

TOWN OF SUFFIELD, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2012

TOWN OF SUFFIELD, CONNECTICUT

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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, 2012, 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 of Suffield, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Suffield, Connecticut'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, 2012 and the respective changes in financial position and, where applicable, cash flows 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 26, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 and the budgetary comparison information on pages 46 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Blum, Shapiro & Company, P.C.

December 26, 2012

TOWN OF SUFFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

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, 2012. 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 \$480, or 2.18%, net assets of our governmental activities increased by \$6,857, or 7.95%.
- During the year, the Town had expenses that were \$6,857 less than the \$62,387 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues decreased by \$1,105 while expenses decreased by \$217.
- Total cost of all of the Town's programs was \$58,064 with no new programs added this year.
- The General Fund reported a fund balance this year of \$9,430.
- The resources available for appropriation were \$1,622 less than budgeted for the General Fund. Expenditures were less than budgeted by \$1,524, 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 increased 5.9% from a year ago, going from \$108,245 to \$114,622. 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	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 19,243	\$ 20,335	\$ 2,086	\$ 1,692	\$ 21,329	\$ 22,027
Capital assets, net of accumulated depreciation	92,911	86,326	19,599	20,439	112,510	106,765
Total assets	<u>112,154</u>	<u>106,661</u>	<u>21,685</u>	<u>22,131</u>	<u>133,839</u>	<u>128,792</u>
Long-term debt outstanding	16,004	17,481			16,004	17,481
Other liabilities	3,048	2,935	165	131	3,213	3,066
Total liabilities	<u>19,052</u>	<u>20,416</u>	<u>165</u>	<u>131</u>	<u>19,217</u>	<u>20,547</u>
Net Assets:						
Invested in capital assets, net of debt	79,903	71,687	19,599	20,440	99,502	92,127
Restricted	462	458			462	458
Unrestricted	<u>12,737</u>	<u>14,100</u>	<u>1,921</u>	<u>1,560</u>	<u>14,658</u>	<u>15,660</u>
Total Net Assets	<u>\$ 93,102</u>	<u>\$ 86,245</u>	<u>\$ 21,520</u>	<u>\$ 22,000</u>	<u>\$ 114,622</u>	<u>\$ 108,245</u>

Net assets of the Town's governmental activities increased by \$6,857 or 7.95%. Overall revenues increased by \$5,514 and expenses increased by \$2,115. The revenue increases were \$1,624 in Operating Grants and Contributions, \$2,200 in capital grants and contributions, \$1,775 in Property Taxes and \$900 in Miscellaneous, and decreases of \$672 in Charges for Services. 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 \$14,100 at June 30, 2011 to \$12,737 at the end of this year.

The net assets of business-type activities decreased by \$480 or 2.2% in 2012. 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)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services:	\$ 2,952	\$ 3,624	\$ 2,341	\$ 3,480	\$ 5,293	\$ 7,104
Operating grants and contributions	13,868	12,244			13,868	12,244
Capital grants and contributions	3,892	1,692	64	24	3,956	1,716
General revenues:						
Property taxes	33,987	32,212			33,987	32,212
Grants and contributions not restricted to specific purposes	5,691	5,956			5,691	5,956
Unrestricted investment earnings	111	166	3	2	114	168
Miscellaneous	1,533	633			1,533	633
Transfers	353	346	(353)	(346)	-	-
Total revenues	<u>62,387</u>	<u>56,873</u>	<u>2,055</u>	<u>3,160</u>	<u>64,442</u>	<u>60,033</u>
Program expenses:						
Administration	2,725	4,355			2,725	4,355
Planning and development	434	384			434	384
Public safety	4,126	4,388			4,126	4,388
Public works	5,126	4,129			5,126	4,129
Health and social services	784	763			784	763
Library, recreation and parks	1,095	1,196			1,095	1,196
Education	40,268	37,446			40,268	37,446
Interest on long-term debt	972	754			972	754
Sewer			2,534	2,751	2,534	2,751
Total program expenses	<u>55,530</u>	<u>53,415</u>	<u>2,534</u>	<u>2,751</u>	<u>58,064</u>	<u>56,166</u>
Increase (Decrease) in Net Assets	\$ <u>6,857</u>	\$ <u>3,458</u>	\$ <u>(479)</u>	\$ <u>409</u>	\$ <u>6,378</u>	\$ <u>3,867</u>

The Town's total revenues were \$64,442. The total cost of all programs and services was \$58,064. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The greatest increase was in grants. Capital and operating grants and contributions accounted for 28% of the Town's governmental activities. The Town continues to utilize grants and contributions to maintain its services but has maintained its reliance on property taxes. Property taxes accounted for 54% of the Town's governmental activities compared to 56% in FY 2011. This year the trash fee was rolled into the mill rate for the first time.

Education related expenses accounted for over 72% of the total program expenses for governmental activities. Clean up after Storm Alfred increased our Public Works expenses by \$1,000 to 9% of total program expenses. Administration decreased to 5% from 8.2%. 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Administration	\$ 2,725	\$ 4,355	\$ (583)	\$ 3,629
Public safety	4,126	4,388	3,688	3,964
Public works	5,126	4,129	4,375	2,903
Education	<u>40,268</u>	<u>37,446</u>	<u>24,280</u>	<u>22,765</u>
Totals	<u>\$ 52,245</u>	<u>\$ 50,318</u>	<u>\$ 31,760</u>	<u>\$ 33,261</u>

Business-Type Activities

Revenues of the Town's business-type activities (see Table 2) decreased by \$1,105 due to timings in billings for the prison. Expenses decreasing by \$217 due to a reduction in maintenance work.

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 \$14,484, which is a decrease from last year's total of \$14,926. Included in this year's total change in fund balance is an increase of \$1,533 in the Town's General Fund. In addition, these other changes in fund balances should be noted: a decrease of \$2,091 in the Capital Projects funds and an increase of \$116 in other governmental funds. The increase in the General Fund is due to increase in Intergovernmental Revenues and other funding for Capital Projects and Revenue Sharing.

General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$50,276. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$1,524. On the revenue side, final actual revenues were more than the original budget by \$1,622. We budgeted to use fund balance of \$450. Areas that received more than the amount budgeted are: Property Taxes, interest and lien fees revenues of \$427, because of including the trash fees in the mill rate for the first time. The Town received \$1,016 from the Federal Government for storm related expenditures. Expenditures for the Federal jobs bill were reflected in a separate fund.

Proprietary Funds

The Town's Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. Charges for services decreased by \$1,139 due to timing in billings on the prison. There were decreases in expenditures of \$217 due to a decrease in maintenance work.

The other two funds, Insurance Fund and Gas/Diesel Fund, are Internal Service Funds. Unrestricted net assets of both funds totaled \$897, a decrease of \$272 from the prior year. This increase is due primarily to an increase of insurance and program expenses of \$1,100 and charges for services increased by \$190. There was an operating loss of \$257 and investment income of \$2. The Gas/Diesel Fund is used to allocate the expense of the gas and diesel fuels to the departments that use them. This year there was an operating loss of \$17.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the Town had \$113 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$5.7 million, or 5.4%, over last year.

Table 4

CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 17,823	\$ 15,823	\$ 16,038	\$ 16,038	\$ 33,861	\$ 31,861
Land improvements	1,667	1,746			1,667	1,746
Buildings	45,582	46,988	818	812	46,400	47,800
Furniture and equipment	2,517	2,121	2,735	3,579	5,252	5,700
Infrastructure	18,295	18,145	8	9,807	18,303	18,155
Construction in progress	<u>7,027</u>	<u>1,503</u>			<u>7,027</u>	<u>1,503</u>
Total	\$ <u>92,911</u>	\$ <u>86,326</u>	\$ <u>19,599</u>	\$ <u>20,439</u>	\$ <u>112,510</u>	\$ <u>106,765</u>

This year's major additions included:

Development Rights for one farm	\$2,000
Various Road Projects	695
Fire Truck and equipment	599

The Town's fiscal-year 2012-13 capital budget calls for it to spend another \$3,205 for capital projects, principally for, road repairs, bridge repairs, public works equipment, town buildings repairs board of education infrastructure repairs, energy conservation, program 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, 2012, the Town had \$12,969 in bonds and notes outstanding versus \$14,536 last year - a decrease of \$1,567 or 10.1%.

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 \$238,595 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 2012 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 2011 stands at 6.2% versus 7.6% a year ago. This compares with the State's unemployment rate of 7.9% and the national rate of 8.7%.

These indicators were taken into account when adopting the General Fund budget for 2012-13. Amounts available for appropriation in the General Fund budget are \$51,307, an increase of 1.38% from the original 2012 budget of \$50,607. Property taxes and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$450 of its \$9,430 General Fund balance to finance its 2012-13 budget leaving an unassigned General Fund balance at June 30, 2012 of \$8,355 or 16.39% of the 2012-13 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 1.38% to \$51,307 from \$50,607 in 2012. Increases in general government and board of education are the largest increments with a reduction in debt service and capital expenditures remaining about the same. The Town has added no major new programs or initiatives to the 2013 budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2013.

The Water Pollution Control Authority approved the 2012-13 budget with an increase of 2.2% in expenditures, with no change 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, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 14,347,123	\$ 1,703,988	\$ 16,051,111
Receivables, net	4,798,974	382,267	5,181,241
Inventory	20,655		20,655
Net pension asset	76,182		76,182
Capital assets not being depreciated	24,850,373	16,038,335	40,888,708
Capital assets being depreciated, net	68,060,923	3,561,036	71,621,959
Total assets	<u>112,154,230</u>	<u>21,685,626</u>	<u>133,839,856</u>
Liabilities:			
Accounts and other payables	2,340,246	167,198	2,507,444
Unearned revenue	705,987		705,987
Internal balances	2,015	(2,015)	-
Noncurrent liabilities:			
Due within one year	1,980,544		1,980,544
Due in more than one year	14,023,934		14,023,934
Total liabilities	<u>19,052,726</u>	<u>165,183</u>	<u>19,217,909</u>
Net Assets:			
Invested in capital assets, net of related debt	79,903,002	19,599,371	99,502,373
Restricted for:			
Trust purposes:			
Nonexpendable	461,518		461,518
Unrestricted	12,736,984	1,921,072	14,658,056
Total Net Assets	<u>\$ 93,101,504</u>	<u>\$ 21,520,443</u>	<u>\$ 114,621,947</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 2,724,412	\$ 467,178	\$ 1,440,557	\$ 1,400,000	\$ 583,323	\$	\$ 583,323
Planning and development	434,082	37,626	20,801		(375,655)		(375,655)
Public safety	4,126,021	410,782	27,000		(3,688,239)		(3,688,239)
Public works	5,126,477	232,150	519,353		(4,374,974)		(4,374,974)
Health and social services	783,681	5,155	8,535		(769,991)		(769,991)
Library, recreation and parks	1,094,739	125,726	28,862		(940,151)		(940,151)
Education	40,268,241	1,673,005	11,823,267	2,491,775	(24,280,194)		(24,280,194)
Interest on long-term debt	971,614				(971,614)		(971,614)
Total governmental activities	55,529,267	2,951,622	13,868,375	3,891,775	(34,817,495)	-	(34,817,495)
Business-type activities:							
Sewer	2,533,875	2,340,663		63,969		(129,243)	(129,243)
Total	\$ 58,063,142	\$ 5,292,285	\$ 13,868,375	\$ 3,955,744	(34,817,495)	(129,243)	(34,946,738)
General revenues:							
Property taxes					33,986,792		33,986,792
Grants and contributions not restricted to specific programs					5,689,827		5,689,827
Unrestricted investment earnings					111,401	3,155	114,556
Miscellaneous					1,533,303		1,533,303
Transfers					353,007	(353,007)	-
Total general revenues and transfers					41,674,330	(349,852)	41,324,478
Change in net assets					6,856,835	(479,095)	6,377,740
Net Assets at Beginning of Year					86,244,669	21,999,538	108,244,207
Net Assets at End of Year					\$ 93,101,504	\$ 21,520,443	\$ 114,621,947

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2012

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 11,799,959	\$ 521,013	\$ 807,090	\$ 13,128,062
Receivables, net	2,400,871	1,395,328	963,840	4,760,039
Due from other funds	3,231,926	4,917,261	637,046	8,786,233
Inventories			20,655	20,655
Total Assets	<u>\$ 17,432,756</u>	<u>\$ 6,833,602</u>	<u>\$ 2,428,631</u>	<u>\$ 26,694,989</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and accrued liabilities	\$ 1,083,623	\$ 291,686	\$ 123,334	\$ 1,498,643
Due to other funds	5,623,519	3,045,369	281,115	8,950,003
Deferred revenue	1,295,368		466,789	1,762,157
Total liabilities	<u>8,002,510</u>	<u>3,337,055</u>	<u>871,238</u>	<u>12,210,803</u>
Fund balances:				
Nonspendable			482,173	482,173
Restricted			643,449	643,449
Committed	386,000	4,255,510	491,040	5,132,550
Assigned	688,901	679,663		1,368,564
Unassigned	8,355,345	(1,438,626)	(59,269)	6,857,450
Total fund balances	<u>9,430,246</u>	<u>3,496,547</u>	<u>1,557,393</u>	<u>14,484,186</u>
Total Liabilities and Fund Balances	<u>\$ 17,432,756</u>	<u>\$ 6,833,602</u>	<u>\$ 2,428,631</u>	<u>\$ 26,694,989</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

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	\$	14,484,186
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 122,895,291	
Less accumulated depreciation	<u>(29,983,995)</u>	
Net capital assets		92,911,296

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

Net pension asset	76,182
Housing loan receivable	157,944
Special assessment receivable	136,778
Property tax receivable greater than 60 days	508,632
Interest receivable on property taxes	252,816

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.

896,881

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	(12,864,895)
Deferred amounts on refunding	(104,382)
Interest payable on bonds	(318,733)
Net OPEB obligation	(2,225,074)
Landfill closure and postclosure	(194,400)
Compensated absences	(456,389)
Capital lease obligation	(39,017)
Claims and judgments	<u>(120,321)</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>93,101,504</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 34,156,785	\$	\$	\$ 34,156,785
Intergovernmental	17,887,712	3,879,493	1,599,591	23,366,796
Charges for services	1,612,464	42,700	1,353,406	3,008,570
Interest income	32,957	383	75,610	108,950
Miscellaneous	1,532,862	2,480	19,267	1,554,609
Total revenues	<u>55,222,780</u>	<u>3,925,056</u>	<u>3,047,874</u>	<u>62,195,710</u>
Expenditures:				
Current:				
Administration	4,877,532		14,959	4,892,491
Planning and development	383,785		20,671	404,456
Public safety	3,323,344		321,633	3,644,977
Public works	4,176,161			4,176,161
Health and social services	690,997		2,236	693,233
Library, recreation and parks	420,275		539,141	959,416
Education	34,204,716		2,299,742	36,504,458
Miscellaneous	34,790			34,790
Debt service	2,248,430			2,248,430
Capital outlay		9,389,445	42,340	9,431,785
Total expenditures	<u>50,360,030</u>	<u>9,389,445</u>	<u>3,240,722</u>	<u>62,990,197</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,862,750</u>	<u>(5,464,389)</u>	<u>(192,848)</u>	<u>(794,487)</u>
Other Financing Sources (Uses):				
Transfers in	410,000	3,523,734	569,305	4,503,039
Transfers out	(3,740,032)	(150,000)	(260,000)	(4,150,032)
Total other financing sources (uses)	<u>(3,330,032)</u>	<u>3,373,734</u>	<u>309,305</u>	<u>353,007</u>
Net Change in Fund Balances	1,532,718	(2,090,655)	116,457	(441,480)
Fund Balances at Beginning of Year	<u>7,897,528</u>	<u>5,587,202</u>	<u>1,440,936</u>	<u>14,925,666</u>
Fund Balances at End of Year	<u>\$ 9,430,246</u>	<u>\$ 3,496,547</u>	<u>\$ 1,557,393</u>	<u>\$ 14,484,186</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, 2012

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)	\$ (441,480)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	9,181,363
Depreciation expense	(2,592,242)

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.

	(4,167)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax interest and lien revenue-accrual basis change	8,611
Property tax receivable-accrual basis change	(178,604)
Special assessment receivable-accrual basis change	(7,797)
Net pension asset	(23,525)

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

Bond principal payments	1,546,508
Capital lease payments	64,070
Deferred amounts in refunding	20,521

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

Compensated absences	(66,808)
Net OPEB obligation	(181,154)
Landfill closure and postclosure	16,200
Claims and judgments	77,341
Accrued interest	(290,212)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

	<u>(271,790)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)

	<u><u>\$ 6,856,835</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2012

	<u>Business-Type Activities</u> WPCA <u>Enterprise Fund</u>	<u>Governmental Activities</u> Internal <u>Service Funds</u>
Assets:		
Cash and cash equivalents	\$ 1,703,988	\$ 1,219,061
Due from other funds	2,647	161,755
Receivables, net	382,267	38,935
Capital assets not being depreciated	16,038,335	
Capital assets, net of accumulated depreciation	3,561,036	
Total assets	<u>21,688,273</u>	<u>1,419,751</u>
Liabilities:		
Accounts and other payables	167,198	522,870
Due to other funds	632	
Total liabilities	<u>167,830</u>	<u>522,870</u>
Net Assets:		
Invested in capital assets	19,599,371	
Unrestricted	1,921,072	896,881
Total Net Assets	<u>\$ 21,520,443</u>	<u>\$ 896,881</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, 2012

	<u>Business-Type Activities</u> WPCA <u>Enterprise Fund</u>	<u>Governmental Activities</u> Internal <u>Service Funds</u>
Operating Revenues:		
Charges for services	\$ 2,307,848	\$ 6,739,002
Other	32,815	
Total operating revenues	<u>2,340,663</u>	<u>6,739,002</u>
Operating Expenses:		
Administrative expense	45,994	628,901
Payroll and employee benefits	964,338	
Sludge disposal	153,655	
Plant maintenance and materials	80,280	
Insurance and program services	16,046	5,903,978
Utilities	331,907	
Other operating expense		480,364
Depreciation	941,655	
Total operating expenses	<u>2,533,875</u>	<u>7,013,243</u>
Operating Loss	(193,212)	(274,241)
Nonoperating Revenue:		
Income on investments	3,155	2,451
Change in Net Assets Before Capital Items and Transfers	<u>(190,057)</u>	<u>(271,790)</u>
Capital Items and Transfers:		
Capital grants	18,909	
Capital contributions	45,060	
Transfer out	(353,007)	
Total capital items and transfers	<u>(289,038)</u>	<u>-</u>
Change in Net Assets	(479,095)	(271,790)
Net Assets at Beginning of Year	<u>21,999,538</u>	<u>1,168,671</u>
Net Assets at End of Year	<u>\$ 21,520,443</u>	<u>\$ 896,881</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, 2012

	Business-Type Activities	Governmental Activities
	WPCA	Internal
	Enterprise Fund	Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 2,302,432	\$ 7,029,599
Cash payments to employees for services	(964,338)	
Cash payments to supplies for goods and services	(600,124)	(6,960,089)
Cash received from other sources	39,212	
Net cash provided by operating activities	<u>777,182</u>	<u>69,510</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(101,720)	
Capital grants	18,909	
Capital contributions	45,060	
Net cash used in capital financing activities	<u>(37,751)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Transfer out	<u>(353,007)</u>	
Cash Flows from Investing Activities:		
Interest received on investments	<u>3,155</u>	<u>2,451</u>
Net Increase in Cash and Cash Equivalents	389,579	71,961
Cash and Cash Equivalents at Beginning of Year	<u>1,314,409</u>	<u>1,147,100</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,703,988</u>	<u>\$ 1,219,061</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (193,212)	\$ (274,241)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	941,655	
(Increase) decrease in accounts receivable	(5,416)	93,325
Decrease in due from other funds	6,397	197,272
Increase in accounts payable	<u>27,758</u>	<u>53,154</u>
Net Cash Provided by Operating Activities	<u>\$ 777,182</u>	<u>\$ 69,510</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, 2012

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 194,024	\$	\$ 329,839
Investments	20,636,126	3,891,769	13,931
Receivables:			
Other	<u>242,115</u>	<u> </u>	<u> </u>
Total assets	21,072,265	3,891,769	<u>\$ 343,770</u>
Liabilities:			
Accounts and other payables	<u>5,016</u>	<u> </u>	<u>\$ 343,770</u>
Net Assets:			
Held in Trust for Pension and OPEB Benefits	<u>\$ 21,067,249</u>	<u>\$ 3,891,769</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, 2012

	Pension Trust Fund	OPEB Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,032,104	\$ 1,688,185
Employee	444,532	389,108
Total contributions	<u>1,476,636</u>	<u>2,077,293</u>
Investment income:		
Interest and dividends	562,522	135,505
Net appreciation (depreciation) in fair value of investments	5,204	(50,144)
Investment expenses	<u>(46,068)</u>	<u> </u>
Net investment income	<u>521,658</u>	<u>85,361</u>
Miscellaneous income	<u> </u>	<u>5,487</u>
Total additions	<u>1,998,294</u>	<u>2,168,141</u>
Deductions:		
Benefits payments and withdrawals	1,431,345	1,052,293
Administration	<u>76,617</u>	<u>18,066</u>
Total deductions	<u>1,507,962</u>	<u>1,070,359</u>
Net Increase	490,332	1,097,782
Net Assets Held in Trust for Pension and OPEB Benefits at Beginning of Year	<u>20,576,917</u>	<u>2,793,987</u>
Net Assets Held in Trust for Pension and OPEB Benefits at End of Year	<u>\$ 21,067,249</u>	<u>\$ 3,891,769</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

D. Deposits and Investments

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

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

Investments are reported at fair value.

E. Receivables and Payables

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

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest on delinquent balances is computed at 1.5% per month. Liens are filed on delinquent real estate taxes within one year. An amount of \$96,988 has been established as an allowance for uncollectible taxes. At June 30, 2012, this represents 14.5% 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, 2012, the total amount of the liability was \$456,389. 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:

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

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

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

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Expenditures are budgeted by department, function and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Selectmen to reassign resources between departments. The legal level of budgetary control is the department level. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers are required to be submitted in writing to the Board of Selectmen, who, upon consideration, will forward to the Board of Finance for approval. Any transfers which alter the total budget in an amount equal to or greater than one quarter of one percent of the total budget must be also approved by a Town meeting resolution. Any additional appropriations would also require Town meeting approval. During the year ended June 30, 2012, there was \$1,191,318 in additional appropriations.

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

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

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

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

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2012:

Nonmajor Governmental Funds:

Special Revenue Funds:

Municipal Grant	\$	58,624
Drug Education and Enforcement Grant		20
Kent Memorial Library		625

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*, \$5,068,176 of the Town’s bank balance of \$6,099,287 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,680,818
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>387,358</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 5,068,176</u>

Cash Equivalents

At June 30, 2012, the Town's cash equivalents amounted to \$10,027,807. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

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

*Not rated

Investments

As of June 30, 2012, 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	\$ 374,002		\$ 108,878	\$ 265,124
U.S. Treasury notes	AAA	402,547		402,547	
U.S. Government obligations	AAA	1,191,182		723,734	467,448
Corporate bonds	A-AAA	932,705	88,125	554,942	289,638
Corporate bonds	BBB-BBB+	1,053,791	137,612	741,131	175,048
Foreign bonds	A-AAA	260,188	30,888	229,300	
Foreign bonds	BBB-BBB+	144,629		137,689	6,940
Other fixed income	AAA/AAA	44,749			44,749
Certificates of deposit	*	13,931	13,823		
Total			\$ 270,448	\$ 2,898,221	\$ 1,248,947
Other investments:					
Mutual funds		3,891,769			
Common stock		16,232,333			
Total Investments		\$ 24,541,826			

*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, 2012, the Town had \$16,232,333 of uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>WPCA Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 669,045	\$	\$	\$	\$ 669,045
Interest	252,816				252,816
Accounts	151,968	125	382,267	38,935	573,295
Special assessments				136,778	136,778
Intergovernmental	1,424,030	1,395,203		293,190	3,112,423
Loans				157,944	157,944
Other				618,043	618,043
Gross receivables	<u>2,497,859</u>	<u>1,395,328</u>	<u>382,267</u>	<u>1,244,890</u>	<u>5,520,344</u>
Less allowance for uncollectibles:	<u>(96,988)</u>				<u>(96,988)</u>
Net Total Receivables	<u>\$ 2,400,871</u>	<u>\$ 1,395,328</u>	<u>\$ 382,267</u>	<u>\$ 1,244,890</u>	<u>\$ 5,423,356</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	\$ 508,632	\$
Accrued interest on delinquent property tax	252,816	
Advance tax collections		73,721
Special assessments not yet due	136,778	
Cell phone tower - unearned		456,187
Grant drawdowns prior to meeting all eligibility requirements		172,066
Loans receivable	157,944	
Unearned program revenues		4,013
	<u> </u>	<u> </u>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>1,056,170</u>	\$ <u>705,987</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,823,359	\$ 2,000,000	\$	\$ 17,823,359
Construction in progress	1,503,168	6,219,125	695,279	7,027,014
Total capital assets not being depreciated	<u>17,326,527</u>	<u>8,219,125</u>	<u>695,279</u>	<u>24,850,373</u>
Capital assets being depreciated:				
Buildings	64,587,939	204,799		64,792,738
Land improvements	2,191,697			2,191,697
Furniture and equipment	6,899,152	757,439	56,605	7,599,986
Infrastructure	22,765,218	695,279		23,460,497
Total capital assets being depreciated	<u>96,444,006</u>	<u>1,657,517</u>	<u>56,605</u>	<u>98,044,918</u>
Less accumulated depreciation for:				
Buildings	17,600,155	1,610,107		19,210,262
Land improvements	445,735	79,115		524,850
Furniture and equipment	4,777,889	357,620	52,438	5,083,071
Infrastructure	4,620,412	545,400		5,165,812
Total accumulated depreciation	<u>27,444,191</u>	<u>2,592,242</u>	<u>52,438</u>	<u>29,983,995</u>
Total capital assets being depreciated, net	<u>68,999,815</u>	<u>(934,725)</u>	<u>4,167</u>	<u>68,060,923</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,326,342</u>	<u>\$ 7,284,400</u>	<u>\$ 699,446</u>	<u>\$ 92,911,296</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 16,038,335	\$	\$	\$ 16,038,335
Capital assets being depreciated:				
Buildings	9,672,629	6,040		9,678,669
Equipment	16,518,256	95,680		16,613,936
Vehicles	91,278			91,278
Infrastructure	10,130			10,130
Total capital assets being depreciated	<u>26,292,293</u>	<u>101,720</u>	<u>-</u>	<u>26,394,013</u>
Less accumulated depreciation for:				
Buildings	8,860,413	506		8,860,919
Equipment	12,939,133	310,497		13,249,630
Vehicles	91,453	628,768		720,221
Infrastructure	323	1,884		2,207
Total accumulated depreciation	<u>21,891,322</u>	<u>941,655</u>	<u>-</u>	<u>22,832,977</u>
Total capital assets being depreciated, net	<u>4,400,971</u>	<u>(839,935)</u>	<u>-</u>	<u>3,561,036</u>
Business-Type Activities Capital Assets, Net	<u>\$ 20,439,306</u>	<u>\$ (839,935)</u>	<u>\$ -</u>	<u>\$ 19,599,371</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 57,850
Planning and development	8,250
Public safety	187,068
Public works	661,899
Health and social services	102,880
Library, recreation and parks	51,733
Education	<u>1,522,562</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,592,242</u>
Business-type activities:	
Sewer	<u>\$ 941,655</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2012. 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	\$ 55,718,166	\$ 394,904

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2012, 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	\$ 3,043,421
	Nonmajor Governmental Funds	188,505
		<u>3,231,926</u>
Capital Projects Fund	General Fund	4,824,651
	Nonmajor Governmental Funds	92,610
		<u>4,917,261</u>
Nonmajor Governmental Fund	General Fund	634,466
	Capital Projects Fund	1,948
	WPCA	632
		<u>637,046</u>
WPCA	General Fund	2,647
Internal Service Funds	General Fund	<u>161,755</u>
Total		<u>\$ 8,950,635</u>

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

Interfund transfers:

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 3,293,734	\$ 446,298	\$ 3,740,032
Capital Projects	150,000			150,000
Nonmajor Governmental Funds	260,000			260,000
WPCA		<u>230,000</u>	<u>123,007</u>	<u>353,007</u>
Total Transfers In	<u>\$ 410,000</u>	<u>\$ 3,523,734</u>	<u>\$ 569,305</u>	<u>\$ 4,503,039</u>

Transfers represent annual recurring transactions that move resources between funds.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 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	\$ 14,411,403	\$	\$ 1,546,508	\$ 12,864,895	\$ 1,549,061
Unamortized amounts:					
Deferred amounts on refunding	<u>124,903</u>	<u> </u>	<u>20,521</u>	<u>104,382</u>	<u> </u>
Total bonds payable	14,536,306	-	1,567,029	12,969,277	1,549,061
Landfill closure and postclosure	210,600		16,200	194,400	16,200
Capital lease obligation	103,087		64,070	39,017	39,017
Net OPEB obligation	2,043,920	181,154		2,225,074	
Compensated absences	389,581	71,437	4,629	456,389	298,925
Claims and judgments	<u>197,662</u>	<u> </u>	<u>77,341</u>	<u>120,321</u>	<u>77,341</u>
Governmental Activity Long-Term Liabilities	<u>\$ 17,481,156</u>	<u>\$ 252,591</u>	<u>\$ 1,729,269</u>	<u>\$ 16,004,478</u>	<u>\$ 1,980,544</u>

General long-term debt transactions are summarized as follows for the year ended June 30, 2012:

<u>Description</u>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>
Bonds payable:				
Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021	\$ 14,065,000	\$	\$ 1,430,000	\$ 12,635,000
Pollution abatement facilities loan issued in 1994, amount \$1,589,472, interest rate 2.0%, maturity date November 2013	227,085		91,926	135,159
Pollution abatement facilities loan issued in 1995, amount \$610,016, interest rate 2.0%, maturity date November 2014	<u>119,318</u>	<u> </u>	<u>24,582</u>	<u>94,736</u>
Total	<u>\$ 14,411,403</u>	<u>\$ -</u>	<u>\$ 1,546,508</u>	<u>\$ 12,864,895</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, 2012, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,405,000	419,750	1,824,750
2017	1,400,000	349,500	1,749,500
2018-2021	<u>5,590,000</u>	<u>699,250</u>	<u>6,289,250</u>
Total	\$ <u>12,864,895</u>	\$ <u>3,156,189</u>	\$ <u>16,021,084</u>

As of June 30, 2012, the Town had authorized unissued bonds of \$26,308,000 available to finance school building projects.

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 \$194,400 is recognized in the statement of net assets. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

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

Category	Debt Limit	Indebtedness*	Balance
General purpose	\$ 76,691	\$	\$ 76,691
Schools	153,383	13,972	139,411
Sewers	127,819	220	127,599
Urban renewal	110,776		110,776
Pension deficit	102,255		102,255

* Includes bonds authorized unissued of \$1,327.

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$238,595).

Capital Lease

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

The asset acquired through the capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 239,623
Less accumulated depreciation	<u>138,448</u>
Total	<u>\$ 101,175</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2012 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2013	\$ 41,028
Total minimum lease payments	<u>41,028</u>
Less amount representing interest	<u>2,011</u>
Present Value of Minimum Lease Payments	<u>\$ 39,017</u>

Operating Lease

During 2007, the Town entered into a five-year operating lease agreement with the option to renew the lease for one period of five years upon expiration of the original term. The Town and lessor renewed the lease for a period of one year. Rental payments are \$80,400 per year, terminating on December 31, 2012. A pro rata share of the agreed upon common maintenance expenses on the property is also required as additional rent, when applicable.

Claims and Judgments

The Town had previously been involved with the Municipal Interlocal Risk Management Association (MIRMA) for workers compensation coverage. During the year ended June 30, 2010, MIRMA levied an additional assessment on all member towns to fulfill the lookback requirements. The Town was assessed \$361,136, of which \$72,655 was accrued during fiscal year ended June 30, 2010. The Town paid \$77,341 during fiscal year ended June 30, 2012. The remaining amount of \$120,321 has been recorded for this liability.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2012 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 20,655	\$ 20,655
Endowments			461,518	461,518
Restricted for:				
Grants			316,444	316,444
Public safety			286,649	286,649
Health and social services			3,278	3,278
Library, recreation and parks			23,262	23,262
Education			13,816	13,816
Committed to:				
Administration			2,620	2,620
Public safety			186,286	186,286
Public works			141,996	141,996
Library, recreation and parks			50,274	50,274
Education			82,107	82,107
Capital projects	386,000	4,255,510		4,641,510
Sewer assessment			27,757	27,757
Assigned to:				
Administration	5,026			5,026
Planning and development	4,000			4,000
Public works	23,247			23,247
Education	206,628			206,628
Subsequent year's budget	450,000			450,000
Capital projects		679,663		679,663
Unassigned	8,355,345	(1,438,626)	(59,269)	6,857,450
Total Fund Balances	\$ 9,430,246	\$ 3,496,547	\$ 1,557,393	\$ 14,484,186

Significant encumbrances at June 30, 2012 are contained in the above table in the assigned or restricted category of the General Fund and Capital Projects Fund depending on the nature of the encumbrance.

9. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

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

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

At July 1, 2010, plan membership consisted of the following:

	<u>Retiree Health Plan</u>
Retired members	65
Active plan members	<u>409</u>
Total Participants	<u><u>474</u></u>

Funding Policy

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

Town Employees

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

Board of Education Employees

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

For the year ended June 30, 2012, plan members contributed \$319,660, and claims and benefits paid were \$1,052,293. Employer contributions to the OPEB Trust Fund were \$1,688,185. There was also a Teacher's Retirement Board reimbursement of \$69,448. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Annual OPEB Cost and Net OPEB Obligations

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

	Retiree Health Plan
Annual required contribution (ARC)	\$ 1,876,984
Interest on net OPEB obligation	153,294
Adjustment to annual required contribution	<u>(160,939)</u>
Annual OPEB cost	1,869,339
Contributions made	<u>1,688,185</u>
Change in net OPEB obligation	181,154
Net OPEB obligation, beginning of year	<u>2,043,920</u>
Net OPEB Obligation, End of Year	<u><u>\$ 2,225,074</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2012 is presented below. Data is presented for fiscal years ended June 30, 2012, 2011 and 2010 below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/12	\$ 1,869,339	\$ 1,688,185	90%	\$ 2,225,074
6/30/11	1,820,943	3,037,749	167%	2,043,920
6/30/10	2,299,983	643,707	28%	3,260,726

Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2008	\$	\$ 22,263,100	\$ 22,263,100	- %	\$ 20,353,100	109 %
7/1/2010		15,851,573	15,851,573	-	23,864,000	66

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
6/30/12	\$ 1,876,984	90 %	\$ 1,688,185
6/30/11	2,325,040	131	3,037,749
6/30/10	2,283,210	28	643,707

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, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% to an ultimate rate of 5% after four years. The annual dental cost trend rate is 4% per annum. Projected salary increases were 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2010 was 30 years.

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Employee's Retirement System

A. Plan Description

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

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

As of July 1, 2011, the date of the latest actuarial valuation, PERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	84
Terminated plan members entitled to benefits but not yet receiving them	30
Active plan members	<u>179</u>
Total	<u><u>293</u></u>

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

B. Summary of Significant Accounting Policies

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

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

C. Funding Policy

Contributions

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

D. Annual Pension Cost and Net Pension Obligations

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

Annual required contribution	\$ 1,006,709
Interest on net pension obligation	(7,478)
Adjustment to annual required contribution	<u>9,097</u>
Annual pension cost	1,008,328
Contributions made	<u>984,803</u>
Decrease in net pension asset	23,525
Net pension obligation (asset), July 1, 2011	<u>(99,707)</u>
Net Pension Obligation (Asset), June 30, 2012	<u>\$ (76,182)</u>

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

Actuarial valuation date	July 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	Adjusted market value
Actuarial assumptions:	
Investment rate of return	7.5%*
Projected salary increases	3.5%

*Includes no inflation

E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/12	\$ 1,008,328	97.7 %	\$ (76,182)
6/30/11	967,281	99.8	(99,707)
6/30/10	792,723	99.8	(101,354)

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/11	\$ 20,726,827	\$ 26,790,558	(6,063,731)	77.4 %	\$ 8,944,838	(67.8) %
7/1/09	19,269,025	23,057,237	(3,788,212)	83.6 %	8,482,011	(44.7)
7/1/07	15,662,228	17,380,181	(1,717,953)	90.1	7,610,596	(22.6)

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Percentage Contributed	Actual Contribution
6/30/12	\$ 1,006,709	98 %	\$ 984,803
6/30/11	790,600	100	790,600
6/30/10	698,455	100	698,455

G. Teachers' Retirement System

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

The Board of Education withholds 7.25% of all teachers' and administrators' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$15,665,673

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, 2012, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$3,217,263 as payments made by the State of Connecticut on behalf of the Town.

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

11. RISK MANAGEMENT

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

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

Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$5,903,978. This amount includes the Administrator's estimate of claims incurred but not reported at June 30, 2012 of \$522,870.

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

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2011-12 \$	469,716 \$	5,903,978 \$	5,850,824 \$	522,870
2010-11	575,674	4,802,483	4,908,441	469,716

12. CONTINGENT LIABILITIES

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

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes, interest and lien fees:				
Current list	\$ 33,114,341	\$ 33,114,341	\$ 33,219,880	\$ 105,539
Supplemental motor vehicle	210,000	210,000	246,632	36,632
Interest and fees	125,000	125,000	251,591	126,591
Taxes, prior years	280,000	280,000	438,682	158,682
Total property taxes, interest and lien fees	<u>33,729,341</u>	<u>33,729,341</u>	<u>34,156,785</u>	<u>427,444</u>
Intergovernmental revenues:				
State of Connecticut:				
Payment in lieu of taxes - State Property	3,313,742	3,313,742	3,350,440	36,698
Mashantucket Pequot	2,322,490	2,322,490	2,253,944	(68,546)
Payment in lieu of taxes, disabled tax relief	900	900	943	43
Veterans' exemption	7,900	7,900	6,798	(1,102)
Elderly tax relief - circuit breaker	81,000	81,000	75,702	(5,298)
Elderly tax relief - freeze	4,000	4,000	2,000	(2,000)
LOCIP reimbursement	94,057	94,057	375,322	281,265
Miscellaneous	32,000	32,000	340,278	308,278
Town Aid Road	144,074	144,074	144,031	(43)
Youth Services	14,000	14,000	14,000	-
Federal Revenue	355,000	355,000	1,016,374	661,374
Total	<u>6,369,163</u>	<u>6,369,163</u>	<u>7,579,832</u>	<u>1,210,669</u>
Education:				
Education cost sharing	6,082,494	6,082,494	6,070,054	(12,440)
Vocational agriculture grant	203,250	203,250	270,803	67,553
Other educational grants	7,520	7,520		(7,520)
Pupil transportation	109,323	109,323	112,692	3,369
Total	<u>6,402,587</u>	<u>6,402,587</u>	<u>6,453,549</u>	<u>50,962</u>
Total intergovernmental revenues	<u>12,771,750</u>	<u>12,771,750</u>	<u>14,033,381</u>	<u>1,261,631</u>
Investment income:				
Interest income	<u>100,000</u>	<u>100,000</u>	<u>32,940</u>	<u>(67,060)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Current services and fees:				
Licenses, permits and fines:				
Building Department	\$ 260,000	\$ 260,000	\$ 212,621	\$ (47,379)
Zoning and Planning	18,000	18,000	17,399	(601)
Zoning Board of Appeals	3,410	3,410	4,340	930
Police permits	4,000	4,000	8,051	4,051
Conservation	4,000	4,000	3,859	(141)
Historic District fees	800	800	400	(400)
Total	<u>290,210</u>	<u>290,210</u>	<u>246,670</u>	<u>(43,540)</u>
Charges for current services:				
Bulky waste	2,000	2,000	4,574	2,574
Assessor's map sales	1,000	1,000	892	(108)
Real estate conveyance tax	325,396	325,396	113,699	(211,697)
Mini-bus transportation	4,000	4,000	5,155	1,155
Police alarm fees	1,000	1,000	175	(825)
Town Clerk historic document fees	3,600	3,600	2,646	(954)
Town Clerk recording fees	134,400	134,400	98,042	(36,358)
Total	<u>471,396</u>	<u>471,396</u>	<u>225,183</u>	<u>(246,213)</u>
Landfill:				
Operating	40,000	40,000	43,824	3,824
Residential permits			28,177	28,177
Sale of scrap metal	14,000	14,000	12,065	(1,935)
Permits	13,000	13,000	10,060	(2,940)
Total	<u>67,000</u>	<u>67,000</u>	<u>94,126</u>	<u>27,126</u>
Recreation:				
Camps	39,710	39,710	33,349	(6,361)
Activity	81,920	81,920	85,886	3,966
Total	<u>121,630</u>	<u>121,630</u>	<u>119,235</u>	<u>(2,395)</u>
Revenue from other agencies:				
Telecommunications grant	8,000	8,000	26,000	18,000
Tuition, Vo-ag	719,280	719,280	759,240	39,960
Tuition, other	136,000	136,000	126,242	(9,758)
Total	<u>863,280</u>	<u>863,280</u>	<u>911,482</u>	<u>48,202</u>
Total current services and fees	<u>1,813,516</u>	<u>1,813,516</u>	<u>1,596,696</u>	<u>(216,820)</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, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Miscellaneous:				
Rent - Town property	\$ 70,000	\$ 70,000	\$ 66,804	\$ (3,196)
Cell tower	105,000	105,000	103,773	(1,227)
Capital project expenditures	1,007,300	1,007,300	1,283,986	276,686
Resource Officer	52,230	52,230	54,000	1,770
Miscellaneous income	55,000	55,000	42,700	(12,300)
Total	<u>1,289,530</u>	<u>1,289,530</u>	<u>1,551,263</u>	<u>261,733</u>
 Total revenues	 <u>49,704,137</u>	 <u>49,704,137</u>	 <u>51,371,065</u>	 <u>1,666,928</u>
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	260,000	260,000	260,000	-
Capital Nonrecurring Fund	<u>195,000</u>	<u>195,000</u>	<u>150,000</u>	<u>(45,000)</u>
Total other financing sources	<u>455,000</u>	<u>455,000</u>	<u>410,000</u>	<u>(45,000)</u>
Total Revenues and Other Financing Sources	\$ <u>50,159,137</u>	\$ <u>50,159,137</u>	51,781,065	\$ <u>1,621,928</u>
Budgetary revenues are different than GAAP revenues because:				
Combination of Dog Fund for GASB 54 purposes.			15,785	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			3,217,263	
Under liquidation of prior year encumbrance is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.			(18,401)	
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.			<u>637,068</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV)			\$ <u>55,632,780</u>	

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, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Board of Selectmen	\$ 239,165	\$ 241,092	\$ 171,370	\$ 69,722
Human Resources	81,152	82,958	81,091	1,867
Probate Court	7,952	7,952	7,581	371
Election	35,743	35,743	29,833	5,910
Board of Finance	10,825	10,825	9,224	1,601
Assessors	139,716	147,541	134,046	13,495
Board of Assessment Appeals	1,450	1,450	597	853
Tax Collector	159,815	161,494	156,047	5,447
Tax Rebates	40,000	40,000	39,385	615
Finance	260,203	262,525	243,166	19,359
Information Technology	333,270	345,809	233,650	112,159
Town Counsel	85,000	132,917	130,089	2,828
Town Clerk	185,464	187,209	177,176	10,033
Town Hall	156,500	158,084	158,084	-
OPEB Fund	900,000	900,000	900,000	-
Insurance and bonds	2,704,363	2,582,698	2,399,579	183,119
Total	<u>5,340,618</u>	<u>5,298,297</u>	<u>4,870,918</u>	<u>427,379</u>
Planning and development:				
Zoning and Planning	175,575	184,283	174,833	9,450
Zoning Board of Appeals	5,737	6,154	6,154	-
Economic Development	139,530	157,120	140,803	16,317
Historic District Commission	885	885	353	532
Conservation Commission	39,900	39,900	37,493	2,407
Park Maintenance	16,233	18,437	12,301	6,136
Total	<u>377,860</u>	<u>406,779</u>	<u>371,937</u>	<u>34,842</u>
Public safety:				
Fire Commission	849,447	867,000	768,340	98,660
Police Commission	2,175,109	2,213,812	2,132,400	81,412
Civil Preparedness	17,263	26,788	26,788	-
Building Department	201,922	205,260	196,714	8,546
Town Engineer	110,673	113,029	111,073	1,956
Total	<u>3,354,414</u>	<u>3,425,889</u>	<u>3,235,315</u>	<u>190,574</u>
Public works:				
Public works	467,492	478,583	414,051	64,532
Highway	1,120,594	1,134,707	1,044,470	90,237
State aid road funds	144,074	159,213	32,320	126,893
Public utilities	510,000	510,000	507,937	2,063
Town landfill	1,149,368	1,150,577	1,124,367	26,210
Storm Alfred		1,066,000	1,061,124	4,876
Total	<u>3,391,528</u>	<u>4,499,080</u>	<u>4,184,269</u>	<u>314,811</u>
Health and social services:				
Health and social services	191,190	191,190	187,686	3,504
Social Services Commission	1,615	2,565	2,565	-
Senior Center	95,031	103,689	96,673	7,016
Mini-bus transportation	194,403	194,403	193,308	1,095

(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, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Health and social services (continued):				
EMS/Ambulance	\$ 219,244	\$ 222,306	\$ 203,749	\$ 18,557
Total	<u>701,483</u>	<u>714,153</u>	<u>683,981</u>	<u>30,172</u>
Library, Recreation and Parks:				
Recreation	246,633	250,764	244,061	6,703
Recreation activity	114,261	114,261	80,102	34,159
Tree Warden	15,000	24,763	24,763	-
Youth Services	71,099	73,317	70,637	2,680
Total	<u>446,993</u>	<u>463,105</u>	<u>419,563</u>	<u>43,542</u>
Board of Education	<u>30,743,551</u>	<u>30,743,551</u>	<u>30,407,419</u>	<u>336,132</u>
Miscellaneous:				
Cemeteries	<u>34,790</u>	<u>34,790</u>	<u>34,790</u>	<u>-</u>
Debt service	<u>2,248,430</u>	<u>2,248,430</u>	<u>2,248,430</u>	<u>-</u>
Contingency	<u>200,000</u>	<u>146,983</u>		<u>146,983</u>
Total expenditures	<u>46,839,667</u>	<u>47,981,057</u>	<u>46,456,622</u>	<u>1,524,435</u>
Other financing uses:				
Transfers out:				
Capital Projects Funds	3,245,946	3,293,734	3,293,734	-
Dog Fund	82,899	79,366	79,366	-
Cafeteria Fund	18,000	18,000	18,000	-
Kent memorial library	422,625	428,298	428,298	-
Total other financing uses	<u>3,769,470</u>	<u>3,819,398</u>	<u>3,819,398</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 50,609,137</u>	<u>\$ 51,800,455</u>	50,276,020	<u>\$ 1,524,435</u>

Budgetary expenditures are different than GAAP expenditures because:

Combination of Dog Fund for GASB 54 purposes.	(110)
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	3,217,263
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.	(30,179)
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.	<u>637,068</u>

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

\$ 54,100,062

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 11,799,959	\$ 12,899,314
Receivables:		
Property taxes, net of allowance for uncollectibles of \$96,988 in 2012 and \$14,932 in 2011	572,057	766,665
Intergovernmental	1,424,030	322,297
Other	404,784	782,745
Due from other funds	<u>3,231,926</u>	<u>2,805,536</u>
Total Assets	<u>\$ 17,432,756</u>	<u>\$ 17,576,557</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,083,623	\$ 1,319,297
Due to other funds	5,623,519	7,048,696
Deferred revenues	<u>1,295,368</u>	<u>1,311,036</u>
Total liabilities	<u>8,002,510</u>	<u>9,679,029</u>
Fund balance:		
Committed	386,000	433,788
Assigned	688,901	772,933
Unassigned	<u>8,355,345</u>	<u>6,690,807</u>
Total fund balance	<u>9,430,246</u>	<u>7,897,528</u>
Total Liabilities and Fund Balance	<u>\$ 17,432,756</u>	<u>\$ 17,576,557</u>

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2012

Grand List	Uncollected Taxes July 1, 2011	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2012	
			Additions	Deductions			Taxes	Interest	Lien Fees	Total		
2010	\$	\$ 33,779,737	\$ 42,888	\$ (67,110)	\$	\$ 33,755,515	\$ 33,405,170	\$ 102,102	\$ 246	\$ 33,507,518	\$ 350,345	
2009		414,183	39,056	(13,593)		439,646	291,620	64,674	1,472	357,766	148,026	
2008		210,307	2,189	(10,502)		201,994	104,270	48,038	360	152,668	97,724	
2007		96,522			(27,276)	69,246	44,988	16,820	144	61,952	24,258	
2006		14,302			(153)	14,149	1,526	395	48	1,969	12,623	
2005		13,351				13,351	505	545		1,050.00	12,846	
2004		5,987			(2,814)	3,173		24		24.00	3,173	
2003		7,337			(2,749)	4,588	25	19		44	4,563	
2002		4,483			(1,506)	2,977				-	2,977	
2001		2,836			(257)	2,579				-	2,579	
2000		2,471				2,471				-	2,471	
1999		2,118				2,118				-	2,118	
1998		1,919				1,919				-	1,919	
1997		1,623				1,623				-	1,623	
1995		1,800				1,800				-	1,800	
1995		2,358		(2,358)						-	-	
Total	\$	<u>781,597</u>	<u>33,779,737</u>	<u>84,133</u>	<u>(93,563)</u>	<u>(34,755)</u>	<u>34,517,149</u>	<u>33,848,104</u>	<u>232,617</u>	<u>2,270</u>	<u>34,082,991</u>	<u>669,045</u>

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

Special Revenue Funds

	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>
Assets								
Cash and cash equivalents	\$	\$ 37,784	\$	\$	\$	\$ 27,792	\$	\$
Receivables:								
Assessments						136,778		
Intergovernmental		21,773		250,115				
Loans receivables								
Other	121,067	44,693		154,395				
Due from other funds	65,549		289,585	1,167	185		4,635	17,108
Inventory		20,655						
Total Assets	\$ 186,616	\$ 124,905	\$ 289,585	\$ 405,677	\$ 185	\$ 164,570	\$ 4,635	\$ 17,108
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 330	\$ 90,434	\$ 897	\$ 2,506	\$	\$ 35	\$	\$
Due to other funds			2,039	37,517				
Deferred revenue				76,395		136,778		
Total liabilities	<u>330.00</u>	<u>90,434</u>	<u>2,936</u>	<u>116,418</u>	<u>-</u>	<u>136,813</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable		20,655						
Restricted		13,816	286,649	289,259	185		4,635	
Committed	186,286					27,757		17,108
Unassigned								
Total fund balances	<u>186,286</u>	<u>34,471</u>	<u>286,649</u>	<u>289,259</u>	<u>185</u>	<u>27,757</u>	<u>4,635</u>	<u>17,108</u>
Total Liabilities and Fund Balances	\$ 186,616	\$ 124,905	\$ 289,585	\$ 405,677	\$ 185	\$ 164,570	\$ 4,635	\$ 17,108

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

JUNE 30, 2012

		<u>Special Revenue Funds</u>							
		<u>Senior Center Activity</u>	<u>Municipal Grant</u>	<u>Emergency Food and Shelter</u>	<u>Small Cities Grant</u>	<u>Drug Education and Enforcement Grant</u>	<u>Sunrise Park</u>	<u>Farmington Canal Trail</u>	<u>Veterans Memorial</u>
Assets									
	Cash and cash equivalents	\$	\$	\$ 3,278	\$ 22,202	\$	\$	\$	\$
	Receivables:								
	Assessments								
	Intergovernmental		21,302						
	Loans receivables				157,944				
	Other	1,858					125		
54	Due from other funds	32,201	46,214		92,423	1,147	7,751	15,386	2,620
	Inventory								
	Total Assets	<u>\$ 34,059</u>	<u>\$ 67,516</u>	<u>\$ 3,278</u>	<u>\$ 272,569</u>	<u>\$ 1,147</u>	<u>\$ 7,876</u>	<u>\$ 15,386</u>	<u>\$ 2,620</u>
Liabilities and Fund Balances									
Liabilities:									
	Accounts payable and accrued liabilities	\$ 893	\$ 14,831	\$	\$	\$	\$	\$	\$
	Due to other funds		15,637		92,260	1,167			
	Deferred revenue		95,672		157,944				
	Total liabilities	<u>893</u>	<u>126,140</u>	<u>-</u>	<u>250,204</u>	<u>1,167</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:									
	Nonspendable								
	Restricted			3,278	22,365		7,876	15,386	
	Committed	33,166							2,620
	Unassigned		(58,624)			(20)			
	Total fund balances	<u>33,166</u>	<u>(58,624)</u>	<u>3,278</u>	<u>22,365</u>	<u>(20)</u>	<u>7,876</u>	<u>15,386</u>	<u>2,620</u>
	Total Liabilities and Fund Balances	<u>\$ 34,059</u>	<u>\$ 67,516</u>	<u>\$ 3,278</u>	<u>\$ 272,569</u>	<u>\$ 1,147</u>	<u>\$ 7,876</u>	<u>\$ 15,386</u>	<u>\$ 2,620</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

	Special Revenue Funds			Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	School Activity	Memorial	Cemetery		
Assets							
Cash and cash equivalents	\$	\$ 148,200	\$	\$ 57,074	\$ 510,760	\$	\$ 807,090
Receivables:							
Assessments							136,778
Intergovernmental							293,190
Loans receivables							157,944
Other	53,540		250				375,928
Due from other funds		632	81,936			(21,493)	637,046
Inventory							20,655
Total Assets	<u>\$ 53,540</u>	<u>\$ 148,832</u>	<u>\$ 82,186</u>	<u>\$ 57,074</u>	<u>\$ 510,760</u>	<u>\$ (21,493)</u>	<u>\$ 2,428,631</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 12,698	\$ 6,836	\$ 79	\$ 16,737	\$ 631	\$ (21,493)	\$ 123,334
Due to other funds	41,467				88,948		281,115
Deferred revenue							466,789
Total liabilities	<u>54,165</u>	<u>6,836</u>	<u>79.00</u>	<u>16,737</u>	<u>89,579</u>	<u>(21,493)</u>	<u>871,238</u>
Fund balances:							
Nonspendable				40,337	421,181		482,173
Restricted							643,449
Committed		141,996	82,107				491,040
Unassigned	(625)						(59,269)
Total fund balances	<u>(625)</u>	<u>141,996</u>	<u>82,107</u>	<u>40,337</u>	<u>421,181</u>	<u>-</u>	<u>1,557,393</u>
Total Liabilities and Fund Balances	<u>\$ 53,540</u>	<u>\$ 148,832</u>	<u>\$ 82,186</u>	<u>\$ 57,074</u>	<u>\$ 510,760</u>	<u>\$ (21,493)</u>	<u>\$ 2,428,631</u>

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

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

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	<u>Special Revenue Funds</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>
Revenues:								
Intergovernmental	\$	\$ 144,822	\$	\$ 1,365,711	\$	\$	\$	\$
Current services and fees	382,929	624,879				83,000		
Assessments						74,886		
Interest income		154				13		
Donations and program income			1,350					
Total revenues	<u>382,929</u>	<u>769,855</u>	<u>1,350</u>	<u>1,365,711</u>	<u>-</u>	<u>157,899</u>	<u>-</u>	<u>-</u>
Expenditures:								
Administration								
Planning and development								
Public safety	317,214		4,419					
Health and social services								
Library, recreation and parks								
Education		799,463		1,365,711				
Capital outlay								
Total expenditures	<u>317,214</u>	<u>799,463</u>	<u>4,419</u>	<u>1,365,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>65,715</u>	<u>(29,608)</u>	<u>(3,069)</u>	<u>-</u>	<u>-</u>	<u>157,899</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in		18,000				123,007		
Transfers out						(260,000)		
Total other financing sources (uses)	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,993)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	65,715	(11,608)	(3,069)	-	-	20,906	-	-
Fund balance at beginning of year	<u>120,571</u>	<u>46,079</u>	<u>289,718</u>	<u>289,259</u>	<u>185</u>	<u>6,851</u>	<u>4,635</u>	<u>17,108</u>
Fund Balance at End of Year	<u>\$ 186,286</u>	<u>\$ 34,471</u>	<u>\$ 286,649</u>	<u>\$ 289,259</u>	<u>\$ 185</u>	<u>\$ 27,757</u>	<u>\$ 4,635</u>	<u>\$ 17,108</u>

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

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

	Special Revenue Funds							
	Senior Center Activity	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial
Revenues:								
Intergovernmental	\$	\$ 85,337	\$	\$ 2,483	\$	\$	\$	\$
Current services and fees	13,223							
Assessments								
Interest income								
Donations and program income	13,574		623			50	20	
Total revenues	<u>26,797</u>	<u>85,337</u>	<u>623</u>	<u>2,483</u>	<u>-</u>	<u>50</u>	<u>20</u>	<u>-</u>
Expenditures:								
Administration		14,959						
Planning and development		20,671						
Public safety								
Health and social services			1,605					
Library, recreation and parks	21,252	7,367					5,479	
Education								
Capital outlay		42,340						
Total expenditures	<u>21,252</u>	<u>85,337</u>	<u>1,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,479</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,545</u>	<u>-</u>	<u>(982)</u>	<u>2,483</u>	<u>-</u>	<u>50</u>	<u>(5,459)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,545	-	(982)	2,483	-	50	(5,459)	-
Fund balance at beginning of year	<u>27,621</u>	<u>(58,624)</u>	<u>4,260</u>	<u>19,882</u>	<u>(20)</u>	<u>7,826</u>	<u>20,845</u>	<u>2,620</u>
Fund Balance at End of Year	<u>\$ 33,166</u>	<u>\$ (58,624)</u>	<u>\$ 3,278</u>	<u>\$ 22,365</u>	<u>\$ (20)</u>	<u>\$ 7,876</u>	<u>\$ 15,386</u>	<u>\$ 2,620</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

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

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

	Special Revenue Funds			Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	School Activity	Memorial	Cemetery		
Revenues:							
Intergovernmental	\$ 1,238	\$	\$	\$	\$	\$	\$ 1,599,591
Current services and fees	6,991		167,498				1,278,520
Assessments							74,886
Interest income	74,546	181		85	631		75,610
Donations and program income					3,650		19,267
Total revenues	<u>82,775</u>	<u>181</u>	<u>167,498</u>	<u>85</u>	<u>4,281</u>	<u>-</u>	<u>3,047,874</u>
Expenditures:							
Administration							14,959
Planning and development							20,671
Public safety							321,633
Health and social services					631		2,236
Library, recreation and parks	505,043						539,141
Education			134,568				2,299,742
Capital outlay							42,340
Total expenditures	<u>505,043</u>	<u>-</u>	<u>134,568</u>	<u>-</u>	<u>631</u>	<u>-</u>	<u>3,240,722</u>
Excess (deficiency) of revenues over expenditures	<u>(422,268)</u>	<u>181</u>	<u>32,930</u>	<u>85</u>	<u>3,650</u>	<u>-</u>	<u>(192,848)</u>
Other financing sources (uses):							
Transfers in	428,298						569,305
Transfers out							(260,000)
Total other financing sources (uses)	<u>428,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,305</u>
Net change in fund balances	6,030	181	32,930	85	3,650	-	116,457
Fund balance at beginning of year	<u>(6,655)</u>	<u>141,815</u>	<u>49,177</u>	<u>40,252</u>	<u>417,531</u>	<u>-</u>	<u>1,440,936</u>
Fund Balance at End of Year	<u>\$ (625)</u>	<u>\$ 141,996</u>	<u>\$ 82,107</u>	<u>\$ 40,337</u>	<u>\$ 421,181</u>	<u>\$ -</u>	<u>\$ 1,557,393</u>

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

JUNE 30, 2012

	School Building Fund	Town Improvement Fund	Sewer Capital Projects	Industrial Park Fund	West Suffield Fire Station Construction Fund	Bridge Projects	Capital Non-Recurring Fund
ASSETS							
Cash and cash equivalents	\$	\$ 10,960	\$ 347,670	\$	\$	\$	\$
Receivables:							
Accounts						125	
Intergovernmental	1,338,000					57,203	
Due from other funds		435,004		4,586	289,000	16,767	4,079,575
Total Assets	\$ 1,338,000	\$ 445,964	\$ 347,670	\$ 4,586	\$ 289,000	\$ 74,095	\$ 4,079,575
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$ 44,657	\$ 155,437
Due to other funds	1,338,000	289,000			279,052		1,716
Deferred revenue							
Total liabilities	1,338,000	289,000	-	-	279,052	44,657	157,153
Fund Balances:							
Committed		156,964	347,670	4,586	9,948		3,242,759
Assigned							679,663
Unassigned						29,438	
Total fund balances	-	156,964	347,670	4,586	9,948	29,438	3,922,422
Total Liabilities and Fund Balances	\$ 1,338,000	\$ 445,964	\$ 347,670	\$ 4,586	\$ 289,000	\$ 74,095	\$ 4,079,575

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

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

JUNE 30, 2012

	<u>Senior Center Project</u>	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Fire Trucks Fund</u>	<u>2011 Road & Drainage Imp. Fund</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Fund</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$ 162,383	\$	\$	\$	\$ 521,013
Receivables:								
Accounts								125
Intergovernmental								1,395,203
Due from other funds			381,329				(289,000)	4,917,261
Total Assets	\$ -	\$ -	\$ 381,329	\$ 162,383	\$ -	\$ -	\$ (289,000)	\$ 6,833,602
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 23,649	\$	\$	\$	\$ 67,943	\$	\$ 291,686
Due to other funds	137,140	604,192		50,129	598,540	36,600	(289,000)	3,045,369
Deferred revenue								-
Total liabilities	<u>137,140</u>	<u>627,841</u>	<u>-</u>	<u>50,129</u>	<u>598,540</u>	<u>104,543</u>	<u>(289,000)</u>	<u>3,337,055</u>
Fund Balances:								
Committed			381,329	112,254				4,255,510
Assigned								679,663
Unassigned	(137,140)	(627,841)			(598,540)	(104,543)		(1,438,626)
Total fund balances	<u>(137,140)</u>	<u>(627,841)</u>	<u>381,329</u>	<u>112,254</u>	<u>(598,540)</u>	<u>(104,543)</u>	<u>-</u>	<u>3,496,547</u>
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 381,329	\$ 162,383	\$ -	\$ -	\$ (289,000)	\$ 6,833,602

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, 2012

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	<u>School Building Fund</u>	<u>Town Improvement Fund</u>	<u>Sewer Capital Projects</u>	<u>Industrial Park Fund</u>	<u>West Suffield Fire Station Construction Fund</u>	<u>Bridge Projects</u>	<u>Capital Non-Recurring Fund</u>	<u>Senior Center Project</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Current services and fees			18,317					
Interest income		19	113					
Donations								
Total revenues	<u>-</u>	<u>19</u>	<u>18,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Capital outlay	<u>-</u>	<u>-</u>	<u>139,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,679,737</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>19</u>	<u>(121,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,679,737)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in			230,000				3,144,563	
Transfers out		(16,329)					(150,000)	
Total other financing sources (uses)	<u>-</u>	<u>(16,329)</u>	<u>230,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,994,563</u>	<u>-</u>
Net Change in Fund Balances	-	(16,310)	108,640	-	-	-	(685,174)	-
Fund Balances at Beginning of Year	<u>-</u>	<u>173,274</u>	<u>239,030</u>	<u>4,586</u>	<u>9,948</u>	<u>29,438</u>	<u>4,607,596</u>	<u>(137,140)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 156,964</u>	<u>\$ 347,670</u>	<u>\$ 4,586</u>	<u>\$ 9,948</u>	<u>\$ 29,438</u>	<u>\$ 3,922,422</u>	<u>\$ (137,140)</u>

(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, 2012

	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Fire Trucks Fund</u>	<u>2011 Road & Drainage Imp. Fund</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Fund</u>
Revenues:							
Intergovernmental	\$ 2,479,493	\$ 1,400,000	\$	\$	\$	\$	\$ 3,879,493
Current services and fees		24,383					42,700
Interest income			251				383
Donations			2,480				2,480
Total revenues	<u>2,479,493</u>	<u>1,424,383</u>	<u>2,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,925,056</u>
Expenditures:							
Capital outlay	<u>2,861,035</u>	<u>2,004,400</u>	<u>1,400</u>	<u>598,540</u>	<u>104,543</u>	<u>-</u>	<u>9,389,445</u>
Excess (deficiency) of revenues over expenditures	<u>(381,542)</u>	<u>(580,017)</u>	<u>1,331</u>	<u>(598,540)</u>	<u>(104,543)</u>	<u>-</u>	<u>(5,464,389)</u>
Other financing sources (uses):							
Transfers in		200,000				(50,829)	3,523,734
Transfers out			(34,500)			50,829	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>(34,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,373,734</u>
Net Change in Fund Balances	(381,542)	(380,017)	(33,169)	(598,540)	(104,543)	-	(2,090,655)
Fund Balances at Beginning of Year	<u>(246,299)</u>	<u>761,346</u>	<u>145,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,587,202</u>
Fund Balances at End of Year	<u>\$ (627,841)</u>	<u>\$ 381,329</u>	<u>\$ 112,254</u>	<u>\$ (598,540)</u>	<u>\$ (104,543)</u>	<u>\$ -</u>	<u>\$ 3,496,547</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2012

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,219,061	\$	\$ 1,219,061
Due from other funds	137,609	24,146	161,755
Receivables, net	<u>16,198</u>	<u>22,737</u>	<u>38,935</u>
Total	<u>\$ 1,372,868</u>	<u>\$ 46,883</u>	<u>\$ 1,419,751</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued liabilities	\$ 511,810	\$ 11,060	\$ 522,870
Net assets:			
Unrestricted	<u>861,058</u>	<u>35,823</u>	<u>896,881</u>
Total	<u>\$ 1,372,868</u>	<u>\$ 46,883</u>	<u>\$ 1,419,751</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Operating revenues:			
User charges	\$ 6,276,122	\$ 462,880	\$ 6,739,002
Operating expenses:			
Administration	628,901		628,901
Insurance and benefits	5,903,978		5,903,978
Fuel		480,364	480,364
Total operating expenses	<u>6,532,879</u>	<u>480,364</u>	<u>7,013,243</u>
Operating loss	(256,757)	(17,484)	(274,241)
Nonoperating revenue:			
Investment income	<u>2,451</u>		<u>2,451</u>
Change in Net Assets	(254,306)	(17,484)	(271,790)
Net assets at beginning of year	<u>1,115,364</u>	<u>53,307</u>	<u>1,168,671</u>
Net Assets at End of Year	<u>\$ 861,058</u>	<u>\$ 35,823</u>	<u>\$ 896,881</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from users	\$ 6,520,899	\$ 508,700	\$ 7,029,599
Cash paid to vendors	<u>(6,451,389)</u>	<u>(508,700)</u>	<u>(6,960,089)</u>
Net cash provided by operating activities	<u>69,510</u>	<u>-</u>	<u>69,510</u>
Cash Flows From Investing Activities:			
Interest on investments	<u>2,451</u>	<u>-</u>	<u>2,451</u>
Net Increase in Cash and Cash Equivalents	71,961	-	71,961
Cash and cash equivalents at beginning of year	<u>1,147,100</u>	<u>-</u>	<u>1,147,100</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,219,061</u>	<u>\$ -</u>	<u>\$ 1,219,061</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating loss	\$ (256,757)	\$ (17,484)	\$ (274,241)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	109,387	(16,062)	93,325
(Increase) decrease in due from other funds	135,390	61,882	197,272
Increase (decrease) in accounts payable and accrued liabilities	<u>81,490</u>	<u>(28,336)</u>	<u>53,154</u>
Net Cash Provided by Operating Activities	<u>\$ 69,510</u>	<u>\$ -</u>	<u>\$ 69,510</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2012

	<u>Student Activity</u>	<u>Performance Bond</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 252,887	\$ 76,952	\$ 329,839
Investments	<u>13,931</u>	<u> </u>	<u>13,931</u>
Total Assets	<u>\$ 266,818</u>	<u>\$ 76,952</u>	<u>\$ 343,770</u>
LIABILITIES			
Due to student groups and others	<u>\$ 266,818</u>	<u>\$ 76,952</u>	<u>\$ 343,770</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 246,677	\$ 536,261	\$ 530,051	\$ 252,887
Investments	<u>13,660</u>	<u>271</u>	<u> </u>	<u>13,931</u>
Total Assets	<u>\$ 260,337</u>	<u>\$ 536,532</u>	<u>\$ 530,051</u>	<u>\$ 266,818</u>
Liabilities:				
Due to student groups and others	<u>\$ 260,337</u>	<u>\$ 536,532</u>	<u>\$ 530,051</u>	<u>\$ 266,818</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	<u>\$ 70,338</u>	<u>\$ 6,614</u>	<u>\$ -</u>	<u>\$ 76,952</u>
Liabilities:				
Due to student groups and others	<u>\$ 70,338</u>	<u>\$ 6,614</u>	<u>\$ -</u>	<u>\$ 76,952</u>
Total Assets				
Assets:				
Cash and cash equivalents	\$ 317,015	\$ 542,875	\$ 530,051	\$ 329,839
Investments	<u>13,660</u>	<u> </u>	<u> </u>	<u>13,660</u>
Total Assets	<u>\$ 330,675</u>	<u>\$ 542,875</u>	<u>\$ 530,051</u>	<u>\$ 343,499</u>
Liabilities:				
Due to student groups and others	<u>\$ 330,675</u>	<u>\$ 543,146</u>	<u>\$ 530,051</u>	<u>\$ 343,770</u>

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2012

(In Thousands)

Total cash collections for the year ended June 30, 2012:

Taxes, interest and lien fees	\$ 34,083
Reimbursement for revenue loss on:	
Tax relief for elderly - elderly freeze	<u>2</u>

Base	<u>\$ 34,085</u>
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	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitations:					
2-1/4 times base	\$ 76,691	\$	\$	\$	\$
4-1/2 times base		153,383			
3-3/4 times base			127,819		
3-1/4 times base				110,776	
3 times base					<u>102,255</u>
Total debt limitation	<u>76,691</u>	<u>153,383</u>	<u>127,819</u>	<u>110,776</u>	<u>102,255</u>
Indebtedness:					
Bonds and notes payable		12,645	220		
Authorized, unissued bonds		<u>1,327</u>			
Total indebtedness	<u>-</u>	<u>13,972</u>	<u>220</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 76,691</u>	<u>\$ 139,411</u>	<u>\$ 127,599</u>	<u>\$ 110,776</u>	<u>\$ 102,255</u>

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$238,595).