

**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**

of the

**TOWN OF BETHEL,**

**CONNECTICUT**

**FOR THE YEAR ENDED**

**JUNE 30, 2011**

**PREPARED BY:**  
**THE FINANCE DEPARTMENT**

*ROBERT V. KOZLOWSKI, COMPTROLLER*

**TOWN OF BETHEL, CONNECTICUT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

---

**INTRODUCTORY SECTION**

	<u>PAGE</u>
LIST OF PRINCIPAL OFFICIALS .....	1
ORGANIZATIONAL CHART .....	2

**FINANCIAL SECTION**

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS .....	3
MANAGEMENT DISCUSSION AND ANALYSIS .....	5

**BASIC FINANCIAL STATEMENTS**

EXHIBITS

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:**

A	STATEMENT OF NET ASSETS.....	14
B	STATEMENT OF ACTIVITIES .....	16

**FUND FINANCIAL STATEMENTS:**

C	BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES .....	17
D	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS .....	19
E	RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES .....	20
F	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND .....	22
G	STATEMENT OF NET ASSETS - PROPRIETARY FUNDS .....	23
H	STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS .....	24
I	STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS .....	25

TOWN OF BETHEL, CONNECTICUT  
 TABLE OF CONTENTS (CONTINUED)

<u>EXHIBITS</u>	<u>PAGE</u>
<b><u>FUND FINANCIAL STATEMENTS: (CONTINUED)</u></b>	
J STATEMENT OF FIDUCIARY NET ASSETS .....	26
K STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS .....	27
<b><u>NOTES TO BASIC FINANCIAL STATEMENTS:</u></b>	
L NOTES TO BASIC FINANCIAL STATEMENTS.....	28
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
<b><u>BETHEL RETIREMENT SYSTEMS</u></b>	
RSI - 1 SCHEDULE OF FUNDING PROGRESS .....	61
RSI - 2 SCHEDULE OF EMPLOYER CONTRIBUTIONS.....	62
<b><u>BETHEL OTHER POST EMPLOYMENT BENEFIT PLANS</u></b>	
RSI - 3 SCHEDULE OF FUNDING PROGRESS .....	63
RSI - 4 SCHEDULE OF EMPLOYER CONTRIBUTIONS.....	64
<b><u>SCHEDULES</u></b>	
<b><u>SUPPLEMENTAL SCHEDULES</u></b>	
<b><u>GENERAL FUND:</u></b>	
1 SCHEDULE OF REVENUES - BUDGET AND ACTUAL.....	65
2 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL.....	66
3 REPORT OF TAX COLLECTOR .....	68
<b><u>NONMAJOR GOVERNMENTAL FUNDS:</u></b>	
4 COMBINING BALANCE SHEET .....	69
5 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES.....	71
<b><u>FIDUCIARY FUNDS:</u></b>	
6 COMBINING STATEMENT OF FIDUCIARY NET ASSETS .....	73
7 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS .....	74
8 AGENCY FUNDS - COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES.....	75

**STATISTICAL SECTION**

TABLE

1	NET ASSETS BY COMPONENT .....	76
2	CHANGES IN NET ASSETS .....	77
3	FUND BALANCES, GOVERNMENTAL FUNDS .....	79
4	CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS.....	80
5	TAX RATES, LEVIES AND CASH COLLECTIONS .....	81
6	ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY .....	82
7	PRINCIPAL PROPERTY TAXPAYERS .....	83
8	RATIOS OF OUTSTANDING DEBT BY TYPE.....	84
9	RATIOS OF GENERAL DEBT OUTSTANDING .....	85
10	SCHEDULE OF DEBT LIMITATION .....	86
11	LEGAL DEBT MARGIN INFORMATION .....	87
12	DEMOGRAPHIC STATISTICS.....	88
13	PRINCIPAL EMPLOYERS .....	89
14	FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM.....	90
15	OPERATING INDICATORS BY FUNCTION/PROGRAM.....	91
16	CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM .....	92

---

# Introductory Section

---

**TOWN OF BETHEL, CONNECTICUT**

LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2011

---

**BOARD OF SELECTMEN**

Matthew S. Knickerbocker, First Selectman  
Richard C. Straiton  
Paul R. Szatkowski

**BOARD OF FINANCE**

J. Philip Gallagher, Chairman  
William Kingston  
John Dietter  
Gary Regan  
James Roden  
Timothy Draper  
William Slifkin

**FINANCE DEPARTMENT**

Robert V. Kozlowski, Comptroller  
Ann M. Scacco, Tax Collector  
Ann Marie Heering, Assessor

**TREASURER'S DEPARTMENT**

Robert V. Kozlowski, Treasurer

**TOWN DEPARTMENTS**

Lisa Bergh, Town Clerk  
Gary Boughton, Chief Building Official  
Steven J. Palmer, Planning and Zoning Official  
Jeffrey W. Finch, Chief of Police  
Thomas Galliford, Fire Marshal  
Laura L. Vasile, Director of Health  
Eileen T. Earle, Parks and Recreation Director  
Thomas Galliford, Emergency Management Director  
Gary M. Chesley, Superintendent of Schools  
Theresa Yonski, Director of Education Fiscal Services

**TOWN ATTORNEYS**

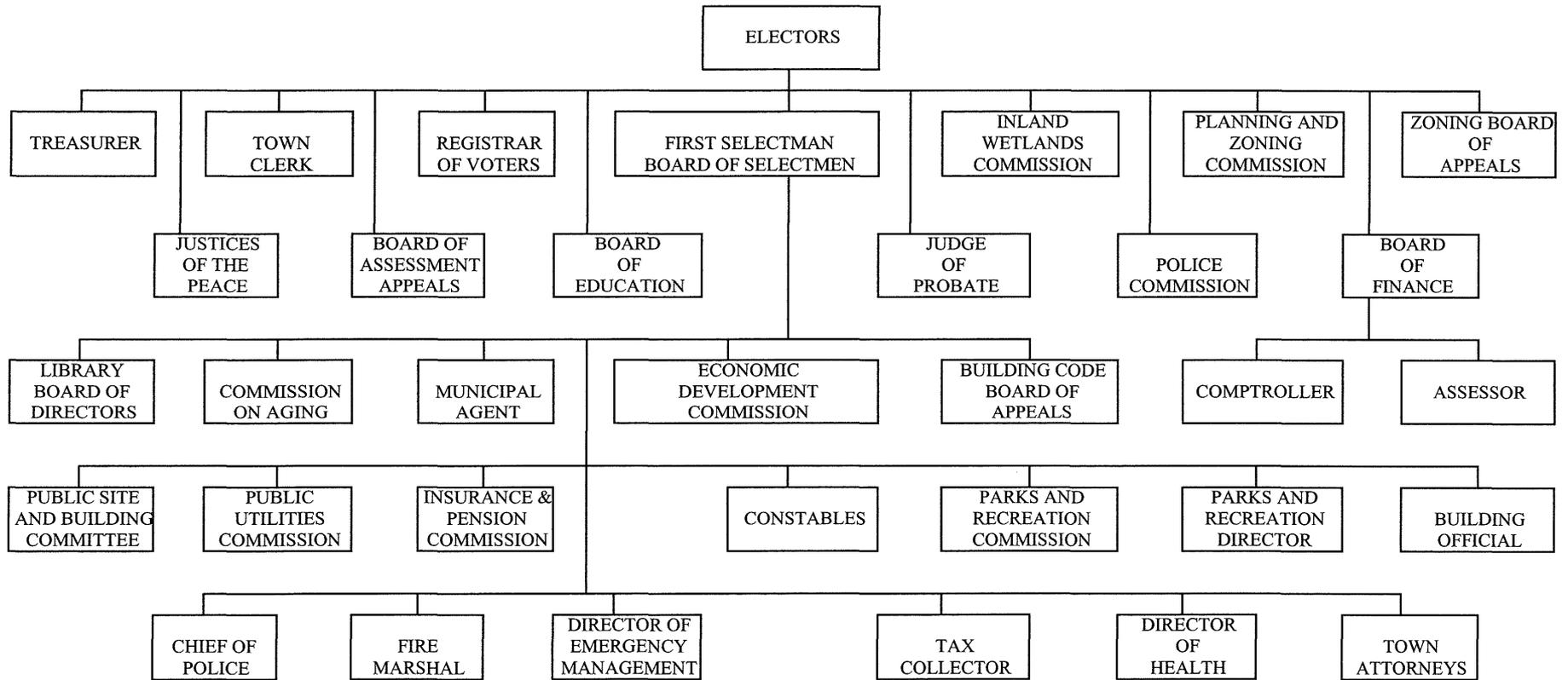
Martin J. Lawler, Jr., Town Counsel  
Frank B. Cleary, Bond Counsel  
John P. Shea, Labor Counsel

**AUDITORS**

J.H. Cohn LLP

TOWN OF BETHEL, CONNECTICUT

ORGANIZATIONAL CHART



---

# Financial Section

---

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Finance  
Town of Bethel, 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 Bethel, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 Bethel, Connecticut, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the general fund 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 March 28, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedules of Funding Progress and Employer Contributions - Bethel Retirement System, and the Schedules of Funding Progress and Employer Contributions - Bethel Other Post Employment Benefit Plan on Pages 5 through 13 and Pages 61 through 64, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bethel, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bethel, Connecticut's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*JH Cohen LLP*

Farmington, Connecticut  
March 28, 2012



# COMPTROLLER'S OFFICE

C.J. Hurgin Municipal Center  
1 School Street, Bethel, CT 06801 (203) 794-8512

Robert V. Kozlowski, Comptroller

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

---

As management of the Town of Bethel, we offer readers of the Town of Bethel's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2011.

### Financial Highlights

- On a government-wide basis, the Town's total net assets grew by \$1,226,916 for the fiscal year, \$1,623,751 of which was generated by governmental activities and (\$396,835) from business-type activities. The most significant reason for such growth is due to the extent that capital asset activity exceeded depreciation expense for the governmental activities (\$500,055) and the effect of debt service principal payments and the refunding of bonds during the year (\$2,630,894) offset by an increase in both the pension and other post-employment benefit expenses of \$1,015,909. Business activities reported a decrease in net assets of \$396,835, due to the increase in cost of contracted services for operation of the sewer system.
- The Town's combined net assets total \$85,622,513 at June 30, 2011. Of this amount, \$11,364,842 is available (unrestricted) to finance ongoing programs, \$9,313,986 in governmental activities and \$2,050,856 for business-type activities.
- At year end, the unassigned fund balance for the general fund was \$6,948,439 or 10.98% of total general fund expenditures.
- The Town's total long-term debt decreased by \$3,824,967 due to the scheduled debt service payments.

### Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Bethel's basic financial statements. The Town of Bethel's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Bethel's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

---

Both of the government-wide financial statements distinguish functions of the Town of Bethel that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, health and welfare, use, public works, library and education. The business-type activities of the Town are for Water, Sewer and Transfer Station operations.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bethel uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the two funds considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 and 5 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on Exhibits C, D and F.

**Proprietary funds.** The Town of Bethel maintains three enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water, Sewer and Transfer Station operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the Water, Sewer and Transfer Station operations. Water and Sewer are considered to be major funds of the Town and the Transfer Station a nonmajor fund.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Bethel's progress in funding its obligation to provide pension benefits to its employees.

The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$85,622,513 at the close of the fiscal year.

**Town of Bethel  
Summary Statement of Net Assets  
June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets.....	\$ 18,538,708	\$ 15,483,500	\$ 3,830,526	\$ 6,245,132	\$ 22,369,234	\$ 21,728,632
Capital assets (net).....	103,350,961	102,875,292	32,094,444	31,977,106	135,445,405	134,852,398
<b>TOTAL ASSETS.....</b>	<b>121,889,669</b>	<b>118,358,792</b>	<b>35,924,970</b>	<b>38,222,238</b>	<b>157,814,639</b>	<b>156,581,030</b>
Long-term liabilities outstanding.....	38,624,872	40,166,644	18,892,976	20,221,836	57,517,848	60,388,480
Other liabilities.....	10,927,348	7,478,450	3,746,930	4,318,503	14,674,278	11,796,953
<b>TOTAL LIABILITIES.....</b>	<b>49,552,220</b>	<b>47,645,094</b>	<b>22,639,906</b>	<b>24,540,339</b>	<b>72,192,126</b>	<b>72,185,433</b>
Net assets:						
Invested in capital assets, net of related debt.....	62,587,262	62,262,355	11,234,208	9,572,027	73,821,470	71,834,382
Restricted.....	436,201	328,832			436,201	328,832
Unrestricted.....	9,313,986	8,122,511	2,050,856	4,109,872	11,364,842	12,232,383
<b>TOTAL NET ASSETS.....</b>	<b>\$ 72,337,449</b>	<b>\$ 70,713,698</b>	<b>\$ 13,285,064</b>	<b>\$ 13,681,899</b>	<b>\$ 85,622,513</b>	<b>\$ 84,395,597</b>

The largest portion of the Town's net assets (86.2%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (0.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets in the amount of \$11,364,842 may be used to meet the Town's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Town's net assets increased by \$1,226,916 during the current fiscal year. This increase is due to the extent that capital asset activity (including assets contributed) exceeded depreciation expense for the governmental activities (\$500,055), and the effect of debt service principal payments of bonds during the year (\$2,630,894). This was offset by an increase in the pension and other post-employment benefit costs of \$1,105,909 for the fiscal year. This was offset by the business activities reporting a decrease in net assets of \$396,835, mostly due to the increase in cost of contracted services for operation of the sewer system.

**Governmental activities.** Already noted was the statement of activities' purpose in presenting information on how the Town's net assets changed during the most recent fiscal year. For the fiscal year, net assets increased \$1,623,751. The increase in assets in governmental activities is related in great part to construction of assets and accrual accounting for debt service activity, rather than accumulation of cash or other liquid assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

**Town of Bethel  
Changes in Net Assets  
For the Years Ended June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
<b>REVENUES:</b>						
Program revenues:						
Charges for services.....	\$ 2,569,913	\$ 2,511,914	\$ 3,908,934	\$ 3,430,180	\$ 6,478,847	\$ 5,942,094
Operating grants and contributions.....	14,672,705	14,593,517			14,672,705	14,593,517
Capital grants and contributions.....	1,424,570	2,060,657		225,000	1,424,570	2,285,657
General revenues:						
Property taxes.....	51,494,235	49,449,036			51,494,235	49,449,036
Grants and contributions not restricted to specific programs.....	502,696	521,325			502,696	521,325
Investment income.....	50,058	217,919	7,381	145,721	57,439	363,640
Miscellaneous.....	5,334	55,065			5,334	55,065
<b>TOTAL REVENUES.....</b>	<b>70,719,511</b>	<b>69,409,433</b>	<b>3,916,315</b>	<b>3,800,901</b>	<b>74,635,826</b>	<b>73,210,334</b>
<b>EXPENSES:</b>						
General government.....	7,406,414	6,668,996			7,406,414	6,668,996
Public safety.....	7,237,624	6,983,966			7,237,624	6,983,966
Public works.....	4,186,588	3,293,443			4,186,588	3,293,443
Health and welfare.....	809,011	454,253			809,011	454,253
Library.....	1,256,386	1,381,052			1,256,386	1,381,052
Education.....	47,147,637	46,830,139			47,147,637	46,830,139
Interest expense.....	1,052,100	460,098			1,052,100	460,098
Water department.....			1,088,386	1,151,148	1,088,386	1,151,148
Sewer department.....			2,918,863	2,898,833	2,918,863	2,898,833
Transfer station.....			305,901	329,680	305,901	329,680
<b>TOTAL EXPENSES.....</b>	<b>69,095,760</b>	<b>66,071,947</b>	<b>4,313,150</b>	<b>4,379,661</b>	<b>73,408,910</b>	<b>70,451,608</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>1,623,751</b>	<b>3,337,486</b>	<b>(396,835)</b>	<b>(578,760)</b>	<b>1,226,916</b>	<b>2,758,726</b>
<b>NET ASSETS - JULY 1.....</b>	<b>70,713,698</b>	<b>67,376,212</b>	<b>13,681,899</b>	<b>14,260,659</b>	<b>84,395,597</b>	<b>81,636,871</b>
<b>NET ASSETS - JUNE 30.....</b>	<b>\$ 72,337,449</b>	<b>\$ 70,713,698</b>	<b>\$ 13,285,064</b>	<b>\$ 13,681,899</b>	<b>\$ 85,622,513</b>	<b>\$ 84,395,597</b>

**Governmental Activities - Revenues**

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2011, were as follows:

- Property tax revenue increased \$2,045,199 due to the increased budget approved by the Town.
- Capital grants and contributions decreased by \$636,087 substantially due to a decrease in contributions received since the high school track light project completed during the year.

**Governmental Activities - Expenses**

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2011, were as follows:

- General government expenses increased by \$737,418 due to an overall increase in most expenses along with larger increases in insurance, utilities, and park and recreation expenses.
- Public works expenses increased by \$893,145 due to less assets being capitalized during the current year.
- Interest expense increased \$592,002 due to interest paid in fiscal 2011 on the large amount of BAN's that matured in the current year.

**Business-Type Activities**

Revenues

- Charges for services increased by \$478,754 due to a new sprinkler and hydrant fee this year, as well as increased users of the sewer system.
- Capital grants and contributions decreased by \$225,000 due to the receipt of a STEAP grant in prior year which was used toward the repaving of the roads that were affected by the Stony Hill sewer installation.

Expenses

Expenses were pretty much in line with prior year. The increase in contracted services for the sewer fund was offset by decreases in other accounts.

**Financial Analysis of the Town's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds.*** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

The combined fund balances of governmental funds for the fiscal year ended June 30, 2011, is \$9,258,019. Of this amount, \$61,987 is a nonspendable long-term receivable, \$436,201 is restricted, \$2,248,642 is committed, and \$353,060 is assigned. The balance of \$6,158,129 is unassigned fund balance.

**General Fund**

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$6,208 for the current fiscal year. Revenues short falls of \$1,518,198 were offset by expenditures less than the budgeted amounts for the year.

**Bonded Projects Fund**

The bonded project fund's net change in fund balance was an increase of \$12,933 for the fiscal year. This is a result of the receipt of school progress payments related to the High School construction project and the transfer from the general fund for the pay down of the bond anticipation notes.

***Proprietary funds.*** The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise funds posted an overall decrease in net assets of \$396,835 for the fiscal year ended June 30, 2011, detailed as follows:

**Water Department**

Net assets of the water department at the end of the year amounted to \$654,593, a decrease of \$21,239.

**Sewer Department**

Net assets of the sewer department at the end of the year amounted to \$13,341,655, a decrease of \$317,932. This was mostly due to the increase in contracted services with the City of Danbury.

**Transfer Station**

Net assets of the transfer station at the end of the year amounted to \$(711,184), a decrease of \$57,664. This was due reduced use of the transfers station which resulted in lower revenue for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**General Fund Budgetary Highlights**

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2011 is on Exhibit F. A summary of that schedule follows:

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues and Other Financing Sources</b>				
Property taxes.....	\$ 51,532,196	\$ 51,532,196	\$ 51,376,303	\$ (155,893)
Intergovernmental, charges for services, other and cancellation of encumbrances.	10,693,593	10,693,593	9,331,288	(1,362,305)
Totals.....	62,225,789	62,225,789	60,707,591	(1,518,198)
<b>Expenditures and Other Financing Uses</b>				
Expenditures.....	61,737,789	61,737,789	59,622,331	2,115,458
Transfers out.....	488,000	488,000	488,000	-
Totals.....	62,225,789	62,225,789	60,110,331	2,115,458
<b>Change in Fund Balance.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 597,260</b>	<b>\$ 597,260</b>

The total final budget was not amended from the original approved budget.

**Capital Assets and Debt Administration**

At June 30, 2011, the Town of Bethel's investment in capital assets in both governmental and business-type activities amounted to \$135,445,405, net of depreciation. This includes land, intangible assets, buildings, equipment, and infrastructure (roads and bridges). Capital assets for governmental activities increased by 0.5% and business-type capital assets increased by 0.4%.

The most significant addition for governmental activities was the completion of the high school track. The most significant addition for business-type activities is construction in progress in the sewer fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Capital Assets and Debt Administration (continued)**

Town of Bethel  
Capital Assets - Net  
June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land.....	\$ 5,208,330	\$ 5,206,075	\$ 157,072	\$ 157,072	\$ 5,365,402	\$ 5,363,147
Construction in progress.....	110,306	163,595	13,643,688	13,320,043	13,753,994	13,483,638
Land improvements.....	1,702,464	507,848	1,225	2,205	1,703,689	510,053
Intangible assets.....	121,961	128,553	7,555,225	7,718,182	7,677,186	7,846,735
Buildings.....	73,295,206	74,490,190	583,312	627,828	73,878,518	75,118,018
Building improvements.....	6,772,396	6,962,838	322,595	341,486	7,094,991	7,304,324
Distribution, collection, and treatment.....			9,593,636	9,668,944	9,593,636	9,668,944
Machinery and equipment.....	2,635,973	1,975,949	213,728	126,334	2,849,701	2,102,283
Vehicles.....	3,060,390	3,132,303	23,963	15,012	3,084,353	3,147,315
Infrastructure.....	10,443,935	10,307,941			10,443,935	10,307,941
<b>TOTAL.....</b>	<b>\$ 103,350,961</b>	<b>\$ 102,875,292</b>	<b>\$ 32,094,444</b>	<b>\$ 31,977,106</b>	<b>\$ 135,445,405</b>	<b>\$ 134,852,398</b>

Additional information on the Town's capital assets can be found in Note III C.

**Long-term Debt**

For the year ended June 30, 2011, the Town's long-term debt decreased by \$3,824,967 due to scheduled debt service payments. At the end of the current fiscal year, the Town had total bonded and loan debt outstanding of \$55,049,931. Of this amount, \$9,378 will be funded from state grants resulting in net outstanding debt in the amount of \$55,040,553, which is backed by the full faith and credit of the Town of Bethel.

**TOWN OF BETHEL  
OUTSTANDING DEBT  
GENERAL OBLIGATION AND SEWER BONDS AND CLEAN WATER NOTES**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General purpose bonds	\$ 7,766,000	\$ 8,777,000	\$ 19,065,000	\$ 19,990,000	\$ 26,831,000	\$ 28,767,000
School bonds	27,219,000	28,628,000			27,219,000	28,628,000
Sewer and clean water loans			999,931	1,479,898	999,931	1,479,898
<b>Total</b>	<b>\$ 34,985,000</b>	<b>\$ 37,405,000</b>	<b>\$ 20,064,931</b>	<b>\$ 21,469,898</b>	<b>\$ 55,049,931</b>	<b>\$ 58,874,898</b>

The Town maintains an "AA2" rating from Moody's and an "AA+" from Standard and Poor's and Fitch for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 ¼ to 4 ½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$354,962,006, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III.F.

**Next Year's Budgets and Rates**

Town officials considered many factors when setting the fiscal year 2012 budget. The Town decided that it was important to continue the support of the school system and adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to our residents and taxpayers.

The 2012 general fund budget is \$62,958,525, an increase of 1.3% over the prior year. Non-tax revenue remained relatively consistent.

**Requests for Information**

This financial report is designed to familiarize citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or request for additional financial information, should be directed to Mr. Robert V. Kozlowski, Comptroller, Bethel Municipal Center, 1 School Street, Bethel, Connecticut 06801. Telephone (203) 794-8512.

---

# Basic Financial Statements

---

**TOWN OF BETHEL, CONNECTICUT**

STATEMENT OF NET ASSETS  
JUNE 30, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Current assets:			
Cash.....	\$ 8,615,499	\$ 1,075,108	\$ 9,690,607
Investments.....	3,950,057	1,206,015	5,156,072
Receivables:			
Property taxes.....	730,934		730,934
Assessments.....		193,105	193,105
Intergovernmental.....	1,267,799		1,267,799
Other.....	318,108	364,020	682,128
Internal balances.....	3,209,402	(3,209,402)	-
Other assets.....		9,133	9,133
Total current assets.....	18,091,799	(362,021)	17,729,778
Noncurrent assets:			
Receivables (net):			
Property taxes.....	285,647		285,647
Assessments.....		4,192,547	4,192,547
Intergovernmental.....	4,900		4,900
Total receivables (net).....	290,547	4,192,547	4,483,094
Other noncurrent assets.....	156,362		156,362
Capital assets (net of accumulated depreciation):			
Land.....	5,208,330	157,072	5,365,402
Construction in progress.....	110,306	13,643,688	13,753,994
Land improvements.....	1,702,464	1,225	1,703,689
Intangible assets.....	121,961	7,555,225	7,677,186
Buildings.....	73,295,206	583,312	73,878,518
Building improvements.....	6,772,396	322,595	7,094,991
Distribution and collection system.....		9,593,636	9,593,636
Machinery and equipment.....	2,635,973	213,728	2,849,701
Vehicles.....	3,060,390	23,963	3,084,353
Infrastructure.....	10,443,935		10,443,935
Total capital assets (net of accumulated depreciation).....	103,350,961	32,094,444	135,445,405
Total noncurrent assets.....	103,797,870	36,286,991	140,084,861
<b>TOTAL ASSETS.....</b>	<b>121,889,669</b>	<b>35,924,970</b>	<b>157,814,639</b>

(Continued)

**TOWN OF BETHEL, CONNECTICUT**

STATEMENT OF NET ASSETS  
JUNE 30, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>LIABILITIES</u></b>			
LIABILITIES:			
Current liabilities:			
Accounts payable.....	\$ 1,667,371	\$ 1,384,673	\$ 3,052,044
Accrued payroll and related liabilities.....	378,807	41,382	420,189
Accrued interest payable.....	334,879	154,738	489,617
Unearned revenue.....	987,175	24,630	1,011,805
Bond anticipation notes.....	4,640,460	766,540	5,407,000
Bond and notes payable.....	2,420,000	1,374,967	3,794,967
Capital lease payable.....	127,456		127,456
Compensated absences.....	371,200		371,200
<b>Total current liabilities.....</b>	<b>10,927,348</b>	<b>3,746,930</b>	<b>14,674,278</b>
Noncurrent liabilities:			
Bonds and notes payable and related liabilities.....	33,086,036	18,718,729	51,804,765
Capital lease payable.....	489,747		489,747
Compensated absences.....	622,867		622,867
Net pension obligation.....	2,879,805	100,747	2,980,552
Net OPEB obligation.....	1,546,417	73,500	1,619,917
<b>Total noncurrent liabilities.....</b>	<b>38,624,872</b>	<b>18,892,976</b>	<b>57,517,848</b>
<b>TOTAL LIABILITIES.....</b>	<b>49,552,220</b>	<b>22,639,906</b>	<b>72,192,126</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt.....	62,587,262	11,234,208	73,821,470
Restricted for:			
General government.....	201,894		201,894
Education.....	165,351		165,351
Other.....	68,956		68,956
Unrestricted.....	9,313,986	2,050,856	11,364,842
<b>TOTAL NET ASSETS.....</b>	<b>\$ 72,337,449</b>	<b>\$ 13,285,064</b>	<b>\$ 85,622,513</b>

(Concluded)

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET REVENUES (EXPENSES) AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government.....	\$ 7,406,414	\$ 1,109,532	\$ 191,952	\$ 1,278,275	\$ (4,826,655)	\$	\$ (4,826,655)
Public safety.....	7,237,624	341,581		12,530	(6,883,513)		(6,883,513)
Public works.....	4,186,588	83,735	272,766		(3,830,087)		(3,830,087)
Health and welfare.....	809,011		127,724		(681,287)		(681,287)
Library.....	1,256,386	17,005	215,259		(1,024,122)		(1,024,122)
Education.....	47,147,637	1,018,060	13,865,004	133,765	(32,130,808)		(32,130,808)
Interest expense.....	1,052,100				(1,052,100)		(1,052,100)
<b>TOTAL GOVERNMENTAL ACTIVITIES.....</b>	<b>69,095,760</b>	<b>2,569,913</b>	<b>14,672,705</b>	<b>1,424,570</b>	<b>(50,428,572)</b>	<b>-</b>	<b>(50,428,572)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Water Department.....	1,088,386	1,067,147				(21,239)	(21,239)
Sewer Department.....	2,918,863	2,593,550				(325,313)	(325,313)
Transfer Station.....	305,901	248,237				(57,664)	(57,664)
<b>TOTAL BUSINESS-TYPE ACTIVITIES.....</b>	<b>4,313,150</b>	<b>3,908,934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(404,216)</b>	<b>(404,216)</b>
<b>TOTAL.....</b>	<b>\$ 73,408,910</b>	<b>\$ 6,478,847</b>	<b>\$ 14,672,705</b>	<b>\$ 1,424,570</b>	<b>\$ (50,428,572)</b>	<b>\$ (404,216)</b>	<b>\$ (50,832,788)</b>
<b>GENERAL REVENUES:</b>							
Property taxes.....					\$ 51,494,235	\$	\$ 51,494,235
Grants and contributions not restricted to specific programs.....					502,696		502,696
Investment income.....					50,058	7,381	57,439
Miscellaneous.....					5,334		5,334
<b>TOTAL GENERAL REVENUES.....</b>					<b>52,052,323</b>	<b>7,381</b>	<b>52,059,704</b>
<b>CHANGE IN NET ASSETS.....</b>					<b>1,623,751</b>	<b>(396,835)</b>	<b>1,226,916</b>
<b>NET ASSETS - JULY 1, 2010.....</b>					<b>70,713,698</b>	<b>13,681,899</b>	<b>84,395,597</b>
<b>NET ASSETS - JUNE 30, 2011.....</b>					<b>\$ 72,337,449</b>	<b>\$ 13,285,064</b>	<b>\$ 85,622,513</b>

**TOWN OF BETHEL, CONNECTICUT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b><u>ASSETS</u></b>				
Cash.....	\$ 2,516,589	\$ 3,042,805	\$ 2,426,396	\$ 7,985,790
Investments.....	2,674,786	394,331	880,940	3,950,057
Receivables, net:				
Property taxes.....	1,024,200			1,024,200
Intergovernmental.....	701,016		561,672	1,262,688
Other.....	202,705		115,403	318,108
Due from other funds.....	4,296,290	173,147	545,159	5,014,596
<b>TOTAL ASSETS.....</b>	<b>\$ 11,415,586</b>	<b>\$ 3,610,283</b>	<b>\$ 4,529,570</b>	<b>\$ 19,555,439</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable.....	\$ 1,286,632	\$ 62,539	\$ 107,157	\$ 1,456,328
Accrued payroll.....	378,807			378,807
Due to other funds.....	998,655	59,898	903,684	1,962,237
Deferred revenue.....	872,413			872,413
Unearned revenue.....	845,666		141,509	987,175
Bond anticipation notes.....		4,200,460	440,000	4,640,460
Total Liabilities.....	4,382,173	4,322,897	1,592,350	10,297,420
Fund Balances:				
Nonspendable.....	61,987			61,987
Restricted.....			436,201	436,201
Committed.....			2,248,642	2,248,642
Assigned.....	22,987		330,073	353,060
Unassigned.....	6,948,439	(712,614)	(77,696)	6,158,129
Total Fund Balances.....	7,033,413	(712,614)	2,937,220	9,258,019
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 11,415,586</b>	<b>\$ 3,610,283</b>	<b>\$ 4,529,570</b>	<b>\$ 19,555,439</b>

(Continued)

**TOWN OF BETHEL, CONNECTICUT**

RECONCILIATION OF FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2011

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	9,258,019
---	----	-----------

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....		102,875,292
Capital assets additions.....		2,741,250
Depreciation expense.....		(2,241,195)
Disposal of capital assets.....		(24,386)

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:

Property tax, interest and lien accrual.....		222,381
Property tax receivable - accrual basis change.....		872,413
School building grant receivable.....		10,011
Allowance for doubtful accounts.....		(230,000)
Other.....		156,362

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF MEDICAL INSURANCE PREMIUMS TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....		575,709
--	--	---------

SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bond and notes payable.....		(34,985,000)
Premium.....		(994,780)
Deferred charges.....		473,744
Capital lease payable.....		(617,203)
Compensated absences.....		(994,067)
Net pension obligation.....		(2,879,805)
Net OPEB obligation.....		(1,546,417)
Accrued interest payable.....		(334,879)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>72,337,449</u>
--	----	-------------------

(Concluded)

TOWN OF BETHEL, CONNECTICUTSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Property taxes.....	\$ 51,376,303	\$	\$	\$ 51,376,303
Intergovernmental.....	11,415,189	133,765	4,483,522	16,032,476
Charges for services.....	955,934		1,622,413	2,578,347
Use of money and property.....	31,345	5,384	13,329	50,058
Contributions.....			991,811	991,811
Other.....	2,054		3,280	5,334
<b>TOTAL REVENUES.....</b>	<b>63,780,825</b>	<b>139,149</b>	<b>7,114,355</b>	<b>71,034,329</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	11,400,469		99,666	11,500,135
Public safety.....	4,377,793		392,806	4,770,599
Public works.....	2,899,695			2,899,695
Health and welfare.....	333,820		278,377	612,197
Library.....	748,182		50,854	799,036
Education.....	39,878,864		4,621,827	44,500,691
Debt service.....	3,647,722			3,647,722
Capital outlay.....		349,216	2,392,627	2,741,843
<b>TOTAL EXPENDITURES.....</b>	<b>63,286,545</b>	<b>349,216</b>	<b>7,836,157</b>	<b>71,471,918</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>494,280</b>	<b>(210,067)</b>	<b>(721,802)</b>	<b>(437,589)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease.....			280,000	280,000
Transfers in.....		223,000	265,000	488,000
Transfers out.....	(488,000)			(488,000)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(488,000)</b>	<b>223,000</b>	<b>545,000</b>	<b>280,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>6,280</b>	<b>12,933</b>	<b>(176,802)</b>	<b>(157,589)</b>
<b>FUND BALANCES - JULY 1, 2010.....</b>	<b>7,027,133</b>	<b>(725,547)</b>	<b>3,114,022</b>	<b>9,415,608</b>
<b>FUND BALANCES - JUNE 30, 2011.....</b>	<b>\$ 7,033,413</b>	<b>\$ (712,614)</b>	<b>\$ 2,937,220</b>	<b>\$ 9,258,019</b>

The notes to the financial statements are an integral part of this statement.

**TOWN OF BETHEL, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES  
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (157,589)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	2,741,250
Depreciation expense.....	<u>(2,241,195)</u>

Total..... 500,055

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets. In the Statement of Activities, only the ~~loss~~ the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold:

Loss on disposal of assets.....	<u>(24,386)</u>
---------------------------------	-----------------

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 Fund Financial Statements are not recognized in the Statement of Activities:

School building grant receipts.....	(424,316)
Change in property tax receivable - accrual basis change.....	74,207
Change in property tax interest and lien revenue.....	<u>35,291</u>

Total ..... (314,818)

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, however, 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 deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Capital lease.....	(280,000)
Bond premium.....	89,718
Deferred charges.....	(47,374)
Other.....	(4,211)
Principal repayments:	
General obligation bonds.....	2,420,000
Capital lease.....	<u>210,894</u>

Total ..... 2,389,027

(Continued)

**TOWN OF BETHEL, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

---

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 governmental funds:

Compensated absences.....	\$ 136,220
Net pension obligation.....	(509,728)
Net OPEB obligation.....	(506,181)
Accrued interest payable.....	<u>(73,405)</u>
Total .....	<u>(953,094)</u>
Internal Service Funds are used by management to charge costs of medical insurance premiums to individual departments.....	<u>184,556</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) .....	<u>\$ 1,623,751</u>

(Concluded)

TOWN OF BETHEL, CONNECTICUT

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 51,532,196	\$ 51,532,196	\$ 51,376,303	\$ (155,893)
Intergovernmental.....	9,551,573	9,551,573	8,341,955	(1,209,618)
Charges for services.....	912,800	912,800	955,934	43,134
Use of money and property.....	205,720	205,720	31,345	(174,375)
Other.....	23,500	23,500	2,054	(21,446)
TOTAL REVENUES.....	<u>62,225,789</u>	<u>62,225,789</u>	<u>60,707,591</u>	<u>(1,518,198)</u>
EXPENDITURES:				
Current:				
General government.....	11,703,225	12,309,189	11,375,254	933,935
Public safety.....	4,185,310	4,290,264	4,290,264	-
Health and welfare.....	318,527	303,680	303,680	-
Public works.....	3,028,296	2,707,451	2,707,451	-
Library.....	737,618	737,603	737,603	-
Education.....	37,838,210	37,741,880	36,560,357	1,181,523
Debt service.....	3,926,603	3,647,722	3,647,722	-
TOTAL EXPENDITURES.....	<u>61,737,789</u>	<u>61,737,789</u>	<u>59,622,331</u>	<u>2,115,458</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	488,000	488,000	1,085,260	597,260
OTHER FINANCING SOURCES (USES):				
Transfers out.....	(488,000)	(488,000)	(488,000)	-
NET CHANGE IN FUND BALANCES.....	<u>\$ -</u>	<u>\$ -</u>	597,260	<u>\$ 597,260</u>
FUND BALANCE, JULY 1, 2010.....			<u>6,791,973</u>	
FUND BALANCE, JUNE 30, 2011.....			<u>\$ 7,389,233</u>	

The notes to the financial statements are an integral part of this statement.

TOWN OF BETHEL, CONNECTICUTSTATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				INTERNAL SERVICE FUND
	MAJOR FUNDS		NONMAJOR FUND	TOTALS	
	WATER DEPARTMENT	SEWER DEPARTMENT	TRANSFER STATION		
<u>ASSETS</u>					
Current assets:					
Cash.....	\$ 285,617	\$ 673,315	\$ 116,176	\$ 1,075,108	\$ 629,709
Investments.....		1,206,015		1,206,015	
Receivables (net):					
Assessments.....		193,105		193,105	
Other.....	98,796	264,532	692	364,020	
Other assets.....	921	8,212		9,133	
Total current assets.....	385,334	2,345,179	116,868	2,847,381	629,709
Noncurrent assets:					
Receivables:					
Assessments.....		4,192,547		4,192,547	
Capital assets (net):					
Land.....	24,123	132,949		157,072	
Construction in progress.....	63,329	13,580,359		13,643,688	
Land improvements.....			1,225	1,225	
Intangible assets.....	8,696	7,546,529		7,555,225	
Buildings.....		582,582	730	583,312	
Building improvements.....	317,081	5,514		322,595	
Distribution and collection systems.....	2,217,420	7,376,216		9,593,636	
Machinery and equipment.....	43,037	167,202	3,489	213,728	
Vehicles.....	23,963			23,963	
Total capital assets (net).....	2,697,649	29,391,351	5,444	32,094,444	-
Total noncurrent assets.....	2,697,649	33,583,898	5,444	36,286,991	-
TOTAL ASSETS.....	3,082,983	35,929,077	122,312	39,134,372	629,709
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable.....	54,425	1,328,886	1,362	1,384,673	
Accrued payroll and benefits.....	20,166	12,382	8,834	41,382	
Accrued interest payable.....	3,734	151,004		154,738	
Due to other funds.....	1,838,768	609,809	760,825	3,209,402	
Claims payable.....				-	54,000
Unearned revenue.....			24,630	24,630	
Bond anticipation notes payable.....	426,540	340,000		766,540	
Bonds, notes and loans payable.....		1,374,967		1,374,967	
Total current liabilities.....	2,343,633	3,817,048	795,651	6,956,332	54,000
Noncurrent liabilities:					
Bonds, notes and loans payable and related liabilities.....		18,718,729		18,718,729	
Net pension obligation.....	50,374	25,187	25,186	100,747	
Net OPEB obligation.....	34,383	26,458	12,659	73,500	
Total noncurrent liabilities.....	84,757	18,770,374	37,845	18,892,976	-
TOTAL LIABILITIES.....	2,428,390	22,587,422	833,496	25,849,308	54,000
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt.....	2,271,109	8,957,655	5,444	11,234,208	
Unrestricted.....	(1,616,516)	4,384,000	(716,628)	2,050,856	575,709
TOTAL NET ASSETS.....	\$ 654,593	\$ 13,341,655	\$ (711,184)	\$ 13,285,064	\$ 575,709

The notes to the financial statements are an integral part of this statement.

## TOWN OF BETHEL, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				INTERNAL SERVICE FUND
	MAJOR FUNDS		NONMAJOR FUND	TOTALS	
	WATER DEPARTMENT	SEWER DEPARTMENT	TRANSFER STATION		
OPERATING REVENUES:					
Charges for services.....	\$ 1,067,147	\$ 2,593,550	\$ 248,237	\$ 3,908,934	\$ 1,159,945
OPERATING EXPENSES:					
Personnel services.....	515,055	352,168	177,353	1,044,576	
Repairs and maintenance.....	99,256	33,946	18,193	151,395	
Contracted services.....	120,523	1,330,434	92,063	1,543,020	
Materials and supplies.....	62,217	27,259	6,718	96,194	
Utilities.....	131,438	71,445	639	203,522	
Insurance.....	30,790	31,650	8,603	71,043	
Claims incurred.....				-	973,328
Administration.....				-	2,061
Capital improvement.....	25,746	15,103		40,849	
Depreciation and amortization.....	96,490	312,508	2,332	411,330	
TOTAL OPERATING EXPENSES.....	1,081,515	2,174,513	305,901	3,561,929	975,389
OPERATING INCOME (LOSS).....	(14,368)	419,037	(57,664)	347,005	184,556
NONOPERATING REVENUES (EXPENSES):					
Investment income.....		7,381		7,381	
Interest expense.....	(6,871)	(744,350)		(751,221)	
NET NONOPERATING REVENUES (EXPENSES)	(6,871)	(736,969)	-	(743,840)	-
NET INCOME (LOSS).....	(21,239)	(317,932)	(57,664)	(396,835)	184,556
TOTAL NET ASSETS - JULY 1, 2010.....	675,832	13,659,587	(653,520)	13,681,899	391,153
TOTAL NET ASSETS - JUNE 30, 2011.....	\$ 654,593	\$ 13,341,655	\$ (711,184)	\$ 13,285,064	\$ 575,709

The notes to the financial statements are an integral part of this statement.

## TOWN OF BETHEL, CONNECTICUT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				INTERNAL SERVICE FUND
	MAJOR FUNDS		NONMAJOR FUND	TOTALS	
	WATER	SEWER	TRANSFER		
	DEPARTMENT	DEPARTMENT	STATION		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers.....	\$ 1,033,453	\$ 2,955,092	\$ 358,511	\$ 4,347,056	\$ 1,159,945
Payments to suppliers.....	(290,532)	(1,936,054)	(115,815)	(2,342,401)	
Payments to employees.....	(487,419)	(338,074)	(166,814)	(992,307)	
Claims paid.....				-	(984,828)
Administration paid.....				-	(2,061)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	255,502	680,964	75,882	1,012,348	173,056
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets.....	(111,915)	(416,753)		(528,668)	
Bond anticipation notes issued.....	426,540	340,000		766,540	
Principal payments (bonds and bond anticipation notes).....	(515,540)	(1,792,967)		(2,308,507)	
Interest payments.....	(6,871)	(741,433)		(748,304)	
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(207,786)	(2,611,153)	-	(2,818,939)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income.....		7,381		7,381	
NET CHANGE IN CASH AND EQUIVALENTS.....	47,716	(1,922,808)	75,882	(1,799,210)	173,056
CASH AND CASH EQUIVALENTS - JULY 1, 2010.....	237,901	3,802,138	40,294	4,080,333	456,653
CASH AND CASH EQUIVALENTS - JUNE 30, 2011.....	\$ 285,617	\$ 1,879,330	\$ 116,176	\$ 2,281,123	\$ 629,709
RECONCILIATION TO EXHIBIT G - CASH:					
CASH AND CASH EQUIVALENTS PER ABOVE.....	\$ 285,617	\$ 1,879,330	\$ 116,176	\$ 2,281,123	\$ 629,709
CASH AND CASH EQUIVALENTS REPORTED AS INVESTMENTS.....		(1,206,015)		(1,206,015)	
CASH - EXHIBIT G.....	\$ 285,617	\$ 673,315	\$ 116,176	\$ 1,075,108	\$ 629,709
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss).....	\$ (14,368)	\$ 419,037	\$ (57,664)	\$ 347,005	\$ 184,556
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization.....	96,490	312,508	2,332	411,330	
(Increase) decrease in:					
Receivables.....	(33,694)	361,542		327,848	
Other assets.....		2		2	
Increase (decrease) in:					
Accounts and other payables.....	(68,289)	(349,971)	1,271	(416,989)	(11,500)
Accrued payroll and benefits.....	4,852	(1,566)		3,286	
Due to other funds.....	247,727	(76,248)	110,274	281,753	
Unearned revenue.....			9,130	9,130	
Net pension obligation.....	10,834	5,417	5,417	21,668	
Net OPEB obligation.....	11,950	10,243	5,122	27,315	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ 255,502	\$ 680,964	\$ 75,882	\$ 1,012,348	\$ 173,056

The notes to the financial statements are an integral part of this statement.

TOWN OF BETHEL, CONNECTICUTSTATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	PENSION TRUST FUNDS	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>			
Cash.....	\$	\$ 28,059	\$ 361,612
Investments:			
Money market mutual funds.....	591,601	125,948	
Certificates of deposit.....	773,566	1,154	529,559
Corporate bonds.....	4,969,849		
U.S. Government obligations.....	6,277,469		
U.S. Government agency securities.....	1,268,245	143,267	
Common stock.....	5,750,310		
Equity mutual funds.....	2,040,356	12,062	
Total investments.....	21,671,396	282,431	529,559
Receivables.....	715,520		
Prepaid benefits and fees.....	332,848		
Due from other funds.....	16,034		141,009
TOTAL ASSETS.....	22,735,798	310,490	1,032,180
<u>LIABILITIES</u>			
LIABILITIES:			
Accounts payable.....			1,032,180
<u>NET ASSETS</u>			
Held in trust for:			
Employees' pension benefits.....	22,735,798		
Individuals.....		310,490	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	\$ 22,735,798	\$ 310,490	\$ -

The notes to the financial statements are an integral part of this statement.

**TOWN OF BETHEL, CONNECTICUT**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	PENSION TRUST FUNDS	PRIVATE PURPOSE TRUST FUNDS
<b>ADDITIONS:</b>		
Contributions:		
Employer.....	\$ 1,725,028	\$
Plan members.....	538,710	
Private contributions.....		58,352
Total contributions.....	2,263,738	58,352
Investment income (loss):		
Change in fair value of investments.....	1,567,303	10,836
Interest and dividends.....	662,709	10,896
Total investment income (loss).....	2,230,012	21,732
Less investment expenses.....	159,237	
Net investment income (loss).....	2,070,775	21,732
TOTAL ADDITIONS.....	4,334,513	80,084
<b>DEDUCTIONS:</b>		
Benefits.....	1,365,870	
Administration.....	50,069	680
Scholarships awarded.....		60,925
TOTAL DEDUCTIONS.....	1,415,939	61,605
CHANGES IN NET ASSETS.....	2,918,574	18,479
NET ASSETS - JULY 1, 2010.....	19,817,224	292,011
NET ASSETS - JUNE 30, 2011.....	\$ 22,735,798	\$ 310,490

The notes to the financial statements are an integral part of this statement.

**TOWN OF BETHEL, CONNECTICUT**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

---

**HISTORY AND ORGANIZATION**

The Town of Bethel was incorporated in 1855 and covers an area of 17 square miles. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 6, 1973. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, sewers and water, a free public library, and education encompassing grades PreK-12.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. 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 is 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.

**B. 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. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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 tax 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, intergovernmental revenues, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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 general government, except those required to be accounted for in another fund.

The *Bonded Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

The *Water Department Fund* accounts for the activities of the Town's water operations.

The *Sewer Department Fund* accounts for the activities of the Town's sewer operations.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for prescription benefits.

The Hennessey, Menegay and Education Scholarship Funds are *Private-Purpose Trust Funds* and are used to account for resources legally held in trust for various scholarships. All resources of the fund, including any earnings on invested resources, may not be used to support the Town's activities. For the Education Scholarships, there is no requirement that any portion of these resources be preserved as capital.

The *Pension Trust Funds* account for the activities of the Bethel Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of students and amounts held for performance bonds.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town also has the *option* of following subsequent private-sector guidance for their government-wide financial statements 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 the Town's sewer, water and transfer station operations and various other functions of the Town. 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 all 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 water department enterprise fund, sewer department enterprise fund, transfer department enterprise fund and of the Town's internal service funds are charges to customers for sales and services. The sewer department also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, 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.

**C. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

Deposits - The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**1. Deposits and Investments (Continued)**

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Town's pension funds do not have an investment policy; however, the Town has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension fund assets.

Investments for the Town are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

**2. Receivables and Payables**

**a. Interfunds**

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 non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**b. Property Taxes and Other Receivables**

In the government-wide financial statements, all trade, property tax, and water and sewer use are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 36% of outstanding receivable balances and are calculated upon prior collection history.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within sixty days of June 30, have been recorded as deferred revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the sixty day period have been recorded as revenue.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**2. Receivables and Payables (Continued)**

**b. Property Taxes and Other Receivables (Continued)**

Property taxes are assessed on property as of October 1. Real estate taxes are billed in the following July and are due in four installments, July 1, October 1, January 1 and April 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

**3. 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 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. 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. The total interest expense incurred by the water and sewer departments during the current fiscal year was \$6,871 and \$746,433, respectively. None of this amount was capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Building improvements	50
Land improvements	50
Roads	75
Bridges	50
Sewer plant	50
Sewer lines	40-50
Water lines and pumping stations	50-100
Vehicles	7-25
Equipment	10-25
Intangible assets	15-75

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****C. Assets, Liabilities, and Net Assets or Equity (Continued)****4. Compensated Absences**

All employees, except those specified below, are granted vacation and sick time based upon contractual provisions. At anniversary year end, unused vacation and sick time do not accumulate or vest; therefore, in the event of termination or retirement, employees are not compensated for unused vacation and sick time.

The Board of Education employees are paid vacation on a fiscal year basis; therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis; therefore, a liability for unused vacation has been recorded. The liability for compensated absences has also been recorded in the enterprise funds' financial statements as a current liability.

Certified employees at the Board of Education may accumulate up to 150 days of unused sick time. Only upon retirement are they entitled to receive 50% reimbursement. Retirement amounts are included in the current year budget to reimburse current year retirees.

**5. 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 the applicable bond premium or discount. 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.

**6. Fund Equity and Net Assets**

In the **government-wide financial statements**, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**6. Fund Equity and Net Assets (Continued)**

Restricted Net Assets

This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets

This category presents the net assets of the Town which are not restricted.

In the **fund financial statements**, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Finance.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent can be expressed by the governing body (Board of Finance) or by an official (Comptroller).

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board of Finance has provided otherwise in its commitment or assignment actions.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**7. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

**8. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements:

1. In April, the Board of Finance submits to a public hearing, at which taxpayer comments are obtained, the proposed operating budget of the general fund (the only fund for which a legal budget is adopted) for the year commencing July 1. The budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.
2. The Board of Finance submits its proposed budget to the annual Town Meeting, which is held on one of the first seven days in May. Those in attendance at the annual Town Meeting may, by majority vote, decrease any appropriations or approve the appropriations as presented. Appropriations may not be increased. The final budget is then automatically referred to a machine vote for approval. The date of the machine vote is also established by the annual Town Meeting, which must be held not less than seven nor more than fourteen days from the date of the annual Town Meeting. Those citizens registered to vote or who have property assessments in excess of \$1,000 are eligible to vote.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgets and Budgetary Accounting (Continued)**

3. The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another, with the exception of the wage contingency account. Authority to transfer budgeted funds is vested in the Comptroller for settlement of union contracts and general salary increases approved by the First Selectman only. Management may not authorize any additional appropriations. All additional appropriations less than \$10,000 require Board of Selectmen and Board of Finance approval. Those in excess of \$10,000 require full legislative approval (Town Meeting). During the year there were no additional appropriations.
4. Formal budgetary integration is employed as a management control device during the year.
5. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.
6. The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.
7. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, aside from the Capital Projects Fund, all unencumbered appropriations lapse at year end. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Budget - GAAP Reconciliation**

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2011 .....	\$ 60,707,591	\$ 59,622,331	\$ 7,389,233
Encumbrances outstanding at June 30, 2010 liquidated during the year ended June 30, 2011 .....		498,106	
Encumbrances outstanding at June 30, 2010 and 2011 .....			22,987
Accrued payroll .....		92,874	( 378,807)
State Teachers' Retirement on-behalf payment .....	3,073,234	3,073,234	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2011 ....	<u>\$ 63,780,825</u>	<u>\$ 63,286,545</u>	<u>\$ 7,033,413</u>

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**C. Donor Restricted Endowments**

The Town has received certain endowments for various scholarship purposes. The amounts are reflected in net assets as restricted for endowments. Investment income, including appreciation of \$24,602 for the Hennessy Scholarship fund, \$43,267 for the Menegay Scholarship fund and \$-0- for the Education Scholarship fund, is approved for expenditure by the individual Boards of the benefiting activities and is included in restricted net assets.

**D. Capital Projects Authorizations**

The following is a summary of certain projects recorded in the Bonded Projects Fund at June 30, 2011:

<u>PROJECT NAME</u>	<u>PROJECT AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>PROJECT BALANCE</u>
High School Renovation Project.....	\$ 32,338,000	\$ 32,323,627	\$ 14,373

**E. Deficit Fund Balance**

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

Paramedic Intercept.....	\$ 77,696
--------------------------	-----------

The deficit should be reduced in future years as amounts are received for charges for services.

**III. DETAILED NOTES**

**A. Cash and Investments**

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2011, \$9,365,079 of the Town's bank balance of \$15,114,237 (including certificates of deposit and money market accounts) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 8,430,724
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name .....	<u>934,355</u>
Total amount subject to custodial credit risk.....	<u>\$ 9,365,079</u>

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act permanently increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) to \$250,000 per depositor. Additionally, amounts held in non-interest bearing transaction accounts are fully guaranteed by the FDIC from December 31, 2010 through December 31, 2012. The Town had amounts in excess of \$250,000 in a single bank during the year. Amounts over \$250,000 are not insured by the FDIC. These balances fluctuate during the year and can exceed this \$250,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

At June 30, 2011, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)				
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEAR	OVER 10
Mutual Funds:						
Equity Funds.....	\$ 2,052,418	\$ 2,052,418	\$	\$	\$	\$
Bond Funds .....	5,006		5,006			
Money Market Funds .....	1,926,222		1,926,222			
Certificates of Deposit.....	1,544,344		1,544,344			
Bank Money Market Accounts .....	2,241,357		2,241,357			
U.S. Government Obligations.....	7,738,440		1,232,838	2,874,423	3,313,503	317,676
U.S. Government Agency Securities .....	1,411,512					1,411,512
Corporate Bonds.....	4,969,849		377,030	2,375,274	2,217,545	
Common Stock.....	5,750,310	5,750,310				
<b>TOTAL .....</b>	<b>\$27,639,458</b>	<b>\$ 7,802,728</b>	<b>\$ 7,326,797</b>	<b>\$ 5,249,697</b>	<b>\$ 5,531,048</b>	<b>\$ 1,729,188</b>

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

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statues governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

The Town's investments subject to credit risk had average ratings as follows by Standard & Poor's.

AVERAGE RATING	BOND MUTUAL FUNDS	MONEY MARKET MUTUAL FUNDS	U.S. GOVERNMENT AGENCY SECURITIES	CORPORATE BONDS
AAA .....	\$	\$	\$ 1,411,512	\$ 867,719
AA .....		1,926,222		1,211,886
A .....				935,395
BBB .....				1,954,849
Unrated .....	5,006			
<b>TOTAL .....</b>	<b>\$ 5,006</b>	<b>\$ 1,926,222</b>	<b>\$ 1,411,512</b>	<b>\$ 4,969,849</b>

Custodial credit risk - The Town does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

The Town has certain investments, which are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The Town's investments are subject to custodial credit risk as follows:

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S. Government Obligations .....	\$ 7,738,440	\$ 1,000,000	\$ 6,738,440
U.S. Government Agency Securities .....	1,411,512	643,267	768,245
Common Stock .....	5,750,310		5,750,310
Corporate Bonds .....	4,969,849		4,969,849
<b>TOTAL .....</b>	<b>\$19,870,111</b>	<b>\$ 1,643,267</b>	<b>\$18,226,844</b>

Subsequent to year end, the financial markets have experienced volatility that may have caused a decline in the value of the investment held at year end. While such declines may be temporary, investment values are subject to market fluctuations, and the timing of any such recovery is unknown at the present time.

**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government wide financial statements with allowances for uncollectible accounts as of June 30, 2011, including the applicable allowances for uncollectible accounts, are presented below.

	<u>PROPERTY TAXES</u>		
	<u>TAXES</u>	<u>INTEREST &amp; LIEN FEES</u>	<u>TOTAL</u>
Current Portion .....	\$ 619,743	\$ 111,191	\$ 730,934
Long-term Portion .....	\$ 404,457	\$ 111,190	\$ 515,647
Less Allowance for Uncollectibles .....	( 150,000)	( 80,000)	( 230,000)
Net Long-term Portion.....	\$ 254,457	\$ 31,190	\$ 285,647
Total Receivable .....	\$ 874,200	\$ 142,381	\$ 1,016,581
	<u>USE CHARGE RECEIVABLES</u>		
	<u>WATER DEPARTMENT</u>	<u>SEWER DEPARTMENT</u>	
Gross Receivable .....	\$ 100,796	\$ 269,532	
Less Allowance for Uncollectibles .....	( 2,000)	( 5,000)	
Net Receivable.....	\$ 98,796	\$ 264,532	

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**B. Receivables (Continued)**

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 .....	\$ 872,413	\$
Advance taxes collections.....		735,930
Charges for services.....		109,736
Grant draw downs prior to meeting all eligibility requirements.....		<u>141,509</u>
Totals .....	<u>\$ 872,413</u>	<u>\$ 987,175</u>

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>BALANCE</u>			<u>BALANCE</u>
	<u>JULY 1, 2010</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>JUNE 30, 2011</u>
<b><u>Governmental Activities:</u></b>				
<u>Capital Assets, not being Depreciated:</u>				
Land .....	\$ 5,206,075	\$ 2,255	\$	\$ 5,208,330
Construction in progress.....	<u>163,595</u>		<u>53,289</u>	<u>110,306</u>
Total Capital Assets, not being Depreciated.....	<u>5,369,670</u>	<u>2,255</u>	<u>53,289</u>	<u>5,318,636</u>
<u>Capital Assets, being Depreciated:</u>				
Land improvements.....	779,243	1,251,384		2,030,627
Buildings.....	89,062,644			89,062,644
Building improvements.....	10,562,070	155,274		10,717,344
Machinery and equipment.....	3,658,241	908,466		4,566,707
Intangible assets.....	131,849			131,849
Vehicles .....	4,952,550	168,575	59,223	5,061,902
Infrastructure.....	<u>12,966,438</u>	<u>308,585</u>		<u>13,275,023</u>
Total Capital Assets, being Depreciated .....	<u>122,113,035</u>	<u>2,792,284</u>	<u>59,223</u>	<u>124,846,096</u>
Total Capital Assets.....	<u>127,482,705</u>	<u>2,794,539</u>	<u>112,512</u>	<u>130,164,732</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements.....	271,395	56,768		328,163
Buildings.....	14,572,454	1,194,984		15,767,438
Building improvements.....	3,599,232	345,716		3,944,948
Machinery and equipment.....	1,682,292	248,442		1,930,734
Intangible assets.....	3,296	6,592		9,888
Vehicles .....	1,820,247	216,102	34,837	2,001,512
Infrastructure.....	<u>2,658,497</u>	<u>172,591</u>		<u>2,831,088</u>
Total Accumulated Depreciation .....	<u>24,607,413</u>	<u>2,241,195</u>	<u>34,837</u>	<u>26,813,771</u>
Total Capital Assets, being Depreciated, net .....	<u>97,505,622</u>	<u>551,089</u>	<u>24,386</u>	<u>98,032,325</u>
Governmental Activities Capital Assets, net .....	<u>\$ 102,875,292</u>	<u>\$ 553,344</u>	<u>\$ 77,675</u>	<u>\$ 103,350,961</u>

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

	BALANCE JULY 1, 2010	INCREASES	DECREASES	BALANCE JUNE 30, 2011
<b><u>Business-Type Activities:</u></b>				
<b><u>Capital Assets, not being Depreciated:</u></b>				
Land .....	\$ 157,072	\$	\$	\$ 157,072
Construction in progress.....	13,320,043	323,645		13,643,688
Total Capital Assets, not being Depreciated .....	13,477,115	323,645	-	13,800,760
<b><u>Capital Assets, being Depreciated:</u></b>				
Land improvements .....	14,595			14,595
Intangible assets.....	12,144,524			12,144,524
Buildings .....	3,348,380			3,348,380
Building improvements .....	982,382			982,382
Distribution and collection system.....	14,286,561	96,840		14,383,401
Machinery and equipment.....	931,444	97,108		1,028,552
Vehicles .....	141,084	11,075		152,159
Total Capital Assets, being Depreciated .....	31,848,970	205,023	-	32,053,993
Total Capital Assets.....	45,326,085	528,668	-	45,854,753
<b><u>Less Accumulated Depreciation for:</u></b>				
Land improvements .....	12,390	980		13,370
Intangible assets.....	4,426,342	162,957		4,589,299
Buildings .....	2,720,552	44,516		2,765,068
Building improvements .....	640,896	18,891		659,787
Distribution and collection system.....	4,617,617	172,148		4,789,765
Machinery and equipment.....	805,110	9,714		814,824
Vehicles .....	126,072	2,124		128,196
Total Accumulated Depreciation .....	13,348,979	411,330	-	13,760,309
Total Capital Assets, being Depreciated, net .....	18,499,991	( 206,307)	-	18,293,684
Business-Type Capital Assets, net .....	\$31,977,106	\$ 117,338	\$ -	\$32,094,444

Depreciation expense was charged to functions/programs of the Town as follows:

<b><u>Governmental Activities:</u></b>	
General government .....	\$ 157,698
Public safety .....	289,728
Public works .....	293,146
Library .....	137,639
Education.....	1,362,984
Total Depreciation Expense - Governmental Activities .....	\$ 2,241,195
<b><u>Business-Type Activities:</u></b>	
Water .....	\$ 96,490
Sewer .....	312,508
Transfer station .....	2,332
Total Depreciation/Amortization Expense - Business-Type Activities.....	\$ 411,330

**Construction Commitments**

The Town has substantially completed the active major construction projects and other projects as of June 30, 2011.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts**

**1. Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2011 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
<b>MAJOR FUNDS:</b>			
<b>GENERAL FUND:</b>			
Bennett Property .....	N/A	\$ 900	\$
Health Department Grants .....	N/A	4,611	149,804
Public Safety Grants .....	N/A	8,158	21,600
Education Grants .....	N/A		274,484
Railroad Station .....	N/A	4,020	
Paramedic Intercept .....	N/A	85,000	
Historic Documents .....	N/A		14,184
Capital and Nonrecurring .....	N/A	662,619	20,578
Bonded Projects .....	N/A		39,382
Water Department .....	N/A	1,838,768	
Sewer Department .....	N/A	947,423	
Stony Hill Sewers (Sewer) .....	N/A		337,614
Transfer Station .....	N/A	744,791	
Performance Bonds .....	N/A		141,009
<b>TOTAL GENERAL FUND .....</b>		<b>4,296,290</b>	<b>998,655</b>
<b>MAJOR - BONDED PROJECTS:</b>			
Bonded Projects - Berry School .....	Debt Service	133,765	
Bonded Projects - Bond Clearing Account .....	General Fund	39,382	
Bonded Projects - Bond Clearing - 2006 .....	Capital Nonrecurring		59,898
<b>TOTAL MAJOR - BONDED PROJECTS .....</b>		<b>173,147</b>	<b>59,898</b>
<b>MAJOR - WATER:</b>			
Water Department .....	General Fund		1,838,768
<b>MAJOR - SEWER:</b>			
Sewer Department .....	General Fund		609,809
<b>NONMAJOR FUNDS:</b>			
Bennett Property .....	General Fund		900
Health Department Grants .....	General Fund	149,804	4,611
Public Safety Grants .....	General Fund	21,600	8,158
Education Grants .....	General Fund	274,484	
Railroad Station .....	General Fund		4,020
Railroad Station .....	Capital Nonrecurring		4,611
Paramedic Intercept .....	General Fund		85,000
Historic Documents .....	General Fund	14,184	
<b>Capital Nonrecurring:</b>			
Capital Nonrecurring .....	General Fund	20,578	662,619
Capital Nonrecurring .....	Railroad Station	4,611	
Capital Nonrecurring .....	Bonded Projects	59,898	
Debt Service .....	Bonded Projects		133,765
<b>TOTAL NONMAJOR FUNDS .....</b>		<b>545,159</b>	<b>903,684</b>

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (Continued)**

**1. Interfund Payables and Receivables (Continued)**

	CORRESPONDING FUND	DUE FROM	DUE TO
NONMAJOR - TRANSFER STATION:			
Transfer Station .....	Town Employee Pension Fund	\$	\$ 16,034
Transfer Station .....	General Fund		744,791
TOTAL NONMAJOR - TRANSFER STATION		-	760,825
FIDUCIARY FUNDS:			
Town Employee Pension Fund .....	Transfer Station	16,034	
Performance Bonds .....	General Fund	141,009	
TOTAL FIDUCIARY FUNDS .....		157,043	-
GRAND TOTAL .....		\$ 5,171,639	\$ 5,171,639

All interfund balances result from time lag between the dates payments occur between funds for short-term internal financing.

**2. Interfund Transfers**

A summary of interfund transfers as of June 30, 2011 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
GENERAL FUND:			
Capital Nonrecurring .....	N/A	\$	\$ 265,000
Bonded Projects .....	N/A		223,000
TOTAL GENERAL FUND .....		-	488,000
MAJOR - BONDED PROJECTS:			
Bond Issue 2006 .....	General Fund	211,000	
Berry School .....	General Fund	12,000	
TOTAL MAJOR - BONDED PROJECTS		223,000	-
NONMAJOR FUNDS:			
Capital Nonrecurring .....	General Fund	265,000	
GRAND TOTAL .....		\$ 488,000	\$ 488,000

Transfers are used to account for the financing by the general fund of various programs and activities in other funds.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**E. Short-Term Obligations - Bond Anticipation Notes**

The Town uses bond anticipation notes (BANs) during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2011 was as follows:

**GOVERNMENTAL ACTIVITIES:**

PROJECT	BALANCE JULY 1, 2010	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2011
General Purpose.....	\$ 176,000	\$ 35,000	\$ 176,000	\$ 35,000
Fire Truck.....	365,730	325,730	265,730	325,730
General Purpose - Accounting Software.....	89,730	59,730	89,730	59,730
Bethel Firehouse Renovations.....	480,000	440,000	480,000	440,000
Road Paving.....		2,000,000		2,000,000
Public Works Equipment.....		807,000		807,000
High School Renovation.....	650,000	650,000	650,000	650,000
Berry School Building Project.....	335,000	323,000	335,000	323,000
TOTAL GOVERNMENTAL ACTIVITIES ..	\$ 2,096,460	\$ 4,640,460	\$ 2,096,460	\$ 4,640,460

The BANs carry interest rates of .75% - 1.25% and mature in August 2011.

**BUSINESS-TYPE ACTIVITIES:**

The Town has issued bond anticipation notes (BANS) for certain enterprise fund projects.

PROJECT	BALANCE JULY 1, 2010	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2011
Water Department.....	\$ 515,540	\$ 426,540	\$ 515,540	\$ 426,540
Sewer Department.....	388,000	340,000	388,000	340,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 903,540	\$ 766,540	\$ 903,540	\$ 766,540

The bond anticipation notes carry interest rates between .75% - 1.25% and mature in August 2011.

Subsequent to June 30, the Town reissued bond anticipation notes in the amount of \$5,100,000 with a coupon rate of 1% and a true interest cost of .3025% maturing in April 2012.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations**

**1. Summary of Changes**

The following is a summary of changes in long-term obligations during the fiscal year:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011	CURRENT PORTION
GENERAL PURPOSE:									
Improvement bonds...	\$3,925,000	07/01/98	07/01/13	4.00-6.00	\$ 1,040,000	\$	\$ 260,000	\$ 780,000	\$ 260,000
Improvement bonds...	9,415,000	11/01/04	05/01/20	2.75-4.75	3,960,000		670,000	3,290,000	670,000
Refunding bonds .....	1,785,000	04/28/10	17/15/20	4.00-5.00	1,785,000			1,785,000	
Refunding bonds .....	1,992,000	04/28/10	07/15/20	3.00-5.00	1,992,000		81,000	1,911,000	162,000
Total General Purpose.....					8,777,000	-	1,011,000	7,766,000	1,092,000
SCHOOL:									
Improvement bonds...	15,960,000	02/15/91	02/15/11	6.00-8.00	1,220,000		1,220,000		
Improvement bonds...	22,760,000	11/15/09	11/15/34	2.25-4.25	22,760,000			22,760,000	950,000
Refunding bonds .....	4,648,000	04/28/10	07/15/20	3.00-5.00	4,648,000		189,000	4,459,000	378,000
Total School.....					28,628,000	-	1,409,000	27,219,000	1,328,000
TOTAL BONDS .....					37,405,000	-	2,420,000	34,985,000	2,420,000
PREMIUM.....					1,084,498		89,718	994,780	
DEFERRED CHARGES.....					( 521,118)		( 47,374)	( 473,744)	
TOTAL BONDS AND NOTES AND RELATED LIABILITIES.....					37,968,380	-	2,462,344	35,506,036	2,420,000
CAPITAL LEASE PAYABLE.....					548,097	280,000	210,894	617,203	127,456
COMPENSATED ABSENCES .....					1,130,287	1,229,098	1,365,318	994,067	371,200
NET PENSION OBLIGATION.....					2,370,077	2,682,916	2,173,188	2,879,805	
NET OTHER POST EMPLOYMENT BENEFITS OBLIGATION.....					1,040,236	1,004,081	497,900	1,546,417	
TOTAL LONG-TERM OBLIGATIONS .....					\$43,057,077	\$ 5,196,095	\$ 6,709,644	\$ 41,543,528	\$ 2,918,656

All long-term liabilities are generally liquidated by the General Fund.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**I. Summary of Changes (Continued)**

ENTERPRISE FUNDS (1):

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011	CURRENT PORTION
LONG-TERM OBLIGATIONS									
General Obligation Bonds.....	\$ 2,430,000	07/01/95	07/01/15	4.7-5.9	\$ 130,000	\$	\$ 130,000	\$ -	\$
General Obligation Bonds.....	4,300,000	08/01/06	08/01/31	4.125-5.5	3,775,000		175,000	3,600,000	175,000
General Obligation Bonds.....	15,460,000	11/15/09	11/15/34	2.25-4.25	15,460,000		620,000	14,840,000	620,000
Refunding Bonds.....	625,000	04/28/10	07/15/20	3.00-5.00	625,000			625,000	100,000
TOTAL BONDS .....					19,990,000	-	925,000	19,065,000	895,000
Clean Water Loan CWF#103-C2 .....	9,159,368	07/29/94	07/29/94	2.00	1,479,898		479,967	999,931	479,967
PREMIUM .....					72,105		6,555	65,550	
DEFERRED CHARGES .....					( 40,464)		( 3,679)	( 36,785)	
TOTAL BONDS AND NOTES AND RELATED LIABILITIES .....					21,501,539	-	1,407,843	20,093,696	1,374,967
NET PENSION OBLIGATION.....					79,079	112,218	90,550	100,747	
NET OTHER POST EMPLOYMENT BENEFITS OBLIGATION .....					46,185	49,415	22,100	73,500	
TOTAL ENTERPRISE FUNDS .....					\$21,626,803	\$ 161,633	\$1,520,493	\$20,267,943	\$ 1,374,967

- (1) The sewer improvement bonds are supported by means of an assessment program. The clean water loans will be supported by sewer use charges. All obligations are backed by the full faith and credit of the Town.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**1. Summary of Changes (Continued)**

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and of debt maturities:

YEAR ENDING JUNE 30,	SCHOOL BUILDING GRANTS		DEBT MATURITIES				
	PRINCIPAL	INTEREST	BONDS	GENERAL PURPOSE INTEREST	SEWER NOTES	SEWER BONDS	SEWER INTEREST
2012	\$ 4,689	\$ 422	\$ 2,420,000	\$ 1,322,425	\$ 479,967	\$ 895,000	\$ 710,896
2013	4,689	211	2,390,000	1,233,906	479,967	930,000	681,671
2014			2,045,000	1,150,606	39,997	925,000	646,571
2015			1,775,000	1,085,638		925,000	613,121
2016			1,780,000	1,025,826		925,000	582,127
2017			1,785,000	960,450		795,000	552,840
2018			1,790,000	892,451		790,000	527,014
2019			1,795,000	821,826		790,000	501,381
2020			1,795,000	750,482		790,000	475,254
2021			1,800,000	679,450		790,000	448,267
2022			1,800,000	605,761		790,000	418,525
2023			1,800,000	528,511		790,000	386,351
2024			1,275,000	464,183		790,000	354,092
2025			1,275,000	412,574		790,000	321,812
2026			950,000	367,668		790,000	289,447
2027			950,000	329,668		790,000	256,997
2028			945,000	291,768		785,000	224,647
2029			945,000	253,968		785,000	192,397
2030			945,000	216,168		785,000	160,147
2031			945,000	178,368		785,000	127,812
2032			945,000	139,978		785,000	95,007
2033			945,000	100,407		615,000	65,344
2034			945,000	60,244		615,000	39,207
2035			945,000	20,081		615,000	13,069
2036							
TOTALS	\$ 9,378	\$ 633	\$ 34,985,000	\$ 13,892,407	\$ 999,931	\$ 19,065,000	\$ 8,683,996

The State of Connecticut provides reimbursement for construction of schools based upon demographics of the Town.

**2. Statutory Debt Limitations**

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

CATEGORY	DEBT LIMIT	NET	
		INDEBTEDNESS	BALANCE
General purpose .....	\$ 114,094,931	\$ 11,433,460	\$ 102,661,471
Schools .....	228,189,861	28,182,622	200,007,239
Sewers .....	190,158,218		190,158,218
Urban renewal .....	164,803,789		164,803,789
Pension deficit .....	152,126,574		152,126,574

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$354,962,006.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**2. Statutory Debt Limitations (Continued)**

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$9,378 for bond principal is reflected as deductions in the computation of net indebtedness.

**3. Capital Leases**

At June 30, 2011, the Town is committed under a capital lease for computers. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and; therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

Computers totaling \$1,360,045 are recorded under the capital lease as of June 30, 2011.

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments as of June 30, 2011:

YEAR ENDING <u>JUNE 30,</u>	
2012	\$ 163,724
2013	163,724
2014	163,724
2015	37,305
2016	37,305
2017-2021	186,525
Less: amount representing interest	<u>( 135,104)</u>
Present value of minimum lease payments	<u>\$ 617,203</u>

**4. Authorized/Unissued Bonds**

The amounts of authorized, unissued bonds are as follows:

General Purpose	\$ 20,325,749
Schools	7,286,000
Sewer (Enterprise Fund)	7,519,896
Water (Enterprise Fund)	<u>1,449,000</u>
TOTAL	<u>\$ 36,580,645</u>

**5 Prior Year Advance Refunding**

In prior years, the Town defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in the Town's financial statements. At June 30, 2011, \$8,250,000 of bonds outstanding are considered defeased.

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**G. Restricted Net Assets**

The amount of restricted net assets, which were restricted by enabling legislation, totaled \$367,245 at June 30, 2011.

**H. Fund Balance Classifications**

As of June 30, 2011, fund balances are composed of the following:

FUND BALANCE COMPONENT	GENERAL FUND	CAPITAL PROJECTS	NONMAJOR FUNDS	TOTAL
<b><u>NONSPENDABLE:</u></b>				
Long-term accounts receivable/Advances	\$ 61,987	\$	\$	\$ 61,987
<b><u>RESTRICTED:</u></b>				
General Government			201,894	201,894
Public Works			13,442	13,442
Health and Welfare			55,514	55,514
Education			165,351	165,351
TOTAL RESTRICTED	-	-	436,201	436,201
<b><u>COMMITTED:</u></b>				
General Government			573,854	573,854
Education			422,936	422,936
Approved CNR Projects			1,251,852	1,251,852
TOTAL COMMITTED	-	-	2,248,642	2,248,642
<b><u>ASSIGNED:</u></b>				
Public Works	22,987		329	23,316
Debt Service			329,744	329,744
TOTAL ASSIGNED	22,987	-	330,073	353,060
UNASSIGNED	6,948,439	(712,614)	(77,696)	6,158,129
TOTAL	\$ 7,033,413	\$ (712,614)	\$ 2,937,220	\$ 9,258,019

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior year.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for pharmacy claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Board of Education is charged premiums by the Internal Service Fund, which are included in expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The claims liability reported in the Internal Service Fund is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

The following is a summary of changes in the claims liabilities:

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIMS PAID	CLAIMS PAYABLE <u>JUNE 30</u>
2009-2010 .....	\$ -	\$ 1,013,479	\$ 947,979	\$ 65,500
2010-2011 .....	65,500	973,328	984,828	54,000

**B. Commitments and Litigation**

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans**

**1. Plan Description**

Summary

The Town administers two single employer, contributory, defined benefit pension plans (Town of Bethel and Town of Bethel Police Department). The Town plan was adopted in 1968 and revised in 2000. The Police plan was established by a memorandum of understanding effective July 1, 1997. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Finance. Both plans are part of the Town’s reporting entity and are included in the Town’s financial report as two pension trust funds. The plans do not issue separate, stand alone financial reports.

**2. Summary of Significant Accounting Policies and Plan Asset Matters**

**a. Basis of Accounting**

The Town's pension trust funds’ financial statements are prepared on the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when they are due and payable in accordance with the terms of the plan.

**b. Valuation of Investments**

Investments are valued at fair value.

**3. Classes of Employees Covered**

As of July 1, 2011, the plans’ membership consists of the following:

	<u>TOWN</u>	<u>POLICE</u>
Retirees and beneficiaries currently receiving benefits .....	91	8
Terminated employees entitled to benefits but not yet receiving them.....	7	
Active plan members .....	<u>146</u>	<u>35</u>
TOTALS .....	<u>244</u>	<u>43</u>

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**4. Benefit Provisions**

**a. Benefit Provisions**

Town

Each employee may enter the plan on the January 1 coincident with or next following the date of employment. For employees hired on or after January 1, 2001, participation in the contributory plan is mandatory. The plan covers substantially all noncertified Board of Education and all regular Town employees except police personnel. The Board of Selectmen, upon recommendation from the Insurance and Pension Committee, established benefit provisions and the employee and employer obligations.

Police

Participation of all full time regular police officers is mandatory as of hire date. The benefit was established by a plan adopted in 2001. The plan contains a cost of living adjustment of 1% per year.

**b. Employer Contributions**

Contributions

The Town's contributions are actuarially determined on an annual basis using the frozen initial liability cost method for the Town plan and the Police plan. The Town's contributions were 14.4% and 23.5% of covered payroll, respectively, for the Town and Police plans. Administration costs are financed from investment earnings.

**c. Employee Contributions**

Employees of the Town plan are required to contribute 4% of their earnings. Police officers are required to contribute 6.5% of their earnings.

**5. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2011 was as follows:

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	OVER/ (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN PLAN</u>						
July 1, 2011	\$16,407,243	\$26,448,558	\$(10,041,315)	62.0%	\$ 7,711,696	(130.2)%
<u>POLICE PLAN</u>						
July 1, 2011	\$ 6,328,556	\$ 9,503,391	\$(3,174,835)	66.6%	\$ 2,357,269	(134.7)%

TOWN OF BETHEL, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. **OTHER INFORMATION (CONTINUED)**

C. **Pension Plans (Continued)**

5. **Funded Status and Funding Progress (Continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress (RSI), immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarially accrued liability for benefits.

6. **Actuarial Assumptions**

The information presented as historical trend information was determined as part of the actuarial valuation as of the date indicated in the tabulation. Additional information as of the latest valuation is as follows:

	<u>TOWN</u>	<u>POLICE</u>
VALUATION DATE.....	JULY 1, 2011	JULY 1, 2011
ACTUARIAL COST METHOD .....	FROZEN INITIAL LIABILITY COST METHOD	FROZEN INITIAL LIABILITY COST METHOD
ASSET VALUATION METHOD.....	FAIR VALUE	FAIR VALUE
ACTUARIAL ASSUMPTIONS:		
Investment Rate of Return.....	8.00%	7.00%
PROJECTED SALARY INCREASES:		
Merit.....	1.50%	2.50%
Inflation .....	1.50%	2.00%
AMORTIZATION METHOD .....	CLOSED LEVEL DOLLAR 30 YEARS	CLOSED LEVEL DOLLAR 30 YEARS
REMAINING AMORTIZATION PERIOD .....	20 YEARS	17 YEARS

7. **Annual Pension Cost and Net Pension Obligation (NPO)**

The changes in the net pension obligation as of June 30, 2011, were as follows:

	<u>TOWN</u>	<u>POLICE</u>
Annual required contribution.....	\$ 2,029,363	\$ 556,765
Interest on net pension obligation.....	175,957	33,049
Annual pension cost.....	2,205,320	589,814
Contribution made.....	1,663,648	600,090
Change in net pension obligation .....	541,672	( 10,276)
Net pension obligation - July 1, 2010.....	1,977,023	472,133
Net pension obligation - June 30, 2011 .....	<u>\$ 2,518,695</u>	<u>\$ 461,857</u>

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

---

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**8. Three Year Trend Information**

YEAR ENDING	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
<u>JUNE 30 TOWN PLAN</u>			
2011	\$ 2,205,320	75.4%	\$ 2,518,695
2010	2,199,460	72.5%	1,977,023
2009	1,811,890	87.6%	1,370,987
<u>JUNE 30 POLICE PLAN</u>			
2011	\$ 589,814	101.7%	\$ 461,857
2010	600,052	69.2%	472,133
2009	491,658	78.4%	287,473

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**9. Plan Statements**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 JUNE 30, 2011

	TOWN EMPLOYEE PENSION FUND	POLICE PENSION FUND	TOTAL PENSION TRUST FUNDS
<u>ASSETS</u>			
Investments:			
Money market mutual funds.....	\$ 408,963	\$ 182,638	\$ 591,601
Certificates of deposit.....	696,351	77,215	773,566
Corporate bonds.....	3,507,192	1,462,657	4,969,849
U.S. Government obligations.....	4,531,378	1,746,091	6,277,469
U.S. Government agency securities.....	896,717	371,528	1,268,245
Common stock.....	4,091,127	1,659,183	5,750,310
Equity mutual funds.....	1,454,572	585,784	2,040,356
Total investments.....	15,586,300	6,085,096	21,671,396
Receivables.....	526,591	188,929	715,520
Prepaid benefits and fees.....	273,244	59,604	332,848
Due from other funds.....	16,034		16,034
TOTAL ASSETS.....	16,402,169	6,333,629	22,735,798
<u>LIABILITIES</u>			
Due to (from) other funds.....	(5,074)	5,074	-
<u>NET ASSETS</u>			
Held in trust for:			
Employees' pension benefits.....	\$ 16,407,243	\$ 6,328,555	\$ 22,735,798

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**9. Plan Statements (Continued)**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	TOWN EMPLOYEE PENSION FUND	POLICE PENSION FUND	TOTAL PENSION TRUST FUNDS
<b>ADDITIONS:</b>			
Contributions:			
Employer.....	\$ 1,356,000	\$ 369,028	\$ 1,725,028
Plan members.....	307,648	231,062	538,710
Total Contributions.....	1,663,648	600,090	2,263,738
Investment income (loss):			
Change in fair value of investments.....	1,135,361	431,942	1,567,303
Interest and dividends.....	470,434	192,275	662,709
Total Investment income (loss).....	1,605,795	624,217	2,230,012
Less investment expenses.....	120,321	38,916	159,237
Net Investment income (loss).....	1,485,474	585,301	2,070,775
TOTAL ADDITIONS.....	3,149,122	1,185,391	4,334,513
<b>DEDUCTIONS:</b>			
Benefits.....	1,117,579	248,291	1,365,870
Administration.....	38,486	11,583	50,069
TOTAL DEDUCTIONS.....	1,156,065	259,874	1,415,939
CHANGES IN NET ASSETS.....	1,993,057	925,517	2,918,574
NET ASSETS - JULY 1, 2010.....	14,414,186	5,403,038	19,817,224
NET ASSETS - JUNE 30, 2011.....	\$ 16,407,243	\$ 6,328,555	\$ 22,735,798

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan**

**1. Plan Description**

The Town administers three single-employer, post retirement healthcare plans for the Town, Police, and Board of Education, for the Town of Bethel Other Post Employment Benefits (OPEB). The Town and Police and Fire plans provide medical, dental and life insurance benefits for eligible retirees and their spouses. The Board of Education plan provides medical and dental benefits to eligible retirees and their spouses. The plan does not issue stand alone financial reports.

**2. Classes of Employees Covered**

As of June 30, 2009 for Town, Police and Board of Education, the plans' membership consisted of:

	TOWN	POLICE	BOARD OF EDUCATION
Retirees and beneficiaries currently receiving benefits .....	15	1	55
Active plan members.....	76	34	258
TOTAL.....	<u>91</u>	<u>35</u>	<u>313</u>

**3. Benefit Provisions**

**a. Benefit Provisions**

The Town plan provides for medical, dental and life insurance benefits for all eligible Town, Police, and Fire retirees and their spouses. The Board of Education plan provides medical and dental benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

**b. Employer Contributions**

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town, Police, and Board of Education's total plan contribution was \$520,001.

**c. Employee Contributions**

There are no employee contributions to the plan.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**4. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2009 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN</u>						
JUNE 30, 2009	\$ -	\$ 4,144,000	\$( 4,144,000)	0.0%	N/A	N/A
<u>POLICE</u>						
JUNE 30, 2009	\$ -	\$ 2,994,000	\$( 2,994,000)	0.0%	N/A	N/A
<u>BOARD OF EDUCATION</u>						
JUNE 30, 2009	\$ -	\$ 5,922,000	\$( 5,922,000)	0.0%	N/A	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress (RSI), immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

**5. Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**5. Actuarial Methods and Assumptions (Continued)**

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

VALUATION DATE	June 30, 2009
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Percent
REMAINING AMORTIZATION PERIOD:	
Town	30 years closed
Police	30 years closed
Board of Education	30 years closed
ASSET VALUATION METHOD	Fair Value
 <u>ACTUARIAL ASSUMPTIONS:</u>	
Investment rate of return - all plans	4.0%
Healthcare inflation rate:	
Initial	6.6%
Ultimate	4.4%

**6. Annual OPEB Cost and Net OPEB Obligation (NOO)**

The changes in the NOO were as follows:

	TOWN	POLICE	BOARD OF EDUCATION
Annual required contribution.....	\$ 348,251	\$ 337,634	\$ 363,115
Interest on net OPEB obligation.....	14,162	324	28,971
Adjustment to annual required contribution .....	<u>( 22,241)</u>	<u>( 40,654)</u>	<u>23,935</u>
Annual OPEB cost.....	340,172	297,304	416,021
Contributions made.....	<u>169,453</u>	<u>3,881</u>	<u>346,667</u>
Change in net OPEB obligation.....	170,719	293,423	69,354
Net OPEB obligation - July 1, 2010.....	<u>347,655</u>	<u>597,532</u>	<u>141,234</u>
Net OPEB obligation - June 30, 2011 .....	<u>\$ 518,374</u>	<u>\$ 890,955</u>	<u>\$ 210,588</u>

TOWN OF BETHEL, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**7. Three Year Trend Information**

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2011	\$ 340,172	49.8%	\$ 518,374
2010	310,332	51.5%	347,655
2009	328,000	39.9%	197,000
POLICE			
2011	\$ 297,304	1.3%	\$ 890,955
2010	286,189	1.3%	597,532
2009	318,000	.9%	315,000
BOARD OF EDUCATION			
2011	\$ 416,021	83.3%	\$ 210,588
2010	393,901	82.9%	141,234
2009	342,000	78.4%	74,000

**E. On-Behalf Payments**

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the Town's teachers was \$3,073,234.

---

**Required  
Supplementary  
Information**

---

TOWN OF BETHEL, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION

BETHEL RETIREMENT SYSTEMS  
SCHEDULE OF FUNDING PROGRESS**TOWN PLAN**

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2006	\$ 11,085,204	\$ 20,719,691	\$ (9,634,487)	53.5%	\$ 6,320,397	(152.4%)
2007	12,339,560	22,034,510	(9,694,950)	56.0%	6,633,769	(146.1%)
2008	12,749,472	23,093,246	(10,343,774)	55.2%	6,925,811	(149.4%)
2009	12,835,835	24,607,570	(11,771,735)	52.2%	7,219,991	(163.0%)
2010	14,414,186	25,321,090	(10,906,904)	56.9%	7,503,503	(145.4%)
2011	16,407,243	26,448,558	(10,041,315)	62.0%	7,711,696	(130.2%)

**POLICE PLAN**

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIALLY ACCRUED LIABILITY (AAL)	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2006	\$ 4,347,326	\$ 6,590,664	\$ (2,243,338)	66.0%	\$ 2,011,476	(111.5%)
2007	4,962,253	7,321,518	(2,359,265)	67.8%	1,983,690	(118.9%)
2008	4,871,965	7,552,796	(2,680,831)	64.5%	2,116,480	(126.7%)
2009	4,667,268	8,304,102	(3,636,834)	56.2%	2,242,755	(162.2%)
2010	5,403,038	8,826,293	(3,423,255)	61.2%	2,180,272	(157.0%)
2011	6,328,556	9,503,391	(3,174,835)	66.6%	2,357,269	(134.7%)

TOWN OF BETHEL, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION

BETHEL RETIREMENT SYSTEMS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**TOWN PLAN (1)**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2006	\$ 1,126,030	\$ 1,001,859	89.0%
2007	1,484,138	1,132,355	76.3%
2008	1,498,830	1,589,648	106.1%
2009	1,720,256	1,586,326	92.2%
2010	2,089,781	1,593,424	76.2%
2011	2,029,363	1,663,648	82.0%

**POLICE PLAN (1)**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2006	\$ 280,668	\$ 256,147	91.3%
2007	446,156	341,526	76.5%
2008	444,905	342,643	77.0%
2009	478,265	395,519	82.7%
2010	579,929	415,392	71.6%
2011	556,765	600,090	107.8%

(1) Includes employee contributions

TOWN OF BETHEL, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION

BETHEL OTHER POST EMPLOYMENT BENEFIT PLANS  
SCHEDULE OF FUNDING PROGRESS

<b>TOWN OTHER POST EMPLOYMENT BENEFIT PLAN</b>						
ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JUNE 30, 2009	\$ -	\$ 4,144,000	\$ (4,144,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
<b>POLICE OTHER POST EMPLOYMENT BENEFIT PLAN</b>						
ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JUNE 30, 2009	\$ -	\$ 2,994,000	\$ (2,994,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
<b>BOARD OF EDUCATION OTHER POST EMPLOYMENT BENEFIT PLAN</b>						
ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JUNE 30, 2009	\$ -	\$ 5,922,000	\$ (5,922,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A

N/A - No valuation for fiscal year 2010 and 2011

**TOWN OF BETHEL, CONNECTICUT**

## REQUIRED SUPPLEMENTARY INFORMATION

BETHEL OTHER POST EMPLOYMENT BENEFIT PLANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**TOWN OTHER POST EMPLOYMENT BENEFIT PLAN**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	\$ 328,000	\$ 131,000	39.9%
2010	328,000	159,677	48.7%
2011	348,251	169,453	48.7%

**POLICE OTHER POST EMPLOYMENT BENEFIT PLAN**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	\$ 318,000	\$ 3,000	0.9%
2010	318,000	3,657	1.2%
2011	337,634	3,881	1.1%

**BOARD OF EDUCATION OTHER POST EMPLOYMENT BENEFIT PLAN**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	\$ 342,000	\$ 268,000	78.4%
2010	342,000	326,667	95.5%
2011	363,115	346,667	95.5%

---

# Supplemental Schedules

---

---

## **General Fund**

---

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF BETHEL, CONNECTICUT

GENERAL FUND  
SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>				
Property taxes.....	\$ 51,074,323	\$ 51,074,323	\$ 50,976,173	\$ (98,150)
Interest and lien fees.....	269,503	269,503	279,159	9,656
Telephone access tax.....	143,205	143,205	65,261	(77,944)
PILOT- Augustana .....			15,710	15,710
PILOT- Reynolds Ridge.....	45,165	45,165	40,000	(5,165)
<b>TOTAL PROPERTY TAXES.....</b>	<b>51,532,196</b>	<b>51,532,196</b>	<b>51,376,303</b>	<b>(155,893)</b>
<b>INTERGOVERNMENTAL:</b>				
Equal cost sharing.....	8,157,837	8,157,837	7,035,099	(1,122,738)
Transportation.....	132,297	132,297	89,075	(43,222)
Continuing education.....	9,838	9,838	9,896	58
Health and welfare.....	18,931	18,931	6,156	(12,775)
Town aid roads.....	158,659	158,659	158,350	(309)
Boat registration.....	2,656	2,656	1,951	(705)
School building grants.....	482,413	482,413	424,316	(58,097)
PILOT - State owned property.....	26,205	26,205	26,355	150
PILOT- Augustana .....			26,762	26,762
Elderly tax freeze.....	1,218	1,218		(1,218)
Elderly home owners exemption.....	126,681	126,681	113,547	(13,134)
Disability tax loss.....	1,283	1,283	1,605	322
Veterans tax relief.....	7,491	7,491	7,637	146
LOCIP.....	114,416	114,416	114,416	-
Mashantucket Pequot fund.....	41,761	41,761	42,357	596
PILOT - manufacturers.....	264,379	264,379	229,948	(34,431)
Miscellaneous State revenue.....	5,508	5,508	54,485	48,977
<b>TOTAL INTERGOVERNMENTAL.....</b>	<b>9,551,573</b>	<b>9,551,573</b>	<b>8,341,955</b>	<b>(1,209,618)</b>
<b>CHARGES FOR SERVICES:</b>				
Town Farmland Preservation.....			9,687	9,687
Canine receipts.....	25,833	25,833	2,198	(23,635)
Planning and zoning.....	19,135	19,135	13,453	(5,682)
Zoning board of appeals .....	2,870	2,870	1,000	(1,870)
Recreational programs.....	291,677	291,677	302,476	10,799
Conveyance tax.....	229,624	229,624	177,129	(52,495)
Recording fees.....	86,109	86,109	92,334	6,225
Police reports.....	1,914	1,914	1,671	(243)
Police other.....	7,654	7,654	6,075	(1,579)
Town clerk fees.....	25,833	25,833	35,587	9,754
Library fees.....	14,351	14,351	17,005	2,654
Miscellaneous licenses and permits.....	207,800	207,800	294,899	87,099
Parking fines.....			2,420	2,420
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>912,800</b>	<b>912,800</b>	<b>955,934</b>	<b>43,134</b>
<b>USE OF MONEY AND PROPERTY:</b>				
Interest.....	167,285	167,285	6,565	(160,720)
Property leases.....	38,435	38,435	24,780	(13,655)
<b>TOTAL USE OF MONEY AND PROPERTY.....</b>	<b>205,720</b>	<b>205,720</b>	<b>31,345</b>	<b>(174,375)</b>
<b>MISCELLANEOUS REVENUE.....</b>	<b>23,500</b>	<b>23,500</b>	<b>2,054</b>	<b>(21,446)</b>
<b>TOTAL REVENUES.....</b>	<b>\$ 62,225,789</b>	<b>\$ 62,225,789</b>	<b>\$ 60,707,591</b>	<b>\$ (1,518,198)</b>

**TOWN OF BETHEL, CONNECTICUT**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>				
Selectmen.....	\$ 185,315	\$ 195,301	\$ 195,301	\$ -
Treasurer.....	6,750	6,164	6,164	-
Finance department.....	369,882	372,991	372,991	-
Town clerk.....	211,580	213,779	213,779	-
Assessor.....	185,496	178,355	178,355	-
Tax collector.....	186,679	187,035	187,035	-
Legal department.....	186,380	241,736	241,736	-
Probate court.....	3,600	18,428	18,428	-
Data processing.....	134,723	143,631	143,631	-
Town insurance.....	771,550	757,766	757,766	-
Planning and zoning.....	204,388	203,117	203,117	-
Registrar of voters.....	77,986	85,284	85,284	-
Town boards and commissions.....	117,767	99,492	99,492	-
Parks and recreation.....	882,035	1,009,418	1,009,418	-
Employee benefits.....	5,059,561	4,786,836	4,786,836	-
Non-government agency subsidies.....	13,871	12,747	12,747	-
Intergovernmental agency subsidies.....	372,214	373,907	373,907	-
Utilities, charges and services.....	2,380,404	2,295,519	2,295,519	-
Miscellaneous charges.....	227,032	1,005,194	71,259	933,935
Senior center.....	126,012	122,489	122,489	-
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>11,703,225</b>	<b>12,309,189</b>	<b>11,375,254</b>	<b>933,935</b>
<b>PUBLIC SAFETY:</b>				
Building and inspection.....	207,899	207,938	207,938	-
Emergency management.....	28,500	8,478	8,478	-
Fire marshal.....	87,750	94,051	94,051	-
Bethel fire department.....	181,600	187,226	187,226	-
Stony Hill fire department.....	144,050	140,824	140,824	-
Police department.....	3,535,511	3,651,747	3,651,747	-
<b>TOTAL PUBLIC SAFETY.....</b>	<b>4,185,310</b>	<b>4,290,264</b>	<b>4,290,264</b>	<b>-</b>
<b>HEALTH AND WELFARE:</b>				
Social services.....	58,038	58,538	58,538	-
Health department.....	260,489	245,142	245,142	-
<b>TOTAL HEALTH AND WELFARE.....</b>	<b>318,527</b>	<b>303,680</b>	<b>303,680</b>	<b>-</b>
<b>PUBLIC WORKS:</b>				
Fleet maintenance.....	330,773	360,928	360,928	-
Public works administration.....	302,782	291,209	291,209	-
Highway department.....	1,565,191	1,264,451	1,264,451	-
Building maintenance.....	740,150	697,948	697,948	-
Tree warden.....	89,400	92,915	92,915	-
<b>TOTAL PUBLIC WORKS.....</b>	<b>3,028,296</b>	<b>2,707,451</b>	<b>2,707,451</b>	<b>-</b>

(Continued)

**SCHEDULE 2**  
**(2 of 2)**

TOWN OF BETHEL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LIBRARY.....	\$ 737,618	\$ 737,603	\$ 737,603	\$ -
EDUCATION:				
Board of Education.....	37,504,875	37,415,383	36,233,860	1,181,523
Education maintenance.....	333,335	326,497	326,497	-
TOTAL EDUCATION.....	37,838,210	37,741,880	36,560,357	1,181,523
DEBT SERVICE.....	3,926,603	3,647,722	3,647,722	-
TOTAL EXPENDITURES.....	61,737,789	61,737,789	59,622,331	2,115,458
OTHER FINANCING USES:				
Transfers out.....	488,000	488,000	488,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 62,225,789	\$ 62,225,789	\$ 60,110,331	\$ 2,115,458

(Concluded)

TOWN OF BETHEL, CONNECTICUT

REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2011

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2010	CURRENT YEAR LEVY	LAWFUL CORRECTIONS			ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS					UNCOLLECTED TAXES JUNE 30, 2011
			ADDITIONS	DEDUCTIONS	TRANSFERS TO SUSPENSE		TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST, LIENS & OTHER FEES	TOTAL	
1994	\$ 1,865	\$	\$	\$ 1,865	\$	\$ -	\$	\$	\$	\$	\$ -	\$ -
1995	1,951					1,951					-	1,951
1996	2,067					2,067					-	2,067
1997	2,165					2,165					-	2,165
1998	3,640					3,640					-	3,640
1999	3,831					3,831					-	3,831
2000	4,105					4,105					-	4,105
2001	4,498					4,498					-	4,498
2002	3,183		79			3,262					-	3,262
2003	4,126					4,126	198	75	123	102	225	4,003
2004	4,776		39			4,815	48	48	-	1	1	4,815
2005	8,504		543			9,047	4,420		4,420	1,719	6,139	4,627
2006	15,947		7,559			23,506	20,109	3,444	16,665	7,799	24,464	6,841
2007	163,293		19,513	193	31,511	151,102	91,573	6,347	85,226	28,959	114,185	65,876
2008	684,755		32,156	42,002	32,534	642,375	439,689	21,868	417,821	86,857	504,678	224,554
SUSPENSE			22,893	1,419		21,474	21,720	246	21,474	23,190	44,664	-
TOTAL PRIOR YEARS	908,706	-	82,782	45,479	64,045	881,964	577,757	32,028	545,729	148,627	694,356	336,235
2009		50,786,418	50,056	226,833	37,706	50,571,935	49,965,455	81,485	49,883,970	130,532	50,014,502	687,965
TOTAL ALL YEARS	\$ 908,706	\$ 50,786,418	\$ 132,838	\$ 272,312	\$ 101,751	\$ 51,453,899	\$ 50,543,212	\$ 113,513	\$ 50,429,699	\$ 279,159	\$ 50,708,858	\$ 1,024,200

---

# Nonmajor Governmental Funds

---

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

### BENNETT PROPERTY

This fund is used to account for the activities associated with the care and maintenance of the Bennett Park Property.

### SMALL CITIES PROGRAM

This fund is used to account for the activities associated with the Community Development Block Grant Program.

### HEALTH DEPARTMENT GRANTS

This fund is used to account for the activities associated with the State of Connecticut, Department of Health Grants administered by the Bethel Health Department.

### PUBLIC SAFETY GRANTS

This fund is used to account for the activities associated with the Drug Awareness Program, Drug Enforcement Program and the Police Equipment Grant.

### EDUCATION GRANTS

This fund is used to account for the activities of various State and Federal educational related grant programs, primarily those grants received from the State of Connecticut, Department of Education.

### SCHOOL LUNCH PROGRAM

This fund is used to account for the activities associated with the operations of the School Lunch Program.

### LIBRARY

This fund is used to account for the non-tax funded activities of the Bethel Public Library.

### RAILROAD STATION

This fund is used to account for the activities associated with the operation and maintenance of the railroad station.

### RAILROAD STATION RENOVATION

This fund is used to account for the renovation of the railroad station.

## **Nonmajor Governmental Funds (Continued)**

### **SPECIAL REVENUE FUNDS (CONTINUED)**

#### **TEEN CENTER**

This fund is used to account for the activities associated with the Youth Commission programs.

#### **P & Z SERVICE FUND**

This fund is used to account for the service fees collected by the Planning and Zoning Commission, which are used to pay the costs for professional service to assist the Commission.

#### **PARAMEDIC INTERCEPT**

This fund is used to account for the service fees collected by ambulance services, which are used to pay the cost of those services.

#### **HISTORIC DOCUMENTS**

This fund is used to account for fees collected by the Town Clerk and related grants to preserve historic documents.

### **DEBT SERVICE FUND**

This fund is used to account for the accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

### **CAPITAL PROJECTS FUND**

Capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

#### **CAPITAL AND NONRECURRING**

This fund is used to account for activities associated with major capital improvements and equipment purchased with non-financed funding sources.

TOWN OF BETHEL, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

	SPECIAL REVENUE FUNDS								
	BENNETT PROPERTY	SMALL CITIES PROGRAM	HEALTH DEPARTMENT GRANTS	PUBLIC SAFETY GRANTS	EDUCATION GRANTS	SCHOOL LUNCH PROGRAM	LIBRARY	RAILROAD STATION	RAILROAD STATION RENOVATION
<u>ASSETS</u>									
Cash.....	\$ 5,933	\$ 51,830	\$	\$	\$	\$ 44,129	\$ 19,881	\$ 29,018	\$ 32,336
Investments.....						56,994	428,805	171,409	
Receivables:									
Intergovernmental.....					126,806	39,080			
Other.....					21,646	88,376			
Due from other funds.....			149,804	21,600	274,484				
TOTAL ASSETS.....	\$ 5,933	\$ 51,830	\$ 149,804	\$ 21,600	\$ 422,936	\$ 228,579	\$ 448,686	\$ 200,427	\$ 32,336
<u>LIABILITIES AND FUND BALANCES</u>									
LIABILITIES:									
Accounts payable.....	\$ 900	\$	\$ 4,611	\$ 8,158	\$	\$ 63,228	\$	\$ 4,086	\$
Due to other funds.....			101,389					8,631	
Unearned revenue.....		40,120							
TOTAL LIABILITIES.....	900	40,120	106,000	8,158	-	63,228	-	12,717	-
FUND BALANCES:									
Restricted.....		11,710	43,804	13,442		165,351		187,710	
Committed.....	5,033				422,936		448,686		32,336
TOTAL FUND BALANCES.....	5,033	11,710	43,804	13,442	422,936	165,351	448,686	187,710	32,336
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 5,933	\$ 51,830	\$ 149,804	\$ 21,600	\$ 422,936	\$ 228,579	\$ 448,686	\$ 200,427	\$ 32,336

(Continued)

TOWN OF BETHEL, CONNECTICUT  
COMBINING BALANCE SHEET (CONCLUDED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TEEN CENTER	P&Z SERVICE FUND	PARAMEDIC INTERCEPT	HISTORIC DOCUMENTS	TOTAL SPECIAL REVENUE		CAPITAL AND NONRECURRING	
<b>ASSETS</b>								
Cash.....	\$ 329	\$ 87,799	\$ 1,923	\$	\$ 273,178	\$ 463,509	\$ 1,689,709	\$ 2,426,396
Investments.....					657,208		223,732	880,940
Receivables:								
Intergovernmental.....					165,886		395,786	561,672
Other.....			5,381		115,403			115,403
Due from other funds.....				14,184	460,072		85,087	545,159
<b>TOTAL ASSETS.....</b>	<b>\$ 329</b>	<b>\$ 87,799</b>	<b>\$ 7,304</b>	<b>\$ 14,184</b>	<b>\$ 1,671,747</b>	<b>\$ 463,509</b>	<b>\$ 2,394,314</b>	<b>\$ 4,529,570</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Accounts payable.....	\$	\$	\$	\$	\$ 67,314	\$	\$ 39,843	\$ 107,157
Due to other funds.....			85,000		107,300	133,765	662,619	903,684
Unearned revenue.....					141,509			141,509
Bond anticipation notes payable.....					-		440,000	440,000
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>85,000</b>	<b>-</b>	<b>316,123</b>	<b>133,765</b>	<b>1,142,462</b>	<b>1,592,350</b>
<b>FUND BALANCES:</b>								
Restricted.....				14,184	436,201			436,201
Committed.....		87,799			996,790		1,251,852	2,248,642
Assigned.....	329				329	329,744		330,073
Unassigned.....			(77,696)		(77,696)			(77,696)
<b>TOTAL FUND BALANCES.....</b>	<b>329</b>	<b>87,799</b>	<b>(77,696)</b>	<b>14,184</b>	<b>1,355,624</b>	<b>329,744</b>	<b>1,251,852</b>	<b>2,937,220</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 329</b>	<b>\$ 87,799</b>	<b>\$ 7,304</b>	<b>\$ 14,184</b>	<b>\$ 1,671,747</b>	<b>\$ 463,509</b>	<b>\$ 2,394,314</b>	<b>\$ 4,529,570</b>

(Concluded)

TOWN OF BETHEL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS								
	BENNETT PROPERTY	SMALL CITIES PROGRAM	HEALTH DEPARTMENT GRANTS	PUBLIC SAFETY GRANTS	EDUCATION GRANTS	SCHOOL LUNCH PROGRAM	LIBRARY	RAILROAD STATION	RAILROAD STATION RENOVATION
REVENUES:									
Intergovernmental.....	\$	\$ 181,087	\$ 121,568	\$ 12,530	\$ 3,367,218	\$ 288,531	\$ 5,193	\$	\$
Charges for services.....		398		5,465	491,395	711,221		79,302	1,204
Use of money and property.....				1,004		132	8,820	266	91
Contributions.....	7,865						210,066		
Other.....			125				500		
TOTAL REVENUES.....	7,865	181,485	121,693	18,999	3,858,613	999,884	224,579	79,568	1,295
EXPENDITURES:									
Current:									
General government.....	7,711							76,905	7,986
Public safety.....				28,634					
Health and welfare.....		177,068	101,309						
Library.....							50,854		
Education.....					3,701,756	920,071			
TOTAL EXPENDITURES.....	7,711	177,068	101,309	28,634	3,701,756	920,071	50,854	76,905	7,986
NET CHANGE IN FUND BALANCES.....	154	4,417	20,384	(9,635)	156,857	79,813	173,725	2,663	(6,691)
FUND BALANCES, JULY 1, 2010.....	4,879	7,293	23,420	23,077	266,079	85,538	274,961	185,047	39,027
FUND BALANCES, JUNE 30, 2011.....	\$ 5,033	\$ 11,710	\$ 43,804	\$ 13,442	\$ 422,936	\$ 165,351	\$ 448,686	\$ 187,710	\$ 32,336

(Continued)

TOWN OF BETHEL, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONCLUDED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TEEN CENTER	P&Z SERVICE FUND	PARAMEDIC INTERCEPT	HISTORIC DOCUMENTS	TOTAL SPECIAL REVENUE		CAPITAL AND NONRECURRING	
<b>REVENUES:</b>								
Intergovernmental.....	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services.....		11,700	316,485	2,014	1,619,184		3,229	1,622,413
Use of money and property.....					10,313	912	2,104	13,329
Contributions.....					217,931		773,880	991,811
Other.....					625		2,655	3,280
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>11,700</b>	<b>316,485</b>	<b>5,014</b>	<b>5,827,180</b>	<b>912</b>	<b>1,286,263</b>	<b>7,114,355</b>
<b>EXPENDITURES:</b>								
<b>Current:</b>								
General government.....		5,487		1,577	99,666			99,666
Public safety.....	2,000		362,172		392,806			392,806
Health and welfare.....					278,377			278,377
Library.....					50,854			50,854
Education.....					4,621,827			4,621,827
Capital outlay.....					-		2,392,627	2,392,627
<b>TOTAL EXPENDITURES.....</b>	<b>2,000</b>	<b>5,487</b>	<b>362,172</b>	<b>1,577</b>	<b>5,443,530</b>	<b>-</b>	<b>2,392,627</b>	<b>7,836,157</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(2,000)</b>	<b>6,213</b>	<b>(45,687)</b>	<b>3,437</b>	<b>383,650</b>	<b>912</b>	<b>(1,106,364)</b>	<b>(721,802)</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Capital lease.....					-		280,000	280,000
Transfers in.....					-		265,000	265,000
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>545,000</b>	<b>545,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(2,000)</b>	<b>6,213</b>	<b>(45,687)</b>	<b>3,437</b>	<b>383,650</b>	<b>912</b>	<b>(561,364)</b>	<b>(176,802)</b>
<b>FUND BALANCES, JULY 1, 2010.....</b>	<b>2,329</b>	<b>81,586</b>	<b>(32,009)</b>	<b>10,747</b>	<b>971,974</b>	<b>328,832</b>	<b>1,813,216</b>	<b>3,114,022</b>
<b>FUND BALANCES, JUNE 30, 2011.....</b>	<b>\$ 329</b>	<b>\$ 87,799</b>	<b>\$ (77,696)</b>	<b>\$ 14,184</b>	<b>\$ 1,355,624</b>	<b>\$ 329,744</b>	<b>\$ 1,251,852</b>	<b>\$ 2,937,220</b>

(Concluded)

---

# Fiduciary Funds

---

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, and/or other funds. These include private-purpose trust, pension trust and agency funds.

## PENSION TRUST FUNDS

### TOWN EMPLOYEE PENSION FUND

To account for contributions made by the Town and its employees for pension benefits for all non-certified and non-police personnel.

### POLICE PENSION FUND

To account for contributions made by the Town and its employees for pension benefits for all uniformed members of the Police Department.

## PRIVATE-PURPOSE TRUST FUNDS

### HENNESSEY SCHOLARSHIP FUND

To account for the initial restricted contribution and investment earnings, which are used to provide scholarships to eligible students as determined by the Board of Education.

### MENEGAY SCHOLARSHIP FUND

To account for the initial restricted contribution and partially restricted investment earnings, which are used to provide scholarships to eligible students as determined by the Board of Education.

### EDUCATION SCHOLARSHIPS

To account for the activities associated with the DeSantis, Shaker and Henry Williams scholarship funds administered by the Board of Education.

## AGENCY FUNDS

### PERFORMANCE BONDS

To account for cash bonds and other cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

### STUDENT ACTIVITIES

To account for various activities as defined by State Statutes undertaken by students of the public school system.

TOWN OF BETHEL, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2011

	<u>PRIVATE - PURPOSE TRUST FUNDS</u>				
	<u>HENNESSEY SCHOLARSHIP FUND</u>	<u>MENEGAY SCHOLARSHIP FUND</u>	<u>EDUCATION SCHOLARSHIPS</u>	<u>TOTAL PRIVATE - PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>					
Cash.....	\$	\$ 6,671	\$ 21,388	\$ 28,059	\$ 361,612
Investments:					
Money market mutual funds.....	115,667		10,281	125,948	
Certificates of deposit.....			1,154	1,154	529,559
U.S. Government agency securities.....		143,267		143,267	
Equity mutual funds.....			12,062	12,062	
Total investments.....	115,667	143,267	23,497	282,431	529,559
Due from other funds.....				-	141,009
TOTAL ASSETS.....	115,667	149,938	44,885	310,490	1,032,180
<u>LIABILITIES</u>					
LIABILITIES:					
Accounts payable.....				-	1,032,180
<u>NET ASSETS</u>					
Held in trust for:					
Individuals.....	\$ 115,667	\$ 149,938	\$ 44,885	\$ 310,490	\$ -

TOWN OF BETHEL, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	PRIVATE - PURPOSE TRUST FUNDS			TOTAL PRIVATE - PURPOSE TRUST FUNDS
	HENNESSEY SCHOLARSHIP FUND	MENEGAY SCHOLARSHIP FUND	EDUCATION SCHOLARSHIPS	
ADDITIONS:				
Contributions.....	\$ 10,000	\$	\$ 48,352	\$ 58,352
Investment income (loss):				
Change in fair value of investments.....	13,714	(4,360)	1,482	10,836
Interest and dividends.....	2,908	7,432	556	10,896
Total Investment income (loss).....	16,622	3,072	2,038	21,732
TOTAL ADDITIONS.....	26,622	3,072	50,390	80,084
DEDUCTIONS:				
Administration.....	395	110	175	680
Scholarships awarded.....	10,000	6,600	44,325	60,925
TOTAL DEDUCTIONS.....	10,395	6,710	44,500	61,605
CHANGES IN NET ASSETS.....	16,227	(3,638)	5,890	18,479
NET ASSETS - JULY 1, 2010.....	99,440	153,576	38,995	292,011
NET ASSETS - JUNE 30, 2011.....	\$ 115,667	\$ 149,938	\$ 44,885	\$ 310,490

TOWN OF BETHEL, CONNECTICUT

AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2011

	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
<u>ASSETS</u>				
CASH:				
Performance bonds.....	\$ 286,017	\$ 9,091	\$	\$ 295,108
Flex benefit account.....	38,036	111,207	111,901	37,342
Student activities.....	36,899	1,015,961	1,023,698	29,162
TOTAL CASH.....	360,952	1,136,259	1,135,599	361,612
INVESTMENTS:				
Student activities.....	519,609	9,950		529,559
DUE FROM OTHER FUNDS:				
Performance bonds.....	142,711	10,000	11,702	141,009
TOTAL ASSETS.....	\$ 1,023,272	\$ 1,156,209	\$ 1,147,301	\$ 1,032,180
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Performance bonds.....	\$ 428,728	\$ 19,091	\$ 11,702	\$ 436,117
Flex benefit account.....	38,036	111,207	111,901	37,342
Student activities.....	556,508	1,025,911	1,023,698	558,721
TOTAL LIABILITIES.....	\$ 1,023,272	\$ 1,156,209	\$ 1,147,301	\$ 1,032,180

---

# Statistical Section

---

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

## **Contents**

### FINANCIAL TRENDS (TABLES 1 - 4)

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

### REVENUE CAPACITY (TABLES 5 - 7)

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

### DEBT CAPACITY (TABLES 8 - 11)

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

### DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 13)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

### OPERATING INFORMATION (TABLES 14 - 16)

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

TOWN OF BETHEL, CONNECTICUT

NET ASSETS BY COMPONENT  
LAST NINE YEARS (1)  
(UNAUDITED)

	FISCAL YEAR ENDED								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>GOVERNMENTAL ACTIVITIES:</b>									
Invested in capital assets, net of related debt.....	\$ 62,587,262	\$ 62,262,355	\$ 59,884,103	\$ 54,094,588	\$ 45,591,122	\$ 43,595,254	\$ 40,757,470	\$ 39,033,847	\$ 32,388,156
Restricted.....	436,201	317,082	318,189	324,547	289,876				
Unrestricted.....	9,313,986	8,134,261	7,173,920	7,815,474	8,918,434	8,042,615	10,297,570	4,388,938	11,406,501
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS.....</b>	<b>72,337,449</b>	<b>70,713,698</b>	<b>67,376,212</b>	<b>62,234,609</b>	<b>54,799,432</b>	<b>51,637,869</b>	<b>51,055,040</b>	<b>43,422,785</b>	<b>43,794,657</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>									
Invested in capital assets, net of related debt.....	11,234,208	9,572,027	8,535,419	5,441,473	7,309,321	9,825,127	11,256,476	9,814,918	19,376,618
Unrestricted.....	2,050,856	4,109,872	5,725,240	3,483,338	1,454,542	(547,979)	(1,716,364)	(41,964)	(10,470,518)
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS.....</b>	<b>13,285,064</b>	<b>13,681,899</b>	<b>14,260,659</b>	<b>8,924,811</b>	<b>8,763,863</b>	<b>9,277,148</b>	<b>9,540,112</b>	<b>9,772,954</b>	<b>8,906,100</b>
<b>TOTAL NET ASSETS:</b>									
Invested in capital assets, net of related debt.....	73,821,470	71,834,382	68,419,522	59,536,061	52,900,443	53,420,381	52,013,946	48,848,765	51,764,774
Restricted.....	436,201	317,082	318,189	324,547	289,876				
Unrestricted.....	11,364,842	12,244,133	12,899,160	11,298,812	10,372,976	7,494,636	8,581,206	4,346,974	935,983
<b>TOTAL NET ASSETS.....</b>	<b>\$ 85,622,513</b>	<b>\$ 84,395,597</b>	<b>\$ 81,636,871</b>	<b>\$ 71,159,420</b>	<b>\$ 63,563,295</b>	<b>\$ 60,915,017</b>	<b>\$ 60,595,152</b>	<b>\$ 53,195,739</b>	<b>\$ 52,700,757</b>

(1) Less than ten years of data due to the implementaton date of GASB 34.

**TABLE 2**  
**(1 of 2)**

**TOWN OF BETHEL, CONNECTICUT**

CHANGES IN NET ASSETS  
LAST NINE YEARS (1)  
(UNAUDITED)

	FISCAL YEAR ENDED								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES:</b>									
<b>Governmental activities:</b>									
General government.....	\$ 7,406,414	\$ 6,668,996	\$ 7,680,008	\$ 6,091,815	\$ 6,124,727	\$ 5,841,298	\$ 5,246,730	\$ 5,136,551	\$ 4,798,399
Public safety.....	7,237,624	6,983,966	6,533,552	6,111,876	5,957,113	5,265,683	5,202,528	4,730,500	4,540,088
Public works.....	4,186,588	3,293,443	4,103,553	4,102,646	3,115,013	3,184,930	3,050,076	3,196,649	3,110,928
Health and welfare.....	809,011	454,253	517,223	595,196	496,248	542,406	455,022	619,691	408,248
Library.....	1,256,386	1,381,052	1,186,394	1,284,906	1,236,081	1,084,553	746,960	759,655	754,060
Education.....	47,147,637	46,830,139	45,093,618	50,778,375	41,184,490	39,069,230	36,355,664	34,278,200	32,758,152
Interest expense.....	1,052,100	460,098	1,216,231	1,119,908	1,364,944	1,803,685	1,298,658	931,248	3,051,325
<b>Total Governmental activities expenses.....</b>	<b>69,095,760</b>	<b>66,071,947</b>	<b>66,330,579</b>	<b>70,084,722</b>	<b>59,478,616</b>	<b>56,791,785</b>	<b>52,355,638</b>	<b>49,652,494</b>	<b>49,421,200</b>
<b>Business-type activities:</b>									
Water Department.....	1,088,386	1,151,148	1,017,085	1,122,067	1,060,049	1,084,008	867,011	855,218	882,563
Sewer Department.....	2,918,863	2,898,833	1,920,281	1,853,177	1,963,696	1,866,953	1,661,092	1,306,166	1,384,212
Transfer Station.....	305,901	329,680	304,203	294,459	299,113	296,208	309,080	271,742	354,613
<b>Total Business-type activities expenses.....</b>	<b>4,313,150</b>	<b>4,379,661</b>	<b>3,241,569</b>	<b>3,269,703</b>	<b>3,322,858</b>	<b>3,247,169</b>	<b>2,837,183</b>	<b>2,433,126</b>	<b>2,621,388</b>
<b>TOTAL EXPENSES.....</b>	<b>73,408,910</b>	<b>70,451,608</b>	<b>69,572,148</b>	<b>73,354,425</b>	<b>62,801,474</b>	<b>60,038,954</b>	<b>55,192,821</b>	<b>52,085,620</b>	<b>52,042,588</b>
<b>PROGRAM REVENUES:</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government.....	1,109,532	1,350,782	825,472	1,145,786	1,335,235	1,228,473	1,199,839	993,933	1,109,794
Public safety.....	341,581	339,020	55,064	23,751	18,424	24,242	28,544	289,154	17,734
Public works.....	83,735	80,371	78,266	75,495	71,801	50,582	58,361	49,275	43,629
Health and welfare.....				1,600	450				
Library.....	17,005	18,601	18,914	17,481	16,988	13,420	11,890	11,259	10,331
Education.....	1,018,060	723,140	1,045,203	1,014,033	1,030,072	1,063,221	862,492	961,774	838,477
Operating grants and contributions.....	14,672,705	14,593,517	15,215,831	20,481,329	11,236,538	11,325,570	10,950,422	9,512,221	10,420,540
Capital grants and contributions.....	1,424,570	2,060,657	4,415,067	5,005,491	1,118,600	287,931	301,597	326,898	3,482,348
<b>Total Governmental activities program revenues.....</b>	<b>18,667,188</b>	<b>19,166,088</b>	<b>21,653,817</b>	<b>27,764,966</b>	<b>14,828,108</b>	<b>13,993,439</b>	<b>13,413,145</b>	<b>12,144,514</b>	<b>15,922,853</b>

(Continued)

**TABLE 2**  
**(2 of 2)**

**TOWN OF BETHEL, CONNECTICUT**

**CHANGES IN NET ASSETS  
LAST NINE YEARS (1)  
(UNAUDITED)**

	FISCAL YEAR ENDED								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Business-type activities:</b>									
Charges for services:									
Water Department.....	\$ 1,067,147	\$ 831,091	\$ 878,936	\$ 664,775	\$ 642,263	\$ 686,610	\$ 617,742	\$ 639,238	\$ 625,810
Sewer Department.....	2,593,550	2,379,195	7,290,414	1,797,548	1,631,729	1,679,952	1,602,454	2,319,593	1,683,900
Transfer Station.....	248,237	219,894	222,511	208,189	244,612	266,131	273,115	288,006	242,059
Capital grants and contributions.....		225,000		500,000		50,000		32,000	27,540
<b>Total Business-type activities program revenues.....</b>	<b>3,908,934</b>	<b>3,655,180</b>	<b>8,391,861</b>	<b>3,170,512</b>	<b>2,518,604</b>	<b>2,682,693</b>	<b>2,493,311</b>	<b>3,278,837</b>	<b>2,579,309</b>
<b>TOTAL PROGRAM REVENUES.....</b>	<b>22,576,122</b>	<b>22,821,268</b>	<b>30,045,678</b>	<b>30,935,478</b>	<b>17,346,712</b>	<b>16,676,132</b>	<b>15,906,456</b>	<b>15,423,351</b>	<b>18,502,162</b>
<b>NET (EXPENSE) / REVENUE:</b>									
Governmental activities.....	(50,428,572)	(46,905,859)	(44,676,762)	(42,319,756)	(44,650,508)	(42,798,346)	(38,942,493)	(37,507,980)	(33,498,347)
Business-type activities.....	(404,216)	(724,481)	5,150,292	(99,191)	(804,254)	(564,476)	(343,872)	845,711	(42,079)
<b>TOTAL NET (EXPENSE) / REVENUE.....</b>	<b>(50,832,788)</b>	<b>(47,630,340)</b>	<b>(39,526,470)</b>	<b>(42,418,947)</b>	<b>(45,454,762)</b>	<b>(43,362,822)</b>	<b>(39,286,365)</b>	<b>(36,662,269)</b>	<b>(33,540,426)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:</b>									
Governmental activities:									
Property taxes.....	51,494,235	49,449,036	48,919,291	48,311,972	44,931,511	42,501,489	40,354,781	38,510,789	36,956,150
Grants and contributions not restricted to specific programs.....	502,696	521,325	537,292	531,947	515,514	292,334	359,067	590,727	934,954
Investment income.....	50,058	217,919	311,866	824,942	915,522	731,049	423,481	279,453	583,839
Miscellaneous.....	5,334	55,065	49,916	86,072	81,632	76,413	355,690	70,159	85,665
<b>Total Governmental activities.....</b>	<b>52,052,323</b>	<b>50,243,345</b>	<b>49,818,365</b>	<b>49,754,933</b>	<b>46,444,179</b>	<b>43,601,285</b>	<b>41,493,019</b>	<b>39,451,128</b>	<b>38,560,608</b>
Business-type activities:									
Investment income.....	7,381	145,721	185,556	260,139	290,969	301,512	111,030	21,143	17,003
<b>TOTAL GENERAL REVENUES.....</b>	<b>52,059,704</b>	<b>50,389,066</b>	<b>50,003,921</b>	<b>50,015,072</b>	<b>46,735,148</b>	<b>43,902,797</b>	<b>41,604,049</b>	<b>39,472,271</b>	<b>38,577,611</b>
<b>CHANGE IN NET ASSETS:</b>									
Governmental activities.....	1,623,751	3,337,486	5,141,603	7,435,177	1,793,671	802,939	2,550,526	1,943,148	5,062,261
Business-type activities.....	(396,835)	(578,760)	5,335,848	160,948	(513,285)	(262,964)	(232,842)	866,854	(25,076)
<b>TOTAL CHANGE IN NET ASSETS.....</b>	<b>\$ 1,226,916</b>	<b>\$ 2,758,726</b>	<b>\$ 10,477,451</b>	<b>\$ 7,596,125</b>	<b>\$ 1,280,386</b>	<b>\$ 539,975</b>	<b>\$ 2,317,684</b>	<b>\$ 2,810,002</b>	<b>\$ 5,037,185</b>

(Concluded)

(1) Less than ten years of data due to the implementaton date of GASB 34.

TABLE 3

## TOWN OF BETHEL, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
GENERAL FUND:										
Nonspendable.....	\$ 61,987	\$ 61,987	\$ 61,987	\$ 61,987	\$ 61,987	\$ 61,987	\$ 61,987	\$ 61,987	\$ 72,986	\$ 72,986
Assigned.....	22,987	521,093	775,918	857,565	929,641	484,630	667,127	492,098	618,218	561,798
Unassigned.....	6,948,439	6,444,053	6,152,022	5,937,527	5,260,264	5,166,717	5,601,331	5,111,783	5,021,438	4,311,789
TOTAL GENERAL FUND.....	7,033,413	7,027,133	6,989,927	6,857,079	6,251,892	5,713,334	6,330,445	5,665,868	5,712,642	4,946,573
ALL OTHER GOVERNMENTAL FUNDS										
Restricted.....	436,201	317,082	318,189	324,547	289,876					
Committed.....	2,248,642	2,506,295	1,430,166	1,052,354	833,119	2,405,897	1,611,703	1,923,734	519,004	741,701
Assigned.....	330,073	331,161	328,253	380,866	369,998		1,149,393			
Unassigned.....	(790,310)	(766,063)	(1,374,202)	(22,265,016)	(6,454,855)				(159,710)	
TOTAL ALL OTHER GOVERNMENTAL FUNDS..	2,224,606	2,388,475	702,406	(20,507,249)	(4,961,862)	2,405,897	2,761,096	1,923,734	359,294	741,701
GRAND TOTAL.....	\$ 9,258,019	\$ 9,415,608	\$ 7,692,333	\$ (13,650,170)	\$ 1,290,030	\$ 8,119,231	\$ 9,091,541	\$ 7,589,602	\$ 6,071,936	\$ 5,688,274

Note: Only years 2010 through 2007 were completely restated.

TABLE 4

## TOWN OF BETHEL, CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(UNAUDITED)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>REVENUES:</b>										
Property taxes.....	\$ 51,376,303	\$ 49,385,189	\$ 48,953,127	\$ 48,320,481	\$ 44,990,513	\$ 42,643,654	\$ 40,092,643	\$ 38,708,898	\$ 36,506,447	\$ 33,859,500
Intergovernmental.....	16,032,476	16,200,448	20,053,407	26,368,297	12,398,163	12,156,869	11,793,154	10,857,960	15,216,898	11,594,745
Charges for services.....	2,578,347	2,512,160	2,023,233	2,269,152	2,472,970	2,379,938	2,161,126	2,305,395	2,019,965	1,790,639
Use of money and property.....	50,058	217,919	311,866	824,942	915,522	667,669	423,481	275,193	494,614	928,020
Contributions.....	991,811	1,412,980	565,986	118,378	47,382	60,365	325,960	93,080	158,541	44,512
Other.....	5,334	55,065	49,916	86,072	81,632	76,413	355,690	70,159	85,665	614,615
<b>TOTAL REVENUES.....</b>	<b>71,034,329</b>	<b>69,783,761</b>	<b>71,957,535</b>	<b>77,987,322</b>	<b>60,906,182</b>	<b>57,984,908</b>	<b>55,152,054</b>	<b>52,310,685</b>	<b>54,482,130</b>	<b>48,832,031</b>
<b>EXPENDITURES:</b>										
Current:										
General government.....	11,500,135	10,444,489	11,560,072	10,415,596	9,337,771	8,766,054	7,941,533	7,745,704	7,331,507	6,630,652
Public safety.....	4,770,599	4,513,981	4,005,255	3,943,333	3,802,471	3,559,894	3,494,212	3,402,758	3,091,544	2,794,308
Public works.....	2,899,695	2,968,461	2,849,994	3,027,474	2,276,788	2,481,584	2,200,568	2,531,345	2,138,925	2,001,902
Health and welfare.....	612,197	295,336	387,124	490,179	363,468	402,645	387,286	357,181	261,505	235,020
Library.....	799,036	911,899	750,271	813,154	773,418	706,201	664,637	700,088	596,734	638,707
Education.....	44,500,691	44,268,094	43,057,343	48,945,929	38,654,025	37,211,772	35,227,328	33,007,184	32,550,822	30,532,106
Debt service.....	3,647,722	4,058,700	4,042,927	3,842,837	4,146,715	4,103,668	3,297,880	3,066,320	2,732,333	2,726,709
Capital outlay.....	2,741,843	1,169,528	6,722,046	21,449,020	8,380,727	1,788,770	7,993,009	2,833,939	5,617,451	9,689,922
<b>TOTAL EXPENDITURES.....</b>	<b>71,471,918</b>	<b>68,630,488</b>	<b>73,375,032</b>	<b>92,927,522</b>	<b>67,735,383</b>	<b>59,020,588</b>	<b>61,206,453</b>	<b>53,644,519</b>	<b>54,320,821</b>	<b>55,249,326</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(437,589)</b>	<b>1,153,273</b>	<b>(1,417,497)</b>	<b>(14,940,200)</b>	<b>(6,829,201)</b>	<b>(1,035,680)</b>	<b>(6,054,399)</b>	<b>(1,333,834)</b>	<b>161,309</b>	<b>(6,417,295)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Issuance of debt.....		8,425,000	22,760,000				6,563,500	2,851,500		10,300,000
Payment to refunded bond escrow agent.....		(9,343,492)								
Bond premium.....		1,045,057				63,380	76,216		222,353	
Capital lease.....	280,000	443,437					448,272			
Transfers in.....	488,000	595,166	1,646,500	453,000	1,947,762	1,062,520	610,500	1,123,920	902,000	1,210,801
Transfers out.....	(488,000)	(595,166)	(1,646,500)	(453,000)	(1,947,762)	(1,062,520)	(610,500)	(1,123,920)	(902,000)	(1,210,801)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>280,000</b>	<b>570,002</b>	<b>22,760,000</b>	<b>-</b>	<b>-</b>	<b>63,380</b>	<b>7,087,988</b>	<b>2,851,500</b>	<b>222,353</b>	<b>10,300,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (157,589)</b>	<b>\$ 1,723,275</b>	<b>\$ 21,342,503</b>	<b>\$ (14,940,200)</b>	<b>\$ (6,829,201)</b>	<b>\$ (972,300)</b>	<b>\$ 1,033,589</b>	<b>\$ 1,517,666</b>	<b>\$ 383,662</b>	<b>\$ 3,882,705</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>	<b>5.31%</b>	<b>6.10%</b>	<b>6.06%</b>	<b>5.38%</b>	<b>6.99%</b>	<b>7.17%</b>	<b>6.20%</b>	<b>6.03%</b>	<b>5.61%</b>	<b>5.98%</b>

**TABLE 5****TOWN OF BETHEL, CONNECTICUT**TAX RATES, LEVIES AND CASH COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	(1) MILL RATE	TOTAL ADJUSTED TAX LEVY	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2002	29.99	\$ 33,627,134	\$ 33,003,148	98.15%	\$ 619,881	\$ 33,623,029	99.99%	\$ 4,105
2003	31.44	35,964,255	35,260,477	98.05%	699,280	35,959,757	99.99%	4,498
2004	24.55	37,768,058	37,158,834	98.40%	605,962	37,764,796	99.99%	3,262
2005	25.48	39,755,646	39,174,873	98.55%	576,770	39,751,643	99.99%	4,003
2006	26.48	42,083,634	41,607,383	98.88%	471,436	42,078,819	99.99%	4,815
2007	27.75	44,581,196	44,094,785	98.92%	481,784	44,576,569	99.99%	4,627
2008	28.15	47,942,582	47,368,484	98.81%	567,257	47,935,741	99.99%	6,841
2009	21.28	48,529,233	47,822,441	98.55%	640,916	48,463,357	99.86%	65,876
2010	21.64	49,090,160	48,405,405	98.62%	460,201	48,865,606	99.54%	224,554
2011	22.44	50,571,935	49,883,970	98.65%	-	49,883,970	98.64%	687,965

Source: Town audit reports.

(1) This represents the Town's mill rate per \$1,000 of taxable property. There are no overlapping tax rates.

**TABLE 6**

**TOWN OF BETHEL, CONNECTICUT**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(UNAUDITED)**

YEAR ENDED JUNE 30	REAL ESTATE		PERSONAL PROPERTY			TOTALS				
	(1) (4) ASSESSED VALUE	(2) ESTIMATED VALUE	(1) NET MOTOR VEHICLE ASSESSED VALUE	(1) NET PERSONAL PROPERTY ASSESSED VALUE	NET TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ASSESSED VALUE	(3) TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ESTIMATED ACTUAL VALUE	(1) TOTAL ASSESSED VALUE	TOTAL ESTIMATED ACTUAL VALUE	(2) PERCENTAGE OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
2002	\$ 954,519,310	\$ 1,791,851,350	\$ 107,599,512	\$ 58,909,760	\$ 166,509,272	\$ 237,870,389	\$ 1,121,028,582	\$ 2,029,721,739	55.23%	29.99
2003	970,300,568	1,852,434,713	110,620,650	62,780,720	173,401,370	247,716,240	1,143,701,930	2,100,150,950	54.46%	31.44
2004	1,365,296,580	1,950,423,680	115,351,560	57,168,610	172,520,170	246,457,386	1,537,816,750	2,196,881,066	70.00%	24.55
2005	1,392,006,110	2,577,789,093	112,568,500	61,377,880	173,946,380	248,494,829	1,565,524,900	2,826,283,922	55.39%	25.48
2006	1,407,859,027	2,815,718,054	120,067,280	67,395,210	187,462,790	267,803,956	1,595,321,817	3,083,522,010	51.74%	26.48
2007	1,418,745,302	3,002,635,560	127,409,171	67,466,650	194,875,827	278,394,039	1,613,621,129	3,281,029,599	49.18%	27.75
2008	1,430,108,340	2,987,483,476	129,597,440	112,751,228	242,348,668	346,212,383	1,672,457,008	3,333,695,859	50.17%	28.15
2009	2,021,769,589	2,888,242,270	132,950,190	137,535,300	270,485,490	386,407,842	2,292,255,079	3,274,650,112	70.00%	21.28
2010	2,035,958,530	2,577,162,696	124,381,260	126,476,510	250,857,770	358,368,243	2,286,816,300	2,935,530,939	77.90%	21.64
2011	2,044,712,610	2,422,358,263	124,146,070	126,880,120	251,026,190	358,608,843	2,295,738,800	2,780,967,106	82.55%	22.44

- (1) Assessed values taken from the Board of Assessment Appeals corrected abstracts for the respective year.
- (2) Ratios are predicated on the State of Connecticut Office of Policy and Management sales/assessment ratio.
- (3) Personal property value based on a 70% assessment ratio.
- (4) Revaluation completed for fiscal years 2004 and 2009.

TABLE 7

TOWN OF BETHEL, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

NAME	NATURE OF BUSINESS	2011			2002		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)
CONNECTICUT LIGHT AND POWER (RELATED COMPANIES AND LEASED EQUIPMENT)	UTILITY	\$ 74,236,710	1	3.23%	N/A	N/A	N/A
GILLETTE (DURACELL) INC.	BATTERIES	64,641,040	2	2.82%	N/A	N/A	N/A
STEINER INC. (AND RELATED COMPANIES)	REAL ESTATE - DEVELOPER	24,484,200	3	1.07%	N/A	N/A	N/A
BETHEL ASSOCIATES, INC.	HEALTH CARE	14,770,600	4	0.64%	N/A	N/A	N/A
TARGET	RETAIL	11,539,480	5	0.50%	N/A	N/A	N/A
CE BETHEL, LLC	REAL ESTATE - HOTEL	11,530,660	6	0.50%	N/A	N/A	N/A
BFM LIMITED PARTNERSHIP	SHOPPING PLAZA	9,239,920	7	0.40%	N/A	N/A	N/A
SHEPARDS, INC.	WAREHOUSING	6,880,580	8	0.30%	N/A	N/A	N/A
TONYS RESTAURANT, INC.	REAL ESTATE - HOTEL	6,505,700	9	0.28%	N/A	N/A	N/A
C&P REAL ESTATE	SHOPPING PLAZA	<u>5,818,490</u>	10	<u>0.25%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL		<u>\$ 229,647,380</u>		<u>9.99%</u>	<u>\$ -</u>		<u>0.00%</u>
Based on October 1, 2009 and 2000 net taxable Grand List of :		<u>\$ 2,295,738,800</u>			<u>\$ 1,121,028,582</u>		

Source: Town Assessor Department.

N/A - Information not available.

**TABLE 8**

**TOWN OF BETHEL, CONNECTICUT**

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			GRAND TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASE PAYABLE	TOTAL	SEWER BONDS	CLEAN WATER NOTE PAYABLE	TOTAL			
2002	\$ 24,470,000	\$	\$ 24,470,000	\$ 2,285,000	\$ 5,469,691	\$ 7,754,691	\$ 32,224,691	0.21%	\$ 1,785
2003	22,975,000		22,975,000	2,070,000	4,968,287	7,038,287	30,013,287	0.23%	1,627
2004	23,981,500		23,981,500	1,860,000	4,466,883	6,326,883	30,308,383	0.23%	1,632
2005	28,535,000	448,272	28,983,272	1,650,000	3,965,480	5,615,480	34,598,752	0.20%	1,846
2006	25,820,000	812,604	26,632,604	5,740,000	3,464,076	9,204,076	35,836,680	0.19%	1,910
2007	23,110,000	620,115	23,730,115	5,530,000	2,962,672	8,492,672	32,222,787	0.21%	1,729
2008	20,400,000	417,271	20,817,271	5,145,000	2,461,269	7,606,269	28,423,540	0.24%	1,535
2009	17,700,000	203,511	17,903,511	4,850,000	1,959,865	6,809,865	24,713,376	0.28%	1,340
2010	37,405,000	548,097	37,953,097	19,990,000	1,479,898	21,469,898	59,422,995	0.12%	3,206
2011	34,985,000	617,203	35,602,203	19,065,000	999,931	20,064,931	55,667,134	0.12%	3,004

NOTE: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

84

**TABLE 9**

**TOWN OF BETHEL, CONNECTICUT**

**RATIOS OF GENERAL DEBT OUTSTANDING  
LAST TEN YEARS  
(UNAUDITED)**

YEAR ENDED JUNE 30	GENERAL DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASE PAYABLE	TOTAL		
2002	\$ 24,470,000	\$	\$ 24,470,000	1.21%	\$ 1,356
2003	22,975,000		22,975,000	1.09%	1,245
2004	23,981,500		23,981,500	1.09%	1,292
2005	28,535,000	448,272	28,983,272	1.03%	1,546
2006	25,820,000	812,604	26,632,604	0.86%	1,420
2007	23,110,000	620,115	23,730,115	0.72%	1,273
2008	20,400,000	417,271	20,817,271	0.62%	1,124
2009	17,700,000	203,511	17,903,511	0.55%	971
2010	37,405,000	548,097	37,953,097	1.29%	2,048
2011	34,985,000	617,203	35,602,203	1.28%	1,914

**TABLE 10**

**TOWN OF BETHEL, CONNECTICUT**

SCHEDULE OF DEBT LIMITATION  
CONNECTICUT STATUTES, SECTION 7-374(b)  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

<u>TAX BASE:</u>					
Total tax collections (including interest and lien fees).....					<u>\$ 50,708,858</u>
	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
<u>DEBT LIMITATION:</u>					
2 1/4 times base.....	\$ 114,094,931	\$	\$	\$	\$
4 1/2 times base.....		228,189,861			
3 3/4 times base.....			190,158,218		
3 1/4 times base.....				164,803,789	
3 times base.....					152,126,574
TOTAL LIMITATIONS.....	<u>114,094,931</u>	<u>228,189,861</u>	<u>190,158,218</u>	<u>164,803,789</u>	<u>152,126,574</u>
<u>INDEBTEDNESS:</u>					
Bonds.....	7,766,000	27,219,000			
Bond anticipation notes.....	3,667,460	973,000			
Less school building grants.....		(9,378)			
TOTAL INDEBTEDNESS.....	<u>11,433,460</u>	<u>28,182,622</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....	<u>\$ 102,661,471</u>	<u>\$ 200,007,239</u>	<u>\$ 190,158,218</u>	<u>\$ 164,803,789</u>	<u>\$ 152,126,574</u>
The total net indebtedness above amounts to:					<u>\$ 39,616,082</u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u>\$ 354,962,006</u>

There is no overlapping debt for the Town of Bethel.

**TABLE 11****TOWN OF BETHEL, CONNECTICUT**LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS  
UNAUDITED

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2002	\$ 565,299,519	\$ 30,801,706	\$ 534,497,813	5.45%
2003	607,358,417	24,899,650	582,458,767	4.10%
2004	639,236,364	23,447,931	615,788,433	3.67%
2005	668,599,566	29,519,217	639,080,349	4.42%
2006	710,447,230	32,449,504	677,997,726	4.57%
2007	750,066,089	30,363,791	719,702,298	4.05%
2008	807,852,334	42,039,808	765,812,526	5.20%
2009	814,964,232	41,686,187	773,278,045	5.12%
2010	829,365,078	39,081,458	790,283,620	4.71%
2011	849,373,373	39,616,082	809,757,291	4.66%

Source: Town audit reports.

**TABLE 12**

**TOWN OF BETHEL, CONNECTICUT**

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(5) PERSONAL INCOME	(2) PER CAPITA INCOME	(2) MEDIAN AGE	EDUCATION LEVEL OF SCHOOLING		(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
					HIGH SCHOOL GRADUATE OR HIGHER	BACHELOR'S DEGREE OR HIGHER		
2002	18,052	\$ 68,891	\$ 28,927	37.1	88.9%	36.8%	3,254	3.40%
2003	18,449	68,891	28,927	37.1	88.9%	36.8%	3,253	3.50%
2004	18,566	68,891	28,927	37.1	88.9%	36.8%	3,281	2.50%
2005	18,742	68,891	28,927	37.1	88.9%	36.8%	3,258	3.60%
2006	18,760	68,891	28,927	37.1	88.9%	36.8%	3,254	3.70%
2007	18,634	68,891	28,927	37.1	88.9%	36.8%	3,170	3.20%
2008	18,514	68,891	28,927	37.1	88.9%	36.8%	3,171	5.10%
2009	18,438	68,891	28,927	37.1	88.9%	36.8%	3,104	7.10%
2010	18,534	68,891	28,927	43.8	88.9%	36.8%	2,964	7.2%
2011	18,600	98,306	41,999	37.8	88.9%	36.8%	3,000	6.2%

(1) Source: State of Connecticut, Department of Health, 2000 Population - U.S. Bureau of Census.

(2) PER CAPITA INCOME AND MEDIAN AGE - Figures obtained from the State of Connecticut Census Data Center, U.S. Census Bureau and the Housatonic Council of Elected Officials.

(3) SCHOOL ENROLLMENT - Bethel Board of Education.

(4) CONNECTICUT LABOR DEPARTMENT - Research and Statistics.

(5) U.S. Bureau of Census.

**TABLE 13**

**TOWN OF BETHEL, CONNECTICUT**

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

EMPLOYER	2011			2002		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYEMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYEMENT
ABILITY BEYOND DISABILITY	1,046	1	10.45%	N/A	N/A	N/A
BETHEL HEALTH CARE	380	2	3.80%	N/A	N/A	N/A
P&G GILLETTE	325	3	3.25%	N/A	N/A	N/A
BETHEL FOOD	220	4	2.20%	N/A	N/A	N/A
EATON CORPORATION	190	5	1.90%	N/A	N/A	N/A
CANNONDALE CORPORATION	160	6	1.60%	N/A	N/A	N/A
MEMRY CORP	150	7	1.50%	N/A	N/A	N/A
BEAVER BROOK CIRCUITS	142	8	1.42%	N/A	N/A	N/A
KANTHAL	100	9	1.00%	N/A	N/A	N/A
TOTAL.....	<u>2,713</u>		<u>27.12%</u>			

Source: State Department of Labor

N/A - Information not readily available

**TABLE 14**

**TOWN OF BETHEL, CONNECTICUT**

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)**

FUNCTION / PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>GENERAL GOVERNMENT:</b>										
Finance.....	5.0	5.0	5.0	4.5	4.5	4.5	4.5	5.0	5.0	5.0
Planning and zoning.....	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Parks and recreation department.....	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Other.....	10.5	10.0	9.5	9.5	9.5	8.0	8.0	8.0	8.0	8.0
<b>PUBLIC SAFETY:</b>										
Building and inspection.....	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshal.....	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Fire:										
Firefighters (volunteer).....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Police:										
Uniformed employees.....	38.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	34.0
Others.....	11.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0	13.0
<b>PUBLIC WORKS:</b>										
Engineering.....	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Highway department.....	17.0	17.0	17.0	17.0	17.0	16.0	16.0	16.0	16.0	16.0
Building maintenance.....	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
HEALTH AND WELFARE.....	2.5	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.5
LIBRARY.....	8.0	8.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0
EDUCATION.....	345.0	437.0	441.0	444.0	432.0	435.0	445.0	445.0	439.0	430.0
WATER.....	4.5	4.5	3.5	3.5	4.5	5.0	5.0	5.0	5.0	5.0
SEWER.....	3.5	3.5	3.5	3.5	2.5	4.0	4.0	4.0	4.0	4.0
TRANSFER STATION.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>TOTAL.....</b>	<b>570.5</b>	<b>661.0</b>	<b>663.5</b>	<b>666.0</b>	<b>652.5</b>	<b>655.0</b>	<b>665.5</b>	<b>664.0</b>	<b>658.0</b>	<b>647.0</b>

Source: Town and Board of Education's payroll departments.

**TABLE 15**

**TOWN OF BETHEL, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**  
**(UNAUDITED)**

FUNCTION / PROGRAM	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b><u>GOVERNMENTAL ACTIVITIES</u></b>										
GENERAL GOVERNMENT:										
Parks and recreation:										
Programs.....	333	323	248	254	254	254	254	254	254	254
PUBLIC SAFETY:										
Building permits issued.....	750	729	699	1,316	1,340	N/A	1,707	916	930	1,363
LIBRARY:										
Volumes and audio visual materials in collection....	120,939	118,847	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
EDUCATION:										
Enrollment:										
Grades Pre-K-5.....	1,329	1,296	1,359	1,365	1,406	1,392	1,453	1,474	1,484	1,474
Grades 6-8.....	693	684	706	743	761	804	801	820	826	822
Grades 9-12.....	949	959	1,010	1,034	1,063	1,026	1,005	960	919	925
Special Education.....	29	25	29	29	31	32	32	27	24	33
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>										
WATER:										
Customers served.....	3,369	3,309	3,264	3,239	3,222	3,195	3,113	3,113	3,390	3,390
SEWER:										
Customers served.....	3,933	3,842	3,787	3,634	3,599	3,386	3,250	3,250	3,250	3,250

Source: Various Town Departments.

N/A - Information not available.

**TABLE 16**

**TOWN OF BETHEL, CONNECTICUT**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)**

FUNCTION / PROGRAM	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b><u>GOVERNMENTAL ACTIVITIES</u></b>										
GENERAL GOVERNMENT:										
Parks and recreation:										
Acreage.....	307	307	307	307	307	307	307	307	307	307
Park facilities.....	11	11	11	11	11	11	11	11	11	11
Community centers.....		2	2	2	2	2	2	2	2	2
PUBLIC SAFETY:										
Fire Stations.....	2	2	2	2	2	2	2	2	2	2
Police Stations.....	1	1	1	1	1	1	1	1	1	1
HEALTH AND WELFARE:										
PUBLIC WORKS:										
Highway department;										
Streets (miles).....	88	88	88	88	88	88	87	87	85	85
LIBRARY.....	1	1	1	1	1	1	1	1	1	1
EDUCATION:										
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of elementary schools.....	3	3	3	3	3	3	3	3	3	3
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>										
WATER:										
Treatment plants.....	3	3	2	2	2	2	2	2	2	2
Miles of lines.....	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1
Reservoirs.....	2	2	3	3	3	3	3	3	3	3
Pump stations.....	4	4	8	8	8	8	8	8	8	8
Hydrants.....	254	254	254	254	242	242	242	242	242	242
Wells.....	2	2	2	2	2	2	2	2	2	2
SEWER:										
Pump stations.....	9	9	6	6	6	6	6	6	6	6
Miles of sewers.....	58	58	43	43	33	32	32	32	31	30

Source: Town capital asset records and various Town Departments.