 | 9,000 | 7,038 | (1,962) |
| Elderly tax relief - circuit breaker | 79,000 | 79,000 | 80,105 | 1,105 |
| Elderly tax relief - freeze | 8,000 | 8,000 | 4,000 | (4,000) |
| LOCIP reimbursement | 184,259 | 184,259 | | (184,259) |
| Miscellaneous | 142,667 | 142,667 | 70,779 | (71,888) |
| Town Aid Road | 105,662 | 105,662 | 144,074 | 38,412 |
| Youth Services | 14,000 | 14,000 | 14,000 | - |
| Total | <u>5,472,010</u> | <u>5,472,010</u> | <u>4,606,342</u> | <u>(865,668)</u> |
| Education: | | | | |
| Education cost sharing | 6,082,494 | 6,082,494 | 5,290,367 | (792,127) |
| Vocational agriculture grant | 204,605 | 204,605 | 218,432 | 13,827 |
| Other educational grants | 7,420 | 7,420 | 7,777 | 357 |
| Pupil transportation | 186,467 | 186,467 | 128,321 | (58,146) |
| Total | <u>6,480,986</u> | <u>6,480,986</u> | <u>5,644,897</u> | <u>(836,089)</u> |
| Total intergovernmental revenues | <u>11,952,996</u> | <u>11,952,996</u> | <u>10,251,239</u> | <u>(1,701,757)</u> |
| Investment income: | | | | |
| Interest income | <u>200,000</u> | <u>200,000</u> | <u>161,945</u> | <u>(38,055)</u> |

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | Actual | Variance Positive (Negative) |
|-----------------------------------|------------------|------------------|------------------|------------------------------------|
| | Original | Final | | |
| Current services and fees: | | | | |
| Licenses, permits and fines: | | | | |
| Building Department | \$ 250,000 | \$ 250,000 | \$ 249,559 | \$ (441) |
| Zoning and Planning | 15,000 | 15,000 | 14,672 | (328) |
| Zoning Board of Appeals | 3,360 | 3,360 | 2,730 | (630) |
| Police permits | 3,000 | 3,000 | 5,570 | 2,570 |
| Conservation | 6,000 | 6,000 | 5,482 | (518) |
| Historic District fees | 800 | 800 | 450 | (350) |
| Total | <u>278,160</u> | <u>278,160</u> | <u>278,463</u> | <u>303</u> |
| Charges for current services: | | | | |
| Bulky waste | 1,500 | 1,500 | 1,569 | 69 |
| Assessor's map sales | 1,000 | 1,000 | 923 | (77) |
| Real estate conveyance tax | 200,000 | 200,000 | 163,384 | (36,616) |
| Mini-bus transportation | 4,000 | 4,000 | 5,081 | 1,081 |
| Police alarm fees | 1,500 | 1,500 | 2,550 | 1,050 |
| Town Clerk historic document fees | 3,500 | 3,500 | 2,690 | (810) |
| Town Clerk recording fees | 114,000 | 114,000 | 120,159 | 6,159 |
| Total | <u>325,500</u> | <u>325,500</u> | <u>296,356</u> | <u>(29,144)</u> |
| Landfill: | | | | |
| Operating | 60,000 | 60,000 | 47,469 | (12,531) |
| Residential permits | 882,916 | 882,916 | 856,990 | (25,926) |
| Sale of scrap metal | 20,000 | 20,000 | 14,793 | (5,207) |
| Permits | 15,000 | 15,000 | 11,900 | (3,100) |
| Total | <u>977,916</u> | <u>977,916</u> | <u>931,152</u> | <u>(46,764)</u> |
| Recreation: | | | | |
| Camps | 44,840 | 44,840 | 38,566 | (6,274) |
| Activity | 82,030 | 82,030 | 102,059 | 20,029 |
| Total | <u>126,870</u> | <u>126,870</u> | <u>140,625</u> | <u>13,755</u> |
| Revenue from other agencies: | | | | |
| Hood share, secondary treatment | 215,000 | 215,000 | 219,965 | 4,965 |
| Telecommunications grant | 45,000 | 45,000 | 38,519 | (6,481) |
| Tuition, Vo-ag | 743,256 | 743,256 | 771,075 | 27,819 |
| Tuition, other | 32,400 | 32,400 | 316,613 | 284,213 |
| Total | <u>1,035,656</u> | <u>1,035,656</u> | <u>1,346,172</u> | <u>310,516</u> |
| Total current services and fees | <u>2,744,102</u> | <u>2,744,102</u> | <u>2,992,768</u> | <u>248,666</u> |

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|--------------------------|--------------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Miscellaneous: | | | | |
| Rent - Town property | \$ 65,000 | \$ 65,000 | \$ 64,072 | \$ (928) |
| Cell tower | 55,000 | 55,000 | 117,694 | 62,694 |
| Capital project expenditures | | | 152,306 | 152,306 |
| Resource Officer | 52,000 | 52,000 | 52,000 | - |
| Miscellaneous income | 55,000 | 55,000 | 63,173 | 8,173 |
| Total | <u>227,000</u> | <u>227,000</u> | <u>449,245</u> | <u>222,245</u> |
| Total revenues | <u>46,740,044</u> | <u>46,740,044</u> | <u>45,789,406</u> | <u>(950,638)</u> |
| Other financing sources: | | | | |
| Utilization of fund balance | 500,000 | 500,000 | | (500,000) |
| Transfers in: | | | | |
| Sewer Assessment Fund | 168,767 | 168,767 | 331,825 | 163,058 |
| Insurance Fund | 300,000 | 300,000 | 300,000 | - |
| Total other financing sources | <u>968,767</u> | <u>968,767</u> | <u>631,825</u> | <u>(336,942)</u> |
| Total Revenues and Other Financing Sources | <u>\$ 47,708,811</u> | <u>\$ 47,708,811</u> | 46,421,231 | <u>\$ (1,287,580)</u> |

Budgetary revenues are different than GAAP revenues because:

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

Retirement System for Town teachers are not budgeted.

2,519,253

Under liquidation of prior year encumbrance is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.

(5,563)

The Board of Education does not budget for certain intergovernmental grants which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.

296,804

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

\$ 49,231,725

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | Actual | Variance Positive (Negative) |
|------------------------------|------------------|------------------|------------------|------------------------------------|
| | Original | Final | | |
| Administration: | | | | |
| Board of Selectmen | \$ 229,597 | \$ 229,597 | \$ 203,219 | \$ 26,378 |
| Human Resources | 86,292 | 86,292 | 82,064 | 4,228 |
| Probate Court | 5,045 | 5,045 | 4,423 | 622 |
| Election | 44,239 | 44,240 | 33,344 | 10,896 |
| Board of Finance | 11,325 | 11,325 | 9,609 | 1,716 |
| Assessors | 139,692 | 139,693 | 83,058 | 56,635 |
| Board of Assessment Appeals | 1,854 | 1,854 | 432 | 1,422 |
| Tax Collector | 152,736 | 158,199 | 150,899 | 7,300 |
| Tax Rebates | 45,000 | 62,038 | 48,400 | 13,638 |
| Finance | 262,646 | 262,646 | 258,703 | 3,943 |
| Information Technology | 317,009 | 317,009 | 316,372 | 637 |
| Town Counsel | 64,343 | 90,956 | 90,956 | - |
| Town Clerk | 183,303 | 183,303 | 179,290 | 4,013 |
| Town Hall | 154,142 | 166,142 | 151,837 | 14,305 |
| Insurance and bonds | 2,194,965 | 2,253,498 | 2,212,071 | 41,427 |
| Total | <u>3,892,188</u> | <u>4,011,837</u> | <u>3,824,677</u> | <u>187,160</u> |
| Planning and development: | | | | |
| Zoning and Planning | 168,780 | 168,779 | 166,664 | 2,115 |
| Zoning Board of Appeals | 5,940 | 5,940 | 4,595 | 1,345 |
| Economic Development | 142,768 | 142,769 | 141,351 | 1,418 |
| Historic District Commission | 1,685 | 1,685 | 638 | 1,047 |
| Conservation Commission | 56,633 | 56,633 | 52,498 | 4,135 |
| Total | <u>375,806</u> | <u>375,806</u> | <u>365,746</u> | <u>10,060</u> |
| Public safety: | | | | |
| Fire Commission | 856,273 | 856,273 | 809,367 | 46,906 |
| Police Commission | 2,203,380 | 2,203,380 | 2,080,204 | 123,176 |
| Civil Preparedness | 17,943 | 17,943 | 16,288 | 1,655 |
| Building Department | 204,724 | 204,724 | 195,320 | 9,404 |
| Town Engineer | 112,954 | 112,956 | 112,189 | 767 |
| Total | <u>3,395,274</u> | <u>3,395,276</u> | <u>3,213,368</u> | <u>181,908</u> |
| Public works: | | | | |
| Public works | 477,422 | 483,005 | 483,005 | - |
| Highway | 1,105,153 | 1,090,541 | 1,089,061 | 1,480 |
| State aid road funds | 105,662 | 105,662 | 105,662 | - |
| Public utilities | 476,000 | 487,659 | 487,659 | - |
| Town landfill | 1,054,411 | 1,054,411 | 922,415 | 131,996 |
| Total | <u>3,218,648</u> | <u>3,221,278</u> | <u>3,087,802</u> | <u>133,476</u> |
| Health and social services: | | | | |
| Health and social services | 119,638 | 119,638 | 119,638 | - |
| Social Services Commission | 1,967 | 1,967 | 1,112 | 855 |
| Senior Center | 127,482 | 127,482 | 126,968 | 514 |
| Mini-bus transportation | 189,206 | 189,206 | 170,420 | 18,786 |

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | Actual | Variance Positive (Negative) |
|---|----------------------|----------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Health and social services (continued): | | | | |
| EMS/Ambulance | \$ 214,851 | \$ 214,851 | \$ 202,665 | \$ 12,186.00 |
| Social worker | 60,400 | 60,404 | 60,404 | - |
| Total | <u>713,544</u> | <u>713,548</u> | <u>681,207</u> | <u>32,341</u> |
| Library, Recreation and Parks: | | | | |
| Recreation | 247,665 | 247,665 | 240,069 | 7,596 |
| Recreation activity | 116,319 | 116,321 | 97,547 | 18,774 |
| Tree Warden | 25,000 | 25,000 | 23,804 | 1,196 |
| Youth Services | 113,637 | 113,637 | 100,152 | 13,485 |
| Total | <u>502,621</u> | <u>502,623</u> | <u>461,572</u> | <u>41,051</u> |
| Board of Education | <u>29,914,747</u> | <u>29,914,747</u> | <u>29,165,608</u> | <u>749,139</u> |
| Miscellaneous: | | | | |
| Cemeteries | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> | <u>-</u> |
| Debt service | <u>2,934,099</u> | <u>2,934,099</u> | <u>2,934,099</u> | <u>-</u> |
| Contingency | <u>250,000</u> | <u>123,713</u> | | <u>123,713</u> |
| Total expenditures | <u>45,226,927</u> | <u>45,222,927</u> | <u>43,764,079</u> | <u>1,458,848</u> |
| Other financing uses: | | | | |
| Transfers out: | | | | |
| Dog Fund | 85,899 | 85,899 | 85,899 | - |
| School Cafeteria | 52,857 | 52,857 | 52,857 | - |
| Kent Memorial Library | 431,480 | 435,480 | 435,480 | - |
| Capital Projects Funds | 1,661,648 | 1,661,648 | 1,661,648 | - |
| OPEB Fund | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> | <u>-</u> |
| Total other financing uses | <u>2,481,884</u> | <u>2,485,884</u> | <u>2,485,884</u> | <u>-</u> |
| Total Expenditures and Other Financing Uses | \$ <u>47,708,811</u> | \$ <u>47,708,811</u> | 46,249,963 | \$ <u>1,458,848</u> |

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for
Town teachers are not budgeted. 2,519,253

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. (7,307)

The Board of Education does not budget for certain intergovernmental grants which are credited against
education expenditures for budgetary reporting. These amounts are recorded as revenues and
expenditures for financial reporting purposes. 296,804

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

\$ 49,058,713

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2010 AND 2009

| | <u>2010</u> | <u>2009</u> |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 15,788,488 | \$ 13,337,739 |
| Receivables: | | |
| Property taxes, net | 643,635 | 490,895 |
| Other | 503,352 | 1,244,970 |
| Due from other funds | <u>4,193,524</u> | <u>4,418,083</u> |
| Total Assets | <u>\$ 21,128,999</u> | <u>\$ 19,491,687</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 1,581,072 | \$ 1,656,080 |
| Due to other funds | 7,885,259 | 6,400,478 |
| Deferred revenues | 1,180,793 | 1,126,268 |
| Total liabilities | <u>10,647,124</u> | <u>9,182,826</u> |
| Fund balance: | | |
| Reserved for encumbrances | 425,675 | 423,931 |
| Unreserved: | | |
| Designated for subsequent year | 2,500,000 | 500,000 |
| Undesignated | <u>7,556,200</u> | <u>9,384,930</u> |
| Total fund balance | <u>10,481,875</u> | <u>10,308,861</u> |
| Total Liabilities and Fund Balance | <u>\$ 21,128,999</u> | <u>\$ 19,491,687</u> |

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2010

| Grand List | Uncollected Taxes July 1, 2009 | Current Year Levy | Lawful Corrections | | Transfers To Suspense | Adjusted Taxes Collectible | Collections | | | | Uncollected Taxes June 30, 2010 | |
|------------|--------------------------------|-------------------|--------------------|-------------|-----------------------|----------------------------|---------------|---------------|------------|---------------|---------------------------------|------------|
| | | | Additions | Deductions | | | Taxes | Interest | Lien Fees | Total | | |
| 2008 | \$ | \$ 31,936,042 | \$ 39,831 | \$ (98,273) | \$ | \$ 31,877,600 | \$ 31,442,423 | \$ 93,075 | \$ 104 | \$ 31,535,602 | \$ 435,177 | |
| 2007 | | 338,985 | 25,423 | (13,934) | | 350,474 | 209,320 | 47,769 | 1,032 | 258,121 | 141,154 | |
| 2006 | | 105,104 | 314 | (3,753) | (14,851) | 86,814 | 43,400 | 13,361 | 360 | 57,121 | 43,414 | |
| 2005 | | 40,646 | 1,082 | (2,775) | (12,791) | 26,162 | 3,897 | 2,720 | 48 | 6,665 | 22,265 | |
| 2004 | | 10,590 | | (631) | (2,461) | 7,498 | 308 | 538 | 24 | 870 | 7,190 | |
| 2003 | | 9,264 | | | (252) | 9,012 | 315 | 274 | | 589 | 8,697 | |
| 2002 | | 8,111 | | | (1,823) | 6,288 | | | | - | 6,288 | |
| 2001 | | 4,521 | | | (1,603) | 2,918 | | | | - | 2,918 | |
| 2000 | | 6,746 | | | (1,472) | 5,274 | | | | - | 5,274 | |
| 1999 | | 2,118 | 198 | (157) | | 2,159 | | | | - | 2,159 | |
| 1998 | | 2,086 | | | (167) | 1,919 | 39 | | | 39 | 1,880 | |
| 1997 | | 1,623 | | | | 1,623 | | | | - | 1,623 | |
| 1996 | | 1,800 | | | | 1,800 | | | | - | 1,800 | |
| 1995 | | 2,358 | | | | 2,358 | | | | - | 2,358 | |
| 1994 | | 1,709 | | | | 1,709 | | | | - | 1,709 | |
| Total | \$ | \$ 535,661 | \$ 31,936,042 | \$ 66,848 | \$ (119,523) | \$ (35,420) | \$ 32,383,608 | \$ 31,699,702 | \$ 157,737 | \$ 1,568 | \$ 31,859,007 | \$ 683,906 |

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Special Revenue Funds

| | <u>Dog</u> | <u>Off Duty</u> | <u>School Cafeteria</u> | <u>Town Donations</u> | <u>Education Grants</u> | <u>CADAC Grant</u> | <u>Sewer Assessment</u> | <u>Asset Forfeiture</u> | <u>Recreation</u> | <u>Senior Center Activity</u> |
|--|-------------------|---------------------|-----------------------------|---------------------------|-----------------------------|------------------------|-----------------------------|-----------------------------|-------------------|---------------------------------------|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 12,659 | \$ | \$ 2,450 | \$ | \$ | \$ | \$ 153,504 | \$ | \$ | \$ |
| Receivables: | | | | | | | | | | |
| Assessments | | | | | | | 201,647 | | | |
| Intergovernmental | | | 17,095 | | 242,823 | | | | | |
| Loans receivables | | | | | | | | | | |
| Other | | 6,243 | 7,316 | | 145,066 | | | | | |
| Due from other funds | 122,846 | 70,634 | | 293,948 | 27,746 | 185 | | 4,518 | 17,388 | 17,578 |
| Inventory | | | 27,000 | | | | | | | |
| Total Assets | \$ 135,505 | \$ 76,877 | \$ 53,861 | \$ 293,948 | \$ 415,635 | \$ 185 | \$ 355,151 | \$ 4,518 | \$ 17,388 | \$ 17,578 |
| Liabilities and Fund Balances | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 17,024 | \$ 1,139 | \$ 450 | \$ 2,526 | \$ 16,981 | \$ | \$ 35 | \$ | \$ 250 | \$ 730 |
| Due to other funds | | | | 39 | | | | | | |
| Deferred revenue | | | | | 125,414 | | 201,647 | | | |
| Total liabilities | 17,024 | 1,139 | 450 | 2,565 | 142,395 | - | 201,682 | - | 250 | 730 |
| Fund balances: | | | | | | | | | | |
| Reserved: | | | | | | | | | | |
| Inventory | | | 27,000 | | | | | | | |
| Unreserved: | | | | | | | | | | |
| Undesignated | 118,481 | 75,738 | 26,411 | 291,383 | 273,240 | 185 | 153,469 | 4,518 | 17,138 | 16,848 |
| Total fund balance | 118,481 | 75,738 | 53,411 | 291,383 | 273,240 | 185 | 153,469 | 4,518 | 17,138 | 16,848 |
| Total Liabilities and Fund Balances | \$ 135,505 | \$ 76,877 | \$ 53,861 | \$ 293,948 | \$ 415,635 | \$ 185 | \$ 355,151 | \$ 4,518 | \$ 17,388 | \$ 17,578 |

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

Special Revenue Funds

| | Special Revenue Funds | | | | | | | | |
|--|-----------------------|----------------------------|--------------------|--------------------------------------|-----------------|------------------------|-------------------|-----------------------|-------------------|
| | Municipal Grant | Emergency Food and Shelter | Small Cities Grant | Drug Education and Enforcement Grant | Sunrise Park | Farmington Canal Trail | Veterans Memorial | Kent Memorial Library | Capital Reserve |
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 58,201 | \$ 4,910 | \$ 98,924 | \$ | \$ | \$ | \$ | \$ | \$ 156,465 |
| Receivables: | | | | | | | | | |
| Assessments | | | | | | | | | |
| Intergovernmental | 6,087 | | | | | | | | |
| Loans receivables | | | 157,944 | | | | | | |
| Other | | | | | | | | 48,687 | |
| Due from other funds | 52,334 | | 34,281 | 1,148 | 7,601 | 20,825 | 2,620 | | |
| Inventory | | | | | | | | | |
| Total Assets | \$ 116,622 | \$ 4,910 | \$ 291,149 | \$ 1,148 | \$ 7,601 | \$ 20,825 | \$ 2,620 | \$ 48,687 | \$ 156,465 |
| Liabilities and Fund Balances | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 6,864 | \$ | \$ | \$ | \$ | \$ | \$ | \$ 21,485 | \$ |
| Due to other funds | 15,636 | | 92,260 | 1,168 | | | | 30,857 | 12,000 |
| Deferred revenue | 94,545 | | 157,944 | | | | | | |
| Total liabilities | 117,045 | - | 250,204 | 1,168 | - | - | - | 52,342 | 12,000 |
| Fund balances: | | | | | | | | | |
| Reserved: | | | | | | | | | |
| Inventory | | | | | | | | | |
| Permanent funds | | | | | | | | | |
| Unreserved: | | | | | | | | | |
| Undesignated | (423) | 4,910 | 40,945 | (20) | 7,601 | 20,825 | 2,620 | (3,655) | 144,465 |
| Total fund balance | (423) | 4,910 | 40,945 | (20) | 7,601 | 20,825 | 2,620 | (3,655) | 144,465 |
| Total Liabilities and Fund Balances | \$ 116,622 | \$ 4,910 | \$ 291,149 | \$ 1,148 | \$ 7,601 | \$ 20,825 | \$ 2,620 | \$ 48,687 | \$ 156,465 |

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2010

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| | Special Revenue Funds | | | | Permanent Funds | | | Interfund Eliminations | Total Nonmajor Governmental Funds | |
|--|-----------------------------------|------------------|---|--------------------|---------------------|------------------|-------------------|---------------------------|--|---------------------|
| | Kent Farm Sewer District | Open Space | Other Post Employment Benefits | School Activity | Total | Memorial | Cemetery | | | Total |
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 156,131 | \$ | \$ | \$ | \$ 643,244 | \$ 56,774 | \$ 501,371 | \$ 558,145 | \$ | \$ 1,201,389 |
| Receivables: | | | | | | | | | | |
| Assessments | | | | | 201,647 | | | - | | 201,647 |
| Intergovernmental | | | | | 266,005 | | | - | | 266,005 |
| Loans receivables | | | | | 157,944 | | | - | | 157,944 |
| Other | | | | | 207,312 | | | - | | 207,312 |
| Due from other funds | 632 | 350 | 1,700,000 | 27,242 | 2,401,876 | | | - | (16,842) | 2,385,034 |
| Inventory | | | | | 27,000 | | | - | | 27,000 |
| Total Assets | \$ 156,763 | \$ 350 | \$ 1,700,000 | \$ 27,242 | \$ 3,905,028 | \$ 56,774 | \$ 501,371 | \$ 558,145 | \$ (16,842) | \$ 4,446,331 |
| Liabilities and Fund Balances | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 6,836 | \$ 194,890 | \$ | \$ | \$ 67,484 | \$ 16,737 | \$ 2,106 | \$ 2,106 | \$ | \$ 69,590 |
| Due to other funds | | | | | 353,686 | | 84,934 | 101,671 | (16,842) | 438,515 |
| Deferred revenue | | | | | 579,550 | | | - | | 579,550 |
| Total liabilities | 6,836 | 194,890 | - | - | 1,000,720 | 16,737 | 87,040 | 103,777 | (16,842) | 1,087,655 |
| Fund balances: | | | | | | | | | | |
| Reserved: | | | | | | | | | | |
| Inventory | | | | | 27,000 | | | | | 27,000 |
| Permanent funds | | | | | | 40,037 | 414,331 | 454,368 | | 454,368 |
| Unreserved: | | | | | | | | | | |
| Undesignated | 149,927 | (194,540) | 1,700,000 | 27,242 | 2,877,308 | | | | | 2,877,308 |
| Total fund balance | 149,927 | (194,540) | 1,700,000 | 27,242 | 2,904,308 | 40,037 | 414,331 | 454,368 | - | 3,358,676 |
| Total Liabilities and Fund Balances | \$ 156,763 | \$ 350 | \$ 1,700,000 | \$ 27,242 | \$ 3,905,028 | \$ 56,774 | \$ 501,371 | \$ 558,145 | \$ (16,842) | \$ 4,446,331 |

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

JUNE 30, 2010

Special Revenue Funds

| | <u>Dog</u> | <u>Off Duty</u> | <u>School Cafeteria</u> | <u>Town Donations</u> | <u>Education Grants</u> | <u>CADAC Grant</u> | <u>Sewer Assessment</u> | <u>Asset Forfeiture</u> | <u>Recreation</u> | <u>Senior Center Activity</u> |
|--|-------------------|---------------------|-----------------------------|---------------------------|-----------------------------|------------------------|-----------------------------|-----------------------------|-------------------|---------------------------------------|
| Revenues: | | | | | | | | | | |
| Intergovernmental | \$ | \$ | \$ 130,435 | \$ | \$ 1,844,509 | \$ | \$ | \$ | \$ | \$ |
| Current services and fees | 5,431 | 112,081 | 459,723 | | | | 92,000 | | | |
| Assessments | | | | | | | 257,153 | | | |
| Interest income | 50 | | 857 | | | | 961 | | | |
| Donations and program income | | | 62,046 | 153,607 | | | | | | 24,768 |
| Total revenues | <u>5,481</u> | <u>112,081</u> | <u>653,061</u> | <u>153,607</u> | <u>1,844,509</u> | <u>-</u> | <u>350,114</u> | <u>-</u> | <u>-</u> | <u>24,768</u> |
| Expenditures: | | | | | | | | | | |
| Administration | | | | | | | | | | |
| Public safety | 80,744 | 88,198 | | 46,958 | | | | 184 | | |
| Health and social services | | | | | | | | | | |
| Library, recreation and parks | | | | | | | | | 270 | 9,114 |
| Education | | | 765,426 | | 1,747,677 | | | | | |
| Capital outlay | | | | | | | | | | |
| Total expenditures | <u>80,744</u> | <u>88,198</u> | <u>765,426</u> | <u>46,958</u> | <u>1,747,677</u> | <u>-</u> | <u>-</u> | <u>184</u> | <u>270</u> | <u>9,114.00</u> |
| Excess (deficiency) of revenues over expenditures | <u>(75,263)</u> | <u>23,883</u> | <u>(112,365)</u> | <u>106,649</u> | <u>96,832</u> | <u>-</u> | <u>350,114</u> | <u>(184)</u> | <u>(270)</u> | <u>15,654</u> |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | 85,899 | | 52,857 | | | | | | | 731 |
| Transfers out | | | | | | | (351,805) | | | |
| Total other financing sources (uses) | <u>85,899</u> | <u>-</u> | <u>52,857</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(351,805)</u> | <u>-</u> | <u>-</u> | <u>731.00</u> |
| Net change in fund balances | 10,636 | 23,883 | (59,508) | 106,649 | 96,832 | - | (1,691) | (184) | (270) | 16,385 |
| Fund balance at beginning of year | <u>107,845</u> | <u>51,855</u> | <u>112,919</u> | <u>184,734</u> | <u>176,408</u> | <u>185</u> | <u>155,160</u> | <u>4,702</u> | <u>17,408</u> | <u>463</u> |
| Fund Balance at End of Year | <u>\$ 118,481</u> | <u>\$ 75,738</u> | <u>\$ 53,411</u> | <u>\$ 291,383</u> | <u>\$ 273,240</u> | <u>\$ 185</u> | <u>\$ 153,469</u> | <u>\$ 4,518</u> | <u>\$ 17,138</u> | <u>\$ 16,848</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, 2010

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| | Special Revenue Funds | | | | | | | | | |
|--|-----------------------|----------------------------------|--------------------------|---|-----------------|---------------------------|----------------------|-----------------------------|--------------------|-----------------------------------|
| | Municipal Grant | Emergency Food and Shelter | Small Cities Grant | Drug Education and Enforcement Grant | Sunrise Park | Farmington Canal Trail | Veterans Memorial | Kent Memorial Library | Capital Reserve | Kent Farm Sewer District |
| Revenues: | | | | | | | | | | |
| Intergovernmental | \$ 320,902 | \$ | \$ | \$ | \$ | \$ | \$ 2,943 | \$ | \$ | |
| Current services and fees | | | | | | | 17,582 | | | |
| Assessments | | | | | | | | | | |
| Interest income | | | | | | | 62,294 | 612 | 659 | |
| Donations and program income | | 3,336 | 221,487 | | | 20 | | 7,685 | | |
| Total revenues | <u>320,902</u> | <u>3,336</u> | <u>221,487</u> | <u>-</u> | <u>-</u> | <u>20</u> | <u>-</u> | <u>82,819</u> | <u>8,297</u> | <u>659</u> |
| Expenditures: | | | | | | | | | | |
| Administration | | | 1,002 | | | | 52 | | | |
| Public safety | 16,877 | | | | | | | | | |
| Health and social services | | 3,650 | | | | | | | | |
| Library, recreation and parks | 9,841 | | | | | 2,680 | | 518,301 | | |
| Education | | | | | | | | | | |
| Capital outlay | 294,184 | | 56,240 | | | | | 95 | | |
| Total expenditures | <u>320,902</u> | <u>3,650</u> | <u>57,242</u> | <u>-</u> | <u>-</u> | <u>2,680</u> | <u>52</u> | <u>518,301</u> | <u>95</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(314)</u> | <u>164,245</u> | <u>-</u> | <u>-</u> | <u>(2,660)</u> | <u>(52)</u> | <u>(435,482)</u> | <u>8,202</u> | <u>659</u> |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | | | | | | | 435,480 | | | |
| Transfers out | | | (185,000) | | | | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(185,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>435,480</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | (314) | (20,755) | - | - | (2,660) | (52) | (2) | 8,202 | 659 |
| Fund balance at beginning of year | (423) | 5,224 | 61,700 | (20) | 7,601 | 23,485 | 2,672 | (3,653) | 136,263 | 149,268 |
| Fund Balance at End of Year | <u>\$ (423)</u> | <u>\$ 4,910</u> | <u>\$ 40,945</u> | <u>\$ (20)</u> | <u>\$ 7,601</u> | <u>\$ 20,825</u> | <u>\$ 2,620</u> | <u>\$ (3,655)</u> | <u>\$ 144,465</u> | <u>\$ 149,927</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, 2010

| | Special Revenue Funds | | | Permanent Funds | | | Interfund Eliminations | Total Nonmajor Governmental Funds | |
|--|-----------------------|---|--------------------|---------------------|------------------|-------------------|---------------------------|--|---------------------|
| | Open Space | Other Post Employment Benefits | School Activity | Total | Memorial | Cemetery | | | Total |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 232,750 | | | \$ 2,531,539 | | | \$ - | \$ 2,531,539 | |
| Current services and fees | 13,437 | | 101,958 | 802,212 | | | - | 802,212 | |
| Assessments | | | | 257,153 | | | - | 257,153 | |
| Interest income | | | | 65,433 | 270 | 2,106 | 2,376 | 67,809 | |
| Donations and program income | | | | 472,949 | | 4,700 | 4,700 | 477,649 | |
| Total revenues | <u>246,187</u> | <u>-</u> | <u>101,958</u> | <u>4,129,286</u> | <u>270</u> | <u>6,806</u> | <u>7,076</u> | <u>-</u> | <u>4,136,362</u> |
| Expenditures: | | | | | | | | | |
| Administration | | | | 1,054 | | | - | 1,054 | |
| Public safety | | | | 232,961 | | | - | 232,961 | |
| Health and social services | | | | 3,650 | | 2,105 | 2,105 | 5,755 | |
| Library, recreation and parks | 475,000 | | | 1,015,206 | 100 | | 100 | 1,015,306 | |
| Education | | | 83,515 | 2,596,618 | | | - | 2,596,618 | |
| Capital outlay | | | | 350,519 | | | - | 350,519 | |
| Total expenditures | <u>475,000</u> | <u>-</u> | <u>83,515</u> | <u>4,200,008</u> | <u>100</u> | <u>2,105</u> | <u>2,205</u> | <u>-</u> | <u>4,202,213</u> |
| Excess (deficiency) of revenues over expenditures | <u>(228,813)</u> | <u>-</u> | <u>18,443</u> | <u>(70,722)</u> | <u>170</u> | <u>4,701</u> | <u>4,871</u> | <u>-</u> | <u>(65,851)</u> |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | | 250,000 | | 824,967 | | | - | 824,967 | |
| Transfers out | | | | (536,805) | | | - | (536,805) | |
| Total other financing sources (uses) | <u>-</u> | <u>250,000</u> | <u>-</u> | <u>288,162</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>288,162</u> |
| Net change in fund balances | (228,813) | 250,000 | 18,443 | 217,440 | 170 | 4,701 | 4,871 | - | 222,311 |
| Fund balance at beginning of year | 34,273 | 1,450,000 | 8,799 | 2,686,868 | 39,867 | 409,630 | 449,497 | | 3,136,365 |
| Fund Balance at End of Year | <u>\$ (194,540)</u> | <u>\$ 1,700,000</u> | <u>\$ 27,242</u> | <u>\$ 2,904,308</u> | <u>\$ 40,037</u> | <u>\$ 414,331</u> | <u>\$ 454,368</u> | <u>\$ -</u> | <u>\$ 3,358,676</u> |

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

JUNE 30, 2010

| | <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> |
|--|-------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|---|----------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | \$ 10,868 | \$ 13,451 | \$ | \$ | \$ |
| Receivables: | | | | | | |
| Accounts | | | | | | 125 |
| Intergovernmental | 1,695,972 | | | | | 57,203 |
| Due from other funds | | 451,333 | | 4,586 | 289,000 | 18,958 |
| Total Assets | <u>\$ 1,695,972</u> | <u>\$ 462,201</u> | <u>\$ 13,451</u> | <u>\$ 4,586</u> | <u>\$ 289,000</u> | <u>\$ 76,286</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| 58 Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ | \$ | \$ | \$ | \$ | \$ 44,657 |
| Due to other funds | 3,081,649 | 289,000 | | | 279,052 | |
| Deferred revenue | | | 12,622 | | | |
| Total liabilities | <u>3,081,649</u> | <u>289,000</u> | <u>12,622</u> | <u>-</u> | <u>279,052</u> | <u>44,657</u> |
| Fund Balances: | | | | | | |
| Reserved | | | | | | 46,607 |
| Unreserved - undesignated | (1,385,677) | 173,201 | 829 | 4,586 | 9,948 | (14,978) |
| Total fund balance | <u>(1,385,677)</u> | <u>173,201</u> | <u>829</u> | <u>4,586</u> | <u>9,948</u> | <u>31,629</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,695,972</u> | <u>\$ 462,201</u> | <u>\$ 13,451</u> | <u>\$ 4,586</u> | <u>\$ 289,000</u> | <u>\$ 76,286</u> |

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

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

JUNE 30, 2010

| | <u>Capital Non-Recurring Fund</u> | <u>Senior Center Project</u> | <u>Agriscience Project</u> | <u>Eliminations</u> | <u>Total Capital Projects Fund</u> |
|--|---|--------------------------------------|--------------------------------|---------------------|--|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ | \$ 24,319 |
| Receivables: | | | | | |
| Accounts | | 26,435 | | | 26,560 |
| Intergovernmental | | | 297,235 | | 2,050,410 |
| Due from other funds | 4,667,119 | | | (289,000) | 5,141,996 |
| Total Assets | <u>\$ 4,667,119</u> | <u>\$ 26,435</u> | <u>\$ 297,235</u> | <u>\$ (289,000)</u> | <u>\$ 7,243,285</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| 59 Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 176,988 | \$ 12,214 | \$ 4,850 | \$ | \$ 238,709 |
| Due to other funds | 1,716 | 182,965 | 303,835 | (289,000) | 3,849,217 |
| Deferred revenue | | | | | 12,622 |
| Total liabilities | <u>178,704</u> | <u>195,179</u> | <u>308,685</u> | <u>(289,000)</u> | <u>4,100,548</u> |
| Fund Balances: | | | | | |
| Reserved | 679,663 | | | | 726,270 |
| Unreserved - undesignated | 3,808,752 | (168,744) | (11,450) | | 2,416,467 |
| Total fund balance | <u>4,488,415</u> | <u>(168,744)</u> | <u>(11,450)</u> | <u>-</u> | <u>3,142,737</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,667,119</u> | <u>\$ 26,435</u> | <u>\$ 297,235</u> | <u>\$ (289,000)</u> | <u>\$ 7,243,285</u> |

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, 2010

| | <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> |
|--|-------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|---|----------------------------|
| Revenues: | | | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ | \$ | \$ 7,153 |
| Interest income | | | 31 | | | |
| Donations | | | | | | |
| Total revenue | <u>-</u> | <u>-</u> | <u>31</u> | <u>-</u> | <u>-</u> | <u>7,153</u> |
| Expenditures: | | | | | | |
| Capital outlay | | | 67,773 | | | |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(67,742)</u> | <u>-</u> | <u>-</u> | <u>7,153</u> |
| Other financing sources (uses): | | | | | | |
| Issuance of capital lease | | | | | | |
| Transfers in | | | 20,000 | | | |
| Transfers out | | | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>-</u> | <u>-</u> | <u>(47,742)</u> | <u>-</u> | <u>-</u> | <u>7,153</u> |
| Fund Balances at Beginning of Year | <u>(1,385,677)</u> | <u>173,201</u> | <u>48,571</u> | <u>4,586</u> | <u>9,948</u> | <u>24,476</u> |
| Fund Balances at End of Year | <u>\$ (1,385,677)</u> | <u>\$ 173,201</u> | <u>\$ 829</u> | <u>\$ 4,586</u> | <u>\$ 9,948</u> | <u>\$ 31,629</u> |

09

(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, 2010

| | Capital Non-Recurring Fund | Senior Center Project | Agriscience Project | Eliminations | Total Capital Projects Fund |
|--|---|--------------------------------------|--------------------------------|---------------------|--|
| Revenues: | | | | | |
| Intergovernmental | \$ | \$ 400,575 | \$ | \$ | \$ 407,728 |
| Interest income | | | | | 31 |
| Donations | | 267,731 | | | 267,731 |
| Total revenue | <u>-</u> | <u>668,306</u> | <u>-</u> | <u>-</u> | <u>675,490</u> |
| Expenditures: | | | | | |
| Capital outlay | <u>952,053</u> | <u>1,067,488</u> | <u>11,450</u> | | <u>2,098,764</u> |
| Excess (deficiency) of revenues over expenditures | <u>(952,053)</u> | <u>(399,182)</u> | <u>(11,450)</u> | <u>-</u> | <u>(1,423,274)</u> |
| Other financing sources (uses): | | | | | |
| Issuance of capital lease | 80,969 | | | | 80,969 |
| Transfers in | 1,661,648 | 185,000 | | | 1,866,648 |
| Transfers out | | (731) | | | (731) |
| Total other financing sources (uses) | <u>1,742,617</u> | <u>184,269</u> | <u>-</u> | <u>-</u> | <u>1,946,886</u> |
| Net Change in Fund Balances | 790,564 | (214,913) | (11,450) | - | 523,612 |
| Fund Balances at Beginning of Year | <u>3,697,851</u> | <u>46,169</u> | <u>-</u> | | <u>2,619,125</u> |
| Fund Balances at End of Year | <u>\$ 4,488,415</u> | <u>\$ (168,744)</u> | <u>\$ (11,450)</u> | <u>\$ -</u> | <u>\$ 3,142,737</u> |

TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2010

| | <u>Insurance Fund</u> | <u>Gas/Diesel Fund</u> | <u>Total</u> |
|--|-----------------------------|----------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 572,036 | \$ | \$ 572,036 |
| Due from other funds | 359,265 | 74,020 | 433,285 |
| Receivables, net | <u> </u> | <u>11,771</u> | <u>11,771</u> |
| Total | <u>\$ 931,301</u> | <u>\$ 85,791</u> | <u>\$ 1,017,092</u> |
| LIABILITIES AND NET ASSETS | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 547,022 | \$ 28,652 | \$ 575,674 |
| Net assets: | | | |
| Undesignated | <u>384,279</u> | <u>57,139</u> | <u>441,418</u> |
| Total | <u>\$ 931,301</u> | <u>\$ 85,791</u> | <u>\$ 1,017,092</u> |

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Insurance Fund</u> | <u>Gas/Diesel Fund</u> | <u>Total</u> |
|---------------------------------------|---------------------------|----------------------------|-------------------|
| Operating revenues: | | | |
| User charges | \$ 5,526,990 | \$ 314,764 | \$ 5,841,754 |
| Operating expenses: | | | |
| Administration | 575,378 | | 575,378 |
| Insurance and benefits | 5,298,555 | | 5,298,555 |
| Fuel | | 258,236 | 258,236 |
| Total operating expenses | <u>5,873,933</u> | <u>258,236</u> | <u>6,132,169</u> |
| Operating income (loss) | (346,943) | 56,528 | (290,415) |
| Nonoperating revenue: | | | |
| Investment income | <u>1,366</u> | | <u>1,366</u> |
| Change in net assets before transfers | (345,577) | 56,528 | (289,049) |
| Transfer out | <u>(300,000)</u> | | <u>(300,000)</u> |
| Change in net assets | (645,577) | 56,528 | (589,049) |
| Net assets at beginning of year | <u>1,029,856</u> | <u>611</u> | <u>1,030,467</u> |
| Net Assets at End of Year | <u>\$ 384,279</u> | <u>\$ 57,139</u> | <u>\$ 441,418</u> |

TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Insurance Fund</u> | <u>Gas/Diesel Fund</u> | <u>Total</u> |
|---|---------------------------|----------------------------|--------------------------|
| Cash flows from operating activities: | | | |
| Cash received from users | \$ 6,121,344 | \$ 253,254 | \$ 6,374,598 |
| Cash paid to vendors | <u>(5,798,510)</u> | <u>(253,254)</u> | <u>(6,051,764)</u> |
| Net cash provided by operating activities | <u>322,834</u> | <u>-</u> | <u>322,834</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfer out | <u>(300,000)</u> | | <u>(300,000)</u> |
| Cash flows from investing activities: | | | |
| Interest on investments | <u>1,366</u> | | <u>1,366</u> |
| Net increase in cash and cash equivalents | 24,200 | - | 24,200 |
| Cash and cash equivalents at beginning of year | <u>547,836</u> | | <u>547,836</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$ 572,036</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 572,036</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Operating income (loss) | \$ (346,943) | \$ 56,528 | \$ (290,415) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Decrease in accounts receivable | 413,169 | 20,915 | 434,084 |
| (Increase) decrease in due from other funds | 181,185 | (82,425) | 98,760 |
| Increase in accounts payable and accrued liabilities | <u>75,423</u> | <u>4,982</u> | <u>80,405</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 322,834</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 322,834</u></u> |

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2010

| | <u>Student Activity</u> | <u>Performance Bond</u> | <u>Total</u> |
|----------------------------------|-----------------------------|-----------------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 213,375 | \$ 56,886 | \$ 270,261 |
| Investments | <u>13,660</u> | <u>19,754</u> | <u>33,414</u> |
| Total Assets | <u>\$ 227,035</u> | <u>\$ 76,640</u> | <u>\$ 303,675</u> |
| LIABILITIES | | | |
| Due to student groups and others | <u>\$ 227,035</u> | <u>\$ 76,640</u> | <u>\$ 303,675</u> |

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Balance</u> <u>July 1, 2009</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2010</u> |
|----------------------------------|---------------------------------------|-------------------|-------------------|--|
| School Activity Fund | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 174,436 | \$ 600,453 | \$ 561,514 | \$ 213,375 |
| Investments | <u>10,689</u> | <u>2,971</u> | <u></u> | <u>13,660</u> |
| Total Assets | <u>\$ 185,125</u> | <u>\$ 603,424</u> | <u>\$ 561,514</u> | <u>\$ 227,035</u> |
| Liabilities: | | | | |
| Due to student groups and others | <u>\$ 185,125</u> | <u>\$ 603,424</u> | <u>\$ 561,514</u> | <u>\$ 227,035</u> |
| Performance Bonds | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 50,886 | \$ 8,254 | \$ 2,254 | \$ 56,886 |
| Investments | <u>34,025</u> | <u></u> | <u>14,271</u> | <u>19,754</u> |
| Total Assets | <u>\$ 84,911</u> | <u>\$ 8,254</u> | <u>\$ 16,525</u> | <u>\$ 76,640</u> |
| Liabilities: | | | | |
| Due to student groups and others | <u>\$ 84,911</u> | <u>\$ 8,254</u> | <u>\$ 16,525</u> | <u>\$ 76,640</u> |
| Total Assets | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 225,322 | \$ 608,707 | \$ 563,768 | \$ 270,261 |
| Investments | <u>44,714</u> | <u>2,971</u> | <u>14,271</u> | <u>33,414</u> |
| Total Assets | <u>\$ 270,036</u> | <u>\$ 611,678</u> | <u>\$ 578,039</u> | <u>\$ 303,675</u> |
| Liabilities: | | | | |
| Due to student groups and others | <u>\$ 270,036</u> | <u>\$ 611,678</u> | <u>\$ 578,039</u> | <u>\$ 303,675</u> |

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2010

(In Thousands)

Total cash collections for the year ended June 30, 2010:

| | |
|---|------------------|
| Taxes, interest and lien fees | \$ 31,859 |
| Reimbursement for revenue loss on: | |
| Tax relief for elderly - elderly freeze | <u>4</u> |
| Base | <u>\$ 31,863</u> |

| | <u>General Purpose</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Deficit</u> |
|--|----------------------------|-------------------|-------------------|--------------------------|----------------------------|
| Debt limitations: | | | | | |
| 2-1/4 times base | \$ 71,692 | \$ | \$ | \$ | \$ |
| 4-1/2 times base | | 143,384 | | | |
| 3-3/4 times base | | | 119,486 | | |
| 3-1/4 times base | | | | 103,555 | |
| 3 times base | | | | | <u>95,589</u> |
| Total debt limitation | <u>71,692</u> | <u>143,384</u> | <u>119,486</u> | <u>103,555</u> | <u>95,589</u> |
| Indebtedness: | | | | | |
| Bonds and notes payable | | 15,525 | 470 | | |
| Authorized, unissued bonds | | <u>21,800</u> | | | |
| Total indebtedness | <u>-</u> | <u>37,325</u> | <u>470</u> | <u>-</u> | <u>-</u> |
| Debt Limitation in Excess of Outstanding and Authorized Debt | <u>\$ 71,692</u> | <u>\$ 106,059</u> | <u>\$ 119,016</u> | <u>\$ 103,555</u> | <u>\$ 95,589</u> |

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$223,041).