

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

TOWN OF BETHEL,

CONNECTICUT

YEAR ENDED JUNE 30, 2013

PREPARED BY:
THE FINANCE DEPARTMENT

ROBERT V. KOZLOWSKI, COMPTROLLER

Town of Bethel, Connecticut

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Introductory Section

Town of Bethel, Connecticut

List of Principal Officials

June 30, 2013

Board of Selectmen

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

Board of Finance

William Kingston, Chairman
J. Philip Gallagher
Claudia J Stephan
Gary Regan
Eileen Freebairn
Timothy Draper
Patricia Smithwick

Finance Department

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

Treasurer's Department

Thomas O'Leary Jr., 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
Kevin J. Smith, Ph.D Superintendent of Schools
Theresa Yonski, Director of Education Fiscal Services

Town Attorneys

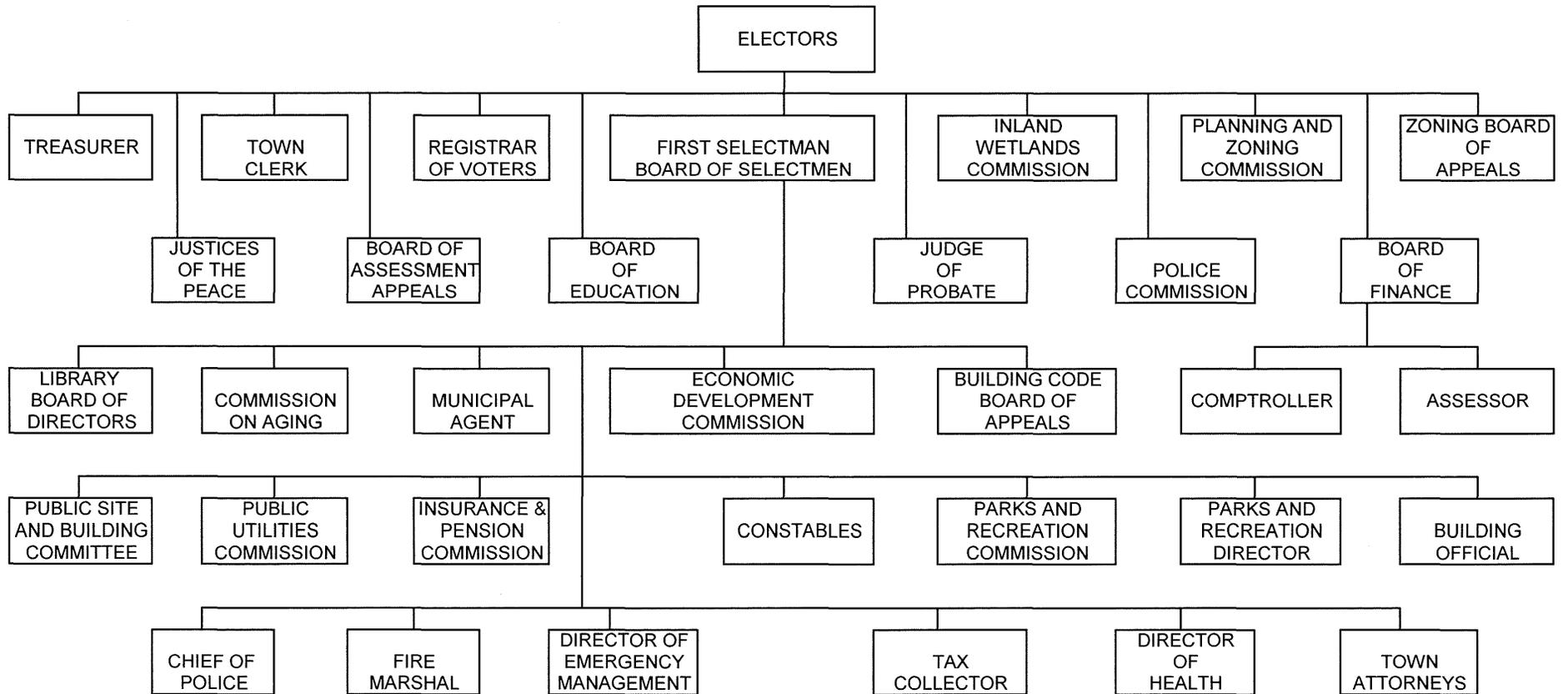
Martin J. Lawlor, Jr., Town Counsel
Frank B. Cleary, Bond Counsel
John P. Shea, Labor Counsel

Auditors

CohnReznick LLP

TOWN OF BETHEL, CONNECTICUT

ORGANIZATIONAL CHART



Financial Section

Independent Auditor's Report

Board of Finance
Town of Bethel, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund and the aggregate remaining fund information of the Town of Bethel, Connecticut, as of June 30, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of Funding Progress and Employer Contributions - Bethel Retirement System and Other Post Employment Benefit Plans on pages 6-14 and pages 63 through 66, 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.

Other Information

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 section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of the Town of Bethel, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bethel, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Farmington, Connecticut
December 23, 2013



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 Year Ended June 30, 2013

As management of the Town of Bethel, Connecticut, we offer readers of the Town's financial statements this narrative overview and analysis of the financial position and activities of the Town for the fiscal year ended June 30, 2013.

Financial Highlights

- On a government-wide basis, the Town's total net position increased by \$11,503,414 for the fiscal year, \$5,603,929 of which was generated by governmental activities and \$5,899,485 from business-type activities. The main reasons for the increase are significant capital asset additions in excess of depreciation expense and the impact of debt service activity due to the difference in the accounting basis for these items as compared to the fund financial statements. Business-type activities reported an increase in net position due to the positive operations of the sewer fund of \$644,662 and the phase III assessment that was billed during the current year.
- The Town's combined net position totals \$107,257,563 at June 30, 2013. Of this amount, \$21,059,726 is available (unrestricted) to finance ongoing programs, \$6,091,879 in governmental activities and \$14,967,847 for business-type activities.
- At year end, the unassigned fund balance for the general fund was \$10,899,766 or 15.94% of total general fund expenditures.
- The Town's total long-term debt decreased by \$3,799,967 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 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's finances, in a manner similar to a private-sector business.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position 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).

Both of the government-wide financial statements distinguish functions of the Town 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, public works, library and education. The business-type activities of the Town account for the water and sewer 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 3 funds considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided on 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 maintains two 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 and Sewer 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 and Sewer operations. Water and Sewer are considered to be major funds of the Town.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 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.

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 position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$107,257,563 at the close of the fiscal year.

Summary Statement of Net Position
June 30, 2013 and 2012

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and other assets | \$ 20,138,936 | \$ 17,362,506 | \$ 16,037,147 | \$ 11,093,411 | \$ 36,176,083 | \$ 28,455,917 |
| Capital assets (net) | 108,508,168 | 104,693,060 | 32,782,602 | 32,612,270 | 141,290,770 | 137,305,330 |
| Total assets | 128,647,104 | 122,055,566 | 48,819,749 | 43,705,681 | 177,466,853 | 165,761,247 |
| Deferred outflows of resources | 378,996 | | 29,427 | | 408,423 | - |
| Long-term liabilities outstanding | 37,808,029 | 38,766,338 | 16,571,755 | 17,511,527 | 54,379,784 | 56,277,865 |
| Other liabilities | 12,609,335 | 10,285,474 | 2,862,252 | 3,443,759 | 15,471,587 | 13,729,233 |
| Total liabilities | 50,417,364 | 49,051,812 | 19,434,007 | 20,955,286 | 69,851,371 | 70,007,098 |
| Deferred inflows of resources | 766,342 | | | | 766,342 | |
| Net investment in capital assets | 71,324,881 | 66,099,503 | 14,447,322 | 12,734,877 | 85,772,203 | 78,834,380 |
| Restricted | 425,634 | 508,577 | | | 425,634 | 508,577 |
| Unrestricted | 6,091,879 | 6,395,674 | 14,967,847 | 10,015,518 | 21,059,726 | 16,411,192 |
| Total net position | \$ 77,842,394 | \$ 73,003,754 | \$ 29,415,169 | \$ 22,750,395 | \$ 107,257,563 | \$ 95,754,149 |

The largest portion of the Town's net position (80.0%) reflects its net 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

An additional portion of the Town's net position (0.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$21,059,726 may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net position increased by \$11,503,414 during the current fiscal year. The main reasons for the increase are significant capital asset additions in excess of depreciation expense and the impact of debt service activity due to the difference in the accounting basis for these items as compared to the fund financial statements. Business-type activities reported an increase in net position due to the positive operations of the sewer fund of \$644,662 and the phase III assessment that was billed during the current year. Business-type activities reported an increase in net position due to the Phase III assessment that was billed during the current year.

Governmental activities. Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. For the fiscal year, net position increased \$5,603,929. The increase in assets in governmental activities is related in great part to purchases of capital assets rather than accumulation of cash or other liquid assets.

**Statement of Changes in Net Position
Years Ended June 30, 2013 and 2012**

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|-------------------------|---------------|--------------------------|---------------|----------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,844,157 | \$ 2,720,879 | \$ 9,495,932 | \$ 12,629,044 | \$ 12,340,089 | \$ 15,349,923 |
| Operating grants and contributions | 14,975,434 | 15,551,724 | | | 14,975,434 | 15,551,724 |
| Capital grants and contributions | 2,501,838 | 473,396 | | 350,000 | 2,501,838 | 823,396 |
| General revenues: | | | | | | |
| Property taxes | 56,416,340 | 53,784,052 | | | 56,416,340 | 53,784,052 |
| Grants and contributions not restricted to specific programs | 600,290 | 471,408 | | | 600,290 | 471,408 |
| Investment income | 34,199 | 97,574 | 1,333 | 2,753 | 35,532 | 100,327 |
| Miscellaneous | 96,543 | 59,284 | | | 96,543 | 59,284 |
| Total revenues | 77,468,801 | 73,158,317 | 9,497,265 | 12,981,797 | 86,966,066 | 86,140,114 |
| Expenses: | | | | | | |
| General government | 8,206,808 | 7,062,815 | | | 8,206,808 | 7,062,815 |
| Public safety | 7,515,646 | 7,338,958 | | | 7,515,646 | 7,338,958 |
| Health and welfare | 690,970 | 721,892 | | | 690,970 | 721,892 |
| Public works | 4,072,475 | 4,300,583 | | | 4,072,475 | 4,300,583 |
| Library | 1,291,990 | 1,199,023 | | | 1,291,990 | 1,199,023 |
| Education | 49,034,840 | 50,497,708 | | | 49,034,840 | 50,497,708 |
| Interest expense | 1,052,143 | 1,371,033 | | | 1,052,143 | 1,371,033 |
| Water department | | | 1,113,577 | 1,080,087 | 1,113,577 | 1,080,087 |
| Sewer department | | | 2,484,203 | 2,178,454 | 2,484,203 | 2,178,454 |
| Transfer station | | | | 257,925 | - | 257,925 |
| Total expenses | 71,864,872 | 72,492,012 | 3,597,780 | 3,516,466 | 75,462,652 | 76,008,478 |
| Change in net position | 5,603,929 | 666,305 | 5,899,485 | 9,465,331 | 11,503,414 | 10,131,636 |
| Net position - July 1 (as restated) | 72,238,465 | 72,337,449 | 23,515,684 | 13,285,064 | 95,754,149 | 85,622,513 |
| Net position - June 30 | \$ 77,842,394 | \$ 73,003,754 | \$ 29,415,169 | \$ 22,750,395 | \$ 107,257,563 | \$ 95,754,149 |

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.

Governmental Activities - Revenues

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2013, were as follows:

- Property tax revenue increased \$2,632,288 due to the increased budget approved by the Town and related tax rate increases.
- Capital grants and contributions increased \$2,028,442 largely due to contributions and grant money received for the library construction project of \$825,945 and \$783,999, respectively. During the year the Town also received intergovernmental grants for the STEAP program totaling \$422,223.
- Operating grants and contributions decreased substantially due to decreases in education related intergovernmental revenues as compared to the prior year.

Governmental Activities - Expenses

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2013, were as follows:

- General government expenses increased \$1,143,993 due to increased employee benefit and legal expenses.
- Education expenses decreased by a net \$1,462,868 due to the increase in capital asset purchases made during the year and decreases in intergovernmental revenues as compared to amount received in the prior year.
- Interest expense decreased by \$318,890 due to scheduled debt service payments.

Business-Type Activities

Revenues

- Charges for services decreased by \$3,133,112 during the year substantially due to the current year sewer assessment billing for the phase III sewer assessment of \$5,609,736 being less than the amount billed in the prior year of \$8,715,582.
- Capital grants and contributions decreased by \$350,000 due to the contribution from the City of Danbury relating to the prior year.

Expenses

- Transfer station expenses decrease by \$257,925, since the operations were reclassified to a special revenue fund as of July 1, 2012.
- Sewer department expenses increased due to increases in contractual services.

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, unassigned 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, 2013 is \$7,817,184. Of this amount, \$120,887 relates to a nonspendable long-term receivable and advance, \$425,634 is restricted, \$1,569,461 is committed and \$873,764 is assigned. The balance of \$4,827,438 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 \$1,803,055 for the current fiscal year. Increased property tax revenues over the budget expectations is the major contributor of this increase.

Bonded Projects Fund

The Bonded Projects Fund's net change in fund balance was a decrease of \$(1,438,866) for the fiscal year. This is a result of the capital outlay activity being currently financed with bond anticipation notes (short-term financing). The bond anticipation notes will be permanently financed in subsequent fiscal years.

Capital Nonrecurring Fund

The Capital Nonrecurring Fund's net change in fund balance was a decrease of \$(770,485) for the fiscal year. This is mainly due to the spending of resources accumulated in prior years and the library renovation project.

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 increase in net position of \$5,899,485 for the fiscal year ended June 30, 2013, detailed as follows:

Water Department

Net position of the water department at the end of the year amounted to \$1,017,294, an increase of \$310,710. This was mostly due to the scheduled increase in the water rates.

Sewer Department

Net position of the sewer department at the end of the year amounted to \$28,397,875, an increase of \$5,588,275. This was mostly due to the completion and billing of the phase III sewer assessment as discussed above under business-type activities and the positive operation of approximately \$500,000 after interest expense.

Transfer Station

As of July 1, the transfer station was reclassified to a special revenue fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2013 is on Exhibit F. A summary of that schedule follows:

| | Budget | | Actual | Variance with Final Budget |
|--|---------------|---------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues and Other Financing Sources | | | | |
| Property taxes | \$ 55,111,850 | \$ 55,111,850 | \$ 56,319,319 | \$ 1,207,469 |
| Intergovernmental, charges for services, other and cancellation of encumbrances | 10,114,859 | 10,114,859 | 10,339,906 | 225,047 |
| Totals | 65,226,709 | 65,226,709 | 66,659,225 | 1,432,516 |
| Expenditures and Other Financing Uses | | | | |
| Expenditures | 64,570,979 | 64,570,979 | 64,192,284 | 378,695 |
| Transfers out | 655,730 | 655,730 | 655,730 | - |
| Totals | 65,226,709 | 65,226,709 | 64,848,014 | 378,695 |
| Change in Fund Balance | \$ - | \$ - | \$ 1,811,211 | \$ 1,811,211 |

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

Capital Assets and Debt Administration

At June 30, 2013, the Town of Bethel's investment in capital assets in both governmental and business-type activities amounted to \$141,290,770, net of depreciation. This includes land, intangible assets, buildings, equipment and infrastructure (roads and bridges). Capital assets for governmental activities increased by 3.6% and business-type capital assets increased by 0.5%.

The most significant capital asset additions were as follows:

Governmental activities:

- The construction in progress for the library renovation project totaled \$2,654,520.
- Machinery and equipment increased \$816,857 substantially due to education related computers and other equipment purchased during the year.
- Vehicles increased by \$1,026,927 due to the purchase of a new fire truck and dump truck.
- Infrastructure increased \$969,997 due to 13 road reconstruction projects completed during the year.

Business-type Activities:

- Sewer line installation for phase III was completed and capitalized totaling \$4,996,139.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration (continued)

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

| Capital Assets - Net June 30, 2013 and 2012 | | | | | | |
|--|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-Type Activities | | Totals | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land | \$ 6,178,650 | \$ 6,178,650 | \$ 157,072 | \$ 157,072 | \$ 6,335,722 | \$ 6,335,722 |
| Construction in progress | 3,520,793 | 317,822 | 1,073,981 | 5,760,004 | 4,594,774 | 6,077,826 |
| Land improvements | 1,551,105 | 1,620,669 | | 245 | 1,551,105 | 1,620,914 |
| Intangible assets | 108,777 | 115,369 | 7,229,310 | 7,392,267 | 7,338,087 | 7,507,636 |
| Buildings | 70,854,506 | 72,100,221 | 773,564 | 836,312 | 71,628,070 | 72,936,533 |
| Building improvements | 6,502,907 | 6,478,353 | 29,961 | 31,558 | 6,532,868 | 6,509,911 |
| Distribution, collection, and treatment | | | 22,726,327 | 18,028,001 | 22,726,327 | 18,028,001 |
| Machinery and equipment | 3,376,979 | 2,991,525 | 773,133 | 385,202 | 4,150,112 | 3,376,727 |
| Vehicles | 4,006,698 | 3,243,544 | 19,254 | 21,609 | 4,025,952 | 3,265,153 |
| Infrastructure | 12,407,753 | 11,646,907 | | | 12,407,753 | 11,646,907 |
| Total | <u>\$ 108,508,168</u> | <u>\$ 104,693,060</u> | <u>\$ 32,782,602</u> | <u>\$ 32,612,270</u> | <u>\$ 141,290,770</u> | <u>\$ 137,305,330</u> |

Long-term Debt

For the year ended June 30, 2013, the Town's long-term debt decreased by \$3,799,967 due to scheduled debt service payments. At the end of the current fiscal year, the Town had total bonded and loan debt outstanding of \$47,454,997, which is backed by the full faith and credit of the Town of Bethel.

**Outstanding Debt
General Obligation and Sewer Bonds and Clean Water Notes**

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| General purpose bonds | \$ 5,591,000 | \$ 6,674,000 | \$17,240,000 | \$18,170,000 | \$22,831,000 | \$24,844,000 |
| School bonds | 24,584,000 | 25,891,000 | | | 24,584,000 | 25,891,000 |
| Sewer and clean water loans | | | 39,997 | 519,964 | 39,997 | 519,964 |
| Total | <u>\$30,175,000</u> | <u>\$32,565,000</u> | <u>\$17,279,997</u> | <u>\$18,689,964</u> | <u>\$47,454,997</u> | <u>\$51,254,964</u> |

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 \$393,525,447, 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.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 6.5%, which is the down from 6.7% from fiscal year 2012. This is lower than both the state's average unemployment rate of 8.0% and the Hartford Labor Market rate of 8.0%. The Town is below with the national average of 7.6%.
- Inflationary trends in the region compare favorably to national indices.
- Connecticut's economic and business growth remains flat. This lack of growth will have a negative impact on the amount of revenue the state receives from taxes. This will affect the amount of intergovernmental revenues the Town will receive in fiscal year 2014 and thereafter.

Town officials considered many factors when setting the fiscal year 2014 budget. The Town decided that it was important to 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 2014 general fund budget is \$67,083,781, an increase of 2.8% 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 requests 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 Position
June 30, 2013

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|--------------------|
| <u>Assets</u> | | | |
| Current assets: | | | |
| Cash | \$ 4,064,177 | \$ 1,121,827 | \$ 5,186,004 |
| Investments | 10,132,606 | 515,327 | 10,647,933 |
| Receivables: | | | |
| Property taxes | 759,735 | | 759,735 |
| Assessments | | 1,183,578 | 1,183,578 |
| Intergovernmental | 2,341,087 | | 2,341,087 |
| Other | 432,665 | 477,865 | 910,530 |
| Internal balances | 2,254,217 | (2,254,217) | - |
| Other assets | | 921 | 921 |
| Total current assets | <u>19,984,487</u> | <u>1,045,301</u> | <u>21,029,788</u> |
| Noncurrent assets: | | | |
| Receivables (net): | | | |
| Property taxes | 154,449 | | 154,449 |
| Assessments | | 14,991,846 | 14,991,846 |
| Total receivables (net) | <u>154,449</u> | <u>14,991,846</u> | <u>15,146,295</u> |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 6,178,650 | 157,072 | 6,335,722 |
| Construction in progress | 3,520,793 | 1,073,981 | 4,594,774 |
| Land improvements | 1,551,105 | | 1,551,105 |
| Intangible assets | 108,777 | 7,229,310 | 7,338,087 |
| Buildings | 70,854,506 | 773,564 | 71,628,070 |
| Building improvements | 6,502,907 | 29,961 | 6,532,868 |
| Distribution and collection system | | 22,726,327 | 22,726,327 |
| Machinery and equipment | 3,376,979 | 773,133 | 4,150,112 |
| Vehicles | 4,006,698 | 19,254 | 4,025,952 |
| Infrastructure | 12,407,753 | | 12,407,753 |
| Total capital assets (net of accumulated depreciation) | <u>108,508,168</u> | <u>32,782,602</u> | <u>141,290,770</u> |
| Total noncurrent assets | <u>108,662,617</u> | <u>47,774,448</u> | <u>156,437,065</u> |
| Total assets | <u>128,647,104</u> | <u>48,819,749</u> | <u>177,466,853</u> |

(Continued)

Town of Bethel, Connecticut

Statement of Net Position
June 30, 2013

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| <u>Deferred Outflows of Resources</u> | | | |
| Deferred charge on refunding | \$ 378,996 | \$ 29,427 | \$ 408,423 |
| <u>Liabilities</u> | | | |
| Current liabilities: | | | |
| Accounts payable | 2,537,358 | 711,027 | 3,248,385 |
| Accrued payroll and related liabilities | 271,165 | 13,889 | 285,054 |
| Accrued interest payable | 306,355 | 140,069 | 446,424 |
| Unearned revenue | 64,916 | | 64,916 |
| Bond anticipation notes | 6,437,730 | 1,032,270 | 7,470,000 |
| Performance bonds | 254,694 | | 254,694 |
| Bond and notes payable | 2,045,000 | 964,997 | 3,009,997 |
| Capital lease payable | 126,470 | | 126,470 |
| Compensated absences | 565,647 | | 565,647 |
| Total current liabilities | <u>12,609,335</u> | <u>2,862,252</u> | <u>15,471,587</u> |
| Noncurrent liabilities: | | | |
| Bonds and notes payable and related liabilities | 28,945,345 | 16,367,440 | 45,312,785 |
| Capital lease payable | 7,738 | | 7,738 |
| Compensated absences | 2,766,644 | | 2,766,644 |
| Net pension obligation | 3,093,798 | 81,168 | 3,174,966 |
| Net OPEB obligation | 2,994,504 | 123,147 | 3,117,651 |
| Total noncurrent liabilities | <u>37,808,029</u> | <u>16,571,755</u> | <u>54,379,784</u> |
| Total liabilities | <u>50,417,364</u> | <u>19,434,007</u> | <u>69,851,371</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Advance property tax collections | <u>766,342</u> | | <u>766,342</u> |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 71,324,881 | 14,447,322 | 85,772,203 |
| Restricted for: | | | |
| General government | 235,668 | | 235,668 |
| Education | 116,948 | | 116,948 |
| Other | 73,018 | | 73,018 |
| Unrestricted | <u>6,091,879</u> | <u>14,967,847</u> | <u>21,059,726</u> |
| Total net position | <u>\$ 77,842,394</u> | <u>\$ 29,415,169</u> | <u>\$ 107,257,563</u> |

(Concluded)

See Notes to Financial Statements.

Town of Bethel, Connecticut

Statement of Activities
Year Ended June 30, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net Revenues (Expenses) and Change in Net Position | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 8,206,808 | \$ 1,221,708 | \$ 163,727 | \$ 2,339,687 | \$ (4,481,686) | \$ | \$ (4,481,686) |
| Public safety | 7,515,646 | 310,417 | | 32,387 | (7,172,842) | | (7,172,842) |
| Health and welfare | 690,970 | 26,552 | 66,963 | | (597,455) | | (597,455) |
| Public works | 4,072,475 | 94,660 | 273,295 | 129,764 | (3,574,756) | | (3,574,756) |
| Library | 1,291,990 | 10,935 | 27,851 | | (1,253,204) | | (1,253,204) |
| Education | 49,034,840 | 1,179,885 | 14,443,598 | | (33,411,357) | | (33,411,357) |
| Interest expense | 1,052,143 | | | | (1,052,143) | | (1,052,143) |
| Total governmental activities | 71,864,872 | 2,844,157 | 14,975,434 | 2,501,838 | (51,543,443) | - | (51,543,443) |
| Business-type activities: | | | | | | | |
| Water department | 1,113,577 | 1,424,287 | | | | 310,710 | 310,710 |
| Sewer department | 2,484,203 | 8,071,645 | | | | 5,587,442 | 5,587,442 |
| Total business-type activities | 3,597,780 | 9,495,932 | - | - | - | 5,898,152 | 5,898,152 |
| Total | \$ 75,462,652 | \$ 12,340,089 | \$ 14,975,434 | \$ 2,501,838 | \$ (51,543,443) | \$ 5,898,152 | \$ (45,645,291) |
| General revenues: | | | | | | | |
| Property taxes | | | | | \$ 56,416,340 | \$ | \$ 56,416,340 |
| Grants and contributions not restricted to specific programs | | | | | 600,290 | | 600,290 |
| Investment income | | | | | 34,199 | 1,333 | 35,532 |
| Miscellaneous | | | | | 96,543 | | 96,543 |
| Total general revenues | | | | | 57,147,372 | 1,333 | 57,148,705 |
| Change in net position | | | | | 5,603,929 | 5,899,485 | 11,503,414 |
| Net position - July 1, 2012 (as restated) | | | | | 72,238,465 | 23,515,684 | 95,754,149 |
| Net position - June 30, 2013 | | | | | \$ 77,842,394 | \$ 29,415,169 | \$ 107,257,563 |

See Notes to Financial Statements.

Town of Bethel, Connecticut

Balance Sheet
Governmental Funds
June 30, 2013

| | General | Bonded Projects | Capital Nonrecurring | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--------------------|-------------------------|--------------------------------|--------------------------------|
| <u>Assets</u> | | | | | |
| Cash | \$ 2,229,920 | \$ | \$ 423,163 | \$ 755,731 | \$ 3,408,814 |
| Investments | 7,713,378 | | 1,520,200 | 697,411 | 9,930,989 |
| Receivables, net: | | | | | |
| Property taxes | 935,414 | | | | 935,414 |
| Intergovernmental | 1,046,758 | | 914,541 | 52,988 | 2,014,287 |
| Other | 331,631 | | | 101,034 | 432,665 |
| Due from other funds | 4,613,560 | 959,779 | 64,509 | 767,149 | 6,404,997 |
| Advance from other funds | 58,900 | | | | 58,900 |
| Total assets | \$ 16,929,561 | \$ 959,779 | \$ 2,922,413 | \$ 2,374,313 | \$ 23,186,066 |
| <u>Liabilities</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,741,745 | \$ | \$ 380,516 | \$ 75,263 | \$ 2,197,524 |
| Accrued payroll | 268,402 | | | 2,763 | 271,165 |
| Due to other funds | 2,277,659 | | 1,407,622 | 1,032,264 | 4,717,545 |
| Unearned revenue | | | | 64,916 | 64,916 |
| Bond anticipation notes | | 6,067,730 | 370,000 | | 6,437,730 |
| Performance bonds | 254,694 | | | | 254,694 |
| Advance to other funds | | | | 58,900 | 58,900 |
| Total liabilities | 4,542,500 | 6,067,730 | 2,158,138 | 1,234,106 | 14,002,474 |
| <u>Deferred Inflows of Resources</u> | | | | | |
| Unavailable revenue - property taxes | 600,066 | | | | 600,066 |
| Unavailable revenue - advance property tax collections | 766,342 | | | | 766,342 |
| Total deferred inflows of resources | 1,366,408 | - | - | - | 1,366,408 |
| <u>Fund Balances</u> | | | | | |
| Nonspendable | 120,887 | | | | 120,887 |
| Restricted | | | | 425,634 | 425,634 |
| Committed | | | 764,275 | 805,186 | 1,569,461 |
| Assigned | | | | 873,764 | 873,764 |
| Unassigned | 10,899,766 | (5,107,951) | | (964,377) | 4,827,438 |
| Total fund balances | 11,020,653 | (5,107,951) | 764,275 | 1,140,207 | 7,817,184 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 16,929,561 | \$ 959,779 | \$ 2,922,413 | \$ 2,374,313 | \$ 23,186,066 |

(Continued)

Town of Bethel, Connecticut

Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2013

Amounts reported for governmental activities in the statement of net position (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 of 2) | \$ 7,817,184 |
|---|--------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | |
|----------------------------|-------------|
| Beginning capital assets | 104,696,309 |
| Capital assets additions | 6,437,735 |
| Depreciation expense | (2,555,044) |
| Disposal of capital assets | (70,832) |

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

| | |
|--|-----------|
| Property tax, interest and lien accrual | 208,770 |
| Property tax receivable - accrual basis change | 600,066 |
| Allowance for doubtful accounts | (230,000) |

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 position | 1,410,711 |
|---|-----------|

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 | (30,175,000) |
| Bond premium | (815,345) |
| Deferred charges on refunding | 378,996 |
| Capital lease payable | (134,208) |
| Compensated absences | (3,332,291) |
| Net pension obligation | (3,093,798) |
| Net OPEB obligation | (2,994,504) |
| Accrued interest payable | (306,355) |

| | |
|---|----------------------|
| Net position of governmental activities | <u>\$ 77,842,394</u> |
|---|----------------------|

(Concluded)

Town of Bethel, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

| | <u>General</u> | <u>Bonded Projects</u> | <u>Capital Nonrecurring</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|----------------------------|---------------------------------|---|---|
| Revenues: | | | | | |
| Property taxes | \$ 56,319,319 | \$ | \$ | \$ | \$ 56,319,319 |
| Intergovernmental | 13,396,122 | | 1,513,742 | 2,321,268 | 17,231,132 |
| Charges for services | 1,023,429 | | 6,995 | 1,813,733 | 2,844,157 |
| Use of money and property | 26,493 | 834 | 5,444 | 1,428 | 34,199 |
| Contributions | | | 825,945 | 25,385 | 851,330 |
| Other | 93,591 | | 2,867 | 85 | 96,543 |
| Total revenues | <u>70,858,954</u> | <u>834</u> | <u>2,354,993</u> | <u>4,161,899</u> | <u>77,376,680</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 12,267,624 | | | 297,410 | 12,565,034 |
| Public safety | 4,397,931 | | | 409,445 | 4,807,376 |
| Health and welfare | 301,994 | | | 227,731 | 529,725 |
| Public works | 2,788,833 | | | 370,071 | 3,158,904 |
| Library | 738,694 | | | 10,696 | 749,390 |
| Education | 44,246,629 | | | 3,081,330 | 47,327,959 |
| Debt service | 3,658,464 | | | 2,000 | 3,660,464 |
| Capital outlay | | 1,359,516 | 3,417,017 | | 4,776,533 |
| Total expenditures | <u>68,400,169</u> | <u>1,359,516</u> | <u>3,417,017</u> | <u>4,398,683</u> | <u>77,575,385</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,458,785</u> | <u>(1,358,682)</u> | <u>(1,062,024)</u> | <u>(236,784)</u> | <u>(198,705)</u> |
| Other financing sources (uses): | | | | | |
| BAN premium | | | | 48,627 | 48,627 |
| Capital lease | | | 23,237 | | 23,237 |
| Transfers in | | 390,730 | 268,302 | 470,914 | 1,129,946 |
| Transfers out | (655,730) | (470,914) | | (3,302) | (1,129,946) |
| Net other financing sources (uses) | <u>(655,730)</u> | <u>(80,184)</u> | <u>291,539</u> | <u>516,239</u> | <u>71,864</u> |
| Net change in fund balances | 1,803,055 | (1,438,866) | (770,485) | 279,455 | (126,841) |
| Fund balances - July 1, 2012 (as restated) | <u>9,217,598</u> | <u>(3,669,085)</u> | <u>1,534,760</u> | <u>860,752</u> | <u>7,944,025</u> |
| Fund Balances - June 30, 2013 | <u>\$ 11,020,653</u> | <u>\$ (5,107,951)</u> | <u>\$ 764,275</u> | <u>\$ 1,140,207</u> | <u>\$ 7,817,184</u> |

See Notes to Financial Statements.

Town of Bethel, Connecticut

Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2013

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) \$ (126,841)

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 | 6,437,735 |
| Depreciation expense | <u>(2,555,044)</u> |

Total 3,882,691

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

Loss on disposal of assets (70,832)

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 | (4,900) |
| Change in property tax receivable - accrual basis change | 82,215 |
| Change in property tax interest and lien revenue | <u>14,806</u> |

Total 92,121

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 position. Also, governmental funds report the effect of 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 | (23,237) |
| Principal repayments: | |
| General obligation bonds | 2,390,000 |
| Capital lease | <u>120,433</u> |

Total 2,487,196

(Continued)

Town of Bethel, Connecticut

Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2013

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 | \$ (66,259) |
| Net pension obligation | (169,334) |
| Net OPEB obligation | (890,454) |
| Bond premium | 89,718 |
| Deferred charges | (47,374) |
| Accrued interest payable | <u>30,154</u> |
| Total | <u>(1,053,549)</u> |
| Internal service funds are used by management to charge costs of medical insurance premiums to individual departments | <u>392,222</u> |
| The net revenue of the activities of the internal service fund is reported with governmental activities | <u>921</u> |
| Change in net position of governmental activities (Exhibit B) | <u>\$ 5,603,929</u> |
| | (Concluded) |

Town of Bethel, Connecticut

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|--------------------|-------------------|----------------------|-------------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 55,111,850 | \$ 55,111,850 | \$ 56,319,319 | \$ 1,207,469 |
| Intergovernmental | 9,102,130 | 9,102,130 | 9,196,393 | 94,263 |
| Charges for services | 952,729 | 952,729 | 1,023,429 | 70,700 |
| Use of money and property | 60,000 | 60,000 | 26,493 | (33,507) |
| Other | | | 93,591 | 93,591 |
| Total revenues | <u>65,226,709</u> | <u>65,226,709</u> | <u>66,659,225</u> | <u>1,432,516</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 12,489,232 | 12,423,148 | 12,266,778 | 156,370 |
| Public safety | 4,312,750 | 4,393,671 | 4,393,671 | - |
| Health and welfare | 338,536 | 300,754 | 300,754 | - |
| Public works | 2,677,386 | 2,787,448 | 2,787,448 | - |
| Library | 738,444 | 738,269 | 738,269 | - |
| Education | 40,120,925 | 40,120,925 | 40,046,900 | 74,025 |
| Debt service | 3,893,706 | 3,806,764 | 3,658,464 | 148,300 |
| Total expenditures | <u>64,570,979</u> | <u>64,570,979</u> | <u>64,192,284</u> | <u>378,695</u> |
| Excess (deficiency) of revenues over expenditures | <u>655,730</u> | <u>655,730</u> | <u>2,466,941</u> | <u>1,811,211</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(655,730)</u> | <u>(655,730)</u> | <u>(655,730)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 1,811,211 | <u>\$ 1,811,211</u> |
| Fund balance, July 1, 2012 | | | <u>9,477,843</u> | |
| Fund balance, June 30, 2013 | | | <u>\$ 11,289,054</u> | |

See Notes to Financial Statements.

Town of Bethel, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2013

| | Business-type Activities Enterprise Funds | | | Internal Service Funds |
|---------------------------------------|--|---------------------|--------------|------------------------------|
| | Major Funds | | | |
| | Water Department | Sewer Department | Totals | |
| <u>Assets</u> | | | | |
| Current assets: | | | | |
| Cash | \$ 307,899 | \$ 813,928 | \$ 1,121,827 | \$ 655,363 |
| Investments | | 515,327 | 515,327 | 201,617 |
| Receivables (net): | | | | |
| Assessments | | 1,183,578 | 1,183,578 | |
| Other | 165,051 | 312,814 | 477,865 | |
| Due from other funds | 1,635 | | 1,635 | 614,731 |
| Other assets | 921 | | 921 | |
| Total current assets | 475,506 | 2,825,647 | 3,301,153 | 1,471,711 |
| Noncurrent assets: | | | | |
| Receivables: | | | | |
| Assessments | | 14,991,846 | 14,991,846 | |
| Capital assets (net): | | | | |
| Land | 24,123 | 132,949 | 157,072 | |
| Construction in progress | 71,899 | 1,002,082 | 1,073,981 | |
| Intangible assets | 7,408 | 7,221,902 | 7,229,310 | |
| Buildings | 278,921 | 494,643 | 773,564 | |
| Building improvements | 24,741 | 5,220 | 29,961 | |
| Distribution and collection system | 2,114,776 | 20,611,551 | 22,726,327 | |
| Machinery and equipment | 38,212 | 734,921 | 773,133 | |
| Vehicles | 19,254 | | 19,254 | |
| Total capital assets (net) | 2,579,334 | 30,203,268 | 32,782,602 | - |
| Total noncurrent assets | 2,579,334 | 45,195,114 | 47,774,448 | - |
| Total assets | 3,054,840 | 48,020,761 | 51,075,601 | 1,471,711 |
| <u>Deferred Outflows of Resources</u> | | | | |
| Deferred charge on refunding | | 29,427 | 29,427 | |

(Continued)

Town of Bethel, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2013

| Liabilities | Business-type Activities Enterprise Funds | | | Internal Service Funds |
|--------------------------------------|--|---------------------|---------------|------------------------------|
| | Major Funds | | | |
| | Water Department | Sewer Department | Totals | |
| Current liabilities: | | | | |
| Accounts payable | \$ 45,837 | \$ 665,190 | \$ 711,027 | \$ |
| Accrued payroll and benefits | 9,478 | 4,411 | 13,889 | |
| Accrued interest payable | 2,943 | 137,126 | 140,069 | |
| Due to other funds | 1,590,704 | 665,148 | 2,255,852 | |
| Claims payable | | | - | 61,000 |
| Bond anticipation notes payable | 266,540 | 765,730 | 1,032,270 | |
| Bonds, notes and loans payable | | 964,997 | 964,997 | |
| Total current liabilities | 1,915,502 | 3,202,602 | 5,118,104 | 61,000 |
| Noncurrent liabilities: | | | | |
| Bonds, notes and related liabilities | | 16,367,440 | 16,367,440 | |
| Net pension obligation | 54,112 | 27,056 | 81,168 | |
| Net OPEB obligation | 67,932 | 55,215 | 123,147 | |
| Total noncurrent liabilities | 122,044 | 16,449,711 | 16,571,755 | - |
| Total liabilities | 2,037,546 | 19,652,313 | 21,689,859 | 61,000 |
| <u>Net Position</u> | | | | |
| Net investment in capital assets | 2,312,794 | 12,134,528 | 14,447,322 | |
| Unrestricted | (1,295,500) | 16,263,347 | 14,967,847 | 1,410,711 |
| Total net position | \$ 1,017,294 | \$ 28,397,875 | \$ 29,415,169 | \$ 1,410,711 |

(Concluded)

See Notes to Financial Statements.

Town of Bethel, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2013

| | Business-type Activities Enterprise Funds | | | Internal Service Fund |
|---|--|---------------------|---------------|-----------------------------|
| | Major Funds | | | |
| | Water Department | Sewer Department | Totals | |
| Operating revenues: | | | | |
| Charges for services | \$ 1,424,287 | \$ 2,461,909 | \$ 3,886,196 | \$ 1,542,704 |
| Operating expenses: | | | | |
| Personnel services | 539,128 | 338,298 | 877,426 | |
| Repairs and maintenance | 79,336 | 52,346 | 131,682 | |
| Contracted services | 126,157 | 824,674 | 950,831 | |
| Materials and supplies | 86,633 | 42,338 | 128,971 | |
| Utilities | 128,019 | 73,106 | 201,125 | |
| Insurance | 43,778 | 35,417 | 79,195 | |
| Claims incurred | | | - | 1,150,182 |
| Administration | | | - | 300 |
| Capital improvement | 15,096 | | 15,096 | |
| Depreciation and amortization | 95,801 | 451,068 | 546,869 | |
| Total operating expenses | 1,113,948 | 1,817,247 | 2,931,195 | 1,150,482 |
| Operating income (loss) | 310,339 | 644,662 | 955,001 | 392,222 |
| Nonoperating revenues (expenses): | | | | |
| Investment income | | 1,333 | 1,333 | 921 |
| Assessments/bond interest | | 5,609,736 | 5,609,736 | |
| Premium | 2,286 | 5,897 | 8,183 | |
| Interest expense | (1,915) | (672,853) | (674,768) | |
| Net nonoperating revenues (expenses) | 371 | 4,944,113 | 4,944,484 | 921 |
| Change in net position | 310,710 | 5,588,775 | 5,899,485 | 393,143 |
| Total net position - July 1, 2012 (as restated) | 706,584 | 22,809,100 | 23,515,684 | 1,017,568 |
| Total net position - June 30, 2013 | \$ 1,017,294 | \$ 28,397,875 | \$ 29,415,169 | \$ 1,410,711 |

See Notes to Financial Statements.

Town of Bethel, Connecticut

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2013

| | Business-type Activities | | | Internal Service Fund |
|--|--------------------------|---------------------|---------------------|-----------------------------|
| | Enterprise Funds | | | |
| | Major Funds | | | |
| | Water Department | Sewer Department | Totals | |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 1,359,251 | \$ 2,366,860 | \$ 3,726,111 | \$ 1,254,773 |
| Payments on due to balance | (945,072) | (76,043) | (1,021,115) | |
| Payments to suppliers | (409,772) | (1,008,474) | (1,418,246) | |
| Payments to employees | (539,128) | (338,298) | (877,426) | |
| Claims paid | | | - | (1,137,182) |
| Administration paid | | | - | (300) |
| Net cash provided by (used in) operating activities | <u>(534,721)</u> | <u>944,045</u> | <u>409,324</u> | <u>117,291</u> |
| Cash flows from capital and related financing activities: | | | | |
| Purchase of capital assets | (40,334) | (680,116) | (720,450) | |
| Bond anticipation notes issued | 266,540 | 765,730 | 1,032,270 | |
| Assessments | | 1,793,733 | 1,793,733 | |
| BAN premium | 2,286 | 5,897 | 8,183 | |
| Principal payments (bonds and bond anticipation notes) | (346,540) | (2,224,967) | (2,571,507) | |
| Interest payments | (1,915) | (684,323) | (686,238) | |
| Net cash provided by (used in) capital and related financing activities | <u>(119,963)</u> | <u>(1,024,046)</u> | <u>(1,144,009)</u> | <u>-</u> |
| Cash flows from investing activities: | | | | |
| Investment income | | 1,333 | 1,333 | 921 |
| Increase (decrease) in cash and cash equivalents | (654,684) | (78,668) | (733,352) | 118,212 |
| Cash and cash equivalents - July 1, 2012 | <u>962,583</u> | <u>1,407,923</u> | <u>2,370,506</u> | <u>738,768</u> |
| Cash and cash equivalents - June 30, 2013 | <u>\$ 307,899</u> | <u>\$ 1,329,255</u> | <u>\$ 1,637,154</u> | <u>\$ 856,980</u> |
| Reconciliation to Exhibit G - Cash: | | | | |
| Cash and cash equivalents per above | \$ 307,899 | \$ 1,329,255 | \$ 1,637,154 | \$ 856,980 |
| Cash and cash equivalents reported as investments | | (515,327) | (515,327) | (201,617) |
| Cash - Exhibit G | <u>\$ 307,899</u> | <u>\$ 813,928</u> | <u>\$ 1,121,827</u> | <u>\$ 655,363</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 310,339 | \$ 644,662 | \$ 955,001 | \$ 392,222 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 95,801 | 451,068 | 546,869 | |
| (Increase) decrease in: | | | | |
| Receivables | (65,036) | (95,049) | (160,085) | |
| Due from other funds | (1,635) | | (1,635) | (287,931) |
| Other assets | | 281 | 281 | |
| Increase (decrease) in: | | | | |
| Accounts and other payables | 69,247 | 19,126 | 88,373 | 13,000 |
| Due to other funds | (943,437) | (76,043) | (1,019,480) | |
| Net cash provided by (used in) operating activities | <u>\$ (534,721)</u> | <u>\$ 944,045</u> | <u>\$ 409,324</u> | <u>\$ 117,291</u> |

See Notes to Financial Statements.

Town of Bethel, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

| | <u>Pension Trust Funds</u> | <u>Private - Purpose Trust Funds</u> | <u>Agency Funds</u> |
|---|------------------------------------|--|-------------------------|
| <u>Assets</u> | | | |
| Cash | \$ | \$ 25,944 | \$ 301,508 |
| Investments: | | | |
| Money market mutual funds | 2,978,707 | 13,408 | |
| Certificates of deposit | 408,720 | | 618,147 |
| Corporate bonds | 4,683,478 | | |
| U.S. government obligations | 3,158,373 | | |
| U.S. government agency securities | 4,808,056 | 153,838 | |
| Common stock | 7,352,753 | | |
| Equity mutual funds | 3,566,438 | 119,021 | |
| Total investments | <u>26,956,525</u> | <u>286,267</u> | <u>618,147</u> |
| Accounts receivable | 8,421 | | |
| Prepaid benefits and fees | 357,925 | | |
| Due from other funds | 16,034 | | |
| Total assets | <u>27,338,905</u> | <u>312,211</u> | <u>919,655</u> |
| <u>Liabilities</u> | | | |
| Accounts payable | | | 919,655 |
| Due to other funds | 64,000 | | |
| Total liabilities | <u>64,000</u> | <u>-</u> | <u>919,655</u> |
| <u>Net Position</u> | | | |
| Net position held in trust for pension benefits and other purposes | <u>\$ 27,274,905</u> | <u>\$ 312,211</u> | <u>\$ -</u> |

See Notes to Financial Statements.

Town of Bethel, Connecticut

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2013

| | Pension Trust Funds | Private - Purpose Trust Funds |
|-------------------------------------|-----------------------------|--|
| | <u> </u> | <u> </u> |
| Additions: | | |
| Contributions: | | |
| Employer | \$ 2,200,000 | \$ |
| Plan members | 528,823 | |
| Private contributions | | 33,952 |
| | <u> </u> | <u> </u> |
| Total contributions | 2,728,823 | 33,952 |
| | <u> </u> | <u> </u> |
| Investment income (loss): | | |
| Change in fair value of investments | 707,019 | (15,959) |
| Interest and dividends | 1,065,890 | 12,372 |
| | <u> </u> | <u> </u> |
| Total investment income (loss) | 1,772,909 | (3,587) |
| | <u> </u> | <u> </u> |
| Less investment expenses | 185,885 | |
| | <u> </u> | <u> </u> |
| Net investment income (loss) | 1,587,024 | (3,587) |
| | <u> </u> | <u> </u> |
| Total additions | 4,315,847 | 30,365 |
| | <u> </u> | <u> </u> |
| Deductions: | | |
| Benefits | 1,479,715 | |
| Administration | 66,451 | 450 |
| Scholarships awarded | | 53,935 |
| | <u> </u> | <u> </u> |
| Total deductions | 1,546,166 | 54,385 |
| | <u> </u> | <u> </u> |
| Change in net position | 2,769,681 | (24,020) |
| | <u> </u> | <u> </u> |
| Net position - July 1, 2012 | 24,505,224 | 336,231 |
| | <u> </u> | <u> </u> |
| Net position - June 30, 2013 | <u>\$ 27,274,905</u> | <u>\$ 312,211</u> |

See Notes to Financial Statements.

Town of Bethel, Connecticut

Notes to Financial Statements

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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *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 Financial Statements

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. Other types of receivables are considered to be available if collected within one year. 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. General capital asset acquisitions are reported as expenditures in governmental funds.

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 Capital and Nonrecurring Fund accounts for activities associated with major capital improvements and equipment.

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 Funds account for risk financing activities for prescription benefits and Town and Board of Education retiree medical insurance 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 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 Financial Statements

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 and sewer 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.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position 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.

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 have adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines and diversification guidelines and fixed income and cash equivalent guidelines.

Town of Bethel, Connecticut

Notes to Financial Statements

The investment guidelines are as follows:

| <u>Asset Class</u> | <u>Minimum</u> | <u>Maximum</u> | <u>Preferred</u> |
|--------------------|----------------|----------------|------------------|
| Equities | 20% | 60% | 40% |
| Fixed income | 50% | 90% | 60% |
| Cash equivalents | 2% | 20% | N/A |

No investment should be more than 5% of the total fund and not more than 25% should be in any one industry.

For fixed income investments, no more than 20% may be invested in bonds that are below investment grade. In addition, the maximum maturity for any single security is 30 years and the average portfolio maturity may not exceed 15 years.

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 1 to 38% 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 inflow of resources 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.

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.

Town of Bethel, Connecticut

Notes to Basic Financial Statements

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 \$1,915 and \$672,853, 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 |

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports the deferred charge on refunding in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Town of Bethel, Connecticut

Notes to Financial Statements

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

6. 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.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

Town of Bethel, Connecticut

Notes to Financial Statements

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.

8. Fund Equity and Net Position

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position 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.

Restricted Net Position

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

Unrestricted Net Position

This category presents the net position of the Town which is 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 is expressed by the passage of a resolution by the Board or a properly approved purchase order.

Town of Bethel, Connecticut

Notes to Financial Statements

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.

The Board of Finance adopted a minimum fund balance policy for the general fund. It is the policy of the Town to maintain a fund balance of 10 percent of the operating general fund expenditures.

9. Use of 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. Accordingly, actual results could differ from those estimates.

10. 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.

Town of Bethel, Connecticut

Notes to Financial Statements

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.
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 \$25,000 require Board of Selectmen and Board of Finance approval. Those in excess of \$25,000 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 | \$ 66,659,225 | \$ 64,192,284 | \$ 11,289,054 |
| Accrued payroll | | 8,156 | (268,401) |
| State Teachers' Retirement on-behalf payment | <u>4,199,729</u> | <u>4,199,729</u> | |
| Balance, GAAP basis, Exhibit D | <u>\$ 70,858,954</u> | <u>\$ 68,400,169</u> | <u>\$ 11,020,653</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

C. Donor Restricted Endowments

The Town has received certain endowments for various scholarship purposes. The amounts are reflected in net position as restricted for endowments. Investment income, including appreciation of \$22,706 for the Hennessy Scholarship fund, \$53,838 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 position.

D. Capital Projects Authorizations

The following is a summary of certain projects recorded in the Bonded Projects Fund at June 30, 2013:

| <u>Project Name</u> | <u>Project Authorization</u> | <u>Cumulative Expenditures</u> | <u>Project Balance</u> |
|---------------------|------------------------------|--------------------------------|------------------------|
| Road Paving Project | \$ 2,000,000 | \$ 1,983,891 | \$ 16,109 |

Library Renovation Project:

There was no formal appropriation for the Library addition project. It is being funded with contributions and a Connecticut State Library grant. At June 30, 2013, the project has a deficit of \$392,615. Additional contributions are expected but the amount is not currently estimable.

E. Deficit Fund Balance

The following individual funds had a deficit fund balance at June 30, 2013:

| | |
|---------------------|-----------|
| Bennett Property | \$ 40,876 |
| Paramedic Intercept | 187,481 |
| Transfer Station | 736,020 |

The deficits 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, 2013, \$15,552,488 of the Town's bank balance of \$16,818,113 (including certificates of deposit and money market accounts) was exposed to custodial credit risk as follows:

| | |
|---|----------------------|
| Uninsured and uncollateralized | \$ 14,148,156 |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name | <u>1,404,332</u> |
| Total amount subject to custodial credit risk | <u>\$ 15,552,488</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

At June 30, 2013, the Town's investments consisted of the following:

| Type of Investment | Fair value | Investment Maturities (in Years) | | | | |
|-----------------------------------|----------------------|----------------------------------|----------------------|---------------------|--------------------|--------------------|
| | | N/A | Less than 1 | 1-5 Years | 6-10 Years | Over 10 Years |
| Mutual funds: | | | | | | |
| Equity funds | \$ 3,840,039 | \$ 3,840,039 | \$ | \$ | \$ | \$ |
| Money market funds | 3,173,537 | | 3,173,537 | | | |
| Certificates of deposit | 4,194,832 | | 4,194,832 | | | |
| Bank money market accounts | 6,667,312 | | 6,667,312 | | | |
| U.S. government obligations | 3,635,027 | | | 1,508,874 | 1,233,343 | 892,810 |
| U.S. government agency securities | 4,961,894 | | | 2,779,664 | 1,643,600 | 538,630 |
| Common stock | 7,352,753 | 7,352,753 | | | | |
| Corporate bonds | 4,683,478 | | 325,758 | 3,002,792 | 1,354,928 | |
| Total | \$ 38,508,872 | \$11,192,792 | \$ 14,361,439 | \$ 7,291,330 | \$4,231,871 | \$1,431,440 |

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 Statutes 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 | Money Market Mutual Funds | U.S. Government Obligations | U.S. Government Agency Securities | Corporate Bonds |
|----------------|---------------------------|-----------------------------|-----------------------------------|---------------------|
| AAA | \$ | \$ 3,635,027 | \$ 4,961,894 | \$ 1,129,566 |
| AA | 3,173,537 | | | 839,193 |
| A | | | | 1,207,518 |
| BBB | | | | 1,507,201 |
| Total | \$ 3,173,537 | \$ 3,635,027 | \$ 4,961,894 | \$ 4,683,478 |

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 Financial Statements

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:

| | <u>Total</u> | <u>Less Insured Amounts</u> | <u>Amount Subject to Custodial Credit Risk</u> |
|-----------------------------------|----------------------|-------------------------------------|--|
| U.S. government obligations | \$ 3,635,027 | \$ 1,000,000 | \$ 2,635,027 |
| U.S. government agency securities | 4,961,894 | 653,838 | 4,308,056 |
| Common stock | 7,352,753 | | 7,352,753 |
| Corporate bonds | 4,683,478 | | 4,683,478 |
| Total | <u>\$ 20,633,152</u> | <u>\$ 1,653,838</u> | <u>\$ 18,979,314</u> |

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, 2013, including the applicable allowances for uncollectible accounts, are presented below.

| | <u>Property Taxes</u> | | |
|-----------------------------------|-----------------------|-------------------------------------|-------------------|
| | <u>Taxes</u> | <u>Interest & Lien Fees</u> | <u>Total</u> |
| Current portion | <u>\$ 655,350</u> | <u>\$ 104,385</u> | <u>\$ 759,735</u> |
| Long-term portion | \$ 280,064 | \$ 104,385 | \$ 384,449 |
| Less allowance for uncollectibles | <u>(150,000)</u> | <u>(80,000)</u> | <u>(230,000)</u> |
| Net long-term portion | <u>\$ 130,064</u> | <u>\$ 24,385</u> | <u>\$ 154,449</u> |
| Total receivable | <u>\$ 785,414</u> | <u>\$ 128,770</u> | <u>\$ 914,184</u> |

| | <u>Use Charge Receivables</u> | |
|-----------------------------------|-------------------------------|-----------------------------|
| | <u>Water Department</u> | <u>Sewer Department</u> |
| Gross receivable | \$ 167,051 | \$ 317,814 |
| Less allowance for uncollectibles | <u>(2,000)</u> | <u>(5,000)</u> |
| Net receivable | <u>\$ 165,051</u> | <u>\$ 312,814</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

| | Balance <u>July 1, 2012</u> (as restated) | <u>Increases</u> | <u>Decreases</u> | Balance <u>June 30, 2013</u> |
|--|---|---------------------|------------------|---------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,178,650 | \$ | \$ | \$ 6,178,650 |
| Construction in progress | 317,822 | 3,202,971 | | 3,520,793 |
| Total capital assets, not being depreciated | <u>6,496,472</u> | <u>3,202,971</u> | - | <u>9,699,443</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 2,045,222 | 13,160 | | 2,058,382 |
| Buildings | 89,068,116 | | 138,371 | 88,929,745 |
| Building improvements | 10,775,575 | 407,823 | | 11,183,398 |
| Machinery and equipment | 5,285,953 | 816,857 | | 6,102,810 |
| Intangible assets | 131,849 | | | 131,849 |
| Vehicles | 5,464,701 | 1,026,927 | 76,966 | 6,414,662 |
| Infrastructure | 14,482,593 | 969,997 | | 15,452,590 |
| Total capital assets, being depreciated | <u>127,254,009</u> | <u>3,234,764</u> | <u>215,337</u> | <u>130,273,436</u> |
| Total capital assets | <u>133,750,481</u> | <u>6,437,735</u> | <u>215,337</u> | <u>139,972,879</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 424,308 | 82,969 | | 507,277 |
| Buildings | 16,967,712 | 1,194,009 | 86,482 | 18,075,239 |
| Building improvements | 4,297,222 | 383,269 | | 4,680,491 |
| Machinery and equipment | 2,291,607 | 434,224 | | 2,725,831 |
| Intangible assets | 16,480 | 6,592 | | 23,072 |
| Vehicles | 2,221,157 | 244,830 | 58,023 | 2,407,964 |
| Infrastructure | 2,835,686 | 209,151 | | 3,044,837 |
| Total accumulated depreciation | <u>29,054,172</u> | <u>2,555,044</u> | <u>144,505</u> | <u>31,464,711</u> |
| Total capital assets, being depreciated, net | <u>98,199,837</u> | <u>679,720</u> | <u>70,832</u> | <u>98,808,725</u> |
| Governmental activities capital assets, net | <u>\$ 104,696,309</u> | <u>\$ 3,882,691</u> | <u>\$ 70,832</u> | <u>\$ 108,508,168</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

| | Balance July 1, 2012 (as restated) | Increases | Decreases | Balance June 30, 2013 |
|--|--|--------------|--------------|--------------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 157,072 | \$ | \$ | \$ 157,072 |
| Construction in progress | 5,760,004 | 304,856 | 4,990,879 | 1,073,981 |
| Total capital assets, not being depreciated | 5,917,076 | 304,856 | 4,990,879 | 1,231,053 |
| Capital assets, being depreciated: | | | | |
| Intangible assets | 12,144,524 | | | 12,144,524 |
| Buildings | 4,272,636 | | | 4,272,636 |
| Building improvements | 78,674 | | | 78,674 |
| Distribution and collection system | 23,062,105 | 4,996,139 | | 28,058,244 |
| Machinery and equipment | 1,158,380 | 410,334 | | 1,568,714 |
| Vehicles | 122,666 | | | 122,666 |
| Total capital assets, being depreciated | 40,838,985 | 5,406,473 | - | 46,245,458 |
| Total capital assets | 46,756,061 | 5,711,329 | 4,990,879 | 47,476,511 |
| Less accumulated depreciation for: | | | | |
| Intangible assets | 4,752,257 | 162,957 | | 4,915,214 |
| Buildings | 3,436,507 | 62,565 | | 3,499,072 |
| Building improvements | 47,116 | 1,597 | | 48,713 |
| Distribution and collection system | 5,034,104 | 297,813 | | 5,331,917 |
| Machinery and equipment | 775,999 | 19,582 | | 795,581 |
| Vehicles | 101,057 | 2,355 | | 103,412 |
| Total accumulated depreciation | 14,147,040 | 546,869 | - | 14,693,909 |
| Total capital assets, being depreciated, net | 26,691,945 | 4,859,604 | - | 31,551,549 |
| Business-type capital assets, net | \$ 32,609,021 | \$ 5,164,460 | \$ 4,990,879 | \$ 32,782,602 |

Town of Bethel, Connecticut

Notes to Financial Statements

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

| | | |
|--|--|---------------------|
| Governmental activities: | | |
| General government | | \$ 142,484 |
| Public safety | | 303,114 |
| Public works | | 346,476 |
| Library | | 136,947 |
| Health and welfare | | 24,150 |
| Education | | <u>1,601,873</u> |
| Total depreciation expense - governmental activities | | <u>\$ 2,555,044</u> |
| Business-type activities: | | |
| Water | | \$ 95,801 |
| Sewer | | <u>451,068</u> |
| Total depreciation/amortization expense - business-type activities | | <u>\$ 546,869</u> |

Construction Commitments

The Town has substantially completed the active major construction projects and other projects as of June 30, 2013.

D. Interfund Accounts**1. Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2013 is as follows:

| | Corresponding Fund | Due From | Due To |
|----------------------------|-----------------------|------------------|------------------|
| <u>Major funds:</u> | | | |
| General fund: | | | |
| Health department grants | N/A | \$ | \$ 43,759 |
| Public safety grants | N/A | | 17,948 |
| Education grants | N/A | | 625,901 |
| Railroad station | N/A | 27,094 | |
| Paramedic intercept | N/A | 192,000 | |
| General government | N/A | | 8,412 |
| Debt service | N/A | | 71,129 |
| Capital and nonrecurring | N/A | 1,407,622 | |
| Bonded projects | N/A | | 959,779 |
| Water department | N/A | 1,590,704 | |
| Sewer department | N/A | 663,513 | |
| Transfer station | N/A | 732,627 | |
| BOE retiree medical | N/A | | 132,731 |
| BOE medical self-insurance | N/A | | <u>418,000</u> |
| Total general fund | | <u>4,613,560</u> | <u>2,277,659</u> |
| Major - bonded projects | General Fund | <u>959,779</u> | |

Town of Bethel, Connecticut

Notes to Financial Statements

| | Corresponding Fund | Due From | Due To |
|-------------------------------------|----------------------------|--------------|--------------|
| Major – capital nonrecurring: | | | |
| General fund | N/A | \$ | \$ 1,407,622 |
| Debt service | N/A | 59,898 | |
| Railroad station | N/A | 4,611 | |
| Total capital nonrecurring | | 64,509 | 1,407,622 |
| Major – water department: | | | |
| Sewer department | N/A | 1,635 | |
| General fund | N/A | | 1,590,704 |
| Total water department | | 1,635 | 1,590,704 |
| Major – sewer department: | | | |
| Water department | N/A | | 1,635 |
| General fund | N/A | | 663,513 |
| Total sewer department | | - | 665,148 |
| Internal service funds: | | | |
| BOE retiree medical | General Fund | 132,731 | |
| BOE Medical self-insurance | General Fund | 418,000 | |
| Town retiree medical | Town Employee Pension Fund | 64,000 | |
| Total internal service funds | | 614,731 | - |
| <u>Nonmajor governmental funds:</u> | | | |
| Health department grants | General Fund | 43,759 | |
| Public safety grants | General Fund | 17,948 | |
| Education grants | General Fund | 625,901 | |
| Railroad station | General Fund | | 27,094 |
| Railroad station | Capital Nonrecurring | | 4,611 |
| Paramedic intercept | General Fund | | 192,000 |
| General government | General Fund | 8,412 | |
| Transfer station | Town Employee Pension Fund | | 16,034 |
| Transfer station | General Fund | | 732,627 |
| Debt service fund | General Fund | 71,129 | |
| Debt service fund | Capital Nonrecurring | | 59,898 |
| Total nonmajor governmental funds | | 767,149 | 1,032,264 |
| Fiduciary funds: | | | |
| Town employee pension fund | Internal service | | 64,000 |
| Town employee pension fund | Transfer Station | 16,034 | |
| Total fiduciary funds | | 16,034 | 64,000 |
| Grand total | | \$ 7,037,397 | \$ 7,037,397 |

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

2. Advance Payable and Receivable

The advance of \$58,900 between general fund and Bennett's Property relates to a working capital loan. This balance is not scheduled to be collected in the subsequent year.

Town of Bethel, Connecticut

Notes to Financial Statements

3. Interfund Transfers

A summary of interfund transfers as of June 30, 2013 is as follows:

| | Corresponding Fund | Transfers In | Transfers Out |
|---------------------------------|-----------------------|---------------------|---------------------|
| General fund: | | | |
| Capital nonrecurring | N/A | \$ | \$ 265,000 |
| Bonded projects | N/A | | <u>390,730</u> |
| Total general fund | | | <u>655,730</u> |
| Major – bonded projects: | | | |
| General fund | N/A | 390,730 | |
| Debt service | N/A | | <u>470,914</u> |
| Total bonded projects | | <u>390,730</u> | <u>470,914</u> |
| Major – capital nonrecurring: | | | |
| General fund | N/A | 265,000 | |
| Debt service | N/A | | <u>3,302</u> |
| Total capital nonrecurring fund | | <u>268,302</u> | <u>-</u> |
| Nonmajor funds: | | | |
| Debt service | Capital nonrecurring | | 3,302 |
| Debt service | Bonded projects | <u>470,914</u> | |
| Total nonmajor funds | | <u>470,914</u> | <u>3,302</u> |
| Grand total | | <u>\$ 1,129,946</u> | <u>\$ 1,129,946</u> |

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

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, 2013 was as follows:

| Governmental activities: | Balance July 1, 2012 | Additions | Reductions | Balance June 30, 2013 |
|---------------------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| Project | | | | |
| General purpose | \$ | \$ 1,550,000 | \$ | \$ 1,550,000 |
| Fire truck | 295,730 | 255,730 | 295,730 | 255,730 |
| General purpose - accounting software | 29,730 | | 29,730 | - |
| Bethel firehouse renovations | 410,000 | 370,000 | 410,000 | 370,000 |
| Road paving | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Public works equipment | 807,000 | 807,000 | 807,000 | 807,000 |
| Franc property | 855,000 | 855,000 | 855,000 | 855,000 |
| High school renovation | 625,000 | 600,000 | 625,000 | 600,000 |
| Berry school building project | 296,000 | | 296,000 | - |
| Total governmental activities | <u>\$ 5,318,460</u> | <u>\$ 6,437,730</u> | <u>\$ 5,318,460</u> | <u>\$ 6,437,730</u> |

The BANs carry an interest rate of 1.25% and mature in May 2014.

Town of Bethel, Connecticut

Notes to Financial Statements

Business-type activities:

The Town has issued BANS for certain enterprise fund projects.

| Project | Balance July 1, 2012 | Additions | Reductions | Balance June 30, 2013 |
|--------------------------------|-------------------------|--------------------|--------------------|--------------------------|
| Water department | \$ 346,540 | \$ 266,540 | \$ 346,540 | \$ 266,540 |
| Sewer department | 815,000 | 765,730 | 815,000 | 765,730 |
| Total business-type activities | <u>\$1,161,540</u> | <u>\$1,032,270</u> | <u>\$1,161,540</u> | <u>\$1,032,270</u> |

The bond anticipation notes carry an interest rate of 1.25% and mature in May 2014.

In August 2013, the Town reissued bond anticipation notes in the amount of \$7,470,000 and issued new bond anticipation notes in the amount of \$1,295,000 with a coupon rate of 1.0% and a true interest cost of .215% maturing in May 2014.

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, 2012 | Additions | Deductions | Balance June 30, 2013 | Current Portion |
|---|--------------------|---------------------|------------------------|------------------|----------------------------|---------------------|---------------------|-----------------------------|---------------------|
| General purpose: | | | | | | | | | |
| Improvement bonds | \$3,925,000 | 07/01/98 | 07/01/13 | 4.00-6.00 | \$ 520,000 | \$ | \$ 260,000 | \$ 260,000 | \$ 260,000 |
| Improvement bonds | 9,415,000 | 11/01/04 | 05/01/20 | 2.75-4.75 | 2,620,000 | | 670,000 | 1,950,000 | 325,000 |
| Refunding bonds | 1,785,000 | 04/28/10 | 07/15/20 | 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 | 1,749,000 | | 153,000 | 1,596,000 | 153,000 |
| Total general purpose | | | | | <u>6,674,000</u> | <u>-</u> | <u>1,083,000</u> | <u>5,591,000</u> | <u>738,000</u> |
| School: | | | | | | | | | |
| Improvement bonds | 22,760,000 | 11/15/09 | 11/15/34 | 2.25-4.25 | 21,810,000 | | 950,000 | 20,860,000 | 950,000 |
| Refunding bonds | 4,648,000 | 04/28/10 | 07/15/20 | 3.00-5.00 | 4,081,000 | | 357,000 | 3,724,000 | 357,000 |
| Total school | | | | | <u>25,891,000</u> | <u>-</u> | <u>1,307,000</u> | <u>24,584,000</u> | <u>1,307,000</u> |
| Total bonds | | | | | <u>32,565,000</u> | <u>-</u> | <u>2,390,000</u> | <u>30,175,000</u> | <u>2,045,000</u> |
| Premium | | | | | <u>905,063</u> | | <u>89,718</u> | <u>815,345</u> | |
| Total bonds and notes and related liabilities | | | | | <u>33,470,063</u> | <u>-</u> | <u>2,479,718</u> | <u>30,990,345</u> | <u>2,045,000</u> |
| Capital lease payable | | | | | <u>231,404</u> | <u>23,237</u> | <u>120,433</u> | <u>134,208</u> | <u>126,470</u> |
| Compensated absences | | | | | <u>3,266,032</u> | <u>858,381</u> | <u>792,122</u> | <u>3,332,291</u> | <u>565,647</u> |
| Net pension obligation | | | | | <u>2,898,708</u> | <u>2,339,299</u> | <u>2,144,209</u> | <u>3,093,798</u> | |
| Net OPEB obligation | | | | | <u>2,085,932</u> | <u>1,373,387</u> | <u>464,815</u> | <u>2,994,504</u> | |
| Total long-term obligations | | | | | <u>\$ 41,952,139</u> | <u>\$ 4,594,304</u> | <u>\$ 6,001,297</u> | <u>\$ 40,545,146</u> | <u>\$ 2,737,117</u> |

All long-term liabilities are generally liquidated by the general fund.

Town of Bethel, Connecticut

Notes to Financial Statements

Enterprise funds (1):

| Description | Original Amount | Date of Issue | Date of Maturity | Interest Rate | Balance July 1, 2012 | Additions | Deductions | Balance June 30, 2013 | Current Portion |
|--|-----------------|---------------|------------------|---------------|----------------------|-------------------|---------------------|-----------------------|-------------------|
| Improvement bonds | \$ 4,300,000 | 08/01/06 | 08/01/31 | 4.125-5.5 | \$ 3,425,000 | \$ | \$ 175,000 | \$ 3,250,000 | \$ 175,000 |
| Improvement bonds | 15,460,000 | 11/15/09 | 11/15/34 | 2.25-4.25 | 14,220,000 | | 620,000 | 13,600,000 | 620,000 |
| Refunding bonds | 625,000 | 04/28/10 | 07/15/20 | 3.00-5.00 | 525,000 | | 135,000 | 390,000 | 130,000 |
| Total bonds | | | | | 18,170,000 | - | 930,000 | 17,240,000 | 925,000 |
| Premium | | | | | 58,995 | | 6,555 | 52,440 | |
| Clean water loan CWF#103-C2 | 9,159,368 | 07/29/94 | 07/29/94 | 2.00 | 519,964 | | 479,967 | 39,997 | 39,997 |
| Total bonds and notes and related liabilities | | | | | 18,748,959 | - | 1,416,522 | 17,332,437 | 964,997 |
| Net pension obligation | | | | | 103,027 | 59,688 | 81,547 | 81,168 | |
| Net OPEB obligation | | | | | 102,614 | 53,027 | 32,494 | 123,147 | |
| Total enterprise funds | | | | | <u>\$ 18,954,600</u> | <u>\$ 112,715</u> | <u>\$ 1,530,563</u> | <u>\$ 17,536,752</u> | <u>\$ 964,997</u> |

(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.

The following is a summary of debt maturities:

| Year Ending June 30, | Debt Maturities | | | | |
|----------------------|----------------------|--------------------------|------------------|----------------------|---------------------|
| | Bonds | General Purpose Interest | Sewer Notes | Sewer Bonds | Sewer Interest |
| 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 |
| TOTALS | <u>\$ 30,175,000</u> | <u>\$ 11,336,076</u> | <u>\$ 39,997</u> | <u>\$ 17,240,000</u> | <u>\$ 7,291,429</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

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:

| <u>Category</u> | <u>Debt Limit</u> | <u>Net Indebtedness</u> | <u>Balance</u> |
|-----------------|-------------------|-------------------------|----------------|
| General purpose | \$ 126,490,322 | \$ 11,428,730 | \$ 115,061,592 |
| Schools | 252,980,645 | 25,184,000 | 227,796,645 |
| Sewers | 210,817,204 | | 210,817,204 |
| Urban renewal | 182,708,243 | | 182,708,243 |
| Pension deficit | 168,653,763 | | 168,653,763 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$393,525,447.

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.

3. Capital Leases

At June 30, 2013, the Town is committed under capital leases for computers and vehicles. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and; therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Computers and vehicles totaling \$1,385,932, net of accumulated depreciation of \$1,117,133, are recorded under the capital lease as of June 30, 2013. This year \$47,157 was included in depreciation expense.

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, 2013:

| <u>Year Ending</u> <u>June 30,</u> | |
|---|-------------------|
| 2014 | \$ 134,584 |
| 2015 | 8,164 |
| Less amount representing interest | <u>(8,540)</u> |
| Present value of minimum lease payments | <u>\$ 134,208</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

4. Authorized/Unissued Bonds

The amounts of authorized, unissued bonds are as follows:

| | |
|-------------------------|----------------------|
| General purpose | \$ 19,798,249 |
| Schools | 7,006,000 |
| Sewer (enterprise fund) | 7,519,896 |
| Water (enterprise fund) | <u>1,449,000</u> |
| Total | <u>\$ 35,773,145</u> |

5. Conduit Debt

The Bethel Baseball Association was desirous of having lighting installed at the baseball field at Mitchell Park. The Association and the Town executed an agreement that has the Town purchase, finance and install the lighting, and the Association would be responsible for the lease payments related to the financing. The lease agreement is payable over a 10 year period due in August 2022. The cost of the equipment is \$130,500 with total financing costs over the 10 years of \$43,365. The agreement between the Association and Town requires the Association to pay the Town 2 of the 10 installments during the fiscal year ending June 30, 2013 and then annual by September 3 through 2020.

As of June 30, 2013, the outstanding balance of the capital lease was \$130,500. The Town has no obligation to pay the lease beyond the payment received from the lease payment received from the Association.

G. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$365,903 at June 30, 2013.

Town of Bethel, Connecticut

Notes to Financial Statements

H. Fund Balance Classifications

As of June 30, 2013, fund balance components are as follows:

| Fund Balance Component | General Fund | Bonded Projects | Capital Nonrecurring | Nonmajor Funds | Total |
|--------------------------------|---------------|-----------------|----------------------|----------------|--------------|
| <u>Nonspendable:</u> | | | | | |
| Advance to other funds | \$ 58,900 | \$ - | \$ - | \$ - | \$ 58,900 |
| Long-term accounts receivable | 61,987 | | | | 61,987 |
| Total nonspendable | 120,887 | - | - | - | 120,887 |
| <u>Restricted:</u> | | | | | |
| General government: | | | | | |
| Railroad station | | | | 227,256 | 227,256 |
| Historic documents | | | | 8,412 | 8,412 |
| Public safety: | | | | | |
| Police equipment | | | | 17,948 | 17,948 |
| Health and welfare: | | | | | |
| Small Cities grant | | | | 11,311 | 11,311 |
| Health grants | | | | 43,759 | 43,759 |
| Education: | | | | | |
| School lunch program | | | | 116,948 | 116,948 |
| Total restricted | - | - | - | 425,634 | 425,634 |
| <u>Committed:</u> | | | | | |
| General government: | | | | | |
| Railroad station improvements | | | | 28,585 | 28,585 |
| Planning and Zoning commission | | | | 84,628 | 84,628 |
| Library | | | | 78,003 | 78,003 |
| Education programs | | | | 613,970 | 613,970 |
| Approved CNR projects | | | 764,275 | | 764,275 |
| Total committed | - | - | 764,275 | 805,186 | 1,569,461 |
| <u>Assigned:</u> | | | | | |
| Public works - Teen Center | | | | 505 | 505 |
| Debt service | | | | 873,259 | 873,259 |
| Total assigned | - | - | - | 873,764 | 873,764 |
| <u>Unassigned</u> | 10,899,766 | (5,107,951) | | (964,377) | 4,827,438 |
| Total | \$ 11,020,653 | \$ (5,107,951) | \$ 764,275 | \$ 1,140,207 | \$ 7,817,184 |

Town of Bethel, Connecticut

Notes to Financial Statements

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 <u>Estimates</u> | Claims <u>Paid</u> | Claims Payable <u>June 30</u> |
|-----------|------------------------------------|--|-----------------------|-------------------------------------|
| 2011-2012 | \$ 54,000 | \$ 984,666 | \$ 990,666 | \$ 48,000 |
| 2012-2013 | 48,000 | 1,150,182 | 1,137,182 | 61,000 |

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.

Town of Bethel, Connecticut

Notes to Financial Statements

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, 2013, the plans' membership consists of the following:

| | <u>Town</u> | <u>Police</u> |
|--|-------------|---------------|
| Retirees and beneficiaries currently receiving benefits | 97 | 10 |
| Terminated employees entitled to benefits but not yet receiving them | 5 | 1 |
| Active plan members | <u>139</u> | <u>34</u> |
| Totals | <u>241</u> | <u>45</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

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 24.0% and 14.6% 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, 2013 was as follows:

| | (A) | (B) | (A-B) | (A/B) | (C) | [(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|--|----------------------------------|------------------------|--------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Over (Under) Funded AAL | Funded AAL Ratio | Covered Payroll | |
| <u>Town plan</u> | | | | | | |
| July 1, 2013 | \$19,726,839 | \$29,027,261 | \$(9,300,422) | 68.0% | \$7,739,426 | (120.2)% |
| <u>Police plan</u> | | | | | | |
| July 1, 2013 | \$ 7,548,066 | \$10,630,186 | \$(3,082,120) | 71.0% | \$2,337,955 | (131.8)% |

Town of Bethel, Connecticut

Notes to Financial Statements

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, 2013 | July 1, 2013 |
| 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 | 18 years | 15 years |

Town of Bethel, Connecticut

Notes to Financial Statements

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

The changes in the net pension obligation as of June 30, 2013, were as follows:

| | <u>Town</u> | <u>Police</u> |
|--|----------------------------|--------------------------|
| Annual required contribution | \$ 2,086,345 | \$ 579,831 |
| Interest on net pension obligation | 206,056 | 29,822 |
| Adjustment to ARC | | |
| Annual pension cost (APC) | <u>2,292,401</u> | <u>609,653</u> |
| Contribution made | <u>2,162,481</u> | <u>566,342</u> |
| Change in net pension obligation | 129,920 | 43,311 |
| Net pension obligation - July 1, 2012 | <u>2,575,704</u> | <u>426,031</u> |
| Net pension obligation - June 30, 2013 | <u><u>\$ 2,705,624</u></u> | <u><u>\$ 469,342</u></u> |

8. Three Year Trend Information

| <u>Year Ending June 30</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|------------------------------------|--|--|---------------------------------------|
| <u>Town Plan</u> | | | |
| 2013 | \$ 2,292,401 | 94.3% | \$ 2,705,624 |
| 2012 | 2,118,672 | 96.5% | 2,575,704 |
| 2011 | 2,205,320 | 75.4% | 2,518,695 |
| <u>Police Plan</u> | | | |
| 2013 | \$ 609,653 | 92.9% | \$ 469,342 |
| 2012 | 585,327 | 106.1% | 426,031 |
| 2011 | 589,814 | 101.7% | 461,857 |

Town of Bethel, Connecticut

Notes to Financial Statements

9. Plan Statements

Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2013

| | Town Employee Pension Fund | Police Pension Fund | Total |
|---|-------------------------------------|---------------------------|---------------|
| <u>Assets</u> | | | |
| Investments: | | | |
| Money market mutual funds | \$ 2,748,127 | \$ 230,580 | \$ 2,978,707 |
| Certificates of deposit | 333,616 | 75,104 | 408,720 |
| Corporate bonds | 3,360,996 | 1,322,482 | 4,683,478 |
| U.S. government obligations | 1,197,365 | 1,961,008 | 3,158,373 |
| U.S. government agency securities | 4,296,964 | 511,092 | 4,808,056 |
| Common stock | 5,357,081 | 1,995,672 | 7,352,753 |
| Equity mutual funds | 2,548,281 | 1,018,157 | 3,566,438 |
| Total investments | 19,842,430 | 7,114,095 | 26,956,525 |
| Receivables | | 8,421 | 8,421 |
| Prepaid benefits and fees | 281,003 | 76,922 | 357,925 |
| Due from other funds | 16,034 | | 16,034 |
| Total assets | 20,139,467 | 7,199,438 | 27,338,905 |
| <u>Liability</u> | | | |
| Liability: | | | |
| Due to (from) other funds | 412,628 | (348,628) | 64,000 |
| <u>Net Position</u> | | | |
| Held in trust for employees' pension benefits | \$ 19,726,839 | \$ 7,548,066 | \$ 27,274,905 |

Town of Bethel, Connecticut

Notes to Financial Statements

9. Plan Statements

Combining Statement of Changes In Fiduciary Net Position
Pension Trust Funds
Year Ended June 30, 2013

| | Town Employee Pension Fund | Police Pension Fund | Total |
|-------------------------------------|-------------------------------------|---------------------------|---------------|
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 1,859,681 | \$ 340,319 | \$ 2,200,000 |
| Plan members | 302,800 | 226,023 | 528,823 |
| Total contributions | 2,162,481 | 566,342 | 2,728,823 |
| Investment income (loss): | | | |
| Change in fair value of investments | 490,669 | 216,350 | 707,019 |
| Interest and dividends | 792,352 | 273,538 | 1,065,890 |
| Total investment income (loss) | 1,283,021 | 489,888 | 1,772,909 |
| Less investment expenses | 139,665 | 46,220 | 185,885 |
| Net investment income (loss) | 1,143,356 | 443,668 | 1,587,024 |
| Total additions | 3,305,837 | 1,010,010 | 4,315,847 |
| Deductions: | | | |
| Benefits | 1,172,027 | 307,688 | 1,479,715 |
| Administration | 52,342 | 14,109 | 66,451 |
| Total deductions | 1,224,369 | 321,797 | 1,546,166 |
| Change in net position | 2,081,468 | 688,213 | 2,769,681 |
| Net position - July 1, 2012 | 17,645,371 | 6,859,853 | 24,505,224 |
| Net position - June 30, 2013 | \$ 19,726,839 | \$ 7,548,066 | \$ 27,274,905 |

Town of Bethel, Connecticut

Notes to Financial Statements

D. Other Post Employment Benefit Plans

1. Plan Description

The Town administers three single-employer, post retirement healthcare plans for the Town, Police and Board of Education, the Town of Bethel Other Post Employment Benefit Plans (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 July 1, 2011 for Town, Police and Board of Education, the plans' membership consisted of:

| | <u>Town</u> | <u>Police</u> | <u>Board of Education</u> |
|---|-------------|---------------|-----------------------------------|
| Retirees and beneficiaries currently receiving benefits | 16 | 2 | 40 |
| Active plan members | 85 | 37 | 281 |
| Total | <u>101</u> | <u>39</u> | <u>321</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 \$479,191.

c. Employee Contributions

There are no employee contributions to the plan.

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement plan. These teachers are required to contribute the cost of the insurance to the Town.

Town of Bethel, Connecticut

Notes to Financial Statements

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011 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> | | | | | | |
| July 1, 2011 | \$ | \$7,320,090 | \$(7,320,090) | 0.0% | N/A | N/A |
| <u>Police</u> | | | | | | |
| July 1, 2011 | \$ | \$4,053,220 | \$(4,053,220) | 0.0% | N/A | N/A |
| <u>Board of Education</u> | | | | | | |
| July 1, 2011 | \$ | \$3,145,288 | \$(3,145,288) | 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 Financial Statements

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 | July 1, 2011 |
| 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 |
| Actuarial assumptions: | |
| Investment rate of return - all plans | 4.0% |
| Healthcare inflation rate: | |
| Initial | 5.8% |
| Ultimate | 4.4% |
| Projected salary increases | N/A |

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

The changes in the NOO were as follows:

| | <u>Town</u> | <u>Police</u> | <u>Board of Education</u> |
|--|-------------------|---------------------|-----------------------------------|
| Annual required contribution | \$ 466,455 | \$ 452,234 | \$ 486,365 |
| Interest on net OPEB obligation | 28,527 | 653 | 58,362 |
| Adjustment to annual required contribution | <u>(41,514)</u> | <u>61,697</u> | <u>(104,483)</u> |
| Annual OPEB cost | 453,468 | 514,584 | 440,244 |
| Contributions made | <u>156,155</u> | <u>3,576</u> | <u>319,460</u> |
| Change in net OPEB obligation | 297,313 | 511,008 | 120,784 |
| Net OPEB obligation - July 1, 2012 | <u>700,335</u> | <u>1,203,701</u> | <u>284,510</u> |
| Net OPEB obligation - June 30, 2013 | <u>\$ 997,648</u> | <u>\$ 1,714,709</u> | <u>\$ 405,294</u> |

Town of Bethel, Connecticut

Notes to Financial Statements

7. Three Year Trend Information

| <u>Year Ending June 30</u> | <u>Annual OPEB Cost</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB</u> |
|------------------------------------|---------------------------------|--|---------------------|
| <u>Town Plan</u> | | | |
| 2013 | \$ 453,468 | 34.4% | \$ 997,648 |
| 2012 | 360,864 | 49.6% | 700,335 |
| 2011 | 340,172 | 49.8% | 518,374 |
| <u>Police Plan</u> | | | |
| 2013 | \$ 514,584 | 0.7% | \$1,714,709 |
| 2012 | 316,843 | 1.3% | 1,203,701 |
| 2011 | 297,304 | 1.3% | 890,955 |
| <u>Board of Education Plan</u> | | | |
| 2013 | \$ 440,244 | 72.6% | \$ 405,294 |
| 2012 | 439,922 | 83.2% | 284,510 |
| 2011 | 416,021 | 83.3% | 210,588 |

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 \$4,199,729.

F. Changes in Major Funds

For the fiscal year ended June 30, 2013, the Capital and Nonrecurring Fund qualifies as a major fund and is no longer presented as a nonmajor fund.

G. Prior Period Adjustment

The government-wide, business-type, proprietary funds and special revenue funds' net position and fund balance were restated as follows:

| | <u>Government- Wide</u> | <u>Business- Type</u> | <u>Proprietary Funds</u> | <u>Other Governmental Nonmajor Funds</u> |
|--|-----------------------------|---------------------------|------------------------------|--|
| Fund balance/net position as previously reported at June 30, 2012 | \$73,003,754 | \$22,750,395 | \$22,750,395 | \$ 1,585,416 |
| To reclassify transfer station to a special revenue fund | <u>(765,289)</u> | <u>765,289</u> | <u>765,289</u> | <u>(724,664)</u> |
| Fund balance/net position as restated as of July 1, 2012 | <u>\$72,238,465</u> | <u>\$23,515,684</u> | <u>\$23,515,684</u> | <u>\$ 860,752</u> |

**Required
Supplementary
Information**

Town of Bethel, Connecticut

Required Supplementary Information
Schedule of Funding Progress

Bethel Retirement System

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, 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%) |
| 2012 | 17,645,371 | 27,921,815 | (10,276,444) | 63.2% | 7,678,530 | (133.8%) |
| 2013 | 19,726,839 | 29,027,261 | (9,300,422) | 68.0% | 7,739,426 | (120.2%) |

Police 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, 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%) |
| 2012 | 7,548,066 | 9,943,329 | (2,395,263) | 75.9% | 2,337,471 | (102.5%) |
| 2013 | 7,548,066 | 10,630,186 | (3,082,120) | 71.0% | 2,337,955 | (131.8%) |

Town of Bethel, Connecticut

Required Supplementary Information
Schedule of Employer ContributionsBethel Retirement SystemTown Plan (1)

| <u>Year Ended June 30,</u> | <u>Annual Required Contribution</u> | <u>Actual Contribution</u> | <u>Percentage Contributed</u> |
|------------------------------------|---|--------------------------------|-----------------------------------|
| 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% |
| 2012 | 1,918,557 | 2,162,481 | 112.7% |
| 2013 | 2,086,345 | 2,162,481 | 103.6% |

Police Plan (1)

| <u>Year Ended June 30,</u> | <u>Annual Required Contribution</u> | <u>Actual Contribution</u> | <u>Percentage Contributed</u> |
|------------------------------------|---|--------------------------------|-----------------------------------|
| 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% |
| 2012 | 552,997 | 566,342 | 102.4% |
| 2013 | 579,831 | 566,342 | 97.7% |

(1) Includes employee contributions

Town of Bethel, Connecticut

Required Supplementary Information
Schedule of Funding ProgressBethel Other Post Employment Benefit PlansTown Plan

| | A | B | (A-B) | (A/B) | C | [(A-B)/C] |
|--------------------------|---------------------------|---|-------------------------|------------------|-----------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Projected Unit Credit | Over (Under) Funded AAL | Funded AAL Ratio | Covered Payroll | 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 |
| July 1, 2011 | - | 7,320,090 | (7,320,090) | 0.0% | N/A | N/A |

Police Plan

| | A | B | (A-B) | (A/B) | C | [(A-B)/C] |
|--------------------------|---------------------------|---|-------------------------|------------------|-----------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Projected Unit Credit | Over (Under) Funded AAL | Funded AAL Ratio | Covered Payroll | 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 |
| July 1, 2011 | - | 4,053,220 | (4,053,220) | 0.0% | N/A | N/A |

Board of Education Plan

| | A | B | (A-B) | (A/B) | C | [(A-B)/C] |
|--------------------------|---------------------------|---|-------------------------|------------------|-----------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Projected Unit Credit | Over (Under) Funded AAL | Funded AAL Ratio | Covered Payroll | 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 |
| July 1, 2011 | - | 3,145,288 | (3,145,288) | 0.0% | N/A | N/A |

N/A - No valuations performed for fiscal years 2010, 2012 and 2013

Town of Bethel, Connecticut

**Required Supplementary Information
Schedule of Employer Contributions**

Bethel Other Post Employment Benefit Plans

Town Plan

| <u>Year Ended June 30,</u> | <u>Annual Required Contribution</u> | <u>Actual Contribution</u> | <u>Percentage Contributed</u> |
|------------------------------------|---|--------------------------------|-----------------------------------|
| 2009 | \$ 328,000 | \$ 131,000 | 39.9% |
| 2010 | 328,000 | 159,677 | 48.7% |
| 2011 | 348,251 | 169,453 | 48.7% |
| 2012 | 369,498 | 178,903 | 48.4% |
| 2013 | 466,455 | 156,155 | 33.5% |

Police Plan

| <u>Year Ended June 30,</u> | <u>Annual Required Contribution</u> | <u>Actual Contribution</u> | <u>Percentage Contributed</u> |
|------------------------------------|---|--------------------------------|-----------------------------------|
| 2009 | \$ 318,000 | \$ 3,000 | 0.9% |
| 2010 | 318,000 | 3,657 | 1.2% |
| 2011 | 337,634 | 3,881 | 1.1% |
| 2012 | 358,233 | 4,097 | 1.1% |
| 2013 | 452,234 | 3,576 | 0.8% |

Board of Education Plan

| <u>Year Ended June 30,</u> | <u>Annual Required Contribution</u> | <u>Actual Contribution</u> | <u>Percentage Contributed</u> |
|------------------------------------|---|--------------------------------|-----------------------------------|
| 2009 | \$ 342,000 | \$ 268,000 | 78.4% |
| 2010 | 342,000 | 326,667 | 95.5% |
| 2011 | 363,115 | 346,667 | 95.5% |
| 2012 | 385,269 | 366,000 | 95.0% |
| 2013 | 486,365 | 319,460 | 65.7% |

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
Year Ended June 30, 2013**

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|------------------------------------|-----------------------------|-----------------------------|----------------------|----------------------------------|
| Property taxes: | | | | |
| Property taxes | \$ 54,936,850 | \$ 54,936,850 | \$ 55,926,162 | \$ 989,312 |
| Interest and lien fees | 125,000 | 125,000 | 322,431 | 197,431 |
| Telephone access tax | 50,000 | 50,000 | 51,175 | 1,175 |
| PILOT- Augustana | <u> </u> | <u> </u> | <u>19,551</u> | <u>19,551</u> |
| Total property taxes | <u>55,111,850</u> | <u>55,111,850</u> | <u>56,319,319</u> | <u>1,207,469</u> |
| Intergovernmental: | | | | |
| Equal cost sharing | 8,227,837 | 8,227,837 | 8,210,370 | (17,467) |
| Transportation | 86,124 | 86,124 | 89,766 | 3,642 |
| Continuing education | 10,406 | 10,406 | 10,504 | 98 |
| Health and welfare | 7,000 | 7,000 | 7,268 | 268 |
| Town aid roads | 158,381 | 158,381 | 157,313 | (1,068) |
| School building grants | | | 4,900 | 4,900 |
| PILOT - State owned property | 26,249 | 26,249 | 26,055 | (194) |
| PILOT- Augustana | 34,224 | 34,224 | 29,370 | (4,854) |
| Elderly home owners exemption | 126,500 | 126,500 | 121,368 | (5,132) |
| Disability tax loss | 1,500 | 1,500 | 1,830 | 330 |
| Veterans tax relief | 8,500 | 8,500 | 7,922 | (578) |
| LOCIP | 117,193 | 117,193 | 115,982 | (1,211) |
| Mashantucket pequot fund | 41,501 | 41,501 | 49,389 | 7,888 |
| PILOT - manufacturers | 224,319 | 224,319 | 319,063 | 94,744 |
| Colleges and hospitals | 17,396 | 17,396 | 16,969 | (427) |
| Miscellaneous state revenue | <u>15,000</u> | <u>15,000</u> | <u>28,324</u> | <u>13,324</u> |
| Total intergovernmental | <u>9,102,130</u> | <u>9,102,130</u> | <u>9,196,393</u> | <u>94,263</u> |
| Charges for services: | | | | |
| Town farmland preservation | | | 11,643 | 11,643 |
| Canine receipts | 1,500 | 1,500 | 1,256 | (244) |
| Planning and zoning | 10,000 | 10,000 | 35,671 | 25,671 |
| Zoning board of appeals | 2,000 | 2,000 | 2,000 | - |
| Recreational programs | 330,599 | 330,599 | 302,445 | (28,154) |
| Conveyance tax | 175,000 | 175,000 | 184,367 | 9,367 |
| Recording fees | 85,000 | 85,000 | 109,382 | 24,382 |
| Police reports | 2,000 | 2,000 | 1,454 | (546) |
| Police other | 8,000 | 8,000 | 17,999 | 9,999 |
| Library fees | 15,000 | 15,000 | 10,935 | (4,065) |
| Miscellaneous licenses and permits | 320,630 | 320,630 | 345,818 | 25,188 |
| Parking fines | <u>3,000</u> | <u>3,000</u> | <u>459</u> | <u>(2,541)</u> |
| Total charges for services | <u>952,729</u> | <u>952,729</u> | <u>1,023,429</u> | <u>70,700</u> |
| Use of money and property: | | | | |
| Interest | 25,000 | 25,000 | 10,094 | (14,906) |
| Property leases | <u>35,000</u> | <u>35,000</u> | <u>16,399</u> | <u>(18,601)</u> |
| Total use of money and property | <u>60,000</u> | <u>60,000</u> | <u>26,493</u> | <u>(33,507)</u> |
| Miscellaneous revenue | | | <u>93,591</u> | <u>93,591</u> |
| Total revenues | <u>\$ 65,226,709</u> | <u>\$ 65,226,709</u> | <u>\$ 66,659,225</u> | <u>\$ 1,432,516</u> |

Town of Bethel, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|------------------------------------|--------------------|-----------------|------------|----------------------------------|
| General government: | | | | |
| Selectmen | \$ 194,666 | \$ 200,645 | \$ 200,645 | \$ - |
| Treasurer | 6,925 | 6,751 | 6,751 | - |
| Finance department | 372,914 | 382,371 | 382,371 | - |
| Town clerk | 219,489 | 207,382 | 207,382 | - |
| Assessor | 174,918 | 181,294 | 181,294 | - |
| Tax collector | 185,144 | 185,000 | 185,000 | - |
| Legal department | 187,680 | 413,956 | 413,956 | - |
| Probate court | 5,711 | 4,523 | 4,523 | - |
| Data processing | 273,718 | 200,969 | 200,969 | - |
| Town insurance | 925,990 | 902,325 | 902,325 | - |
| Planning and zoning | 213,898 | 219,014 | 219,014 | - |
| Registrar of voters | 97,386 | 82,136 | 82,136 | - |
| Town boards and commissions | 118,350 | 122,981 | 122,981 | - |
| Parks and recreation | 890,348 | 1,021,531 | 1,021,531 | - |
| Employee benefits | 5,335,697 | 5,263,196 | 5,263,196 | - |
| Non-government agency subsidies | 20,504 | 9,046 | 9,046 | - |
| Intergovernmental agency subsidies | 377,519 | 376,139 | 376,139 | - |
| Utilities, charges and services | 2,541,440 | 2,366,289 | 2,329,950 | 36,339 |
| Miscellaneous charges | 211,069 | 131,517 | 11,486 | 120,031 |
| Senior center | 135,866 | 146,083 | 146,083 | - |
| Total general government | 12,489,232 | 12,423,148 | 12,266,778 | 156,370 |
| Public safety: | | | | |
| Building and inspection | 209,933 | 215,493 | 215,493 | - |
| Emergency management | 26,000 | 10,092 | 10,092 | - |
| Fire marshal | 85,884 | 92,237 | 92,237 | - |
| Bethel fire department | 175,950 | 159,977 | 159,977 | - |
| Stony Hill fire department | 115,668 | 122,662 | 122,662 | - |
| Police department | 3,699,315 | 3,793,210 | 3,793,210 | - |
| Total public safety | 4,312,750 | 4,393,671 | 4,393,671 | - |
| Health and welfare: | | | | |
| Social services | 60,267 | 63,226 | 63,226 | - |
| Health department | 278,269 | 237,528 | 237,528 | - |
| Total health and welfare | 338,536 | 300,754 | 300,754 | - |
| Public works: | | | | |
| Fleet maintenance | 354,842 | 352,645 | 352,645 | - |
| Public works administration | 303,295 | 339,473 | 339,473 | - |
| Highway department | 1,259,276 | 1,325,244 | 1,325,244 | - |
| Building maintenance | 665,573 | 686,667 | 686,667 | - |
| Tree warden | 94,400 | 83,419 | 83,419 | - |
| Total public works | 2,677,386 | 2,787,448 | 2,787,448 | - |

(Continued)

Town of Bethel, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|----------------------|----------------------|---------------------|----------------------------------|
| Library | \$ 738,444 | \$ 738,269 | \$ 738,269 | \$ - |
| Education: | | | | |
| Board of education | 39,660,925 | 39,660,925 | 39,588,176 | 72,749 |
| Education maintenance | 460,000 | 460,000 | 458,724 | 1,276 |
| Total education | 40,120,925 | 40,120,925 | 40,046,900 | 74,025 |
| Debt service | 3,893,706 | 3,806,764 | 3,658,464 | 148,300 |
| Total expenditures | 64,570,979 | 64,570,979 | 64,192,284 | 378,695 |
| Other financing uses: | | | | |
| Transfers out | 655,730 | 655,730 | 655,730 | |
| Total expenditures and other financing uses | <u>\$ 65,226,709</u> | <u>\$ 65,226,709</u> | <u>\$64,848,014</u> | <u>\$ 378,695</u> |

(Concluded)

Town of Bethel, Connecticut

Report of Tax Collector
Year Ended June 30, 2013

| Grand List Year | Uncollected Taxes July 1, 2012 | Current Year Levy | Lawful Corrections | | Transfers To Suspense | Adjusted Amount Collectible | Collections | | | Uncollected Taxes June 30, 2013 |
|-------------------|--------------------------------|----------------------|--------------------|-------------------|-----------------------|-----------------------------|----------------------|-----------------------------|----------------------|---------------------------------|
| | | | Additions | Deductions | | | Net Taxes Collected | Interest Liens & Other Fees | Total | |
| 1996 | \$ 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 | 4,304 | | | | | 4,304 | | | - | 4,304 |
| 2002 | 3,142 | | | | | 3,142 | | | - | 3,142 |
| 2003 | 3,255 | | | | | 3,255 | | | - | 3,255 |
| 2004 | 4,412 | | | | 1,090 | 3,322 | | 651 | 651 | 3,322 |
| 2005 | 4,405 | | | | 53 | 4,352 | 669 | 372 | 1,041 | 3,683 |
| 2006 | 6,351 | | | | 79 | 6,272 | 2,366 | 912 | 3,278 | 3,906 |
| 2007 | 13,479 | | 68 | 370 | 36 | 13,141 | 8,087 | 4,258 | 12,345 | 5,054 |
| 2008 | 32,397 | | 2,696 | 254 | 557 | 34,282 | 25,737 | 14,081 | 39,818 | 8,545 |
| 2009 | 137,149 | | 2,541 | 293 | 28,342 | 111,055 | 93,530 | 30,581 | 124,111 | 17,525 |
| 2010 | <u>611,221</u> | | <u>3,453</u> | <u>14,277</u> | <u>22,625</u> | <u>577,772</u> | <u>411,371</u> | <u>77,487</u> | <u>488,858</u> | <u>166,401</u> |
| Total Prior Years | 835,923 | - | 8,758 | 17,261 | 52,782 | 774,638 | 541,760 | 128,342 | 670,102 | 232,878 |
| 2011 | | <u>56,202,842</u> | <u>60,767</u> | <u>189,485</u> | <u>17,858</u> | <u>56,056,266</u> | <u>55,353,730</u> | <u>194,089</u> | <u>55,547,819</u> | <u>702,536</u> |
| Total All Years | <u>\$ 835,923</u> | <u>\$ 56,202,842</u> | <u>\$ 69,525</u> | <u>\$ 206,746</u> | <u>\$ 70,640</u> | <u>\$ 56,830,904</u> | <u>\$ 55,895,490</u> | <u>\$ 322,431</u> | <u>\$ 56,217,921</u> | <u>\$ 935,414</u> |

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)

General Government

This fund is used to account for the activities associated with general governmental operations.

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.

Transfer Station

This fund is used to account for fees collected by the Town Transfer Station.

Miscellaneous Grants

This fund is used to account for intergovernmental revenue and related expenditures concerning miscellaneous grants received by the Town.

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.

Town of Bethel, Connecticut
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds

| | <u>Bennett Property</u> | <u>Small Cities Program</u> | <u>Health Department Grants</u> | <u>Public Safety Grants</u> | <u>Education Grants</u> | <u>School Lunch Program</u> | <u>Library</u> | <u>Railroad Station</u> | <u>Railroad Station Renovation</u> |
|--|-----------------------------|-------------------------------------|---|-------------------------------------|-----------------------------|-------------------------------------|------------------|-----------------------------|--|
| <u>Assets</u> | | | | | | | | | |
| Cash | \$ 18,024 | \$ 21,905 | \$ | \$ | \$ | \$ 43,295 | \$ 28,093 | \$ 30,000 | \$ 28,585 |
| Investments | | | | | | 22,541 | 49,910 | 228,961 | |
| Receivables: | | | | | | | | | |
| Intergovernmental | | | | | 1,513 | 51,475 | | | |
| Other | | | | | 21,808 | 74,835 | | | |
| Due from other funds | | | 43,759 | 17,948 | 625,901 | | | | |
| Total assets | \$ 18,024 | \$ 21,905 | \$ 43,759 | \$ 17,948 | \$ 649,222 | \$ 192,146 | \$ 78,003 | \$ 258,961 | \$ 28,585 |
| <u>Liabilities</u> | | | | | | | | | |
| Accounts payable | \$ | \$ | \$ | \$ | \$ | \$ 75,198 | \$ | \$ | \$ |
| Due to other funds | | | | | | | | 31,705 | |
| Unearned revenue | | 10,594 | | | 35,252 | | | | |
| Advance to other funds | 58,900 | | | | | | | | |
| Total liabilities | 58,900 | 10,594 | - | - | 35,252 | 75,198 | - | 31,705 | - |
| <u>Fund Balances</u> | | | | | | | | | |
| Restricted | | 11,311 | 43,759 | 17,948 | | 116,948 | | 227,256 | |
| Committed | | | | | 613,970 | | 78,003 | | 28,585 |
| Unassigned | (40,876) | | | | | | | | |
| Total fund balances | (40,876) | 11,311 | 43,759 | 17,948 | 613,970 | 116,948 | 78,003 | 227,256 | 28,585 |
| Total liabilities and fund balances | \$ 18,024 | \$ 21,905 | \$ 43,759 | \$ 17,948 | \$ 649,222 | \$ 192,146 | \$ 78,003 | \$ 258,961 | \$ 28,585 |

(Continued)

Town of Bethel, Connecticut
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

| | Special Revenue Funds | | | | Debt Service Fund | Total |
|-------------------------------------|-----------------------|---------------------|------------------|-----------------------|-------------------|---------------------|
| | General Government | Paramedic Intercept | Transfer Station | Total Special Revenue | | |
| <u>Assets</u> | | | | | | |
| Cash | \$ 85,133 | \$ 128 | \$ 34,539 | \$ 289,702 | \$ 466,029 | \$ 755,731 |
| Investments | | | | 301,412 | 395,999 | 697,411 |
| Receivables: | | | | | | |
| Intergovernmental | | | | 52,988 | | 52,988 |
| Other | | 4,391 | | 101,034 | | 101,034 |
| Due from other funds | 8,412 | | | 696,020 | 71,129 | 767,149 |
| Total assets | <u>\$ 93,545</u> | <u>\$ 4,519</u> | <u>\$ 34,539</u> | <u>\$ 1,441,156</u> | <u>\$ 933,157</u> | <u>\$ 2,374,313</u> |
| <u>Liabilities</u> | | | | | | |
| Accounts payable | \$ | \$ | \$ 65 | \$ 75,263 | \$ | \$ 75,263 |
| Accrued payroll | | | 2,763 | 2,763 | | 2,763 |
| Due to other funds | | 192,000 | 748,661 | 972,366 | 59,898 | 1,032,264 |
| Unearned revenue | | | 19,070 | 64,916 | | 64,916 |
| Advance to other funds | | | | 58,900 | | 58,900 |
| Total liabilities | <u>-</u> | <u>192,000</u> | <u>770,559</u> | <u>1,174,208</u> | <u>59,898</u> | <u>1,234,106</u> |
| <u>Fund Balances</u> | | | | | | |
| Restricted | 8,412 | | | 425,634 | | 425,634 |
| Committed | 84,628 | | | 805,186 | | 805,186 |
| Assigned | 505 | | | 505 | 873,259 | 873,764 |
| Unassigned | | (187,481) | (736,020) | (964,377) | | (964,377) |
| Total fund balances | <u>93,545</u> | <u>(187,481)</u> | <u>(736,020)</u> | <u>266,948</u> | <u>873,259</u> | <u>1,140,207</u> |
| Total liabilities and fund balances | <u>\$ 93,545</u> | <u>\$ 4,519</u> | <u>\$ 34,539</u> | <u>\$ 1,441,156</u> | <u>\$ 933,157</u> | <u>\$ 2,374,313</u> |

(Concluded)

Town of Bethel, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

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 | \$ | \$ 158,378 | \$ 59,695 | \$ 32,387 | \$ 1,578,391 | \$ 354,838 | \$ 3,815 | \$ | \$ |
| Charges for services | 12,615 | | | 474 | 476,103 | 703,782 | | 81,055 | 6,610 |
| Use of money and property | | | | | | 75 | 247 | 183 | 39 |
| Contributions | | | | | | | 24,036 | | |
| Other | | | 85 | | | | | | |
| Total revenues | <u>12,615</u> | <u>158,378</u> | <u>59,780</u> | <u>32,861</u> | <u>2,054,494</u> | <u>1,058,695</u> | <u>28,098</u> | <u>81,238</u> | <u>6,649</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | 63,872 | | | | | | | 66,867 | |
| Public safety | | | | 24,948 | | | | | |
| Health and welfare | | 165,901 | 61,830 | | | | | | |
| Library | | | | | | | 10,696 | | |
| Education | | | | | 2,001,109 | 1,080,221 | | | |
| Total expenditures | <u>63,872</u> | <u>165,901</u> | <u>61,830</u> | <u>24,948</u> | <u>2,001,109</u> | <u>1,080,221</u> | <u>10,696</u> | <u>66,867</u> | <u>-</u> |
| Net change in fund balances | (51,257) | (7,523) | (2,050) | 7,913 | 53,385 | (21,526) | 17,402 | 14,371 | 6,649 |
| Fund balances, July 1, 2012 (as restated) | <u>10,381</u> | <u>18,834</u> | <u>45,809</u> | <u>10,035</u> | <u>560,585</u> | <u>138,474</u> | <u>60,601</u> | <u>212,885</u> | <u>21,936</u> |
| Fund balances, June 30, 2013 | <u>\$ (40,876)</u> | <u>\$ 11,311</u> | <u>\$ 43,759</u> | <u>\$ 17,948</u> | <u>\$ 613,970</u> | <u>\$ 116,948</u> | <u>\$ 78,003</u> | <u>\$ 227,256</u> | <u>\$ 28,585</u> |

(Continued)

Town of Bethel, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

| | Special Revenue Funds | | | | | | |
|---|-----------------------|------------------------|---------------------|------------------------|-----------------------------|-------------------------|---------------------|
| | General Government | Paramedic Intercept | Transfer Station | Miscellaneous Grant | Total Special Revenue | Debt Service Fund | Total |
| Revenues: | | | | | | | |
| Intergovernmental | \$ 4,000 | \$ | \$ | \$ 129,764 | \$ 2,321,268 | \$ | \$ 2,321,268 |
| Charges for services | 26,552 | 277,591 | 228,951 | | 1,813,733 | | 1,813,733 |
| Use of money and property | 27 | 135 | | | 706 | 722 | 1,428 |
| Contributions | 1,349 | | | | 25,385 | | 25,385 |
| Other | | | | | 85 | | 85 |
| Total revenues | <u>31,928</u> | <u>277,726</u> | <u>228,951</u> | <u>129,764</u> | <u>4,161,177</u> | <u>722</u> | <u>4,161,899</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 166,671 | | | | 297,410 | | 297,410 |
| Public safety | 12,691 | 371,806 | | | 409,445 | | 409,445 |
| Health and welfare | | | | | 227,731 | | 227,731 |
| Public works | | | 240,307 | 129,764 | 370,071 | | 370,071 |
| Library | | | | | 10,696 | | 10,696 |
| Education | | | | | 3,081,330 | | 3,081,330 |
| Debt service | | | | | - | 2,000 | 2,000 |
| Total expenditures | <u>179,362</u> | <u>371,806</u> | <u>240,307</u> | <u>129,764</u> | <u>4,396,683</u> | <u>2,000</u> | <u>4,398,683</u> |
| Excess (deficiency) of revenues over expenditures | <u>(147,434)</u> | <u>(94,080)</u> | <u>(11,356)</u> | <u>-</u> | <u>(235,506)</u> | <u>(1,278)</u> | <u>(236,784)</u> |
| Other financing sources (uses): | | | | | | | |
| Ban premium | | | | | - | 48,627 | 48,627 |
| Transfers in | | | | | - | 470,914 | 470,914 |
| Transfers out | | | | | - | (3,302) | (3,302) |
| Net other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>516,239</u> | <u>516,239</u> |
| Net change in fund balances | <u>(147,434)</u> | <u>(94,080)</u> | <u>(11,356)</u> | <u>-</u> | <u>(235,506)</u> | <u>514,961</u> | <u>279,455</u> |
| Fund balances, July 1, 2012 (as restated) | <u>240,979</u> | <u>(93,401)</u> | <u>(724,664)</u> | | <u>502,454</u> | <u>358,298</u> | <u>860,752</u> |
| Fund balances, June 30, 2013 | <u>\$ 93,545</u> | <u>\$ (187,481)</u> | <u>\$ (736,020)</u> | <u>\$ -</u> | <u>\$ 266,948</u> | <u>\$ 873,259</u> | <u>\$ 1,140,207</u> |

(Concluded)

Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

Town Retiree Medical

To account for medical and other benefits for Town retirees.

Board of Education Medical Self-Insurance

To account for self-insured pharmacy claims of the Board of Education.

Board of Education Retiree Medical

To account for medical and other benefits for Board of Education retirees.

Town of Bethel, Connecticut
Internal Service Funds
Combining Statement of Net Position
June 30, 2013

| | <u>Town</u> | <u>Board of Education</u> | | |
|----------------------|--------------------|-------------------------------|--------------------|---------------------|
| | Retiree Medical | Medical Self- Insurance | Retiree Medical | <u>Total</u> |
| <u>Assets</u> | | | | |
| Cash | \$ | \$ 655,363 | \$ | \$ 655,363 |
| Investments | 45,116 | | 156,501 | 201,617 |
| Due from other funds | <u>64,000</u> | <u>418,000</u> | <u>132,731</u> | <u>614,731</u> |
| Total assets | 109,116 | 1,073,363 | 289,232 | 1,471,711 |
| <u>Liability</u> | | | | |
| Current liability: | | | | |
| Claims payable | | <u>61,000</u> | | <u>61,000</u> |
| <u>Net Position</u> | | | | |
| Unrestricted | <u>\$ 109,116</u> | <u>\$ 1,012,363</u> | <u>\$ 289,232</u> | <u>\$ 1,410,711</u> |

Town of Bethel, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Year Ended June 30, 2013

| | <u>Town</u> | <u>Board of Education</u> | | <u>Total</u> |
|------------------------------|----------------------------|--|----------------------------|---------------------|
| | <u>Retiree Medical</u> | <u>Medical Self- Insurance</u> | <u>Retiree Medical</u> | |
| Operating revenues: | | | | |
| Charges for services | <u>\$ 109,265</u> | <u>\$ 1,295,846</u> | <u>\$ 137,593</u> | <u>\$ 1,542,704</u> |
| Operating expenses: | | | | |
| Claims | | 1,150,182 | | 1,150,182 |
| Administration | <u>150</u> | | <u>150</u> | <u>300</u> |
| Total operating expenses | <u>150</u> | <u>1,150,182</u> | <u>150</u> | <u>1,150,482</u> |
| Operating income (loss) | 109,115 | 145,664 | 137,443 | 392,222 |
| Nonoperating revenues: | | | | |
| Income from investments | <u>1</u> | <u>910</u> | <u>10</u> | <u>921</u> |
| Change in net position | 109,116 | 146,574 | 137,453 | 393,143 |
| Net position - July 1, 2012 | | <u>865,789</u> | <u>151,779</u> | <u>1,017,568</u> |
| Net position - June 30, 2013 | <u>\$ 109,116</u> | <u>\$ 1,012,363</u> | <u>\$ 289,232</u> | <u>\$ 1,410,711</u> |

Town of Bethel, Connecticut
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2013

| | <u>Town</u> | <u>Board of Education</u> | | <u>Total</u> |
|--|----------------------------|--|----------------------------|-------------------|
| | <u>Retiree Medical</u> | <u>Medical Self- Insurance</u> | <u>Retiree Medical</u> | |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 45,265 | \$ 1,052,867 | 156,641 | \$ 1,254,773 |
| Claims paid | | (1,137,182) | | (1,137,182) |
| Administration paid | (150) | | (150) | (300) |
| Net cash provided by (used in) operating activities | 45,115 | (84,315) | 156,491 | 117,291 |
| Cash flows from investing activities: | | | | |
| Income from investments | 1 | 910 | 10 | 921 |
| Net increase (decrease) in cash and cash equivalents | 45,116 | (83,405) | 156,501 | 118,212 |
| Cash and cash equivalents - July 1, 2012 | | 738,768 | | 738,768 |
| Cash and cash equivalents - June 30, 2013 | <u>\$ 45,116</u> | <u>\$ 655,363</u> | <u>\$ 156,501</u> | <u>\$ 856,980</u> |
| Reconciliation to statement of net position cash: | | | | |
| Cash and cash equivalents per above | \$ 45,116 | \$ 655,363 | \$ 156,501 | \$ 856,980 |
| Cash and cash equivalents reported as investments | (45,116) | | (156,501) | (201,617) |
| Statement of net position cash | <u>\$ -</u> | <u>\$ 655,363</u> | <u>\$ -</u> | <u>\$ 655,363</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 109,115 | \$ 145,664 | \$ 137,443 | \$ 392,222 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| (Increase) decrease in: | | | | |
| Due from other funds | (64,000) | (242,979) | 19,048 | (287,931) |
| Increase (decrease) in: | | | | |
| Claims payable | | 13,000 | | 13,000 |
| Net cash provided by (used in) operating activities | <u>\$ 45,115</u> | <u>\$ (84,315)</u> | <u>\$ 156,491</u> | <u>\$ 117,291</u> |

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.

Flex Benefit Account

To account for the Town employees' flex spending plan activity.

Fiduciary Funds (Continued)

Agency Funds (Continued)

Student Activities

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

Farmers Market

To account for cash receipts and disbursements related to the Town's Farmers Market.

Summer Concert Series

To account for cash receipts and disbursements related to the Town's Summer Concert Series.

Town of Bethel, Connecticut
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

Private-Purpose Trust Funds

| | <u>Hennessey Scholarship Fund</u> | <u>Menegay Scholarship Fund</u> | <u>Education Scholarships</u> | <u>Total</u> | <u>Agency Funds</u> |
|-----------------------------------|---|---|-----------------------------------|--------------|-------------------------|
| <u>Assets</u> | | | | | |
| Cash | \$ | \$ 7,826 | \$ 18,118 | \$ 25,944 | \$ 301,508 |
| Investments: | | | | | |
| Money market mutual funds | 7,078 | | 6,330 | 13,408 | |
| Certificates of deposit | | | | - | 618,147 |
| U.S. government agency securities | | 153,838 | | 153,838 | |
| Equity mutual funds | 106,693 | | 12,328 | 119,021 | |
| Total investments | 113,771 | 153,838 | 18,658 | 286,267 | 618,147 |
| Total assets | 113,771 | 161,664 | 36,776 | 312,211 | 919,655 |
| <u>Liability</u> | | | | | |
| Liability: | | | | | |
| Accounts payable | | | | - | 919,655 |
| <u>Net Position</u> | | | | | |
| Held in trust for Individuals | \$ 113,771 | \$ 161,664 | \$ 36,776 | \$ 312,211 | \$ - |

Town of Bethel, Connecticut

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2013

| | Private-Purpose Trust Funds | | | Total Private- Purpose Trust Funds |
|-------------------------------------|----------------------------------|--------------------------------|---------------------------|---|
| | Hennessey Scholarship Fund | Menegay Scholarship Fund | Education Scholarships | |
| Additions: | | | | |
| Contributions | \$ | \$ | \$ 33,952 | \$ 33,952 |
| Investment income (loss): | | | | |
| Change in fair value of investments | 2,386 | (18,345) | | (15,959) |
| Interest and dividends | 4,407 | 7,433 | 532 | 12,372 |
| Total investment income (loss) | 6,793 | (10,912) | 532 | (3,587) |
| Total additions | 6,793 | (10,912) | 34,484 | 30,365 |
| Deductions: | | | | |
| Administration | | 450 | | 450 |
| Scholarships awarded | 7,000 | 6,600 | 40,335 | 53,935 |
| Total deductions | 7,000 | 7,050 | 40,335 | 54,385 |
| Changes in net position | (207) | (17,962) | (5,851) | (24,020) |
| Net position - July 1, 2012 | 113,978 | 179,626 | 42,627 | 336,231 |
| Net position - June 30, 2013 | \$ 113,771 | \$ 161,664 | \$ 36,776 | \$ 312,211 |

Town of Bethel, Connecticut

Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2013

| | <u>Balance</u> <u>July 1, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2013</u> |
|-----------------------|---------------------------------------|---------------------|---------------------|--|
| <u>Assets</u> | | | | |
| Cash: | | | | |
| Performance bonds | \$ 239,098 | \$ | \$ | \$ 239,098 |
| Flex benefit account | 35,063 | 90,919 | 84,830 | 41,152 |
| Student activities | 35,981 | 1,146,038 | 1,167,709 | 14,310 |
| Farmers market | 2,624 | 6,345 | 6,407 | 2,562 |
| Summer concert series | 3,408 | 5,198 | 4,220 | 4,386 |
| | <u>316,174</u> | <u>1,248,500</u> | <u>1,263,166</u> | <u>301,508</u> |
| Total cash | | | | |
| Investments: | | | | |
| Student activities | 566,929 | 51,218 | | 618,147 |
| | <u>566,929</u> | <u>51,218</u> | | <u>618,147</u> |
| Total assets | <u>\$ 883,103</u> | <u>\$ 1,299,718</u> | <u>\$ 1,263,166</u> | <u>\$ 919,655</u> |
| <u>Liabilities</u> | | | | |
| Accounts payable: | | | | |
| Performance bonds | \$ 239,098 | \$ | \$ | \$ 239,098 |
| Flex benefit account | 35,063 | 90,919 | 84,830 | 41,152 |
| Student activities | 602,910 | 1,197,256 | 1,167,709 | 632,457 |
| Farmers market | 2,624 | 6,345 | 6,407 | 2,562 |
| Summer concert series | 3,408 | 5,198 | 4,220 | 4,386 |
| | <u>602,910</u> | <u>1,197,256</u> | <u>1,167,709</u> | <u>632,457</u> |
| Total liabilities | <u>\$ 883,103</u> | <u>\$ 1,299,718</u> | <u>\$ 1,263,166</u> | <u>\$ 919,655</u> |

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.

Town of Bethel, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

Fiscal Year Ended

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|-----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 71,324,881 | \$ 66,099,503 | \$ 62,587,262 | \$62,262,355 | \$59,884,103 | \$ 54,094,588 | \$45,591,122 | \$ 43,595,254 | \$ 40,757,470 | \$ 39,033,847 |
| Restricted | 425,634 | 508,577 | 436,201 | 317,082 | 318,189 | 324,547 | 289,876 | | | |
| Unrestricted | 6,091,879 | 6,395,674 | 7,403,714 | 8,134,261 | 7,173,920 | 7,815,474 | 8,918,434 | 8,042,615 | 10,297,570 | 4,388,938 |
| Total governmental activities net position | 77,842,394 | 73,003,754 | 70,427,177 | 70,713,698 | 67,376,212 | 62,234,609 | 54,799,432 | 51,637,869 | 51,055,040 | 43,422,785 |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | 14,447,322 | 12,734,877 | 11,234,208 | 9,572,027 | 8,535,419 | 5,441,473 | 7,309,321 | 9,825,127 | 11,256,476 | 9,814,918 |
| Restricted | 14,967,847 | 10,015,518 | 2,050,856 | 4,109,872 | 5,725,240 | 3,483,338 | 1,454,542 | (547,979) | (1,716,364) | (41,964) |
| Total business-type activities net position | 29,415,169 | 22,750,395 | 13,285,064 | 13,681,899 | 14,260,659 | 8,924,811 | 8,763,863 | 9,277,148 | 9,540,112 | 9,772,954 |
| Net position: | | | | | | | | | | |
| Net investment in capital assets | 85,772,203 | 78,834,380 | 73,821,470 | 71,834,382 | 68,419,522 | 59,536,061 | 52,900,443 | 53,420,381 | 52,013,946 | 48,848,765 |
| Restricted | 425,634 | 508,577 | 436,201 | 317,082 | 318,189 | 324,547 | 289,876 | | | |
| Unrestricted | 21,059,726 | 16,411,192 | 9,454,570 | 12,244,133 | 12,899,160 | 11,298,812 | 10,372,976 | 7,494,636 | 8,581,206 | 4,346,974 |
| Total net position | \$ 107,257,563 | \$ 95,754,149 | \$ 83,712,241 | \$84,395,597 | \$81,636,871 | \$ 71,159,420 | \$63,563,295 | \$ 60,915,017 | \$ 60,595,152 | \$ 53,195,739 |

Town of Bethel, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

Fiscal Year Ended

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 8,206,808 | \$ 6,954,640 | \$ 7,276,413 | \$ 6,668,996 | \$ 7,680,008 | \$ 6,091,815 | \$ 6,124,727 | \$ 5,841,298 | \$ 5,246,730 | \$ 5,136,551 |
| Public safety | 7,515,646 | 6,822,131 | 7,247,900 | 6,983,966 | 6,533,552 | 6,111,876 | 5,957,113 | 5,265,683 | 5,202,528 | 4,730,500 |
| Public works | 4,072,475 | 3,723,561 | 4,176,188 | 3,293,443 | 4,103,553 | 4,102,646 | 3,115,013 | 3,184,930 | 3,050,076 | 3,196,649 |
| Health and welfare | 690,970 | 719,383 | 741,410 | 454,253 | 517,223 | 595,196 | 496,248 | 542,406 | 455,022 | 619,691 |
| Library | 1,291,990 | 1,051,518 | 1,230,386 | 1,381,052 | 1,186,394 | 1,284,906 | 1,236,081 | 1,084,553 | 746,960 | 759,655 |
| Education | 49,034,840 | 47,049,269 | 46,861,635 | 46,830,139 | 45,093,618 | 50,778,375 | 41,184,490 | 39,069,230 | 36,355,664 | 34,278,200 |
| Interest expense | 1,052,143 | 3,764,865 | 3,472,100 | 460,098 | 1,216,231 | 1,119,908 | 1,364,944 | 1,803,685 | 1,298,658 | 931,248 |
| Total governmental activities expenses | 71,864,872 | 70,085,367 | 71,006,032 | 66,071,947 | 66,330,579 | 70,084,722 | 59,478,616 | 56,791,785 | 52,355,638 | 49,652,494 |
| Business-type activities: | | | | | | | | | | |
| Water department | 1,113,577 | 1,080,087 | 1,088,386 | 1,151,148 | 1,017,085 | 1,122,067 | 1,060,049 | 1,084,008 | 867,011 | 855,218 |
| Sewer department | 2,484,203 | 2,178,454 | 2,918,863 | 2,898,833 | 1,920,281 | 1,853,177 | 1,963,696 | 1,866,953 | 1,661,092 | 1,306,166 |
| Transfer station | | 257,925 | 305,901 | 329,680 | 304,203 | 294,459 | 299,113 | 296,208 | 309,080 | 271,742 |
| Total business-type activities expenses | 3,597,780 | 3,516,466 | 4,313,150 | 4,379,661 | 3,241,569 | 3,269,703 | 3,322,858 | 3,247,169 | 2,837,183 | 2,433,126 |
| Total expenses | 75,462,652 | 73,601,833 | 75,319,182 | 70,451,608 | 69,572,148 | 73,354,425 | 62,801,474 | 60,038,954 | 55,192,821 | 52,085,620 |
| Program revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 1,221,708 | 977,612 | 1,109,532 | 1,350,782 | 825,472 | 1,145,786 | 1,335,235 | 1,228,473 | 1,199,839 | 993,933 |
| Public safety | 310,417 | 388,236 | 341,581 | 339,020 | 55,064 | 23,751 | 18,424 | 24,242 | 28,544 | 289,154 |
| Public works | 94,660 | 84,433 | 83,735 | 80,371 | 78,266 | 75,495 | 71,801 | 50,582 | 58,361 | 49,275 |
| Health and welfare | 26,552 | | | | | 1,600 | 450 | | | |
| Library | 10,935 | 104,279 | 17,005 | 18,601 | 18,914 | 17,481 | 16,988 | 13,420 | 11,890 | 11,259 |
| Education | 1,179,885 | 1,166,319 | 1,018,060 | 723,140 | 1,045,203 | 1,014,033 | 1,030,072 | 1,063,221 | 862,492 | 961,774 |
| Operating grants and contributions | 14,975,434 | 15,556,835 | 14,672,705 | 14,593,517 | 15,215,831 | 20,481,329 | 11,236,538 | 11,325,570 | 10,950,422 | 9,512,221 |
| Capital grants and contributions | 2,501,838 | 453,076 | 1,424,570 | 2,060,657 | 4,415,067 | 5,005,491 | 1,118,600 | 287,931 | 301,597 | 326,898 |
| Total governmental activities program revenues | 20,321,429 | 18,730,790 | 18,667,188 | 19,166,088 | 21,653,817 | 27,764,966 | 14,828,108 | 13,993,439 | 13,413,145 | 12,144,514 |

(Continued)

Town of Bethel, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

Fiscal Year Ended

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water department | \$ 1,424,287 | \$ 1,132,078 | \$ 1,067,147 | \$ 831,091 | \$ 878,936 | \$ 664,775 | \$ 642,263 | \$ 686,610 | \$ 617,742 | \$ 639,238 |
| Sewer department | 8,071,645 | 11,293,146 | 2,593,550 | 2,379,195 | 7,290,414 | 1,797,548 | 1,631,729 | 1,679,952 | 1,602,454 | 2,319,593 |
| Transfer station | | 203,820 | 248,237 | 219,894 | 222,511 | 208,189 | 244,612 | 266,131 | 273,115 | 288,006 |
| Capital grants and contributions | | 350,000 | | 225,000 | | 500,000 | 5,898,152 | 50,000 | | 32,000 |
| Total business-type activities program revenues | 9,495,932 | 12,979,044 | 3,908,934 | 3,655,180 | 8,391,861 | 3,170,512 | 8,416,756 | 2,682,693 | 2,493,311 | 3,278,837 |
| Total program revenues | 29,817,361 | 31,709,834 | 22,576,122 | 22,821,268 | 30,045,678 | 30,935,478 | 23,244,864 | 16,676,132 | 15,906,456 | 15,423,351 |
| Net (expense)/revenue: | | | | | | | | | | |
| Governmental activities | (51,543,443) | (51,354,577) | (52,338,844) | (46,905,859) | (44,676,762) | (42,319,756) | (44,650,508) | (42,798,346) | (38,942,493) | (37,507,980) |
| Business-type activities | 5,898,152 | 9,462,578 | (404,216) | (724,481) | 5,150,292 | (99,191) | 5,093,898 | (564,476) | (343,872) | 845,711 |
| Total net (expense)/revenue | (45,645,291) | (41,891,999) | (52,743,060) | (47,630,340) | (39,526,470) | (42,418,947) | (39,556,610) | (43,362,822) | (39,286,365) | (36,662,269) |
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 56,416,340 | 54,167,028 | 51,494,235 | 49,449,036 | 48,919,291 | 48,311,972 | 44,931,511 | 42,501,489 | 40,354,781 | 38,510,789 |
| Grants and contributions not restricted to specific programs | 600,290 | 471,408 | 502,696 | 521,325 | 537,292 | 531,947 | 515,514 | 292,334 | 359,067 | 590,727 |
| Investment income | 34,199 | 97,574 | 50,058 | 217,919 | 311,866 | 824,942 | 915,522 | 731,049 | 423,481 | 279,453 |
| Miscellaneous | 96,543 | 59,284 | 5,334 | 55,065 | 49,916 | 86,072 | 81,632 | 76,413 | 355,690 | 70,159 |
| Total governmental activities | 57,147,372 | 54,795,294 | 52,052,323 | 50,243,345 | 49,818,365 | 49,754,933 | 46,444,179 | 43,601,285 | 41,493,019 | 39,451,128 |
| Business-type activities: | | | | | | | | | | |
| Investment income | 1,333 | 2,753 | 7,381 | 145,721 | 185,556 | 260,139 | 290,969 | 301,512 | 111,030 | 21,143 |
| Total general revenues | 57,148,705 | 54,798,047 | 52,059,704 | 50,389,066 | 50,003,921 | 50,015,072 | 46,735,148 | 43,902,797 | 41,604,049 | 39,472,271 |
| Change in net position: | | | | | | | | | | |
| Governmental activities | 5,603,929 | 3,440,717 | (286,521) | 3,337,486 | 5,141,603 | 7,435,177 | 1,793,671 | 802,939 | 2,550,526 | 1,943,148 |
| Business-type activities | 5,899,485 | 9,465,331 | (396,835) | (578,760) | 5,335,848 | 160,948 | 5,384,867 | (262,964) | (232,842) | 866,854 |
| Total change in net position | \$ 11,503,414 | \$ 12,906,048 | \$ (683,356) | \$ 2,758,726 | \$ 10,477,451 | \$ 7,596,125 | \$ 7,178,538 | \$ 539,975 | \$ 2,317,684 | \$ 2,810,002 |

Transfer station was reclassified to a special revenue fund in 2013.

(Concluded)

Town of Bethel, Connecticut
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis Accounting)
(Unaudited)

| | Fiscal Year Ended June 30 | | | | | | | | | |
|------------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| General fund: | | | | | | | | | | |
| Nonspendable | \$ 120,887 | \$ 61,987 | \$ 61,987 | \$ 61,987 | \$ 61,987 | \$ 61,987 | \$ 61,987 | \$ 61,987 | \$ 61,987 | \$ 61,987 |
| Assigned | | | 22,987 | 521,093 | 775,918 | 857,565 | 929,641 | 484,630 | 667,127 | 492,098 |
| Unassigned | 10,899,766 | 9,155,611 | 6,948,439 | 6,444,053 | 6,152,022 | 5,937,527 | 5,260,264 | 5,166,717 | 5,601,331 | 5,111,783 |
| Total general fund | <u>11,020,653</u> | <u>9,217,598</u> | <u>7,033,413</u> | <u>7,027,133</u> | <u>6,989,927</u> | <u>6,857,079</u> | <u>6,251,892</u> | <u>5,713,334</u> | <u>6,330,445</u> | <u>5,665,868</u> |
| All other governmental funds: | | | | | | | | | | |
| Restricted | 425,634 | 439,259 | 436,201 | 317,082 | 318,189 | 324,547 | 289,876 | | | |
| Committed | 1,569,461 | 2,415,753 | 2,248,642 | 2,506,295 | 1,430,166 | 1,052,354 | 833,119 | 2,405,897 | 1,611,703 | 1,923,734 |
| Assigned | 873,764 | 358,565 | 330,073 | 331,161 | 328,253 | 380,866 | 369,998 | | 1,149,393 | |
| Unassigned | <u>(6,072,328)</u> | <u>(3,762,486)</u> | <u>(790,310)</u> | <u>(766,063)</u> | <u>(1,374,202)</u> | <u>(22,265,016)</u> | <u>(6,454,855)</u> | | | |
| Total all other governmental funds | <u>(3,203,469)</u> | <u>(548,909)</u> | <u>2,224,606</u> | <u>2,388,475</u> | <u>702,406</u> | <u>(20,507,249)</u> | <u>(4,961,862)</u> | <u>2,405,897</u> | <u>2,761,096</u> | <u>1,923,734</u> |
| Grand total | <u>\$ 7,817,184</u> | <u>\$ 8,668,689</u> | <u>\$ 9,258,019</u> | <u>\$ 9,415,608</u> | <u>\$ 7,692,333</u> | <u>\$ (13,650,170)</u> | <u>\$ 1,290,030</u> | <u>\$ 8,119,231</u> | <u>\$ 9,091,541</u> | <u>\$ 7,589,602</u> |

Note: Only fiscal years 2010 through 2007 have been completely restated for GASB 54.

Town of Bethel, Connecticut

Changes in Fund Balances, Governmental Funds
Last Ten Years
(Unaudited)

Fiscal Year Ended June 30

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|------------------------|-----------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 56,319,319 | \$ 54,167,031 | \$ 51,376,303 | \$ 49,385,189 | \$ 48,953,127 | \$ 48,320,481 | \$ 44,990,513 | \$ 42,643,654 | \$ 40,092,643 | \$ 38,708,898 |
| Intergovernmental | 17,231,132 | 16,296,243 | 16,032,476 | 16,200,448 | 20,053,407 | 26,368,297 | 12,398,163 | 12,156,869 | 11,793,154 | 10,857,960 |
| Charges for services | 2,844,157 | 2,720,879 | 2,578,347 | 2,512,160 | 2,023,233 | 2,269,152 | 2,472,970 | 2,379,938 | 2,161,126 | 2,305,395 |
| Use of money and property | 34,199 | 97,574 | 50,058 | 217,919 | 311,866 | 824,942 | 915,522 | 667,669 | 423,481 | 275,193 |
| Contributions | 851,330 | 185,076 | 991,811 | 1,412,980 | 565,986 | 118,378 | 47,382 | 60,365 | 325,960 | 93,080 |
| Other | 96,543 | 59,284 | 5,334 | 55,065 | 49,916 | 86,072 | 81,632 | 76,413 | 355,690 | 70,159 |
| Total revenues | 77,376,680 | 73,526,087 | 71,034,329 | 69,783,761 | 71,957,535 | 77,987,322 | 60,906,182 | 57,984,908 | 55,152,054 | 52,310,685 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 12,565,034 | 11,715,550 | 11,500,135 | 10,444,489 | 11,560,072 | 10,415,596 | 9,337,771 | 8,766,054 | 7,941,533 | 7,745,704 |
| Public safety | 4,807,376 | 4,671,761 | 4,770,599 | 4,513,981 | 4,005,255 | 3,943,333 | 3,802,471 | 3,559,894 | 3,494,212 | 3,402,758 |
| Health and welfare | 529,725 | 589,847 | 612,197 | 295,336 | 387,124 | 490,179 | 363,468 | 402,645 | 387,286 | 357,181 |
| Public works | 3,158,904 | 2,687,277 | 2,899,695 | 2,968,461 | 2,849,994 | 3,027,474 | 2,276,788 | 2,481,584 | 2,200,568 | 2,531,345 |
| Library | 749,390 | 750,365 | 799,036 | 911,899 | 750,271 | 813,154 | 773,418 | 706,201 | 664,637 | 700,088 |
| Education | 47,327,959 | 45,753,923 | 44,500,691 | 44,268,094 | 43,057,343 | 48,945,929 | 38,654,025 | 37,211,772 | 35,227,328 | 33,007,184 |
| Debt service | 3,660,464 | 3,810,542 | 3,647,722 | 4,058,700 | 4,042,927 | 3,842,837 | 4,146,715 | 4,103,668 | 3,297,880 | 3,066,320 |
| Capital outlay | 4,776,533 | 4,030,050 | 2,741,843 | 1,169,528 | 6,722,046 | 21,449,020 | 8,380,727 | 1,788,770 | 7,993,009 | 2,833,939 |
| Total expenditures | 77,575,385 | 74,009,315 | 71,471,918 | 68,630,488 | 73,375,032 | 92,927,522 | 67,735,383 | 59,020,588 | 61,206,453 | 53,644,519 |
| Excess (deficiency) of revenues over expenditures | (198,705) | (483,228) | (437,589) | 1,153,273 | (1,417,497) | (14,940,200) | (6,829,201) | (1,035,680) | (6,054,399) | (1,333,834) |
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of debt | | | | 8,425,000 | 22,760,000 | | | | 6,563,500 | 2,851,500 |
| Payment to refunded bond escrow agent | | | | (9,343,492) | | | | | | |
| Bond/ban premium | 48,627 | 45,677 | | 1,045,057 | | | | 63,380 | 76,216 | |
| Capital lease | 23,237 | | 280,000 | 443,437 | | | | | 448,272 | |
| Transfers in | 1,129,946 | 402,000 | 488,000 | 595,166 | 1,646,500 | 453,000 | 1,947,762 | 1,062,520 | 610,500 | 1,123,920 |
| Transfers out | (1,129,946) | (553,779) | (488,000) | (595,166) | (1,646,500) | (453,000) | (1,947,762) | (1,062,520) | (610,500) | (1,123,920) |
| Net other financing sources (uses) | 71,864 | (106,102) | 280,000 | 570,002 | 22,760,000 | - | - | 63,380 | 7,087,988 | 2,851,500 |
| Net change in fund balances | \$ (126,841) | \$ (589,330) | \$ (157,589) | \$ 1,723,275 | \$ 21,342,503 | \$ (14,940,200) | \$ (6,829,201) | \$ (972,300) | \$ 1,033,589 | \$ 1,517,666 |
| Debt service as a percentage of noncapital expenditures | 5.15% | 5.15% | 5.31% | 6.10% | 6.06% | 5.38% | 6.99% | 7.17% | 6.20% | 6.03% |

Table 5

Town of Bethel, Connecticut
Property 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 |
|--------------------|---------------|-------------------------|----------------------------------|---------------------------------------|---------------------------------|-------------------|---------------------------|----------------------------|
| 2004 | 24.55 | \$ 37,768,058 | \$ 37,158,834 | 98.40% | \$ 606,082 | \$ 37,764,916 | 99.99% | \$ 3,142 |
| 2005 | 25.48 | 39,755,646 | 39,174,873 | 98.55% | 577,518 | 39,752,391 | 99.99% | 3,255 |
| 2006 | 26.48 | 42,083,634 | 41,607,383 | 98.88% | 472,929 | 42,080,312 | 99.99% | 3,322 |
| 2007 | 27.75 | 44,581,196 | 44,094,785 | 98.92% | 482,728 | 44,577,513 | 99.99% | 3,683 |
| 2008 | 28.15 | 47,942,582 | 47,368,484 | 98.81% | 570,192 | 47,938,676 | 99.99% | 3,906 |
| 2009 | 21.28 | 48,529,233 | 47,822,441 | 98.55% | 701,738 | 48,524,179 | 99.99% | 5,054 |
| 2010 | 21.64 | 49,090,160 | 48,405,405 | 98.62% | 676,210 | 49,081,615 | 99.98% | 8,545 |
| 2011 | 22.44 | 50,571,935 | 49,883,970 | 98.65% | 670,440 | 50,554,410 | 99.97% | 17,525 |
| 2012 | 23.24 | 52,657,934 | 52,046,713 | 98.85% | 444,820 | 52,491,533 | 99.68% | 166,401 |
| 2013 | 24.07 | 56,056,266 | 55,353,730 | 98.75% | - | 55,353,730 | 98.75% | 702,536 |

Source: Town audit reports.

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

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 |
| 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 |
| 2012 | 2,059,590,730 | 2,379,654,223 | 127,796,390 | 125,332,230 | 253,128,620 | 361,612,314 | 2,312,719,350 | 2,741,266,537 | 84.37% | 23.24 |
| 2013 | 2,073,201,900 | 2,259,620,599 | 136,341,490 | 130,963,400 | 267,304,890 | 381,864,129 | 2,340,506,790 | 2,641,484,728 | 88.61% | 24.07 |

(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 | 2013 | | | 2004 | | |
|--|-------------------------|-------------------------|------|---------------------------------------|-------------------------|------|---------------------------------------|
| | | 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 | \$ 75,520,950 | 1 | 3.23% | N/A | N/A | N/A |
| Gillette (Duracel) Inc | Batteries | 58,892,210 | 2 | 2.52% | N/A | N/A | N/A |
| Steiner Inc. (and related companies) | Real Estate - Developer | 24,612,600 | 3 | 1.05% | N/A | N/A | N/A |
| Bethel Associates, Inc. | Healthcare | 14,262,390 | 4 | 0.61% | N/A | N/A | N/A |
| Target | Retail | 11,801,800 | 5 | 0.50% | N/A | N/A | N/A |
| CE Bethel, LLC | Real Estate - Hotel | 11,530,660 | 6 | 0.49% | N/A | N/A | N/A |
| Toll CT II Limited Partnership | Residential | 11,074,410 | 7 | 0.47% | N/A | N/A | N/A |
| BFM Limited Partnership | Shopping Plaza | 6,651,010 | 8 | 0.28% | N/A | N/A | N/A |
| Shepards, Inc. | Warehousing | 6,506,100 | 9 | 0.28% | N/A | N/A | N/A |
| E W Batista Family Limited Partnership | Retail | 6,495,160 | 10 | 0.28% | N/A | N/A | N/A |
| Total | | <u>\$ 227,347,290</u> | | <u>9.71%</u> | <u>\$ -</u> | | <u>N/A</u> |
| Based on October 1, 2011 and 2012 net taxable grand list of : | | <u>\$ 2,340,506,790</u> | | | <u>\$ 1,537,816,750</u> | | |

Source: town assessor department.

N/A - information not available.

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 | Bond Premium | Capital Lease Payable | Total | Sewer Bonds | Bond Premium | Clean Water Note Payable | Total | | | |
| 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 | 190,304 | 812,604 | 26,822,908 | 5,740,000 | | 3,464,076 | 9,204,076 | 36,026,984 | 0.19% | 1,920 |
| 2007 | 23,110,000 | 179,124 | 620,115 | 23,909,239 | 5,530,000 | | 2,962,672 | 8,492,672 | 32,401,911 | 0.21% | 1,739 |
| 2008 | 20,400,000 | 167,945 | 417,271 | 20,985,216 | 5,145,000 | | 2,461,269 | 7,606,269 | 28,591,485 | 0.24% | 1,544 |
| 2009 | 17,700,000 | 156,765 | 203,511 | 18,060,276 | 4,850,000 | | 1,959,865 | 6,809,865 | 24,870,141 | 0.28% | 1,349 |
| 2010 | 37,405,000 | 1,084,498 | 548,097 | 39,037,595 | 19,990,000 | 72,105 | 1,479,898 | 21,542,003 | 60,579,598 | 0.11% | 3,269 |
| 2011 | 34,985,000 | 994,780 | 617,203 | 36,596,983 | 19,065,000 | 65,550 | 999,931 | 20,130,481 | 56,727,464 | 0.17% | 3,050 |
| 2012 | 32,565,000 | 905,063 | 231,404 | 33,701,467 | 18,170,000 | 58,995 | 519,964 | 18,748,959 | 52,450,426 | 0.13% | 2,822 |
| 2013 | 30,175,000 | 815,345 | 134,208 | 31,124,553 | 17,240,000 | 52,440 | 39,997 | 17,332,437 | 48,456,990 | 0.15% | 2,620 |

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

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 | Premium | Capital Lease Payable | Total | | |
| 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 | 190,304 | 812,604 | 26,822,908 | 0.87% | 1,430 |
| 2007 | 23,110,000 | 179,124 | 620,115 | 23,909,239 | 0.73% | 1,283 |
| 2008 | 20,400,000 | 167,945 | 417,271 | 20,985,216 | 0.63% | 1,133 |
| 2009 | 17,700,000 | 156,765 | 203,511 | 18,060,276 | 0.55% | 980 |
| 2010 | 37,405,000 | 1,084,498 | 548,097 | 39,037,595 | 1.33% | 2,106 |
| 2011 | 34,985,000 | 994,780 | 617,203 | 36,596,983 | 1.32% | 1,968 |
| 2012 | 32,565,000 | 905,063 | 231,404 | 33,701,467 | 1.23% | 1,813 |
| 2013 | 30,175,000 | 815,345 | 134,208 | 31,124,553 | 1.18% | 1,683 |

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

Town of Bethel, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
June 30, 2013
(Unaudited)

| | | | | | |
|--|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Tax base: | | | | | |
| Total tax collections (including interest and lien fees) | | | | | <u>\$ 56,217,921</u> |
| | <u>General Purpose</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Deficit</u> |
| Debt limitation: | | | | | |
| 2 1/4 times base | \$ 126,490,322 | \$ 252,980,645 | \$ | \$ | \$ |
| 4 1/2 times base | | | | | |
| 3 3/4 times base | | | 210,817,204 | | |
| 3 1/4 times base | | | | 182,708,243 | |
| 3 times base | | | | | 168,653,763 |
| Total limitations | <u>126,490,322</u> | <u>252,980,645</u> | <u>210,817,204</u> | <u>182,708,243</u> | <u>168,653,763</u> |
| Indebtedness: | | | | | |
| Bonds | 5,591,000 | 24,584,000 | | | |
| Bond anticipation notes | <u>5,837,730</u> | <u>600,000</u> | | | |
| Total indebtedness | <u>11,428,730</u> | <u>25,184,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt limitation in excess of outstanding debt | <u>\$ 115,061,592</u> | <u>\$ 227,796,645</u> | <u>\$ 210,817,204</u> | <u>\$ 182,708,243</u> | <u>\$ 168,653,763</u> |
| The total net indebtedness above amounts to: | | | | | <u>\$ 36,612,730</u> |
| In no event shall total indebtedness exceed seven time the base for debt limitation computation: | | | | | <u>\$ 393,525,447</u> |

There is no overlapping debt for the Town of Bethel.

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 |
|--------------------------|----------------|------------------------------------|-------------------------|---------------------------------|
| 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 | 313,460,455 | 30,363,791 | 283,096,664 | 9.69% |
| 2008 | 337,609,930 | 42,039,808 | 295,570,122 | 12.45% |
| 2009 | 340,582,067 | 41,686,187 | 298,895,880 | 12.24% |
| 2010 | 346,600,331 | 39,081,458 | 307,518,873 | 11.28% |
| 2011 | 354,962,006 | 39,616,082 | 315,345,924 | 11.16% |
| 2012 | 371,558,299 | 37,878,771 | 333,679,528 | 10.19% |
| 2013 | 393,525,447 | 36,612,730 | 356,912,717 | 9.30% |

Source: Town audit reports.

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 | | |
| 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% |
| 2012 | 18,584 | 66,402 | 32,984 | 37 | 88.9% | 36.8% | 2,996 | 6.7% |
| 2013 | 18,493 | 72,236 | 34,500 | 41 | 88.9% | 41.0% | 2,996 | 6.5% |

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

(2) Per capita income 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.

Town of Bethel, Connecticut
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

| Employer | 2013 | | | 2004 | | |
|---------------------------|--------------|------|-------------------------------------|-----------|------|-------------------------------------|
| | Employees | Rank | Percentage Of Total Town Employment | Employees | Rank | Percentage Of Total City Employment |
| Ability beyond disability | 950 | 1 | 9.49% | N/A | N/A | N/A |
| Bethel health care | 384 | 2 | 3.84% | N/A | N/A | N/A |
| P&G Gillett | 310 | 3 | 3.10% | N/A | N/A | N/A |
| Target | 250 | 4 | 2.50% | N/A | N/A | N/A |
| Big Y | 167 | 5 | 1.67% | N/A | N/A | N/A |
| Bethel Food | 160 | 6 | 1.60% | N/A | N/A | N/A |
| Cannondale Corp | 154 | 7 | 1.54% | N/A | N/A | N/A |
| Memry Corp | 152 | 8 | 1.52% | N/A | N/A | N/A |
| Eaton Corporation | 140 | 9 | 1.40% | N/A | N/A | N/A |
| Total | 2,667 | | 26.66% | | | |

Source: State Department of Labor

N/A - information not readily available

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 | | | | | | | | | |
|--------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| General government: | | | | | | | | | | |
| Finance | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 4.5 | 4.5 | 4.5 | 4.5 | 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 departmer | 6.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Other | 11.0 | 10.5 | 10.5 | 10.0 | 9.5 | 9.5 | 9.5 | 8.0 | 8.0 | 8.0 |
| Public safety: | | | | | | | | | | |
| Building and inspection | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Fire Marshall | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| Fire: | | | | | | | | | | |
| Firefighters (volunteer) | 113.0 | 110.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Police: | | | | | | | | | | |
| Uniformed employees | 40.0 | 40.0 | 38.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 |
| Others | 12.0 | 9.0 | 11.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 13.0 | 13.0 |
| Public works: | | | | | | | | | | |
| Engineering | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.0 | 2.0 |
| Highway department | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 16.0 | 16.0 | 16.0 |
| Building maintenance | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Health and welfare | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| Library | 12.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 6.0 |
| Education | 346.0 | 344.0 | 345.0 | 437.0 | 441.0 | 444.0 | 432.0 | 435.0 | 445.0 | 445.0 |
| Water | 4.5 | 4.5 | 4.5 | 4.5 | 3.5 | 3.5 | 4.5 | 5.0 | 5.0 | 5.0 |
| Sewer | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 2.5 | 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 |
| Total | <u>591.0</u> | <u>579.5</u> | <u>570.5</u> | <u>661.0</u> | <u>663.5</u> | <u>666.0</u> | <u>652.5</u> | <u>655.0</u> | <u>665.5</u> | <u>664.0</u> |

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

Town of Bethel, Connecticut
Operating Indicators by Function/Program
Last Ten Years
(Unaudited)

| Function/Program | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| <u>Government Activities</u> | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Parks and recreation: | | | | | | | | | | |
| Programs | 335 | 333 | 333 | 323 | 248 | 254 | 254 | 254 | 254 | 254 |
| Public safety: | | | | | | | | | | |
| Building permits issued | 881 | 872 | 750 | 729 | 699 | 1,316 | 1,340 | N/A | 1,707 | 916 |
| Library: | | | | | | | | | | |
| Volumes and audio visual materials in collection | 118,696 | 118,356 | 120,939 | 118,847 | 95,000 | 95,000 | 95,000 | 95,000 | 95,000 | 95,000 |
| Education: | | | | | | | | | | |
| Enrollment: | | | | | | | | | | |
| Grades Pre-K-5 | 1,332 | 1,332 | 1,329 | 1,296 | 1,359 | 1,365 | 1,406 | 1,392 | 1,453 | 1,474 |
| Grades 6-8 | 684 | 693 | 693 | 684 | 706 | 743 | 761 | 804 | 801 | 820 |
| Grades 9-12 | 959 | 949 | 949 | 959 | 1,010 | 1,034 | 1,063 | 1,026 | 1,005 | 960 |
| Special education | 21 | 21 | 29 | 25 | 29 | 29 | 31 | 32 | 32 | 27 |
| <u>Business-Type Activities</u> | | | | | | | | | | |
| Water: | | | | | | | | | | |
| Customers served | 3,426 | 3,397 | 3,369 | 3,309 | 3,264 | 3,239 | 3,222 | 3,195 | 3,113 | 3,113 |
| Sewer: | | | | | | | | | | |
| Customers served | 4,054 | 4,008 | 3,933 | 3,842 | 3,787 | 3,634 | 3,599 | 3,386 | 3,250 | 3,250 |

Source: Various Town departments.

N/A - information not available.

Town of Bethel, Connecticut
Capital Asset Statistics By Function/Program
Last Ten Years
(Unaudited)

| <u>Function/Program</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Governmental Activities</u> | | | | | | | | | | |
| 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 | 1 | | | 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 |
| Public works: | | | | | | | | | | |
| Highway department; | | | | | | | | | | |
| Streets (miles) | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 87 | 87 |
| 1 | | | | | | | | | | |
| Library | 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 |
| <u>Business-Type Activities</u> | | | | | | | | | | |
| Water: | | | | | | | | | | |
| Treatment plants | 3 | 3 | 3 | 3 | 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 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Pump stations | 4 | 4 | 4 | 4 | 8 | 8 | 8 | 8 | 8 | 8 |
| Hydrants | 274 | 274 | 254 | 254 | 254 | 254 | 242 | 242 | 242 | 242 |
| Wells | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sewer: | | | | | | | | | | |
| Pump stations | 9 | 9 | 9 | 9 | 6 | 6 | 6 | 6 | 6 | 6 |
| Miles of sewers | 58 | 58 | 58 | 58 | 43 | 43 | 33 | 32 | 32 | 32 |

Source: Town capital asset records and various Town departments.