

TOWN OF SUFFIELD, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011, which collectively comprise the Town of Suffield, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011 on our consideration of the Town of Suffield, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 11 and the budgetary comparison information on pages 46 through 50 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Blum, Shapiro & Company, P.C.

December 15, 2011

TOWN OF SUFFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

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, 2011. 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 increased by \$409, or 1.9%, net assets of our governmental activities increased by \$3,458, or 4.18%.
- During the year, the Town had expenses that were \$3,458 less than the \$56,873 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues increased by \$990 while expenses increased by \$125. The increase in revenue was due to the Prison going from an annual billing to a quarterly billing. Therefore, they were billed July 1, 2010 for previous year's usage (\$784) and then additional subsequent bills were quarterly and received in the current fiscal period.
- Total cost of all of the Town's programs was \$56,166 with no new programs added this year.
- The General Fund reported a fund balance this year of \$7,898.
- The resources available for appropriation were \$4,027 less than budgeted for the General Fund. Expenditures were less than budgeted by \$1,397, in part to reflect the change in the way the Education Cost Sharing Grant from the State of Connecticut was received. The Town also budgeted to use \$2,500 from fund balance to fund the transfer to the School Building Project deficit fund balance and capital expenditures.

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 3.7% from a year ago, going from \$104,377 to \$108,245. 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 20,335	\$ 21,784	\$ 1,692	\$ 526	\$ 22,027	\$ 22,310
Capital assets, net of accumulated depreciation	86,326	84,406	20,439	21,316	106,765	105,722
Total assets	<u>106,661</u>	<u>106,190</u>	<u>22,131</u>	<u>21,842</u>	<u>128,792</u>	<u>128,032</u>
Long-term debt outstanding	17,481	20,292		120	17,481	20,412
Other liabilities	2,935	3,111	131	132	3,066	3,243
Total liabilities	<u>20,416</u>	<u>23,403</u>	<u>131</u>	<u>252</u>	<u>20,547</u>	<u>23,655</u>
Net Assets:						
Invested in capital assets, net of debt	71,687	68,114	20,440	21,196	92,127	89,310
Restricted	458	454			458	454
Unrestricted	<u>14,100</u>	<u>14,219</u>	<u>1,560</u>	<u>394</u>	<u>15,660</u>	<u>14,613</u>
Total Net Assets	<u>\$ 86,245</u>	<u>\$ 82,787</u>	<u>\$ 22,000</u>	<u>\$ 21,590</u>	<u>\$ 108,245</u>	<u>\$ 104,377</u>

Net assets of the Town's governmental activities increased by \$3,458 or 4.18%. Overall revenues increased by \$3,322 and expenses increased by \$358. The revenue increases were \$1,505 in Capital Grants and Contributions and \$1,579 in Grants and Contributions not restricted to specific purposes. 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 \$14,219 at June 30, 2010 to \$14,100 at the end of this year.

The net assets of business-type activities increased by \$494 or 1.9% in 2011. The Town generally can only use these net assets to finance the continuing operations of the WPCA.

Table 2
CHANGES IN NET ASSETS
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services:	\$ 3,624	\$ 3,798	\$ 3,480	\$ 2,166	\$ 7,104	\$ 5,964
Operating grants and contributions	12,244	12,129			12,244	12,129
Capital grants and contributions	1,692	187	24		1,716	187
General revenues:						
Property taxes	32,212	32,135			32,212	32,135
Grants and contributions not restricted to specific purposes	5,956	4,377			5,956	4,377
Unrestricted investment earnings	166	231	2	4	168	235
Miscellaneous	633	694			633	694
Transfers	346		(346)		-	-
Total revenues	<u>56,873</u>	<u>53,551</u>	<u>3,160</u>	<u>2,170</u>	<u>60,033</u>	<u>55,721</u>
Program expenses:						
Administration	4,355	1,854			4,355	1,854
Planning and development	384	390			384	390
Public safety	4,388	4,187			4,388	4,187
Public works	4,129	4,504			4,129	4,504
Health and social services	763	824			763	824
Library, recreation and parks	1,196	1,167			1,196	1,167
Education	37,446	39,297			37,446	39,297
Interest on long-term debt	754	834			754	834
Sewer			2,751	2,626	2,751	2,626
Total program expenses	<u>53,415</u>	<u>53,057</u>	<u>2,751</u>	<u>2,626</u>	<u>56,166</u>	<u>55,683</u>
Increase (Decrease) in Net Assets	<u>\$ 3,458</u>	<u>\$ 494</u>	<u>\$ 409</u>	<u>\$ (456)</u>	<u>\$ 3,867</u>	<u>\$ 38</u>

The Town's total revenues were \$60,033. The total cost of all programs and services was \$56,166. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The greatest increase was in grants. Operating grants and contributions accounted for 35% of the Town's governmental activities. The Town continues to utilize grants and contributions to maintain its services but has decreased its reliance on property taxes. Property taxes accounted for 57% of the Town's governmental activities reduced from 60% in FY 2010.

Education related expenses accounted for over 70% of the total program expenses for governmental activities. Creation of the Other Post Employment Benefits Trust Fund (OPEB) increased the Administration costs. The Town set aside funds in prior fiscal year to begin funding this liability and created the trust fund during FY 2011. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Administration	\$ 4,355	\$ 1,854	\$ 3,629	\$ 1,215
Public safety	4,388	4,187	3,964	3,847
Public works	4,129	4,504	2,903	2,949
Education	<u>37,446</u>	<u>39,297</u>	<u>22,765</u>	<u>26,917</u>
Totals	<u>\$ 50,318</u>	<u>\$ 49,842</u>	<u>\$ 33,261</u>	<u>\$ 34,928</u>

Business-Type Activities

Revenues of the Town's business-type activities (see Table 2) increased by \$990 due to increases in the charges for services reflected by the Prison paying an annual bill for 2010 and then subsequent bills were quarterly for this fiscal period. Expenses remained about the same as the prior year, increasing by \$125.

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 \$14,926, which is a decrease from last year's total of \$16,983. Included in this year's total change in fund balance is a decrease of \$2,584 in the Town's General Fund. In addition, these other changes in fund balances should be noted: an increase of \$2,444 in the Capital Projects funds and a decrease of \$1,918 in other governmental funds. The decrease in the General Fund is due to the transfer to the School Building Project Fund for the deficit fund balance and amounts used to supplement the capital expenditures in the budget.

General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$50,417. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$11,397. On the revenue side, final actual revenues were less than the original budget by \$4,027. We budgeted to use fund balance of \$2,500. Additional areas that received less than the amount budgeted are: intergovernmental revenues of \$721, mainly because of the way the Education Cost Sharing Grant was recorded. The State changed the funding of the Education Cost Sharing Grant and the Board of Education under spent their budget by the grant revenue received directly from the State of Connecticut. Additionally, work on some reimbursement grants was not completed, and the revenue was not requested. These should be received in future years.

Proprietary Funds

The Town's Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. An increase in revenue from the Prison resulted in an operating profit of \$409. There were increases in administrative expenses, including an OPEB contribution of \$125 and funding the Sewer Capital Projects budget with \$170.

The other two funds, Insurance Fund and Gas/Diesel Fund, are Internal Service Funds. Unrestricted net assets of both funds totaled \$1,169, an increase of \$728 from the prior year. This increase is due primarily to an increase of user charges of \$617. There was operating income of \$728 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 \$4.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the Town had \$107 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$1 million, or .99%, over last year.

Table 4

CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 15,823	\$ 14,908	\$ 16,038	\$ 16,038	\$ 31,861	\$ 30,946
Land improvements	1,746	76			1,746	76
Buildings	46,988	46,834	812	1,123	47,800	47,957
Furniture and equipment	2,121	2,189	3,579	4,155	5,700	6,344
Infrastructure	18,145	18,618	10		18,155	18,618
Construction in progress	<u>1,503</u>	<u>1,781</u>			<u>1,503</u>	<u>1,781</u>
Total	<u>\$ 86,326</u>	<u>\$ 84,406</u>	<u>\$ 20,439</u>	<u>\$ 21,316</u>	<u>\$ 106,765</u>	<u>\$ 105,722</u>

This year's major additions included:

Development Rights for one farm	\$915
Overhill Drive	671
Suffield Street Bridge Project	439

The Town's fiscal-year 2011-12 capital budget calls for it to spend another \$3,246 for capital projects, principally for school roofs, road repairs, bridge repairs, public works equipment, landfill expansion and technology upgrades. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2011, the Town had \$14,536 in bonds and notes outstanding versus \$16,143 last year - a decrease of \$1,607 or 9.9%.

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 \$224,294 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 2011 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the Town as of November 2010 stands at 7.6% versus 7.2% a year ago. This compares with the State's unemployment rate of 9.0% and the national rate of 9.8%.

These indicators were taken into account when adopting the General Fund budget for 2011-12. Amounts available for appropriation in the General Fund budget are \$50,609, a decrease of 2.24% from the original 2011 budget of \$51,768. Property taxes and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$450 of its \$7,898 General Fund balance to finance its 2011-12 budget leaving an unreserved, undesignated General Fund balance at June 30, 2011 of \$6,352 or 12.6% of the 2011-12 budget.

The Town will use increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures are expected to decrease by 2.24% to \$50,609 from \$51,768 in 2011. Decreases in transfers, capital expenditures and debt service are the largest increments. The Town has added no major new programs or initiatives to the 2012 budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2012.

The Water Pollution Control Authority approved the 2011-12 budget with a decrease of 0.26% 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, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 15,287,171	\$ 1,314,409	\$ 16,601,580
Receivables, net	4,920,347	376,851	5,297,198
Inventory	27,000		27,000
Net pension asset	99,707		99,707
Capital assets not being depreciated	17,326,527	16,038,335	33,364,862
Capital assets being depreciated, net	68,999,815	4,400,971	73,400,786
Total assets	<u>106,660,567</u>	<u>22,130,566</u>	<u>128,791,133</u>
Liabilities:			
Accounts and other payables	2,339,104	139,440	2,478,544
Unearned revenue	587,226		587,226
Internal balances	8,412	(8,412)	-
Noncurrent liabilities:			
Due within one year	1,995,292		1,995,292
Due in more than one year	15,485,864		15,485,864
Total liabilities	<u>20,415,898</u>	<u>131,028</u>	<u>20,546,926</u>
Net Assets:			
Invested in capital assets, net of related debt	71,686,949	20,439,306	92,126,255
Restricted for:			
Trust purposes:			
Nonexpendable	457,783		457,783
Unrestricted	14,099,937	1,560,232	15,660,169
Total Net Assets	<u>\$ 86,244,669</u>	<u>\$ 21,999,538</u>	<u>\$ 108,244,207</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, 2011

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	\$ 4,355,512	\$ 540,309	\$ 185,759	\$	\$ (3,629,444)	\$	\$ (3,629,444)
Planning and development	383,997	34,302	267,031		(82,664)		(82,664)
Public safety	4,388,064	263,357	161,180		(3,963,527)		(3,963,527)
Public works	4,129,214	1,075,796	150,346		(2,903,072)		(2,903,072)
Health and social services	763,466	5,436	13,827		(744,203)		(744,203)
Library, recreation and parks	1,195,711	141,930	40,102		(1,013,679)		(1,013,679)
Education	37,445,825	1,563,185	11,425,274	1,692,440	(22,764,926)		(22,764,926)
Interest on long-term debt	753,589				(753,589)		(753,589)
Total governmental activities	53,415,378	3,624,315	12,243,519	1,692,440	(35,855,104)	-	(35,855,104)
Business-type activities:							
Sewer	2,751,359	3,480,492		23,938		753,071	753,071
Total	\$ 56,166,737	\$ 7,104,807	\$ 12,243,519	\$ 1,716,378	(35,855,104)	753,071	(35,102,033)
General revenues:							
Property taxes					32,212,035		32,212,035
Grants and contributions not restricted to specific programs					5,955,450		5,955,450
Unrestricted investment earnings					166,201	2,389	168,590
Miscellaneous					633,255		633,255
Transfers					345,976	(345,976)	-
Total general revenues and transfers					39,312,917	(343,587)	38,969,330
Change in net assets					3,457,813	409,484	3,867,297
Net Assets at Beginning of Year					82,786,856	21,590,054	104,376,910
Net Assets at End of Year					\$ 86,244,669	\$ 21,999,538	\$ 108,244,207

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 12,899,314	\$ 418,755	\$ 822,002	\$ 14,140,071
Receivables, net	1,871,707	2,040,053	876,328	4,788,088
Due from other funds	2,805,536	6,225,338	550,477	9,581,351
Inventories			27,000	27,000
Total Assets	<u>\$ 17,576,557</u>	<u>\$ 8,684,146</u>	<u>\$ 2,275,807</u>	<u>\$ 28,536,510</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and accrued liabilities	\$ 1,319,297	\$ 430,906	\$ 90,665	\$ 1,840,868
Due to other funds	7,048,696	2,653,416	246,678	9,948,790
Deferred revenue	1,311,036	12,622	497,528	1,821,186
Total liabilities	<u>9,679,029</u>	<u>3,096,944</u>	<u>834,871</u>	<u>13,610,844</u>
Fund balances:				
Nonspendable			484,783	484,783
Restricted	322,297	57,203	714,128	1,093,628
Committed	433,788	5,261,540	365,763	6,061,091
Assigned	772,933	679,663		1,452,596
Unassigned	6,368,510	(411,204)	(123,738)	5,833,568
Total fund balances	<u>7,897,528</u>	<u>5,587,202</u>	<u>1,440,936</u>	<u>14,925,666</u>
Total Liabilities and Fund Balances	<u>\$ 17,576,557</u>	<u>\$ 8,684,146</u>	<u>\$ 2,275,807</u>	<u>\$ 28,536,510</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

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

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

Fund balances - total governmental funds	\$	14,925,666
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 113,770,533	
Less accumulated depreciation	<u>(27,444,191)</u>	
Net capital assets		86,326,342
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Net pension asset		99,707
Housing loan receivable		157,944
Special assessment receivable		144,575
Property tax receivable greater than 60 days		687,236
Interest receivable on property taxes		244,205
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.		
		1,168,671
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		(14,411,403)
Deferred amounts on refunding		(124,903)
Interest payable on bonds		(28,521)
Net OPEB obligation		(2,043,920)
Landfill closure and postclosure		(210,600)
Compensated absences		(389,581)
Capital lease obligation		(103,087)
Claims and judgments		<u>(197,662)</u>
Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>86,244,669</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 32,099,202	\$	\$	\$ 32,099,202
Intergovernmental	14,822,657	781,013	2,530,936	18,134,606
Charges for services	2,604,221	21,710	1,082,122	3,708,053
Interest income	97,591	825	65,354	163,770
Miscellaneous	633,255	5,211	32,487	670,953
Total revenues	<u>50,256,926</u>	<u>808,759</u>	<u>3,710,899</u>	<u>54,776,584</u>
Expenditures:				
Current:				
Administration	4,834,575		1,763,051	6,597,626
Planning and development	362,558		3,750	366,308
Public safety	3,365,290		235,440	3,600,730
Public works	3,280,360		12,848	3,293,208
Health and social services	690,534		14,965	705,499
Library, recreation and parks	444,505		539,643	984,148
Education	32,423,783		2,851,420	35,275,203
Miscellaneous	31,000			31,000
Debt service	2,363,255			2,363,255
Capital outlay		3,809,883	208,522	4,018,405
Total expenditures	<u>47,795,860</u>	<u>3,809,883</u>	<u>5,629,639</u>	<u>57,235,382</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,461,066</u>	<u>(3,001,124)</u>	<u>(1,918,740)</u>	<u>(2,458,798)</u>
Other Financing Sources (Uses):				
Issuance of capital lease		39,522		39,522
Transfers in	399,000	5,456,142	477,056	6,332,198
Transfers out	(5,562,894)		(407,650)	(5,970,544)
Total other financing sources (uses)	<u>(5,163,894)</u>	<u>5,495,664</u>	<u>69,406</u>	<u>401,176</u>
Net Change in Fund Balances	(2,702,828)	2,494,540	(1,849,334)	(2,057,622)
Fund Balances at Beginning of Year, as Restated	<u>10,600,356</u>	<u>3,092,662</u>	<u>3,290,270</u>	<u>16,983,288</u>
Fund Balances at End of Year	<u>\$ 7,897,528</u>	<u>\$ 5,587,202</u>	<u>\$ 1,440,936</u>	<u>\$ 14,925,666</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2010

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,057,622)
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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	4,353,738
Depreciation expense	(2,433,789)

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	31,286
Property tax receivable-accrual basis change	81,547
Special assessment receivable-accrual basis change	(57,072)
Net pension asset	(1,647)

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	1,584,005
Issuance of capital lease	(39,522)
Capital lease payments	85,936
Deferred amounts in refunding	22,595

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	122,684
Net OPEB obligation	1,216,806
Landfill closure and postclosure	16,200
Claims and judgments	(197,662)
Accrued interest	3,077

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>727,253</u>

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u><u>3,457,813</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, 2011

	<u>Business-Type Activities WPCA Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Assets:		
Cash and cash equivalents	\$ 1,314,409	\$ 1,147,100
Due from other funds	9,044	359,027
Receivables, net	376,851	132,260
Capital assets not being depreciated	16,038,335	
Capital assets, net of accumulated depreciation	4,400,971	
Total assets	<u>22,139,610</u>	<u>1,638,387</u>
Liabilities:		
Accounts and other payables	139,440	469,716
Due to other funds	632	
Total liabilities	<u>140,072</u>	<u>469,716</u>
Net Assets:		
Invested in capital assets	20,439,306	
Unrestricted	1,560,232	1,168,671
Total Net Assets	<u>\$ 21,999,538</u>	<u>\$ 1,168,671</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, 2011

	<u>Business-Type Activities</u> WPCA <u>Enterprise Fund</u>	<u>Governmental Activities</u> Internal <u>Service Funds</u>
Operating Revenues:		
Charges for services	\$ 3,470,271	\$ 6,549,652
Other	10,221	
Total operating revenues	<u>3,480,492</u>	<u>6,549,652</u>
Operating Expenses:		
Administrative expense	45,866	613,052
Payroll and employee benefits	1,002,588	
Sludge disposal	182,543	
Plant maintenance and materials	201,111	
Insurance and program services	9,998	4,802,483
Utilities	351,966	
Other operating expense	760	409,295
Depreciation	956,527	
Total operating expenses	<u>2,751,359</u>	<u>5,824,830</u>
Operating Income	729,133	724,822
Nonoperating Revenue:		
Income on investments	2,389	2,431
Change in Net Assets Before Capital Items and Transfers	<u>731,522</u>	<u>727,253</u>
Capital Items and Transfers:		
Capital grants	23,938	
Capital contributions	15,678	
Transfer in	8,650	
Transfer out	(370,304)	
Total capital items and transfers	<u>(322,038)</u>	<u>-</u>
Change in Net Assets	409,484	727,253
Net Assets at Beginning of Year	<u>21,590,054</u>	<u>441,418</u>
Net Assets at End of Year	<u>\$ 21,999,538</u>	<u>\$ 1,168,671</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, 2011

	Business-Type Activities	Governmental Activities
	WPCA	Internal
	Enterprise Fund	Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 3,145,245	\$ 6,503,421
Cash payments to employees for services	(1,002,588)	
Cash payments to supplies for goods and services	(803,072)	(5,930,788)
Cash received from other sources	20,961	
Net cash provided by operating activities	<u>1,360,546</u>	<u>572,633</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(79,534)	
Loans repaid	(120,360)	
Capital grants	23,938	
Capital contributions	15,678	
Net cash used in capital financing activities	<u>(160,278)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Transfer in	8,650	
Transfer out	(370,304)	
Net cash used in noncapital financing activities	<u>(361,654)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>2,389</u>	<u>2,431</u>
Net Increase in Cash and Cash Equivalents	841,003	575,064
Cash and Cash Equivalents at Beginning of Year	<u>473,406</u>	<u>572,036</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,314,409</u>	<u>\$ 1,147,100</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 729,133	\$ 724,822
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	956,527	
Increase in accounts receivables	(325,026)	(120,489)
Decrease in due from other funds	10,740	74,258
Decrease in accounts payable	<u>(10,828)</u>	<u>(105,958)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,360,546</u>	<u>\$ 572,633</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, 2011

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 161,878	\$	\$ 317,015
Investments	20,173,751	2,793,987	13,660
Receivables:			
Other	<u>243,731</u>	<u> </u>	<u> </u>
Total assets	20,579,360	2,793,987	<u>\$ 330,675</u>
Liabilities:			
Accounts and other payables	<u>2,443</u>	<u> </u>	<u>\$ 330,675</u>
Net Assets:			
Held in Trust for Pension and OPEB Benefits	<u>\$ 20,576,917</u>	<u>\$ 2,793,987</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, 2011

	Pension Trust Fund	OPEB Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,005,228	\$ 3,037,749
Employee	478,020	299,281
Total contributions	<u>1,483,248</u>	<u>3,337,030</u>
Investment income:		
Interest and dividends	531,585	68,758
Net appreciation in fair value of investments	2,880,520	209,750
Investment expenses	(30,339)	
Net investment income	<u>3,381,766</u>	<u>278,508</u>
Miscellaneous income		<u>68,770</u>
Total additions	<u>4,865,014</u>	<u>3,684,308</u>
Deductions:		
Benefits payments and withdrawals	1,226,058	878,766
Administration	73,054	11,555
Total deductions	<u>1,299,112</u>	<u>890,321</u>
Net Increase	3,565,902	2,793,987
Net Assets Held in Trust for Pension and OPEB Benefits at Beginning of Year	<u>17,011,015</u>	<u>-</u>
Net Assets Held in Trust for Pension and OPEB Benefits at End of Year	<u>\$ 20,576,917</u>	<u>\$ 2,793,987</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SUFFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 \$14,932 has been established as an allowance for uncollectible taxes. At June 30, 2011, this represents 2% 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, 2011, the total amount of the liability was \$389,581. 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).

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, 2011, there were no additional appropriations.

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

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

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

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

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2011:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Municipal Grant	\$ 58,624
Drug Education and Enforcement Grant	20
Kent Memorial Library	6,655

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*, \$4,387,625 of the Town’s bank balance of \$5,413,429 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,997,439
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>390,186</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 4,387,625</u></u>

Cash Equivalents

At June 30, 2011, the Town's cash equivalents amounted to \$11,378,240. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

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

*Not rated

Investments

As of June 30, 2011, 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	\$ 297,979		\$ 107,287	\$ 190,692
U.S. Treasury notes	AAA	354,293		354,293	
U.S. Government obligations	AAA	1,014,136	126,710	645,877	241,549
Corporate bonds	A-AAA	1,181,432	73,069	799,776	308,587
Corporate bonds	BBB-BBB+	674,257	20,859	509,832	143,566
Foreign bonds	A-AAA	292,134		292,134	
Foreign bonds	BBB-BBB+	145,459	35,061	103,799	6,599
Other fixed income	AAA/AAA	43,651			43,651
Certificates of deposit	*	13,823	13,823		
Total			\$ 269,522	\$ 2,812,998	\$ 934,644
Other investments:					
Mutual funds		2,793,987			
Common stock		16,170,247			
Total Investments		\$ 22,981,398			

*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, 2011, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>WPCA Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 781,597	\$	\$	\$	\$ 781,597
Interest	244,205				244,205
Accounts	538,540	3,615	376,851	132,260	1,051,266
Special assessments				144,575	144,575
Intergovernmental	322,297	2,036,438		333,459	2,692,194
Loans				157,944	157,944
Other				484,081	484,081
Gross receivables	<u>1,886,639</u>	<u>2,040,053</u>	<u>376,851</u>	<u>1,252,319</u>	<u>5,555,862</u>
Less allowance for uncollectibles:	<u>(14,932)</u>				<u>(14,932)</u>
Net Total Receivables	<u>\$ 1,871,707</u>	<u>\$ 2,040,053</u>	<u>\$ 376,851</u>	<u>\$ 1,252,319</u>	<u>\$ 5,540,930</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	\$ 687,236	\$
Accrued interest on delinquent property tax	244,205	
Advance tax collections		67,427
Special assessments not yet due	144,575	
Cell phone tower - unearned		308,155
Grant drawdowns prior to meeting all eligibility requirements		207,631
Loans receivable	157,944	
Unearned program revenues		<u>4,013</u>
 Total Deferred/Unearned Revenue for Governmental Funds	 <u>\$ 1,233,960</u>	 <u>\$ 587,226</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 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	\$ 14,908,200	\$ 915,159	\$	\$ 15,823,359
Construction in progress	<u>1,780,993</u>	<u>1,344,274</u>	<u>1,622,099</u>	<u>1,503,168</u>
Total capital assets not being depreciated	<u>16,689,193</u>	<u>2,259,433</u>	<u>1,622,099</u>	<u>17,326,527</u>
Capital assets being depreciated:				
Buildings	62,894,718	1,693,221		64,587,939
Land improvements	499,257	1,692,440		2,191,697
Furniture and equipment	6,660,199	286,575	47,622	6,899,152
Infrastructure	<u>22,721,050</u>	<u>44,168</u>		<u>22,765,218</u>
Total capital assets being depreciated	<u>92,775,224</u>	<u>3,716,404</u>	<u>47,622</u>	<u>96,444,006</u>
Less accumulated depreciation for:				
Buildings	16,060,317	1,539,838		17,600,155
Land improvements	423,750	21,985		445,735
Furniture and equipment	4,471,555	353,956	47,622	4,777,889
Infrastructure	<u>4,102,402</u>	<u>518,010</u>		<u>4,620,412</u>
Total accumulated depreciation	<u>25,058,024</u>	<u>2,433,789</u>	<u>47,622</u>	<u>27,444,191</u>
Total capital assets being depreciated, net	<u>67,717,200</u>	<u>1,282,615</u>	<u>-</u>	<u>68,999,815</u>
Governmental Activities Capital Assets, Net	<u>\$ 84,406,393</u>	<u>\$ 3,542,048</u>	<u>\$ 1,622,099</u>	<u>\$ 86,326,342</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 16,038,335	\$	\$	\$ 16,038,335
Capital assets being depreciated:				
Buildings	9,672,629			9,672,629
Equipment	16,474,852	43,404		16,518,256
Vehicles	65,278	26,000		91,278
Infrastructure		10,130		10,130
Total capital assets being depreciated	<u>26,212,759</u>	<u>79,534</u>	<u>-</u>	<u>26,292,293</u>
Less accumulated depreciation for:				
Buildings	8,550,001	310,412		8,860,413
Equipment	12,315,795	623,338		12,939,133
Vehicles	68,999	22,454		91,453
Infrastructure		323		323
Total accumulated depreciation	<u>20,934,795</u>	<u>956,527</u>	<u>-</u>	<u>21,891,322</u>
Total capital assets being depreciated, net	<u>5,277,964</u>	<u>(876,993)</u>	<u>-</u>	<u>4,400,971</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,316,299</u>	<u>\$ (876,993)</u>	<u>\$ -</u>	<u>\$ 20,439,306</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 57,848
Planning and development	8,250
Public safety	196,494
Public works	638,060
Health and social services	34,714
Library, recreation and parks	55,999
Education	<u>1,442,424</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,433,789</u>
Business-type activities:	
Sewer	<u>\$ 956,527</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2011. 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	\$ 55,185,509	\$ 927,561

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2011, 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	\$ 2,651,468
	Nonmajor Governmental Funds	154,068
		<u>2,805,536</u>
Capital Projects Fund	General Fund	6,132,728
	Nonmajor Governmental Funds	92,610
		<u>6,225,338</u>
Nonmajor Governmental Fund	General Fund	547,897
	Capital Projects Fund	1,948
	WPCA	632
		<u>550,477</u>
WPCA	General Fund	<u>9,044</u>
Internal Service Funds	General Fund	<u>359,027</u>
Total		<u>\$ 9,949,422</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>	<u>WPCA</u>	
Transfers out:					
General Fund	\$	\$ 5,085,838	\$ 477,056	\$	\$ 5,562,894
Nonmajor Governmental Funds	399,000			8,650	407,650
WPCA		<u>370,304</u>			<u>370,304</u>
Total Transfers In	<u>\$ 399,000</u>	<u>\$ 5,456,142</u>	<u>\$ 477,056</u>	<u>\$ 8,650</u>	<u>\$ 6,340,848</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, 2011 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	\$ 15,995,408	\$ -	\$ 1,584,005	\$ 14,411,403	\$ 1,546,508
Unamortized amounts:					
Deferred amounts on refunding	147,498	-	22,595	124,903	-
Total bonds payable	16,142,906	-	1,606,600	14,536,306	1,546,508
Landfill closure and postclosure	226,800	-	16,200	210,600	16,200
Capital lease obligation	149,501	39,522	85,936	103,087	64,070
Net OPEB obligation	3,260,726	-	1,216,806	2,043,920	-
Compensated absences	512,265	201,177	323,861	389,581	291,173
Claims and judgments	-	288,481	90,819	197,662	77,341
Governmental Activity Long-Term Liabilities	<u>\$ 20,292,198</u>	<u>\$ 529,180</u>	<u>\$ 3,340,222</u>	<u>\$ 17,481,156</u>	<u>\$ 1,995,292</u>

General long-term debt transactions are summarized as follows for the year ended June 30, 2011:

<u>Description</u>	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>
Bonds payable:				
School bonds issued 2001, amount \$27,700,000, interest rate 3.75%-5.125%, maturity date 2011	\$ 1,460,000	\$ -	\$ 1,460,000	\$ -
Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021	14,065,000	-	-	14,065,000
Pollution abatement facilities loan issued in 1994, amount \$1,589,472, interest rate 2.0%, maturity date November 2013	317,192	-	90,107	227,085
Pollution abatement facilities loan issued in 1995, amount \$610,016, interest rate 2.0%, maturity date November 2014	153,216	-	33,898	119,318
Total	<u>\$ 15,995,408</u>	<u>\$ -</u>	<u>\$ 1,584,005</u>	<u>\$ 14,411,403</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, 2011, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 1,546,508	\$ 701,923	\$ 2,248,431
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
2017-2021	<u>6,990,000</u>	<u>1,048,750</u>	<u>8,038,750</u>
Total	<u>\$ 14,411,403</u>	<u>\$ 3,858,112</u>	<u>\$ 18,269,515</u>

As of June 30, 2011, 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 \$210,600 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	\$ 72,095	\$ -	\$ 72,095
Schools	144,189	40,373	103,816
Sewers	120,158	346	119,812
Urban renewal	104,137	-	104,137
Pension deficit	96,126	-	96,126

* Includes bonds authorized unissued of \$26,308.

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$224,294).

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	\$ 320,592
Less accumulated depreciation	<u>160,353</u>
Total	<u>\$ 160,239</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2011 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2012	\$ 69,461
2013	<u>41,028</u>
Total minimum lease payments	110,489
Less amount representing interest	<u>7,402</u>
Present Value of Minimum Lease Payments	<u>\$ 103,087</u>

Operating Lease

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

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 \$90,819 during fiscal year ended June 30, 2011. The remaining amount of \$197,662 has been recorded for this liability.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 27,000	\$ 27,000
Endowments			457,783	457,783
Restricted for:				
Grants	322,297	57,203	391,479	770,979
Public safety			289,718	289,718
Health and social services			4,260	4,260
Library, recreation and parks			28,671	28,671
Committed to:				
Administration			2,620	2,620
Public safety			120,571	120,571
Public works			141,815	141,815
Library, recreation and parks			44,729	44,729
Education			49,177	49,177
Capital projects	433,788	5,261,540		5,695,328
Sewer assessment			6,851	6,851
Assigned to:				
Administration	17,072			17,072
Planning and development	24,852			24,852
Public safety	8,773			8,773
Public works	19,104			19,104
Health and social services	7,016			7,016
Library, recreation and parks	712			712
Education	245,404			245,404
Subsequent year's budget	450,000			450,000
Capital projects		679,663		679,663
Unassigned	<u>6,368,510</u>	<u>(411,204)</u>	<u>(123,738)</u>	<u>5,833,568</u>
 Total Fund Balances	 <u>\$ 7,897,528</u>	 <u>\$ 5,587,202</u>	 <u>\$ 1,440,936</u>	 <u>\$ 14,925,666</u>

Significant encumbrances at June 30, 2011 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. RISK MANAGEMENT

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

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

Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$4,802,483. This amount includes the Administrator's estimate of claims incurred but not reported at June 30, 2011 of \$469,716.

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 <u>July 1</u>	Claims and Changes in Estimates	Claims Paid	Claims Payable <u>June 30</u>
2010-11 \$	575,674 \$	4,802,483 \$	4,908,441 \$	469,716
2009-10	495,270	5,298,555	5,218,151	575,674

10. 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.

11. 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:

	Retiree Health Plan
Retired members	65
Spouses of retired members	29
Active plan members	<u>409</u>
Total Participants	<u><u>503</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 \$633 per month for retiree only coverage and \$1,266 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, 2011, plan members contributed \$299,281, and claims and benefits paid were \$878,766. Employer contributions to the OPEB Trust Fund were \$3,037,749. There was also a Teacher's Retirement Board reimbursement of \$66,736. 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):

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 1,833,139
Interest on net OPEB obligation	244,554
Adjustment to annual required contribution	<u>(256,750)</u>
Annual OPEB cost (expense)	1,820,943
Contributions made	<u>3,037,749</u>
Change in net OPEB obligation	(1,216,806)
Net OPEB obligation, beginning of year	<u>3,260,726</u>
Net OPEB Obligation, End of Year	<u><u>\$ 2,043,920</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, 2011 is presented below. Data is presented for fiscal years ended June 30, 2011, 2010 and 2009 below.

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

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>
6/30/11	\$ 1,833,139	166 %	\$ 3,037,749
6/30/10	2,325,040	28	643,707
6/30/09	2,283,210	30	678,760

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.

12. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Employee's Retirement System

A. Plan Description

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

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

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

Retirees and beneficiaries currently receiving benefits	75
Terminated plan members entitled to benefits but not yet receiving them	25
Active plan members	<u>186</u>
Total	<u><u>286</u></u>

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

B. Summary of Significant Accounting Policies

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

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

C. Funding Policy

Contributions

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

D. Annual Pension Cost and Net Pension Obligations

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

Annual required contribution	\$ 965,635
Interest on net pension obligation	(7,602)
Adjustment to annual required contribution	<u>9,248</u>
Annual pension cost	967,281
Contributions made	<u>965,634</u>
Decrease in net pension asset	1,647
Net pension obligation (asset), July 1, 2010	<u>(101,354)</u>
Net Pension Obligation (Asset), June 30, 2011	\$ <u><u>(99,707)</u></u>

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

Actuarial valuation date	July 1, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	Adjusted market value
Actuarial assumptions:	
Investment rate of return	7.5%*
Projected salary increases	3.5%

*Includes no inflation

E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/11	\$ 967,281	99.8 %	\$ (99,707)
6/30/10	792,273	99.8	(101,354)
6/30/09	700,155	103.2	(103,027)

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)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a
			AAL (UAAL) (a-b)			% of Covered Payroll ((a-b)/c)
7/1/09	\$ 19,269,025	\$ 23,057,237	\$ (3,788,212)	83.6 %	\$ 8,482,011	(44.7) %
7/1/07	15,662,228	17,380,181	(1,717,953)	90.1	7,610,596	(22.6)
7/1/05	14,331,924	16,719,595	(2,387,671)	85.7	6,079,011	(39.3)

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Percentage Contributed	Actual Contribution
6/30/10	790,600	100	790,600
6/30/09	698,455	100	698,455
6/30/08	798,000	103	825,000
6/30/07	690,693	100	690,700
6/30/06	580,000	100	580,000

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 \$15,535,965.

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, 2011, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$2,469,609 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.

13. PRIOR PERIOD ADJUSTMENTS

Governmental Accounting Standards Board Statement No. 54

During the year, the Town implemented GASB Statement No. 54. This required the Town to review its special revenue funds and determine if they have a revenue source that is restricted or committed for a specific purpose. This revenue source also needs to constitute a substantial portion of the resources in the fund. As a result, the Dog Fund is now reported as part of the General Fund and the Open Space and Capital Reserve Fund are now reported as part of the Capital Projects Fund.

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>
Balance June 30, 2010	\$ 10,481,875	\$ 3,142,737	\$ 3,358,676
Reclassified to General Fund	118,481		(118,481)
Reclassified to Capital Projects Fund	<u> </u>	<u>(50,075)</u>	<u>50,075</u>
Restated Fund Balance, July 1, 2010	<u>\$ 10,600,356</u>	<u>\$ 3,092,662</u>	<u>\$ 3,290,270</u>

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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes, interest and lien fees:				
Current list	\$ 31,483,347	\$ 31,483,347	\$ 31,355,839	\$ (127,508)
Supplemental motor vehicle	210,000	210,000	210,993	993
Interest and fees	100,000	100,000	196,632	96,632
Taxes, prior years	240,000	240,000	335,738	95,738
Total property taxes, interest and lien fees	<u>32,033,347</u>	<u>32,033,347</u>	<u>32,099,202</u>	<u>65,855</u>
Intergovernmental revenues:				
State of Connecticut:				
Payment in lieu of taxes - State Property	3,446,626	3,446,626	3,466,399	19,773
Mashantucket Pequot	2,043,986	2,043,986	2,244,497	200,511
Payment in lieu of taxes, vessels	5,656	5,656	4,577	(1,079)
Payment in lieu of taxes, manufacturing equipment	218,000	218,000	152,561	(65,439)
Payment in lieu of taxes, disabled tax relief	1,000	1,000	857	(143)
Veterans' exemption	9,000	9,000	7,938	(1,062)
Elderly tax relief - circuit breaker	79,000	79,000	76,621	(2,379)
Elderly tax relief - freeze	4,000	4,000	2,000	(2,000)
LOCIP reimbursement	91,837	91,837		(91,837)
Miscellaneous	32,000	32,000	149,130	117,130
Town Aid Road	144,074	144,074	144,226	152
Youth Services	14,000	14,000	14,000	-
Total	<u>6,089,179</u>	<u>6,089,179</u>	<u>6,262,806</u>	<u>173,627</u>
Education:				
Education cost sharing	6,082,494	6,082,494	5,220,206	(862,288)
Vocational agriculture grant	203,250	203,250	234,775	31,525
Other educational grants	7,362	7,362	7,406	44
Pupil transportation	180,335	180,335	116,479	(63,856)
Total	<u>6,473,441</u>	<u>6,473,441</u>	<u>5,578,866</u>	<u>(894,575)</u>
Total intergovernmental revenues	<u>12,562,620</u>	<u>12,562,620</u>	<u>11,841,672</u>	<u>(720,948)</u>
Investment income:				
Interest income	<u>160,000</u>	<u>160,000</u>	<u>97,546</u>	<u>(62,454)</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, 2011

	<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	\$ 270,000	\$ 270,000	\$ 242,894	\$ (27,106)
Zoning and Planning	8,000	8,000	15,808	7,808
Zoning Board of Appeals	3,720	3,720	2,170	(1,550)
Police permits	4,000	4,000	6,445	2,445
Conservation	4,000	4,000	7,866	3,866
Historic District fees	800	800	300	(500)
Total	<u>290,520</u>	<u>290,520</u>	<u>275,483</u>	<u>(15,037)</u>
Charges for current services:				
Bulky waste	1,600	1,600	1,672	72
Assessor's map sales	1,000	1,000	909	(91)
Real estate conveyance tax	150,000	150,000	127,661	(22,339)
Mini-bus transportation	4,000	4,000	5,436	1,436
Police alarm fees	1,000	1,000	200	(800)
Town Clerk historic document fees	3,500	3,500	2,842	(658)
Town Clerk recording fees	108,500	108,500	129,963	21,463
Total	<u>269,600</u>	<u>269,600</u>	<u>268,683</u>	<u>(917)</u>
Landfill:				
Operating	40,000	40,000	41,340	1,340
Residential permits	882,792	882,792	867,924	(14,868)
Sale of scrap metal	15,000	15,000	15,590	590
Permits	13,000	13,000	11,712	(1,288)
Total	<u>950,792</u>	<u>950,792</u>	<u>936,566</u>	<u>(14,226)</u>
Recreation:				
Camps	43,895	43,895	28,912	(14,983)
Activity	82,240	82,240	98,957	16,717
Total	<u>126,135</u>	<u>126,135</u>	<u>127,869</u>	<u>1,734</u>
Revenue from other agencies:				
Telecommunications grant	45,000	45,000	26,686	(18,314)
Tuition, Vo-ag	807,192	807,192	717,293	(89,899)
Tuition, other	128,800	128,800	239,075	110,275
Total	<u>980,992</u>	<u>980,992</u>	<u>983,054</u>	<u>2,062</u>
Total current services and fees	<u>2,618,039</u>	<u>2,618,039</u>	<u>2,591,655</u>	<u>(26,384)</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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Miscellaneous:				
Rent - Town property	\$ 68,000	\$ 68,000	\$ 85,127	\$ 17,127
Cell tower	86,000	86,000	105,388	19,388
Capital project expenditures	1,333,000.00	1,333,000.00	350,806	(982,194)
Resource Officer	52,230	52,230	54,000	1,770
Miscellaneous income	55,000	55,000	117,044	62,044
Total	<u>1,594,230</u>	<u>1,594,230</u>	<u>712,365</u>	<u>(881,865)</u>
 Total revenues	 <u>48,968,236</u>	 <u>48,968,236</u>	 <u>47,342,440</u>	 <u>(1,625,796)</u>
Other financing sources:				
Utilization of fund balance	2,500,000	2,500,000		(2,500,000)
Transfers in:				
Sewer Assessment Fund	259,795	259,795	359,000	99,205
Off Duty Fund	40,000	40,000	40,000	-
Total other financing sources	<u>2,799,795</u>	<u>2,799,795</u>	<u>399,000</u>	<u>(2,400,795)</u>
Total Revenues and Other Financing Sources	\$ <u>51,768,031</u>	\$ <u>51,768,031</u>	47,741,440	\$ <u>(4,026,591)</u>

Budgetary revenues are different than GAAP revenues because:

Combination of Dog Fund for GASB 54 purposes.	12,566
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	2,469,609
Under liquidation of prior year encumbrance is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(79,065)
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>511,376</u>

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

\$ 50,655,926

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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Board of Selectmen	\$ 230,996	\$ 218,004	\$ 215,996	\$ 2,008
Human Resources	86,516	86,516	82,314	4,202
Probate Court	4,345	5,866	5,866	-
Election	41,330	41,424	41,424	-
Board of Finance	10,825	10,907	10,907	-
Assessors	114,277	126,099	126,099	-
Board of Assessment Appeals	1,450	1,450	422	1,028
Tax Collector	156,271	161,422	161,422	-
Tax Rebates	40,000	59,849	59,775	74
Finance	267,747	266,747	257,850	8,897
Information Technology	322,159	322,159	252,909	69,250
Town Counsel	75,000	107,000	106,136	864
Town Clerk	189,047	189,048	175,628	13,420
Town Hall	163,500	163,872	163,872	-
Insurance and bonds	2,513,777	2,511,877	2,490,902	20,975
Total	4,217,240	4,272,240	4,151,522	120,718
Planning and development:				
Zoning and Planning	174,182	175,181	169,865	5,316
Zoning Board of Appeals	5,762	5,762	4,027	1,735
Economic Development	144,459	144,459	144,174	285
Historic District Commission	885	885	468	417
Conservation Commission	56,133	56,133	52,906	3,227
Total	381,421	382,420	371,440	10,980
Public safety:				
Fire Commission	849,665	849,665	805,417	44,248
Police Commission	2,240,422	2,240,421	2,157,201	83,220
Civil Preparedness	17,263	17,263	16,253	1,010
Building Department	205,392	205,392	191,870	13,522
Town Engineer	112,987	112,987	107,005	5,982
Animal Control	85,899	85,899	85,899	-
Total	3,511,628	3,511,627	3,363,645	147,982
Public works:				
Public works	460,585	460,585	447,151	13,434
Highway	1,127,218	1,177,042	1,177,042	-
State aid road funds	144,074	144,074	144,074	-
Public utilities	506,000	506,000	494,432	11,568
Town landfill	1,024,686	1,013,344	980,893	32,451
Total	3,262,563	3,301,045	3,243,592	57,453
Health and social services:				
Health and social services	121,622	121,622	120,622	1,000
Social Services Commission	1,690	1,690	1,250	440
Senior Center	110,511	117,243	117,243	-
Mini-bus transportation	192,382	192,382	182,780	9,602

(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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Health and social services (continued):				
EMS/Ambulance	\$ 225,837	\$ 225,837	\$ 208,651	\$ 17,186
Social worker	67,004	67,004	67,004	-
Total	<u>719,046</u>	<u>725,778</u>	<u>697,550</u>	<u>28,228</u>
Library, Recreation and Parks:				
Library	427,056	427,056	427,056	-
Recreation	260,464	260,464	250,259	10,205
Recreation activity	119,798	119,798	97,906	21,892
Tree Warden	15,000	15,000	9,015	5,985
Youth Services	119,584	119,584	88,037	31,547
Total	<u>941,902</u>	<u>941,902</u>	<u>872,273</u>	<u>69,629</u>
Board of Education	<u>30,405,137</u>	<u>30,405,137</u>	<u>29,536,866</u>	<u>868,271</u>
Miscellaneous:				
Cemeteries	<u>30,000</u>	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Debt service	<u>2,363,256</u>	<u>2,363,256</u>	<u>2,363,255</u>	<u>1</u>
Contingency	<u>150,000</u>			<u>-</u>
Total expenditures	<u>45,982,193</u>	<u>45,934,405</u>	<u>44,631,143</u>	<u>1,303,262</u>
Other financing uses:				
Transfers out:				
Capital Projects Funds	3,700,161	3,747,949	3,700,161	47,788
OPEB Fund	700,000	700,000	700,000	-
School Building Project	1,385,677	1,385,677	1,385,677	-
Total other financing uses	<u>5,785,838</u>	<u>5,833,626</u>	<u>5,785,838</u>	<u>47,788</u>
Total Expenditures and Other Financing Uses	\$ <u>51,768,031</u>	\$ <u>51,768,031</u>	50,416,981	\$ <u>1,351,050</u>

Budgetary expenditures are different than GAAP expenditures because:

Combination of Dog Fund for GASB 54 purposes.	(3,759)
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	2,469,609
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.	(35,453)
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>511,376</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV)\$ 53,358,754

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 12,899,314	\$ 15,788,488
Receivables:		
Property taxes, net of allowance for uncollectibles of \$14,932 in 2011 and \$40,271 in 2010	766,665	643,635
Intergovernmental	322,297	9,209
Other	782,745	494,143
Due from other funds	<u>2,805,536</u>	<u>4,193,524</u>
Total Assets	<u>\$ 17,576,557</u>	<u>\$ 21,128,999</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,319,297	\$ 1,581,072
Due to other funds	7,048,696	7,885,259
Deferred revenues	<u>1,311,036</u>	<u>1,180,793</u>
Total liabilities	<u>9,679,029</u>	<u>10,647,124</u>
Fund balance:		
Restricted	322,297	9,209
Committed	433,788	-
Assigned	772,933	2,925,675
Unassigned	<u>6,368,510</u>	<u>7,546,991</u>
Total fund balance	<u>7,897,528</u>	<u>10,481,875</u>
Total Liabilities and Fund Balance	<u>\$ 17,576,557</u>	<u>\$ 21,128,999</u>

TOWN OF SUFFIELD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2011

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Grand List	Uncollected Taxes July 1, 2010	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2011
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2009	\$	\$ 32,042,428	\$ 290,412	\$ (359,383)	\$	\$ 31,973,457	\$ 31,559,273	\$ 90,989	\$ 188	\$ 31,650,450	\$ 414,184
2008	435,177		89,465	(66,794)		457,848	247,542	53,386	2,394	303,322	210,306
2007	141,154		6,043	(6,574)		140,623	42,530	14,402	486	57,418	98,093
2006	43,414		77	(623)	(17,340)	25,528	12,800	3,523	24	16,347	12,728
2005	22,265			(121)	(3,198)	18,946	5,595	1,816		7,411	13,351
2004	7,190			(116)	(1,087)	5,987				-	5,987
2003	8,697			(112)	(1,248)	7,337				-	7,337
2002	6,288			(86)	(362)	5,840	1,357	1,801		3,158	4,483
2001	2,918			(82)		2,836				-	2,836
2000	5,274				(2,802)	2,472				-	2,472
1999	2,159					2,159				-	2,159
1998	1,880					1,880				-	1,880
1997	1,623					1,623				-	1,623
1996	1,800					1,800				-	1,800
1995	2,358					2,358				-	2,358
Total	\$ 682,197	\$ 32,042,428	\$ 385,997	\$ (433,891)	\$ (26,037)	\$ 32,650,694	\$ 31,869,097	\$ 165,917	\$ 3,092	\$ 32,038,106	\$ 781,597

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

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	\$	\$ 645	\$	\$	\$	\$ 6,886	\$	\$
Receivables:								
Assessments						144,575		
Intergovernmental		38,126		255,941				
Loans receivables								
Other	35,874	4,458		154,396				
Due from other funds	84,697		291,757	24,991	185		4,635	17,108
Inventory		27,000						
Total Assets	<u>\$ 120,571</u>	<u>\$ 70,229</u>	<u>\$ 291,757</u>	<u>\$ 435,328</u>	<u>\$ 185</u>	<u>\$ 151,461</u>	<u>\$ 4,635</u>	<u>\$ 17,108</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 24,150	\$	\$ 45,938	\$	\$ 35	\$	\$
Due to other funds			2,039					
Deferred revenue				100,131		144,575		
Total liabilities	<u>-</u>	<u>24,150</u>	<u>2,039</u>	<u>146,069</u>	<u>-</u>	<u>144,610</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable		27,000						
Restricted		38,126	289,718	289,259	185		4,635	
Committed	120,571					6,851		17,108
Unassigned		(19,047)						
Total fund balances	<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>
Total Liabilities and Fund Balances	<u>\$ 120,571</u>	<u>\$ 70,229</u>	<u>\$ 291,757</u>	<u>\$ 435,328</u>	<u>\$ 185</u>	<u>\$ 151,461</u>	<u>\$ 4,635</u>	<u>\$ 17,108</u>

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TOWN OF SUFFIELD, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

	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
Assets								
Cash and cash equivalents	\$	\$	\$ 4,260	\$ 98,924	\$	\$	\$	\$
Receivables:								
Assessments								
Intergovernmental		39,392						
Loans receivables				157,944				
Other	1,858					125		
Due from other funds	26,618	25,587		14,268	1,148	7,701	20,845	2,620
Inventory								
Total Assets	\$ 28,476	\$ 64,979	\$ 4,260	\$ 271,136	\$ 1,148	\$ 7,826	\$ 20,845	\$ 2,620
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 855	\$ 13,089	\$	\$ 1,050	\$	\$	\$	\$
Due to other funds		15,636		92,260	1,168			
Deferred revenue		94,878		157,944				
Total liabilities	855	123,603	-	251,254	1,168	-	-	-
Fund balances:								
Nonspendable								
Restricted		39,392	4,260	19,882		7,826	20,845	
Committed	27,621							2,620
Unassigned		(98,016)			(20)			
Total fund balances	27,621	(58,624)	4,260	19,882	(20)	7,826	20,845	2,620
Total Liabilities and Fund Balances	\$ 28,476	\$ 64,979	\$ 4,260	\$ 271,136	\$ 1,148	\$ 7,826	\$ 20,845	\$ 2,620

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TOWN OF SUFFIELD, CONNECTICUT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

	Special Revenue Funds				Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	Other Post Employment Benefits	School Activity	Memorial	Cemetery		
Assets								
Cash and cash equivalents	\$	\$ 148,019	\$	\$	\$ 56,989	\$ 506,279	\$	\$ 822,002
Receivables:								
Assessments								144,575
Intergovernmental								333,459
Loans receivables								157,944
Other	43,639							240,350
Due from other funds		632		49,177			(21,492)	550,477
Inventory								27,000
Total Assets	<u>\$ 43,639</u>	<u>\$ 148,651</u>	<u>\$ -</u>	<u>\$ 49,177</u>	<u>\$ 56,989</u>	<u>\$ 506,279</u>	<u>\$ (21,492)</u>	<u>\$ 2,275,807</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,840	\$	\$	\$	\$	\$ 1,708	\$	\$ 90,665
Due to other funds	46,454	6,836			16,737	87,040	(21,492)	246,678
Deferred revenue								497,528
Total liabilities	<u>50,294</u>	<u>6,836</u>	<u>-</u>	<u>-</u>	<u>16,737</u>	<u>88,748</u>	<u>(21,492)</u>	<u>834,871</u>
Fund balances:								
Nonspendable					40,252	417,531		484,783
Restricted								714,128
Committed		141,815		49,177				365,763
Unassigned	(6,655)							(123,738)
Total fund balances	<u>(6,655)</u>	<u>141,815</u>	<u>-</u>	<u>49,177</u>	<u>40,252</u>	<u>417,531</u>	<u>-</u>	<u>1,440,936</u>
Total Liabilities and Fund Balances	<u>\$ 43,639</u>	<u>\$ 148,651</u>	<u>\$ -</u>	<u>\$ 49,177</u>	<u>\$ 56,989</u>	<u>\$ 506,279</u>	<u>\$ (21,492)</u>	<u>\$ 2,275,807</u>

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

JUNE 30, 2011

Special Revenue Funds

	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>
Revenues:								
Intergovernmental	\$	\$ 168,916	\$	\$ 2,056,007	\$	\$	\$ 117	\$
Current services and fees	236,280	490,938				103,000		
Assessments						108,892		
Interest income		302				490		
Donations and program income			7,830					
Total revenues	<u>236,280</u>	<u>660,156</u>	<u>7,830</u>	<u>2,056,007</u>	<u>-</u>	<u>212,382</u>	<u>117</u>	<u>-</u>
Expenditures:								
Administration								
Planning and development								
Public safety	151,447		9,495					
Public works								
Health and social services								
Library, recreation and parks								30
Education		717,488		2,039,988				
Capital outlay								
Total expenditures	<u>151,447</u>	<u>717,488</u>	<u>9,495</u>	<u>2,039,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Excess (deficiency) of revenues over expenditures	<u>84,833</u>	<u>(57,332)</u>	<u>(1,665)</u>	<u>16,019</u>	<u>-</u>	<u>212,382</u>	<u>117</u>	<u>(30)</u>
Other financing sources (uses):								
Transfers in		50,000						
Transfers out	(40,000)					(359,000)		
Total other financing sources (uses)	<u>(40,000)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(359,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	44,833	(7,332)	(1,665)	16,019	-	(146,618)	117	(30)
Fund balance at beginning of year, as Restated	<u>75,738</u>	<u>53,411</u>	<u>291,383</u>	<u>273,240</u>	<u>185</u>	<u>153,469</u>	<u>4,518</u>	<u>17,138</u>
Fund Balance at End 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>

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

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

	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	\$	\$ 177,666	\$	\$ 123,758	\$	\$	\$	\$
Current services and fees	12,572							
Assessments								
Interest income								
Donations and program income	18,605		2,607			225	20	
Total revenues	<u>31,177</u>	<u>177,666</u>	<u>2,607</u>	<u>123,758</u>	<u>-</u>	<u>225</u>	<u>20</u>	<u>-</u>
Expenditures:								
Administration		61,201		1,850				
Planning and development		3,750						
Public safety		74,498						
Public works		12,848						
Health and social services		10,000	3,257					
Library, recreation and parks	20,404	8,019						
Education								
Capital outlay		65,551		142,971				
Total expenditures	<u>20,404</u>	<u>235,867</u>	<u>3,257</u>	<u>144,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>10,773</u>	<u>(58,201)</u>	<u>(650)</u>	<u>(21,063)</u>	<u>-</u>	<u>225</u>	<u>20</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	10,773	(58,201)	(650)	(21,063)	-	225	20	-
Fund balance at beginning of year, as Restated	<u>16,848</u>	<u>(423)</u>	<u>4,910</u>	<u>40,945</u>	<u>(20)</u>	<u>7,601</u>	<u>20,825</u>	<u>2,620</u>
Fund Balance at End 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>

(Continued on next page)

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

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

	Special Revenue Funds				Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	Other Post Employment Benefits	School Activity	Memorial	Cemetery		
Revenues:								
Intergovernmental	\$ 4,472							\$ 2,530,936
Current services and fees	14,561			115,879				973,230
Assessments								108,892
Interest income	62,101	538			215	1,708		65,354
Donations and program income						3,200		32,487
Total revenues	<u>81,134</u>	<u>538</u>	<u>-</u>	<u>115,879</u>	<u>215</u>	<u>4,908</u>	<u>-</u>	<u>3,710,899</u>
Expenditures:								
Administration			1,700,000					1,763,051
Planning and development								3,750
Public safety								235,440
Public works								12,848
Health and social services						1,708		14,965
Library, recreation and parks	511,190							539,643
Education				93,944				2,851,420
Capital outlay								208,522
Total expenditures	<u>511,190</u>	<u>-</u>	<u>1,700,000</u>	<u>93,944</u>	<u>-</u>	<u>1,708</u>	<u>-</u>	<u>5,629,639</u>
Excess (deficiency) of revenues over expenditures	<u>(430,056)</u>	<u>538</u>	<u>(1,700,000)</u>	<u>21,935</u>	<u>215</u>	<u>3,200</u>	<u>-</u>	<u>(1,918,740)</u>
Other financing sources (uses):								
Transfers in	427,056							477,056
Transfers out		(8,650)						(407,650)
Total other financing sources (uses)	<u>427,056</u>	<u>(8,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,406</u>
Net change in fund balances	(3,000)	(8,112)	(1,700,000)	21,935	215	3,200	-	(1,849,334)
Fund balance at beginning of year, as Restated	<u>(3,655)</u>	<u>149,927</u>	<u>1,700,000</u>	<u>27,242</u>	<u>40,037</u>	<u>414,331</u>	<u>-</u>	<u>3,290,270</u>
Fund Balance at End of Year	<u>\$ (6,655)</u>	<u>\$ 141,815</u>	<u>\$ -</u>	<u>\$ 49,177</u>	<u>\$ 40,252</u>	<u>\$ 417,531</u>	<u>\$ -</u>	<u>\$ 1,440,936</u>

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

JUNE 30, 2011

	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	\$	\$ 10,941	\$ 248,162	\$	\$	\$	\$
Receivables:							
Accounts			3,490			125	
Intergovernmental	1,682,000					57,203	
Due from other funds	<u> </u>	<u>451,333</u>	<u> </u>	<u>4,586</u>	<u>289,000</u>	<u>16,767</u>	<u>4,991,306</u>
Total Assets	<u>\$ 1,682,000</u>	<u>\$ 462,274</u>	<u>\$ 251,652</u>	<u>\$ 4,586</u>	<u>\$ 289,000</u>	<u>\$ 74,095</u>	<u>\$ 4,991,306</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$ 44,657	\$ 381,994
Due to other funds	1,682,000	289,000			279,052		1,716
Deferred revenue			12,622				
Total liabilities	<u>1,682,000</u>	<u>289,000</u>	<u>12,622</u>	<u>-</u>	<u>279,052</u>	<u>44,657</u>	<u>383,710</u>
Fund Balances:							
Restricted						57,203	
Committed		173,274	239,030	4,586	9,948		3,927,933
Assigned							679,663
Unassigned						(27,765)	
Total fund balances	<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>
Total Liabilities and Fund Balances	<u>\$ 1,682,000</u>	<u>\$ 462,274</u>	<u>\$ 251,652</u>	<u>\$ 4,586</u>	<u>\$ 289,000</u>	<u>\$ 74,095</u>	<u>\$ 4,991,306</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT

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

JUNE 30, 2011

	<u>Senior Center Project</u>	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Fund</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$	\$ 159,652	\$	\$ 418,755
Receivables:						
Accounts						3,615
Intergovernmental		297,235				2,036,438
Due from other funds			761,346		(289,000)	6,225,338
Total Assets	<u>\$ -</u>	<u>\$ 297,235</u>	<u>\$ 761,346</u>	<u>\$ 159,652</u>	<u>\$ (289,000)</u>	<u>\$ 8,684,146</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$ 4,255	\$	\$	\$	\$ 430,906
Due to other funds	137,140	539,279		14,229	(289,000)	2,653,416
Deferred revenue						12,622
Total liabilities	<u>137,140</u>	<u>543,534</u>	<u>-</u>	<u>14,229</u>	<u>(289,000)</u>	<u>3,096,944</u>
Fund Balances:						
Restricted						57,203
Committed			761,346	145,423		5,261,540
Assigned						679,663
Unassigned	(137,140)	(246,299)				(411,204)
Total fund balances	<u>(137,140)</u>	<u>(246,299)</u>	<u>761,346</u>	<u>145,423</u>	<u>-</u>	<u>5,587,202</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 297,235</u>	<u>\$ 761,346</u>	<u>\$ 159,652</u>	<u>\$ (289,000)</u>	<u>\$ 8,684,146</u>

TOWN OF SUFFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

	<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>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$
Current services and fees							
Interest income		73	325				
Donations							
Total revenues	<u>-</u>	<u>73</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:							
Capital outlay			132,428			2,191	2,398,602
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>73</u>	<u>(132,103)</u>	<u>-</u>	<u>-</u>	<u>(2,191)</u>	<u>(2,398,602)</u>
Other financing sources (uses):							
Issuance of capital lease							39,522
Transfers in	1,385,677		370,304				3,700,161
Transfers out							(1,221,900)
Total other financing sources (uses)	<u>1,385,677</u>	<u>-</u>	<u>370,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,783</u>
Net Change in Fund Balances	1,385,677	73	238,201	-	-	(2,191)	119,181
Fund Balances at Beginning of Year, as Restated	<u>(1,385,677)</u>	<u>173,201</u>	<u>829</u>	<u>4,586</u>	<u>9,948</u>	<u>31,629</u>	<u>4,488,415</u>
Fund Balances at End 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>

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, 2011

	<u>Senior Center Project</u>	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Fund</u>
Revenues:						
Intergovernmental	\$ 140,513	\$	\$ 640,500	\$	\$	\$ 781,013
Current services and fees			21,710			21,710
Interest income				427		825
Donations	2,451			2,760		5,211
Total revenues	<u>142,964</u>	<u>-</u>	<u>662,210</u>	<u>3,187</u>	<u>-</u>	<u>808,759</u>
Expenditures:						
Capital outlay	<u>111,360</u>	<u>234,849</u>	<u>928,224</u>	<u>2,229</u>		<u>3,809,883</u>
Excess (deficiency) of revenues over expenditures	<u>31,604</u>	<u>(234,849)</u>	<u>(266,014)</u>	<u>958</u>	<u>-</u>	<u>(3,001,124)</u>
Other financing sources (uses):						
Issuance of capital lease						39,522
Transfers in			1,221,900		(1,221,900)	5,456,142
Transfers out					1,221,900	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,221,900</u>	<u>-</u>	<u>-</u>	<u>5,495,664</u>
Net Change in Fund Balances	31,604	(234,849)	955,886	958	-	2,494,540
Fund Balances at Beginning of Year, as Restated	<u>(168,744)</u>	<u>(11,450)</u>	<u>(194,540)</u>	<u>144,465</u>		<u>3,092,662</u>
Fund Balances at End of Year	<u>\$ (137,140)</u>	<u>\$ (246,299)</u>	<u>\$ 761,346</u>	<u>\$ 145,423</u>	<u>\$ -</u>	<u>\$ 5,587,202</u>

TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,147,100	\$	\$ 1,147,100
Due from other funds	272,999	86,028	359,027
Receivables, net	<u>125,585</u>	<u>6,675</u>	<u>132,260</u>
Total	<u>\$ 1,545,684</u>	<u>\$ 92,703</u>	<u>\$ 1,638,387</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued liabilities	\$ 430,320	\$ 39,396	\$ 469,716
Net assets:			
Undesignated	<u>1,115,364</u>	<u>53,307</u>	<u>1,168,671</u>
Total	<u>\$ 1,545,684</u>	<u>\$ 92,703</u>	<u>\$ 1,638,387</u>

TOWN OF SUFFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Operating revenues:			
User charges	\$ 6,144,189	\$ 405,463	\$ 6,549,652
Operating expenses:			
Administration	613,052		613,052
Insurance and benefits	4,802,483		4,802,483
Fuel		409,295	409,295
Total operating expenses	<u>5,415,535</u>	<u>409,295</u>	<u>5,824,830</u>
Operating income (loss)	728,654	(3,832)	724,822
Nonoperating revenue:			
Investment income	<u>2,431</u>		<u>2,431</u>
Change in Net Assets	731,085	(3,832)	727,253
Net assets at beginning of year	<u>384,279</u>	<u>57,139</u>	<u>441,418</u>
Net Assets at End of Year	<u>\$ 1,115,364</u>	<u>\$ 53,307</u>	<u>\$ 1,168,671</u>

TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from users	\$ 6,104,870	\$ 398,551	\$ 6,503,421
Cash paid to vendors	<u>(5,532,237)</u>	<u>(398,551)</u>	<u>(5,930,788)</u>
Net cash provided by operating activities	<u>572,633</u>	<u>-</u>	<u>572,633</u>
Cash flows from investing activities:			
Interest on investments	<u>2,431</u>		<u>2,431</u>
Net increase in cash and cash equivalents	575,064	-	575,064
Cash and cash equivalents at beginning of year	<u>572,036</u>		<u>572,036</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,147,100</u>	<u>\$ -</u>	<u>\$ 1,147,100</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 728,654	\$ (3,832)	\$ 724,822
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	(125,585)	5,096	(120,489)
(Increase) decrease in due from other funds	86,266	(12,008)	74,258
Increase (decrease) in accounts payable and accrued liabilities	<u>(116,702)</u>	<u>10,744</u>	<u>(105,958)</u>
Net Cash Provided by Operating Activities	<u>\$ 572,633</u>	<u>\$ -</u>	<u>\$ 572,633</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2011

	<u>Student Activity</u>	<u>Performance Bond</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 246,677	\$ 70,338	\$ 317,015
Investments	<u>13,660</u>	<u> </u>	<u>13,660</u>
Total Assets	<u>\$ 260,337</u>	<u>\$ 70,338</u>	<u>\$ 330,675</u>
LIABILITIES			
Due to student groups and others	<u>\$ 260,337</u>	<u>\$ 70,338</u>	<u>\$ 330,675</u>

TOWN OF SUFFIELD, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 213,375	\$ 575,698	\$ 542,396	\$ 246,677
Investments	<u>13,660</u>	<u> </u>	<u> </u>	<u>13,660</u>
Total Assets	<u>\$ 227,035</u>	<u>\$ 575,698</u>	<u>\$ 542,396</u>	<u>\$ 260,337</u>
Liabilities:				
Due to student groups and others	<u>\$ 227,035</u>	<u>\$ 575,698</u>	<u>\$ 542,396</u>	<u>\$ 260,337</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 76,640	\$ 198	\$ 6,500	\$ 70,338
Investments	<u>19,754</u>	<u> </u>	<u>19,754</u>	<u>-</u>
Total Assets	<u>\$ 96,394</u>	<u>\$ 198</u>	<u>\$ 26,254</u>	<u>\$ 70,338</u>
Liabilities:				
Due to student groups and others	<u>\$ 96,394</u>	<u>\$ 198</u>	<u>\$ 26,254</u>	<u>\$ 70,338</u>
Total Assets				
Assets:				
Cash and cash equivalents	\$ 290,015	\$ 575,896	\$ 548,896	\$ 317,015
Investments	<u>33,414</u>	<u> </u>	<u>19,754</u>	<u>13,660</u>
Total Assets	<u>\$ 323,429</u>	<u>\$ 575,896</u>	<u>\$ 568,650</u>	<u>\$ 330,675</u>
Liabilities:				
Due to student groups and others	<u>\$ 323,429</u>	<u>\$ 575,896</u>	<u>\$ 568,650</u>	<u>\$ 330,675</u>

TOWN OF SUFFIELD, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2011

(In Thousands)

Total cash collections for the year ended June 30, 2011:

Taxes, interest and lien fees	\$ 32,038
Reimbursement for revenue loss on:	
Tax relief for elderly - elderly freeze	<u>4</u>
Base	<u>\$ 32,042</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitations:					
2-1/4 times base	\$ 72,095	\$	\$	\$	\$
4-1/2 times base		144,189			
3-3/4 times base			120,158		
3-1/4 times base				104,137	
3 times base					<u>96,126</u>
Total debt limitation	<u>72,095</u>	<u>144,189</u>	<u>120,158</u>	<u>104,137</u>	<u>96,126</u>
Indebtedness:					
Bonds and notes payable		14,065	346		
Authorized, unissued bonds		<u>26,308</u>			
Total indebtedness	<u>-</u>	<u>40,373</u>	<u>346</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 72,095</u>	<u>\$ 103,816</u>	<u>\$ 119,812</u>	<u>\$ 104,137</u>	<u>\$ 96,126</u>

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$224,294).